

Creating Choice Neighborhoods: Boston's Critical Community Improvements

Boston's Choice Neighborhood



■ Proposed New Construction Housing Sites

BACKGROUND

Choice Neighborhoods enables communities to revitalize struggling neighborhoods with distressed public housing or HUD-assisted housing. It is accomplishing this goal by providing innovative funding for projects that support revitalization efforts in the neighborhood surrounding the targeted public or HUD-assisted housing. *The Critical Community Improvements (CCI)* funding, a component of Choice Neighborhoods, allows implementation grantees to allocate up to 15 percent of their total grant award for projects that jumpstart other public and private investments in the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community. Critical Community Improvements promote economic development activities, such as loan or grant funds to attract new businesses, or façade improvements; housing improvements in the neighborhood, such as model block programs or existing homeowner repair programs; or open space and park improvements, such as assistance to purchase vacant land for new parks or community facilities.¹

This guide highlights the process that the Boston Choice Neighborhoods grant team used to determine the neighborhood improvement projects to fund with Critical Community Improvements dollars. The projects – a commercial food production facility, retail façade improvements, facilities improvements for local nonprofits, community wi-fi, and playgrounds – are innovative and reveal the potential and flexibility of these funds. Boston's story serves as a promising practice for other grantees seeking "out of the box" uses for their CCI funds, as well as other communities seeking to prioritize strategic neighborhood improvements.

BOSTON'S CHOICE NEIGHBORHOOD

In August 2011, the City of Boston and its co-grantee, Dorchester Bay Economic Development Corporation (DBEDC), received one of the five initial Choice Neighborhoods Implementation grants awarded by HUD.² Boston is the first city government to be a Choice Neighborhoods grantee.

The \$20.5 million grant is enabling the city and its partners to revitalize Woodledge/Morant Bay, a severely distressed 129-unit, scattered-site –Section 8 housing project consisting of 11 two- and three-story buildings clustered around Quincy Street in the Quincy Corridor neighborhood. Quincy Corridor is situated in the larger Dorchester neighborhood. The developers, DBEDC and Quincy

¹Department of Housing and Urban Development's FY 2013 Notice of Funding Availability for Choice Neighborhoods Implementation Grants.

²In the first round of Choice Neighborhoods, HUD made implementation grant awards to Boston, MA; Chicago, IL; New Orleans, LA; San Francisco, CA and Seattle, WA.

Geneva/New Visions Community Development Corporation, are reconfiguring outmoded units, building new infill townhouses, and renaming the development Quincy Heights.

The Quincy Corridor neighborhood is 1/2-square mile, residential in character, walkable, affordable, and racially diverse, with access to both public buses and trains. Although there are no public housing developments in the neighborhood, more than a third of its 3,500 housing units are subsidized. Home to approximately 8,900 people, about 38 percent have incomes below the poverty line or make less than 30 percent of the area median income.

The Quincy Corridor Transformation Plan is a key element of Boston's Circle of Promise Initiative, a comprehensive community integration plan to transform public education in Boston. It is a strategy to provide greater opportunity for young people and their parents by implementing place-based supports, boosting student achievement and eliminating the cycle of poverty. There are five public schools located in or serving the neighborhood, including Burke High School. Burke has been identified as one of the ten "Turnaround" schools located in the Circle of Promise that is the focus of intensive efforts and resources to improve the school's dropout rate and overall performance.

Boston's Choice Neighborhoods award is enabling the city to invest up to \$3,075,000 in Critical Community Improvements in the neighborhood and leverage over \$15 million of other public and private funds – more than five times the federal investment.

DEVELOPING THE CRITICAL COMMUNITY IMPROVEMENTS PLAN

Boston's Community Partners –The City of Boston has a long history of working with community partners in Dorchester to plan and implement community development projects. In the words of Robert Gehret, Deputy Director of the City's Department of Neighborhood Development, "It was easy to find communities of poverty and housing need in Boston to meet Choice guidelines. What was harder for us was to make sure we also chose a neighborhood with the assets and capacity on which we could build, specifically community organizations."

The city has a close working relationship with Dorchester's leading community organizations: DBEDC, the Dudley Street Neighborhood Initiative (DSNI), the Quincy Geneva/New Vision CDC, and Project R.I.G.H.T. (Rebuild and Improve Grove Hall Together). DBEDC, founded by local civic associations, has a 30-plus year history in the neighborhood of addressing housing and economic development issues. DSNI, a Promise Neighborhoods grantee, has worked in the community for

LESSONS LEARNED

- Engage city leadership at the highest possible level
- Think strategically about Critical Community Improvements
- Engage community partners in decision-making
- Listen to community partners' feedback
- Create synergies across investments
- Leverage the Critical Community Improvements Funding



Current Pearl Meats Factory Building



Planned Bornstein and Pearl Food Production Small Business Center

Source: Jen Faigel, Economic Development & Real Estate Consulting

Source: DBEDC, CropCircle Kitchen Inc.

"We all have a long history of working together in the neighborhood and have created a broader vision of what can be helpful."

- Harry Smith, Director of Sustainable and Economic Development, DSNI

more than 20 years, and is the city-designated planning entity for the community that was granted eminent domain powers to facilitate development in the area. It also oversees a highly regarded land trust. Project R.I.G.H.T. is an umbrella organization for resident associations that, since 1994, has focused on youth empowerment, economic development and violence intervention and prevention.

The city's strong relationship with this network of community organizations helped Boston develop a process for deciding how to select the strategic neighborhood improvements.

Boston's Decision-Making Process – Boston Mayor Thomas Menino created a process for identifying creative activities closely aligned with community priorities. He appointed an advisory committee and tasked the committee with reviewing and advising him on potential projects.

Mayor Menino chose the advisory committee's membership carefully, including leaders from the previously-mentioned community organizations and representatives of the city departments most involved in the Choice Neighborhoods effort and Quincy Corridor, including the Departments of Neighborhood Development, Streets, Public Property, as well as the Mayor's Office of Advocacy and Strategic Investment and the Boston Public Schools' Office of Community Engagement and Circle of Promise. By ensuring that the most active community organizations were at the table, Mayor Menino encouraged inclusivity and collaboration among organizations that could represent the community's most pressing needs.

When the advisory committee started meeting to discuss possible uses for the Critical Community Improvements funds, it quickly recognized that HUD's guidelines for qualifying projects were intentionally broad and allowed communities to devise their own plans. This realization prompted Mayor Menino to step forward and create guidelines for CCI investments. He

determined Boston would use its CCI funds to (1) be transformational – have a large impact on the community and its residents, (2) create an obvious physical presence and (3) not merely replace money the city otherwise would have invested in the community, but take actions that were innovative and could "make a difference." This set of standards enabled the advisory committee to prepare a list of potential CCI projects.

The mayor immediately eliminated projects from the list that did not meet the guidelines, such as street improvements, because using CCI funds for such work would merely replace money the city could invest and not make a significant impact on residents' lives. After further review, a final list of projects emerged.

Boston's Critical Community Improvements – The variety of CCI projects Boston chose live up to Mayor Menino's goals of making a difference, being "net new" and transformational. The selected neighborhood improvement activities reinforce the physical and economic development aims of Choice Neighborhoods; they help transform the appearance, streetscape and image of Dorchester; and they create opportunities for human capital development through job creation, connectivity and recreation.

■ **Bornstein & Pearl Food Production Small Business Center (aka Pearl Meats)**

DBEDC and the Boston-based nonprofit CropCircle Kitchen have joined to convert the former Pearl Meats packaging factory, a 36,000-square-foot deteriorated building on a two-acre site that immediately abuts Quincy Heights. This \$14-million project is transforming the large abandoned building, vacant since 2008, into a multi-tenant food production facility designed to promote small business development, create sustainable employment, and build the infrastructure needed to improve access to healthy food. This facility will support over 50 food production businesses and create 150 jobs in its first five years of operation, many of them for Quincy Corridor residents. The Pearl Meats project has received \$500,000 in CCI funds.

■ **Façade Improvement Projects/Main Street Revitalization**

The city is expanding an existing city program that budgeted \$100,000 in Community Development Block Grant resources to improve the deteriorating façades of businesses along Quincy Avenue and other nearby streets. Building on the revitalized housing on Quincy Avenue and the commercial redevelopment of Pearl Meats on the other side of the street, this CCI activity will allow the city to reach an additional ten to fifteen area businesses to improve what was once the neighborhood's commercial main street. \$300,000 of CCI funding is allocated to support this effort.



■ **Facilities Improvements for Nonprofits**

The city is also helping area nonprofits to improve and rehabilitate neighborhood facilities that serve residents. These facilities are located on the commercial streets near Quincy Heights, and – like the retail establishments in the community – are showing signs of heavy use and disrepair. Projects include a new roof for a homeless shelter and a new heating plant for a community facility. \$200,000 of CCI funding is allocated to support these facilities improvements projects.

■ **Grove Hall Wi-Fi**

While wi-fi was installed in a portion of the neighborhood already, CCI funding has allowed for the expansion of the free wireless internet access with stronger signals to the area surrounding Quincy Heights. Dorchester has been underserved by wireless connectivity, leaving its residents – especially students – at a disadvantage when compared to other Bostonians who can easily access the internet. The wi-fi expansion has received \$300,000 of CCI support.

■ **Playgrounds**

Community residents felt strongly that the neighborhood lacked adequate playgrounds and proposed that two existing playgrounds be renovated and expanded. These playgrounds are located at elementary schools, and they are in disrepair, an especially problematic situation in a neighborhood full of children but without much open space for recreation. The playgrounds will fill a need for usable recreational space not just for the schools' students, but also for the children who live in the surrounding community. These two playgrounds have received a total of \$1,275,000 in CCI funds.

■ **Reserves**

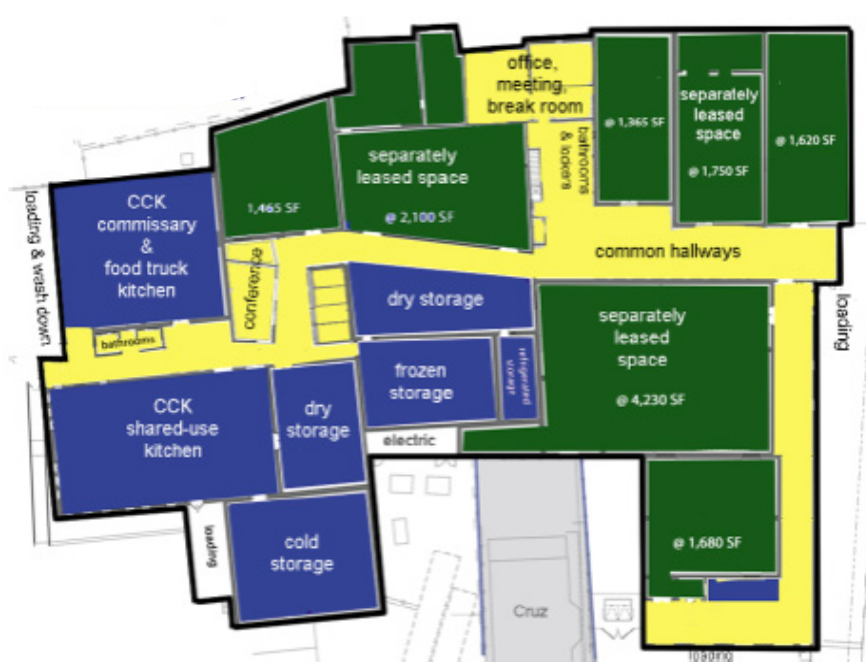
A reserve of \$500,000 of CCI funds has been set aside to assure the successful completion of the above list or to be used for additional projects, such as housing rehabilitation.

Taken together, these CCI investments provide tangible, long-lasting improvements in the neighborhood, bolstering the housing investment.

WHAT HELPED BOSTON IDENTIFY ITS CRITICAL COMMUNITY IMPROVEMENTS PROJECTS?

The City of Boston and Dorchester community organizations and residents selected these CCI projects through a strategic and collaborative process that highlights the importance of the

Bornstein & Pearl Food Production Small Business Center



flexibility of CCI funding, the city's leadership role, partnerships and leverage.

Flexibility of Choice Neighborhood CCI funds – Cities rarely receive federal funds which allow them to collaborate with a community in order to select projects they would like to see funded without a long set of rules regarding the projects' selection. HUD's intent in allocating up to 15 percent of the Choice Neighborhoods Implementation grant for Critical Community Improvements was to provide flexible funds that would enable neighborhoods to select projects that have the potential to transform the broader neighborhood and complement Choice Neighborhoods' housing and community development objectives.

In Boston, a substantial number of partners felt the redevelopment of Pearl Meats key to revitalizing the neighborhood. They felt that the poor condition of the property, located so close to Quincy Heights, was a blighting influence on the neighborhood, deterring private investment and attracting illegal activity. At the same time, others within the community felt just as strongly that the improvement of two neighborhood playgrounds was important. The improvements to those facilities, they felt, would touch the lives of every family in the neighborhood who had children since the immediate neighborhood was tightly built-up and had limited open space.

The flexibility of Choice Neighborhoods' CCI funding allowed the advisory committee to use Mayor Menino's guidelines to



simultaneously fund an economic development project and two playgrounds.

The City's Leadership Role – Throughout this process, the mayor provided strong and direct leadership over the effort to identify the Critical Community Improvements. During his 20-year tenure as mayor, Menino has employed a strategy of working with community organizations and seeking the advice of neighborhood leaders, thus living up to his nickname, the "urban mechanic."³

By creating the advisory committee, Menino followed this long-running strategy and assured the involvement of the community in the CCI decision-making process. According to Sheila Dillon, Director of the City's Department of Neighborhood Development and Robert Gehret, Deputy Director of the agency, the mayor challenged his staff to work in full partnership with community-based organizations to Critical Community Improvements that make a difference for the residents.

"The mayor's mantra was 'Make a difference for the neighborhood.'"

– Robert Gehret, Deputy Director of the City's Department of Neighborhood Development

All parties involved identified the mayor's leadership as vital to gaining agreement on the final projects. The mayor has continued his direct involvement in the CCI projects, and under his leadership, the advisory committee continues to meet monthly, chaired by the mayor's Director of Intergovernmental Relations. According to Laura Schiffer, liaison in HUD's Boston field office, "the City, led by the mayor, has been a great partner."

Partnerships – By creating the advisory committee, the city utilized the significant track records and deep knowledge of its partner organizations, DBEDC, DSNI and Project R.I.G.H.T. In addition, the city was able to rely on the long-standing alliances among them. But, despite the existing relationships, the organizations did not always agree on which projects to support with CCI funds, and thus the groups had to negotiate with each other about the projects to be selected and the community benefits that these projects would produce.

The Pearl Meats project is one example of this negotiation. DBEDC bought the vacant building from the former owners and planned to use it as the site of a commercial kitchen incubator in partnership with CropCircle Kitchen, another Boston-based nonprofit that had successfully developed a kitchen incubator in a nearby neighborhood. However, some in the community

KEY PARTNERS/FUNDERS FOR PEARL MEATS PROJECT:	
Financing sources for the \$13.9 million Pearl Meats project include a \$3,200,000 Section 108 Loan from the City of Boston, \$3.7 million in New Markets Tax Credits equity from LISC and PNC Bank, a \$2.5 million loan from Boston Community Capital, \$1.4 million grant from the Commonwealth of Massachusetts, and approximately \$800,000 in grant funds from the Office of Community Services (OCS), U.S. Department of Health and Human Services (HHS).	
SOURCES OF FUNDS FOR PEARL MEATS	TOTAL
Choice Neighborhoods	\$500,000
Section 108 Loan Guarantee	\$3,200,000
HHS/OCS grant	\$788,000
EPA	\$118,063
New Markets Tax Credit Equity	\$3,761,700
State Government Mass Works	\$1,465,000
State Government Mass Development	\$163,500
Boston Community Capital	\$2,560,000
CEI/Wholesome Wave	\$500,000
Boston Foundation	\$100,000
DBEDC Cash/Equity	\$831,237
TOTAL SOURCES	\$13,987,500

feared that the new site would only draw small entrepreneurs from the other neighborhood and few new jobs would be created and made available to Quincy Corridor residents. Thus, DBEDC negotiated a formal community benefits agreement with DSNI and Project R.I.G.H.T. to assure that at least 50% of the new jobs would be for neighborhood residents. Once this agreement was finalized, the three organizations recommended that CCI funds should be used to support the redevelopment of Pearl Meats.

Leverage – One of the goals of CCI funding is to leverage other investments in the Choice Neighborhood. Boston is leveraging over \$15 million of other public and private funds for the neighborhood's CCI projects – more than five times the federal investment. Added to the \$67.2 million in other funds raised for its housing component, Boston's total leverage increases to more than \$80.2 million – four times the total grant award.

The financing for the Pearl Meats project is a good example of how CCI funds leverage a mix of public and private financing and equity sources. In the case of the Pearl Meats, for every dollar of CCI funding invested, there is nearly \$27 of other public and private funding.

³<http://www.cityofboston.gov/mayor/bio.asp>



LESSONS TO BE LEARNED

For communities seeking to learn from Boston's approach to its Critical Community Improvements, what lessons are there?

- **Engage city leadership at the highest possible level.** When developing strategies for using CCI funds, engage city leadership at the highest level as early as possible in the process. Mayor Menino set the tone for how the City of Boston works with community partners, and his leadership, including constant and direct involvement with community organizations and a vision for CCI investments, was instrumental in drawing people to work together and assuring community support for the work.
- **Think strategically about Critical Community Improvements.** The flexibility of HUD's CCI funding creates the foundation for strong local direction toward innovation, impact, and community involvement. Consider developing clear local guidelines for qualifying neighborhood improvements, which can be understood by partners and will make a difference in the lives of residents.
- **Engage community partners in decision-making.** Identify and involve the leading community-based organizations in the neighborhood for genuine input and influence on the selection of Critical Community Improvements. By creating and involving the advisory committee, Boston's leaders selected a combination of CCI projects that not only are high impact, but also are responsive to community concerns. In turn, this process strengthened the relationships among the community organizations and the city government.
- **Listen.** The Boston team listened to the advisory committee's feedback in order to proactively address potential opposition and create multiple opportunities and channels to solicit input from the community. Consider developing a collaborative process that brings people together to do more than just rubberstamp projects already selected for them. The City of Boston listened to the community, and city departments worked with the advisory committee to develop the list of potential CCI investments based on the neighborhood's needs and long-range plans.

- **Create synergies across investments.** When selecting Critical Community Improvements, think holistically. Choose a set of projects that will make an impact on the surrounding neighborhood and create synergies across all of your Choice Neighborhoods investments to transform the entire neighborhood. Quincy Heights and the surrounding community will now benefit from new jobs, two playgrounds, expanded wi-fi access, and improved commercial and service buildings. The mayor's use of community decision-making to determine the list of CCI projects catalyzed city thinking beyond just the Choice Neighborhoods projects. The city is now planning further improvements to the streets facing Quincy Heights and will create another advisory committee to assist with budgeting decisions.
- **Leverage the CCI Funds.** Critical Community Improvements funds are most effective when they attract additional public and private funding to enhance CCI projects. For example, a hallmark of Boston's CCI projects is that the city has used HUD funding to leverage additional resources. While \$3 million in CCI funding may sound like a lot of money, it doesn't go far in a neighborhood like Quincy Corridor. The revitalization of the Pearl Meats factory is a promising example of how CCI funds can be used to leverage significant funding in order to make a greater impact on an underserved community.

Boston's story provides a promising example of local leaders who thought strategically and creatively about the potential uses of Choice Neighborhoods Critical Community Improvements funds. These flexible funds are designed to stimulate opportunities to invest in neighborhood projects that otherwise might not have funding and are intended to strengthen the federal investment in the housing revitalization in order to transform the surrounding neighborhood. This is what makes HUD's Choice Neighborhoods program different and Boston's Critical Community Improvements groundbreaking.

For more information on the Choice Neighborhoods program please visit hud.gov/cn.

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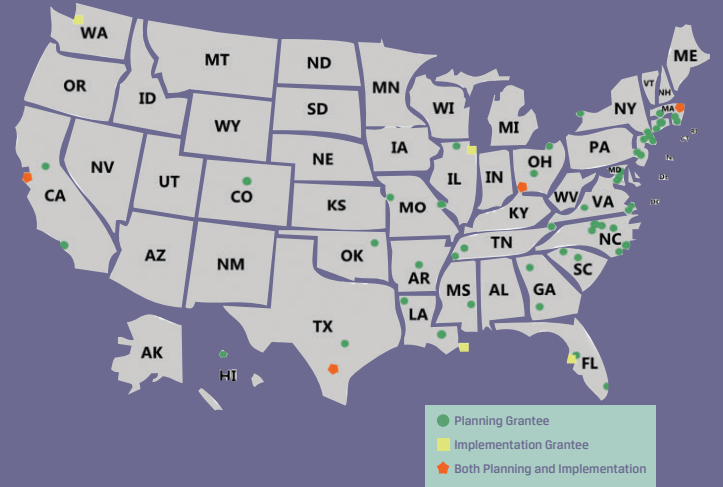


What is Choice Neighborhoods? Choice Neighborhoods is HUD's signature place-based initiative and is a central element of the White House's Promise Zones Initiative, which builds on a federal partnership to transform high poverty neighborhoods into places of opportunity and economic growth. Choice Neighborhoods enables communities to revitalize struggling neighborhoods with distressed public housing or HUD-assisted housing. Local leaders, residents, and stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, create a plan that revitalizes distressed HUD housing and addresses the challenges in the surrounding neighborhood. Through these grants, communities are replacing obsolete, distressed housing with vibrant mixed-income communities, and are leveraging investments to develop new retail and businesses, turn around failing schools, strengthen early education, prevent crime, improve transportation, ensure basic neighborhood assets, and increase access to jobs.

Why Choice Neighborhoods? Over 11 million Americans live in neighborhoods with a poverty rate of 40% or more. Many of these neighborhoods struggle with rampant crime, failing schools, and the impact of decades of disinvestment. High poverty neighborhoods also collectively have 105,000 units of distressed public and private HUD-assisted housing. Choice Neighborhoods recognizes the need to support local leaders in turning around these neighborhoods so that they can become centers of opportunity and economic growth.

What does Choice Neighborhoods do?

- *Builds upon two decades of HOPE VI innovations.* Choice Neighborhoods builds upon the bipartisan HOPE VI public housing revitalization program launched in 1993. HOPE VI has developed nearly 100,000 units of mixed-income housing in 260 communities. Many HOPE VI sites have not only rebuilt some of the most severely distressed public housing, but have also experienced sharp drops in poverty, crime, and unemployment; large rises in income and property values; and new investment, business growth, and jobs. Urban Institute has estimated that, with these gains, one typical, large HOPE VI redevelopment could save taxpayers \$22 million more than if HUD did nothing.
- *Transforms distressed housing and creates mixed-income communities.* The 8 Choice Neighborhoods Implementation Grantees will replace and rehabilitate 2,770 obsolete, isolated public and private HUD-assisted housing units with new, mostly privately managed units. These replacement units will be mixed with 6,600 new affordable and market-rate units to ensure communities attract a sustainable mix of incomes. For some early grantees, Phase I construction is already starting. Boston is beginning to redevelop a distressed Section 8, HUD-assisted housing site that will be replaced with 129 new and reconfigured units. Meanwhile, Seattle is starting to replace a distressed public housing project through the new construction and rehabilitation of 118 units.



- *Catalyzes neighborhood transformation.* Choice Neighborhoods Grantees develop a comprehensive neighborhood plan that addresses the broader needs of the community, including nearby vacant private housing, public safety, local schools, employment, economic development, and other critical community improvements. Grantees can use up to 30 percent of their award to leverage these investments. For example, with \$500,000 in Choice Neighborhoods funds and \$13.5 million in leverage, the City of Boston and its partners are converting an abandoned factory across the street from their future housing site into a multi-tenant food production facility. This facility will support over 50 businesses and create more than 100 new jobs within the first three years of operation. Along the same street, Boston will make strategic façade improvements to 10-15 businesses. These and other physical investments will be complemented with improvements in residents' education, safety, health, and employment.
- *Leverages other funding.* Choice Neighborhoods Grantees have leveraged over \$2 billion, more than 8 times their total grant award. This total includes new and refocused funds from private investors, banks, cities, universities, foundations, and a range of local partners.
- *Engages key stakeholders.* Mayors, local governments, nonprofits, tribal entities, developers, and public housing authorities can apply for Choice Neighborhoods Grants. In addition to applicants, Choice Neighborhoods Grantees have also formed partnerships with a range of local players, such as private investors, Chambers of Commerce, school districts, police departments, community health clinics, faith based organizations, and Workforce Investment Boards.
- *Builds capacity through Planning Grants.* It takes years to plan a neighborhood transformation effort and build a strong coalition of stakeholders. For this reason, Choice Neighborhoods provides smaller, two-year Planning Grants. Planning Grants include competitive preferences for rural communities.

