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February 14, 2017

VIA HAND DELIVERY AND EMAIL

Hon. London Breed
San Francisco Board of Supervisors
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Board File No. 170024
Planning Department Case No. 2015-018056APL
Appeal of CEQA Determination for 1296 Shotwell Street Project (the "Appeal")

Dear President Breed and Supervisors:

Our office represents 2675 Folsom Owner, LLC. We write in support of the 1296 Shotwell Street project, which proposes needed affordable senior housing.

The issues presented in this Appeal are similar to those presented in the 2675 Folsom Street project CEQA appeal (Board File No. 161146), including that the two projects' CEQA determinations both rely on the Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report ("Eastern Neighborhoods PEIR").

For your consideration in this Appeal, please find arguments and purported evidence from Board File No. 161146 attached. We believe that the bases of both appeals are invalid, and we support the Planning Department's determinations.

We encourage you to affirm the Planning Department's CEQA determination, deny the Appeal, and allow the 1296 Shotwell Street project to move forward.

Very truly yours,

ZACKS, FREEDMAN & PATTERSON, PC

Ryan J. Patterson

Encl.

Note: the referenced enclosure is on file with the Clerk of the Board in File No. 161146

RE: 1296 Shotwell Street Project
100% Affordable Housing Bonus Project Application
No. 2015-018056AHB
Board of Supervisors Hearing Date: February 14, 2017

RECEIVED IN BOARD
2/14/2017 @ 3:05 pm
CA

Appellant Inner Mission Neighbors Association.

President Breed and Supervisors:

Our lawyer, Rose Zoia, cannot be here today due to a family emergency. I will be reading her presentation. Should you have any questions, I have her cell phone number and she said she would make her best efforts to respond immediately.

First, let me make it clear once again that the Association is ***not*** opposed to low-income senior housing on this site.

It is opposed to exempting the project from review under CEQA. The issue is the lack of environmental review for the proposed nine-story building on this site.

The Planning Commission relied on a CEQA exemption that essentially says certain infill projects can forego CEQA review by relying on a prior EIR as the document which analyzed the impacts of the current infill project.

However, the prior EIR relied on here is an out-dated Program EIR prepared nine (9) years ago for the Eastern Neighborhoods Rezoning and Area Plan (EN Plan).

As shown below and elsewhere in these proceedings, much of the data used in the PEIR is out-of-date and has been superceded by events transpiring in the last nine (9) years.

Thus, this project should receive its own review under CEQA in the form of a project-level EIR.

The Project

As you've heard, the proposed project is a 9-story, 69,500 gross square feet residential building with about 94 dwelling units fronting on Shotwell Street and no off-street parking.

The site is surrounded by a 4-story residential building across Shotwell Street – the tallest nearby building with the rest being one and two-story buildings.

The Law

The Planning Commission found the project exempt from CEQA review based on Public Resources Code section 21094.5 and its implementing regulation, CEQA Guidelines section 15183.3. This is what is known as a categorical exemption.

This means that if the project falls within the category, here the category is certain infill projects, it is exempt UNLESS it may have significant environmental impacts. Environmental impacts is very inclusionary, that is, many impacts are environmental impacts including transportation and circulation impacts – including parking –, aesthetics, land use, and cumulative impacts.

If a project may create impacts, it cannot be held exempt but must undergo CEQA review.

In this case, the project is not exempt if:

1. a project impact *was not addressed as a significant effect* in the prior EIR or when the project *will create a significant effect and there are no uniformly applicable development policies or standards that apply to the infill project and would substantially mitigate that effect.*

2. a project impact *was addressed as a significant effect in the prior EIR and substantial new information shows it will be more significant* than described in the prior EIR.

The Exemption Does Not Apply Here

The most critical fact is that the Program EIR is old – it was prepared 9 years ago for the EN Plan. The Program EIR's analyses can no longer be relied upon to support this project with respect to impacts in the areas of, among others, cumulative, transportation and circulation, socioeconomic impacts resulting in physical impacts, aesthetics, land use, and mandatory findings of significance.

The Project May Create Cumulative Impacts

The Program EIR made projections for housing which have been exceeded when cumulative impacts are considered, i.e., "past, present, and reasonably foreseeable probable future projects."

Also, significant new developments in the Eastern Neighborhoods that were not anticipated at the time the Program EIR was prepared include the UCSF Hospital buildout, Pier 70 buildout, 5M project, Mission Bay buildout, Warriors Stadium, and the Armory's new "Madison Square Garden of the West" entertainment space.

Similarly, the proposed project will eradicate another 11,000 square feet plus of PDR use and includes no replacement PDR space. Yet, the Program EIR project description specifically states the purpose of the EN Plan was "[t]o encourage new housing while preserving sufficient lands for necessary production distribution and repair (PDR) (generally, light industrial) businesses and activities, ..."

The EN Plan "is intended to permit housing development in some areas currently zoned for industrial use *while protecting an adequate supply of land and buildings for PDR* employment and businesses." (P. S-2)

This project may contribute to these cumulative impacts in significant way not analyzed in the Program EIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines, relied on in the staff report, does not address this impact.

Transportation and Circulation

There are also substantial traffic and transportation impacts not foreseen in the Program EIR.

The Program EIR did not analyze the impacts of a nine-story residential building with no parking other than on-street.

On the other hand, the Program EIR promised that

> Under the existing Planning Code provisions, most new residential *developments would be required to provide a minimum of one parking space per unit.*

The Program EIR claims that parking deficits are not an impact on the physical environment under CEQA but this is over-simplistic. CEQA *does* require analysis of any environmental impacts foreseeably resulting from a project's parking deficit such as congestion and safety hazards. The case law is cited in Ms. Zoia's letter dated February 13, 2017.

The Program EIR did presume some increase in traffic, but events since then require updated analysis. For example, the 2015 Congestion Management Program recognized evening commute speed in San Francisco decreased 21% from 2013-2015. Also, the INRIX 2015 Traffic Scorecard ranked San Francisco's commute the 3rd worst in the country. The CMP pages and link to the INRIX document are included with Ms. Zoia's letter.

This project may contribute to transportation and transit impacts in significant way not analyzed in the Program EIR. There are no performance standards that can apply to reduce this impact to less than significant.

Socioeconomic Impacts Resulting in Physical Impacts

The Program EIR did not anticipate nor analyze the high concentration of low income housing in the Mission. Again, this is not about opposing low income housing, it is about overall impacts on the Mission.

The Program EIR did not analyze or consider the potential physical impacts on the environment from the over concentration of low income housing in a particular neighborhood from increased vagrancy, blight and vandalism. Just within two blocks, we have about 329 units including Bernal Dwelling, the Gaewhiler property, and 1515 South Van Ness.

CEQA provides that economic or social effects of a project may be used to determine the significance of physical changes caused by the project. If the socioeconomic effects of a project result in physical changes, that is an impact on the environment. Thus, a socioeconomic study was required by this Board for the 1515 South Van Ness project. But there has been no evaluation of the socioeconomic impacts of this project.

Several reputable studies have analyzed the impacts of an over-concentration of low-income housing on communities, with the finding that mixed-income, mixed-finance developments spur benefits to the community. Those studies are attached to Ms. Zoia's letter.

In sum, the Program EIR's projections for housing, including this project and those in the pipeline, have been exceeded. This project may contribute to these impacts in significant way not analyzed in the Program EIR.

Aesthetics

The Program EIR stated that the visual character or quality of the area would not be substantially degraded.

It did not analyze the visual impacts of this monolithic building more than double the size of the next highest four-story building, and four to eight times higher than the majority of the one- and two-story surrounding buildings.

Land Use

Land use impacts occur when a project is inconsistent with the general plan or zoning. The proposed 90-foot tall building greatly exceeds the allowable height of 65-feet and, thus, the project is inconsistent with zoning.

The project exceeds the height and density analyzed under the Program EIR and the impacts of a nine-story building, without parking, were not analyzed under that EIR.

The project is within the recently established Latino Cultural District and may not be consistent with the Latino Cultural District. The point is that this issue was not addressed in the old Program EIR.

The District is characterized by low-rising buildings, and this nine-story building will tower above the existing development and be out-of-character with the existing neighborhood. Its height and architectural design conflicts with the Latino Cultural District historical buildings on Shotwell Street, which is composed of two and three story Victorian and Edwardian style homes and apartment buildings. This impact needs current analysis.

Mandatory Findings of Significance

CEQA requires the preparation of an EIR where there is substantial evidence in light of the whole record that the project has the potential to *substantially degrade the quality of the environment, has the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals, has possible environmental effects that are individually limited but cumulatively considerable, and/or the environmental effects of a project will cause substantial adverse effects on human beings*, either directly or indirectly.

The out-dated Program EIR cannot be relied on to conclude this project will not have any of these impacts. If this project has the "potential" to do any of these things, an EIR is required. That is how mandatory findings of significance work - if they exist, an EIR is required.

Requested Action

It appears the City is engaging in a pattern and practice of approving residential projects in the Mission that improperly tiers off of an out-of-date Program EIR instead of conducting updated project level environmental review.

An exemption is clearly not proper for this project and review must be based on updated information including a project EIR.

The Association asks this Board to deny the exemption, and the project, and require an EIR on a project-level, including a socioeconomic analysis.

Thank you, and Ms. Zoia apologizes for not being able to be here today.

Carroll, John (BOS)

From: Lyn Werbach <lyn.werbach@gmail.com>
Sent: Tuesday, February 14, 2017 1:05 PM
To: Board of Supervisors, (BOS)
Subject: From a Concerned Citizen Regarding 1296 Shotwell St
Attachments: Board of Supervisors Letter Form.pdf

Categories: 170024

February 14, 2017

San Francisco Board of Supervisors

1 Dr Carlton Goodlet Pl, #244

San Francisco, CA 94102

Board of Supervisors: board.of.supervisors@sfgov.org

Re: 1296 Shotwell St

Dear Supervisors:

I am writing today to voice my concerns to the proposed project at 1296 Shotwell St.

There are many problems with this development:

1 – The height of this building is completely out of character with the neighborhood, about twice as high as any building within a radius of many city blocks. The building is more in character with the industrial end of Mission closer to SOMA, than the residential end where it is proposed.

2 – The building has no parking. No building should be built in the Mission without adequate parking.

3 – Approval of this building would mean that the city is applying inconsistent requirements to various developments in the Mission solely based on the recommendations of one neighborhood group.

Recent Market rate developments in the Mission have been *blocked* by Calle 24 for review. This development should be required to go through the same review process as the other developments that are being opposed by Calle 24.

4 – Calle 24 represents only one voice in the Mission. They do not represent the majority. Please require a review of this building. Please allow more voices to be heard about the future of our neighborhood, and apply consistent standards to all new developments.

A great compromise would be to approve all of the currently pending and blocked developments together, comprising a mix of at market and below market housing.

The Mission needs housing, both market rate housing, which will take pressure off of the rental market in the Mission, and below market housing. Approving this building and not the others sends a message to developers that the Mission is not a business friendly environment, and we desperately need more businesses, and more development in our neighborhood.

Thank you for your consideration.

Sincerely,

Lyn Werbach

2451 Folsom Street

San Francisco, CA 94110

February 14, 2017

San Francisco Board of Supervisors
1 Dr Carlton Goodlet Pl, #244
San Francisco, CA 94102
Board of Supervisors: board.of.supervisors@sfgov.org

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Thank you for your consideration.

Sincerely,

Lyn Werbach
2451 Folsom Street
San Francisco, CA 94110

Carroll, John (BOS)

From: Charlene Nevill <charlene@breathinginthemoon.com>
Sent: Tuesday, February 14, 2017 1:13 PM
To: Board of Supervisors, (BOS)
Subject: 1296 Shotwell Street

Categories: 170024

Dear Supervisor:

I am writing to voice my concerns about the proposed project at 1296 Shotwell St.

I recognize that the Mission is in need of more affordable housing, but I am also concerned about the environmental impact of a nine-story building with no off street parking. I hope you will consider my concerns and uphold our appeal.

Sincerely,

Charlene Nevill
717 Capp Street
San Francisco, CA 94110

Carroll, John (BOS)

From: Jim Kelly <jk94110@gmail.com>
Sent: Tuesday, February 14, 2017 8:17 AM
To: Board of Supervisors, (BOS)
Subject: 1269 Shotwell

Categories: 170024

Dear Supervisors,

I am writing in strong opposition to this project for two primary reasons.

And before I make these two points, I will tell you that I am a 20+ year Mission resident living on Bartlett St. between 24th and 25th. Given where I live I will not be as directly impacted by this development as others but it is part of my community and it is wrong.

First, as an urban planner will tell you, building a large single type of residency building does not work. This has been tried many times. Shall we bring back era of the large projects? The policy that developers are allowed to build expensive apartments for the wealthy in one location and the old and poor are shuffled off to somewhere else is wrong. We need to come together as a single community. The extra housing that these deals provide is just not worth it. This separation reinforces divisions and causes ongoing problems.

And second, the parking. The development as planned will provide no off street parking. So will residents be prohibited from parking in the neighborhood? How? Not allowing them to have parking permits? And cross checking names and addresses with the DMV to ensure that no one owns a car? Even if you were to require both of these things what about guests? Allowing this go to forward would be a huge burden on the existing community. A car free society is a nice utopian vision but we are not nearly there and the change needs to be more incremental and thoughtful than allowing large buildings with no parking at this time.

I appreciate your attention and consideration.

Sincerely,

James Kelly

Carroll, John (BOS)

From: Anne Burke <nburke.art@gmail.com>
Sent: Tuesday, February 14, 2017 12:56 PM
To: Board of Supervisors, (BOS)
Subject: 1296 Shotwell Street appeal
Attachments: Shotwell appealbest numbers copy 2.pdf; Mission+Demographic+Profile (1).pdf

Categories: 170024

Please see my letter and supporting documentation.

To: San Francisco Board of Supervisors 2/14/2017

I am writing in support of the appeal against 1296 Shotwell Street. Many neighbors living close to the proposed project have attended meetings and voiced numerous concerns. We feel that we are not being heard. Those of us who actually live "adjacent" to the proposed structure will be the ones who will experience the negative environmental impacts we fear.

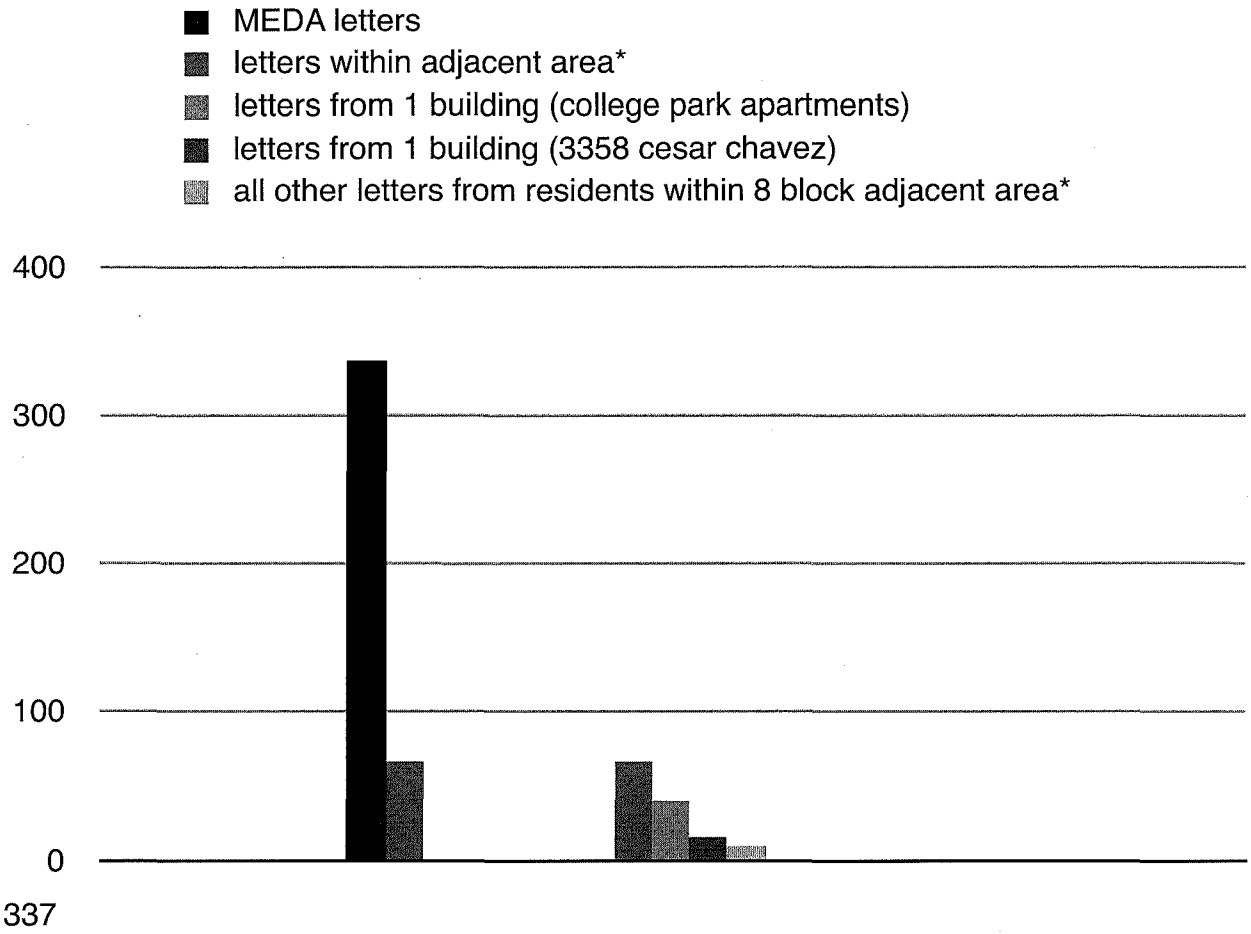
Contrary to MEDA's claim that there is substantial support for this project from "adjacent" neighbors, there is very little support. An analysis of the 337 residents' form letters and the 25 business form letters submitted by MEDA show that 81% are not adjacent to the project. The form letters submitted by MEDA are false and misleading.

After establishing an approximate 2 block area around the property in all directions only 66 out of 337 residential form letters and 5 out of 25 business form letters are in the area. Out of the 66 residential letters 40 are from 1 apartment complex (College park apartments managed by MAG). Another 16 residential letters are from a second apartment complex (3358 Cesar Chavez). That leaves only 10 outside these 2 buildings that signed support letters within an 8 square block area. Out of the business form letters only 5 fall within the area, 20 are outside.

Even more disturbing are the form letters from residents who claim to be adjacent to 1296 Shotwell who live in another city. in addition there are numerous letters from San Francisco residents who are not in the same zip code as 1296 Shotwell.

These include signed form letters from San Jose, Oakland, Brisbane, and Daly City as well as numerous San Francisco residents from the Sunset, Tenderloin, Potrero hill and South of Market all claiming to be "adjacent" to 1296 Shotwell.

In addition 31 of the submitted form letters list no identifiable address. See the breakdown as follows:



*Adjacent area defined as: east of Capp Street - west of Treat Street. 25th street to the north and Precita street to the south. (Precita street west of Harrison and east of Emmet Ct.)

Many of the neighbors also have concerns about introducing more high density low income housing into an already stressed area. The 2 block area has 160 units of low income housing (Bernal dwellings).

Attached is a study (Mission District Demographic Profile) that describes the difficult socio economic conditions around the Bernal dwelling projects.

Sincerely,

Anne Burke

Mission District Demographic Profile

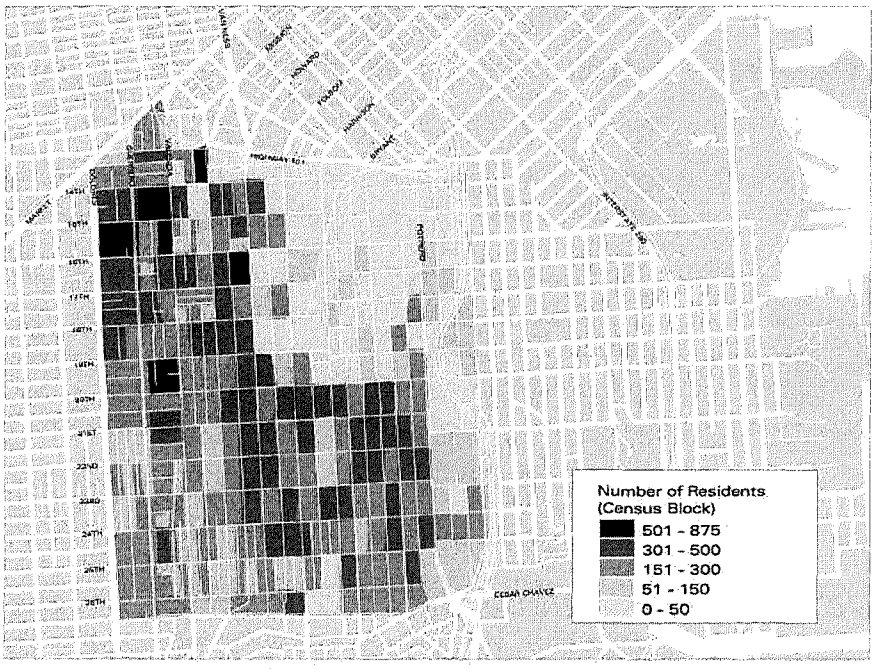
for the Mission Anti-Displacement Coalition

Draft – January 2006

AsianNeighborhood**Design**

Population. The Mission District had 60,202 people in the 2000 Census, or about 7.8% of the City's population. This represents an increase in the neighborhood of 3,186 people since 1990. The current population results in a density of about 30,000 people per square mile, twice the City's average density of about 15,000 people per square mile. This density is even higher in the southeast portion of the Mission.

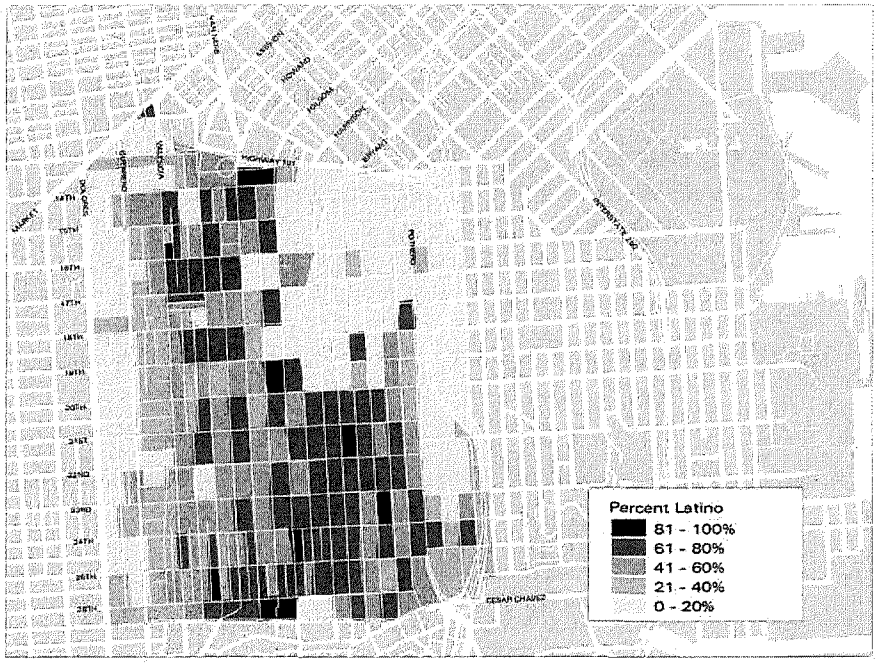
POPULATION DENSITY



Source: U.S. Census Bureau 2000, SF1 (short form)

Ethnicity. In the Mission District, Latinos represented the majority of the population, 50.1%*, representing almost a third of the City's total Latino population. The map shows that the Latino population is generally east of Valencia Street, with the highest concentrations in the census blocks in the areas along 24th Street and along Harrison Street. Moreover, 67.5% of the Mission's population is a minority group. Close to half of the total residents of the Mission (44.7%) are foreign born (naturalized and non-citizens), and 45% of Mission residents spoke Spanish at home. Household sizes for Latinos in the Mission District were much higher than the citywide average, at 3.82 persons compared to 2.30 citywide. While household sizes decreased in the west side of the Mission, reflecting the increased gentrification along the Valencia corridor, household sizes continue to be large in the east side of the neighborhood, following the larger proportion of Latino families.

LATINO POPULATION



Source: U.S. Census Bureau 2000, SF1 (short form)

In general throughout the Eastern Neighborhoods undergoing rezoning, Latinos represent a little over a third of the population, at 37.18%.[1] While the City's overall proportion of minority groups is 56.4%, these numbers are much higher not only in the Mission, but in the other southeast neighborhoods along and adjacent to the Mission Street corridor: Mission, 67.5%; Bernal Heights, 61.5%; Excelsior, 83.0%; Portola, 82.8%; OMI, 87.1%.[2]

* Note: Population ethnicity percentages depend on the specific census boundaries used for calculating demographic characteristics.

[1] DPH, 2003.

[2] Mayor's Office of Community Development, 2005-2010 Consolidated Plan.

POPULATION BY ETHNICITY

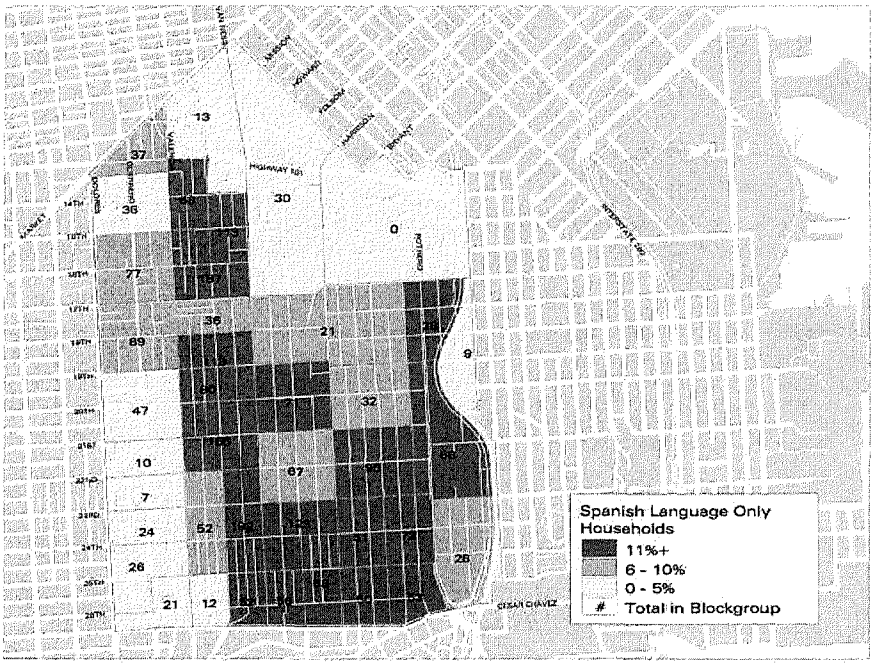
(Corresponding to boundaries on above map)

	San Francisco	Percent of SF	Mission	Percent of Mission
White	385728	45.22%	31533	36.46%
African American	60515	7.09%	2082	2.41%
Native American	3458	0.41%	722	0.83%
Hispanic	109504	12.84%	30145	34.85%
Asian/PI	243409	28.54%	6929	8.01%
Others	50368	5.90%	15087	17.4%
TOTAL	852982	100.00%	86498	100.00%

Source: U.S. Census Bureau 2000, SF2 (long form, Tract Level Data)

Language & birth. 45% of Mission residents spoke Spanish at home. Close to half of the total residents of the Mission (45%) are foreign born.

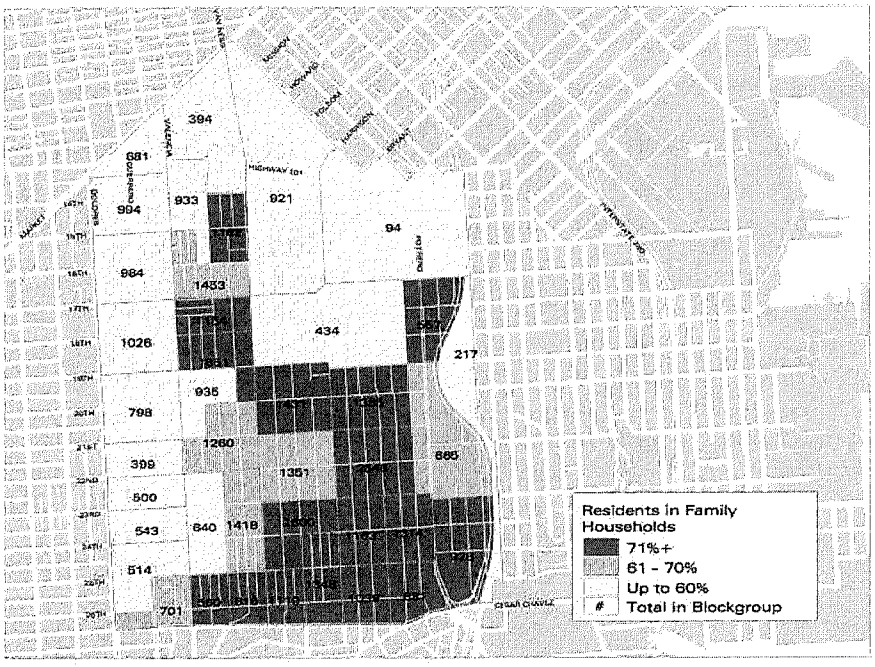
LINGUISTICALLY ISOLATED SPANISH-SPEAKING HOUSEHOLDS



Source: U.S. Census Bureau 2000, SF3 (long form)

Households. Household sizes for Latinos in the Mission District were much higher than the citywide average, at 3.82 persons compared to 2.30 citywide. While household sizes decreased in the west side of the Mission, reflecting the increased gentrification along the Valencia corridor, household sizes continue to be large in the east side of the neighborhood.

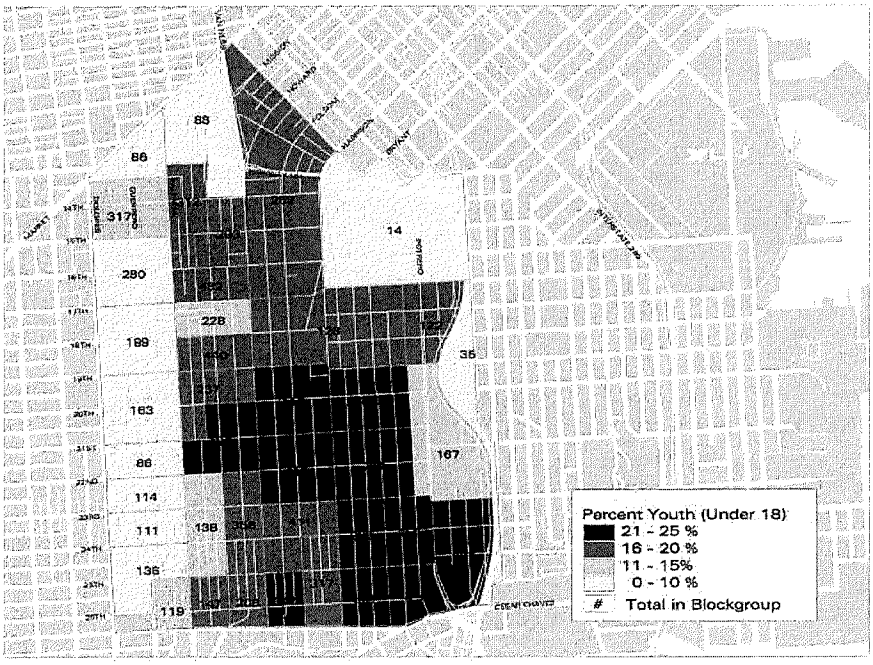
FAMILY HOUSEHOLDS



Source: U.S. Census Bureau 2000, SF3 (long form)

Youth. The Southeast Mission, in the area centering on Harrison Street, has significant numbers of youth. This suggests a substantial demand for housing units that are sized and prized for families.

YOUTH



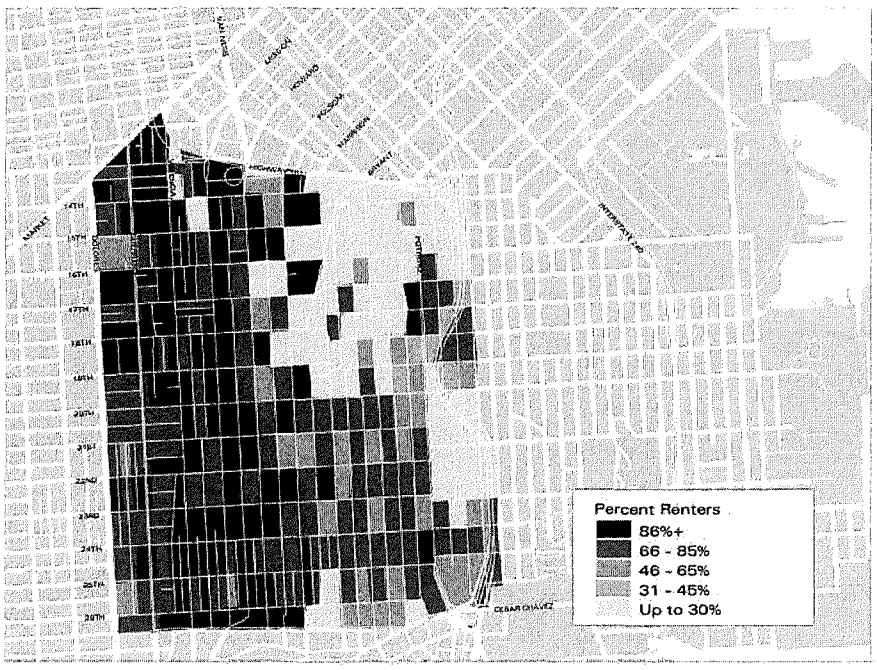
Source: U.S. Census Bureau 2000, SF1 (short form)

Housing. Approximately four out of five (81.9%) people in the Mission District rent their homes, substantially higher than the citywide average of 65%. The Mission is also an extremely expensive neighborhood, where 34.2% of residents pay over 30% of their income in rent, representing a combination of low incomes and high housing costs. An astonishing 15.5% pay more than half of their income in rent. This is even higher in the Outer Mission, where 38.8% of residents pay more than pay over 30% of their income in rent. Citywide, almost 69% of senior tenant age 65 and older spend more than 30% of their incomes in rent.[3]

Rental apartments continue to be lost due to condominium conversions, TICs, and other causes. Between 1990 and 2000, 2,937 rental units were converted to condominiums, and 1,144 SRO units were lost to fire between 1998 and 2002.[4] The construction of 3,492 affordable housing units between 1990 and 2000 barely offsets this loss.

A growing number of families, almost all Latino, live in Single Room Occupancy hotels in the Mission District, currently 52 families with an average size of 3.3 members.[5] In March 2005, the median price for a home in the Mission stood at $668,500. Only 7.3% of San Francisco households earned enough to afford the median sales price of housing in early 2001, compared to 56.9% of households nationally.[6]

RENTER HOUSEHOLDS



Source: U.S. Census Bureau 2000, SF1 (short form)

[3] Bay Area Economics, San Francisco Housing Data Book, 2002.
[4] Bay Area Economics, San Francisco Housing Data Book, 2002.
[5] Department of Public Health, San Francisco Overview of Health, 2002.
[6] Bay Area Economics, San Francisco Housing Data Book, 2002.

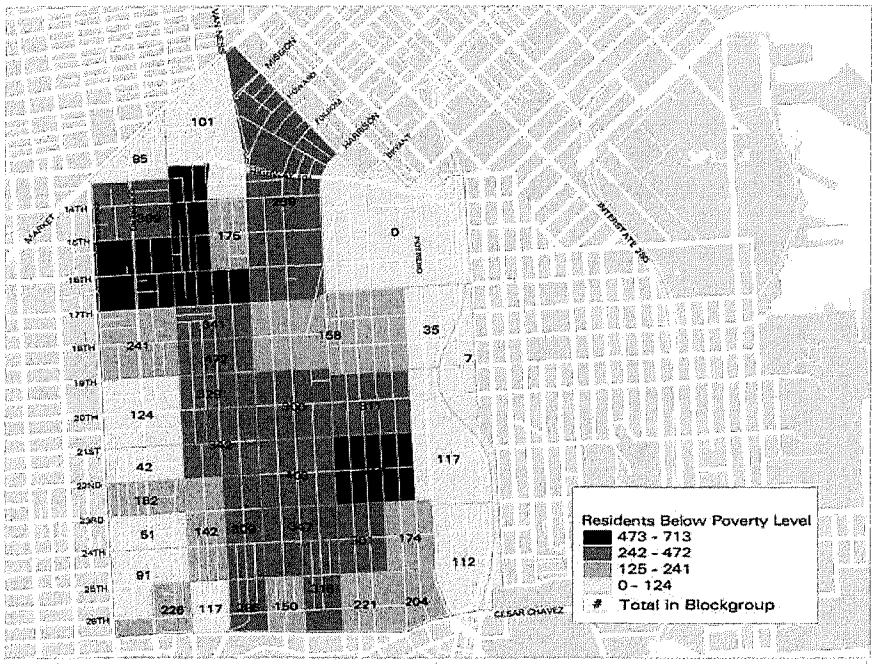
Income. While the median per capita income for San Francisco residents was $34,556, and for all residents in the Mission it was 23,782, the per capita income for Mission-District Latinos was only $13,951, well under half of the city median. The Mayor's Office of Housing uses numbers published by HUD for the Area Median Income, which includes San Mateo and Marin counties. In 2005, this number was given as $66,500,[7] so the median income of a Mission District Latino resident stands at a little over 20% AMI. Note that HUD defines 30% AMI as "extremely low-income." While citywide 11.3% of San Franciscans were living below the poverty line, in the Mission District this figure reaches 16.8%.[8]

PER CAPITA INCOME

Source: U.S. Census Bureau 2000, SF1 (short form)

[7] Mayor's Office of Housing, http://www.sfgov.org/site/moh_page.asp?id5833.
[8] Mayor's Office of Community Development, 2005-2010 Consolidated Plan, p. 41.

BELOW POVERTY LEVEL



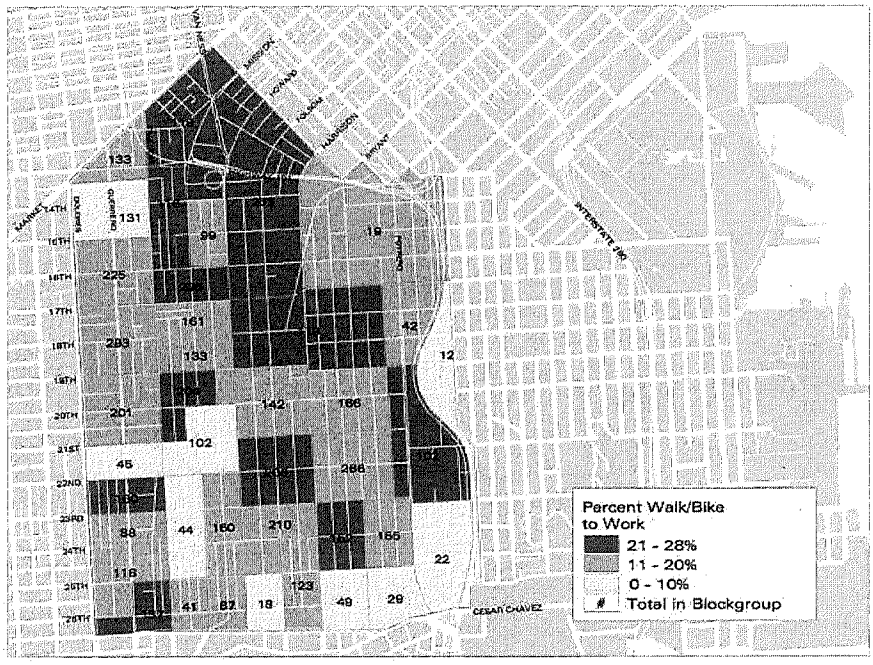
Source: U.S. Census Bureau 2000, SF1 (short form)

Employment and Education. San Francisco is not only a city in which people reside, but also where most of those people work. Nearly 80% of San Francisco's employed residents work in San Francisco.[9] The Mission District alone is home to over 18,063 jobs, of which "production, distribution, and repair" represents 6,878 jobs, or 38% of the total.[10] The Mission is still a predominately blue-collar, working class neighborhood. Two-thirds of the occupations held in 1990 by Mission District residents were in the services and production (43% Admin Support/Services; 23% Production/Operators/Laborers), with only a quarter in the professions (25% Executive/Professional/Technical). This compares to the citywide average of 34% Admin Support/Services, 15% Production/Operators/Laborers, and 39% Executive / Professional / Technical.[11] A substantially larger percentage of adults in the Mission District had less than a high school education (28.9%), compared to the citywide average (18.8%).[12]

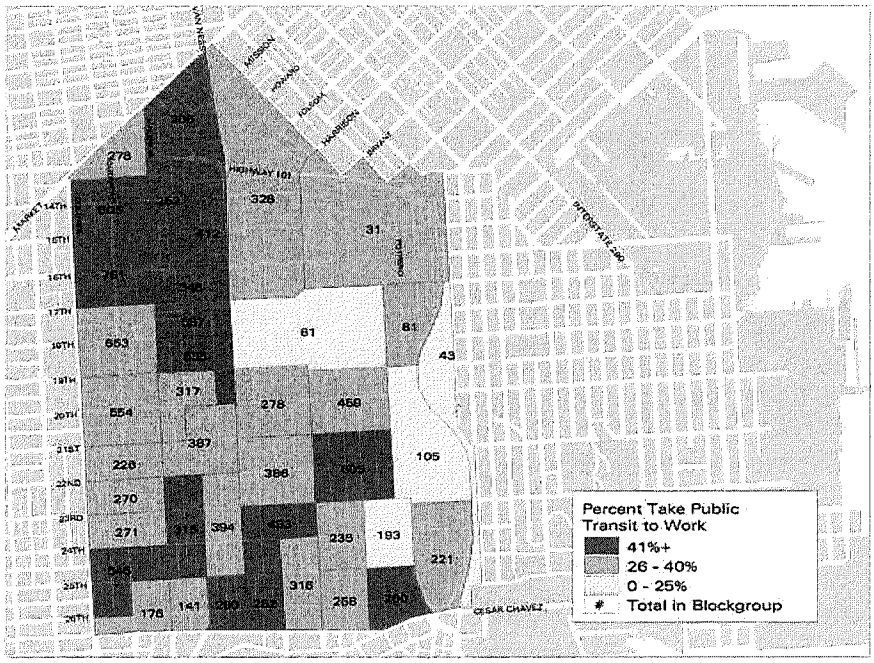
[9] Bay Area Economics, San Francisco Housing Data Book, 2002.
[10] SF Planning Department, Eastern Neighborhoods Profiles, 2001.
[11] Data from 1990 Census.
[12] Mayor's Office of Community Development, 2005-2010 Consolidated Plan, p. 35.

Transportation. The Mission District has a very low rate of car ownership (only 60% of households have cars), and depends heavily on public transit (61% of residents get to work by walking, biking, or public transit). The commercial corridors and residential area west of South Van Ness have good transit connections to work and shopping districts. Areas to the east of South Van Ness have much poorer transit service.

PERCENT WALK OR BIKE TO WORK



PERCENT TAKE PUBLIC TRANSIT TO WORK



Source: U.S. Census Bureau 2000, SF3 (long form)

Carroll, John (BOS)

From: Carroll, John (BOS)
Sent: Monday, February 13, 2017 4:38 PM
To: innermissionneighbors@gmail.com; Bre.jones@martinezservicesinc.com; DMonson@hclarchitecture.com; jslen@chinatowncdc.org; eyee@medasf.org; Givner, Jon (CAT); Stacy, Kate (CAT); Byrne, Marlena (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Starr, Aaron (CPC); Rodgers, AnMarie (CPC); Alexander, Christy (CPC); Callagy, Alana (CPC); Ionin, Jonas (CPC); BOS-Supervisors; BOS-Legislative Aides; Calvillo, Angela (BOS); Somera, Alisa (BOS); Lew, Lisa (BOS); Carroll, John (BOS); BOS Legislation, (BOS)
Subject: Additional Appeal Letter from Appellant - Appeal of Determination of Infill Project Environmental Review - Proposed Project at 1296 Shotwell Street - Appeal Hearing on February 14, 2017

Categories: 170024

Good afternoon,

Please find linked below an additional appeal letter received by the Office of the Clerk of the Board from the Appellant, concerning the Infill Project Environmental Review Declaration Appeal for the proposed project at 1296 Shotwell Street.

Appellant Letter - February 13, 2017

The appeal hearing for this matter is scheduled for a 3:00 p.m. special order before the Board TOMORROW, February 14, 2017.

I invite you to review the entire matter on our Legislative Research Center by following the link below:

Board of Supervisors File No. 170024

Regards,

John Carroll
Legislative Clerk
Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445 - Direct | (415)554-5163 - Fax
john.carroll@sfgov.org | bos.legislation@sfgov.org

Click here to complete a Board of Supervisors Customer Service Satisfaction form.

The Legislative Research Center provides 24-hour access to Board of Supervisors legislation and archived matters since August 1998.

Carroll, John (BOS)

From: Craig Weber <cpatax@sbcglobal.net>
Sent: Monday, February 13, 2017 3:54 PM
To: BOS Legislation, (BOS)
Subject: Fwd: letter attached
Attachments: BOS letter 021417.pdf

RECEIVED AFTER THE ELEVEN-DAY DEADLINE, BY NOON, PURSUANT TO ADMIN. CODE, SECTION 31.16(b)(5)
(Note: Pursuant to California Government Code, Section 65009(b)(2), information received at, or prior to, the public hearing will be included as part of the official file.)

Sent from my iPhone

Begin forwarded message:

From: "Rose Zoia" <rzoia@sbcglobal.net>
Date: February 13, 2017 at 10:43:02 AM PST
To: "Craig Weber" <cpatax@sbcglobal.net>
Subject: letter attached

I'll add Folsom reference re socioeconomic impact if necessary.

~ Rose

Law Office of Rose M. Zoia
50 Old Courthouse Sq., Ste. 401 / Santa Rosa CA 95404
tel: 707.526.5894 / fax: 267.381.6097
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707.526.5894 . fax 267.381.6097
rzoia@sbcglobal.net

February 13, 2017

Honorable London Breed and San Francisco Board of Supervisors
San Francisco City Hall
1 Dr Carlton B Goodlett Pl #244
San Francisco, CA 94102

RE: 1296 Shotwell Street Project
100% Affordable Housing Bonus Project Application No. 2015-018056AHB
Board of Supervisors Hearing Date: February 14, 2017

Dear President Breed and Supervisors:

On behalf of Appellant Inner Mission Neighbors Association (Association) please accept these comments on the above-referenced project relative to the 1296 Shotwell Street project and the Planning Commission's finding that the project is exempt from the California Environmental Quality Act (CEQA).

The Association is ***not*** opposed to low-income senior housing on this site. The issue is the lack of environmental review for the proposed nine-story building on this site. The Planning Commission relied on a CEQA exemption that essentially says certain infill projects can forego CEQA review by relying on a prior EIR as the document which analyzed the impacts of the current infill project. The prior EIR relied on here is an out-dated Program EIR (PEIR) prepared nine (9) years ago for the Eastern Neighborhoods Rezoning and Area Plan (EN Plan). As shown below and elsewhere in these proceedings, much of the data used in the PEIR is out-of-date and has been superceded by events transpiring in the last nine (9) years. Thus, this project should receive its own review under CEQA in the form of a project-level EIR.

The Project is Not Exempt from CEQA

The Project

The proposed project is a nine-story, 69,500 gross square feet residential building with 94 dwelling units (93 affordable and one for onsite property manager) on a 11,664 square foot lot. The existing building that provides a one-story building of approximately 11,664 square feet housing PDR consisting of industrial and community spaces would be demolished. The site is bordered by 26th Street to the north, Shotwell Street to the east, Cesar Chavez Street to the south, South Van Ness Avenue to the west.

The Project requests development bonuses through the 100% Affordable Housing Bonus Program Authorization for 1) increased height above that which is principally permitted by the zoning district and 2) reduced dwelling unit exposure pursuant to Planning Code Section 140. The Project also requests an exception for the rear yard requirement pursuant to Planning Code Section 134. The project provides no off-street parking for the 150 or more future residents plus visitors, and frontage is only on 60-foot wide Shotwell Street.

The immediate neighborhood includes a four-story residential building to the east across Shotwell Street, specialist automotive repair use to the south, and a proposal for a six-story mixed-use project to the north at 1515 Van Ness Avenue along 26th Street and Shotwell Street. Other zoning districts in the vicinity include RH-2 (Residential, House, Two-Family); RH-3 (Residential, House, Three-Family); RM-1 (Residential-Mixed, Low Density); and RTO-M (Residential Transit Oriented-Mission). The tallest nearby building is one four-story building with the bulk being one and two-story buildings.

The Law

The Planning Commission relied on Public Resources Code section 21094.5 and its implementing regulation, CEQA Guidelines (14 Cal. Code Regs) section 15183.3, to find the project exempt from CEQA. Under the code and the Guideline, CEQA does not apply to the effects of an eligible infill project under two circumstances.

1. First, if an effect was addressed as a significant effect in a prior EIR for a planning level decision, then, with some exceptions, that effect need not be analyzed again for an individual infill project even when that effect was not reduced to a less than significant level in the prior EIR.

2. Second, an effect need not be analyzed, even if it was not analyzed in a prior EIR or is more significant than previously analyzed, if uniformly applicable development policies or standards, adopted by the lead agency or a city or county, apply to the infill project and would substantially mitigate that effect.

Thus, CEQA does apply when an effect of the project was not addressed as a significant effect in the prior EIR or when the project will create a significant effect and there are no uniformly applicable development policies or standards that apply to the infill project and would substantially mitigate that effect. It also applies when an effect was addressed as a significant effect in the prior EIR and substantial new information shows it will be more significant than described in the prior EIR.

The Exemption is Not Warranted

The Planning Commission approval here is based upon the woefully out-of-date PEIR prepared nine (9) years ago for the EN Plan. The PEIR's analyses can no longer be relied upon to support this project with respect to impacts in the areas of, among others, cumulative, transportation and circulation, socioeconomic impacts resulting in physical impacts, aesthetics, land use, and mandatory findings of significance. As was noted at the hearing for the 1515 Van Ness project appeal, there appears to be acknowledgment that the PEIR is no longer a valid or useful environmental analyses document.

Cumulative Impacts

The PEIR projections for housing, including this project and those in the pipeline, have been exceeded when cumulative impacts are considered, i.e., "past, present, and reasonably foreseeable probable future projects."[1] Also, significant new developments in the Eastern Neighborhoods that were not anticipated at the time the PEIR was prepared include the UCSF Hospital buildout, Pier 70 buildout, 5M project, Mission Bay buildout, Warriors Stadium, and the Armory's new "Madison Square Garden of the West" entertainment space.

[1] Guidelines, § 15355.

Similarly, the proposed project will eradicate another 11,000 square feet plus of PDR use and includes no replacement PDR space. Yet, the PEIR project description specifically states the purpose of the EN Plan was "[t]o encourage new housing while preserving sufficient lands for necessary production distribution and repair (PDR) (generally, light industrial) businesses and activities, ..." (PEIR, p. S-1) The EN Plan "is intended to permit housing development in some areas currently zoned for industrial use while protecting an adequate supply of land and buildings for PDR employment and businesses." (P. S-2)

This project may contribute to these cumulative impacts in significant way not analyzed in the PEIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines does not address this impact.

Transportation and Circulation

There are also substantial traffic and transportation impacts not foreseen in the PEIR. The PEIR did not analyze the impacts of a nine-story residential building with no parking other than on-street. On the other hand, the PEIR promised that

> Under the existing Planning Code provisions, most new residential developments would be required to provide a minimum of one parking space per unit. Assuming the existing Code requirement, new residential development would provide a minimum of 2,871 parking spaces, which would result in a residential parking shortfall of up to 1,436 parking spaces, depending on the actual demand.

(PEIR, p. S-22) The PEIR claims that parking deficits are not an impact on the physical environment under CEQA. This is simplistic. CEQA does require analysis of any environmental impacts foreseeably resulting from a project's parking deficit such as congestion and safety hazards.[2]

[2] *Taxpayers For Accountable School Bond Spending v. San Diego Unified School Dist.* (2013) 215 Cal.App.4th 1013; *San Franciscans Upholding the Downtown Plan v. City and County of San Francisco* (2002) 102 Cal.App.4th 656.

While the PEIR presumed some increase in traffic, it did not take into account recent increases in congestion that are now recognized through a detailed analysis in the 2015 Congestion Management Program by the San Francisco County Transportation Authority. The report showed that the evening commute speed in San Francisco decreased 21% from 2013-2015. (CMP, p. 21, attached hereto) Also, the INRIX 2015 Traffic Scorecard ranked San Francisco's commute the 3rd worst in the country. (http://inrix.com/blog/2016/03/blog-2015-scorecard/)

This project may contribute to transportation and transit impacts in significant way not analyzed in the PEIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines does not mitigate this impact.

Socioeconomic Impacts Resulting in Physical Impacts

The PEIR did not anticipate nor analyze the high concentration of low income housing in the Mission. It did not analyze or consider the potential physical impacts on the environment from the over concentration of low income housing in a particular neighborhood from increased vagrancy, blight and vandalism as well as crime.[3] Although purely economic or social effects of a project are not significant effects on the environment[4], "[e]conomic or social effects of a project may be used to determine the significance of physical changes caused by the project."[5] That is, a physical change brought about by a project may be determined to be significant if it results in substantial adverse social or economic changes. Several reputable studies have analyzed the impacts of an over-concentration of low-income housing on communities, with the finding that mixed-income, mixed-finance developments spur benefits to the community. (See attached: Urban Institute, A Decade of Hope VI: Research Findings and Policy Challenges; *see also* attached Evidence Matters; How Does

[3] For example, Bernal Dwelling is section 8 public housing and is located one block east on 26th and Folsom Streets (160 affordable units), the Gaewhiler property directly across the street is also subsidized housing (130 units), and 1515 South Van Ness contains low-income units (39 affordable units) for a total of approximately 329 units including this project, within two blocks of each other.

[4] Guidelines, § 15131(a)

[5] Guidelines, Sec. 15131(b)

Affordable Housing Affect Surrounding Property Values; The Impact of Affordable Housing on Communities and Households; article Civil rights complaint seeks to stop cities from concentrating low-income housing in higher poverty neighborhoods; MEDA *Proposal to the U.S. Department of Education Office of Innovation & Improvement Promise Neighborhoods Planning Grant* (Sept. 13, 2011))

As the PEIR acknowledged, "[c]hanges in land use would not directly be caused by the zoning itself, but indirectly by subsequent projects – including changes in the use of existing buildings, additions, new construction, and demolition – that could occur on individual sites within the project area after a specific zoning option is adopted." (PEIR, p. S-6)

There has been no evaluation of the socioeconomic impacts of the project as this Board required for other developments based on the PEIR including another project on the same block, 1515 South Van Ness (Lennar), just three months ago.

The PEIR's projections for housing, including this project and those in the pipeline, have been exceeded. This project may contribute to these impacts in significant way not analyzed in the PEIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines does not address this impact.

Aesthetics

The PEIR also stated that the visual character or quality of the area would not be substantially degraded. (PEIR, p. S-13) Yet, this project will substantially degrade the existing visual character of the area by imposing a monolithic building more than double the size of the next highest four-story building, and four to eight times higher than the majority of the one- and two-story surrounding buildings.

This project may contribute to aesthetic and neighborhood compatibility impacts in significant way not analyzed in the PEIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines does not address this impact.

Land Use

The proposed 90-foot tall building greatly exceeds the allowable height of 65-feet and, thus, the project is inconsistent with zoning. The project exceeds the height and density analyzed under the PEIR and the impacts of a nine-story building, without parking, were not analyzed under that EIR.

The project is within the recently established Latino Cultural District and is not consistent with the Latino Cultural District. The District is characterized by low-rising buildings, and this nine-story building will tower above the existing development and be out-of-character with the existing neighborhood. Its height and architectural design conflicts with the Latino Cultural District historical buildings on Shotwell Street, which is composed of two and three story Victorian and Edwardian style homes and apartment buildings.

This project, which eliminates PDR, is also inconsistent with Mission Area Plan (MAP) Land Use Objective 1.7: "Retain the Mission's Role as an Important Location for Production, Distribution, and Repair (PDR) Activities." Objective 1.7 provides:

> It is important for the health and diversity of the city's economy and population that production, distribution and repair (PDR) activities find adequate and competitive space in San Francisco. PDR jobs constitute a significant portion of all jobs in the Mission. These jobs tend to pay above average wages, provide jobs for residents of all education levels, and offer good opportunities for advancement. However, they usually lease business space and are therefore subject to displacement. This is particularly important in the Mission as average household sizes tend to be larger and incomes lower than the rest of the city. Also, half of Mission residents are foreign born with two-thirds coming from Latin America and Mexico. Half of all Mission residents are of Latino heritage. About 45 percent of Mission residents speak Spanish at home. PDR businesses provide accessible jobs to many of these residents.

(MAP, p. 10; see also pp. 11-12)

Policies to implement this objective include Policy 1.7.1:

> In areas designated for PDR, protect the stock of existing buildings used by, or appropriate for, PDR businesses by restricting conversions of industrial buildings to other building types and discouraging the demolition of sound PDR buildings.

(MAP, p. 12)

This project may contribute to land use impacts in significant way not analyzed in the PEIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines does not address this impact.

Mandatory Findings of Significance

CEQA requires the preparation of an EIR where there is substantial evidence in light of the whole record that the project has the potential to substantially degrade the quality of the environment, has the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals, has possible environmental effects that are individually limited but cumulatively considerable, and/or the environmental effects of a project will cause substantial adverse effects on human beings, either directly or indirectly.[6]

Here, there is evidence, as described above, at the Planning Commission hearing, and will further be submitted, an EIR is required for this project.

EN Plan Community Benefits

Finally, the claimed community benefits of the EN Plan have not been fully funded, implemented, or are underperforming and the determinations and thus any findings for the proposed project that rely on the claimed benefits are not supported. Project level review is necessary to include up-to-date data and the actual community benefits that have accrued since the adoption of the 2008 NE Plan.

[6] Guidelines, § 15065.

Requested Action

The City is engaging in a pattern and practice of approving residential projects in the Mission that improperly tiers off of an out-of-date PEIR instead of conducting project level environmental review. This results in the approval of projects with unexamined environmental effects to the detriment of Mission residents.

As with the 1515 Van Ness project and others, this project should, at the least, be sent back to planning with the direction to review the socioeconomic impacts of this project. In addition, an exemption is not proper and review of this project must be based on updated information including a project EIR. The Association asks this Board to deny the exemption, and the project, and require an EIR on a project-level including a socioeconomic analysis.

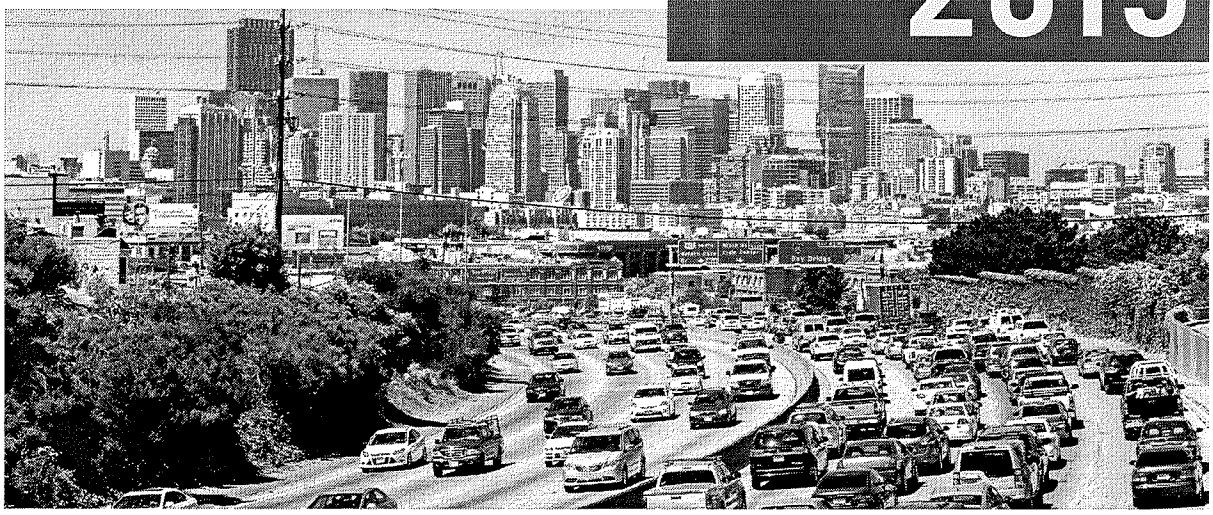
Thank you for your close attention to this matter.

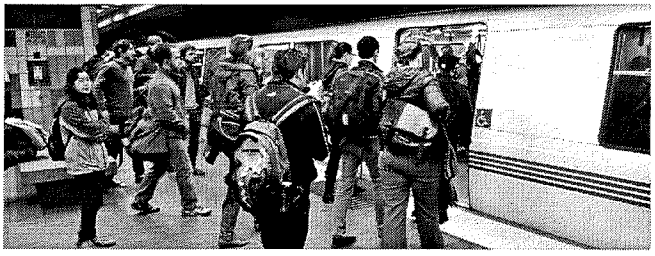
Very truly yours,

Rose M. Zoia

Encl.

2015





CONGESTION MANAGEMENT PROGRAM

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

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APPENDICES

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The methodology and results of the 2015 LOS Monitoring effort are detailed in Appendix 5.

SUMMARY OF 2015 LOS MONITORING RESULTS

Table 4-1, below, presents the change in CMP network average travel speeds, calculated as time-mean speed, between 2013 and 2015 for the AM and PM peak periods (7:00 to 9:00 a.m. and 4:30 to 6:30 p.m., respectively).

Table 4-1: CMP Network Average Travel Speed

		TIME-MEAN TRAVEL SPEED		
CATEGORY	TIME PERIOD	2013*	2015	PERCENT CHANGE
Arterial	AM	17.1 mph	14.6 mph	- 15%
	PM	16.0 mph	12.7 mph	- 21%
Freeway	AM	38.2 mph	37.6 mph	- 2%
	PM	29.5 mph	26.3 mph	- 11%

* The method used to calculate CMP speeds was improved for the 2015 CMP, and 2013 speeds have been recalculated using the updated method for comparison to 2015 results. See Appendix 5, Attachment 5.4 for details.

Average travel speeds on the CMP network have decreased since 2013 for all times measured times and road types. Average arterial travel speeds have decreased 15% from 17.1 mph to 14.6 mph in the AM peak and decreased 21% from 16.0 mph to 12.7 mph in the PM peak. The average travel speed on freeways decreased 2% from 38.2 mph to 37.6 mph and 11% from 29.5 mph to 26.3 mph in the PM peak.

Freeway segment speeds are historically highly variable. They tend to be slower during the PM peak than the AM. Inbound segments in the AM peak tend to be slower than their outbound counterparts, and outbound segments in the PM peak tend to be lower than their inbound counterparts. Freeway speeds ranged from a decrease of 7.2 mph (on US 101/Central Freeway from I-80 to Market in the PM peak) to an increase of 7.1 mph (on US 101/Central Freeway from Market to I-80 in the AM peak). The last was the 3rd slowest CMP freeway segments in 2013, and has moved to only the 6th slowest. The slowest four segments from 2013 are again the four slowest segments in 2015, and each decreased slightly in speed.

Out of 232 CMP arterial segments, average AM peak speeds increased or stayed the same on 36 segments and decreased on 210 segments. In the PM peak, average arterial speeds increased or stayed the same on 26 CMP segments and decreased on 220 segments. The analysis confirms expectations of decreased speeds across the network.

In the AM peak period, 4 arterial segments and 4 freeway segments were found to operate at LOS F. In the PM peak period, 20 arterial segments and 6 freeway segments were found to operate at LOS F. Each arterial segment operating at LOS F in the morning peak is within an IOZ, and each freeway segment operating at LOS F also operated at LOS F during base year monitoring, and so all CMP segments are exempt from deficiency planning requirements during the morning peak. Similarly, all CMP freeway and arterial segments operating at LOS F in the evening peak period are exempt because they are either within an IOZ or operated at LOS F during base year monitoring.

Full LOS monitoring results can be found in Appendix 5.

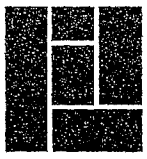
Urban Institute a nonpartisan economic and social policy research organization

A DECADE OF HOPE VI:
Research Findings and Policy Challenges

A DECADE OF HOPE VI:
Research Findings and Policy Challenges

By Susan J. Popkin, Bruce Katz,
Mary K. Cunningham, Karen D. Brown,
Jeremy Gustafson, and Margery A. Turner

May 2004



The Urban Institute

The Brookings Institution

Mission Economic Development Agency
San Francisco, California

Proposal to the U.S. Department of Education
Office of Innovation & Improvement
Promise Neighborhoods Planning Grant

Mission Promise Neighborhood

September 13, 2011

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APPENDICES

A. ***Need for project (15 points). (6 pages)***
(1) Magnitude & Severity of the Problems (10 points)
The Mission Economic Development Agency (MEDA), San Francisco Unified School District (SFUSD), United Way of the Bay Area (UWBA), the University of California, Berkeley's Center for Latino Policy Research and partners are applying to the U.S. Department of Education, Office of Innovation & Improvement for a Promise Neighborhoods Program Planning Grant under Absolute Priority 1 and Competitive Preference Priorities 4 & 5 to develop the Mission Promise Neighborhood (MPN). The four schools targeted for Phase I of our Promise Neighborhood are all Persistently Lowest-Achieving schools that have adopted either the Turnaround or Transformation models, and include: **César Chávez Elementary School** (Transformation), **Bryant Elementary School** (Turnaround), **Everett Middle School** (Turnaround), and **John O'Connell High School** (Transformation). These schools are all located in the Mission District and zoned to serve Mission resident children and youth.

San Francisco's Mission District has always been a neighborhood that represents the promise of achieving the American Dream. As a historical and current entry point for immigrants seeking employment, education, health services and housing opportunities, the Mission District is a crucial hub of services and home for San Francisco's immigrant Latino community. The 1940's – 1960's saw a wave of Mexican immigration to the Mission, while in the 1980's and 1990's the neighborhood became home to immigrants and refugees who were fleeing wars and political instability in Central and South America[1]. The Mission has also experienced significant waves of displacement that gave birth to strong Latino led community organizing movements against displacement. In the 1960's urban redevelopment threatened to change the demographics of the area, while in the 1990's the Dot Com boom priced out many Latino families. Today, the

[1] *Source: Jones, Kendall. "Mission Neighborhood Profile", Mission Neighborhoods Centers, June 2011.*

neighborhood is one of the best known in San Francisco, boasting a strong arts and cultural community, bustling restaurants and nightlife destinations, and thriving retail spaces. Yet, the Mission has another story to tell too- that of the low and moderate income families who compose the fabric of this changing community, and who live, work, seek services in, and attend school here. For these families, the cost of the neighborhood's increasing popularity is vastly inflated housing prices. Coupled with a precarious economy, job shortages, and the challenges faced by immigrant and less educated individuals in finding living wage employment, life in the Mission is becoming increasingly difficult for some.

As of June 2011, the population of the Mission was 62,753[2]. The neighborhood was 42% Latino, 40% White (non-Hispanic), 12% Asian, and 3% African American[3]. Despite a 22% decline in the Latino population over the past decade, the Mission retains the highest concentration of Latino residents in San Francisco, with nearly half (49%) of the city's Latinos[4] residing in the neighborhood. In 2011, about half of all families in the neighborhood had children under 18, and it had a higher percentage of children and youth (ages 0-17) than the City as a whole, with 19% or 11,923 of its residents being children and youth versus 15.2 percent[5]. Ten percent of all of San Francisco's children (ages 0-9) live in the Mission District[6].

1) Education Need- San Francisco Unified School District (SFUSD) serves more than 55,000 PreK-12 students in 112 schools as a single city school district/county office of education. While the District serves less than 1% of California's public school students, it has over 5% of the state's persistently low-achieving schools-the majority of which are in the Mission. ***Despite the***

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2 Jones, Kendall MSW, "Mission Neighborhood Profile," Mission Neighborhood Centers Study, June 2011 (original data taken from www.healthycity.org, June 2011).
3 Ibid.

5 Ibid.
6 Ibid.

fact that SFUSD is the highest overall performing urban district in the State of California, seven of the District's ten lowest performing schools are in the Mission District. For 2010-2011, the elementary schools served by this project had test scores in English and Math that were among the lowest 5% of all elementary schools in the State of California[7]. Only 23% of high school students were proficient in Math and English at our target school, John O'Connell. The Mission District is served by two public high schools: John O'Connell High School (targeted for Phase I) and Mission High School (targeted for Phase II), both of which are Persistently Lowest-Achieving[8]. For the 2009-2010 school year, the graduation rate[9] at John O'Connell was 75.7% and at Mission High was 69.8%- both lower than the District average of 82%. The Mission Promise Neighborhood will closely align with and support the school reform models (either Transformation or Turnaround) adopted by our target schools, and will build upon and improve their outcomes for student achievement through a comprehensive plan for integrated services.

Thus, evidence shows there are strong disparities between school performance and socio-economic status in San Francisco, with the majority of low-performing schools located in our neighborhood. As Table I below demonstrates, students at our target schools are scoring far lower than District and State averages on standardized tests, a majority of students are Latino (approximately 90 percent, at the elementary level), more than two-thirds of elementary school students and nearly half of middle-school students are English learners, and more than three

---

[7] *Source: California Department of Education, STAR test scores*

[8] *"Persistently Lowest Achieving" As identified by the State of California Department of Education, per federal and state law, for the application and receipt of School Improvement Grants and State Fiscal Stabilization Funds. http://www.cde.ca.gov/ta/ac/pl/*

[9] *Graduation Rate is 4-year adjusted cohort rate per Department of Ed definition. Information from Cal Department of Education Dataquest.*

quarters are eligible for free or reduced-price lunch. Furthermore, our schools have truancy rates as high as 61%, more than twice the District and state-wide averages:

Table I- School Performance

October 2010 California Longitudinal Pupil Achievement Data System (CALPADS)[10]	**Cesar Chavez Elementary**	**Bryant Elementary**	**Everett Middle School**	**John O'Connell High School**	**District**	**State**
% Proficient in [11]English Language Arts	30%	32%	31%	23%	59%	56%
% Proficient in Math	40%	41%	21%	23%	63%	58%
Truancy Rates[12]	42%	61%	40%	50%	25%	30%
% English Language Learners	70%	69%	46%	37%	28%	22%
% Eligible for Free or Reduced Price Lunch	83%	91%	76%	73%	61%	56%
% with Disability	16%	12%	18%	13%	11%	10%
Hispanic or Latino	89%	91%	61%	60%	23%	51%
Black or African American	3%	2%	22%	16%	10%	7%
Asian	1%	1%	5%	10%	44%	9%
White	2%	2%	5%	3%	15%	27%
Filipino	3%	3%	4%	8%	6%	3%

Mission schools also have among the highest levels of chronic absence. Defined as missing 10% or more of school for any reason, chronic absence is a well recognized early warning sign of academic failure, starting in Kindergarten. 2009-10 data demonstrated that 14-15% of students in

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[10] *Source: California Department of Education, Dataquest- http://dq.cde.ca.gov/dataquest*
[11] *Source: California Department of Education, Dataquest- http://dq.cde.ca.gov/dataquest 2011 Standardized Testing and Reporting (STAR) Program*
[12] *Truancy Rates from California Department of Education database; 2010-2011 numbers*

César Chávez, Bryant and Everett were chronically absent as compared to 9% district wide. Among kindergartners, rates were even higher – closer to 27%.[i] National data demonstrates that for children living in poverty, chronic absence in Kindergarten is a predictor of lower fifth grade achievement.[ii] At O'Connell High, 30% of students were chronically absent.[13]

The remaining Mission District public schools not included in this table have similar demographic and student performance statistics. Our ***Phase II Promise Neighborhood Plan would scale up to include all remaining SFUSD Mission District schools***, including: Buena Vista/Horace Mann, Marshall Elementary School, Leonard Flynn Elementary School, George Moscone Elementary School, Mission High School, and SF International High School.

2) Family and Community Support Need

The target geographic area and population served is a distressed community that faces multiple challenges to socio-economic success, including high poverty, a severe lack of affordable housing, limited job opportunities, language barriers, high percentage of single-parent households and teen birth rates, and victimization by predatory financial services. These combined factors lead to (a) the need for individuals and families to work multiple jobs in order to afford rent, particularly those in the low-wage service industry; (b) increased household size due to multiple families cohabiting in apartment units; and (c) de-stabilization of family incomes due to combined job losses, low wages, and excessive housing prices. Without meaningful, comprehensive strategies to improve educational, career and financial outcomes, families in our community will not become economically stable and lift generations out of poverty.

[13] *Source: San Francisco Public Schools, Information Technology Department, Truancy Records*

The Mission has the fourth highest CalWORKS[14] case load of all City neighborhoods. San Francisco's Latino population, which constitutes the Mission District's largest ethnic population, has the lowest per capita income ($18,584) of any ethnic group in San Francisco, slightly more than half of the citywide average of $34,556[i]. An estimated 77% of Latino children (0-5) in the City live in a low- or very-low income household[15]. The poverty rate for the Mission District is at a staggering 17.6%[ii] compared to San Francisco's overall poverty rate of 11.7%.[iii] Accordingly, an estimated 18% of Latino children in San Francisco are living in poverty[16]. As of 2010, the median household income in the Mission was 14% lower than citywide, at $60,460. Thirty-two percent of the Mission District's population lives at or below 200% of the poverty level[i]. The 2010 average unemployment rate for San Francisco was 9.5%, and approximately a full percentage point higher for Latinos in the City. In 2010, nearly half (46.9%) of all Latino adults employed in San Francisco were working in the low-wage service industry (average hourly wages of $10.00-$15.00), a higher rate than any other ethnic group[17]. By contrast, while 40% of Blacks, 55% of Asians and 61% of Whites were working in Management, Financial or Professional occupations, less than 19% of Latinos were in these higher paying occupations[18]. The Mission population is also less educated- rates of high-school

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[14] *CalWORKS is the State of California's TANF program.*
[i] *San Francisco Mayor's Office of Community Development (MOCD) - San Francisco Demographic Profile 2005*
[15] *Source: Department of Children, Youth and their Families, Community Needs Assessment 2011; low income as defined by HUD AMI guidelines.*
[ii] *"Mission District Neighborhood in San Francisco, CA, 94103, 94110 Detailed Profile," city-data.com, 2011: http://www.city-data.com/neighborhood/Mission-District-San-Francisco-CA.html*
[iii] *U.S. Census Bureau, State and County Quick Facts: San Francisco (city) Quick Facts: 2009 http://quickfacts.census.gov/qfd/states/06/0667000.html, June 2011*
[16] *Data Source: As cited on kidsdata.org, U.S. Census Bureau, American Community Survey. 2007-2009*
[i] *U.S. Census Bureau-American Fact Finder: 2005-2007 ACS; 3 –Year Estimate*
[17] *Source: Geographic Profile of Employment and Unemployment, 2011; Bureau of Labor Statistics; http://www.bls.gov/opub/gp/pdf/gp10full.pdf*
[18] *Ibid.*

graduates are among the lowest in the City, at 78% as compared to 86% citywide.[19] Recent job losses in industrial fields accommodating low skilled labor have adversely affected the area. In current and future years, the Mission and surrounding neighborhoods are projected to lose 10,000 jobs in areas such as auto-repair, printing, storage, manufacturing, food production, catering and retail due to the re-zoning and the redevelopment of land for high-end condominiums[20]. Latinos face job discrimination, a limited range and flexibility in job choices, and wage levels that are too low to sustain family expenditures. In the current economic environment many low-income Latino families are experiencing diminishing opportunities in a highly selective job market, making self-employment sometimes the only option.

Exacerbating low incomes and high unemployment are the exorbitant housing costs in San Francisco and the Mission District. The Mission has a smaller percentage of homeowners, higher rents, and larger households than the city-wide averages. Only 25% of its residents own their homes as compared to 39% citywide; and the neighborhood has a higher percentage of families with children or other relatives living in the household[21]. In 2010, the median sales price for a home in the Mission was $711,500, well out of the reach of affordability for low income families[22]. As of August 2011, average rents were $2,251 for a one-bedroom apartment in the Mission District[23]. Because Latino households are often larger (3-4 people) than the average San Francisco household (2-3 people), many (approximately 21%) find themselves paying more than 50% of their income on rent, which leaves little left for family savings. Because of limited

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[19] *Source: Applied Geographic Solutions, 2007*
[20] *Source: The San Francisco Examiner, "Housing May Cost City Thousands of Jobs", August 25, 2008.*
[21] *Average household size in San Francisco citywide is 2*
[22] *2010 Bay Area Home Sales Chart - Reporting resale single family residences and condos as well as new homes. Accessible at: http://www.dqnews.com/Charts*

[23] *Source: http://mullinslab2.ucsf.edu/SFrentstats/*

financial resources and expensive rents, Latinos tend to share often overcrowded living situations with multiple extended family members ("doubling up"). This is illustrated by the fact that 23% of households in the Mission are living in overcrowded conditions[24]. In the past decade, despite an 11% overall increase of Latinos in San Francisco, there was a 22% decrease of Latinos in the Mission, as families are being priced out of this historically Latino neighborhood and moving to outlying neighborhoods and the East Bay, which are more affordable[25].

In its Economic Strategy for San Francisco, the Mayor's Office of Economic and Workforce Development defined "asset poverty" as a household's inability to cover expenses for three months if all sources of income were to cease. The report found that a total of 56% of Latino families were "asset poor", second only to African Americans at 59%.[26] The median net worth of white households is 18 times that of Latino households[27]. From a perspective of race, the data is stark; more than half of Latino children are starting life with few, if any, financial resources. The Mission has the City's highest concentrations of check-cashing businesses and pay-day lenders that strip families of their few financial resources, charging interest rates as high as 400 percent[28]. This worsens the financial situation of low-income Latino families who often use these entities in lieu of more cost-effective mainstream financial institutions. English is a second language for the majority of our population, making families more susceptible to predatory lending practices and use of non-traditional financial institutions. In 2011, nearly forty percent of Mission residents were foreign born, 45% of households spoke Spanish at home, and

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[24] *San Francisco Department of Public Health, Healthy Development Measurement Tool, 2007*
[25] *US Census, 2010 Data*

[26] *Sustaining our Prosperity: the San Francisco Economic Strategy, MOEWD, page 39.*
[27] *Kochhar, et al., "Wealth Gaps Riseto Record Highs between Whites, Blacks, and Hispanics," Pew Research Center, July 2011.*
[28] *Data taken from the Center for Responsible Lending: http://www.responsiblelending.org/payday-lending/*

22% reported that they were "linguistically isolated", or spoke English not well or not at all[29]. These language barriers make it more difficult for families to navigate the maze of social services and benefits that could help them socially and financially, necessitating services to be offered in Spanish.

A myriad of converging factors affect the health and safety of our neighborhood's children and youth. Children and youth in the Mission District are susceptible to preventable chronic health conditions that affect their academic achievement and quality of life. A 3-year study of Latina mothers and children conducted at San Francisco General Hospital (a primary health provider for the Mission) found that by age 3, forty-three percent of children were overweight[30]. Latino children ages 0-5 have the highest obesity rates of any racial or ethnic group in San Francisco, with 16% being obese. Studies have demonstrated that low-income teenagers are three times as likely to be obese as their higher income peers[31], and that overall, Hispanic Americans are 1.2 times as likely to be obese as non-Hispanic whites[32]. Children in the Mission District also have higher rates of pediatric asthma then the rest of the city- the hospitalization rate is 13.2 cases per 10,000 people, compared to 11 cases per 10,000 people citywide[33]. Furthermore, in the Mission District, 23% of infants were not immunized by the time they were 24 months old[34]. Compounding these issues, the Mission has higher teen birth rates. The teen birth rate for Latinas in the San Francisco is 55 per 1,000 births, higher than African

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[29] *http://www.city-data.com/neighborhood/Mission-District-San-Francisco-CA.html*
[30] *Fuentes-Afflick & Hessol- University of California, San Francisco: Overweight in Young Latino Children (2008)*
[31] *Center for Health Policy Research, UCLA- http://www.rwjf.org/childhoodobesity/digest.jsp?id=9169&c=EMC-ND138*

[32] *Source: Office of Minority Health, 2009 data*
http://minorityhealth.hhs.gov/templates/content.aspx?lvl=3&lvlID=537&ID=6459

[33] *Northern California Hospital Council: BHSF - Health Matters website (2009)*
[34] *Ibid.*

American teenagers (43 per 1,000) and more than seven times as high as that of non-Hispanic White teenagers[i]. Rates in the Mission were even higher- 72 in 1,000 births (7.2%) were to teenage mothers, almost twice the City wide average (4%).[i] Approximately 7.7 percent of all Mission households are single-parent households, as compared with 4.5 percent San Francisco-wide. In some Mission census tracts the percentage is as high as 14 percent.

Youth homicide is the leading cause of death among youth ages 15-24 in San Francisco, and is nearly twice the statewide rate[35]. Over 90 percent of young homicide victims in 2007 were either African-American (54 percent) or Latino (37 percent).[36] Ninety-four percent of San Francisco's youth homicide victims are high school dropouts. Of all City neighborhoods, the Mission has the third highest rate of youth involved in the Juvenile Justice System. Nearly one in ten city-wide crime offenses happens in the Mission. In 2008, the San Francisco Police Department (SFPD) showed that crime was primarily concentrated in five "hot-zone" neighborhoods which compose less than one square mile of San Francisco's 49 square miles. The Mission District is one of the City's "Hot-zone" neighborhoods, with a disproportionate number of shootings. In 2007, 42% of the City's shootings occurred in these "hot zone" areas[37]. Multiple, active Latino gangs are present in the Mission as well, with at least one gang hosting its headquarters at 20th Street and Mission and gang related shootings are an ongoing, major safety issue for the neighborhood.

(2) The extent to which the geographically defined area has been described (5 points).

[ii] "A Snapshot of Youth Health & Wellness"; Adolescent Health Working Group, San Francisco, 2009.

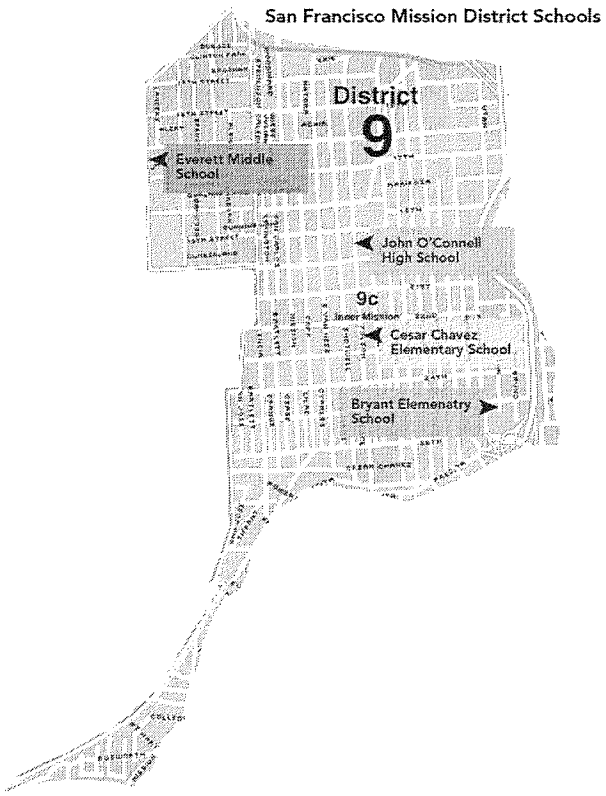
[i] *California DPH Center for Health Statistics- Birth Profiles by Zip Codes 2007*

[35] "A Snapshot of Youth Health & Wellness"; Adolescent Health Working Group, San Francisco, 2009.

[36] Simmons M., David R., Larsen-Fleming M., Combs N. (2008). A Snapshot of Youth Health and Wellness, San Francisco 2009. Adolescent Health Working Group. San Francisco, California.

[37] SF Department of Children, Youth & Families, "Street Violence Reduction Initiative: San Francisco Plan," April 2011.

The geographically defined target area for the Mission Promise Neighborhood is the Mission District neighborhood of San Francisco, California. The Mission District is an area of approximately two square miles, located in the City's Southeastern portion with street boundaries of approximately 11th Street to the north, Cesar Chavez and Mission to the south, Route 101 to the east and Dolores to the west. The Mission is in California's 8th Congressional District and includes all or part of Census Tracts: 6075017700, 6075020100, 6075020200, 6075020700, 6075020800, 6075020900, 6075021000, 6075022801, 6075022802, 6075022803, 6075022901, 6075022902, and 6075022903, and zip code 94110. The following map, **Figure 1** shows the target geographic area, and locates the target schools within that area:



B. ***Quality of the project design (20 points)***
(1) Alignment with school improvement strategy (10 points)

Our ***Mission Promise Neighborhoods vision*** is that all Mission District students and their families, from cradle to college to career, will have full access and utilize to their maximum benefit, a set of coordinated and integrated community- and school-based early childhood, academic, health, safety, asset development, employment, and higher education resources. Through this access and effective utilization, we will have a neighborhood with healthy families where students have high academic performance, and strong college, employment and career options. These students and families will have the knowledge, ability and resources to save and invest, increase their income, own a home and/or business, and will be actively engaged in the civic and political life of their community and the institutions that affect their lives.

The Mission Promise Neighborhood's ***Theory of Change*** is that, in order for Mission District children, youth, and families to thrive, a robust, high-functioning set of partnerships between schools and other community resources (both public and private) must be solidly in place, accessible, and seamlessly integrated. ***Central to our theory of change is the positive correlation between academic success and economic success.*** We believe that to improve cradle-to-college academic outcomes, we must seamlessly coordinate and integrate family economic success strategies and supportive services with our schools.

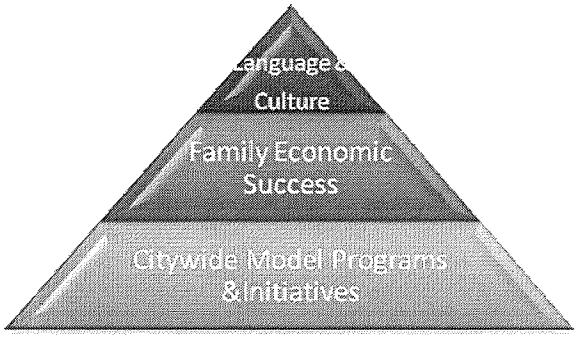
Research shows that, when compared with children from more affluent families, poor children are more likely to have low academic achievement, drop out of school, and have health, behavioral, and emotional problems"[38]. Academic performance indicators are consistently skewed in favor of children from higher income families; for example in the State of California, 90% of children eligible for free or reduced lunch scored below proficient reading level in 2009,

[38] Source: "Children in Poverty: Trends, Consequences & Policy Options"; By Kristin Anderson Moore, Ph.D., Zakia Redd, M.P.P.,1 Mary Burkhauser, M.A., Kassim Mbwana, M.P.P, and Ashleigh Collins, M.A, www.childtrends.org.

as compared to 60% of children not eligible for this benefit[39]. In turn, it is well documented that children who are not reading proficiently by the end of third grade are far less likely than their peers to graduate high school on time; and nationally "twenty-two percent of children who have lived in poverty do not graduate from high school, compared to 6 percent of those who have never been poor. This rises to 32 percent for students spending more than half of their childhood in poverty."[40] With an ***anti-poverty strategy at its core***, our Promise Neighborhood will coordinate and build upon the resources available to us to improve student and family developmental outcomes.

Our Mission District Promise Neighborhood will become a ***hub for innovation***, and model for replication and sharing best practices with other communities seeking to improve outcomes for low income and immigrant families. This innovation is built on three core components of our theory of action: (1) explicit ***focus on language and culture***, with programming and services that meet families in their native language, in a culturally appropriate manner; (2) explicit connection of, and commitment to ***family economic success as a core strategy*** for heightened academic achievement; and (3) focusing strong, ***city-wide model programs and initiatives*** that can be more explicitly integrated into our community. ***Figure 2- Our Model for Innovation***

A language and culture "lens" through which we focus our Promise Neighborhood plan is essential to our success. As aforementioned, up to 90% of



[39] *Source; Annie E. Casey Foundation, KidsCount, http://datacenter.kidscount.org/data/acrossstates/Rankings.aspx?ind=5125,*
[40] *Source; Hernandez, Donald. "Double Jeopardy; how third grade reading skills and poverty influence high school graduation." Annie E. Casey Foundation, April 2011.*

elementary school students, and nearly 2/3 of middle and high schoolers in our target schools are Latino, and the majority are English language learners. The Mission District is a neighborhood of schools that are the lowest achieving, in a District that is the highest achieving. While we will ensure that *all* students, regardless of language, race or cultural background, have access to the services they need to achieve, the families in our community with the greatest demonstrated need are largely monolingual Spanish speakers and immigrants. Providing fully bilingual English-Spanish programming, and ensuring that we meet families in a comfortable and welcoming environment is a priority of our Promise Neighborhood and will shape the way we integrate services across our community. Also unique is the robust set of high quality programs and services currently available in Spanish, meaning that our focus can be less on programmatic development (except in the case of new and expanded interventions) and more on coordinating and strengthening the resources we have available. To ensure we meet the needs of *all children and youth*, including other English language learners, and the Black or African-American, Filipino, Asian, and White students attending our target schools and/or living in our community, and students with disabilities, our planning process will intentionally seek out and include additional partners that specialize in serving these racial/ethnic subgroups, speakers of their respective languages, and students with disabilities.

Second, the explicit connection of family economic success with improved academic performance makes us unique. By framing our work, and our neighborhood through family economic success, and focusing on building the long term assets of families in our communities we are working toward an ambitious school reform and neighborhood improvement plan with an anti-poverty strategy at its core. We will build upon an existing, strong family economic success strategies and networks with UWBA's San Francisco SparkPoint, located at Plaza Adelante. The

21,000 square foot Plaza Adelante is owned by MEDA and located in the heart of the Mission District, at 19th and Mission Street, and will be the home base from which we ensure that families of our students have the resources they need to become financially stable. In turn, this increased financial stability will reduce the myriad of compounded, negative factors that result from poverty and financial instability (e.g. lack of health insurance, proper nutrition, poor quality housing, longer hours at work, and high stress among others), and improve their children's chances of success.

Finally, the Mission Promise Neighborhood is in a unique position due to San Francisco's wealth of resources dedicated to Early Childhood Education & Care, College Access, Health, and other areas. We will direct the innovative city-wide strategies and initiatives available toward the improvement of our Mission schools and families. These are described in depth throughout this proposal, but include such major initiatives as Preschool for All (early childhood), Kindergarten to College (college savings plans), Healthy San Francisco (health access for the uninsured), Beacon Centers Initiative (after school), and Bridge to Success (college-career). These initiatives are funded by major entities such as the City of San Francisco, State of California, Bill & Melinda Gates Foundation, San Francisco Foundation, Citi, and numerous others, and represent multi-million dollar investments. Thus, our Mission Promise Neighborhood has a built in support network of ready individuals and organizations, as well as a strong base of evidence backed strategies for improvements along the cradle-college-career continuum. Through the coordination and integration of these three components: Language & Culture; Family Economic Success; and Citywide Strategies into a common, united vision for the Mission District's children and families, we can create a strong model for study, observation and replication by other communities nationwide.

With SFUSD's strategic plan and the cradle-college-career continuum and as the guide, the partnership will achieve success through: (1) Quality, effective PreK-12 schools; (2) Quality and effective community-based organizations and programs that support these schools and families; (3) Strong and accessible pathways to higher education and careers; and (4) Effective and successful policies and initiatives of government, higher education, funders and partners. Through identifying the needs and gaps in our community, and the integration of strong, effective existing solutions and, in some cases, new community resources, we can create a continuum of solutions that are evidence-based and utilize best practices. This continuum will achieve improved outcomes for *all children and youth* who attend school in, and/or live in the neighborhood.

In order to create equitable educational opportunities for all students, the San Francisco Unified School District is currently engaged in a sweeping reform and redesign process built on a vision of city-wide Full-Service Community Schools (FSCS), promoting student academic achievement by supporting the whole-child, meaningful family and community engagement, and high-quality, innovative teachers and school leadership in an integrated manner that engages community based organizations to the fullest extent possible. The Mission Promise Neighborhood is an opportunity for the Mission District to fully launch that vision, integrating currently disconnected and unfocused resources into an exemplary citywide model of full-service community schools, with strong school-community partnerships based on common goals for student success. In our target schools we will work in tandem with the models currently being implemented, including the Turnaround model for Cesar Chávez Elementary and John O'Connell High, and the Transformation model for Everett Middle and Bryant Elementary.

At the heart of our Mission Promise Neighborhood plan is the ***leveraging of, and alignment with the $44 million School Improvement Grants***, a District grant intended to improve student learning in high needs schools, and which is currently benefiting seven of the Mission District's eight PreK-12 schools. The San Francisco Unified School District's 5-year Strategic Plan embraces Access & Equity, Achievement and Accountability. As a major strategy of this plan and to ensure equity and access in two of San Francisco's most underserved neighborhoods, SFUSD's Superintendent's Zones were created in the Mission and the Bayview to focus attention on and meet the needs of the City's lowest performing schools. The Mission Zone is led by Assistant Superintendent Guadalupe Guerrero, our Mission Promise Neighborhood District Advisor. SIG is part of a larger effort to create the conditions for all schools in the Superintendent's Zone to accelerate academic progress. SIG funding was awarded to the District to support instructional achievement at the school sites. School sites participate by ensuring high levels of implementation for these designated purposes in collaboration with strategic partners. This grant builds on the STAR and DREAM Schools investments already in these schools. SIG goals are: (1) Improved student academic achievement in language arts and mathematics; (2) Increased numbers of schools that make adequate yearly progress; (3) Creation of a system of continuous use of student data to guide improvement; and (4) School community use of data to make informed decisions about their programs for students. These goals will achieve: (a) High expectations for student success for every student; (b) Challenging, engaging and relevant instruction; (c) Specialized academic supports based culturally and linguistic responsive pedagogy; (d) Timely supports *(instructional interventions)* for students who need additional assistance; (e) Extended learning time for students beyond the school day/week and into the summer; (f) Coordination of academic, health, social/emotional services for students and

families; (g) Strong advocacy and partnership from and with parents and community. These strategies will be at the heart of our Mission Promise Neighborhood school transformations, as we seek to improve, bolster, and connect these efforts to the neighborhood's assets.

A critical component of the SIG grants is the placement of Community Schools Coordinator (CSC) in each school, who is responsible for facilitating the process of transforming the school into a full service community school. They work in close partnership with the school administrator to assess the school community's needs and assets, coordinate all student and family support services, and create a learning environment that supports student achievement and wellness. The Coordinator works with the Superintendent's Zone Director of Family and Community Engagement, Leticia Hernandez, and non-academic support services and external partners to reduce fragmentation and duplication, and to integrate supports with school improvement priorities and students' needs. Coordinators reduce the burden of management on the principal, working in close partnership but freeing principals to focus on their role as the instructional leaders and catalysts for change. We will work closely with the Principals, Community School Coordinators and the Director of Family & Community Engagement to help implement the vision of Full Service Community Schools in our Mission Promise Neighborhood (MPN). An additional component of our Promise Neighborhoods work will be coordination with SFUSD's Parent Engagement efforts in collaboration with Dinah Consuegra, the Executive Director of Parent Engagement, Student Support Services for SFUSD, to help ensure that parent engagement is a critical component of our strategy.

While we will coordinate with SIG, we have identified limitations and gaps in achieving our vision of an integrated continuum that will become our Promise Neighborhood, per the following ***Table II- MPN Strategic Framework***:

History/Gaps/Needs	Vision	Values	Strategies	Outcomes
Mission District schools have a track record of low performance. Seven of SFUSD's ten Persistently Lowest Achieving schools are in the Mission. These schools have benefited from the implementation of the SIG Superintendent's Mission Zone implementation plan, which has five key elements: • Instructional Guidance • Professional Capacity • School Leadership • Student Centered Learning Environment • Family & Community Ties The SIG program has successfully: Created access to a broad array of services for students within the schools; Enhanced the coordination of services and service providers within each SIG school; Better equipped and modernized these schools to address students' needs. Yet, while students have experienced real benefit from the SIG, families as a whole do not have access to a coordinated, integrated set of services.	We envision all Mission District students and their families, from cradle to college to career, having full access and utilizing to their maximum benefit, a set of coordinated and integrated community- and school-based early childhood, academic, health, safety, asset development, employment, and higher education resources. Through this access and effective utilization, we will have a neighborhood with healthy families where students have high academic performance, and strong college, employment and career options. These students and families will have the knowledge, ability and resources to save and invest, increase their	• Family/Student-Focused Strategies: Needs of students and their families are considered first and foremost in the design of our Promise Neighborhood. • Partnerships and Collaborations: Developing cooperative and effective relationships between organizations and institutions providing services to Mission District families, including SFUSD, to advance our collective goals • Effectiveness: Implementation of strategies resulting in the highest level of desired outcomes • Efficiency: Achievement of robust outcomes with limited resources	• Create the forums and processes where Mission District student families, community partners and SFUSD can engage in conversations and discussions on common vision, goals, objectives and outcomes • Develop an assessment, inventory and mapping of the of the full range of services that are needed to create improved outcomes for students and their families, including an understanding of current services and existing gaps • Develop systems and processes to enhance and maximize the coordination and integration of existing community services that are available to Mission District	• Improved on-going and systemic communication between students, student families, community service providers and SFUSD based on a common understanding of need, vision, strategies and desired outcomes leading to full involvement and buy-in • A full continuum of coordinated and integrated student-focused community services is available to students on and off campus • A full continuum of coordinated and integrated family-focused community services is available to Mission District student families throughout the neighborhood • Students demonstrate accelerated and high performing academic outcomes. • An agreed upon

Community Schools enhance the set of services available to students, but families are left to navigate the maze of supportive services outside the school to meet additional needs. Furthermore, while SIG has made steps in placing Community Schools Coordinators in each of the schools, services for students are not fully coordinated or integrated. Outcomes-based evaluation is inconsistent between schools and CBOs; neighborhood resources such as parks, public libraries, arts spaces and others are not fully utilized for the benefit of students and their families. Finally, there is a lack of standardization among services and understanding of best practices among multiple service providers both within and outside the schools who are providing services to students and families in each of the critical issue areas.	income, own a home, own a business, and be actively engaged in the civic and political life of their community and the institutions that affect their lives.		students • Develop inclusive processes that allow for full involvement and buy-in from students, their families, community groups and SFUSD • Schools focus on research-based elements of school improvement that include: clear instructional guidance, building professional capacity, a student-centered learning environment, strong parent ties, and strong school leadership. • Mission District schools become full service community schools • Develop an effective system to measure common outcomes & value add of strategies and services provided.	approach for outcome-based evaluation, which reflects the full added value of the services provided to students and their families • Data is shared between agencies and the school district for the purpose of real-time evaluation, improving outcomes, and establishing best practices • An increased understanding of best practices for providing community services to students and their families, which can be shared and replicated

(2) Plan to create a complete continuum of solutions (5 points)
MEDA and its collaborative partners will engage in a year-long comprehensive planning process that will fully develop the Mission Promise Neighborhood (MPN) implementation plan. MPN will provide all children in the Mission and their families with an integrated system of support while providing the children at greatest risk with the most intensive services. This planning process will dramatically elevate the effectiveness of all of participating schools and programs for children and families in the Mission. It will also build network with the capacity to unite the full range of community stakeholders around an unwavering commitment to children's success.

Key Planning Goals- The MPN design will further accelerate the community organizing momentum already established in the Mission by developing a systematic plan to create a neighborhood of hope and change for children. Starting at the moment that pregnant mothers participate in prenatal care programs, through to the time that the baby enrolls in preschool, transitions to kindergarten, reads proficiently at 3rd grade, transitions successfully to middle school, graduates in 12th grade ready to move on to college or to follow a career path and/or graduate from college, the system will be monitored, evaluated, and strengthened to ensure that s/he is successful. The MPN's activities will support the following two overarching goals:

- **All children in the Mission, from birth into adulthood, are thriving and graduate from high school and college prepared for success.**
- **MPN becomes a vibrant, effective community network that is supported and owned by the Mission community, and maintains a continuously improving, data-driven system of supports for children and families.**

Planning Objectives- Using its ***Theory of Change*** as a foundation, the MPN will significantly improve the academic, community, and family supports available to the Mission neighborhood residents, focusing efforts on those children in greatest need. Special attention will be paid to the key transition points in the system (birth to age 1, pre-school to kindergarten, elementary to

middle school, middle school to high school, and high school to college/career). During the planning year, MPN will engage in a comprehensive planning process that will develop the MPN as a strong community network with the capacity to coordinate and elevate the quality of all services to children and families in the Mission. Primary objectives for the MPN planning process include:

- Conduct an assessment of neighborhood needs and assets including existing programs that will be incorporated into the MPN, as well as existing capacity to leverage additional resources, and neighborhood leaders;
- Conduct a segmentation analysis that identifies those children at greatest risk for academic and other problems;
- Build a shared understanding of and commitment to specific desired outcomes;
- Identify measures, indicators, and accomplishments that will engage and keep partners and community members informed of, focused on, and inspired by the work of MPN;
- Develop data and communications systems to track and disseminate progress, including a longitudinal data system that will aggregate data from all partners and be used to evaluate and improve programs and track the progress of each child from birth to college/career;
- Develop an MPN action plan that will lead to the creation of a seamless system of supports, integrate and enhance the effectiveness of all existing services, and bring additional resources to the community for both Phase I implementation and Phase II scale up; and
- Identify measures, indicators, and accomplishments that will engage and keep partners and community members focused on, accountable to, and inspired by the work of the MPN.

All working groups will use the planning period to analyze why children and youth are not currently making it through transition points, and how MPN can create a continuous system of support where it is impossible for children to fall through the cracks. MPN planning components will be organized according to ***five planned working group focus areas: 1) Early Learning and Development; 2) School Improvement/Student Achievement; 3) Strong and Safe Neighborhoods; and 4) Family Engagement and Financial Empowerment; and 5) Technology Integration.***[41] The planning process will integrally involve the five working groups and will be overseen by the MPN Advisory Board.

[41] *These working group areas may be modified depending on the results assessment and resource mapping results.*

Planning and Governance Structure and Systems-Realizing that sustainable change needs to begin with engagement of the community, the MPN plans to launch an unprecedented organizing and mobilization effort designed to fundamentally alter conditions in the Mission District. Like the system it will build, this process is viewed as continuous - we are never stopping our effort to guarantee success for all children. As a first step, the MPN will develop a leadership and governance framework that will permit the MPN to build a continuous set of supports towards academic success that leverages resources and builds community engagement and accountability. Over 40 neighborhood leaders, community members, and representatives of county, city, school district, higher education institutions and community-based organizations are committed to participating in the MPN. Using this broad base as a starting point, MPN will convene additional stakeholders for facilitated discussions in relation to collective decision making and neighborhood resource mapping. An important outcome of this phase of the work will be the ***formation of the MPN Advisory Board*** which will include representation from partner agencies and organizations, elected officials, the school district and higher education institutions, community members, businesses, foundations, and parent leaders. An initial core Advisory Board group has been identified prior to the time of application, and its biographies and qualifications are included in ***Appendix VI***. This Board will be expanded upon launching the project to include a more diverse group of representation and expertise.

The five working groups will be convened and supported with facilitation resources as they focus on major elements of the MPN integrated set of supports, with a methodology that will build on the successful experience of SparkPoint Plaza Adelante partners (*see section B(3)*). The working groups will carry forward the MPN commitment to putting and keeping all children and families on the road to success by reviewing data, identifying the major needs in their issue

area, and recommending evidence-based strategies that will significantly improve neighborhood indicators and build community engagement and capacity. Working groups will include staff of CBO's, teachers, parents, students, community residents, government employees, and in some cases corporate and foundation sector representatives.

These working groups will meet on a bi-weekly basis, and quarterly the five groups, along with the Advisory Board, will convene to share experiences, integrate planning, and ensure the coordination of all neighborhood efforts. The quarterly convenings will be open community gatherings that provide opportunities for the full community to heighten its involvement in the Mission Promise Neighborhood. **Figure 3** below outlines the sequence of activities to be conducted during the planning period:

Communities of Practice: The MPN will participate in Communities of Practice through meetings, events, documentation our experience, sharing resources, and other ways of sharing best practices and lessons learned through our respective Promise Neighborhoods. MEDA has

ample space and resources for, and experience in facilitating Communities of Practice, both regionally and nationally, and is eager to convene these groups through which we hope to share, learn and collaborate to improve practices and outcomes in our respective neighborhoods.

(3) Leveraging existing neighborhood assets, programs and funding (5 points)

The Mission Promise Neighborhood will leverage and achieve seamless coordination with major existing assets and efforts that are funded through government and the private sector. All of MEDA's programs are aligned with city-wide neighborhood revitalization strategies, including the Mayor's Office of Housing's 5-Year Consolidated Plan[42]. As mentioned in Section I(b), central to our strategy is the alignment with and leveraging of the SIG program, a $44 Million three-year investment in schools, the majority of which are in the Mission. Additional MPN partners were identified through an open invitation and community meetings, and represent diverse sectors and experience. Based on further gaps identified during the planning year, we will identify additional partners and solutions for needs where there is not current capacity. Additionally, with the recent selection of Bayview/Hunters Point as a HUD Choice Neighborhood, we will make efforts to coordinate with this work. The SIG grants are for schools in both the Mission and Bayview/Hunters Point, therefore are following similar school improvement strategies; additionally, due to open enrollment, some Bayview students attend Mission District schools. To build effective partnerships we will leverage existing, functional networks that are active in the Mission District and that are developing strategies that address various pieces of the Promise Neighborhood. These include the San Francisco SparkPoint Center, Bridge to Success, Beacon Centers, and the Mission Community Council (MiCoCo). An overview of each follows:

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[42] *Available at San Francisco Mayor's Office of Housing website, www.sf-moh.org*

I. San Francisco SparkPoint: SparkPoint Centers, a crucial component of United Way of the Bay Area's strategy to reduce poverty in the Bay Area by 50% by 2020, are financial education centers staffed by a diverse of collaborative public and private agencies providing integrated services that help individuals and families who are struggling to make ends meet. Outcomes focus on increasing income and savings, reducing debt, and improving credit. SparkPoint Centers are developed on best practices and lessons learned from the Annie E. Casey Foundation's Centers for Working Families, and based on evidence that families who access two or more services have higher success rates. Examples of services are: financial coaching, business development, homeownership counseling, tax preparation, workforce development, and access to financial products. Outcomes are standardized across partners and centers for collective measurement, and measure income, savings, debt and credit indicators. Eight Sparkpoint Centers have been created throughout the Bay Area, and MEDA is the lead agency for the 9th center (and first in San Francisco) located in Plaza Adelante, the 21,000 square foot multi-tenant nonprofit center owned by MEDA.

The MEDA/UWBA planning process for the San Francisco SparkPoint kicked off in 2011 and has incorporated input from more than 40 agencies to determine collective objectives, outcomes, services, operations, governance and fundraising protocols. Through this process, MEDA's Project Manager and planning consultant, the Glen Price Group, successfully crafted a collective Mission, Vision and Target Population statement for the SparkPoint and laid groundwork for collective decision-making on items such as service integration, cross-referrals, and tracking shared outcomes. Project implementation will be phased based on resources, and capacity of partners. The Mission Promise Neighborhood will have a very strong connection with, and follow the map of, the SparkPoint planning and implementation work. Through the

SparkPoint process, we are working with a strong partner network, including those we intend to collaborate with for the Mission Promise Neighborhood.

II. Bridge to Success: Bridge to Success is a partnership between the City of San Francisco, San Francisco Unified School District, City College of San Francisco, San Francisco State University and the community to double the number of youth who achieve college degrees and credentials, and is funded through a 3-year Bill & Melinda Gates Foundation grant. This coalition of city and education partners has linked together supports and interventions that reinforce existing school district programs are designed to help students from the time they enter kindergarten through high school graduation and matriculation to college. With research showing that only 27% of SFUSD 9th graders are on track to earn a college credential, the Bridge to Success initiative targets the population of students who require the additional support for achievement at every step of their academic career. The Mission Promise Neighborhood grant will complement and build upon this work. Each of the lead Bridge to Success partners is also a partner for the Mission Promise Neighborhood, ensuring coordination and continuity with this major city-wide strategy.

III. SF Beacon Centers: The Beacon Centers transform public schools into youth and family centers that become a beacon of activity for the surrounding neighborhood, creating pathways to lifelong learning. Beacon centers provide out-of-school time programming for children, youth and adults. The Beacon Initiative is a public-private partnership that includes the San Francisco Department of Children, Youth and their Families, SFUSD, community organizations (including Mission Neighborhood Centers), and local foundations, led by the Evelyn & Walter Haas, Jr. Fund.

IV. Mission Community Council (MiCoCo): The Mission Community Council (MiCoCo) is an organization of CBOs, faith groups, neighborhood associations, and public departments that have united to promote the well-being of the Mission District. MiCoCo meets monthly to provide information, and to act as a forum for information regarding neighborhood issues. MiCoCo members take action on critical community issues in Affinity Groups, where they develop collaborative solutions to issues. The Promise Neighborhoods planning structure will coordinate closely with MiCoCo's Youth Affinity Group, which has been meeting since November of 2010 to assess the needs of and improve the neighborhood's education systems. MEDA has been a participant of MiCoCo and the Youth Affinity Group, along with many other MPN partners.

C. *Quality of project services (20 points).*
(1) Needs assessment and segmentation analysis to determine solutions (10 points)
MEDA and partners will collaborate with UC Berkeley's Center for Latino Policy Research to design and implement a rigorous research, data collection and evaluation component that will be used to conduct the needs assessment and segmentation analysis, and to inform the planning process. The project will be staffed by Lisa García Bedolla, an additional dedicated staff person from the Center for Latino Policy Research, and graduate students. The needs assessment will be designed to collect data for the educational indicators listed in Table III below; and for the family and community support indicators in Table IV below, and use them as program indicators:

Table III- Academic Indicators (Table 1 of federal NOFA)

Indicator/Outcome *# and % of children and youth who:*	**Data Source for Needs Assessment**	**Possible Solutions (Current Strategies)**
Children Enter Kindergarten Ready to Succeed in School *They have a place where they go when they*	First Five; DCYF; SFUSD	Preschool for All Head Start, Early Head Start CPAC

are sick. *They demonstrate age appropriate functioning.* *They participate in center-based or formal home-based early learning programs.*		Raising a Reader
Students are Proficient in Core Academic Subjects *They are at or above grade level according to State assessments.*	SFUSD	Standards-based teaching & learning Instructional Materials Academic Assessments Progress Monitoring of Student Performance Data Instructional Coaching & Professional Development Academic Interventions & Student Supports Expanded Learning Time[43] Full Service Community Schools
Students successfully transition from middle school grades to high school *They have high attendance rates.*	SFUSD	San Francisco Beacon Initiative Parent Engagement
Youth graduate from High School *They have high graduation rates.*	SFUSD	Bridge to Success College Connect
High school graduates obtain a postsecondary degree, certification, or credential. *They have postsecondary degrees, vocational certificates, or other credentials without needing remediation.*	SFUSD	Bridge to Success College Connect Financial Aid University Kindergarten to College Summer Bridge SF Promise Dual Enrollment Programs Metro Health Academy

Table IV- Family & Community Support (Table 2 of federal NOFA, additional indicator shaded)

Outcome/Indicator *# and % of children and/or families who:*	**Obtain/Collect Data**	**Possible Solutions (Current Strategies)**
Students are healthy. *Children participate in at least 60 minutes of physical activity daily.* *Children consume five or more servings of fruits and vegetables daily.*	SFUSD Student Survey	Healthy San Francisco SF Healthy Kids School Based Wellness Centers Shape Up San Francisco
Students feel safe at school and in their community. *They feel safe at school and traveling to and from school.*	SFUSD Student & Parent Satisfaction Surveys	Mission Van Collaborative HEARTS Trauma Sensitive Schools Program Community Response Network

[43] *Refers to "Increased Learning Time" per federal definition*

Students live in stable communities. *They have low mobility rates.*	Population Survey	Affordable Housing Advocacy Affordable Homeownership Anti-displacement focused economic development
Families and community members support learning in Promise Neighborhood schools. *Family members read to their child three or more times a week.* *Family members encourage their child to read books outside of school.* *Family members talk to their child about college and career.*	Parent Survey	School Based Parent Liaisons & Literacy Coaches Raising a Reader First Book Full Service Community Schools Believing the College Dream Parent Engagement Strategies
Students have access to 21st century learning tools. *Students and families have school and home access to broadband and a connected computing device,* *Students and families have the knowledge to use technology for academic and socio-economic success.*	Student/Parent Surveys	Public Computer Labs Mission Tech (computer refurbishing & distribution) SIG Instructional technology investments in schools (i.e. computer labs, educational software, teacher & student laptops, interactive whiteboards)
Families are economically stable *Families demonstrate economic stability through adequate income, savings, credit, and debt-to-income ratios.*	SparkPoint database; Parent Survey	SparkPoint Center Earn It! Keep it! Save it! Free Tax Preparation

Description of Needs Assessment & Segmentation Analysis Process- The first step of the needs assessment & segmentation analysis process will consist of a catalogue of relevant data indicators available from our partner agencies and from the public record (i.e., the 2010 Census Data, Current Population Survey, the Healthy Development Measurement Tool (HDMT), American Community Survey, National Center for Educational Statistics Data, SFUSD, the California Department of Education, and the National Longitudinal Study of Adolescent Health, among others). The evaluation team will gather this data, merge, and recode it in order to combine it within one database. In order to track neighborhood effects, we will ensure that the data is identifiable at the smallest possible geographic level –the census block level. To ensure data is representative of all children and youth in the neighborhood, we will merge data from not just our target schools but publically available data from *all* neighborhood schools.

Once the data has been gathered, the UC Berkeley Research Team will meet with the partner organizations to share available data and identify additional indicators or information the partners determine should be gathered as part of the planning process. After this step, further data will be gathered by the Research Team and incorporated into the database. The database will then serve as the foundation for descriptive information about the target geographic area. Uniquely, this database will include a variety of data sources, including information on health care access, nutrition, economic assets, and educational outcomes in one location. Most projects analyze these issues in isolation- by contrast, in alignment with the holistic vision of the Promise Neighborhoods program, our data evaluation will demonstrate how the social, economic, and institutional infrastructure of a child's neighborhood affects their educational opportunities and outcomes, providing us with comprehensive empirical evidence to support the project's proposed solutions.

Our data analysis will also go beyond straightforward multivariate analyses. One of the underlying assumptions of the Promise Neighborhoods program is that geographic spaces contain a set of interrelated and sometimes complementary resources that can be leveraged in order to maximize community well-being. A key goal of the needs assessment will be to map the locations and concentrations of those resources within the geographic space. The Research Team will enter the gathered economic, health, and educational data into GIS maps so that partner organizations and community members can see the distribution of resources within the neighborhood space and identify locations that need additional supports. One of the end products for the analysis will be the creation of an interactive mapping program that will be available online. With this mapping tool, community members will be able to engage in customized searches in order to locate particular resources within their location, thus enhancing the empirical

foundation available to local decision makers and ensuring the project's accountability to its constituency. This mapping data will also provide another layer of empirical evidence to ensure the accuracy and appropriateness of proposed program solutions.

The final aspect of the evaluation will be to gather attitudinal information from the Working Group meetings and from interviews with key stakeholders and affected youth. This will ensure that a wide diversity of community voices are included in the planning, ensuring program accountability. The Research Team will record and transcribe meetings and interviews and provide the MPN team with a summary analysis of respondents' suggestions and concerns. These results will also be made publicly available to project partners and community members on an ongoing basis to enhance decision-making, improve accountability, and ensure that the project results in continuous learning and improvement among stakeholders. Throughout the process, the Working Groups and Advisory Board will identify and document policies and regulations that could hinder success, which will be reported in our analysis documents to both the MPN planning team and the Department of Education.

(2) Determining solutions are based on best available evidence and drive results (10 points). The Mission Promise Neighborhood is working with a base of organizations that are providing evidence-based solutions for each of the areas we are addressing. An overview of solutions with which we will coordinate follows; the evidence base (where available) for each is footnoted:

Health/Wellness: ***Healthy San Francisco***[44] makes health care services accessible and affordable for uninsured residents, ensuring they have basic and ongoing medical care and is available to all

[44] *Healthy San Francisco Evaluation- indicated evidence that HSF is increasing access to primary care for participating adults, improving self-reported health status, and altering their care-seeking behavior. Some opportunities for improvement exist. For example, Latinos and Spanish speakers were more likely than other participants to think that their current medical care was worse than before they joined HSF*

residents under 500% of the federal poverty line. San Francisco ***Healthy Kids*** offers complete medical, dental, and vision insurance to children at a very affordable cost - regardless of immigration status. High-school based ***Wellness Centers***[45] provide confidential on-site Mental Health and Substance Abuse Assessments, Individual and Group Psychotherapy, Crisis Intervention/Consultation, Grief & Loss/Trauma Counseling, referrals to community resources, and consultation to school staff and community. ***Shape Up San Francisco*** is a multi-sector collaboration that increases affordable, healthy food options, increases walkability and bike-ability in neighborhoods, and encourages physical activity for children and adults.

Early Childhood Education: ***Preschool for All***[46] provides free half-day preschool for all four year olds in San Francisco, regardless of income. ***Raising a Reader***[47] provides children and families with age appropriate-multi lingual books and encourages parents to read to children. ***Head Start/Early Start***[4849] provides early childhood education and other services to low income children and families through center-based and home-based programs.

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http://www.healthysanfrancisco.org/files/PDF/HSF_Utilization_Paper_7_6_2011.pdf

[45] *School based wellness initiative evaluation results http://www.sfwellness.org/evaluation. The 2009-10 data demonstrates that Wellness services enhance student's connection to school. As a result of participating in individual counseling services through Wellness Programs: 81% of students report coming to school more often;69% of students report doing better in school. School health – www.nasbhc.org; and schoolhealthcenters.org (under publications)*

[46] *(OPRE) Office of Planning and Research Evaluation: Research to Policy, Evaluation of Quality Rating and Improvement Systems for Early Childhood Programs and School Age Care: Measuring Children's Development June 2011*

[47] *http://www.rarbayarea.org/program-and-impact/research/*

[48] *Head Start Impact Study and Follow-up, 2000–2011. US Department of Health and Human Resources Early Head Start Benefits Children and Families: Research to Practice Brief, April 2006*

[49] *Effectiveness of Early Educational Intervention Barnett, Science 19 August 2011: 975-978.DOI:10.1126/science.1204534*

PreK-12: Implementing the ***Full Service Community Schools***[50] model in our target schools is a major priority of SFUSD. Additionally school improvement is focused on the following core elements of the SIG: ***Standards-based teaching & learning; Instructional Materials; Academic Assessments; Progress Monitoring of Student Performance Data; Instructional Coaching & Professional Development; Academic Interventions & Student Supports; Expanded Learning Time.***[51] San Francisco ***Beacon Centers***[52] offer free programs and activities for youth and adults after school, during the evening, some weekends, and summer.

College/University: Mission Graduates ***College Connect***[53] ***r***ecruits four-year college-bound high school juniors who are first generation to attend college, and provides personalized college admissions support to students and parents through high school graduation, and ongoing guidance during college. ***Kindergarten to College***[54] is a city-wide collaboration between SFUSD, the City of San Francisco, Citi and others that gives every kindergartener a college savings account with $50 to begin saving for education. ***Bridge to Success*** works to increase the number of college graduates in SF through structured interventions. ***SF Promise*** guarantees access to San Francisco State University (SFSU) for students of SFUSD, seeking to bridge financial gaps and provide proactive counseling about the guaranteed access offer and how to prepare to succeed with it, including programs from 7th grade through junior year at SFSU.

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[50] *Community schools – www.communityschools.org – look under results – they have a research brief – 4 pages with sources; also their publication called "Making the difference: research and practice" – under Coalition Resources*
[51] *Research completed by Anthony Bryk; Organizing Schools for Improvement, Lessons from Chicago*
[52] *Beacon initiative- http://www.sfbeacon.org/practitionerResources/Quality_Standards_And_Evaluation.pdf*
[53] *Horn, L. (1997). Confronting the Odds: Students at risk and the pipeline to higher education, NCES, 98-094. Washington, D.C. U.S. Department of Education, National Center for Education Statistics.*
[53] *Gandara, P., & Bial, D. (1999). Paving the Way to Higher Education: K-12 Intervention Programs for Underrepresented Youth. National Postsecondary Education Cooperative.*
[53] *Myers, D. and A. Schrimm. (1999). The Impacts of Upward Bound: Final report for Phase I of the national evaluation. Washington, D.C.: U.S. Department of Education, Planning and Evaluation Services.*
[5454] *"Assets and Liabilities, Educational Expectations and Children's College Degree Attainment", http://csd.wustl.edu/Publications/Documents/WP09-60.pdf*

Frisco Day offers students the opportunity to enroll in college if they haven't yet, learn about financial aid and other supports, and build relationships with other students that help them transition to college. ***Financial Aid University***[55][56] a project of MEDA, Citi, and Mission Graduates helps low income and LEP students complete FAFSA, and connects their families with free tax prep and asset development services.

Career/Vocational: ***Metro Health Academy*** of SFSU & City College prepares students for careers in health & social justice through extra support and additional exposure to issues of social justice. Students in MHA are part of a cohort, moving through three semesters of MHA courses and health-infused general education courses together beginning in Sophomore and Junior years. San Francisco's Office of Economic & Workforce Development's Career ***Sector Academies***[57] in areas such as green jobs and health integrate skill development, support services, and job development that prepare and place low-to-high skilled individuals in a range of jobs within targeted industries. ***Bridge to Biotech*** is a City College program targeting minority students without science backgrounds and trains them for entry-level research positions. UCSF and a number of biotech firms host City College interns and the program meets a clear workforce demand- a dearth of skilled workers could jeopardize the region's position as a leading biotech hub. ***Inside UCSF*** is part of the University's ongoing efforts to address "pipeline issues" and to

[55] *FAU Is funded by the Center for Economic Progress of Chicago and connected with the National Community Tax Coalition.*

[56] *M. Roderick, J. Nagaoka, and E. Allensworth. (2006). From High School to the Future: A First Look at Chicago Public School Graduates' College Enrollment, College Preparation, and Graduation from Four-Year Colleges. Chicago: Consortium on Chicago School Research at the University of Chicago.*

[57] *Public Private Ventures; Aspen Institute research on Sector Academies*

encourage students from underrepresented groups to pursue higher education and careers in life sciences and health professions.

Safety: ***Mission Van Collaborative*** provides youth with safe passage to and from after-school and summer programs, as well as affordable field trip transportation within the San Francisco Bay Area. ***Community Response Network*** addresses youth gang violence through crisis response, care management services and development, and street level outreach. ***UCSF HEARTS***[58] creates school environments that are more trauma-sensitive and supportive of the needs of traumatized children.

Asset Development: ***SparkPoint Centers***[59] bundle services for families and provide financial coaching to help them improve credit, reduce debt, increase savings, and increase income. These collaborative centers track common data among different agencies. The ***Earn It! Keep It! Save It!***[60] coalition provides free tax preparation and benefits screening, helping families access thousands of dollars in tax credits every year that help them toward financial goals.

Additional Solutions: Solutions to meet the needs and gaps in services identified through the planning process will be developed in each of the Working Groups. Each group will be led by an Advisory Board "expert" in the subject matter, who will ensure that solutions are evidence-based per best available research, and are likely to achieve the intended outcomes.

D. ***Quality of the management plan (45 points).***
(1) Working with neighborhood, residents; schools; government; and service providers (10 points)

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[58] *Helping Traumatized Children Learn; A Report and Policy Agenda- www.massadvocates.org, book download*
[59] *An Integrated Approach to Fostering Family Economic Success, Annie E. Casey Foundation- http://www.aecf.org/~/media/Pubs/Topics/Economic%20Security/Family%20Economic%20Supports/AnIntegratedApproachtoFosteringFamilyEconomic/Report%201%2012%2009.pdf*
[60] *The Role of the Earned Income Tax Credit on the Budget of Low Income Families- National Poverty Center- http://npc.umich.edu/publications/u/working_paper10-05.pdf*

The Mission Economic Development Agency (MEDA) is a 501c3 local economic development organization with a mission of achieving economic justice for San Francisco's low and moderate income Latino families through asset development. In the long-term, we envision generations of Latino families that are a part of vibrant, diverse, proud and forward-thinking communities in which residents own their homes and businesses, and are actively engaged in the civic life of their neighborhoods and the institutions that affect their lives. We see these families as having sufficient assets to provide them and future generations with the opportunity to call San Francisco their permanent home. MEDA provides family support programs that serve over 3,500 individuals each year and build community stability through: homeownership counseling, foreclosure intervention, business development, financial education, and free tax preparation. MEDA has a 38 year history of service to, and deep engagement with Mission District families, community based organizations, government leaders, and has led major planning efforts in the neighborhood. MEDA has a $3.5 Million annual budget, is effectively managing grants from 5 different federal agencies that total more than $6 Million, and is the owner and developer of the $9 Million Plaza Adelante family economic success center, a one-stop asset development and family supportive services center in the heart of the Mission that is home to MEDA and seven other CBOs. MEDA is also the manager of the Latino Tech Net, a $6 Million national Recovery Act funded project that is bringing technology access and training to 17 Latino communities in 10 states nationwide. Our organization has strong outcomes-based evaluation, and a demonstrated track record of success, meeting our goals and outcomes with all programs and funding streams. Due to its robust organizational capacity, MEDA was selected through a city-wide competitive application process to be the lead agency for United Way of the Bay Area's (UWBA) first San Francisco SparkPoint Center. Through this, we are collaborating closely with

UWBA in a major family economic success effort that will be closely tied with, and greatly bolster our Mission Promise Neighborhood. We are proposing the following Leadership & Management structure for the Mission Promise Neighborhood (MPN):

MEDA Board: MEDA's Board of Directors is composed of eight individuals that will have fiscal and contractual responsibility for the grant. MEDA's Board meets bi-monthly and reviews the organization's budget, cash flow, programmatic goals and outcomes. MEDA's Board has expertise in community economic development and represents both government institutions and non-profit direct service and advocacy organizations. Biographies are included in **Appendix VI**.

Advisory Board: The Advisory Board is composed of individuals with expertise in each issue area, including: Early Childhood Education; PreK-12 Education; Higher Education; Vocational/Employment; Adult Education; Health; Asset Development; Safety; Technology. The Advisory Board will include representatives from CBOs, schools, universities & colleges, local government agencies, elected officials, parents, students, principals and teachers. An initial Advisory Board list in **Appendix VI** demonstrates vast expertise in each area, and strong ties to the community. The Advisory Board will approve all proposed solutions in the continuum; guide our vision, theory of change and theory of action; and oversee the Project Director. The Advisory Board will meet quarterly throughout the planning year, where they will discuss, provide feedback on, and vote on approval of plans produced by the Working Groups. Our Advisory Board is bolstered by inclusion of San Francisco's Board of Education President, Hydra Mendoza and Executive Directors of three key academic partners- Mission Graduates (Jeff Feinman), Jamestown Community Center (Claudia Jasin), and Good Samaritan Family Resource Center (Mario Paz). Each of these individuals has a deep history of providing services in the

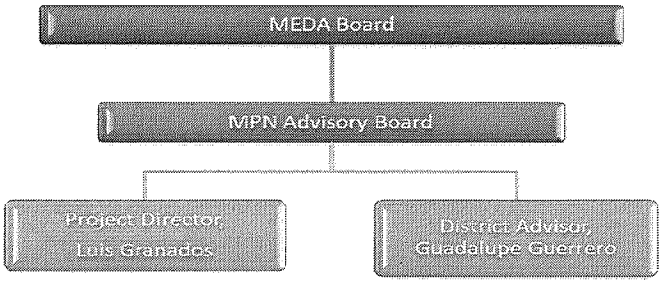
neighborhood schools we are targeting. Good Samaritan and Jamestown have been serving the Mission for approximately 40 years, and Good Samaritan has served the neighborhood for more than 100 years.

Project Director: Luis Granados (MCP, University of California, Berkeley; B.A., University of California, Davis), Executive Director of the Mission Economic Development Agency will serve as Project Director. As the Executive Director of MEDA, Luis Granados has been working in the Mission District and with its residents for 14 years. In this time, he has vastly grown MEDA's programs and capacity from serving 73 families to 3,400 annually, and has created an anchor institution in the neighborhood that provides important family support programs. With Luis at the helm, MEDA purchased and redeveloped Plaza Adelante into a one stop asset development center. Luis also led a major anti-displacement planning process in collaboration with numerous community organizations and public agencies which, through research, advocacy, and policy development resulted in the creation of the Eastern Neighborhoods Plan. The Plan led to the retainment of many of the neighborhood's small businesses and working class residents, specifically through land use and zoning policies that provided more housing units affordable to low-income families and encouraged the retention of small businesses in the Mission and throughout San Francisco's Eastern Neighborhoods. Luis has strong relationships and a long history of working with government leaders, including San Francisco's Supervisors, department heads and staff of City agencies, state Senators and Assemblymembers, and high level government leaders at the Department of Housing & Urban Development, Department of the Treasury, Small Business Administration, Administration for Children & Families, and Department of Commerce.

District Advisor: Guadalupe Guerrero (Ed.D candidate, M.Ed., Harvard Graduate School of Education; B.A., University of California, Los Angeles), Assistant Superintendent, Superintendent's Zone-Mission District, PreK-12, of the San Francisco Unified School District will serve as District Advisor in a lead governance role for the project. In this role he will review project plans and outcomes and ensure maximum alignment with SFUSD's strategic plans and priorities for the target schools. Guadalupe Guerrero is leading an ambitious school reform process among Mission District PreK-12 schools. Guadalupe has extensive experience as a teacher, school principal, and central office administrator serving historically underserved communities. Guadalupe began his career in public education as a Spanish bilingual teacher in the Mission, in the same schools in which he is now supervising and leading their turnaround and transformation efforts. Guadalupe has attended two highly selective programs at the Harvard Graduate School of Education: the School Leadership Program and the Urban Superintendent's Program. He is completing his doctoral dissertation focused on systemic transformation to support accelerated student outcomes. Guadalupe is a cohort member of the Superintendent's Leadership Academy sponsored by the Association for Latino Superintendents and Administrators. He served previously as a principal and member of the Superintendent's Leadership Team in the Boston Public Schools before returning home to San Francisco to complete a residency under the mentorship of Superintendent Carlos Garcia. His work in school year 2010-2011 included co-authoring the district's School Improvement Grant, which was awarded for a combined $44 million dollars to support the turnaround of the district's lowest performing schools. Initial results from year one are promising, and indicate that five of the seven most improved schools in the district are schools in the Superintendent's Zone, per

California API Growth scores, with the majority of schools demonstrating increased proficiency level outcomes for students.

The Project Director and District Advisor in our governance structure will collaborate closely and ensure: (1) maximum alignment with the school district's plans for school restructuring and reform in the Mission; (2) expertise at the Governance level in PreK-12 education; and (3) expertise at the Governance level in community planning, family support programs, social equity, and social inclusion for Latino and low-moderate income communities. A diagram of the proposed **Mission Promise Neighborhood Governance Structure** follows:



Project Manager: Eric Cuentos (MCP, Massachusetts Institute of Technology (MIT); B.A., University of California, Santa Cruz), MEDA's proposed Project Manager, will implement the planning process, including coordinating community partners, school representatives, consultants, and staff working on the project. Eric will ensure that the schedule and timelines are adhered to in accordance with the workplan, and coordinate meetings between the Advisory Board, Working Groups and consultants to collectively develop the needs assessment, segmentation analysis, and continuum of solutions during the planning year. Eric is managing the SparkPoint planning process at MEDA and has 8 years of experience in managing multi-stakeholder collaborative planning processes in the community development field in San Francisco, working at Bay Area Local Initiatives Support Corporation (LISC), and at the

Excelsior Action Group where he led the LISC-funded Neighbors Excelling Together (NExT) Comprehensive Community Planning Process. Eric is a Mission District resident, homeowner, and parent.

Director of Family & Community Engagement, SFUSD: Leticia Hernandez of SFUSD, will ensure alignment of the MPN with SIG efforts and SFUSD priorities. In her role she provides guidance to and facilitation of Community School Coordinators cohort, coordinates outreach to community-based organizations, collaborates with school-based Parent Liaisons, listens to input and feedback from parents and principals around parent engagement efforts, and acts as a direct line of communication for families to the Assistant Superintendent. Leticia has expertise in youth development and evaluation, and a strong history of working the Mission District, including as the Education Director with our partner, Jamestown Community Center.

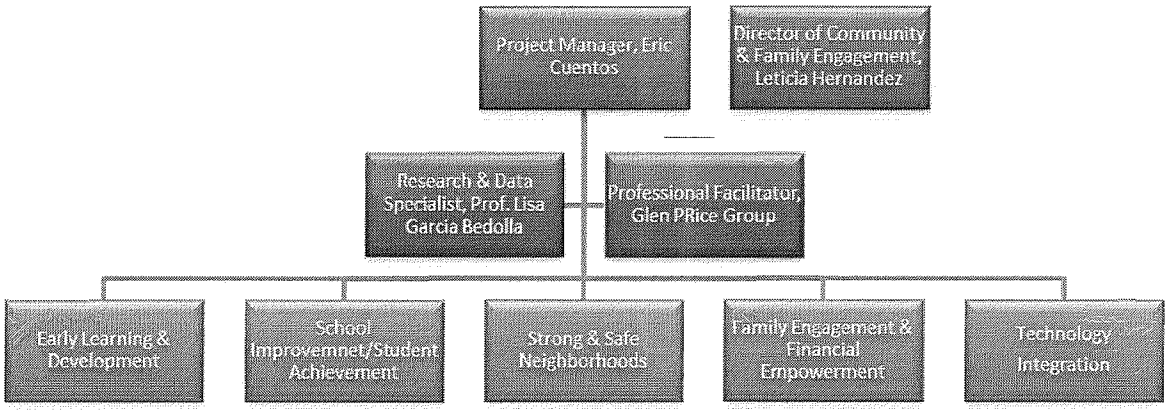
Research & Evaluation Specialist: Dr. Lisa García Bedolla (Ph.D. Political Science, Yale University; B.A., University of California, Berkeley), Chair of Berkeley's Center for Latino Policy Research will be responsible for designing, managing and implementing the needs assessment and segmentation analysis, and making data available to the planning groups throughout the process. Lisa García Bedolla is Associate Professor of Social and Cultural Studies in the Graduate School of Education at the University of California, Berkeley. Professor García Bedolla recently formed part of the three-person evaluation team for the James Irvine Foundation's $15 million California Votes Initiative. This work included engaging in a data and capacity needs assessment for the nine community-based organizations participating in this project, in addition to implementing and reporting on the groups' effectiveness across six electoral cycles. Thus, Professor García Bedolla has direct experience with collecting qualitative, quantitative and experimental data from community groups, as well as with multi-group

collaborations geared toward improving campaign impact and outcomes. Dr. Bedolla will utilize the resources of the Center for Latino Policy Research (CLPR), which was founded in 1989 in response to the challenges of limited educational, political, and economic opportunities facing the Latino/Chicano population. The Center's goal is to leverage the complexity of the Latino experience in the United States in order to shed light on the myriad factors that affect the distribution of material, social, and political opportunities within U.S. society. They accomplish their mission through the conduct of community-engaged research projects that, in collaboration with organizational partners, inform local, state, and national policies that affect Latinos, and aim to foster community participation in the research process, ensuring that their research products are relevant to and reach those most directly affected.

Planning Facilitator, Glen Price Group: Glen Price will provide professional planning facilitation, bringing both expertise and objectivity into the neighborhood planning process. Glen Price has over 30 years of expertise in highly successful strategic planning, high–performance programming, and fund development for a wide range of local, state, national, private sector, and international clients. Price was the principal team leader for efforts that raised over $1 billion dollars for public and private agencies. In 2011, the Glen Price Group conducted an intensive strategic planning process for the California Department of Education through which they facilitated the work of a diverse group of external stakeholders that resulted in the development and publication of "A Blueprint for Great Schools." It also involved working with CDE employees on a broad and highly participatory process of institutional development aimed at building the organization's culture of service and support. Since founding the Glen Price Group in 2001, Price has worked extensively with non–profit organizations, government agencies, and collaborative initiatives including the American Red Cross, County of Sonoma, Alameda County

Family Justice Center, City of Richmond, United Nations Food and Agriculture Organization, World Wildlife Fund, and others. He has been working with MEDA and partners since the summer of 2011, facilitating the SparkPoint planning process.

A diagram of the proposed **Management Structure** is included below:



(2) Using data for decision-making, learning, continuous improvement, and accountability (15 points);

MEDA has vast experience and success in collecting and managing data. Some key examples include:

- For 5 years, MEDA's Homeownership Counseling, a HUD certified program has been required to collect and monitor data in compliance with federal standards. Additionally, MEDA's programs have monitored, input and assessed data for Community Development Block Grant (CDBG) funded programs; Recovery Act funded programs for a national partner network; as well as for the IRS driven VITA tax preparation sites. MEDA's programs collect and analyze data for, and serve over 3,500 individuals each year.
- MEDA has well defined strategic priorities that are measured and assessed by our Board of Directors and Management Team quarterly and annually in outcome reports. These reports

measure our progress toward a variety of programmatic and infrastructural indicators that are inclusive of all of the organization's activities.

- MEDA completed an organization-wide outcome tracking system that specifies indicators of success for each of our program and is designed to go beyond simple output measurement, tracking real change over time. This system is modeled after industry best practices including Microtest. MEDA is adept at entering, coordinating, managing and utilizing data from various databases, including the city's 7C squared, Microtest, CounselorMax, and Vista Share.

Database & Data Management- The data management for the MPN will utilize the services of the University of California, Berkeley's Center for Latino Policy Research under the guidance of Professor Lisa García Bedolla. Professor García Bedolla will work closely with the MPN Project Manager and MEDA's internal Evaluation Analyst, Victor Corral to design, implement, and utilize the MPN database system for the identification of needs, gaps in services, and solutions. In order to manage data and ensure that the MPN is data- and results-driven, we will complete process focused on (1) determining the outcome measures, (2) building the system and determining the operating policies and procedures, and (3) collecting, updating and analyzing data regularly. Advisory Board members, MPN staff, including the Project Manager and Working Group Members, where appropriate, will finalize the scope of work, delineating specific activities and goals associated with the proposed solutions. These Working Groups will also be charged with determining specific, measurable outcomes tied to each solution, based on the proposed project indicators in this proposal, which are discussed in the *Quality of Project Services* section of the proposal.

The MPN database will be designed, managed and maintained by UC Berkeley's Center for Latino Policy Research and will be made public and available online. It will be the Center's

responsibility to continually update the database with new data provided by government, project partners, and/or institutional sources, and to make those updates publicly available. The result will be the creation of a searchable, publicly available, longitudinal database that links data produced by a variety of local, state, and national educational agencies with geographically-defined economic, health, safety, and nutritional information. The evaluation team will enter the gathered data into GIS maps so that partner organizations and community members can see the distribution of resources within the neighborhood space and identify locations that need additional supports. An end product will be the creation of an interactive mapping tool that will be available online. With this mapping interface, community members can engage in customized searches in order to locate particular resources in the neighborhood, enhancing the empirical foundation available to local decision makers and ensuring the project's accountability to its constituency. This mapping data will also provide another layer of empirical evidence to ensure the accuracy and appropriateness of proposed program solutions.

This comprehensive data collection and dissemination will be accompanied by quarterly reports to the project partners from the Research Team. These reports will present all data analysis and relevant findings for that project period. The reports will be written in a very accessible manner and the evaluation team will ensure that the report focus is directly relevant to the major questions being addressed by the planning team. The reports will include a discussion of insights into "best practices" that can be discerned from the analysis of the project outcomes. With the consent of project collaborators, all reports will be made publicly available to community members and relevant stakeholders, with the goal of disseminating the project findings and impact as broadly as possible.

(3) Creating formal and informal partnerships (10 points)

The Mission Promise Neighborhood has vast community support, as evidenced by the 25 partners included in our MOU. The attached MOU confirms the alignment of each partner's vision, theory of action and theory of change with that of the proposed Promise Neighborhood. Partners will be held accountable in accordance with the signed MOU, and adherence to a collectively agreed upon vision, workplan and outcomes. Above and beyond these formal structures, our planning process is designed to ensure maximum buy in to the project and adherence to the Promise Neighborhood Plan as a crucial component of each partner's fulfillment of their mission and vision. Significantly, for this project, we have commitment from the Mayor's Office and city agencies with which we have existing and on-going relationships, including the Department of Children, Youth & their Families, First 5 San Francisco, the Office of Economic & Workforce Development, the Mayor's Office of Housing, the Department of Public Health and the Department of Technology. These connections will help our project integrate strongly with local government and break down agency silos in serving our constituency. Additionally, we have strong partnerships with our local universities including University of California Berkeley, University of California San Francisco, San Francisco State University, University of San Francisco and City College of San Francisco. We will seek to create "effective partnerships" defined as those that are mutually supportive; have 100% buy-in from both sides of the partnership; create and adhere to shared vision, goals and outcomes; and that have strong, consistent and ongoing communication. Community residents, including parents and students, will participate in the decision making process through their involvement in the Working Groups that address each issue area.

Our plan will incorporate an existing network of "Promotores" that help community organizations outreach regarding services. These "Promotores"[61] are community members with strong social network ties through participation in church, sports or community groups that have received leadership and specialized training in the subject matter of the services they are doing outreach for[62]. We will provide additional training to promotores and recruit new ones including school students and parents, to participate in Working Groups, promote community involvement, and help ensure that services offered by MPN partners are reaching their intended audience.

Four of MEDA's eight Board of Directors members (50%) are representative of the geographic area proposed to be served; two members are residents of the Mission District and two are Public Officials. In the past 14 years, MEDA, with Executive Director Luis Granados at the helm, has led several collaborative planning efforts that have brought together local residents, small businesses, community partners, public agencies and private funders. These examples are representative of MEDA's strong history of, and systems for holding partners accountable to collaborative projects and include: 1) the Mission Corridor Planning Project, a two-year, process that created an economic development plan for the Mission District; 2) Eastern Neighborhoods Plan, a 4-year planning process, which created a permanent land use plan and zoning of San Francisco's eastern neighborhoods; 3) the foreclosure prevention coalition, a 3-year effort to coordinate foreclosure prevention issues in San Francisco's most affected neighborhoods; 4) Plaza Adelante, a one-stop financial and asset development center, which now houses multiple organizations and provides services to over 5,000 people per year; and 5) SparkPoint, involving 40 entities and coordinating and integrating family economic success services across non-profit and public agencies. Each of these projects achieved its intended outcomes and held partners

[61] *Promotores are affiliated with "Vision y Compromiso California" coalition outreach workers*
[62] *E.g. Child Development, Public Health, College Readiness, Etc.*

accountable through systems of formal and informal MOUs, contractual and reimbursement agreements, and continuous communication between our leadership and management and that of our partner organizations. Most recently, MEDA has demonstrated capacity for project management through its successful management of the Latino Tech Net, a $6 Million national project that is equipping 19 computer centers in ten different states with bilingual training programs geared toward Latino entrepreneurs, and will create 2,500 jobs over the course of three years.

(4) Integrating funding streams and programs into the continuum of solutions (10 points). This project will integrate funding streams from numerous local, regional, federal, and public and private sources including: United Way of the Bay Area, SF Human Services Agency, First 5. Department of Children, Youth & their Families, CDFI Fund, the Mayor's Office of Housing and Mayor's Office of Economic & Workforce Development, the San Francisco Foundation, the Haas Sr. Fund, the Kresge Foundation, Citibank, Wells Fargo, US Bank, Bank of America, among others. A complete list of leveraged funds is included in **Appendix V**, and totals $4,774,161, of which a minimum of $250,000 is available explicitly for planning[63]. As aforementioned, the project will leverage and integrate several high-quality, neighborhood programs that represent combined multi-million dollar neighborhood investment of resources, organizations, strategies, and people, into its continuum of solutions. These include but are not limited to the School Improvement Grants, San Francisco SparkPoint, Bridge to Success, and the Beacon Centers/After School for All.

The project's leadership has extensive experience in integrating funding streams from multiple sources, and demonstrated capacity to raise and leverage funding to create integrated and comprehensive programs for neighborhoods. For example, in the past two years MEDA has

[63] *Per federal FAQs, a match can be applied for implementation of a solution that is part of the scope of the Promise Neighborhood plan, that is implemented at the same time planning occurs. Therefore, $250K of our match is explicitly for planning while other funding is composed for both planning and implementing solutions.*

successfully competed for and received federal grants from five different agencies totaling more than $6 million, the majority of which are for collaborative work benefiting the Mission District, and represent federal investment with which we will coordinate. These agencies include: the National Telecommunications & Information Administration, Small Business Administration, Department of Housing & Urban Development, Community Development Financial Institutions Fund, and the Administration for Children & Families. MEDA also leveraged public funding from the City of San Francisco, and private funding through numerous banks and foundations for the completion of the $9.5 million dollar Plaza Adelante development project. MEDA has strong relationships with numerous private funding sources, including banks (Bank of America, Citibank, US Bank, Chase, Comerica, First Republic, Bank of the West), foundations (San Francisco Foundation, Walter & Elise Haas Sr. Foundation, Evelyn & Walter Haas Jr. Foundation, Columbia Foundation, Levi Strauss Foundation) and corporate entities which will be leveraged in support of the Mission Promise Neighborhood. Our District Advisor to the project, Guadalupe Guerrero of SFUSD, brought the SIG grant to Mission District schools, a $44 Million investment.

The Sustainability planning group within the team will ensure that this project is financially sustainable over the long-term. This will be achieved through creating a sustainability plan that identifies specific funding amounts, potential sources of funding, and timelines. This group will be composed of individuals from the Advisory Board with specific experience in raising funds, and coordinated by Jillian Spindle (M.A., B.A. University of Chicago), MEDA's Director of Development who has significant fundraising capacity and extensive experience with collaborative fundraising efforts. The Sustainability planning will be supported in part through United Way of the Bay Area's resources (in combination with the SparkPoint sustainability planning). Jenny Flores, Citi Community Development Manager, a corporate partner and funder of education and community development in San Francisco, and Lisa Villareal, the San Francisco Foundation's Education Program Officer will participate in this planning group, which will select a qualified Chair upon receipt of funding. While there will be specific focus, capacity

and infrastructure dedicated to sustainability, fund development will be a shared goal for all Working Groups, and a regular agenda item at Advisory Board meetings.

MEDA is committed to working with the Department of Education and a national evaluator to ensure data collection and program design are consistent with national plans, including developing strategy, coordinating baseline data plans for the Mission and a comparison group, and making data available to the evaluator as appropriate, including quarterly. Two individuals are designated for this work, including Project Manager, Eric Cuentos, and Data & Research Specialist, Professor Lisa García Bedolla.

E. Competitive Preference Priority 4 -Comprehensive Local Early Learning Network (2pt)

In 2009, the Mission had among the highest rates in the City of children who had social and academic "readiness needs" when starting Kindergarten, as well as unmet needs for childcare subsidies[64]. San Francisco has a robust Early Learning Network serving the Mission District. SFUSD and the ECE community will collaborate in the MPN planning process to create a high-quality and comprehensive local early learning network that is fully integrated with the PreK-12 system and community supportive services, and that is available to every child. Thus, the planning process will coordinate DCYF, First 5 San Francisco, preschools; Early Head Start and Head Start center-based and school-based programs; home based child care center coalitions and technical assistance entities; pre-natal and parenting programs. We will coordinate closely with the San Francisco Childcare & Advisory Council (CPAC), the state mandated Local Planning Council for childcare and early education policy. We will embrace, coordinate with and align with the following major initiatives: **(1)** ***Preschool for All*** -San Francisco is unique in its Prop H public funding of a universal preschool system that is sending all 4 year olds to preschool. **(2)**

[64] *Source: 2011 Department of Children, Youth and Their Families Needs Assessment, http://www.dcyf.org/workarea/showcontent.aspx?id=4994*

SFUSD PreK-12 System- SFUSD has implemented a PreK-12 system and "Early Education Department" which serves over 2,000 children 3-5 years old at 34 schools. As part of this articulated vision of a PreK-12 system, the District has created a Core Curriculum and is aligning the preschool curriculum through grades 3, with an emphasis on English Language Arts, Math and Science. **(3)** ***Race to the Top***- In anticipation of the State of California's participation in this, and its ultimate benefit to our local partners, we will build toward the goal of increased efficiency, improved quality, and coordinated service delivery that supports young children's success in school and beyond. **(4)** ***California Early Childhood Education Competencies***-These competencies outline the knowledge, skills, and dispositions that early childhood educators should have. They present information about education and professional development for individuals interested in or working in ECE, and build practitioner understanding of state requirements and job responsibilities. They promote the development of skillful, knowledgeable educators and administrators who are committed to making high-quality early care and education services available to all young children and their families, and can "align" centers to a more uniform approach for school readiness outcomes.

As with the other parts of the continuum, the early learning network will develop a plan with common goals, strategies, and benchmarks to improve ECE outcomes aligned with the Pre-K-12 vision of SFUSD. While a full needs assessment will be completed, an initial assessment of gaps in ***Table V-Early Learning Needs*** below covers three areas:

Professional Development	Technology Integration	Alignment of Sectors

There is a need to "professionalize" the continuum of professions within the child care sector. A high quality plan for early learning in our promise neighborhood can integrate this level of professional development with the vocational/career and higher education components of our work to ensure that early childhood educators have strong career pathways, and maximal credentials and educational attainment.	The rigorous record keeping required by state-funded child care providers is cumbersome and could be vastly improved through integration of technology and automation into the classrooms for improved tracking, data collection and analysis, and ultimately improved developmental outcomes for children.	The ECE sector needs to be more strongly aligned with the PreK-12 continuum of education in our community, with a common vision, goals, and clear roles of each portion of the continuum in the development of children & youth in our neighborhood.

Dolores Terrazas will lead this work during the planning year. Dolores was formerly the Childcare Administrator with the City & County of San Francisco, where she was responsible for broad base strategies with City Departments to integrate child care needs into City plans and managed 11 million dollars for San Francisco's early childhood community. The Early Learning & Development Working Group will include representatives from the child care provider network (home based and center based), government representatives from DCYF and First Five, PreK-12 representatives, and parents.

F. Competitive Preference Priority 5 -Quality Internet Connectivity (1 Point)

We will prioritize bringing quality internet connectivity, computer equipment, and training to all students and families in the Mission. To achieve this, we will leverage significant existing investments, including**: (1)** ***the Latino Tech Net (LTN)***, a project of MEDA and CAMINOS Pathways Learning Centers, funded by a $3.7 Million dollar, three-year Recovery Act grant from the NTIA[65] that is offering bilingual computer training and public access computers at Plaza Adelante; **(2)** use of ***the City of San Francisco Department of Technology's Community***

[65] *National Telecommunications & Information Administration*

Broadband Network, a 1 GB network that provides internet access for low income communities and CBOs; **(3)** access to ***corporate programs*** (AT&T and Comcast) which are giving free or reduced internet subscriptions and computers to low-income families and SFUSD students. [redacted] is a technology expert, Mission native and Executive Director of CAMINOS Pathways Learning Center, and will lead the ***Technology Integration Working Group***. He will be assisted by Richard Abisla, MEDA's LTN Project Manager who has expertise in utilizing technology for educational purposes. Our strategy will focus on the three cornerstones of: Access, Training and Content. An overview of our vision for each follows in ***Table VI- Technology Vision***:

	Vision	**Values**	**Strategies**
Access	All Mission families have computer and broadband internet access in the home, at school, and in community technology centers. Families have free or low-cost computers for home use, and all students' access computer technology in their schools.	-Family/Student-Focused Strategies: Computer use and broadband adoption is essential for families to succeed in school and the workplace -Partnerships and Collaborations: Bring together diverse stakeholders (non-profits, social ventures, for-profits businesses, government) to provide computers and broadband internet access to families at little or no cost	-Free computers through Comcast Internet Essentials; reduced cost computers through refurbisher Mission Tech -Wireless Internet access in parts of the Mission from San Francisco's Community Broadband Network - Connect qualifying families to Comcast Internet Essentials ($10/month) home broadband -Process-oriented, user-friendly technical support, onsite and remotely through CAMINOS
Training	All family members are skilled in using computer technology and broadband internet. Students are engaged in technology internships and fellowships, and parents utilize online teacher-parent communication platforms. Technology is an indispensable tool for families to navigate—and	-Training is necessary for both parents and students to utilize new technology; training will ensure that families are not excluded from widespread adoption. -Technology training will lead to better outcomes for Mission District families, not only in school, but also in parents' competitiveness in the workplace/small business arena.	-Education-focused training aligned with state and national standards prepares youth for higher education. -Parent training on School Loop, the online communication system used by SFUSD to provide homework, and academic progress information. -Internship opportunities at Bay Area tech companies- mobile app development, game design, computer repair -Training on internet safety and

	excel in- the school system.		security, and social networking safety
Content	Online content is integral to the educational experience of the Mission District. Students and parents are engaged in online platforms that involve them in the learning process.	-Students and parents require support to enter into a new phase of technologically integrated learning; Mission Promise Neighborhoods will support them through the transition	-Parents use School Loop to monitor student progress, attendance and homework. -Online modules on early learning outcomes, cyber bullying, gang prevention, social media responsibility, preparing for college and understanding financial aid application process.

[i] *Early Chronic Absenteeism Report, March 2010, SFUSD.*

[ii] *Chang H, & Romero M, (September 2008) Present, Engaged & Accounted For: The Critical Importance of Addressing Chronic Absence in the Early Grades, National Center for Children in Poverty, NY, NY.*

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Contents

1 Introduction

Launched in 1992, the $5 billion HOPE VI program[1] represents a dramatic turnaround in public housing policy and one of the most ambitious urban redevelopment efforts in the nation's history. It replaces severely distressed public housing projects, occupied exclusively by poor families, with redesigned mixed-income housing and provides housing vouchers to enable some of the original residents to rent apartments in the private market. And it has helped transform the Department of Housing and Urban Development's (HUD) approach to housing assistance for the poor. This report provides a comprehensive summary of existing research on the HOPE VI program. Its central purpose is to help inform the ongoing debate about the program's achievements and impacts, and to highlight the lessons it offers for continuing reforms in public housing policy.

HOPE VI grew out of the work of the National Commission on Severely Distressed Public Housing, which was established by Congress in 1989. Congress charged the Commission with identifying "severely distressed" public housing developments, assessing strategies to improve conditions at these developments, and preparing a national action plan for dealing with the problem. Based on its investigation, the Commission concluded that roughly 86,000 of the 1.3 million public housing units nationwide qualified as severely distressed and that a new and comprehensive approach would be required to address the range of problems existing at these developments.

In response to these findings, Congress enacted the HOPE VI program, which combined grants for physical revitalization with funding for management improvements and supportive services to promote resident self-sufficiency. Initially, housing authorities were allowed to propose plans covering up to 500 units with grant awards of up to $50 million. The program's stated objectives were as follows:

- to improve the living environment for residents of severely distressed public housing through the demolition, rehabilitation, reconfiguration, or replacement of obsolete projects (or portions thereof);

1. HOPE VI stands for Housing Opportunities for People Everywhere.

- to revitalize sites on which such public housing projects are located and contribute to the improvement of the surrounding neighborhood;
- to provide housing that will avoid or decrease the concentration of very low-income families; and
- to build sustainable communities.[2]

Since 1992, HUD has awarded 446 HOPE VI grants in 166 cities. To date, 63,100 severely distressed units have been demolished and another 20,300 units are slated for redevelopment (Holin et al. 2003). As of the end of 2002, 15 of 165 funded HOPE VI programs were fully complete (U.S. GAO 2003b). The billions of federal dollars allocated for HOPE VI have leveraged billions more in other public, private, and philanthropic investments.

Evaluating HOPE VI

After a decade of HOPE VI, a wide range of constituencies—Congress, the administration, housing groups, local elected officials, resident advocates, and the media—are asking challenging questions about what all of the investment has accomplished:

- To what extent has HOPE VI achieved its intended benefits?
- What impact has HOPE VI had on the original residents, public housing sites, the neighborhoods in which developments are located, and the surrounding cities and metropolitan areas?
- What impact has HOPE VI had on approaches to public housing development, management, and design?
- On a more forward-looking note, what lessons does HOPE VI offer for public housing or for affordable housing policy more generally?

The nature of the HOPE VI program makes responding to these fundamental questions especially challenging. HOPE VI has not been "one program" with a clear set of consistent and unwavering goals. Rather, the program has evolved considerably during the past decade—in legislation, regulation, implementation, and practice. To an unusual extent, the program has been shaped more through implementation than by enactment. What was initially conceived as a redevelopment and community-building program evolved over time into a more ambitious effort to build economically integrated communities and give existing residents more choice in the private housing market. Because of the flexible nature of the program, local housing authorities have had tremendous lati-

2. Section 24 of the United States Housing Act of 1937 as amended by Section 535 of the Quality Housing and Work Responsibility Act of 1998 (P.L. 105-276)

ublic housing was originally intended to provide decent and affordable accommodations for low-wage workers and other families for whom market rents were out of reach. But by the end of the 1980s, public housing was widely viewed as a failure. Although many local housing agencies maintained and operated high-quality programs, living conditions in the nation's most dilapidated public housing developments were deplorable, and a complex layering of problems left these developments mired in the most destructive kind of poverty (Blank 1997). These problems included extreme racial and economic segregation and inadequate public services, particularly police, schools, and sanitation. Most residents were unemployed, depending on public assistance or the underground economy (Popkin, Gwiasda et al. 2000). Ineffective housing authority management and inadequate federal funding had left these developments with huge backlogs of repairs, creating hazardous conditions that placed residents at risk for injury or disease. Exacerbating these problems, violent criminals and drug dealers dominated many distressed developments, and residents lived in constant fear. These developments had become dangerous and destructive communities in which to live, undermining the welfare of families and children. Moreover, their profound poverty, distress, and disorder blighted surrounding neighborhoods, which though typically less poor than the public housing, still had very high rates of poverty, unemployment, high school dropouts, crime, and other social ills, few services or stores, and even fewer jobs.

In this section, we review the evidence on conditions in severely distressed public housing that led to the call for a radical new policy approach. Understanding the depth and complexity of these problems—and the factors that contributed to them—is essential for understanding both the achievements and the shortcomings of the HOPE VI program to date. We also draw on more recent evidence on conditions in developments targeted for HOPE VI awards since 1999, which point to continuing problems in aging central city developments, and the ongoing need for innovative redevelopment efforts.

In its final report to Congress, the National Commission on Severely Distressed Public Housing (1992) focused much of its attention on residents, stating that severely distressed

public housing was "not simply a matter of deteriorating physical conditions, it is more importantly one of a deteriorating severely distressed population in need of services and immediate attention." Consistent with this emphasis, the commission's definition of "severely distressed" public housing focused first on residents:

> residents living in despair and generally needing high levels of social and supportive services;
>
> physically deteriorated buildings; and
>
> economically and socially distressed surrounding communities.[4]

Although not discussed in the commission's report, these "residents living in despair" were primarily minority women and children—predominantly African-American and extremely poor. In other words, African-American and Hispanic residents suffered the effects of living in the worst public housing, and the same residents later experienced the consequences—good and bad—of the changes that HOPE VI brought about. A national analysis of HUD data documented that the majority of HOPE VI residents were African-American or Hispanic. Further, a staggering 88 percent of the people who lived in the neighborhoods surrounding the severely distressed developments were minorities.[5]

The causes of the extreme levels of racial and economic segregation in distressed public housing are well known (Massey and Kanaiaupuni 1993). In many cities, historical discriminatory practices led to the deliberate siting of public housing in poor minority neighborhoods that lacked access to transportation and jobs (Bickford and Massey 1991). For several reasons, including lack of political clout, deliberate neglect, and prejudice, these developments were often allowed to deteriorate, and their residents suffered high levels of physical and social distress.[6] The net effect was that HOPE VI revitalization efforts almost exclusively affected minority residents and communities. This fact is rarely cited in the policy debates over HOPE VI, but the reality is that the issue of race must be a central element in any discussion of the program's impact on residents and communities.

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4. This definition was later codified in the Quality Housing and Work Responsibility Act of 1998 (Section 513.d.2), which officially defined severe distress as housing that 1) requires major redesign, reconstruction, redevelopment, or partial or total demolition . . . ; 2) is a significant contributing factor to the physical decline and disinvestment . . . in the surrounding neighborhood; 3) is occupied predominantly by . . . families with children that are very low income, whose members are unemployed and dependent on various forms of public assistance, or has high rates of vandalism and criminal activity; and 4) cannot be revitalized through assistance under other programs.

5. Other research has found similar results—research commissioned by HUD on a sample of 15 developments documented that their populations were almost exclusively African-American and Hispanic (Fosburg et al. 1996); likewise, 89 percent of residents in the *HOPE VI Panel Study*, a five-site study of the impact of HOPE VI on residents, were African-American, and the rest were Hispanic (Popkin et al. 2002).

6. Between 1976 and 1993, there was only a modest decline in levels of segregation in public housing, with most black families continuing to live in extremely poor neighborhoods, while white public housing residents lived in projects with comparatively lower poverty rates. On average, African-American family households lived in developments that were 85 percent black and in neighborhoods that were 69 percent black. By comparison, the average white public housing family lived in predominantly white developments (60 percent) in white neighborhoods (78 percent) (Goering and Kamely 1997).

The economic segregation in distressed public housing was also staggering. The National Commission on Severely Distressed Public Housing cited evidence that more than 80 percent of public housing residents lived below the poverty threshold, and most earned less than 20 percent of what unsubsidized residents in the same communities earned.[7] More alarming still, the commission found an eight-fold increase in the share of the very poorest families living in public housing between 1981 and 1991.[8] Not surprisingly, rates of unemployment and public assistance receipt were also very high. The commission's findings on the extreme poverty of HOPE VI residents were echoed in a HUD study completed in 1996 (Fosburg, Popkin, and Locke 1996), in national analysis of HUD administrative data (Kingsley, Johnson, and Pettit 2003), and more recently in the HOPE VI Panel Study Baseline, a study of residents in five developments first slated for redevelopment in 2000 (Popkin et al. 2002).

The concentration of profoundly poor households in these developments resulted in part from HUD policies targeting public housing assistance to households at the lowest income levels and giving priority to those in the most extreme distress. In addition, however, the deplorable physical conditions in these developments contributed to the concentration of poverty. Only the poorest and most vulnerable families were willing to live in the most dilapidated public housing because they had the fewest alternatives. In fact, it was common for families that had been on waiting lists for long periods to turn down offers to move into many of the sites targeted under HOPE VI. For example, before the Connie Chambers public housing project in Tucson, Arizona, was redeveloped, two out of every three potential tenants declined to live there.

"Severely distressed" public housing was everything the label implies—dilapidated, often largely vacant buildings that showed the effects of poor construction, managerial neglect, inadequate maintenance, the wear and tear of generations of families with young children, and rampant vandalism. The HUD-sponsored Baseline Assessment of HOPE VI, a set of 15 case studies completed in 1996, documented the appalling conditions in these sites (Fosburg et al. 1996).[9] The developments in this study were all early HOPE VI sites, selected from the first two rounds of funding awards. But research on more recent HOPE VI awardees has also found evidence of extremely poor physical conditions. The HOPE VI Panel Study (Popkin et al. 2002) asked residents about the pre-revitalization conditions of their housing.[10] Most reported multiple serious problems with their housing, including cockroach infestations, excessive mold, and heating and plumbing problems.

7. This figure excludes elderly households.

8. Families earning less than 10 percent of median income increased from 2.5 percent in 1981 to 20 percent in 1991.

9. This study was conducted by Abt Associates for HUD. The follow-up study was completed in 2003. See Holin et al. (2003) for a complete description of the project.

10. The HOPE VI Panel Study is a major, multisite study tracking outcomes for a sample of 887 residents from five HOPE VI sites where redevelopment activities began in 2001. See Popkin et al. (2002) for a complete description of the study and methods.

"Like there's a person upstairs, the toilet leaks . . . and this infects the walls. Water was coming all up the side of the wall, see how the wall is broke off? It's dangerous to your health because there [is] an odor to it. You wake up in the morning and it smells so bad you have to open doors. You have to open the doors and windows in the morning time."

Resident of Ida Wells, Chicago

Many factors contributed to the physical problems in severely distressed public housing, including poor design, shoddy construction, inadequate federal funding for ongoing maintenance and modernization, and managerial neglect. Many of the housing authorities responsible for large numbers of troubled developments were themselves troubled—inefficient, lacking accountability, and generally under qualified as real estate managers. Federal funding constraints also contributed to the problems, limiting the resources available for repairs and revitalization. Further, HUD often penalized housing authorities for poor management performance by not granting their full allocation of modernization funds, resources that could have been used to repair their worst properties.[11]

The large number of vacant units—a sign of both poor management and an undesirable property—in many developments made things worse for the residents and further accelerated the downward spiral of living conditions. Vacant units reduced rental incomes and exacerbated cash flow problems for the housing authorities. Vacant units were easy targets for vandals, who often stripped them of pipes and cabinets; drug dealers and other individuals engaged in illicit activities often squatted in these units. The tragic case of Eric Morse, a 5-year-old boy who was dropped out the window of a vacant unit in a Chicago public housing high-rise by two teenaged neighbors, vividly illustrates the hazards created by unsecured vacant units.[12]

Extremely high levels of drug trafficking and violent crime also plagued most severely distressed public housing developments. The Commission Report and the HOPE VI Baseline Assessment documented the miserable conditions that prevailed in these developments, with residents living in constant fear. The high levels of crime and disorder resulted not only from the overconcentration of profoundly poor and troubled families, but also from ineffective management by local housing authorities. In many developments, leases were not enforced, disruptive and destructive residents were not evicted, vacant units were not secured, and policing was inadequate. It is telling that in the mid-1990s, public housing

11. See Popkin, Gwiasda et al. (2000) for a description of how HUD's decision to withhold funds from the troubled Chicago Housing Authority (CHA) during a management dispute in 1982 contributed the CHA's decline.

12. See Jones and Newman (1997) for a history of the Eric Morse case.

residents who signed up to participate in HUD's Moving to Opportunity (MTO) demonstration, which provided randomly selected participants with vouchers they could use only in low-poverty communities, cited the desire to get away from drugs and gangs as their main motivation for participating.[13]

Extreme problems with crime persisted in many public housing developments even as crime dropped elsewhere during the 1990s. In the baseline for the HOPE VI Panel Study, completed in 2001, nearly three-quarters of the residents surveyed reported major problems with drug trafficking and drug sales in their developments. Two-thirds of survey respondents reported that shootings and violence were also big problems, and half of the respondents reported that they did not feel safe just outside their own buildings.

The combination of intense poverty, physical deterioration, and social disorder in the nation's most severely distressed public housing developments called for a bold new approach to revitalization and a radical departure from traditional HUD and housing authority practices. In the following chapters, we review the policy changes implemented under the HOPE VI program and what we know thus far about the program's impacts on developments, residents, and communities.

13. The MTO demonstration involved randomly assigning residents from high-poverty public housing developments to receive a voucher that could only be used in a census tract with less than 10 percent poverty; receive a regular Section 8 voucher; or remain in public housing. See Goering and Feins (2003) and Orr et al. (2003) for complete descriptions of the demonstration and its findings to date.

fter 18 months of review, site visits, and analysis, the National Commission on Severely Distressed Public Housing recommended a 10-year, coordinated effort to address the full range of resident, development, management, and neighborhood issues. Estimating that 86,000 units (approximately 6 percent of the public housing stock) were severely distressed, the commission projected the total cost of the effort at $7.5 billion (in 1992 dollars) and recommended that Congress fund a 10-year effort at $750 million a year. The Urban Revitalization Demonstration (later renamed HOPE VI) was sponsored by Senators Barbara Mikulski and Christopher Bond, and incorporated into the FY 1993 appropriations law. The HOPE VI program was intended to fundamentally transform public housing by combining the physical revitalization of distressed public housing properties with community building and supportive services. HOPE VI funds covered capital costs to reconstruct replacement units, fund Section 8 vouchers, and improve management practices. Reflecting the commission's focus on community building and resident empowerment, the law also set aside 20 percent of the initial $300 million appropriation for community service programs and for supportive services, including literacy training, job training, day care, and youth activities.[14]

Part of the impetus for a bold new approach to revitalizing public housing was the failure of earlier HUD efforts to improve distressed public housing developments substantially. For example, the Major Reconstruction of Obsolete Housing Program (MROP) was intended to deal with developments that had "severe modernization needs," but it had very little impact overall. The funding pool was so limited that only small shares of redevelopment efforts could be paid for, with no guarantee of future funding to complete the work.

Moreover, several regulatory obstacles conspired to limit the effectiveness of pre-HOPE VI redevelopment efforts. First, the "one-for-one" replacement law required that a new housing unit be built for every unit that was demolished. For cash-strapped housing authorities, this requirement essentially prohibited any demolition. Even housing authorities that could afford to build new units faced serious barriers. HUD had ruled that

14. The appropriations law was heavily influenced by a 1992 report by the Cleveland Foundation Commission on Poverty.

replacement units could not be constructed in neighborhoods that were racially segregated, but nonminority communities often opposed the introduction of any new public housing units, and small-scale, scattered site properties were difficult to acquire and maintain. HOPE VI was designed to address these barriers comprehensively so that severely distressed public housing properties could be renovated or replaced with high-quality housing developments.

The enactment of HOPE VI in 1992 coincided with the election of President Bill Clinton and the appointment of Henry Cisneros, the former mayor of San Antonio, as Secretary of Housing and Urban Development. Cisneros's tenure was marked by an intense focus on broader public housing transformation. Over the course of the 1990s, the HOPE VI program evolved from an initiative focused on reconstruction and resident empowerment to one animated by broader goals of economic integration and poverty deconcentration, "new urbanism," and inner-city revitalization. At the program's inception, HUD encouraged housing authorities to replace distressed properties with new, lower-density developments and to achieve a broader range of incomes by attracting working families that were nonetheless still eligible for public housing. But beginning with the 1996 Notice of Funding Availability (NOFA), HUD began to encourage grant applicants to explore mixed-financing strategies, combining public housing with units financed with shallower subsidies (such as the Low Income Housing Tax Credit) and even market-rate units. In addition, HUD promoted new design concepts, neighborhood-wide revitalization strategies, and homeownership opportunities. Later NOFAs increased the attention given to resident services and supports, including relocation services, and mandated that supportive services be provided to the original residents, even if they did not return to the HOPE VI site (Holin et al. 2003).

All of these changes occurred in the context of evolving policies toward public and assisted housing more generally, and represented the "leading edge" of policy reform. To assess the impacts and implications of HOPE VI, it is essential to understand the larger policy context in which the program was implemented and the changes in thinking about the role of public housing in urban communities.

A central premise of HOPE VI—and of the broader public housing transformation effort that began in the 1990s—was that the overconcentration of profoundly poor, nonworking households was a major contributor to the high levels of social problems in distressed public housing.[15] Thus, to improve the lives of public housing residents, policymakers placed increasing priority on the need to deconcentrate poverty, through two complimentary strategies: (1) helping them relocate to better neighborhoods and (2) creating healthier, mixed-income communities in place of the distressed public housing developments.

15. See Popkin, Gwiasda et al. (2000) for a full discussion of the history and theories underlying the transformation of public housing.

Beyond the HOPE VI program, efforts to deconcentrate poverty and offer greater choice to low-income households included overhauling the Section 8 program to make vouchers more acceptable to the private market;[16] vigorous enforcement of fair housing laws; and settlement of a number of public housing desegregation cases, generally involving the provision of vouchers to remedy past discrimination.[17] The Moving to Opportunity demonstration, initiated in 1994, offered special-purpose vouchers along with mobility counseling to help public housing residents move to low-poverty areas. This demonstration was designed to rigorously measure the impacts of this assistance on neighborhood outcomes and the long-term well-being of families and children (Goering and Feins 2003; Orr et al. 2003). In 1996, the Regional Opportunity Counseling Initiative allocated funds to housing authorities in a small number of urban regions to experiment with mobility counseling programs that would expand location choices for Section 8 holders. Also during this period, tens of thousands of privately owned but federally subsidized housing units were either converted to market-rate housing or were demolished under the mark-to-market program; residents of these developments were generally given "enhanced vouchers" and relocation counseling (cf. Locke and Nolden 1999; Varady and Walker 2003).[18]

In 1998, reflecting the new emphasis on mobility and location choice, the Section 8 program was renamed the Housing Choice Voucher program. By the end of the decade, the voucher program had surpassed the public housing program to become the largest housing assistance program in the United States, and was increasingly recognized as an essential tool for helping low-income households obtain affordable housing without reinforcing the concentration of poverty.

The transformation of assisted housing policy during the 1990s also led to changes in federal laws to reduce the concentration of extremely poor households in public housing developments, the repeal of the one-for-one replacement rule, and an emphasis on promoting self-sufficiency and employment among public housing residents. As part of this effort, HUD altered the statutory and regulatory environment to both promote economic integration in developments and reward work. Specifically, Congress repealed an array of federal admission rules that had required local housing agencies to give preference to very poor families (including homeless families) in resident selection. Housing authorities were given greater flexibility in setting resident selection preferences, based on local housing needs and priorities—thus making possible a more diverse mix of incomes among public housing residents. The Quality Housing and Work Responsibility Act of 1998 (QHWRA) allowed housing authorities to take a number of measures to attract higher-income residents, particularly reinstituting "ceiling rents,"

16. Provisions requiring landlords to give tenants additional notices were repealed. Also repealed were provisions that (a) required landlords accepting one voucher family to accept all qualified voucher families (the "take one, take all" rule) and (b) prohibited term leases.

17. For a full discussion of these cases, see Popkin et al. (2003).

18. By 2003, 62,000 units were slated for demolition under Section 2020 mandatory conversions and other demolition efforts.

which cap rent levels so that tenant rent contributions do not increase indefinitely as incomes rise.[19]

[illegible]

In addition to emphasizing choice and opportunity for residents, the transformation of public housing led HUD to reexamine the design principles that had shaped public and assisted housing for decades. Most public housing was built to conform with "modest design" standards, so that costs would be minimized. But in some cases, these design standards contributed to high maintenance costs, poor living conditions, vandalism, and even crime (Popkin, Gwiasda et al. 2000). HOPE VI coincided with the emergence of new urbanism as a guiding set of principles in the field of community design.[20]

New urbanism calls for "traditional neighborhood patterns essential to restoring functional and sustainable communities. These patterns include: houses facing the streets, with . . . a mix of housing types, prices, and sizes to attract a mix of people; shopping and parks accessible via footpaths and sidewalks; a grid of streets" (Newman 1996). HUD also promoted the concept of "defensible space" in which "urban communities . . . [are] structured to allow residents greater control over the areas just outside their residence" (Newman 1996). This type of design translates into fewer common areas and more private and semiprivate space for residents, a drastic change from high-rises with common entrances and walkways.

[illegible]

HOPE VI also contributed to a transformation of public housing management. Traditionally, public housing was highly regulated by the federal government, with federal rules and statutes affecting every aspect of administration, including admissions, rents, evictions, resident rights and relations, modernization, development, and procurement. With the advent of HOPE VI, HUD deregulated public housing and promoted a more entrepreneurial, market-driven culture in public housing management. HUD streamlined and simplified the rules governing nearly every aspect of public housing management, eliminating dozens of handbooks and guidelines in the process. Further, in rewarding HOPE VI grants, HUD placed substantial emphasis on developing public/private partnerships among housing authorities, private-sector developers, and management firms. Housing authorities were encouraged to experiment with new forms of asset management approaches in which the bulk of on-site management was subcontracted to private firms.

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19. The Quality Housing and Work Responsibility Act of 1998 requires that at least 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. If more than 75 percent of the new or turnover Section 8 vouchers are used by families with incomes below 30 percent of the area median income, then this 40 percent requirement can be reduced to as low as a 30 percent share.

20. In fact, HUD was a signatory to the Charter for New Urbanism executed in 1994.

Crime Reduction Strategies

The 1990s also saw a concerted effort to reduce crime in public housing. Many housing authorities were struggling to gain control of developments overrun by violent crime and drug trafficking (cf. Popkin, Gwiasda et al. 2000). From 1988 to 2002—the era of the war on drugs—the Public Housing Drug Elimination Program (PHDEP) helped housing authorities pay for drug prevention efforts, including their own police and security forces.[21] Further, HUD revised lease rules for public and assisted housing to place greater emphasis on tenant screening and lease compliance and allowed housing authorities to set individual screening criteria for their new mixed-income developments. Enacted in 1996, the "one-strike" provision gave housing authorities power to evict households if any member showed evidence of drug-related criminal activity.[22] One-strike gave housing authorities broad latitude; managers could evict entire households even if the leaseholders did not know about the criminal acts.

Public Housing Finance

Finally, in addition to these regulatory changes, the transformation of public housing involved profound changes in financing public housing. Prior to HOPE VI, the federal government bore the full costs of designing and constructing new public housing. Strict cost restrictions often limited the ability of public housing authorities (PHAs) to build decent-quality housing with amenities that could appeal to a broader market. HUD rules also actively discouraged investments from local governments and private-sector lenders and investors.

As HOPE VI evolved, the financing picture shifted substantially, with the private sector taking on an unprecedented role. To ensure a greater mix of tenants, HUD encouraged developers to leverage HOPE VI funds with private-sector debt, private-sector equity (raised through the federal housing low-income housing tax credit), other federal grants, local capital dollars, and infusions of philanthropic resources. To "pioneer" the market, HUD used Federal Housing Administration (FHA) insurance to stimulate private lending in neighborhoods that had not witnessed new investment for decades. The goal was to make HOPE VI a flexible source of capital, thereby providing a catalyst for other investment in neighborhoods that had been redlined by conventional financial institutions. The long-term implications of these changes are not yet clear, but they seem to have the potential to profoundly change the character of public housing in the United States.

21. PHDEP was funded under the Anti-Drug Abuse Act of 1988 (P.L. 100-690), which authorized HUD to fund drug-control programs in local housing authorities.

22. The one-strike law was enacted in 1996 as part of the Housing Opportunity Program Extension Act (P.L. 104-120, 110 Stat. 834-846) and amended by the Quality Housing and Work Responsibility Act of 1998. The law was challenged by civil rights groups, and the issue went to the Supreme Court in 2002. The Court upheld the law, permitting the eviction of tenants for any drug-related activity, even when the leaseholder did not know, could not foresee, or could not control the behavior of other occupants. *Rucker v. Davis*, No. 00-17000, 00-1781 (U.S. Mar. 26, 2002).

[illegible]

he most basic goal of the HOPE VI program was to transform physically deteriorated, poorly managed, and financially distressed properties into high-quality living environments where families would choose to live. In many sites, this meant demolishing old buildings and replacing them with new, lower-density developments that reflect today's design standards. Some sites went further than simply building new and higher-quality public housing, developing housing for a mix of income levels, assembling financing from a wider range of public and private sources, and instituting management reforms. These more ambitious changes in HOPE VI developments provide models of how the public housing program as a whole could evolve over time. This chapter reviews the evidence to date on the impact of HOPE VI on the physical conditions in revitalized developments and on the mix of resident incomes, public housing financing, and site management.[23]

[illegible]

Many severely distressed public housing properties were poorly designed and constructed from the outset. They were often huge developments, featuring either looming high-rises or sprawling, barracks-style townhouses. Units were typically small and lacked amenities, and materials and construction were often shoddy. Over time, their physical condition had deteriorated badly owing to the combined effects of wear and tear, poor design and construction, inadequate funding, and poor management. HOPE VI sought to transform these sites into smaller, lower-density developments, composed of attractive buildings and appealing open spaces. Moreover, as discussed earlier, HUD encouraged developers to follow new urbanism design principles and promoted the concept of "defensible space."

Although the physical revitalization of public housing developments has been slow—in some cases, taking more than a decade—completed HOPE VI sites have dramatically improved the aesthetics of public housing. Not only were buildings torn down and

23. Tom Kingsley of the Urban Institute made major contributions to this chapter. We particularly appreciate his insights on mixed-income housing.

replaced, but street layouts were improved, open spaces were redesigned, and landscaping was enhanced. The program was awarded a Ford Foundation Innovations grant in 2000, and individual HOPE VI sites have received numerous design awards and accolades.[24]

Research evidence about the characteristics of completed HOPE VI sites comes primarily from the HUD-sponsored Interim Assessment conducted by Abt Associates, Inc. (Holin et al. 2003). This study examined 13 completed HOPE VI sites. In four of these sites, existing buildings were rehabilitated, while in nine, at least some of the original units were demolished and new housing was constructed. In general, redevelopment at all of the sites attempted to reduce density, improve security through the reconfiguration of both buildings and open spaces, and enhance the integration of the development with the surrounding neighborhood.

Not surprisingly, the sites in which all or most of the original buildings were demolished achieved the most dramatic physical transformation. In Washington, D.C., for example, the drab, two-story apartment buildings of Ellen Wilson Homes were replaced with an attractive mix of townhouses and detached units designed by a prominent local architect to blend into the historic Capitol Hill neighborhood. The buildings are varied in terms of architecture, building materials, and color so that they look like individual homes within the larger neighborhood, rather than a separate housing development. But some sites that rehabilitated existing buildings also achieved dramatic improvements. For example, Milwaukee's Hillside Terrace reconfigured streets and landscaping to create 12 "micro-neighborhoods" of about 40 units, each grouped around a central courtyard with a distinctive "monument" at the entryway. The new network of streets and sidewalks opens up the development to the surrounding neighborhood and encourages residents to walk around the development, creating more activity and natural surveillance of common areas (Holin et al. 2003).

Four types of positive physical changes were common to all the sites in the Interim Assessment study: an overall reduction in density; connecting properties to the surrounding area through the introduction of sidewalks and street grids; physical changes that increased safety, such as private entrances that face the street; and improved exteriors—for example, bay windows, front porches, or gabled roofs. As HUD intended, most of the completed HOPE VI sites in the study incorporated new urbanism and defensible space principles. In all of the sites, a majority of residents in the new developments reported being satisfied with their units (Holin et al. 2003).

Case studies of selected HOPE VI developments (e.g., Turbov and Berry 1999) also highlight the program's successes in replacing high-density, high-rise, and barracks-style housing with lower-density townhouses and low-rise dwellings. In addition to lower density, quality construction, and defensible space, better amenities—such as central air conditioning and washers and dryers—were provided to attract higher-income households. Some developments also employed "income-blind" design approaches, where all units were identical inside and out, and lower-income residents could occupy any unit. This

24. See http://www.housingresearch.org for best practices.

strategy is intended to avoid a concentration of poorer residents in one part of a development and to encourage greater interaction among residents with different income levels.

To cover better quality design and construction, HOPE VI allows higher per-unit development costs than have been permitted for public housing in the past. In principle, these higher development costs should pay off over time, not only in terms of better-quality living environments, but also in lower maintenance costs. More specifically, well-designed and constructed housing is expected to discourage vandalism and hold up better in the face of normal wear and tear. Although it is too soon to gather systematic evidence on ongoing management and maintenance costs, recent return visits to reoccupied sites in HUD's Interim Evaluation indicate that, in general, the new developments remain in good physical condition (Holin et al. 2003).

While HOPE VI does appear to have produced better-designed and higher-quality housing developments, the reductions in density, combined with the mixed-income strategy discussed below, has resulted in a net loss of housing units that are permanently affordable for very low-income households. Specifically, developments awarded HOPE VI grants through 2003 accounted for 94,600 public housing units. Current plans call for a total of 95,100 replacement units, but only 48,800 of these will receive the deep, permanent public housing operating subsidies necessary to reach households with very low incomes. The remainder will receive shallower subsidies—and serve families who are not necessarily eligible for public housing, or no subsidies—and serve market-rate renters or even homebuyers. Thus, only slightly more than half of the original stock of deeply subsidized units is expected to be replaced.[25]

It is important to note that only about two-thirds of the original HOPE VI units were occupied at the time of the grant award, and some had been vacant—and virtually uninhabitable—for a long time. The share of *occupied* public housing units scheduled for replacement is higher—78 percent. Moreover, in most years HOPE VI sites were eligible for supplemental allocations of vouchers for households displaced from their original units. An estimated 63,000 to 70,000 of these supplemental vouchers were allocated to replace demolished public housing units between 1995 and 2003. But it is not known how many were for HOPE VI projects and how many were for other public housing demolition. Therefore, questions persist about whether the total number of deeply subsidized replacement units—including *both* "hard" units and vouchers—compensates fully for the loss of public housing units under HOPE VI.

In addition to concerns about the total volume of replacement housing assistance, the redevelopment process has lagged in some HOPE VI sites. Although old buildings have generally been demolished quickly, it has sometimes taken years to construct any new housing on the site. Particularly in the early years of the program, some housing authorities that were awarded grants were troubled agencies with long histories of mismanagement and little capacity to implement a program as complex as HOPE VI. In other sites, such as Chicago and Newark, litigation has delayed new construction—in the case of

25. So far, 49,828 units have been demolished, and 21,000 hard units have been created (Kingsley et al. 2004).

Chicago's Cabrini-Green, for years. Even better-managed housing authorities face a steep learning curve in dealing with the complex financial and political challenges of redevelopment. The often-lengthy delays between grant award and redevelopment have been among the major criticisms of HOPE VI (cf. National Housing Law Project 2002) and one of the main justifications given by the Bush administration for proposing to eliminate the program in 2003 (Liu 2003).

Mixed-Income Developments

Income mixing has become a hallmark at HOPE VI sites across the country. As discussed in chapter 3, researchers and policymakers hoped that by targeting occupancy to residents with a wider range of incomes, HOPE VI could reverse decades of public housing policy that concentrated the poor and gave rise to the "full range of physical, economic, and social problems associated with poverty" (Suchman 1996). The expectation is that properties that have to attract and retain higher-income residents will be better managed and maintained over time, and that a mix of income levels creates a healthier social environment and brings better services—especially schools—to the surrounding neighborhood from both local government and the private, retail sector.

Thus far, research indicates that mixed-income public housing developments can be successful in creating well-managed communities that attract higher-income tenants. The Interim Assessment of HOPE VI (Holin et al. 2003) identified several mixed-income developments that were operating successfully, attracting a mix of market-rate, affordable, and low-income tenants. Evidence also shows that mixed-income housing is safer and better managed than the distressed public housing it replaced (Brophy and Smith 1997; Epp 1996; Rosenbaum and Stroh 1998). In some sites, the development of mixed-income housing has gone hand-in-hand with targeted improvements in neighborhood public schools, a strategy for both attracting higher-income residents and improving the well-being of low-income families (Turbov and Piper forthcoming). Finally, as will be discussed in chapter 7, there is some evidence from the Interim Assessment and other research that these mixed-income developments may have economic benefits for the surrounding community as well.

It is important to note that mixed-income strategies vary considerably in terms of the range of income levels they attempt to incorporate into a single community. Some HOPE VI developments now serve households that are all public housing eligible, but that range from extremely low-income households (and often households dependent on public assistance) to the working poor. For example, the redeveloped properties of Bernal Dwellings and Plaza East in San Francisco serve 100 percent public housing families. More ambitious efforts—such as the HOPE VI developments in Atlanta, Charlotte, and Washington, D.C.—incorporate market-rate rental and homeowner housing alongside public housing (as well as units with other, shallower subsidies) to create a much wider range of incomes in a single residential community. In general, the Interim Evaluation found that mixed-income sites offered more amenities, greater "market appeal," larger rooms, and more innovative design features. Nonetheless, the 100 percent public housing sites were able

to incorporate many appealing design features, and typically provided more units suitable for large families (Holin et al. 2003).

One important advantage of mixed-income housing is that it can diversify a project's cash flow, reducing its reliance on federal subsidies as a source of revenue for operations and debt service. However, experience indicates that mixed-income development rarely reduces the *per-unit* subsidies needed to serve households at a particular income level. In other words, cross-subsidization is feasible only in very tight housing markets or if the developer requires little or no profit. Nevertheless, the mix of income diversifies a project's revenue stream and may help buffer it against shifts in costs and subsidy levels (A. Smith 2002).

A second argument for a mixed-income strategy is that it should create a strong market incentive for high-quality management and maintenance, potentially improving the quality and sustainability of the housing that is reserved for the poorest households. To attract higher-income tenants, mixed-income developments must be well maintained and have a reputation for being safe and secure; failing to meet these criteria may cause the development to fail financially (Howell and Leonard 1999; A. Smith 2002). Mixed-income developments—and higher-income tenants—may also spur larger benefits for the surrounding neighborhood, bringing better public services, more shopping opportunities, and, in a few instances, new schools (Holin et al. 2003; A. Smith 2002; Turbov and Piper forthcoming).

Beyond improved housing and services, policymakers and developers hope that mixed-income housing will also yield long-term socioeconomic benefits for low-income residents. There are several theories about how these benefits could occur. For example, living in a neighborhood where most residents work may provide low-income children and adults with role models and social networks that encourage them to stay in school or find employment. Moreover, these social networks might provide residents with access to a wider range of job opportunities (cf. Khadduri and Martin 1997). Recent research suggests that moving to neighborhoods with lower levels of crime, gang activity, and risky behavior may reduce stress, promote mental and physical health, improve adolescent outcomes, and ultimately lead to better educational and employment outcomes (cf. Goering and Feins 2003; Orr et al. 2003; Rubinowitz and Rosenbaum 2000). But while a substantial body of research confirms the undesirable consequences of concentrated poverty (see, for example, Ellen and Turner 1997), evidence is still emerging about exactly how mixed-income communities function and how they benefit low-income residents (Popkin, Buron et al. 2000). For example, research conducted to date suggests that there is relatively little interaction between higher- and lower-income residents of mixed-income developments and that the interactions that do occur are relatively superficial (Brophy and Smith 1997; A. Smith 2002). Further, the one study of short-term employment outcomes found no evidence that lower-income residents were more likely to find jobs as a result of living in a mixed-income housing development (Rosenbaum and Stroh 1998). Thus, while it is clearly feasible to create a healthy mixed-income development that will attract higher-income residents and provide a pleasant and safe community for all residents, it remains less clear what conditions are required to ensure that living in these communities will

have substantial payoffs for the social and economic status of low-income families over the long term.

Leveraging New Resources for Public Housing

In conjunction with income mixing, HOPE VI pioneered a major shift in the way public housing is financed. The construction and management of HOPE VI developments is no longer funded exclusively by HUD dollars. The National Commission on Severely Distressed Public Housing originally recommended that the HOPE VI program be funded at a total of $7.5 billion over 10 years, or $750 million per year. In actuality, appropriations have ranged from $300 million to $625 million a year. But as the HOPE VI program evolved, HUD increasingly expected grantees to leverage additional monies with their HOPE VI funds.

Housing authorities have been able to leverage outside funds for HOPE VI developments because of several critical regulatory changes enacted during the 1990s. The most important of these changes was the Mixed-Finance Rule. Introduced in 1996, the rule allowed housing authorities to use public housing funds designated for capital improvements, including HOPE VI funds, to leverage public and private money to revitalize public housing. The rule also allowed housing authorities to provide public housing capital funds to a third party, such as a private developer. The developer would then own the public housing units and be able to receive capital funds and operating subsidies from HUD. Projects financed under the mixed-finance model can include both public housing and other housing units, including Low Income Housing Tax Credit (LIHTC) units, locally subsidized units, and market-rate units. This funding structure made it possible for housing authorities to develop mixed-income housing with HOPE VI funds.

The 1998 Quality Housing and Work Responsibility Act (QHWRA) also contributed to progress in leveraging new funds for public housing. The act allows housing authorities to use public housing development funds and operating subsidies for projects owned by private entities that serve residents at a range of incomes, reinforcing the preference for mixed-income, mixed-finance housing types. A housing authority can provide capital assistance to a mixed-finance project in the form of a grant, loan, guarantee, or other form of investment in the project.

In all, the HOPE VI program is expected to leverage $9 billion in non-HUD funding. However, questions remain about the extent to which public housing authorities have been able to leverage *nonfederal* resources. A major 2002 U.S. General Accounting Office (GAO) study on the leveraging of funds through the HOPE VI program found that housing authorities expected to leverage $1.85 for every $1 of HOPE VI funds awarded through fiscal year 2001. The GAO found that leveraged funding comes primarily from other federal sources (including LIHTC) as opposed to private sources.[26] The GAO cautions, however, that the full extent of the use of private funds may not be captured by the data. On

26. Salama (1999) found that while the sites studied (Chicago, San Antonio, and Atlanta) were successful in utilizing state and local funds, they demonstrated little, if any, leveraging of private resources in the redevelopment of public housing.

the other hand, the GAO sees the amount of funds leveraged increasing as more potential investors become familiar with the program.[27]

Although the GAO study cited limitations, several case studies show that some projects have been able to make use of funds from private and local government sources. The revitalization of distressed public housing, not to mention the new infrastructure, land assembly for off-site development and demolition, as well as other development costs, can run into the tens of millions of dollars, and these costs are not always covered by one source alone. In addition to HOPE VI funds, PHAs and developers have utilized funds from sources such as Community Development Block Grants, HOME funds, city capital funds, LIHTCs, and private activity bonds. In some cases, housing authorities have used FHA-insured first mortgages and housing authority soft second mortgages, both from private lenders. Corporate and philanthropic organizations have also donated funding.

Successful projects use all of these sources in innovative ways that require new types of partnerships and financial arrangements for public housing. In Chicago, for example, the fact that the Cabrini-Green development was in a Tax Increment Financing (TIF) district opened up an additional source of funding (Salama 1999). In other communities, HOPE VI sites were located in the path of neighborhood revitalization and benefited from the interest of developers already considering investments in these areas. According to the Communities Group (2002), HOPE VI redevelopment plans that extended beyond housing construction to address broader physical revitalization and community service needs have the greatest chance of leveraging outside funds.

The experience of public housing authorities in leveraging funds for HOPE VI redevelopment has highlighted several important issues. In some cases, the nonpublic housing funds were primarily used to reduce costs and maintain the amenities required to attract higher income households rather than to cross-subsidize public housing units (Wexler 2001). Nonetheless, low-income residents generally benefit from the presence of these amenities and from the higher quality of management that accompanies them. Other research has raised questions about whether the private/public approach to leveraging funds is really necessary in neighborhoods with hot housing markets, where private developers may be eager to invest alongside public housing redevelopment (Cunningham 2001). It is important to note, however, that prior to HOPE VI, public housing agencies had no capacity to partner with other private or public funders, and that the program has dramatically altered perceptions about public housing development among state and local government officials as well as private-sector lenders and corporate leaders.

The long-term viability of mixed-finance HOPE VI projects remains an important unanswered question. Local housing authorities are now expected to service private mortgages for the full 40-year (or longer) term of the public housing obligation. Each element of a mixed-income, mixed-finance project—public housing, market rate, and tax credit units—must be financially feasible, marketable, and sustainable over the long term. Although a number of HOPE VI developments have achieved these goals in the short

27. The report also found that although HUD has been required to report leveraging and cost information to Congress annually since 1998, the agency has not done so. Following the report, HUD officials pledged to be more compliant in the future.

term, the extent to which they can weather neighborhood and market changes over the years is yet to be determined. If some housing authorities—or their private partners—are unable to continue to attract a mix of residents, maintain rental income, and service their financial obligations, the viability of the new public housing units could be at risk.

Innovations in Public Housing Management

Many of the public housing authorities with severely distressed developments in their portfolio had long track records of poor management, which often contributed to the decline of their developments. Just as HOPE VI changed the way public housing redevelopment was financed, it also altered how the new developments were managed. HUD actively encouraged innovative management arrangements, particularly site-based asset management approaches and contracting with private management companies. The shift toward mixed-income, mixed-finance developments created additional pressures for improved management, in order to attract and retain higher-income residents and meet private-sector financial obligations.

The Interim Assessment of HOPE VI found that a number of the sites in the study were using private management firms, and that generally, the successful developments showed considerable management improvements. For example, the St. Louis housing authority brought in private companies not only to build and manage Murphy Park, but to also have an ownership stake in the property (Turbov and Piper forthcoming). This strategy resulted in a new development that was well constructed and well maintained. A study of Centennial Place and East Lake Meadows, Atlanta, found that strong management was key to the developments' success (Ambrose and Grigsby 1999). At Chicago's Lake Park Place, management improvements such as better rule enforcement, screening procedures, and improved amenities all contributed to the development's early success (Rosenbaum and Stroh 1998). Better management and the mix of incomes can also decrease crime rates within developments and adjacent communities by stabilizing developments (Brophy and Smith 1997; Ceraso 1995; Turbov and Piper forthcoming).

Asset management, a standard practice among private-sector housing owners and managers, focuses on the financial viability and economic potential of each property in a housing authority's inventory as a basis for management and investment decisions. This approach would require that housing authorities keep separate accounts of operating costs and performance and prepare separate operating plans for each individual property. Although HUD has advocated this approach for a number of years (cf. HUD 1996), and it has been endorsed by the Millennial Housing Commission (2002) and a Harvard University team (Harvard University Graduate School of Design 2003), few housing authorities have attempted to implement it for their regular stock. However, asset management and project-based accounting are essential to HOPE VI because these properties so often have specialized financing arrangements, site-based management, and separate waiting lists for their HOPE VI properties. Thus, HOPE VI has provided a vehicle for many housing authorities to gain important experience that may translate into better management of their entire portfolio.

n many cities, severely distressed public housing projects have been regarded as major causes of social and economic deterioration in the neighborhoods that surround them.[32] An important goal of HOPE VI was to alleviate those impacts where possible. As HOPE VI evolved over the 1990s, this goal gained importance. The expectation was that by replacing distressed public housing developments with new, and often mixed-income, projects, revitalization would benefit the surrounding neighborhood and even the larger city and region.

Supporters argue that HOPE VI's ability to transform entire neighborhoods is one of the program's most revolutionary opportunities and significant outcomes. When evaluating costs and economic impacts, they argue, we need to look beyond the development to include the spillover effects in the surrounding neighborhoods. Further, because it may take some time for neighborhood improvements to manifest themselves, these effects may not be immediately evident. Others maintain that the HOPE VI program spends too much public money per unit of housing produced, and that the most impressive neighborhood changes have been the result of broader, real estate market dynamics. In other words, skeptics argue, these neighborhoods would have probably "turned around" even without HOPE VI.

Assessing the degree to which the neighborhood revitalization goal has been accomplished is challenging, largely because the factors influencing neighborhood change are so numerous and complex. To date, researchers and evaluators have found it difficult to empirically measure or attribute broad community impacts to HOPE VI developments. In this chapter, we review what is known about the impact of HOPE VI initiatives on neighborhoods. We also consider the question of whether the revitalization brought about under the program has had any wider impacts on the extent of poverty concentration or on city economies.

32. However, recent research by Freeman (2003) suggests that the relationship between affordable housing developments and poverty concentration is weak and inconsistent, and the problems in public housing may simply reflect the fact that assisted housing developments tend to be built in neighborhoods where concentrations of poverty are already high.

Improvements in Community Infrastructure

Many of the neighborhoods surrounding distressed public housing lack basic community services such as parks, libraries, and police stations, as well as commercial facilities such as supermarkets, banks, and restaurants. Some HOPE VI sites have made significant improvements in community institutions and physical infrastructure in the neighborhood. These improvements are intended to provide much-needed services to families at the site and throughout the neighborhood.

In Seattle, for example, HOPE VI funds were used to expand the neighborhood community center and ballfields, build a satellite public library, and develop a new neighborhood resource center (Epp 1996). In a series of "best practice" case studies, Naparstek and Freis (2000) cited revitalization efforts that led to the creation of new community institutions such as community centers, police substations, medical centers, and job training centers.

In a few sites, HOPE VI has sponsored innovative efforts to link public housing redevelopment with substantial investments in neighborhood schools. At the Murphy Park site in St. Louis, the Jefferson Elementary School now serves not only local students but also those in the surrounding community. Partnerships formed among the developer, McCormack Baron and Associates, the St. Louis public school system, and a newly created community development corporation helped to establish a school and ensure resident participation in the planning process (Myerson 2001). Funds were used to install state-of-the-art technology infrastructure in the school, and computers and educational software in each classroom. Funds also went toward establishing the Adult Computer Training Lab, a computer-training classroom for parents and community residents.

At the Villages of East Lake in Atlanta, in addition to new residences, facilities included a new charter school, the first of its kind in Atlanta (Myerson 2001). Children from the Villages of East Lake and the surrounding community receive priority when enrolling, but the school is open to any student residing within the Atlanta Public School District. School improvements also figured prominently in the revitalization of Atlanta's Centennial Place, which includes a magnet school that serves both community residents and those from other parts of the city (Holin et al. 2003; Khadduri et al. 2003; Turbov and Piper forthcoming).

Impacts of HOPE VI on Neighborhood Health

Four major studies of the neighborhood effects of HOPE VI have been completed to date (Kingsley et al. 2004). This research suggests that there have been dramatic improvements in the neighborhoods surrounding some HOPE VI developments. However, it must be noted that the data from the studies are not sufficient to reliably estimate the degree to which HOPE VI, as opposed to other factors, *caused* these changes.[33] Further, because

33. There is a method that can estimate the effect that HOPE VI has on trends in home sales prices in areas surrounding the sites (Galster and Quercia 2000), but it is not workable in all cities and has yet to yield statistically significant results where it has been applied, possibly because not enough time has elapsed since

relatively few HOPE VI projects are complete, there is considerable overlap in the sites included in these studies,[34] so it is difficult to know how much we can generalize from this research to the program as a whole. Still, these early studies offer important insight into how HOPE VI may help revitalize communities.

The first study, by the Housing Research Foundation (HRF) (Zielenbach 2002), covered the experience in eight communities: Techwood (Atlanta); Orchard Park (Boston); Earle Village (Charlotte); Quigg Newton (Denver); Kennedy Brothers (El Paso); Hillside Terrace (Milwaukee); Richard Allen Homes (Philadelphia); and Holly Park (Seattle). The analysis quantifies improvements in neighborhood quality-of-life indicators for clusters of census tracts in which HOPE VI revitalization took place. HRF concludes that the eight deteriorating public housing projects contributed significantly to the decline of surrounding neighborhoods and that HOPE VI, by its very nature, helped reduce their blighting impacts. The study compared trends from 1990 and 2000 in the HOPE VI neighborhoods with city averages using census data. It found that in the HOPE VI neighborhoods (a) average per capita incomes of neighborhood residents rose 57 percent faster than in neighborhoods citywide; (b) unemployment fell by an average of 10 percentage points, compared with no significant net change at city levels; and (c) concentrated poverty fell from 81 percent of households being low income[35] in 1989 to 69 percent in 1999.

HRF also analyzed Home Mortgage Disclosure Act (HMDA) data and found that rates of mortgage originations in HOPE VI neighborhoods were higher than the averages for their respective counties. Rates of lending also rose faster in the eight HOPE VI neighborhoods than in the counties, implying that the neighborhoods were experiencing increasing rates of residential investment. Finally, consistent with other research on mixed-income developments,[36] there were big impacts on crime rates: average violent crime rates in the HOPE VI neighborhoods dropped 30 percent faster than they did in the cities overall.

The second study of neighborhood impacts was the HUD-sponsored Interim Assessment of 15 HOPE VI sites (Holin et al. 2003).[37] Like HRF, Abt Associates conducted an analysis of comparative trends for neighborhoods and cities using census data and found similar results. In most HOPE VI neighborhoods, key indicators of well-being,

project completion. Unfortunately, adequate base data on prices are not available in all cities, and in others where the HOPE VI development is located in areas with few owner-occupied homes nearby, the method will not work well. The method was applied in Holin et al. (2003, 123–31) for the New Haven and San Francisco sites, and in unpublished work by Jennifer Johnson at the Urban Institute for HOPE VI neighborhoods in Columbus, Oakland, and Seattle.

34. For example, Techwood (Atlanta) is a site in three of the four studies; Earle Village (Charlotte) and Cotter and Lang (Louisville) are sites in two.

35. Households that earned less than 80 percent of the metropolitan area's median income.

36. For a summary of this research, see Popkin, Buron et al. (2000).

37. McGuire Gardens (Camden); King Kennedy/Outhwaite (Cleveland); Hillside Terrace (Milwaukee); Lockwood Gardens (Oakland); Bernal Dwellings/Plaza East (San Francisco); Lafayette Homes (Baltimore); Mission Main (Boston); Elm Haven (New Haven); Earle Village (Charlotte); Ellen Wilson (Washington, D.C.); Techwood/Clark Howell (Atlanta); Springview (San Antonio); Cabrini Homes (Chicago); Jeffries Homes (Detroit); Desire (New Orleans).

particularly reductions in rates of poverty and unemployment, improved faster than in their cities as a whole. Perhaps the most striking findings related to declines in on-site crime. Crime rates declined at all six projects that had been completed, and in three cases (Charlotte, Milwaukee, and Boston), on-site crime rates declined substantially faster by comparison with other parts of the city.

The Interim Assessment also included a survey of people who live in or near the HOPE VI developments to assess their perceptions about the quality of their neighborhoods after revitalization took place. A clear majority (70 percent) of the neighbors living outside the development rated their neighborhoods as better places to live after HOPE VI.[38] However, while the study concluded that change in the surrounding neighborhoods was generally positive for all completed sites, the magnitude of the changes was highly variable. The researchers rated the surrounding neighborhoods in Atlanta, Boston, Charlotte, and San Francisco as "appreciably improving," while those in Camden, Milwaukee, Oakland, and Washington, D.C., were rated as only "slightly improving."

The Interim Assessment was the only one of the three studies of neighborhood outcomes to examine the effects of HOPE VI revitalization on racial segregation. The study found that two sites, Atlanta and Charlotte, experienced large increases in the proportion of white residents in the community, although both neighborhoods remained largely minority (69 percent in Atlanta and 62 percent in Charlotte). Other sites that the Interim Assessment classified as appreciably or moderately improving also saw some reduction in the proportion of the population that was African American, although the changes were less dramatic.

The third study, conducted by the Brookings Institution (Turbov and Piper forthcoming), examined neighborhood impacts in four sites that are probably the most seasoned mixed-income developments and are widely regarded as having positive neighborhood impacts: Centennial Place (Atlanta); Park DuValle (Louisville); Manchester (Pittsburgh); and Murphy Park (St. Louis). The authors conducted extensive interviews with a variety of neighborhood stakeholders as well as analyzing quantitative data. Conclusions were generally positive, with reductions in crime rates particularly impressive in all sites. This study also found evidence that HOPE VI redevelopment may have helped revive or strengthen housing markets in the surrounding communities, especially in Manchester.

The fourth study, by the U.S. Government Accounting Office (2003), is based on information from HUD's HOPE VI reporting system on all 165 grants awarded through 2001, interviews with officials from 18 housing authorities that received grants in 1996 as well as HUD officials responsible for administering HOPE VI, and mortgage and crime data from various administrative sources. GAO found that most neighborhoods surrounding HOPE VI sites have shown improvement in education, income, and housing, but that these effects are not necessarily the result of HOPE VI grants. A comparison of four HOPE VI neighborhoods (in Chester, Pennsylvania; Jacksonville, Florida; Kansas

38. These figures exclude survey results from Boston and Atlanta.

City, Missouri; and Spartanburg, South Carolina) to similar neighborhoods without a HOPE VI site showed mixed results. Mortgage lending in the non–HOPE VI neighborhoods actually appeared greater, while new housing construction increased more in HOPE VI neighborhoods.

HOPE VI and Gentrification

Some critics of HOPE VI have argued that as the program has evolved, the selection process has favored sites that are located in high-quality or gentrifying markets that will support mixed-income development, rather than those that have the greatest need for renovation or replacement. Some go so far as to liken the program to past urban renewal efforts that displaced low-income residents who stood in the path of neighborhood revitalization. Both Swope (2001) and Keating (2000) cite Atlanta's Centennial Place as an example of a site where real estate values increased quite suddenly, making redevelopment particularly attractive. They point to the low rate of return by original residents as evidence that they were traded in for a "better class of poor people" (Swope 2001) when business leaders and the city wanted to revitalize valuable land. However, Centennial Place is also widely recognized as a successful mixed-income development that has had positive impacts on the surrounding community.

Another city where site selection for HOPE VI has been criticized is Washington, D.C. Parts of Washington's housing market have been very strong in recent years, and many of the city's public housing sites are in or near gentrifying neighborhoods. Two studies of HOPE VI in Washington, D.C. (Cunningham 2001; Lang and Morton 2002) found that while the neighborhoods where HOPE VI revitalization was taking place benefited, these were not the most distressed public housing communities. Similar criticisms have been leveled against Chicago (cf. Cunningham et al. 2002; Popkin and Cunningham 2002) and other cities with large-scale public housing redevelopment activity (National Housing Law Project 2002).

While in some cities HOPE VI developments may have contributed to market trends that were already under way, in other cases it seems likely that neighborhood revitalization was catalyzed by the redevelopment of distressed public housing (Turbov and Berry 1999). The research on neighborhood impacts indicates that several of the HOPE VI projects have had remarkably positive impacts on the surrounding areas, suggesting that in locations where a public housing project has been a significant blighting influence, holding back an otherwise promising market environment in the surrounding area, the economic and other payoffs from HOPE VI can be substantial.

The First Ward Place (formerly Earle Village) development in Charlotte is a good example. Interviews suggest that the high crime, other social problems, and physical deterioration at Earle Village (located at one corner of booming downtown Charlotte) had clearly held back investment nearby. Given the attractive mixed-income residential community that replaced it (and the elimination of the former blighting influences), real estate values for surrounding parcels have skyrocketed since revitalization.

Effects on Cities and Metropolitan Areas

Another important, but difficult to address, question is whether HOPE VI redevelopment has had any impacts outside the communities most directly affected; that is, has it had any economic benefits for the city as a whole or for the surrounding metropolitan area? Recent analyses of census data that examine the dynamic changes underway in cities and metropolitan areas have chronicled the substantial decline in the concentration of poverty that occurred in most U.S. cities during the 1990s (Jargowsky 2003; Kingsley, Johnson, and Pettit 2002). While this research does not directly address the broader impacts of HOPE VI, it is possible that HOPE VI revitalization has contributed to these effects. Indeed, in cities such as Chicago, where public housing developments like the Robert Taylor Homes constituted some of the poorest census tracts in the United States, it is almost certain that public housing demolition is responsible for at least some of the decline in concentrated poverty (Kingsley et al. 2002).

Evidence Matters

Translating Knowledge into Housing and Community Development Policy

Winter 2011

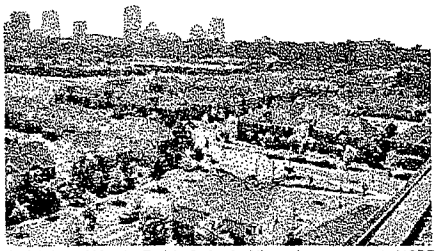
HIGHLIGHTS IN THIS ISSUE:

Choice Neighborhoods: History and HOPE

Highlights

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

Twenty years ago, governments and community organizations tackled the challenge of providing decent, affordable housing to low-income people primarily by focusing their efforts on individual families in need. Due to growing understanding and scholarship about the effects of place on people's lives, that approach evolved into one that seeks to transform poor, severely distressed, and segregated neighborhoods into resilient and sustainable places that integrate families and neighborhoods into the larger community. The epicenter of this work has been public housing communities, which are among the poorest in America. Since the 1990s, a federal program, HOPE VI, has employed a strategy of improving both individual lives and communities. HOPE VI combines demolition and the physical rebuilding of severely distressed public housing with services aimed at improving the life chances of residents.



Aerial view of Murphy Park in St. Louis, Missouri, a precursor to HOPE VI mixed-finance projects. *Credit: McCormack Baron Salazar*

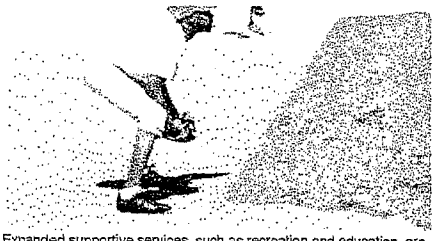
Under HOPE VI, public housing residents return to their improved community after rebuilding, relocate with assistance to other neighborhoods of their choice, or move to other public housing. Since its inception in 1992, 254 HOPE VI grants totaling more than $6.1 billion have been awarded to 132 local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

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

Housing Is Just the Beginning of Broader Transformation

One of HOPE VI's principal accomplishments was to shift the emphasis of housing policy from output (units built and managed) to outcomes — housing quality, safety, resident outcomes, economic opportunity, and the vitality of the

surrounding neighborhood. Researchers Turbov and Piper have argued that the main catalyst for this shift was the creation of the mixed financing, mixed-income model, which permitted private and other affordable units and financing of public housing. This approach helped build economically integrated communities consisting of both public housing and market-rate units.[1]


Expanded supportive services, such as recreation and education, are part of the holistic approach emphasized in Choice Neighborhoods. *Credit: McCormack Baron Salazar*

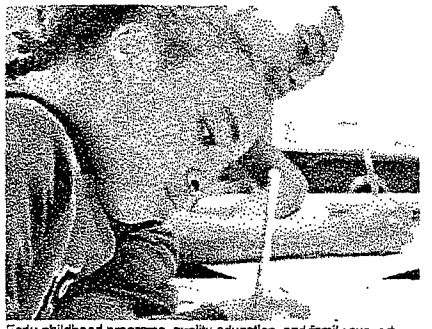
Choice Neighborhoods expands the HOPE VI strategy of encouraging developers to leverage HUD revitalization funds. By making funding available to a wider range of stakeholders, including nonprofits, private firms, local governments, and public housing authorities, the initiative encourages greater community investment in redevelopment projects and increases available resources.[2] Just as important, the program widens the range of activities to include the acquisition of properties to create mixed-income housing in strategic locations. As HUD Secretary Shaun Donovan noted in testimony before the House Financial Services Committee, this feature gives local partners the flexibility they need to deal with the full range of distressed properties that often blight neighborhoods of concentrated poverty.[3]

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

Noting these ripple effects, Zielenbach and Voith found that HOPE VI redevelopments are responsible for positive economic spillover to surrounding neighborhoods. Their study of four redeveloped sites in two cities, using changes in residential property values, crime rates, and household incomes as indicators, found mostly positive effects. They observed that the degree of improvement depended on local market conditions and preexisting economic development resources within the community.[5] In analyzing changes in property sale prices in neighborhoods surrounding three HOPE VI redevelopments in Baltimore, Castells also concluded that conditions in the neighborhoods before HOPE VI rehabilitation, as well as HOPE VI's emphasis on private investment and the mixed-income model, affect the magnitude and nature of spillover effects.[6]

Broadening Support for Residents

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


Early childhood programs, quality education, and family support promote better life outcomes for children. *Credit: McCormack Baron Salazar*

- Respondents who relocated to the private market or mixed-income sites improved the quality of their housing and now lived in neighborhoods with lower unemployment and poverty levels.
- Those who moved to the private market remained in largely same-race (primarily African American) neighborhoods, as did those who went to other public housing developments.
- Those who moved to private-market housing or mixed-income housing felt significantly safer and less fearful of crime. As a result these residents allowed themselves the freedom to make changes, such as allowing children to play outside, and enjoyed reduced levels of anxiety and depression.
- Relocated children benefited from better housing and safer living conditions but also faced new risks, different schools, and the need to make new friends. On measures of behavior problems, children in families who moved to private-market housing showed improvement, whereas those who moved to other public housing did not.
- Many who moved to private-market housing experienced financial difficulties, primarily with their utility payments.
- Neither employment nor self sufficiency improved for private market movers or for those remaining in traditional public housing. However, a recent report by Vale and Graves on the Chicago Housing Authority's (CHA's) Plan for Transformation — one of the cities tracked in the Panel Study — notes that several studies have found significant improvements in employment outcomes when tenants left public housing either by using vouchers or moving into mixed-income housing.[8]
- The lack of improvement in chronic health problems for HOPE VI participants appeared to be a detriment to getting and keeping jobs, as did inadequate education and childcare.
- Families with multiple problems were least likely to benefit from HOPE VI and to make positive changes in the absence of appropriate services and support.

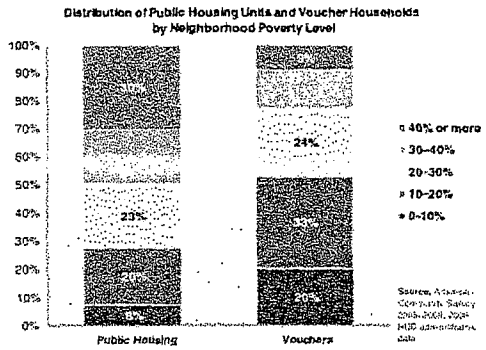
These findings speak volumes about the most intractable barriers to fighting the consequences of concentrated poverty. Despite having better and safer neighborhoods, improved mental health, and fewer behavioral problems, many HOPE VI residents remained economically at risk or were in poor health, and many of those who moved to traditional public housing experienced no gains at all.[9] New evidence, however, suggests that some of these outcomes have improved in recent years. Between 2005 and 2009, Popkin et al. found that residents from the Chicago site had improved circumstances regardless of their housing assistance type, whereas previously only those who had moved to private housing were living in higher quality housing and experiencing safer neighborhoods.[10] Nevertheless, one of HOPE VI's main challenges has been its inability to address multi-faceted problems in residents' lives, such as health issues and employment. Because many HOPE VI projects have found resident relocation to be especially challenging, residents relocated under Choice Neighborhoods will have strong protections to preserve their right to return to redeveloped housing.[11] The initiative also ensures that families displaced by revitalization will receive support services, mobility counseling, and housing search assistance.[12] HOPE VI has been criticized for not ensuring that lease-compliant residents had the right to return and for the reduction in the number of physical units affordable to those earning the lowest incomes.[13] In general, public housing authorities had difficulty meeting the inherent challenges of relocating large numbers of households, particularly the many families with multiple problems that made them especially hard to house. Although most agencies provided support services, they were largely illequipped to provide the needed comprehensive case management services.

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

The CHA's comprehensive relocation support system incorporates lessons learned from residents and their experiences. Partnering with the Chicago Department of Human Services and enlisting communitywide resources, CHA assists relocating families through education, counseling, and followup services as they make housing choices, move, and establish new

residences. CHA is now conducting a multiyear research demonstration with the Urban Institute to test an intensive case management approach to serving the hardest-to-house families. This approach involves "dramatically reduced caseloads; family rather than individual-level case management; a strengths-based approach; a transitional jobs program; and long-term follow up (as long as three years)."[15] Outcomes from the demonstration are available from the Urban Institute.[16]

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



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

Residents Are Crucial to Comprehensive Community Planning

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

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

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

Looking Backward, Looking Forward

As the nation embarks on a new era in housing policy, it is worth looking back on lessons learned through HOPE VI over the past 18 years: that ensuring healthy, thriving communities requires focusing on more than housing alone, that residents need greater support, and that comprehensive community planning and implementation have the best chance of success when residents and their needs are central to the process and the larger neighborhood is engaged. Choice Neighborhoods seeks partnerships among a wide array of local actors (public housing authorities, local governments, nonprofits, for-profit developers, federal agencies, and private investors) and extends revitalization efforts beyond public and HUD-assisted housing to the surrounding community. As Secretary Donovan emphasizes, with Choice Neighborhoods "we can create the geography of opportunity America needs to succeed in the decades to come."[19]

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How Does Affordable Housing Affect Surrounding Property Values?

Also see the search protocol at *http://stardust.asu.edu/research_resources/research_files/49/73/Search_Protocol.pdf.*

Introduction

It isn't enough to ask whether or not affordable housing impacts the property values of surrounding homes. Key to understanding this conundrum is identifying those particular conditions of the housing, neighborhood or regional economy that can depress or, in many cases, even stabilize and strengthen neighboring property values. A clearer delineation and understanding of these conditions enables developers, builders, and public officials to make better informed decisions that will result in better quality affordable housing and the surrounding community as well.

Initial research investigations into the impact of affordable housing on surrounding property values were fraught with methodological inadequacies and statistical flaws. But in the last ten years a number of well-crafted, large-scale, methodologically sophisticated studies have provided more solid footing for their findings. Using multiple regression techniques as well as more sophisticated GIS-enabled spatial analyses, these studies have begun to identify the mediating conditions and factors that influence the relationship between affordable housing and surrounding property values.

Selection of Research Studies

This research synthesis is based on a review and analysis of 21 recent studies measuring the impact of various forms of affordable housing on property values. The selection process is outlined in Table 1. A list of these 21 studies is provided in a separate document on the ASU Stardust Center web page: http://stardust.asu.edu/research_resources/research_files/49/74/List_of_Studies.pdf.

Studies published before 1995 were excluded because of methodological shortcomings that have been highlighted by George C. Galster and Mai Thi Nguyen in their reviews of the research literature. Since these two research reviews were published in 2004 and 2005, several major research studies on the topic have been conducted, particularly in New York City and Boston. These as well as some recent qualitative studies have further expanded, and in some cases substantiated, our understanding of the mediating influence of contextual factors of affordable housing on surrounding property values.

In the research studies reviewed, affordable housing is generally defined as those housing developments which are subsidized so they can sell or rent for less than market value. This includes housing with site-based and tenant-based voucher assistance programs; housing developed with low-income housing tax credits; and public housing. Studies that examine the impact of mixed-income housing on surrounding property values are synthesized in a separate report.

RESEARCH QUESTIONS

- Under what conditions and circumstances does affordable housing decrease property values?
- Under what conditions and circumstances does it increase or stabilize property values?

CAVEATS

- The majority of studies are located in older, east coast cities, and typically in high price markets, such as Boston and New York City. The extent to which findings can be generalized to younger, less dense cities (e.g. Phoenix) or to suburbs is tentative, although a few of the research studies that do examine younger and western cities (e.g. Las Vegas, Denver) have shown similar patterns.
- Few studies consider the role of race and ethnicity when examining the relation between affordable housing and surrounding property values.

Synthesized Findings

There is no single, unqualified answer to whether or not introducing affordable housing lowers property values of surrounding homes. Rather it depends on a host of contextual conditions: of site, host community, scale and other external factors. However, some major studies in New York City show that in certain circumstances, the magnitude of benefits can be substantial (see, for example, Furman Center's research). The factors most consistently identified across a number of rigorous research studies include:

1. Replacement: Affordable housing developments that replace depressed conditions–vacant, abandoned properties or other blighted conditions–likely generate more positive impacts on surrounding properties than those developed on vacant land in untroubled neighborhoods. Generally it seems that when affordable housing development is part of a neighborhood revitalization program, benefits accrue to the greater neighborhood.

2. Degree of Concentration of Affordable Housing Units: Up to a certain point, larger affordable housing developments (whether new construction or rehabilitation) result in positive price impacts for nearby homes. In part this may be a factor of the scale and nature of what that housing replaced, as noted above. In many cases, the displaced conditions were deplorable, often vacant, sites; hence a larger housing development translated into greater elimination of those depressed conditions. But some studies also suggest that there may be a ***threshold*** in terms of scale, particularly for tenant-based subsidy programs, where an overconcentration of units in a neighborhood may result in stagnant or declining property values. What constitutes this threshold number has not been stringently identified in many of these studies, and likely varies by community, and the housing appreciation and economic strength of the target and regional housing markets.

Table 1: Selection Criteria for Research Studies

- Included if published in 1995 or later
- Affordable housing defined as either: public housing, subsidized housing, low-income housing, federally assisted housing, low-income tax credit housing. Can be either rental or homeownership.
- Excluded if affordable housing was mixed-income housing; housing for special populations (such as developmentally disabled, seniors-only assisted housing).
- Includes new developments or rehabilitation of existing developments
- Metric for property values could be: sales price; appraised value; or other property value information of residential property.
- Methodological rigor

3. Host Neighborhood Context: Affordable housing seems least likely to generate negative property value impacts when it is embedded within higher-value, low-poverty, stable neighborhoods and when the affordable housing development is well managed (see below). In comparison, neighborhoods with significant poverty rates and with owner perceptions of vulnerability experienced smaller or no positive price impacts with the introduction of affordable housing developments at low concentrations. In depopulated,

Discussion Paper

The Impact of Affordable Housing on Communities and Households

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Research and Evaluation Unit

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Executive Summary

Minnesota Housing finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities.

Overview

Affordable housing organizations are concerned primarily with helping as many low and moderate income households as possible achieve decent, affordable housing. But housing units do not exist in a vacuum; they affect the neighborhoods they are located in, as well as the lives of their residents. The mission statement of Minnesota Housing (stated above) reiterates the connections between housing, community, and quality of life. This study explores the ways in which affordable housing impacts such community and quality of life factors.

Minnesota Housing and the affordable housing community can use his information in several ways. First, the information will be helpful in establishing affordable housing policies. For example, research has found that high concentrations of affordable housing can have a negative impact on crime rates, while smaller scale and dispersed projects do not. Second, the affordable housing community can use the information to promote affordable housing in communities that are skeptical about it. A primary concern is the effect that affordable housing will have on surrounding property values. However, research shows that properly designed and managed affordable housing can have a positive impact on surrounding property values.

The information in this report is based on an extensive literature review of seventy academic studies.

Impact on Property Values

According to recent research, affordable housing does not definitively have a positive or negative impact on nearby property values. Studies finding that affordable housing projects have negative, positive, or no impact on nearby property values are all common. The impact of a particular housing project depends on complex interactions between factors such as project scale, management type, and the characteristics of the neighborhood in which the project is located. While research has not identified universally-agreed upon criteria for what mix of characteristics produce the most consistently positive impacts, the following are the most common themes:

- Projects managed by non-profit organizations commonly have positive impacts on property values due to sustained, quality management of property
- Projects managed by for-profit organizations commonly have positive impacts on property values, but the benefits tend to be less sustained over time compared to non-profit projects

- Public housing projects typically have negative or mixed impacts on property values; research suggests that small, scattered-site projects perform best among public housing projects.
- The impact of project scale depends on neighborhood characteristics; large projects typically have the most benefits on property values in low-income neighborhoods, while the opposite is true in higher-income neighborhoods, where large projects typically have mixed impacts.

Impact on Neighborhood Crime

Research on the relationship between affordable housing and crime identifies project scale as the most important factor in determining the impact on neighborhood crime rates. Multiple studies find that smaller projects (typically less than 50 units) have no impact on neighborhood crime, but that larger projects may result in increased crime. This finding was common across multiple types of affordable housing, including non-profit rental housing, public housing, and supportive housing.

Impact on Education Outcomes

Housing has the potential to significantly influence education outcomes for residents and communities. Research identifies several pathways through which housing conditions influence education outcomes. In particular, high residential mobility and poor housing conditions (such as overcrowding and exposure to lead paint hazards) are associated with significant deficits in educational achievement. Residential mobility (frequency of moves) is a particularly important factor because it impacts education outcomes for both mobile *and* non-mobile students; research finds that teachers in schools with highly mobile student populations tend to focus less on new material and more on review, which results in achievement deficits for mobile and non-mobile students alike. Affordable housing may improve education outcomes by improving housing factors associated with negative education outcomes.

Impact on Health Outcomes

Affordable housing may improve health outcomes for its residents by reducing exposure to hazards in poor quality housing, improving neighborhood conditions, and reducing budgetary constraints that prevent spending on health insurance and nutrition. Research identifies numerous pathways through which poor housing conditions may lead to negative health outcomes, especially through exposure to hazards such as lead paint and risk factors for respiratory illness. Additionally, research finds that households with housing cost burdens frequently cut corners on spending on health care and nutrition.

Impact on Wealth, Earnings, and Public Service Dependence

Affordable housing may increase wealth accumulation among low-income families by providing opportunities for homeownership, which represents the largest source of wealth accumulation for most households. Additionally, affordable housing programs may increase earnings and decrease public service dependence among low-income households.

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Politics & Policy

Civil rights complaint seeks to stop cities from concentrating low-income housing in high-poverty

Affordable Housing and three Minneapolis neighborhood organizations — necessarily want. Rather, the groups bringing the complaint want the two cities to stop over-concentrating low-income housing in already impoverished neighborhoods. Doing so, even while assuring the federal government that they are not, is in violation of both the federal Civil Rights Act and the Fair Housing Act, the complaint says.

Asking HUD to investigate

The complaint, which was filed on March 30, alleges that policies in both cities limit "the development of affordable housing in high-opportunity, majority-white communities" and instead steer such units to "low-opportunity, high-poverty communities, furthering racial and ethnic segregation."

According to the complaint, people of color are significantly more likely than whites to rent homes and significantly more likely to need affordable rental housing. Concentrating such housing in segregated areas has diminished the opportunities for members of those communities "to live in stable, integrated neighborhoods; by undermining the ability of public schools to remain integrated."

The money at issue is substantial. Minneapolis received more than $36 million from HUD in 2012 and nearly $23 million in 2013, the complaint estimates. St. Paul received more than $20 million from HUD in 2012 and $12.5 million in 2013. The complaint asks HUD to investigate. If the federal agency find the cities in violation, it should require them to follow civil rights and fair housing laws or risk losing future federal funds, the complaint says.

"We hope it doesn't get to the point where money is cut off," Allen said. "They serve a lot of low-income people. But the price of admission is complying with civil rights requirements." Allen says the complaint could bring a response from HUD in a few months.

Relman, Dane & Colfax
Michael Allen

Both cities have denied they are in violation of federal laws and policies. St. Paul had not been formally notified of the complaint, "so we cannot provide any substantive response other than to say racial equity is important to us in all areas, including housing and we are in compliance with the Fair Housing Act," wrote Laura Pietan, St. Paul's interim city attorney.

Minneapolis City Attorney Susan Segal wrote in response to a request for comment that the city has used federal funds and tax credits appropriately. She also said the city is in full compliance with fair housing laws.

"The City fully supports the need for affordable housing not just in Minneapolis, but throughout the State and seeks to combat, not further, concentrations of poverty," she wrote. "Low Income Housing Tax Credits have been used successfully by the city to diversify housing options ... and to maintain and stabilize existing housing stock." She said the city has used tax credits citywide, "not just areas of minority concentration."

New strategy to push local agencies

Allen said last week that the complaint process is a relatively new strategy to get HUD to push change on local agencies. Federal law has long required recipients of federal housing and community development