

A. Choice Neighborhoods Initiative – Summary: The spatial concentration of poverty remains a serious and often unrecognized challenge to the ability of poor families and children to access opportunities and move up the economic ladder. Many neighborhoods of concentrated poverty contain distressed public and/or HUD-assisted housing in need of repair or replacement. Prior to the creation of Choice Neighborhoods, HOPE VI was the only major source of revitalization funding available to these areas. This funding was only available to the public housing stock, and HUD could not reach nearby distressed assisted or vacant private housing. Choice Neighborhoods helps communities also address assisted and vacant housing units, while investing in people and neighborhood assets, to transform neighborhoods of distress into revitalized mixed-income neighborhoods.

Choice Neighborhoods employs a comprehensive approach to neighborhood transformation. The program helps communities transform neighborhoods by revitalizing severely distressed public and/or assisted housing and investing and leveraging investments in well-functioning services, high quality public schools and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs. Choice Neighborhoods will ensure that current residents will be able to benefit from this transformation, by preserving affordable housing or providing residents with the choice to move to affordable and accessible housing in another existing neighborhood of opportunity. Choice Neighborhoods is focused on three core goals:

- 1. Housing:** Transform distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term;
- 2. People:** Support positive outcomes for families who live in the target development(s) and the surrounding neighborhood, particularly outcomes related to residents' health, safety, employment, mobility, and education; and
- 3. Neighborhood:** Transform distressed, high-poverty neighborhoods into viable, mixed-income and sustainable neighborhoods with access to well-functioning services, high quality public schools and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs.

To achieve these core goals, successful applicants must develop and implement a comprehensive neighborhood revitalization strategy, or Transformation Plan. This Transformation Plan will become the guiding document for the revitalization of the public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood and positive outcomes for families. To successfully develop and implement the Transformation Plan, applicants will need to work with public and private agencies, organizations (including philanthropic organizations), and individuals to gather and leverage resources needed to support the financial sustainability of the plan. These efforts should build community support for and involvement in the development and implementation of the plan.

Coordinated planning efforts should ultimately result in the strategic investment of resources into the following key neighborhood assets:

- a. Developmental assets** that allow residents to attain the skills needed to be successful in all aspects of life (e.g. educational institutions, early learning centers and health resources);
- b. Commercial assets** associated with production, employment, transactions, and sales (e.g. labor force and retail establishments);
- c. Recreational assets** that create value in a neighborhood beyond work and education (e.g. parks, open space, arts organizations, restaurants, movie theatres, and athletics);

d. **Physical assets** associated with the built environment and physical infrastructure (e.g. housing, commercial buildings, roads, sidewalks and bike paths); and

e. **Social assets** that establish well-functioning social interactions (e.g. public safety and community engagement).

By focusing resources in targeted places, and by drawing on the compounding effect of well-coordinated actions, HUD believes Choice Neighborhoods will support local organizations building neighborhoods of opportunity

B. Anticipated Objectives That Will Be Used to Develop Metrics to Measure Long Term Success: As Implementation Grantees commence their work, the Department will work to develop metrics appropriate to a given site and neighborhood in order to measure performance. Metrics are expected to be based on the objectives listed below. Applicants awarded Planning Grants will be encouraged to develop neighborhood revitalization plans with these objectives in mind.

2. People Objectives: People that live in the housing transformed through Choice Neighborhoods are expected to improve their quality of life.

a. **Resident Groups.** There are two sets of resident groups for which metrics will be established.

(1) **Baseline Residents.** The grantee and HUD will work together to monitor the location and outcomes for the baseline residents of the public and/or assisted development. These are the residents that lived in the targeted redevelopment site at the time of application for Choice Neighborhoods. HUD's expectation is that the tenants who relocate find housing and neighborhood opportunities as good as or better than the opportunities available to tenants who return to the redeveloped site, and that all residents of the targeted redevelopment site experience improvements along all of the indicators below relative to their pre-redevelopment circumstances.

(2) **Revitalized Development Residents.** The grantee and HUD will also work together to track the experiences and changing characteristics of residents who live at the revitalized site. HUD's goal is that, over time, the average incomes at the site rise, residents experience a safe living environment, children have access to high quality early learning programs and services and high quality schools that prepare students to graduate from high school college- and career-ready and perform well on standardized tests relative to the state average, there is good access to parks and recreation, and residents have access to quality health care.

b. **Outcomes.** Outcomes for both the baseline residents and the residents of the revitalized developments are planned to be measured along the following dimensions:

(1) **Housing Location, Quality, and Affordability:** HUD's expectation is that baseline residents who do not return to the development have housing and neighborhood opportunities as good as or better than the opportunities available to those who occupy the redeveloped site.

(2) **Resident Health:** HUD's expectation is that health for residents over time is as good as or better than other households with similar economic and demographic conditions at baseline.

(3) **Resident Safety:** HUD's expectation is that residents are living in a safer environment as evidenced by the revitalized neighborhood having dramatically lower crime rates than the neighborhood had prior to redevelopment and maintaining a lower crime rate over time.

(4) **Employment:** HUD's expectation is that the income of baseline residents and residents of the revitalized development, particularly wage income for non-elderly/non-disabled adult residents, increases over time. This is consistent with HUD's strategic plan objective to increase the average income of existing HUD-assisted households.

(5) Education: HUD's expectation is a high level of resident access to high quality early learning programs and services so children enter kindergarten ready to learn, significant improvement in the quality of schools nearest to the target development that prepare students to graduate from high school college- and career-ready, and significant growth in existing individual resident educational outcomes over time relative to the state average.

3. Neighborhood Objectives: Through Choice Neighborhoods, the neighborhood is expected to improve:

a. Other Neighborhood Housing: HUD's expectation is that post-redevelopment the neighboring housing has a very low vacancy/abandonment rate, that the housing inventory be of high quality, and that the neighborhood be mixed income and maintain a mixture of incomes over time. This may include maintaining a significant amount of the private inventory as affordable post-redevelopment.

b. Services: HUD's expectation is that the distance traveled from the neighborhood to basic services is equal to or less than the distance traveled from the median neighborhood in the metropolitan area. Those basic services include grocery stores, banks, health clinics and doctors' offices, dentist offices, and high quality early learning programs and services.

c. Public Schools: HUD's expectation is that public schools in the target neighborhood are safe and welcoming places for children and their families. In addition, HUD's expectation is that the schools have test scores that are as good as or better than the state average or are implementing school reforms that raise student achievement over time and graduate students from high school prepared for college and a career.

d. Other education programs: HUD's expectation is that infants, toddlers and preschool-age children have access to high quality early learning programs and services that result in significantly improved outcomes in physical well-being and motor development, social-emotional development, language and literacy development, and cognition and general knowledge, including early numeracy for children and that engage their families in meaningful ways.

e. Public assets: HUD's expectation is that the distance to travel to high quality park and recreational facilities in the neighborhood be equal to or less than for other neighborhoods in the jurisdiction and the region.

f. Effective Transportation Alternatives: HUD's expectation is that neighborhood residents have quality public transit, walking and/or biking options to connect them easily to places of work and local services.

g. Job Access: HUD's expectation is that neighborhood residents have rates of employment among working age non-disabled adults similar or better than the employment rate in other neighborhoods in the jurisdiction and region.

Eligible Program Activities:

(1) Conduct comprehensive needs assessments

- (a) Current patterns of disinvestment with the neighborhood
- (b) The neighborhood's access to key assets, such as quality grocery stores, banks, health clinics and doctors' offices, local schools, child care facilities, parks and recreational facilities, and public transit. Identify key neighborhood anchor institutions, such as major employers, universities, or hospitals
- (c) Relevant developmental and social assets in the target neighborhood as these assets relate to opportunities for resident education, employment, health, mobility and safety;
- (d) Challenges and gaps in neighborhood services and assets; and
- (e) A household-level needs assessment for public and/or assisted housing residents living in the target development(s) to better design solutions for the children and families of HUD housing.

(2) Undertake a comprehensive and integrated planning process that addresses the challenges and gaps in services and assets identified through the needs assessments.

(3) Conduct technical planning studies concerning local development issues, priorities, or suggested appropriate approaches in the context of the local housing market relative to other alternatives. This could include new approaches to housing, economic development, capital improvement programming or community relations.

(4) Work with public and private agencies, organizations (including philanthropic organizations) and individuals to:

(a) Develop the Transformation Plan and secure commitments to collaborate long-term to ensure it will be implemented successfully;

(b) Gather and leverage resources needed to support the financial sustainability of the Plan

(c) Identify strategies for building upon and leveraging existing neighborhood efforts and anticipated Federal, state, regional and local investments.

(5) Ensure meaningful resident, community and stakeholder participation

(6) Plan for the collection and strategic use of relevant data by identifying data to track future community impacts once the Transformation Plan is implemented by employing statistical and qualitative analysis of specific metrics (see Summary section B) developed in partnership with the appropriate local, state, regional and federal agencies/organizations. Such planning should focus on integrating data systems across agencies and using this data for intervention targeting and improvement.

(7) Strengthen management and decision-making capacities of participating organizations to create a comprehensive and integrated Transformation Plan.

(8) Identify and secure the involvement of effective practices and actors based on the best available evidence. Such activities may include conducting site visits, research, or participating in a community of practice, which is a group of grantees that agrees to interact regularly to solve a persistent problem or improve practice in an area that is important to them and the success of their project, enabling grantees to meet, discuss and collaborate with each other regarding grantee projects.

Leverage Rating:

You will receive points as described below based on amount of leveraged commitments relative to amount of Planning Grant funds requested. In calculating the ratio, HUD will only include in-kind leverage in an amount up to the amount of cash leverage that has been firmly committed. For example, if \$200,000 of cash leverage is committed and \$300,000 of in-kind leverage is committed, HUD will only include \$200,000 of the in-kind leverage.

Leveraged Commitments as Percent of Grant Funds Requested (Metro Area)	Leveraged Commitments as Percent of Grant Funds Requested (Non-metro Area)	Points Awarded
200 percent and above	100 percent and above	4
Between 150.00 and 199.99 percent	Between 75.00 and 99.99 percent	3
Between 75.00 and 149.99 percent	Between 50.00 and 74.99 percent	2
Between 25.00 and 74.99 percent	Between 25.00 and 49.99 percent	1
Below 25 percent	Below 25 percent	0

Leverage may only be for eligible program activities under the planning grant:

- Comprehensive needs assessment
- Comprehensive integrated planning process
- Technical planning studies
- Ensuring stakeholder and resident participation in planning process
- Plan for the collection and strategic use of relevant data
- Identify and secure involvement of effective practices and actors

