Designing & Directing Neighborhood Change Efforts
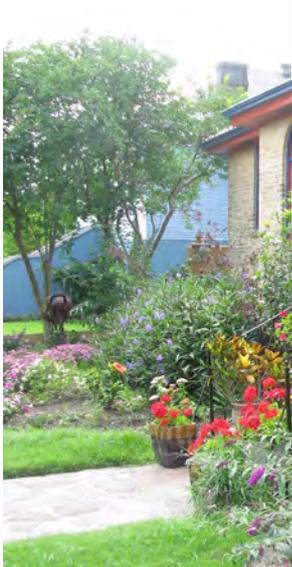## How to Be More Intentional and Effective

By Michael Schubert, Community Development Strategies

CHOICE NEIGHBORHOODS
RESOURCE GUIDE

The **Choice Neighborhoods** program supports locally driven strategies to address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Local leaders, residents, and stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, come together to create and implement a plan that transforms distressed HUD housing and addresses the challenges in the surrounding neighborhood. The program is designed to catalyze critical improvements in neighborhood assets, including vacant property, housing, services and schools.

About the Author

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INTRODUCTION

Why do some efforts to revitalize neighborhoods succeed and others fail? How can our approaches to older, disinvested neighborhoods be more effective? How do we know if we are being successful? How do we get neighborhood revitalization right?

These important questions are the background for this guide. Successful neighborhood revitalization begins with good thinking, and this guide helps practitioners think more clearly about designing and directing neighborhood change efforts.

The Department of Housing and Urban Development's (HUD's) Choice Neighborhoods program is an opportunity to get neighborhood revitalization right. The fundamental purpose of the Choice Neighborhoods program is to create neighborhoods of choice – places that can attract people and resources; places where people choose to move and remain. While most of the resources of the Choice Neighborhoods program are focused on the turnaround of distressed publicly assisted housing, substantial resources have been allocated to address the surrounding neighborhood. This intentional focus on the surrounding neighborhood recognizes that distressed housing does not exist in isolation from the surrounding neighborhood – that it is indeed part of a neighborhood. The renovation of such housing can have a major positive impact on the surrounding neighborhood. But this impact can be more certain if Choice Neighborhoods grantees are thoughtful and strategic about how they leverage that new housing development activity toward broader neighborhood change.

This guide is designed to help Choice Neighborhoods grantees, as well as others engaged in neighborhood change efforts, be more intentional and effective in their revitalization work. It provides a framework for both thought and action.

At the core of this guide is a simple yet profound idea: the importance of influencing individual investment decisions made by neighbors and by other stakeholders in ways that benefit the neighborhood. Are neighbors and other stakeholders making decisions that reflect their confidence in the future of the neighborhood or are they withholding their investments of time, energy, and resources?

Neighborhood conditions are driven to a large extent by the range of investment decisions neighbors and other stakeholders make about the neighborhood and how others interpret those decisions. Decisions by households to move in or out, to make quality improvements or defer repairs, to engage in collective action or to withdraw from such action – these decisions tell a story and shape the direction of the neighborhood. Successful neighborhood revitalization efforts seek to influence those decisions in ways that benefit the neighborhood.

Organizations that intervene – whether they be public, private, or non-profit – often mistakenly believe their decisions will drive the future of the neighborhood. In reality, however, the decisions of neighbors matter most. If neighbors continue to withdraw their investments of time, energy, and resources, positive change will not be sustained. If potential home buyers and competent landlords reject the neighborhood as a logical choice for their investment, the neighborhood housing market will not be stable. If there is no intentional action to define a new image for the neighborhood, a negative image will continue to drive investment away.

Many of the decisions that impact neighborhoods are about housing. When housing is reduced to housing development and housing strategies are limited to building things, the potential for greater impact is lost.

Housing needs to be seen in the larger context of neighborhood decision-making. Housing decisions shape and are shaped by the level of confidence people have in a neighborhood. The condition of housing reflects and drives neighborhood norms and standards. How residents read changes in the local housing market tells them if the neighborhood is either getting better or worse.

Neighborhoods are not just housing markets, however. They are social systems as well. A broader understanding of housing can deploy housing as one tool among several that can strengthen the social fabric in communities. This guide will show the relationship between effective housing strategies and strengthening the social fabric in neighborhoods. It offers a way to think more deeply and broadly about housing as a tool for transformative change.

The focus of this guide is on four areas:

(1) building a positive neighborhood image
(2) stabilizing the housing market
(3) improving physical conditions
(4) strengthening the social fabric in neighborhoods.

The investment decisions neighbors and other stakeholders make within these areas drive the direction of the neighborhood.

This guide does not delve into place-based solutions to the problems of poverty. Resolving the issues of public safety, unemployment, and weak schools is of great importance in Choice Neighborhoods and in all efforts to revitalize neighborhoods. At the same time, the ideas expressed here are not unrelated to poverty alleviation. Rather they can be seen as complementary. Efforts to turn neighborhoods around require leaders. How can leaders develop when there is a general lack of confidence in the future of the neighborhood? How can people make decisions to better themselves when they continue to see symbols of decay surrounding them?

There is much in this document that might be called theory. But theory is not bad if it is grounded in the experience of how neighborhoods work as markets and as communities. Theory can provide a simple framework that informs effective action. ■
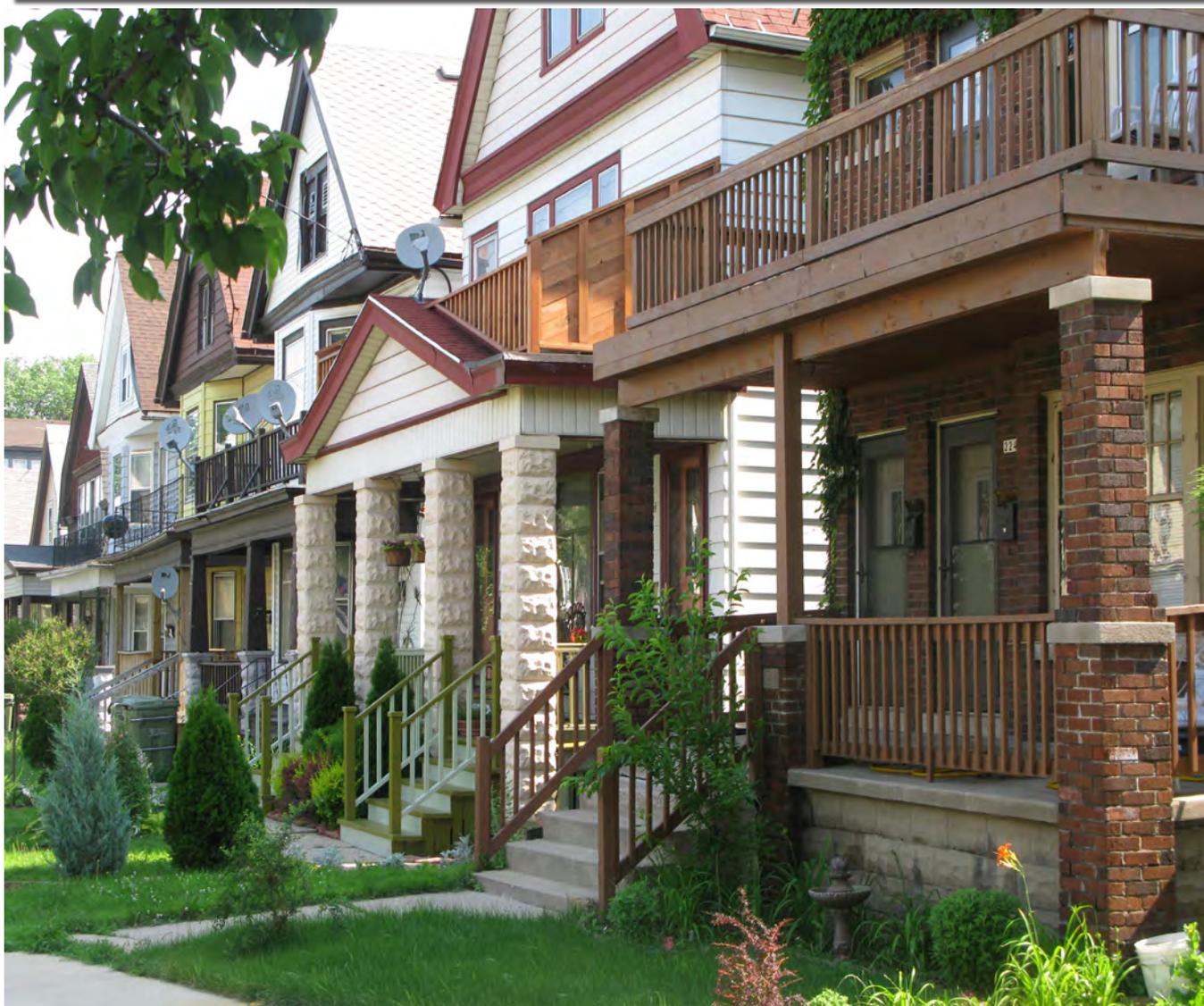
PART ONE

WHAT IS IT WE DO WHEN WE REVITALIZE NEIGHBORHOODS AND WHY IS IT SO HARD?

What is it we talk about when we talk about neighborhood revitalization? Why do efforts – even well-resourced ones – often fail to achieve sustainable improvements? What characterizes successful efforts?

Fundamentally, successful neighborhood revitalization efforts must do the following:

- Restore neighborhood confidence – the belief on the part of neighbors and other stakeholders that the neighbor hood will get better.

- Influence the decision-making of neighbors and other stakeholders about the neighborhood and their capacity to alter it.

- Re-position the neighborhood in the market as a place of choice and make it competitive in attracting housing demand.

- Create new symbols and a new narrative about the neighborhood – one that replaces a story of decline with a story of renewal.

Looking broadly across the field, here are some reasons the work of neighborhood revitalization has often been less than successful:

- Neighborhood improvement efforts are often organized around removing something bad, such as addressing crime or reducing housing abandonment. They seldom address defining and doing that which is the good, such as people feeling safe or attracting new home owners and better rental property owners.

- Revitalization efforts frequently do not build around community strengths. There is too much investment in a language of deficiency that only reinforces negative perceptions.

- There is too much focus on programs as ends in themselves rather than as tools to achieve neighborhood change outcomes. Revitalization efforts focus too much on managing programs rather than managing outcomes. Success is too often defined as spending down all of the allocated funds.

- Insufficient intentionality is devoted to changing the neighborhood image. Few resources exist to market and promote the neighborhood.

- Too much focus is given to developing housing supply – producing units – and not enough to building housing demand – attracting people to the neighborhood.

- Few resources exist aimed at strengthening social connections in the neighborhood.

- Not enough effort is spent in understanding and influencing the norms and standards of the neighborhood.

The difference between success and failure is often subtle and nuanced. Success is not always dependent on large amounts of financial resources. Successful efforts intervene both in markets and social systems. Successful efforts also have a language that builds around neighborhood strengths rather than a focus on curing deficiencies. How situations are framed and described is critical to ultimate success.

PART TWO

UNDERSTANDING NEIGHBORHOOD CHANGE

Neighborhood change is a process driven in large part by the investment decisions of neighbors and other stakeholders. Any intervention that promises to improve distressed neighborhoods needs to incorporate an understanding of the decisions that were made by neighbors and other stakeholders that contributed to the current situation.

Neighborhoods can be viewed in two ways – as a snapshot or as a film. When we look at the neighborhood as a snapshot we see what is before us at the current moment. For example, in the case of a neighborhood with high levels of foreclosure we see households struggling to make payments, some in default, and some walking away from their properties. We see vacant houses in various stages of foreclosure, as well as many vacant properties. Based on what we recognize in the snapshot we try to correct the immediate problems in front of us.

But when the neighborhood is seen as a film, we see a longer-term narrative unfold – a narrative that begins when the neighborhood was a healthy, stable place. We see small situations that started to push the neighborhood in a downward direction and erode confidence. We see the neighborhood losing its competitive advantage to attract capable home buyers and decent investors. As values decline, the image of the neighborhood is weakened. When they see conditions around them worsen, neighbors begin to withhold investment both from their properties and from the common life of the neighborhood. Fixing what we see in the snapshot may not be sufficient to alter the longer-term story in the film.

If we want to change the story, it is necessary to examine the longer narrative and address both the market issues and the social conditions that enabled decline to take root. If we do not do this the problems of the past can remain problems into the future.

How Neighborhoods Decline

There are many reasons why neighborhoods decline – deindustrialization, obsolete housing styles, suburbanization, and more. The reasons for decline help us understand the snapshot. But neighborhoods do not usually go from functioning places to distressed places overnight. There is a process of decline that helps us better understand the current situation so that interventions can be more effective in shaping a positive future. Most importantly, the process of decline can help us understand the process of renewal.

Janet Jones (not her real name, but a real story) and her new husband were seeking to buy their first home together. They chose the Chicago Lawn neighborhood on Chicago's Southwest Side, a stable working-class neighborhood of well-maintained bungalows and trimmed lawns. The neighborhood had changed from its earlier status as all white and was becoming more diverse – with African American families beginning to move in. This diversity appealed to Janet. In an inter-racial marriage, she felt that she and her husband would be happier in a racially diverse setting like the Chicago Lawn neighborhood.

A house she and her husband were looking at was on a typical block of well-maintained bungalows. She felt the physical

conditions on this block spoke of a well-maintained place, and the number and variety of the kids she saw playing on the block reinforced her sense that this was the right place.

Initially, the block was all that it promised to be. There was a block club that involved a diverse group of neighbors. Block parties were held periodically and every year the neighbors organized a field trip for the kids.

This block and its surrounding neighborhood were not nirvana, however. There were occasional purse snatchings and burglaries. But people generally felt safe and saw disorder as an exception rather than as the norm. While not perfect, the block worked for its residents.

Then things slowly began to unravel. The small corner store – the place people went to buy bread or milk – changed hands. The new owners installed a pay phone on the wall outside the store. Soon this pay phone began to attract what neighbors saw as "the wrong crowd," and there was concern that the pay phone was being used to facilitate drug transactions. Reinforcing this negative perception was the fact that several neighbors were verbally harassed by the men hanging around the pay phone. Neighbors took action with the police. The police would patrol and often were seen in conversation with those hanging around the corner store, but the activity around the pay phone did not cease. It grew into a symbol of decline.

Things got worse. Two families – one of whom was a leader in the block club – put their homes up for sale. Both their homes were purchased by investors and became rental housing. Yard maintenance on those two homes did not seem to be on either the investors' or the tenants' agenda. The lawns became overgrown and started to impact the overall look of the block.

In response to the changes in tenure that were occur-ring, the problems around the pay phone, and the declining standards of maintenance, people began to see the writing on the wall. Confidence in the future of this block on the part of many neighbors was being undermined and began to erode. Those neighbors who had the capacity to move began to do so. As the image of the block and its surrounding neighborhood suf-fered, it was harder for the neighborhood to compete for home buyers who could easily find affordable homes in nearby "better" neighborhoods. As a result, most of the homes listed for sale wound up being sold to investors and rented out, dramatical-ly changing the tenure profile on the block as it moved from primarily owner-occupied homes to absentee-owned rentals.

The high standards of maintenance that had once characterized this block would soon come apart, sending daily visual confirmations of decline. But something else was also being lost. The block club – without its leader households – became inactive. There were no more summer outings for the kids and no more block parties, and there were now frayed connections among neighbors who no longer seemed to share the same values. The confidence that led residents to invest their time and energy in maintaining their homes and investing in the social life of the block had eroded.

The block continued its decline. Two of the investors defaulted on their loans and the properties became vacant. The movement downward was now in full force. What had been a stream of decline became a tsunami. What transpired was not unique to this block. It was occurring on other blocks in the neighborhood and in a host of neighborhoods around the country.

How can we find within this story of decline the seeds of renewal? Here are both some lessons and questions that can be drawn from this story:

Small changes had big consequences. We saw how the installation of a pay phone evolved into a symbol of decline.

What are the small physical changes that can be made with neighbors that reinforce a positive narrative about the future? What new symbols can be created that can help restore confidence?

When this block was healthy, it was held together by a pattern of investments. Janet invested in buying a house because she saw other households had also invested in the same way. Buildings were maintained and yards trimmed – small investment decisions, but nevertheless crucial in creating an overall look of stability and neighborhood health.

What are the small physical changes that can help reinforce a standard of pride on a block, on a group of blocks, or in a neighborhood?

There was another kind of investment – a social investment – that was crucial to this block. The neighbors made an investment of time and energy in each other by coming together as a block club, organizing block parties, and taking the kids on an outing. This kind of investment began to be withdrawn.

How can we effectively intervene to strengthen the social con-nections that are so important to managing a neighborhood?

An important dynamic in this story of neighborhood change is how properties transitioned. Key people moved out, but this kind of change happens all the time for all kinds of reasons in all types of neighborhoods. What was critical was how they were replaced. They were replaced not with home owners like Janet – people of modest means who wanted to make a home there and were invested in the future – but by investors who converted former owner-occupied homes to rentals. Not well managed by the landlords or the tenants, these homes began to bring down

the physical standards on the block. But more importantly, these changes sent a signal to other neighbors that the block was beginning to fall apart.

How can home buyer demand be strengthened in neighborhoods? How can we attract solid home buyers and competent investors?

The decisions neighbors made in response to what they saw around them were perfectly rational. They made perfect economic sense. Seeing the quality of the block going down, it made little sense for neighbors to make the individual investments of the time, energy, and money necessary to restore stability. The inner voice of neighbors might say: "If this block is in decline and I have the resources, maybe I should think about moving. If I see my friends move, maybe I also need to move."

How can we make reinvestment decisions rational for people? How can investing time, energy, and resources make sense?

What the Prisoner's Dilemma Tells Us About Neighborhood Change

The Prisoner's Dilemma is a fundamental element in game theory. It points out the difficulty of cooperation among parties to achieve the best outcome.

The basic version goes like this: Two men, A and B, are arrested after they committed an armed robbery. The police have enough evidence to convict them on possession of an unregistered handgun but not enough to convict them on armed robbery, so they plan to sentence them to a year in jail on the lesser charge. Both of the prisoners, who each cannot communicate with the other, are given the option of testifying against their partner. If they testify, and their partner remains silent, the partner gets three years and they go free. If they both testify, both get two years. If both remain silent, they each get one year.

Each prisoner needs to figure out the most logical approach, because his/her future relies on what the other person does. While the best possible outcome (for both prisoners) is to remain silent, the best outcome for each individual prisoner is to confess in the hope that his/her partner will not. But most often both prisoners confess, and both are sent away to prison.

What does this have to do with neighborhoods? The individual decision of a household to invest their time, energy, and resources is based, to some degree, on whether they think others will reciprocate.

Think about it this way:

- If I paint my porch, an investment of time, energy and resources, but others on my block let their porches go, then I will have wasted my investment.

- If I choose to paint my porch and others follow suit, my investment will yield greater return.

- If I do not paint my porch and nobody else does either, I will be no worse off.

- If I do not paint my porch and my neighbors do paint theirs, my house will look like an eyesore.

In this situation the best choice for the individual might very well be to withhold investment – to wait and defer porch improvements. Of course, if everybody in the neighborhood does this, the overall outcome for everyone will be negative. But that is often the situation in which neighborhoods find themselves – a place where reinvestment is not a rational choice and disinvestment is.

People do not improve their homes, buy in a neighborhood, or engage in collective action just because policymakers think they should. For example, a local municipality might reform its land policy and create new laws to make the transfer of vacant property easier. While this is an important step, it does not mean that people will necessarily come forth to buy and renovate properties.

People will often act when they see others act, and there is a sense of predictability about the neighborhood's future. Buyers will buy homes when they know other buyers are buying; people will fix if they see others fixing; and people will work to make their neighborhood better if they know they are not the only ones involved. People will invest their time, energy, and resources if they think they will get some kind of return.

This is why the first actions of intervention in a neighborhood are so important. Getting the first people to buy homes, the first households to engage in home repair, the first people to engage in grassroots activities – these actions set a tone for the future. Equally important is the need to communicate these changes throughout the neighborhood.

PART THREE

APPROACHES TO NEIGHBORHOOD REVITALIZATION

So how have we traditionally responded to neighborhoods in decline?

There are two major schools of thought that inform the work of neighborhood revitalization and define the status quo. Each has value, but each also has limitations. In this section I propose a third way of approaching neighborhood revitalization – one that builds on the first two but offers a different way of thinking about influencing change and maximizing impact.

The first is the development approach. This approach focuses on developing projects and building things – redeveloping assisted housing, developing public amenities, transforming vacant houses, and making infrastructure improvements. These are all important actions in neighborhood transformation. These important actions are often made with the assumption that with enough development the neighborhood will be changed – it will become a "neighborhood of choice." This is not always the case.

Simply put, development projects are often not sufficiently intentional about influencing residents and other stakeholders to want to move in or stay and invest in the neighborhood. Millions of dollars may be invested, but the neighborhood is still perceived internally and externally as a deficient place.

The second approach could be called the comprehensive planning approach. This approach challenges the develop-

ment approach by saying that "bricks and mortar" solutions are not sufficient on their own to transform communities – that neighborhoods also require a range of social investments.

This approach usually engages community residents and other stakeholders in a process for identifying priorities for community development, usually producing some kind of plan. But sometimes the assumptions underlying the plan are similar to those in the development approach – if we do these things and solve these problems, the neighborhood will become a neighborhood of choice.

There is much in this approach that is positive – engaging residents and promoting social investments as well as physical development. But often this approach ignores the market capacities of neighborhoods. Neighborhoods are not just a collection of issues or problems that need to be resolved. They need to continuously attract new residents to replace residents that leave by attrition. It is possible to address neighborhood issues and better connect services to people but still leave the neighborhood vulnerable to negative change.

Development and planning are important tools – but they are not ends in themselves. Substantial capital may be invested in various projects and hundreds of people may be involved in a planning process – but if the neighborhood is still perceived as negative and neighbors and other stakeholders continue to

withhold their investments of time, energy, and resources, those efforts can easily be undermined.

This guide proposes a different way of thinking about neighborhood change – not in opposition to these current ways of approaching neighborhoods but as a means to inform them and maximize the capacity for impact.

This approach sees the conditions of neighborhoods as the sum total of lots of individual decisions – decisions by home owners, renters, investors, municipal government, prospective home buyers, lenders, and institutions. When neighborhoods decline, the arc of those decisions bends toward the withdrawal of investment – not only of money but also of time and energy. When neighborhoods improve, the arc bends in the other direction, with more people making more investments of time, energy, and resources.

The work of neighborhood revitalization is to influence those decisions so they bend in the right direction to cause things to happen that will get people seeing and believing that the neighborhood is getting better so people actually begin to act on that belief. Our job is to convince a wide range of people that investing their time, energy, and resources in the neighborhood is something that makes sense. We have to build strategies that encourage and enable people to make those kinds of investments.

Organizations that intervene – whether they are public, private, or non-profit – often mistakenly believe that their decisions will drive the future of the neighborhood. But in reality it is the decisions of neighbors and other key stakeholders that ultimately matter most.

Take, for example, a 100-unit distressed public housing development in a neighborhood of 1,000 houses and small apartment buildings. The public housing development may be completely renovated as a mixed-income development with the hope it will stimulate other development and neighborhood improvements. Hope, however, is not always an effective strategy. If neighbors continue to withdraw their investments of time, energy, and resources, the neighborhood will not be sustainable. If potential home buyers and competent landlords reject the neighborhood as a logical investment choice, the housing market will remain weak. If there is no intentional action to define a new image for the neighborhood, the negative image the neighborhood continues to carry will drive positive investment away.

If the work of neighborhood revitalization is at its core about influencing the investment decisions of neighbors and other stakeholders, then successful revitalization efforts have to put in place strategies that can convince people to invest.

Let's stop for a minute and think about this. **The work of neighborhood revitalization is not about building things or delivering programs. It is about getting people – neighbors and other key stakeholders – to think and act differently about the neighborhood; to make investment decisions that can begin to reinforce each other in positive ways.**

Building things, providing a range of necessary services, and bringing people together to plan can be tools to influence decisions – but only if they are aimed intentionally at trying to do influence.

The following scenario may shed some light on this distinction:

A local community development corporation (CDC) acquires a vacant house. The property is rehabbed and sold. A ribbon cutting ceremony is held with the mayor, the lender who financed the project, and the new home buyer. A press release is written by the CDC that talks about its great work, features a quote from the mayor on his/her great work, along with a quote from the lender about his/her commitment to low- and moderate-income areas.

It is a straightforward scenario: a vacant house gets rehabbed and a new home owner moves into the neighborhood. The CDC gets to count the investments made in this project. The building gets done and it is time to move on to the next project. This is not a bad outcome, but it could be a great outcome with a little extra thought and effort.

Let's look at a second scenario in which the CDC has a broader outcome of neighborhood change and sees the development project as a way of achieving that change.

Every six months that same CDC sponsors a bus tour to the neighborhood for those households participating in its home buyer education program, as well as participants from other home buyer education programs. This tour, which involves several local realtors, features a number of regular houses for sale as well as a few houses the CDC will be rehabbing. On the bus a neighbor tells the visitors why he/she likes the neighborhood.

When the CDC acquires the house, a block meeting is held on the front porch to tell neighbors the house is under control, what will be done to the house, and what the sale price range likely will be. The CDC invites the neighbors to let their friends and family members know about this house and others that are for sale.

The CDC rehabs the house and spends a little extra on landscaping. When the house is done it repeats the block meeting and the invitation to let the neighbors' friends know about this and other houses. The CDC carries out a landscaping project on the block with the neighbors – touching more houses with even a minor level of improvement – and 20 neighbors participate.

The ribbon cutting ceremony is held. The press release is written but the focus is on the new buyers and why they like the neighborhood – portraying them as good people making a choice

to be in this neighborhood. The mayor's comments about the neighborhood coming back are highlighted, and the lender talks about wanting to finance more buyers in the neighborhood. After the ribbon cutting ceremony there is a small reception for the neighbors to welcome the new home owner.

The difference here is pretty clear. **In the first scenario doing the building is an end in itself. In the second scenario the development of the property becomes a tool to achieve a broader impact.** In that scenario there is a steady and intentional effort to influence the decisions of neighbors and other stakeholders – to tell people the neighborhood is getting better, to show them change, to engage neighbors in positive activities, and to leverage the impact of the rehabbed house on the block.

It is not always difficult to maximize impact. It does, however, take having a clear understanding of outcomes and intentionality in aligning the daily work to ensure those outcomes are achieved.

How Do Neighborhoods Improve? What Kind of Decisions Best Contribute to Neighborhood Revitalization?

There is a substantial amount written in the literature of neighborhood revitalization that describes neighborhood decline, but much less that describes neighborhood renewal. If the process of decline is about the widespread withdrawal of investments, the process of renewal is about the widespread making of investments.

If the current and past conditions of neighborhoods are shaped by the decisions of neighbors and other key stakeholders, what kinds of decisions are important for a better future? What kinds of decisions do neighbors need to see that will tell them the neighborhood is getting better?

Here are some of these decisions:

- Capable owner-occupant households buying for-sale homes in the neighborhood. Buying a house in a neighborhood is one of the most significant choices a household can make in a neighborhood.

- Competent investors acquiring rental properties. The past few years have seen a surge of investors buying once owner-occupied single-family homes for conversion to rental. While home ownership of single-family properties is often the best outcome, the fact is that neighborhoods will have investors and landlords. For neighborhoods to be healthy, they need to attract investors who maintain a high standard for their properties.

- Owners making decisions to repair and to improve their homes. Even minor improvement decisions can have an impact in neighborhoods. A nice new door, a repaired

and painted fence or porch, or attractive landscaping can be visible signs of new investment.

- Residents making decisions to engage with each other as neighbors. Whether this represents neighbors coming together to resolve a problem or just neighbors being neighborly with each other, these decisions are an important part of neighborhood revitalization.

- Decisions by local government to invest in infrastructure, code enforcement, and public safety. Even small efforts by the city at neighborhood maintenance can begin to change the perception of neighbors.

If these are some of the decisions that support neighborhood revitalization, then community development practitioners can build strategies that incentivize and support these decisions.

Such a framework might include the following components:

- Efforts to promote the neighborhood and attract home buyers to all for-sale homes, not just the ones developed by a particular development entity such as a Housing Authority or a CDC.

- Resources for property owners to make home improvements.

- Efforts to organize and support good investors and landlords.

- Intentional efforts to strengthen social connections among neighbors.

- Targeted infrastructure investments so people in the neighborhood can see physical changes.

How Can We Influence Decisions?

Just having a set of programs and strategies is often not enough to nudge people toward reinvestment. Neighbors and other key stakeholders have to be motivated to make choices that are good for both themselves and the neighborhood.

The following section describes some of the ways decisions can be influenced.

Sanction Negative Activities and Conditions

This implies some kind of action to control or punish bad behaviors. Code enforcement is an example of a sanctioning approach. A neighborhood with buildings that need repair or have bad landlords will often look toward a code enforcement strategy to force building owners to comply. A place with lots of vacant houses might look toward creating fines for the owners of

those buildings. These efforts can be useful and fundamentally sanctioning helps control what people do not want, rather than incentivize what people do want. What people often really want are stable owners taking care of their buildings and managing them to a high standard.

Replace Symbols of Decline with Symbols of Renewal

Any significant amount of time spent talking with neighbors will likely yield an understanding that there are specific places that symbolize decline. This could be a particular building, a corner, or a street – often a commercial strip that has seen better days. Focusing on the turn-around of those "high-value targets" and replacing them with something positive can often motivate people to begin to make various reinvestment decisions.

Sell Rather Than Explain

Explaining and selling are two different activities. If the desired outcome is more neighbors and other stakeholders making investment decisions that are good for themselves and the neighborhood, there needs to be more communication not only around program features but also around the program benefits. What are the benefits of buying this house in this neighborhood? What are the benefits of making home improvements? How will I benefit by participating in this neighborhood project? There has to be recognition that neighbors and other stakeholders have choices, and they have to be sold on those choices that can have the most positive impact for the neighborhood. Selling is about convincing people to take action.

Provide Incentives

Successful revitalization efforts often provide incentives to induce the kinds of decisions necessary to improve a neighborhood. Incentives are different than subsidies. Incentives encourage people to act with what they have, while subsidies address people's deficiencies.

Here is a good example of an incentive-based home improvement program. In Hammond, Indiana, a local group called Neighborhoods Inc. of Hammond introduced a home improvement loan program on a series of blocks in a target neighborhood. The interest rate was based on how many people on the block would apply. For example, if one home owner applied the rate would be six percent; if several applied the rate would decrease to a lower amount. The more people who applied, the lower the rate. This provided an incentive for neighbors to promote the program on their block, so that everyone could benefit from a lower rate.
Incentives can be used in home purchase transactions, in promoting high-quality exterior improvements, and even in engaging neighbors in block improvement activities.

Show People Change

One way to influence decisions is to show people the other people who are making the decisions to invest. This is a very simple method; so simple it is often overlooked. We assume that because we are working on a project everybody in the neighborhood knows what is happening. We have to show people the change.

There are lots of ways to do this: simple neighborhood tours, bringing new home buyers together for a social event, open houses – these actions are not difficult. The main idea is to constantly repeat a story of how the neighborhood is changing and how people are beginning to work on its improvement.

The reader might want to ask the following questions about his/her situation:

ASK YOURSELF

- What kinds of decisions currently are being made about the neighborhood?

- What are the kinds of decisions neighbors and other stakeholders need to make that can begin to define an improving neighborhood?

- How can we use our current programs to influence those decisions?

- Are there new tools and resources we could develop that can help us influence decisions?

This guide will explore the kinds of strategies that have been developed to influence decisions. **Strategies only make sense when there is a clear sense of what is trying to be achieved – what kind of neighborhood is our effort trying to build.**

PART FOUR

DEFINING A HEALTHY NEIGHBORHOOD

In the early 1990s, the civic leadership of Battle Creek, Michigan, was concerned about the condition of its downtown and the surrounding neighborhoods. Battle Creek, like many cities around the country, was transitioning from a manufacturing economy to a service economy, and had all the problems cities in economic decline face: unemployment, crime, distressed housing, and a deteriorating downtown.

In the 1970s, Battle Creek, like many cities, had embraced the idea of a downtown pedestrian mall as a means to generate activity. But rather than bring new energy to the city's downtown, the mall contributed to its decline. By the early 1990s the center of the city was filled with vacant buildings and empty storefronts. In response to this decline, the civic leadership organized a Downtown Development Authority that removed the mall and restored normal traffic patterns, branded the downtown as a regional destination, and began to recruit new businesses.

The neighborhoods close to the center of the city were also suffering. House prices were in steep decline and physical conditions reinforced an image of neighborhoods spiraling downward. Because the real estate market was so soft, houses were inexpensive throughout the market, and the older homes in the city's core neighborhoods had difficulty competing for home buyer demand.

In addition, the neighborhoods were seeing an exodus of longer-term households and the social capital they represented.

There were no longer organized efforts by neighbors to manage daily life in the neighborhoods. This exodus of people and commitments only reinforced an image of decline.

There was, however, a CDC called Neighborhoods Inc. of Battle Creek (NIBC) that worked in these neighborhoods. Like most CDCs, it rehabbed a few homes each year and carried out an annual "Paint Blitz" to help neighbors paint their homes. Unfortunately, these activities could not stem the rapid pace of decline and the civic leadership wanted a stronger, more direct effort to restore these neighborhoods.

The leadership invited three national intermediaries, the Local Initiatives Support Corporation (LISC), the Enterprise Foundation, and the Neighborhood Reinvestment Corporation (now NeighborWorks America) to propose new approaches for neighborhood revitalization. After careful consideration, the civic leaders selected the approach provided by the Neighborhood Reinvestment Corporation. This approach prioritized restructuring NIBC and its focus to improve the image of these neighborhoods, stabilize the real estate market primarily by restoring the home ownership base, and strengthen the capacity of the neighbors to manage day-to-day issues.

Early on the restructured NIBC addressed what it saw as the overall purpose of its work, which was to build healthy neighborhoods. This was the end state toward which they agreed they were working, and so they wanted to adequately define it.

The organization defined healthy neighborhoods as places:

- Where it makes sense for neighbors and others to invest time, energy, and resources in their homes and in the neighborhood, and

- Where neighbors have the capacity to manage day-to-day issues.

While developed for a specific place at a specific time, this definition can help us understand the ultimate outcomes of neighborhood revitalization. While it is minimal in its wording, it says a great deal about the end state at which revitalization efforts should aim.

Health, whether in terms of the human body or neighborhoods, is more than the absence of illness. It is not enough to remove what is "bad" – we have to understand what "good" looks like. What are the functions that sustain improvement?

This definition basically says that what characterizes a healthy neighborhood is investment. But not all investment is financial. Equally important are the time and energy investments people make in addressing issues and in just being good neighbors. Moreover, this definition implies that without these patterns of investment, neighborhoods will not be healthy. No matter how many resources and programs are poured into a place, unless people are making individual decisions to reinvest, the neighborhood will not be healthy.

Investments make sense only under certain conditions. Investing in home ownership makes sense only if the home buyer perceives the housing market is stable and he/she will not lose money by buying into a given neighborhood. Home improvement makes sense if the property owner believes the improvements will yield a higher sales price if they had to sell. Participation in community activities makes sense if an individual sees his/her participation reciprocated by the participation of others.

The second component of this definition speaks to the capacity of neighbors to address issues as they arise – the ability to manage the neighborhood.

Neighborhood management capacity is not only about solving problems, however. A general sense of neighborliness needs to be in place. Neighborliness – neighbors willing to help other neighbors, neighbors looking out for each other – builds a level of trust and commitment. The more trust that exists, the greater the capacity to solve problems.

One should not mistake the idea of neighborhood management capacity as an endorsement of the need to create a formal neighborhood organization or any kind of organization for that matter. There are often informal connections that exist in

neighborhoods that are just as important as any formal organization. At the same time, the existence of a neighborhood association does not mean the neighborhood is managed.

There are small-scale actions taking place in neighborhoods around the country. Though they are often informal and under the radar, they are nonetheless important in building healthy neighborhoods. There are no programs for neighborliness, but strategies exist to bring neighbors together in ways other than problem solving. Small block improvement projects, neighborhood and block celebrations, and activities with neighborhood kids are all opportunities to bring neighbors together.

These efforts need to be valued as part of any neighborhood revitalization approach. Neighborhood plans need to be more than a generic list of community deficits and actions to address them. Neighborhood plans need to look at how social connections and neighborhood management capacity can be strengthened, using the assets that currently exist in the neighborhood.

Components of a Healthy Neighborhood

The definition of a healthy neighborhood invites us to go deeper than a menu of attributes or programs a neighborhood might have. It speaks to the core of how neighborhoods work when they are healthy, stable places. Along with this definition there are other components that provide a vocabulary for describing how neighborhoods work when they work well. These components provide a language and a framework for looking more deeply into the dynamics of a neighborhood. While they are presented separately, they intersect and overlap with each other in many ways. The discussion of each component is followed by several questions that can help practitioners reflect on their own experience.

Neighborhood Confidence

The eminent sociologist W.I. Thomas developed a theorem called the Definition of the Situation. It says this: *"Things defined as real are real in their consequences."* (Thomas, 1923). In other words, how a situation is characterized determines the subsequent action.

This theorem has a lot to do with how we understand the concept of neighborhood confidence – the belief people have in the future of their neighborhood. Successful revitalization efforts are organized around building confidence, particularly on the part of neighbors who are the key investors in any neighborhood. If people are confident in the neighborhood's future, they will likely act on that confidence – buying homes, improving both home ownership and rental properties, and even engaging in civic action. If confidence is lacking, people will often withdraw those investments.

As a result, the confidence level in any neighborhood is a decisive factor that drives neighborhood change. Confidence is the aggregation of various individual perceptions about the neighborhood, perceptions determined by a variety of factors such as physical conditions, who is moving in and who is moving out, and how people inside and outside talk about the neighborhood.

One place confidence is apparent is in the local real estate market. If potential buyers believe a neighborhood will improve, or at least not decline, they will be more likely to purchase a home or rent an apartment there. The time it takes to sell a home will be shorter and property values will show an increase. Owners, including landlords, are more likely to make improvements.

Confidence is apparent in the rental market as well. If a landlord believes he/she can attract only marginal tenants, he/she will withhold investment and produce marginal units. If that same landlord believes he/she can attract stable long-term tenants, he/she will provide units for that type of tenant.

There is an old adage in urban sociology that says: *"The tenor of neighborhood change (that is, what people mean when they say the neighborhood is getting 'better' or 'worse') is determined by how people read who is moving in and who is moving out."*

This speaks to the strategic value of new residents in shaping perception about the future of the neighborhood. Home purchase decisions are not just individual acts of investment; they can be leveraged to change perceptions of the neighborhood.

A brief story again from Battle Creek. One of the first home buyers on a difficult block was the Executive Director of the Urban League. NIBC (the CDC mentioned earlier) proposed a very low-interest loan to her to buy and improve her property. When staff brought this package to the loan committee there was some concern. Some members said such a person with a strong income did not "need" a low-interest loan. Others, however, argued that while she may not need a low-interest loan, the neighborhood needed her. It was this second argument that prevailed and the loan was made.

A few years later, residents from that block were interviewed and asked when they began to believe the neighborhood was improving. They were in agreement when they said the neighborhood started to change when they saw the Executive Director of the Urban League move in. NIBC was very intentional in seeing new home buyers as agents of change. They introduced new home buyers to their neighbors – not just to strengthen social connections but to, in a subtle way, communicate positive change to neighbors.

Confidence is present in more than just the workings of the real estate market. Confidence has a "look." It can be seen in the standard to which properties are maintained, how people interact with each other, and how mundane activities like shoveling snow, raking leaves, and cutting grass are carried out.

If we hold Thomas's theorem to be true, confidence is something that can be shaped. If we define the neighborhood as improving and carry out actions that reinforce that definition, people likely will begin to act as if the neighborhood is indeed improving. The consequence of this is often a neighborhood that does, in fact, improve.

Predictability

Neighborhoods are always changing. Sometimes the pace is rapid; other times it is slower. When confronted with change and the uncertainty it brings, neighbors often look for greater predictability.

Neighborhoods are held together by a set of commitments neighbors make to each other that create a sense of trust and a set of norms and standards for behavior. Most often these commitments are informal and unspoken and they can be weak or strong. If it snows, people are expected to shovel – even though there is usually no written rule in place that mandates this action. If someone is experiencing an assault, people are expected to call the police. If the neighbor's kids are acting up, a neighbor feels the responsibility to sanction them or tell their parents. If norms are weak, there can be a higher level of unpredictability and uncertainty about the direction and future of the neighborhood.

Predictability resides in the norms and standards that govern a place. Places that are stable and have long-term residents often have clear norms and standards that govern behaviors. When change occurs – such as when established residents leave and new residents, often of different cultures, move in – communicating these norms and standards can be challenging.

Effective neighborhood revitalization approaches must pay attention to how these norms and standards are managed. Small, grassroots community actions can help provide a common ground to help neighbors re-establish new standards. Activities like block parties and events, beautification projects, welcoming new neighbors – all of these can provide vehicles to strengthen social connections and increase predictability.

ASK YOURSELF

- Where are the places within the neighborhood that norms and standards are in place? How are neighbors currently managing those places?

- Within your neighborhood revitalization approach what strategies are in place to help build social connections among neighbors?

ASK YOURSELF

- What strategies can help you build trust among neighborhood residents?

- What strategies can build trust between HUD-assisted housing residents in the neighborhood and residents at large in the neighborhood?

- How does your current approach to neighborhood revitalization help build social capital?

- What changes could you make in your approach that would enhance the building of social capital?

Trust and Social Capital

Trust is a glue that holds neighborhoods together. It is hard to imagine neighbors working effectively to plan for their neighborhood or to take on some kind of community project if they lack essential trust. Trust is aided when people know each other, even in simple ways. The concept of social capital implies that the social connections among neighbors have value.

Building trust in communities is important, but it can be difficult. Race and class biases, differences in norms and standards, and just plain history can all be serious obstacles in building the kind of trust that can help bring people together for a shared common purpose. In many communities with assisted housing, residents of that housing can be isolated from the life of the broader neighborhood. Breaking down these barriers is an important component in revitalizing neighborhoods.

This is not to say that everything needs to be perfect among disparate groups to make progress. It does mean, however, that trust is something to which attention needs to be paid.

An important component of community development work is focused on building relationships among neighbors – providing a way for people to meet each other as neighbors. This does not need to be a meeting or a work project, but just a way for neighbors to create connections. Many neighborhoods have done this through community events and even through planned social activities.

Belair-Edison Neighborhoods Inc. in Baltimore's Belair-Edison neighborhood shifted its approach away from responding to people's problems to helping neighbors organize ice cream socials on their blocks as a way of bringing neighbors out for a positive activity. This helped get people talking with each other, which subsequently led to a set of actions to improve the neighborhood.

Collective Efficacy

Perhaps the concept that best describes the importance of a strong social fabric is collective efficacy. Collective efficacy is that linkage of cohesion and mutual trust among residents for intervening in support of neighborhood social control (Sampson, 2012). It is the capacity of neighbors to believe in their ability to make decisions and take actions that will produce the outcomes they are seeking.

Collective efficacy has real consequences for neighborhood life. In 1997 the journal *Science* published a paper called "Neighborhoods and Violent Crime: A Multilevel Study of Collective Efficacy." It reported some findings from one of the largest social science research experiments ever launched in the United States. This research was described by Eyal Press in *The American Prospect* article "Can Block Clubs Block Despair?"

The study involved thousands of resident surveys. The surveyors were measuring two things – social cohesion and trust as well as informal social control, which is the capacity of residents to work together to achieve a sense of public order. To measure social cohesion and trust, residents were asked to rank on a five-point scale how much they agreed or disagreed with a series of statements, such as *"People around here are willing to help their neighbors; " "This is a close-knit neighborhood;" "People in the neighborhood can be trusted."* The second set of questions asked residents how likely they thought their neighbors were to intervene in various situations, such as when a fight broke out, when somebody was spraying painting graffiti, or when the local fire station was threatened with budget cuts.

The findings of the study were remarkable:

"Throughout Chicago, the levels of violence and social disorder were markedly lower in communities where the sense of social cohesion and shared expectations about the willingness to intervene were higher – qualities that, taken together, constituted something the designers of the experiment called 'collective efficacy.' This was true in some predominantly black neighborhoods as well as in several white ones. It applied to some middle- and working-class communities, but also to some of the poorest neighborhood tracts examined. And it appeared to explain why similarly impoverished neighborhoods do not always share the same fate: When researchers compared two neighborhoods with similar levels of concentrated disadvantage (unemployment, percentage of welfare recipients) but different levels of collective efficacy, they found that in the neighborhood where collective efficacy was higher, the odds of being victimized by a crime were 30 percent lower. The chance of being murdered was 40 percent less. The absence of collective efficacy, the study found, correlated even more powerfully with some types of violence than did poverty or race." (Press, 2007)

A real-life example of collective efficacy comes again from Battle Creek and an interview with a home owner about life on her block. She had purchased a house through the Urban Homesteading Program and was repairing it. She noticed a prominent drug house operating on her block and began to talk with some of her neighbors about it. Initial efforts to work with the police were unsuccessful. Through ongoing, concentrated action they were able to summon enough police attention to their block that the drug house was closed.

When asked if people would feel overwhelmed if another drug house opened up she replied: "No, because we now know we can take care of the problem." This neighbor realized that while the block could still experience problems, there was confidence among the neighbors that they could address those problems. This belief in the power to manage change is at the heart of collective efficacy.

For neighborhood residents and community development professionals, the issue is not how we define or measure collective efficacy. The important question is how we build it in the neighborhood. Collective efficacy can be built in neighborhoods if we are intentional about developing strategies that strengthen social connections.

ASK YOURSELF

■ **Are there examples currently in the neighborhood of collective efficacy?**

■ **If so, how can you communicate these examples to the neighborhood at large?**

■ **What strategies can value and encourage the growth of collective efficacy?**

PART FIVE

THE FOUR PILLARS OF NEIGHBORHOOD REVITALIZATION: A FRAMEWORK FOR INTERVENING IN NEIGHBORHOODS

So far this guide has introduced a number of concepts that help describe neighborhood change and neighborhood stability. Now let's turn our attention to developing a framework for intervention.

Successful planning and implementation efforts have to address four critical areas:

(1) neighborhood image
(2) the local real estate market
(3) physical conditions
(4) neighborhood management

They have to influence decisions by neighbors and other stakeholders within these four areas.

These four pillars – image, market, physical conditions, and neighborhood management – help organize the approach to neighborhood change. They are not separate silos; they need to be seen as connected. Those engaged in neighborhood revitalization can examine their specific strategies and consider how they might be enhanced to have impacts in as many of these four areas as possible. In the Appendices of this guide there is a worksheet to help practitioners enhance their strategies so they can be intentional in addressing change in these four areas.

Following the description of each of the four pillars there is a set of questions designed to help practitioners and neighborhood leaders integrate the concepts into their experience.

Neighborhood Image

The image of a neighborhood can attract investment or drive it away. Older urban neighborhoods are often prisoners of a negative image, and no matter how much is achieved in that neighborhood, it is still perceived in a negative light.

But image is not only about the perceptions of outsiders. It also affects how people inside the neighborhood feel about it. Are people proud of their neighborhood or do they just live there?

One sign of neighborhood pride is often reflected in the name of the neighborhood. Healthy neighborhoods usually have names that distinguish them from other places. Names provide an opportunity for neighbors to identify with a place as special and worthy of attention.

Community development initiatives often assume that by pouring resources into a neighborhood, the neighborhood's image will improve and it will begin to attract a wide range of investments. But this is often not true. Unless there are intentional actions to change the image of a neighborhood, the image will seldom change.

In many situations, community development efforts focus on problem solving – addressing neighborhood deficiencies. Because many neighborhoods have problems, this is the expectation of what neighborhood change efforts are supposed to address.

Sometimes though, these efforts serve only to heighten the importance of the problems in defining the neighborhood. Neighborhood watch signs and community policing meetings that are only about crime can define the neighborhood as unsafe. Constant cleanups often define the neighborhood as dirty and unmanaged. These actions only reinforce the definition of the neighborhood as a problem.

This is why any plan for neighborhood transformation needs to be intentional in restoring a positive neighborhood image.

> **ASK YOURSELF**
>
> ■ **What three things are people saying about this neighborhood?**
>
> ■ **What three things do you want people to say about this neighborhood?**
>
> ■ **Does this neighborhood have a name? Does that name support or undermine efforts to build a positive image?**

The Local Real Estate Market

The local real estate market is, in many ways, the capitalization of all of a neighborhood's strengths and weaknesses.

Efforts aimed to restore neighborhood health need to understand how the neighborhood market is working and, most importantly, what kind of demand the neighborhood is drawing. These efforts need to look at how well the neighborhood is competing with other neighborhoods for capable home buyers and competent investors. This can be done through studying past sales transactions, understanding what is currently on the market, and through conversation with realtors about the market.

Many older urban (and inner-ring suburban) neighborhoods have seen the real estate market shift from one of primarily owner-occupants to a growing number of rental properties. This change of tenure can be a challenge for the neighborhood. For neighborhood leaders, the best strategies are often the ones that focus on building home buyer demand and recruiting competent investors.

Efforts to restore neighborhood market conditions also must take into account the competitive advantages and disadvantages of the neighborhood, and what kinds of buyers the neighborhood might attract. For example, a neighborhood with small 850-square-foot homes may have difficulty attracting larger households. However, that same neighborhood might be positioned as a great choice for single-parent households with one child. Neighborhoods with

large, stately homes need to attract buyers who have the financial capacity to not only buy the house but to maintain it and heat it. Identifying the market segment that is most appropriate for the neighborhood is a key part of any strategy to restore stable market conditions.

> **ASK YOURSELF**
>
> ■ **Who has been moving out of the neighborhood and who has been moving in?**
>
> ■ **What kind of buyers would give you confidence the neighborhood was getting better?**
>
> ■ **Compared to housing stock in other neighborhoods, what are some of the competitive advantages and disadvantages in your neighborhood?**
>
> ■ **Who can you attract to live in this neighborhood (e.g., local employees, school parents, friends, and families of existing residents)?**

Physical Conditions

Sometimes physical changes are seen as merely cosmetic rather than transformative. Things like a porch being repaired or attractive front yard landscaping are often de-valued or seen as superficial strategies.

But the cosmetic can be transformative. What people see tells them about the direction of the neighborhood. It can engender or undermine neighborhood confidence. It can stimulate hope or reinforce despair.

Imagine the single mom with two kids who leaves her house for work and sees every day the same abandoned houses on her block, the same porches in need of a coat of paint, the same garbage-strewn vacant lot. Is that mom going to believe change is possible in the neighborhood or in her own life? When she sees daily the same level of decay, is she likely going to sign up her kids in an after school program or enroll in a training program to get a better job? Alterations in the physical landscape – even small ones – that she can see and understand suggest change is possible.

The sociologist Richard Taub, in his studies of community development interventions in Chicago's South Shore neighborhood, noted:

"The most effective (community) development efforts may alter the way people think about their world and their capacity to alter it. Our studies of Chicago neighborhoods found dramatic changes in the way people viewed the future of their neighborhoods when the development process was visible and not so large and draconian as to be out of their control.

They change from expecting the neighborhood will get worse to believing that it will get better. Such positive expectations have consequences for residents' own investment and home maintenance activities…. I believe that these expectations also have consequences for participation at other levels." (Taub, 1989)

Physical changes can be profound. For example, making sure that the pathways to school look safe and well managed and the school itself looks welcoming and proud of its students should be an important part of any effort to improve education and schools.

Decisions by property owners to make improvements on their properties can send a powerful message to others of commitment to the neighborhood. In low-wealth communities, the difficulty of getting people to invest in their properties can be significant. In those cases, the expectations may need to be realistic – away from complete renovation and toward smaller-scale projects that nonetheless show pride. These efforts can be as simple as landscaping projects, porch repairs, or a new front door. Sometimes small efforts can have great impacts. They create a climate for "fix up," and sometimes such improvements can be contagious.

ASK YOURSELF

- What are the physical elements that reflect pride in your neighborhood?

- How can promoting those elements be a part of your revitalization strategy?

Neighborhood Management

Neighborhood management refers to the capacity of neighbors to manage the day-to-day issues in the neighborhood. Concepts described earlier – collective efficacy, neighborliness, social connections, and confidence – all contribute to the capacity of neighbors to manage the neighborhood.

This neighborhood management capacity functions much like the human immune system. If the immune system is strong and a virus enters the body it will be repelled and the body's equilibrium will be restored. If the system is weak the virus will take root and the equilibrium will become unbalanced, causing greater illness.

In much the same way, if the capacity to manage day-to-day issues on a block is fairly strong, problems are usually dealt with as they occur. If that neighborhood management capacity is weak problems go unmanaged and their negative impacts are multiplied. The neighborhood will get sicker.

Neighborhoods are never problem-free. What matters most is the capacity of neighbors to address whatever comes up and restore the balance. Neighborhood management requires decisions by neighbors to engage with each other as neighbors and as partners who share a common space.

Efforts to address real community issues have to be complemented by efforts that also celebrate the positives in the neighborhood. Dealing only with problems can be a long and arduous process, often obscuring neighborhood assets and sapping the energy of local leaders. A sole focus on problem solving can often lead to neighbors forgetting what they like about their neighborhood and why they moved there in the first place.

ASK YOURSELF

- How is the neighborhood managed now? Are there formal organizations, like neighborhood associations?

- Are there other groups that engage neighbors – school parent groups, church groups, block club leaders, etc.?

- How can a community planning process provide a space for potential leaders to emerge? How can it be intentional about developing and supporting neighborhood leadership?

PART SIX

OUTCOMES, MEASURES & STRATEGIES

Key to any neighborhood revitalization effort is clarity around outcomes – what it is that the work of neighborhood revitalization is seeking to achieve. Too often implementation begins with programs and activities and then success is measured by the outputs of those activities – dollars invested, units rehabbed, number of people attending community meetings. What difference does it make if $30 million is invested in a neighborhood? Or if 100 units in the private market in that neighborhood are rehabbed? What does it matter if the neighborhood association that once had 20 members now has 50 members? Do these things mean the neighborhood is getting better? Do they change the neighborhood image, the local housing market, physical conditions, or neighborhood management capacity? Outcomes help us talk about what a better neighborhood means.

Outcomes and Measures

Outcomes define the end state. They are the answer to the question: "What are we trying to achieve here?" It can be very easy to forge ahead and attempt neighborhood change without a clear sense of what exactly it is that we are trying to do. Programs can be developed, money allocated, and things built, but at the end the neighborhood is not really different. Outcomes help us focus on what that difference needs to be.

Facilitator: I see you have identified crime as a major issue. What do you want to achieve around the crime problem?

Neighbors: We want less crime…. We want the crime rate to go down. We want more crime watches and more attention paid to this neighborhood by the police force.

Facilitator: What would happen if the crime rate went down?

Neighbors: Well, people would feel safer.

Facilitator: So maybe what we really want is for people to feel safer … that's the thing we are trying to achieve.

Neighbors: Yeah, we want people to feel safer.

Facilitator: How can we measure if people feel safer?

Neighbors: We can ask them I guess.

Facilitator: Sure, we can ask that question on a survey now and then ask the same question a few years later to see if there is a difference. But what are some of the things we could do to help neighbors feel safer?

Neighbors: Well, we could deal with some of the abandoned houses.

Neighbors: We could get neighbors talking with each other and knowing each other better.

Neighbors: Maybe we could help our neighbors do some minor fix up so the blocks look like people are taking care and watching.

Facilitator: Good. There are a lot of ways you can help people feel safer.

Outcomes are not pie-in-the-sky ideas; to be effective they need to be clear and measureable. One of the best tools for measurement of neighborhood change is a survey of residents and other key stakeholders. Concepts like neighborhood confidence and neighborliness may seem difficult to measure, but they can be measured through the use of a field survey. Such a survey can complement the use of secondary data (e.g., census data, school data, crime data).

For example, there are several questions that might be included in a resident survey to help measure outcomes around confidence and neighborliness. These can be structured on a scale (e.g., 1 being least likely/in agreement, five being most likely/in agreement) or as yes and no. Such survey questions include:

- I believe _____ is becoming a more stable community.
- I believe those outside _____ are beginning to see it in a more positive light.
- I would feel comfortable asking a neighbor for help in a family emergency.
- I will likely invest some time and energy in improving my home and its surroundings.
- Residents generally keep up their properties in _____.
- People around here look out for each other.
- People in this neighborhood generally can be trusted.
- I have participated in some kind of neighborhood event over the past year – yes or no.
- I am likely to participate in a neighborhood activity or event in the next few months – yes or no.
- _____ is a nicer place than it was three years ago.
- _____ will likely be a nicer place three years from now.
- I feel safe in _____.
- I think most residents feel safe in _____.
- Disorder and criminal activities have declined in _____.

Implementation is about managing outcomes – making sure that the day-to-day actions of implementation are aligned to the outcomes. This can be difficult as new issues arise and the direction toward achieving the outcomes can be thrown off course. Sometimes outcomes need to be changed in light of an increased understanding of the neighborhood.

In San Antonio's Wheatley neighborhood, the San Antonio Housing Authority, a Choice Neighborhoods Implementation Grantee, conducted a workshop around developing neighborhood change outcomes. This discussion came after the local team had carried out a community planning effort with substantial resident involvement through a Choice Neighborhoods Planning Grant. The local team participated in a facilitated exercise focused on designing the implementation steps for neighborhood change. This was done also with an eye toward assisting the local Choice Neighborhoods team to develop a more cohesive strategy for the Critical Community Improvements that were a central piece of Wheatley's neighborhood improvements plan.

The example that follows is adapted from that facilitated exercise, and each outcome corresponds to one of the four pillars described earlier: neighborhood image, local real estate market, physical conditions, and neighborhood management. Each outcome has a set of measures appropriate to the neighborhood.

An important caveat about this: extensive resident survey work was done by Trinity University in San Antonio using the NeighborWorks America Success Measures model. The field work included the resident survey and a house-by-house building condition analysis, as well as an analysis of parcel-level data that indicated whether properties were owner-occupied or investor-owned. As a result, the measures reflected the availability of this baseline data. Having baseline data is a tremendous asset for measuring change.

Figure 1.

SAMPLE OUTCOMES

Neighborhood Image Outcome: The Wheatley neighborhood will be a safe, attractive, desirable, and vibrant place for all residents. It will be a place that is welcoming.

Measures

- More residents will express confidence in the future of the neighborhood when asked on the field survey.
- More residents will believe the neighborhood is getting better as expressed in the field survey.
- An analysis of media coverage about Wheatley will reinforce the narrative of an improving neighborhood with a broad group of investors, including neighbors.
- Key person interviews from people outside the neighborhood conducted in 2016 will reinforce the narrative of a neighborhood that is improving successfully.
- People will report feeling safer than in the past on the neighborhood survey.
- Incidents of crime will decline in general and the percentage of criminal incidents in "hot spots" will decrease.
- Rates of "neighborliness" as measured on the field survey will be higher as measured on the field survey.

Local Real Estate Market Outcome: Wheatley will have quality home owner and rental housing. Property values will be increase at a rate similar to or better than the rates for San Antonio as a whole.

Measures

- Property values will increase at a rate equal to or greater than that of the city of San Antonio.
- The Time on Market for MLS (Multiple Listing Service) listed sales will decrease.
- There will be a 30 percent reduction in the number of vacant properties by 2016.
- The percentage of sales transactions to owner occupant home owners versus investors will increase by 20 percent by 2016.
- The number of vacant houses will be reduced by 50 percent by 2016.
- The profile of new home buyers and renters in Wheatley will be racially and economically diverse.
- New housing will be developed at various price points to incentivize income diversity.

AND MEASURES

Physical Conditions Outcome: The Wheatley neighborhood will reflect pride of place and will have higher standards of public and private maintenance

Measures

- There will be evidence of intervention – a new home buyer, a painted porch, landscaping, house lighting, major or minor rehab – on 25 percent of the properties in the neighborhood.

- The number of sites that evidence overgrowth will be reduced by 75 percent by 2016. These changes will be carefully documented.

- The number of properties that meet a high standard of improvement will increase by 25 percent by 2018.

- The number of vacant properties will be reduced by 50 percent by 2016.

- Key planned neighborhood infrastructure investments will be completed by 2016.

Neighborhood Management Outcome: The Wheatley neighborhood will have engaged neighbors and an increased level of neighborliness. Neighbors will have the capacity to manage change in the neighborhood.

Measures

- There will be an increase in block level, grassroots activities to improve physical conditions and strengthen social connections.

- These actions will surface a cadre of people who want to play a greater role in the neighborhood. The number of individuals fitting that description will increase annually by 10 percent.

- A higher percentage of survey respondents will feel they can make a positive difference in the neighborhood.

- More neighbors will respond that they know more of their neighbors in the 2016 survey.

- More neighbors will report feeling safer on the 2016 survey.

- There will be an increase in registered voters and more registered voters will vote in the next municipal and national elections.

Strategies

The focus now shifts to strategies – the specific actions taken to achieve the outcomes. Strategies are the way revitalization efforts become intentional in restoring a positive image, stabilizing real estate markets, improving physical conditions, and strengthening the capacity of neighbors to manage change.

But first, an unusual metaphor.

There is an Internet marketing guru who sells a course for men on how to meet and attract women. He offers seminars where he shares the "inner game" of being attractive – improving oneself in order to attract women. And of course there are conversational gambits – the pickup lines – he provides in the training.

Yet most men are really focused on the pickup lines – what is the script they need to follow in order to get a woman's attention. They often do not want to do the harder work of self-transformation. But pickup lines will not work if there is nothing behind them.

Outcomes are like that "inner game" of personal transformation. Strategies are like pickup lines. They are not a script that can be blindly followed to achieve success. Strategies are most effective when they grow from the harder work of understanding the neighborhood and being clear on what it is that needs to be achieved. What works in a certain neighborhood in Milwaukee may not work in Atlanta or Albuquerque.

Effective strategies come from a process of "listening" to the neighborhood – listening and observing for possible openings and opportunities. This implies an ongoing conversation with neighbors and leaders about what they see happening and what they might want to do to improve their block, the housing development in which they live, or their neighborhood.

Without careful thought, strategies become simply activities. Effective strategy development carefully aligns the strategy to the outcome. If the outcome, for example, is to see property values increase in a neighborhood where home values have been depressed, the price point of new homes developed might need to be a little higher to support that outcome.

Effective strategy development, and even more so implementation, requires a look at the program tools we have available to carry out the strategy and an assessment if the tools are the right ones or if we need to choose or to develop other tools. If, for example, the outcome is to achieve greater community engagement and our strategy is to carry out with neighbors small-scale block improvement projects, it is critical that there are resources to support those efforts.

1. Strategies to Strengthen Neighborhood Image

Many urban neighborhoods are at a disadvantage image wise. Their images are set and reinforced by entities outside the neighborhood. These entities often define the neighborhood as a problem.

In neighborhood revitalization it is essential that neighbors and other key stakeholders take control over establishing a positive image for the neighborhood.

1.1. Neighborhood Branding

Neighborhoods have reputations – narratives accepted by outsiders that define a place and that often influence how insiders, particularly neighbors, feel about the place. Reputations can either drive the investment of time, energy, and resources into a place or suppress and drive away that investment. Creating a neighborhood brand is an attempt to create a reputation that will attract investment and build loyalty. While branding is important in communicating to outsiders, it is also about creating a shared identity in the community that says this is what it means to live here.

Branding is important for a few reasons:

- It helps distinguish the neighborhoods from its competitors. There are often a number of affordable neighborhoods in a city. Branding is about what makes this neighborhood special.

- A brand can communicate a set of values.

- A brand can help establish a new reputation.

- It can promote loyalty and an emotional connection to a place. Loyalty and an emotional connection provide an underpinning for the investment of time, energy, and resources on the part of neighbors and potential neighbors.

Branding means creating an image that endures and grows over time. It often is expressed in a logo and a tagline, but branding needs to be more than that. It is an important step in a longer-term process of promoting the neighborhood as a great place.

Branding efforts need to answer these questions:

- What is special about this neighborhood? What makes it distinctive from other neighborhoods?

- What is the collective vision for this neighborhood? What do people want to see this neighborhood become?

- How can the special qualities and vision be captured graphically in a logo and reinforced with a tagline?

1.2. Intentional Communications that Reinforce a Positive Image

There always needs to be an intentional strategy to communicate positive images. Vehicles like e-newsletters, brochures, and press releases offer the opportunity to communicate neighborhood positives. Most neighborhoods have people who like being there and are proud of their neighborhood. Those testimonials need to be communicated. Written materials can tell the story of the family that just bought a house or rented an apartment – telling why they chose this neighborhood over another. Even small actions like a block beautification strategy can be made newsworthy in an e-newsletter. Many neighborhoods have n ewsletters and other printed materials. Too few use them to intentionally shape the neighborhood image.

1.3. Physical Signs that Identify a Neighborhood

Such identifiers might include welcome signs at key entry points, house flags with the neighborhood name and logo, and neighborhood banners.

2. Strategies to Strengthen Local Real Estate Markets

Promoting home ownership often requires repositioning a neighborhood as a logical choice for potential home buyers. As such it is closely connected to an effort to brand the neighborhood. Attracting new home buyers is both an effect and a cause of the branding effort. If the neighborhood has a new brand reinforced by physical changes it can influence more home owners to move into the neighborhood. At the same time the capacity of the neighborhood to attract some new buyers, even just one or two, helps build a narrative that people are beginning to move by choice to the neighborhood.

It should be noted that home ownership is not for everyone. Neighborhoods that have suffered from disinvestment can ill afford home buyers who are marginally qualified to buy. It is important, therefore, to attract buyers who have sufficient resources to be successful.

Because much of the rental housing in most neighborhoods is under private ownership, private rental property owners are important actors in the market in many neighborhoods. Often some of these properties are identified as problems – poorly maintained and managed. Yet at the same time, there are competent investor-owners who provide good-quality rental housing at a decent price. They need to be at the table in any conversation about neighborhood transformation.

2.1. Market the Neighborhood

People do not just buy a house they buy a neighborhood as well. If there is not a clear compelling message about why it makes sense to buy in the neighborhood, buyers will go elsewhere. Those engaged in neighborhood revitalization need to look at who currently owns the messaging. Often times it is a real estate agent who is not familiar or even afraid of the neighborhood. A key part of neighborhood marketing has to involve the real estate community because they are the ones that consistently talk to home buyers.

A key element in neighborhood marketing is the identification of target home buyer market segments – households that have some likelihood of moving into the neighborhood. Some of these market segments might include:

- Friends and family of existing residents. The fact that they already have existing relationships within the neighborhood can be an advantage.

- Existing tenants. These households are already in the neighborhood and they may have sufficient incomes to buy.

- Employees of local major employers. Proximity to work can be seen as an advantage to some people.

- Employees of social service agencies engaged in the neighborhood. These staff people may be attracted to moving in and being part of a transformation project.

- School parents and staff. Improving the housing situation of school parents must be a part of any school improvement effort. Home ownership – or even access to quality rental housing – can keep some families anchored in the neighborhood and this can reduce the high turnover rates that often affect classrooms in neighborhood schools located in lower-income neighborhoods.

- Participants in home ownership classes. Many cities have home buyer education programs that prepare households for home ownership. Reaching out to these groups can potentially attract home buyers to a neighborhood.

As an example, groups participating in the Milwaukee Healthy Neighborhoods Initiative sponsored weekly housing tours in selected Milwaukee neighborhoods. Organized in partnership with various housing counseling groups, the tours brought dozens of potential buyers to these neighborhoods. An important part of the tour was the interaction between prospective home buyers and neighborhood residents who talked about why they liked the neighborhood. In the first summer of operation, the tours played a role in influencing 54 home sales transactions in six different neighborhoods – representing 1 percent of all the homes sold in all of Milwaukee that year. Of equal importance was the fact that more than 80 percent of those taking the tour had a better impression of the neighborhood after the tour than before, as measured by a simple survey administered at the beginning and end of the tour.

A successful neighborhood marketing program requires a substantial amount of outreach. Examples of outreach activities are:

- Open houses aimed at neighbors and others, so they might market the neighborhood to friends and relatives.

- Presentations to school parent groups who might like to live closer to school.

- Presentations to local employers who might encourage their employees to live close to work.

- House tours, so people can see what is for sale.

- Briefings for realtors who may not be aware of the positive activities occurring in a neighborhood.

- Briefings for church pastors who might be able to influence their congregations to live close to church.

2.2. Financing Incentives for Home Purchase and Rehab

Many cities have various down payment assistance programs and these can be helpful for potential buyers. But in challenged neighborhoods, houses often need work. Having available a fund to support housing purchases and rehabs can be a tremendous asset in any effort to promote home ownership. It can also have a positive impact on a neighborhood's physical conditions, especially if new buyers are encouraged to make exterior improvements.

Financing purchases and rehabs can be difficult, particularly in a neighborhood where appraised values are low and create a low ceiling for home improvement. One of the simplest and most effective vehicles for financing home purchases and rehabs came from the experience of NIBC in Battle Creek. There, lenders agreed to make first mortgage loans at 70 percent of the after rehabbed value, with NIBC making second mortgages up to 125 percent of loan to value. This enabled home buyers to make the kinds of improvements that were necessary, even if they went above the current appraised values in the neighborhood. This "ahead of market" lending was done as part of a broader strategy to improve neighborhoods and drive market values to a more sustainable position. For reference, house prices were in the $15,000-$30,000 range and rehab costs averaged around $50,000. The second mortgage funds came to NIBC from a local foundation.

2.3. Recruit and Organize Competent Investor Owners

In urban neighborhoods there are often several different types of investor owners – ranging from competent, professional landlords to slumlords, with various types in the middle. Given this range, it makes sense to identify a typology of landlords and to determine the right strategies to address each group. The following chart is an example of a landlord typology and a menu of strategies to address each category:

TYPE OF INVESTOR	CHARACTERISTICS	INTERVENTION STRATEGIES
HIGH QUALITY INVESTOR/ LANDLORD	Often full-time in the real estate business; longer-term investments; good management and property maintenance	Encourage investment in more rental properties, particularly from less competent investors; provide attractive financing for improvements
DEFENSIVE LANDLORD	These are neighborhood home owners who may buy another property to protect their investment in their home	Landlord training; financing for repairs and improvement
RELUCTANT INVESTOR	Received the house in an estate but never really wanted to be in the housing business	Help him/her find a competent investor or an owner-occupant buyer
IN OVER HIS/HER HEAD	This investor, perhaps informed by late-night television, sought to build a rental property empire, but found himself/herself in trouble	Connect him/her with a competent investor or help him/her find an owner-occupant buyer
FLIPPER TURNED INTO LANDLORD	This investor bought homes to rehab and resell but the softness of the market caused him/her to keep them as rentals	Provide special financing for repairs/improvements; connect him/her with a competent investor or help him/her find an owner-occupant buyer
PROFESSIONAL SLUMLORD	This is a bottom feeder investor whose business model is to extract rent with no concern about maintenance or improvement	Code enforcement pressure aimed at transitioning ownership

Private landlords, particularly smaller "mom and pop" owners, may be difficult to organize. Despite having a self-interest in seeing the neighborhood improve, they can often be averse to outsiders who are not investors. They tend to be highly individualistic and skeptical about participating in any government program. In order to provide financing to some of these landlords, a loan product would need to be flexible and customized to the borrower's needs.

Milwaukee has an innovative approach to private landlords. The City of Milwaukee offers a well-regarded landlord training program and offers special financing for home owners to buy rental properties in close proximity to their homes. In addition, one CDC in Milwaukee, the Havenwoods Economic Development Corporation has successfully organized local landlords into an association. These landlords have sanctioned bad landlords and in some cases have purchased their property as a way of stabilizing the neighborhood.

3. Improving Physical Conditions

3.1. Carry Out a "Most Improved House" Contest

This contest has been an important feature in the work of Neighborhoods Inc. of Hammond and the Layton Boulevard West Neighbors in Milwaukee. It can be a simple low cost way of generating a "buzz" around visible home improvement.

Basically the contest provides cash prizes to those owners who have made quality improvements. An owner applies and a "before" photo is taken by staff. There is an established time frame for completing the improvement. At that time an "after" photo is taken and a panel of judges determines the winners. Selecting the panel of judges can be important strategically; it can be an opportunity to engage key stakeholders from outside the neighborhood. Prizes are awarded usually at some kind of awards banquet.

This approach can be modified based on local circumstances. It could be a most-improved porch contest or a front yard landscaping contest. It could be adapted for a commercial strip intervention as a "Most Improved Storefront" competition. While it does not cost very much to implement (e.g., $15,000 in Milwaukee), this is generally not a project for traditional public funding.

A collateral effort to this contest would be to provide an award to the five nicest homes in the focus area – homes that really show a high standard of upkeep. Each of these could receive an award of a plaque and a $500 gift certificate. This values and recognizes people who are already doing a great job in setting a standard for the neighborhood and creates a model for other property owners.

3.2. Develop a Home Improvement Loan Fund

Resources for an owner to improve his/her home can be scarce. While cities provide home improvement loans, they are often complicated and difficult to manage for the customer. Some cities have organized lender pools, where lenders take a portion of the loan risk and manage the pool. This might be a way to connect financial institutions to neighborhood improvement efforts.

3.3. Develop a Small ($5,000) Grant Program to Encourage Fix Up

While $5,000 is not a lot and will not address all the potential needs of a property, such a small grant program can be an accessible way to begin to create a climate of home improvement in a neighborhood. Many homes need new roofs, and in many cases, a small grant like this can put a new roof on a house.

To avoid a program like this being just a giveaway, there could be a more strategic plan for dispensing the money. For example, it could be available only if six or more owners (owner-occupants and landlords) on a block agree to participate.

3.4. Organize Events Focused on Home Improvement

Neighborhoods often do generic "housing fairs" with everybody under the sun presenting their programs. Having a focus on home improvement might get more mileage and encourage more fix up. Such an event could include topics such as:

- Getting your house ready for summer or winter

- Reducing your heating and cooling costs

- Home repair workshops

- Low-cost landscaping design

3.5. Develop a Volunteer Project to Address Several Senior or Handicapped Homes in Need of Repair

There are most likely older or handicapped residents whose homes could use a facelift. Utilizing volunteer groups like Rebuilding Together or Habitat for Humanity to address these homes would be a relatively simple strategy to provide visible improvements.

3.6. Address Key Problem Properties

While highlighting well-maintained properties is an essential part of any neighborhood revitalization strategy, most neighborhoods have problem properties that symbolize decline. Rather than try to focus on all the properties that might be problems, it often makes sense to focus on select key properties that are most symbolic of decline. Focusing on a smaller number of properties provides a useful platform for developing a building-specific strategic approach.

Neighborhood residents and city code enforcement staff can work together to identify these properties and to gather the ownership and history on each. Based on this research and

analysis, a strategy for each property can be developed. As each property is addressed, new properties can be added to the list so there are always five properties being addressed.

There is no magic bullet in dealing with problem properties and recalcitrant owners. The owner will either repair the property, usually through code enforcement pressure, sell the property to someone who can improve it, or lose the building through demolition. The best outcome is often a new owner with the capacity to bring the property back to a suitable condition.

A limited amount of capital – either a grant or a second mortgage product – could be used strategically to influence the purchase of these key properties.

4. Strategies to Strengthen Social Connections

To influence the level of social connectedness in a neighborhood, it is essential to understand how the neighborhood works as a social system.

Strengthening the social fabric in neighborhoods is more about an assessment of the neighborhood context and the desired outcomes for neighborhood change. The few strategies described here help illustrate some of the ways local organizations and neighbors have aligned their work to achieve neighborhood change outcomes. They can provide some background for understanding how specific actions can be aligned with outcomes. encouraging certain behaviors than it is about building an organization. When we look to try and strengthen the social connections in neighborhoods, we often make the mistake of looking to create a formal organization or see existing organizations as the only elements composing the social fabric. While these organizations can have tremendous value, there are often informal networks and connections that reflect community social capital as well.

4.1. Carry Out Pride Projects with Neighbors

One of the most effective interventions to strengthen social connections is the "pride project." Pride projects are grassroots block- or neighborhood-focused actions that engage neighbors in small improvement projects on their block, always accompanied by some kind of celebration at the end. These can include such actions as landscaping projects, hanging house flags, lighting projects, vacant lot transformations, growing community gardens, etc. While these activities often result in some kind of physical change, these projects also provide an opportunity for social engagement – getting neighbors out, talking with each other, and accomplishing something.

4.2. Promote Small-Scale Social Activities on Blocks

Not all efforts to bring neighbors together have to involve work. In fact, it is harder to organize small block improvement projects or planning events when people do not know each other. Sometimes social efforts like an ice cream party or coffee and pastries on the block on a Saturday morning can be a simple way to just get neighbors talking and knowing each other.

There are many different strategies that can address neighborhood image, the local real estate market, physical conditions, and neighborhood management. These strategies grow out of an assessment of the neighborhood context and the desired outcomes for neighborhood change. The few strategies described here help illustrate some of the ways local organizations and neighbors have aligned their work to achieve neighborhood change outcomes. They can provide some background for understanding how specific actions can be aligned with outcomes.
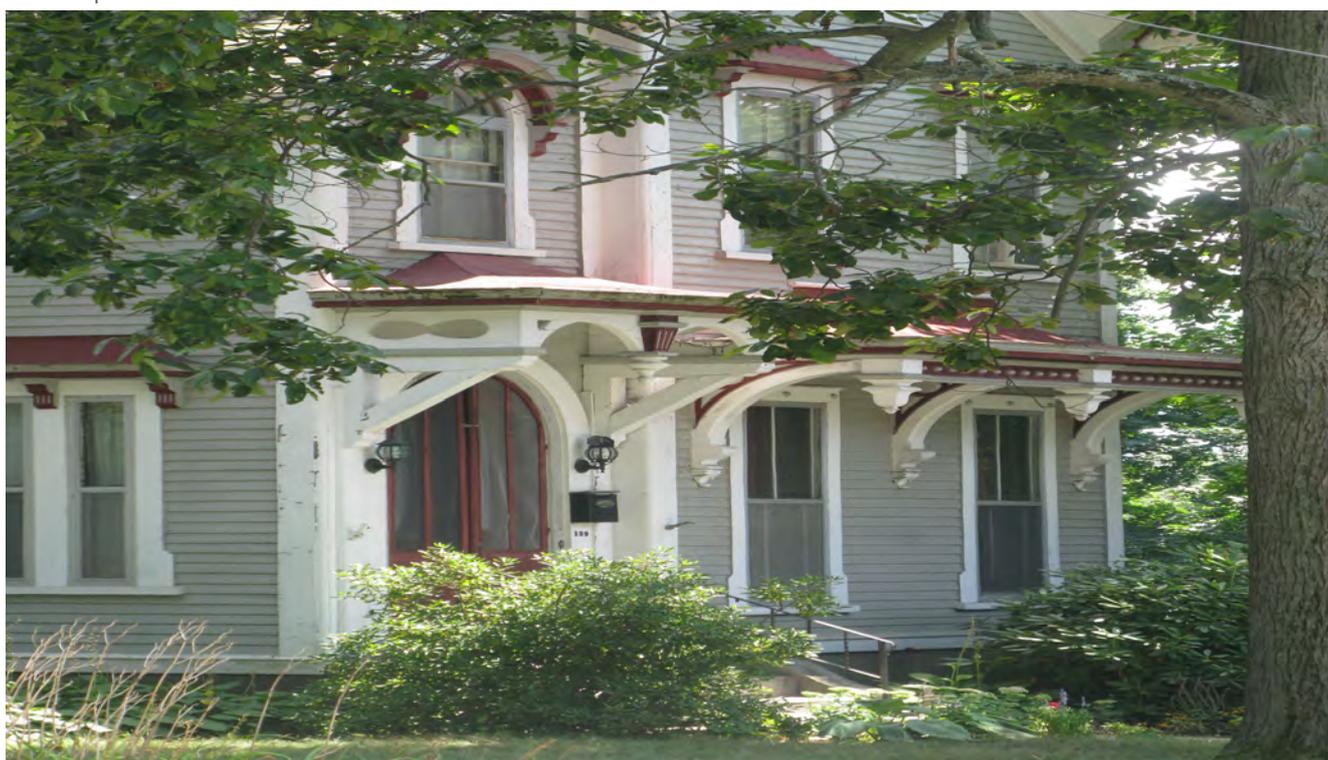
CONCLUSION

"If you want something new, you have to stop doing something old."
– Peter F. Drucker

If greater success is to be achieved in revitalizing neighborhoods, those of us engaged in that work need to critically examine the approaches of the past in order to be more successful now and in the future. Success will not come from doing more of what has always been done before.

This guide is meant to be a companion on this necessary journey of rethinking neighborhood revitalization. It is an invitation to go deeper into understanding how neighborhoods work so they can work better, and to move from simply managing programs to managing neighborhood change.

There are a number of fundamental ideas that underpin this guide. It values the importance of individual investment decisions and recognizes that the work of neighborhood revitalization is about influencing those decisions. It offers a working definition of neighborhood health and explores the components of that definition.

This guide provides a framework for action around four pillars – neighborhood image, the local real estate market, physical conditions, and the capacity for neighborhood management – all elements that reflect and contribute to the stability of a place.

Outcomes and measures – what the work is trying to achieve and how success can be measured – are of critical importance. Without clear outcomes and measures that drive the work, neighborhood revitalization can simply devolve into programs and activities that fail to make a difference. Clear outcomes are an important aid in effective strategy development.

Effective strategies are the way revitalization efforts can become intentional in restoring a positive image, stabilizing markets, improving physical conditions, and strengthening the capacity of neighbors to manage change.

There is no magic bullet that can make neighborhood revitalization more achievable. Neighborhoods are complex systems. They have a lot of moving parts. The tendency is often to go for the big project. While big projects have significant value, deeper neighborhood change requires a lot of smaller, complementary projects.

To use a sports metaphor, most baseball games are not won with home runs – though they are what fans like to see. Rather, winning teams know how to complement the big home run by playing "small ball" – drawing a base on balls, advancing the runner with a sacrifice bunt or fielder's choice, and driving him in with a single – and doing this consistently.

Much of neighborhood revitalization is like playing "small ball" – consistent, relatively small actions carried out strategically, one building on the other, to secure victory. In complex systems sometimes small cooperative actions can have great effects. ∎

WORKSHEETS

What follows are a series of worksheets designed to help you develop and implement neighborhood revitalization strategies. These worksheets suggest a path toward effective strategy development organized around four outcome areas described earlier in the guide. The path looks something like this:

- Assess what is working and not working (Worksheet A).

- Develop outcomes that will define neighborhood change (Worksheet B).

- Develop a set of measures that will measure if those outcomes are being achieved (Worksheet B).

- Develop strategies that achieve the outcomes (Worksheet C).

- Plan the strategies in ways that have the greatest impact (Worksheet D).

- Identify potential obstacles that might be encountered and plan on how to overcome those obstacles (Worksheet E).

- Deliver the strategies.

- Evaluate if they are working and develop new strategies as necessary.

These worksheets are organized around the four pillars discussed in the guide: neighborhood image, the local real estate market, physical conditions, and neighborhood management.

We hope you find these worksheets helpful in framing your thinking and your approach.

WORKSHEET A: WHAT IS WORKING & NOT WORKING

The purpose of this worksheet is to help you make a general assessment of the conditions of the neighborhood. There are some basic questions in each category.

	What is Working	What is Not Working
Neighborhood Image • What is the current image of the neighborhood? • What is positive about that image? • What is negative about that image?		
Local Real Estate Market • How is the real estate market functioning? • What are some strengths in the real estate market? • Where are there weaknesses in the real estate market		
Physical Conditions • Do physical conditions in this neighborhood reflect pride? • What are the physical conditions of residential properties, commercial streets, institutional buildings, and public infrastructure? Do they reflect the neighborhood in a positive or negative light?		
Neighborhood Management • How do residents manage change? • Are there patterns of formal and informal organizations? • Are social connections among neighbors strong or weak?		

WORKSHEET B: OUTCOMES & MEASURES

This worksheet is designed to help you develop revitalization outcomes for neighborhood image, the local real estate market, physical conditions, and neighborhood management. The idea is to capture in a few sentences what it is you are trying to achieve in these four areas. Also included is a place to answer the question of how outcomes can be measured.

Neighborhood Image: What is the positive image you are seeking for this neighborhood? What three things do you want people to say about the neighborhood?

Outcomes	Measures

Local Real Estate Market: What would the real estate market be like if this was a well-functioning neighborhood?

Outcomes	Measures

Physical Conditions: What will this neighborhood look like? What about the physical conditions of the neighborhood will show pride and investment?

Outcomes	Measures

Neighborhood Management: What will the social connections among neighbors be like? How will you know if the neighborhood is well managed? What would it be like?

Outcomes	Measures

WORKSHEET C: DEVELOP FIVE KEY STRATEGIES

Given the outcomes you hope to achieve, what are the key actions or strategies you want to put in place to achieve them?

1

2

3

4

5

WORKSHEET D: ENHANCING THE IMPACT OF YOUR STRATEGIES

The purpose of this worksheet is to help you make a general assessment of the conditions of the neighborhood. There are some basic questions in each category. You may wish to copy this page.

Take each strategy you listed on Worksheet C and determine what steps can be taken to enhance its impact in each of the four outcome areas. The questions this worksheet helps you answer are the following: (1) How can you implement this strategy in ways that improve the image of the neighborhood? (2) Are there ways you can connect this strategy to improving the real estate market? (3) How can you use this strategy to strengthen physical conditions? (4) How can this strategy help connect neighbors to each other and strengthen neighborhood management capacity?

Strategy	
Image Enhancements	
Local Real Estate Market Enhancements	
Physical Condition Enhancements	
Neighborhood Management Enhancements	

WORKSHEET D: EXAMPLE

Strategies have more impact if they address more than one outcome. Sometimes strategies can be slightly enhanced or tweaked in small ways so that the impact is greater. The following is an example of an acquisition of a vacant house by a CDC. The CDC had many options for purchasing a property for rehab and sale but chose one across the street from a school.

Strategy	Acquire, rehab, and sell a vacant house
Image Enhancements	• Hold an open house for neighbors to let them know the house is under control and that a positive change is going to happen on the block. • Do a newspaper or a newsletter article about the house with a focus on the buyers and why they chose the neighborhood.
Local Real Estate Market Enhancements	• Use the open house to enroll neighbors in the marketing process by encouraging their friends and family to look at the house when it is done. • Set the sales price a little above current prices so the sale can contribute to lifting housing values. • Promote the availability of the house to school parents and staff. • List the property with a realtor in order to connect with the community and to develop a conventional sales market.
Physical Condition Enhancements	• Use the house to set a high standard of improvement, especially on the exterior. • At a second open house after the rehab is complete, show neighbors how they might have some of the components – a new kitchen, a remodeled bath, a new heating system – in their own homes. • Offer small landscaping grants or flower boxes and flowers to every house on the block. • Encourage the city to straighten the bent stop sign on the corner and to repair two broken streetlights.
Neighborhood Management Enhancements	• Fixing a vacant house across from the school helps make the path to school safer for kids and helps build a relationship with the school. • Introduce the new buyers to the neighbors. • Encourage new buyers to play an active role on their block.

WORKSHEET E: IDENTIFYING & ELIMINATING OBSTACLES TO SUCCESSFUL IMPLEMENTATION

We know even the best laid plans can encounter obstacles. Successful implementation requires you to think in advance about the obstacles you might encounter and to identify ways those obstacles can be eliminated. Take each strategy and identify some likely obstacles to its successful implementation in the left column. In the right column describe ways you might be able to overcome or neutralize that obstacle. You may wish to copy this page.

What Obstacles Will You Encounter?	Ways You Will Eliminate or Neutralize Obstacles

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Other Resources

Some of the organizations mentioned in this guide include:
Layton Boulevard West Neighbors (LBWN); www.lbwn.org.
LBWN has a great website and e-newsletter. There are also several videos on YouTube that offer great examples of how to market neighborhoods.

Neighborhoods Inc. of Northwest Indiana; www.neighborhoodsinc.com.

Stable Communities is a project of NeighborWorks America; www.stablecommunities.org.
There are many great resources available through this website and its blog.

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, leveraging investments to develop new retail and businesses, turning around failing schools, strengthening early education, preventing crime, improving transportation, ensuring basic neighborhood assets, and increasing access to jobs.

- Planning Grantee
- Implementation Grantee
- Both Planning and Implementation

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 12 Choice Neighborhoods Implementation Grantees will replace and rehabilitate 3,624 obsolete, isolated public and private HUD-assisted housing units with new, mostly privately managed units. These replacement units will be mixed with 7,790 new affordable and market-rate units to ensure communities attract a sustainable mix of incomes. For many grantees, construction is already well underway. For example, Boston has completed its housing construction, which is replacing a distressed Section 8, HUD-assisted housing site with 129 new and reconfigured units. San Antonio has also completed 208 new mixed-income units, including 49 replacement public housing 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 converted an abandoned factory across the street from their 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.* The 12 Choice Neighborhoods Implementation Grantees have leveraged over $2.5 billion, more than 7 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.

How Does Choice Neighborhoods Fit in?

Choice Neighborhoods is a central element of the President's Promise Zones initiative, which will revitalize up to 20 of America's highest-poverty communities by creating jobs, attracting private investment, increasing economic activity, expanding educational opportunity, and reducing violent crime. As part of the Promise Zones initiative, HUD is working alongside the Departments of Health and Human Services, Treasury, Justice, Commerce, Agriculture, and Education to align neighborhood-based programs and existing federal programs to achieve these goals. As a result of these agencies' efforts:

- Three Choice Neighborhoods are included in areas designated as a Promise Zone and three more are in areas named as finalists
- Nine Choice Neighborhoods have Department of Education Promise Neighborhoods Grants, which are grants that focus on transforming a neighborhood's educational opportunities.
- Four Choice Neighborhoods have received $2 million from the Department of Justice to execute evidence-based, public safety strategies, and 9 Choice Neighborhoods have received Byrne Criminal Justice Innovation Grants.
- The Department of Health and Human Services' competition for community health center improvements prioritizes coordination between health clinics and Choice Neighborhoods Grantees.

What's Next?

Since 2010, Choice Neighborhoods has awarded competitive grants to 12 Implementation Grantees and 63 Planning Grantees across the country. Demand for Choice Neighborhoods has far outpaced supply. Choice Neighborhoods has been able to fund only 10% of Implementation Grant applications and 17% of Planning Grant applications. During Fiscal Years 2010 and 2011, Choice Neighborhoods was funded as a demonstration program within HOPE VI at $65 million each year. Choice Neighborhoods has been funded in place of HOPE VI since then at $120 million in Fiscal Year 2012, $113.7 million (due to sequestration) in Fiscal Year 2013, $90 million in Fiscal Year 2014, and $80 million in Fiscal Year 2015. Choice Neighborhoods awarded a new round of Planning Grants in January 2015 and recently received applications for the Fiscal Year 2014 Implementation Grant competition.

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