

The White House Neighborhood Revitalization Initiative

“If poverty is a disease that infects an entire community in the form of unemployment and violence; failing schools and broken homes, then we can’t just treat those symptoms in isolation. We have to heal that entire community. And we have to focus on what actually works.”

– Barack Obama, July 18, 2007

The Neighborhood Revitalization Initiative, a White House-led interagency collaborative, is developing and executing the Obama Administration’s place-based strategy¹ to support local communities in developing and obtaining the tools they need to revitalize neighborhoods of concentrated poverty into neighborhoods of opportunity.

As President Obama declared in his Inaugural Address, the time has come to reaffirm the promise that in the United States of America, “all are equal, all are free, and all deserve a chance to pursue their full measure of happiness.” In too many neighborhoods of concentrated poverty across the country, and for too many residents – particularly children – that promise is unfulfilled.

In high-poverty neighborhoods, high unemployment rates, rampant crime, health disparities, inadequate early care and education, and struggling schools contribute to intensify the negative outcomes associated with living in poverty. Neighborhood poverty is a critical factor in explaining why some children are more likely to have lower incomes as adults than their parents.² Moreover, a Federal evaluation of the reading and mathematics outcomes of elementary students found that even when controlling for individual student poverty, there is a significant negative association between school-level poverty and student achievement.³

Due to the turmoil they face, many high-poverty neighborhoods are unable to leverage valuable assets that provide a basis for economic growth and improvement in resident well-being. Many of these neighborhoods are located near central business districts, transit lines, waterfronts, museums and other art and cultural institutions, or key anchor institutions such as hospitals and universities. Many have existing community-based organizations that have formed strong bonds and durable social capital. Although some community-based organizations have succeeded in developing good working relationships with business and institutional leaders in these centers of investment, these relationships need to be strengthened and local resources leveraged more fully so that more community members can gain the best possible access to quality education, services, and job opportunities.

A New Approach

Recognizing that interconnected solutions are needed in order to resolve the interconnected problems existing in high-poverty neighborhoods, the Obama Administration is developing a new approach to neighborhood revitalization to better support community-based initiatives that produce significant benefits for distressed neighborhoods as well as positive outcomes for surrounding areas.

¹ See also Memorandum from the Office of Management and Budget (OMB). *Developing Effective Place-Based Policies for the FY 2011 Budget*. August, 11, 2009. Available online at http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-28.pdf.

² Children who grow up in a neighborhood with 20-30 percent of families in poverty have a 50 percent greater chance of downward economic mobility – moving down the income ladder relative to their parents – compared with children whose families had similar income levels, but who grew up in neighborhoods with under 10 percent of families in poverty. *Patrick Sharkey. “Neighborhoods and the Black-White Mobility Gap.” Economic Mobility Project: An Initiative of The Pew Charitable Trusts, 2009.*

³ Westat and Policy Studies Associate. The longitudinal evaluation of school change and performance (LESCP) in title I schools. Prepared for the U.S. Department of Education. Available online at http://www.policystudies.com/studies/school/lescp_vol2.pdf.

This approach is being developed by Neighborhood Revitalization Initiative, led by the White House Domestic Policy Council (DPC), White House Office of Urban Affairs (WHOUA), and the Departments of Housing and Urban Development (HUD), Education (ED), Justice (DOJ), Health and Human Services (HHS) and Treasury. The Initiative is examining and developing options for restructuring federal strategies for distressed neighborhoods in order to more effectively support local community, government, business, and institutional leaders in creating neighborhoods of opportunity.

Given the national scale of the problem, and the significant resources the Federal government already directs to distressed communities – albeit often in an inconsistent and uncoordinated manner – Federal leadership in neighborhood revitalization is critical. But the Initiative’s strategy also reflects an awareness of the limits of Federal programs; indeed, the difficult process of solving interconnected problems in distressed neighborhoods has always happened at the local level, with dedicated, inventive leaders and practitioners adapting their tactics to changing conditions, rewriting rigorous community plans to target their efforts, and diligently managing to those plans to achieve their vision. President Obama recognized this fundamental truth in his speech to the nation’s mayors on June 21, 2008, affirming that “in this country, change comes not from the top-down, but from the bottom-up,” and that “the change we seek...will not come from government alone.”

In recognition of the importance of a better federal strategy to support community-owned revitalization initiatives, the Neighborhood Revitalization Initiative is pursuing a new approach to federal engagement in neighborhoods of concentrated poverty. This approach is designed to be:

- *Interdisciplinary*, to address the interconnected problems in distressed neighborhoods;
- *Coordinated*, to align the requirements of federal programs so that local communities can more readily braid together different funding streams;
- *Place-based*, to leverage investments by geographically targeting resources and drawing on the compounding effect of well-coordinated action;
- *Data- and results-driven*, to facilitate program monitoring and evaluation, to guide action needed to make adjustments in policy or programming, and to learn what works and develop best practices; and
- *Flexible*, to adapt to changing conditions on the ground.

The Neighborhood Revitalization Initiative is operating under a shared theory of change – that an integrated, coordinated effort to increase the quality of a neighborhood’s (1) educational and developmental, (2) commercial, (3) recreational, (4) physical, and (5) social assets, sustained by local leadership over an extended period, will improve resident well-being and community quality of life.

Creating Neighborhoods of Opportunity

The goal of the Initiative is to support the transformation of distressed neighborhoods into neighborhoods of opportunity – places that provide the opportunities, resources, and environment that children, youth, and adults need to maximize their life outcomes. This includes elements of each asset category such as high-quality schools and educational programs; high-quality, safe, and affordable housing; thriving commercial establishments; art and cultural amenities; and parks and other recreational spaces. In light of the need for better coordination and greater consistency in Federal support, the Initiative is focusing on four key opportunities for action.

1. *Integrating place-based programs in distressed neighborhoods* – ED, HUD, and DOJ intend to coordinate their funding for the Promise Neighborhoods, Choice Neighborhoods, and Byrne Criminal Justice Innovation programs, to give communities with the need and capacity for each program a better opportunity to braid these resources, and increase the odds of success for these federal investments by drawing on the compounding effect of well-coordinated action. HHS will encourage local partnerships between existing and new community health centers and these programs, and consider other ways to coordinate community health centers and other grant programs with the above neighborhood-focused programs.
2. *Coordinated peer review and alignment of program goals and requirements* – ED, HUD, and DOJ intend to coordinate the review of their applications, including the sharing of reviewers with expertise across disciplines and throughout the continuum of development from birth through youth between the programs. These agencies also intend to work together to align the goals and requirements of the various programs as much as possible. This has included the development and use of common goals and program evaluation metrics, a shared theory of change, and common definitions of key terms, with the overall goal of ensuring that these programs align on the ground and that communities hear one clear message from the federal government on how resources could be targeted and coordinated.
3. *Collaborative planning* – Agencies in the Initiative will create incentives for local communities to develop plans, build organizational capacity, and establish accountability mechanisms to ensure that revitalization activities have the best prospects for success.
4. *Integrated technical assistance* – Agencies in the Initiative will jointly support integrated technical assistance in order to help high-need neighborhoods develop and implement comprehensive, collaborative approaches to neighborhood revitalization.

To date, agencies in the Initiative have begun a collaboration centered on five programs.

1. *Choice Neighborhoods* (HUD) – Choice Neighborhoods supports efforts to transform distressed public and assisted housing into sustainable mixed-income housing that is physically and financially viable over the long term, to promote positive outcomes for families, and to transform neighborhoods of concentrated poverty into viable, mixed-income neighborhoods with access to key assets and services.
2. *Promise Neighborhoods* (ED) – Inspired by experiences of initiatives such as the Harlem Children’s Zone, Promise Neighborhoods supports projects that are designed to create a comprehensive continuum of education programs and family and community supports, with great schools at the center, that will significantly improve the educational and developmental outcomes of children and youth, from birth through college and career, in the nation’s most distressed communities.
3. *Byrne Criminal Justice Innovation* (DOJ) – A new program proposed for FY 2011, Byrne is a community-based strategy that aims to control and prevent violent crime, drug abuse, and gang activity in designated high crime neighborhoods across the country, providing funding to support partnerships between law enforcement agencies and community-based organizations that balance targeted enforcement with prevention, intervention, and neighborhood restoration services.
4. *Community Health Centers* (HHS) – Community Health Centers have for more than four decades provided comprehensive high-quality preventive and primary health care to America’s most medically underserved urban and rural communities. Health centers serve patients regardless of their ability to pay, making them the essential primary care provider for nearly 19 million people in need.

5. *Behavioral Health Services* – An HHS approach to services for mental and addiction disorders that coordinates a comprehensive array of home and community-based prevention, early identification and intervention, treatment and recovery services and supports, using an assets-based approach to developing a system of wraparound services for families with complex, multigenerational behavioral health needs that can be built at the community level and anchored to a neighborhood-based infrastructure.

Federal programs alone cannot address the challenges faced in neighborhoods of concentrated poverty, or identify all of the assets to build on. For these efforts to succeed, local leadership must be strong. But the integration of Neighborhood Revitalization programs at the federal level reflects the collaborative planning necessary at the local level, and incentivizes localities to consider the interconnections between the problems they face in distressed neighborhoods, and the interrelationship of the solutions required to address those challenges.

Next Steps

The Neighborhood Revitalization Initiative will continue working toward tighter integration of the centerpiece programs described above. Initiative membership will expand over the coming months to provide additional tools that local communities need to improve resident health and stimulate economic development. Initiative members will strengthen program integration in FY 2012, and will explore jointly awarding portions of their agencies' funding. The Initiative also plans to host a convening on neighborhood revitalization in 2011, to unite practitioners and policymakers in a shared effort to improve our nation's distressed communities.

The neighborhoods that are the focus of this Initiative's activity are critical sources of underutilized human capital, and their improvement is essential to the growth of regional economies and the expansion of the middle class. The inadequacies of past federal, state, and local policies, combined with structural inequities in our economy, have isolated these neighborhoods from sources of capital and economic growth, leading to long-term, localized recessions that pre-date the current economic downturn.

Failing to address economic distress at the neighborhood level not only limits our pool of human capital and diminishes regional and national economic capacity, but also perpetuates disadvantages experienced by low-income families and exacerbates disparities in our society. To tap the full potential of these neighborhoods and their residents, revitalization efforts must connect the neighborhoods to surrounding communities and regional economies in ways that make both local and regional economic growth sustainable and equitable over the long term. As President Obama observed in his Inaugural Address, "The success of our economy has always depended not just on the size of our gross domestic product, but on the reach of our prosperity, on the ability to extend opportunity to every willing heart – not out of charity, but because it is the surest route to our common good."

The White House Neighborhood Revitalization Initiative

Appendix A: Program Interactions

Agencies represented on the Initiative will work to use common language in their relevant funding notices, describing common goals and program evaluation metrics and a shared theory of change. Over time, ED, HUD, DOJ and other agencies represented on the Initiative will also work to better align and coordinate their programs, including their funding notices for the Promise Neighborhoods, Choice Neighborhoods, and Byrne Criminal Justice Innovation programs, to ensure that communities with the need and capacity for each program can braid these resources and tools.

Promise Neighborhoods (ED) and Byrne Criminal Justice Innovation (DOJ)

ED and DOJ will pursue the following framework for Promise Neighborhoods (Promise) and Byrne Criminal Justice Innovation (Byrne) integration.

FY 2010: The Promise planning grant notice includes language to encourage integrated, comprehensive approaches that leverage multiple funding sources, including Byrne. DOJ has recommended peer reviewers with experience in public safety and neighborhood revitalization for consideration by ED for use during the Promise planning grant competition review.

FY 2011: Pending an appropriation from Congress, and upon completion of a public notice-and-comment rulemaking process, ED plans to issue final requirements for Promise Neighborhoods (Promise) planning and implementation grants and a notice inviting applications for those grants. ED anticipates proposing for public comment as part of this rulemaking process funding priorities that may include a priority for strategies that would be aligned with DOJ's Byrne program.

- ED will draft the Promise implementation grant notice, which will include input from DOJ regarding the alignment of the Byrne program. Both Departments will collaborate extensively on the development of both programs, including exploring options for joint funding of projects and the development of common project goals.
- ED and DOJ plan to coordinate the peer review and selection processes to ensure that both agencies' grant timelines are met.

For grantees awarded both Promise and Byrne funding, the Departments will coordinate as follows:

- Promise and Byrne governance structures are similar, in that both contemplate the planning and distribution of place-based services via organizations representative of the community that have diverse stakeholder participation.
- ED and DOJ will plan and coordinate to ensure that Promise's grantees can meet requirements that are common to both programs.
- ED will conduct grantee monitoring, with extensive and ongoing collaboration with DOJ personnel regarding relevant components of the Byrne program. DOJ will participate in on-site monitoring visits, as applicable.

Choice Neighborhoods (HUD) and Byrne Criminal Justice Innovation (DOJ)

HUD and DOJ will pursue the following framework for Choice Neighborhoods (Choice) and Byrne Criminal Justice Innovation (Byrne) integration.

FY 2010: Pending an appropriation from Congress for Byrne in FY 2011, a joint Choice/Byrne Notice of Funding Availability (NOFA) will announce FY 2010 Choice funding and FY 2011 Byrne funding. The NOFA will be a Choice notice, with an optional accompanying Byrne section.

- HUD will draft the Choice grant notice, and DOJ will draft an accompanying Byrne section, with collaboration and input from both Departments on the development of both programs.
- Applicants will have the choice of applying only for Choice funding, or also filling out an accompanying Byrne section to apply for Choice and Byrne combined funding. Choice and Byrne eligible entities are identical, with the exception of Choice for-profit eligible entities. Where the Choice applicant is a for-profit, that entity could partner with a public entity, such as a local public housing authority or city, to apply for Byrne funding. This approach is consistent with the FY 2010 Appropriations language for Choice, which requires for-profit developers to partner with a public entity.
- For applications seeking both Choice and Byrne funding, HUD staff will review the Choice NOFA (with DOJ staff/consultant peer reviewers) and select winning Choice grantees. Next, DOJ will review and fund the successful Choice grantees who have met the criteria for Byrne.
- HUD and DOJ will coordinate a joint NOFA/peer review process schedule.

With regard to the funding approach, the proposed HUD/DOJ Inter-Agency Agreement (IAA) will be executed as follows:

- A HUD/DOJ IAA will be established. DOJ will transfer a portion of FY 2011 Byrne funding to HUD to award to Byrne grant recipients.
- HUD will be the agency on record for overall fiscal administration of Byrne funds; however, DOJ will have lead monitoring responsibilities for all Byrne grants. The IAA will also include ongoing collaboration between HUD and DOJ staff to fully execute a successful Choice/Byrne partnership in Choice grant communities. HUD and DOJ will work jointly to develop IAA language.
- HUD/DOJ will work jointly to assure that Choice/Byrne grantees:
 - Contemplate the planning and distribution of place-based services via a community-based organization with diverse stakeholder representation.
 - Coordinate a strategy to ensure a sufficient integration of Byrne objectives – crime reduction, public safety, prevention and neighborhood revitalization.

Promise Neighborhoods (ED) and Choice Neighborhoods (HUD)

ED and HUD will pursue the following framework for Promise and Choice Neighborhoods integration.

FY 2010:

- The Promise planning grant notice states that the Departments of Health and Human Services, Housing and Urban Development, and Justice, along with the Department of Education, may establish incentives in future competitions for communities intending to implement more than one of the place-based initiatives, including Choice. In addition, one of the indicators of need included in the Promise planning notice is “High rates of vacant or substandard homes, *including distressed public and assisted housing,*” which is aligned with the Choice NOFA.
- The Choice Round 1 NOFA includes language that signals HUD’s intent to give competitive preference to Choice applicants that have received a Promise planning grant. HUD has established a competitive preference for \$1 million of planning grants (4 planning grants of \$250,000 each) for Promise planning grantees who meet Choice planning grant thresholds. All

successful applicants for Choice planning or implementation grants, including Promise awardees, must have as a threshold requirement distressed public and/or assisted housing.

- HUD has recommended peer reviewers with experience in neighborhood revitalization for consideration by ED for use during the Promise planning grant competition review.
- ED will recommend peer reviewers with experience in education and development, from birth through college, for consideration by HUD for use during the Choice planning and implementation grant competition review.

FY 2011:

- Pending an appropriation from Congress, and upon completion of a public notice-and-comment rulemaking process, ED plans to issue final requirements for the Promise planning and implementation grants and issue a notice inviting applications for those grants. ED anticipates proposing for public comment as part of this process funding priorities that may include a priority for strategies that would be aligned with the Choice Neighborhoods program.
- Pending an appropriation from Congress, HUD will issue a Choice planning and implementation grant notice, which is proposed to include a competitive priority for applicants pursuing a Promise Neighborhoods strategy of a continuum of educational and family and community supports.

Program Interactions in FY 2012

Agencies represented in the Initiative intend to propose stronger program integration opportunities and incentives in FY 2012, including linkages with additional agencies. Initiative agencies also plan to include in their agencies' centerpiece program solicitations the expectation that applicants actively pursue multiple federal, state, and local funding sources designed to address interconnected challenges in neighborhoods of concentrated poverty. The agencies will also explore additional opportunities for their agencies to jointly award portions of their funding.

Funding Across Programs

Promise:

- FY 2010 Planning Grants: Up to 20 planning grants of \$400,000-500,000 each
- FY 2011 Proposed Implementation & Planning Grants: \$210 million (requested), which includes \$200 million for up to 12 implementation grants and up to \$10 million for up to 20 planning grants

Choice:

- FY 2010 Planning Grants: 12-15 grants of \$250,000 each
- FY 2010 Implementation Grants: \$62 million (2-4 awards)
- FY 2011 Proposed: \$250 million for planning and implementation grants

Byrne Innovation:

- FY 2011 Proposed: Up to \$2-4 million for selected Choice and Promise Neighborhood sites. Total award amount and budget period will be based upon the costs of the evidenced-based programs identified in the application. Total funding request of \$40 million, including for sites not aligned with the Promise and Choice programs.