The background of the image is a composite of two aerial photographs. The top half shows a dense urban skyline with various skyscrapers and buildings, including a prominent one with a "BOOKS" sign. The bottom half shows a residential area with numerous houses, mostly two-story townhouses, with dark roofs and light-colored facades, arranged in a grid pattern.

New American Neighborhoods

*Building Homeownership Zones To
Revitalize Our Nation's Communities*



U.S. Department of Housing and Urban Development

Front Cover Homeownership Zone:

Society Hill at University Heights,

Newark, New Jersey.

(Photo by Camilo José Vergara.)

New American Neighborhoods

*Building Homeownership Zones To
Revitalize Our Nation's Communities*

U.S. Department of Housing and Urban Development
June 1996

Photo credits for page 24: top left photo

by Alex McLean, bottom left photo by

Steve Rosenthal. Except where specific

photo credits are given, all photos were

provided by the city government,

private sector, or community

organization partner of each

homeownership zone. The

Department is grateful for the

cooperation of all who assisted in

this effort.

Foreword

There is no better place to begin a family's quest for self-sufficiency than at home. Home is where safety begins. Home is where self-respect begins. Home is where our connections to our community, our city, and our nation begin. And that is why our homeownership strategy is a beginning. Cities can reclaim large tracts of vacant or blighted land and renovate whole neighborhoods by building affordable homes—not just a few affordable homes, but whole neighborhoods of homes. Hundreds of new homes and homeowners together will create communities of safety, prosperity, jobs, and better schools.

This is one of the most important ways HUD is implementing President Clinton's National Homeownership Strategy, a nationwide public-private partnership to increase homeownership by 8 million new homeowners and reach an all-time high national homeownership rate of more than two-thirds of America's families by the end of the decade. To help reach this goal, President Clinton has called for increasing Federal resources to leverage investment by State and local governments, the private sector, and community organizations working in partnership to revitalize older communities through large-scale development of new homes and promotion of homeownership.

There is a distinct need for targeted funds to support local homeownership initiatives that focus on the major rebuilding of communities. Many communities have recently constructed or are currently building new homeownership developments in inner-city or inner-ring suburban neighborhoods, using existing support from HUD and other Federal agencies. HUD support mainly consists of Community Development Block Grant (CDBG) funds, HOME Investment Partnership funds, and FHA single-family home mortgage insurance. In addition, communities also have used grant funds from several recent HUD programs such as Nehemiah Homeownership Opportunity Grants, HOPE 3, and Urban Development Action Grants. The following pages tell the story of dozens of local homeownership zone initiatives in communities all across America.

Homeownership Zones are one of the most hopeful trends spurring the recovery of America's cities, a 21st century program that undoes the damage of urban abandonment by recharging our nation's communities with people, life, families, children, schools, businesses, and hope.



Henry G. Cisneros, Secretary of Housing and Urban Development

New American Neighborhoods: Building Homeownership Zones To Revitalize Our Nation's Communities

President Clinton, in a recent speech to the White House Conference on Community Empowerment, made the following commitment to expanding homeownership and revitalizing America's communities:

"Finally, let me say we have to do more to create housing that will encourage vibrant neighborhoods in our inner cities and rural areas. You know, cities used to be places where teachers and firefighters and police officers wanted to live, and they can be again if we can help communities to develop good, affordable housing.

"If we really want all of our communities to be revitalized again, we not only have to create opportunities for poor people, we have to make the environment so that middle-class people will want to live in them again, and that the poor and the middle class will live side by side, as they did in the neighborhoods when I grew up. We have to do that. We have to be committed to helping all Americans achieve this large part of the American dream known as homeownership.

"I'm very proud of what Secretary Cisneros has done with dwindling resources at HUD, working with the private sector to see homeownership reach a 15-year high this year, and we have to do more. We propose to reclaim tracts of vacant or blighted land and to renovate whole neighborhoods; to bring back to the city hard-working, middle-income families; to stimulate business and private investment. We want to work with the private sector and other investors to create scores of livable, inviting, inner-city neighborhoods.

"Homeownership initiatives now are working in Detroit, Buffalo, in San Antonio and New York and Baltimore. I say again: Let us build on our success. Homeownership is one of the best ways to empower local residents, to give them a stake in the community, and to increase the bonds that tie people together. It means commitment. If we have any hope of bringing



Charlotte Street in the South Bronx, New York City, before (top) and after the building of Charlotte Gardens (bottom).
(Photos by Camilo José Vergara.)

success back to these inner cities, we have to have people there who care and who are committed. Homeownership can help us achieve that goal as well."

The New American Ghetto, a recently published book of photographic essays, visually documents the decline and abandonment of neighborhoods during the 1980s and 1990s in New York City, Newark, Chicago, Detroit, Los Angeles, and other cities. Many of the photos portray a stark, brutal environment. The exceptions to this pattern are the photographs that show signs of personal hope and neighborhood vitality. All of the hopeful pictures share one common theme: they are about the rebirth of formerly desolate communities by building hundreds of new homes and encouraging homeownership for hundreds of hard-working families.



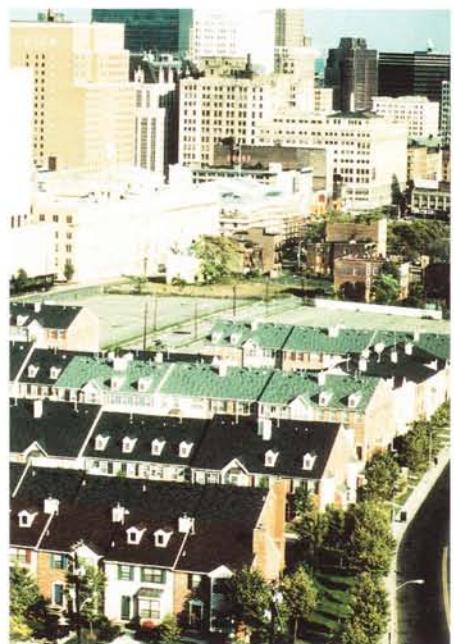
Newark, New Jersey's Central Ward, before (above) and after the development of Society Hill at University Heights (below right).

(Photos by Camilo José Vergara.)

In the South Bronx, on the infamous Charlotte Street where Presidents Carter and Reagan once walked amid piles of rubble, now stands Charlotte Gardens, the American dream of a home of one's own, complete with a yard and a white picket fence. When the first new single-family homes of this now-stable neighborhood were built in 1985, the mayor of New York City asserted that the proud new homeowners would "defend these houses with their lives."

In Newark, New Jersey's Central Ward, once a wasteland devastated by the 1967 urban riots, abandoned and decaying land and buildings were cleared to make room for a new neighborhood of attractive private homes.

These new townhouses brought new homeowners, new construction, and new hope to an area long neglected and mistakenly written off as terminally ill. Now the Central Ward boasts a thriving new shopping center, a 24-hour supermarket, movie theaters, restaurants, and a growing middle-class population. The original development, Society Hill at University Heights, built by the K. Hovnanian Company, has steadily expanded to nearly 800 new townhomes on 45 acres. Market demand is still growing for this affordable new neighborhood, located within walking distance of



downtown Newark. Society Hill has opened the door for additional home construction in the Central Ward, attracting private capital from the Prudential Insurance Company and other investors. Private development in the Central Ward is strengthened by the extensive affordable housing and economic development activities of Newark's successful non-profit New Community Corporation.

And so the story goes, from the South Bronx to San Antonio, Brooklyn to Baltimore, Boston to Buffalo, Chicago to Cleveland, Detroit to Dallas, Los Angeles to Little Rock, Memphis to Milwaukee, Newark to Norfolk, Philadelphia to Pittsburgh, Richmond to Rochester, St. Louis to Seattle, plus Atlanta, Chattanooga, Kansas City, Louisville, Houston, Miami, San Francisco, Tampa, and many other communities across the United States. Why is this pattern repeated so often and increasing so rapidly? Because it works.

Prescription for a Healthy Neighborhood: Hundreds of New Homes and Homeowners

There is no better place to begin a family's quest for self-sufficiency than at home. Home is where safety begins. Home is where self-respect begins. Home is where our connections to our community, our city and our nation begin. And that is why HUD's homeownership strategy is a beginning. Cities can reclaim large tracts of vacant or blighted land and renovate whole neighborhoods by building affordable homes—not just a few affordable homes, but whole neighborhoods of homes. Hundreds of new homes and homeowners together will create communities of safety, prosperity, jobs, and better schools.

This is one of the most important ways HUD is implementing President Clinton's National Homeownership Strategy, a nationwide public-private partnership to increase homeownership by 8 million new homeowners and reach an all-time high national homeownership rate of more than two-thirds of America's families by the end of the decade. Working together, we can successfully do the job of rebuilding communities through homeownership. We know from experience that families will invest their hard-earned dollars and "sweat equity" when presented with the opportunity to own a quality home they can afford. If enough new homes are built and bring more working families into a neighborhood, crime goes down and cleanliness

goes up. New and current homeowners will work hard to maintain their property and improve their community, from streets to schools. The middle class will move back to the cities, and low-income families can begin moving up the economic ladder. The more we promote economic opportunity through homeownership, the more urban neighborhoods will become stronger and more diverse.

The large-scale homeownership approach is a well-tested formula for urban revitalization. The key to success is rebuilding to sufficient scale: a minimum of hundreds of new homes and homeowners are needed to reverse the downward slide and build momentum for positive change. Public and private investment must work together to clear away the physical deterioration of the past, to recycle and renew old buildings and vacant land, and to ensure that the new homes are affordable to hard-working homebuyer families. State and local governments can work with private sector and nonprofit developers, investors, lenders, planners and designers to create attractive new communities—real neighborhoods where residents can walk to parks and stores, where homes have front porches and yards, and where neighbors know and trust each other.

“Recycling” Urban Land in Neighborhoods

Cities, like houses, grow older. They must adapt to changing times. As urban economies and populations evolve, sometimes buildings fall into neglect and disrepair, and once-crowded land becomes vacant and abandoned. The Federal Government is working to assist local communities to recycle unusable “brownfield” land by cleaning up toxic hazards and creating new “greenfield” sites ripe for redevelopment.

Developing new homes and repairing existing ones is a very important method of recycling and renewing older urban neighborhoods. Increasing homeownership through home renovation and construction helps support local economic prosperity and the quality of life for families and communities, by finding new uses and new markets for old buildings and blighted land.

Expanding homeownership in troubled communities generates many new jobs and business opportunities: directly through the process of land development and homebuilding, indirectly by stimulating the local economy through market demand for new products and

services generated by the substantial increase in affordable homes and new homeowners. Developing hundreds of new homes and expanding homeownership can restore population, safety, and active community life even to neighborhoods that have been losing people and jobs for several decades. Adaptive reuse of brownfield land and obsolete structures is a vital step in physically upgrading and modernizing communities. This is a very healthy, environmentally sensible form of physical, economic, and social “recycling”—the rebirth of older neighborhoods.

Using “New Urbanism” Planning and Design Principles To Rebuild Communities

Rebuilding neighborhoods with hundreds of new homes presents an exciting opportunity to create better and more livable communities. In recent years, architects, planners, landscape designers, and developers have experimented with the principles of a “New Urbanism,” combining features of traditional community planning with new ways of organizing daily life in a rapidly changing world.

The fundamental idea is to view the neighborhood as a coherent unit, where adults and children can walk to nearby shopping, services, schools, parks, recreation centers, and, in some cases, to their own jobs and businesses; where civic centers can serve as focal points for community activity; where streets and blocks are connected with pedestrian walkways and bicycle paths; where public transit is readily available to connect with other neighborhoods and communities throughout the metropolitan region; where automobiles are convenient to use but do not dominate the most visible aspects of the urban landscape with traffic congestion and massive parking lots; and where houses are built closer together, with front and back porches and yards, grouped around tree-shaded squares, small parks, and narrow streets with planting strips.

Such pedestrian-friendly environments help facilitate positive community spirit and emphasize neighborhood safety and security. The goal of “New Urbanism” is to promote diverse and livable communities with a greater variety of housing types, land uses, and building



“New Urbanism” community plan and design for Crawford Square, Pittsburgh, Pennsylvania (above).

densities—in other words, to develop and maintain a melting pot of neighborhood homes serving a wide range of household and family sizes, ages, cultures, and incomes.

President Clinton's Proposal for Homeownership Zones

President Clinton proposes to commit additional Federal resources, in partnership with local governments leveraging both private-sector and public investments, for revitalizing older communities through large-scale development of new homes and promotion of homeownership. The proposed Federal commitment of U.S. Department of Housing and Urban Development (HUD) funds is \$135 million in fiscal year 1997. These funds will be awarded on a competitive basis for public-private partnerships that will rapidly build a minimum of 300 new, good quality, affordable homes concentrated within older neighborhoods that will actively involve local residents and community organizations in the process of neighborhood revitalization through large-scale homeownership.

President Clinton has called for creating a performance-based bonus pool of Challenge Grant funds to be added to the HOME program starting with the next fiscal year. If approved by the Congress, this \$135 million in grant funds can help generate thousands of new homes and homeowners in communities all across America, beginning in 1997.

There is a distinct need for targeted funds to support local homeownership initiatives that focus on major rebuilding of communities. Many communities have recently constructed or are currently building new homeownership developments in inner-city or inner-ring suburban neighborhoods, using existing support from HUD and other Federal agencies. HUD's support mainly consists of Community Development Block Grant (CDBG) funds, HOME Investment Partnership funds, and Federal Housing Administration (FHA) single-family home mortgage insurance. In addition, communities also have used grant funds from several recent HUD programs such as Nehemiah Homeownership Opportunity Grants, HOPE 3, and Urban Development Action Grants.

Local partnerships to develop Homeownership Zones also can utilize other new sources of HUD funding, including \$25 million for land acquisition and site development earmarked for Habitat for Humanity affiliates, \$15 million in grants for self-help homeownership organizations, and \$10 million for the National Community Development Initiative (NCDI) that helps

finance neighborhood revitalization by community development corporations. To reach many more prospective homeowners and reclaim many more deteriorated communities, the public and private sectors working together must substantially increase the level of financial support for large-scale, affordable homeownership initiatives that rebuild entire neighborhoods. For 1996, HUD is working hard to make available millions of dollars in grant funds for Homeownership Zones. These grants may be awarded as early as this summer, with the first wave of new homes under construction by the fall.

In the following pages, we demonstrate just a few of the many reasons why Homeownership Zones are truly an idea whose time has come:

Detroit's Victoria Park: Bringing the Middle Class Back to the Inner City

On Detroit, Michigan's east side, not far from the banks of the Detroit River, a phoenix is arising from the ashes of urban decay. Victoria Park is the name of this attractive, suburban-style subdivision, planned for 157 new homes. Soon there will be a substantial expansion of the local Riverbend Plaza shopping center and a new police substation in the community. The positive impact of Victoria Park includes the demolition of many deteriorated and abandoned structures in the area and increased private investment in the surrounding neighborhood. This east side community revival has become a vibrant symbol of Detroit's determined comeback in the face of massive population and job loss in the 1970s and 1980s.

The successful community partnership that led to Detroit's designation as a Federal Empowerment Zone in 1994 is carrying over into the spirit of teamwork and attraction of private investment represented by the development of Victoria

*Victoria Park in
Detroit (below).*



Park. The partnership for Victoria Park includes Standard Federal Bank, the Builders Association of Southeastern Michigan, the Jefferson Chalmers Non-Profit Housing Corporation, the city of Detroit, the Michigan Housing Development Authority, and the Federal Government. The city of Detroit used HUD urban renewal funds to assemble the land and build many of the neighborhood improvements, including the shopping center, which is being expanded with HUD community development (CDBG) funding. In addition, numerous home mortgages were insured by the FHA or guaranteed by the Veterans' Administration, and the Federal Home Loan Bank provided support through its Affordable Housing Program.

Victoria Park has spawned several other new homeownership developments in centrally-located Detroit neighborhoods, including Brush Park and Virginia Park Estates. In addition, Clairepointe of Victoria Park is a new, 41-home subdivision now under construction just a few blocks away from Victoria Park. Its name is a fitting testimonial to the market demand and popular image that Victoria Park already has generated for this inner-city neighborhood. Standard Federal Bank, along with other home mortgage lenders, now recognizes that expanding affordable urban homeownership can be a smart business investment. Standard Federal is financing Victoria Park's 157 homes, and, according to its chairman, "Everybody told us when we did Victoria Park that it would never work, but it did. We learned from Victoria Park that it's good business."

Standard Federal has taken the lead in plans to build The Links at Old Fort Wayne, the largest new-homes development in the city of Detroit in nearly half a century. This site, partly located within the Empowerment Zone, will be a mixed-income community consisting of more than 400 new homes, a public golf course, senior citizen rental housing, and a regional shopping mall and entertainment center.

Victoria Park in Detroit (right).



Baltimore's Sandtown-Winchester: Bringing the American Dream to a Low-Income Neighborhood

On the west side of Baltimore, Maryland, stands Sandtown-Winchester, a neighborhood of 10,000 people with some of the city's most discouragingly high rates of crime, joblessness, poverty, infant mortality, and school dropouts. However, Sandtown-Winchester's statistical profile looked much worse in 1992 than it does today because community residents, working with local organizations such as the Enterprise Foundation, BUILD (Baltimoreans United In Leadership Development), and Sandtown Habitat for Humanity, along with business leaders and the city, State, and Federal Government, have been organizing a very ambitious partnership to transform this distressed neighborhood into a healthy and prosperous community. A centerpiece of their strategy is to dramatically increase homeownership in Sandtown-Winchester.

The most visible recent development within Sandtown-Winchester was the construction of 227 new townhomes, mostly on the site of an abandoned bakery. These homes, jointly developed by the Enterprise Foundation and BUILD, were partly financed with a \$4.2 million grant from HUD's Nehemiah program. Another 73 homes, funded by the same HUD grant, were constructed by Enterprise/BUILD in the Penn-North neighborhood adjacent to Sandtown-Winchester. In addition, \$2 million in HUD's HOPE 3 funds support the rehabilitation and sale of 80 affordable Sandtown-Winchester homes for first-time homeowners.

The sales of these new homes had a galvanizing effect on the neighborhood. All of the homebuyers were working families with modest annual incomes ranging from \$10,000 to \$30,000. Many of them were long-time community residents. Most had been paying much more to rent an old apartment than it cost them to buy a brand new home. An example is Jennifer Coates, a single parent who purchased her new home while working full-time at Morgan State University. Her \$300 monthly mortgage payment is literally half of her previous monthly rental rate.



Baltimore's Sandtown-Winchester neighborhood before (top) and after the addition of 227 new Nehemiah homes (bottom.)

In addition to the large Nehemiah development, Sandtown Habitat for Humanity is completely rehabilitating 100 vacant townhouses and building 26 new townhomes for homeownership. Other developers are building or rehabilitating an additional 260 homes, all on vacant lots or lots with abandoned structures obtained through the city of Baltimore. HUD has provided several more grants — HOPE 3, Heinz, YouthBuild, CDBG, HOME — to make these new homes affordable for nearly 400 hard-working homebuyer families. The lead organization, Community Building in Partnership, is working to transform Sandtown-Winchester by promoting jobs and business opportunities, better schools and health care, and safer streets. But it all starts with homeownership.

Community leaders are taking the same approach in east Baltimore's Johnston Square neighborhood with more than \$2 million in HUD's Nehemiah funds for 150 new homes, in Cherry Hill with nearly \$400,000 in HUD's Nehemiah funds for 28 new homes, in Farring Heights with more than \$800,000 in HUD's HOME funds for 72 new homes, in historic east Baltimore with nearly \$700,000 in HUD's HOPE 3 funds for 34 new homes, 97 new homes at Alameda Place with over \$200,000 in HUD funds, and in several other areas of the city, including Montgomery Square, an attractive middle-income development of 42 traditional-looking townhomes near downtown Baltimore and the Inner Harbor. Montgomery Square was built by Ryland Homes, one of America's largest homebuilding firms.



From abandonment to homeownership: Baltimore's Sandtown-Winchester neighborhood before (above) and after (right).



San Antonio: Renewing Old Neighborhoods With New Homes

In several older neighborhoods on the west side of San Antonio, Texas, many of the predominantly Hispanic families have lived for several generations in overcrowded and deteriorated homes built on 25-foot-wide “postage stamp” lots, far too small to meet their housing needs. In some cases, because parents or grandparents did not leave a will, the families did not even have clear title to the property. This all began to change in 1978, when an organization called COPS (Communities Organized for Public Service) and a progressive city administration teamed up to renew old neighborhoods with newer, larger homes on larger plots of land. Renters became homeowners, owner-occupants for the first time obtained proper title, and many families reaped the benefits of living in better houses and revitalized communities. All told, more than 800 new houses were built for new homeowners in a concentrated area of three urban “Colonias.”

The San Antonio Development Agency (SADA), using nearly \$30 million in HUD’s CDBG funds, took the lead in redeveloping three neighborhoods: Colonia Amistad, Colonia San Alfonso, and Colonia Santa Cruz. These three near-west side communities were directly linked to a major corridor of urban renewal projects, including Avenida Guadalupe, Vista Verde North, and Vista Verde South. SADA worked with COPS to identify and purchase blocks of land where houses were severely deteriorated, providing relocation assistance to families for temporarily moving to nearby vacant homes in better condition. Then SADA demolished the obsolete buildings, replanned the land for larger lot sizes, repaved and widened streets and improved other infrastructure, and began building new homes. To generate greatly increased

San Antonio’s Colonia San Alfonso neighborhood, before (bottom left) and after (bottom right).



homeownership in a newly rebuilt community, SADA made land available for families to build their own homes, sold land to nonprofit corporations to build new homes, and built and sold homes to moderate-income families for \$39,000, using HUD's HOME funds to help pay for the home construction and provide a \$20,000 grant per unit to make the houses more affordable for first-time buyers.

The city of San Antonio and COPS also have ventured into promoting entirely new single-family home developments to rebuild communities, with a total of more than 400 homes, including 84 houses in Los Jardines and 80 homes in Vista Verde. In addition, a new community partnership was formed to develop Coliseum Oaks on San Antonio's east side. The Coliseum/Willow Park Neighborhood Association asked the city for help in removing a dilapidated crime haven from the heart of their community, and the city responded by committing HUD's CDBG funds for a major homeownership redevelopment project. Homebuilders from the Greater San Antonio Builders Association constructed the 42 homes and held an "Affordable Parade of Homes" to market this new development. A private foundation called C.I.O.S. is financing a family advocacy program to provide homeownership counseling and family support for the proud new modest-income homeowners of Coliseum Oaks. This recent success serves as the model for the Marbach Gardens public-private partnership that will develop 270 affordable homes and revitalize an inner-city neighborhood on San Antonio's central west side.

San Antonio's Colonia San Alfonso neighborhood, before (bottom left) and after (right).



New York City: Bringing Abandoned Neighborhoods Back to Life

Most things happen on a large scale in New York, New York. Manhattan, home of skyscrapers, contains America's most crowded land and highest population density. Yet many neighborhoods of New York City have lost people and jobs during the past 3 decades, leaving long stretches of abandoned buildings and vacant land, magnets for drug dealers, gangs, and other perpetrators of crime. Housing, however, is still very expensive for most New Yorkers, especially for families with modest incomes. Most of them cannot afford to own a home in their beloved city, and many New Yorkers long ago stopped believing they would ever become homeowners.

Fortunately for these families and neighborhoods, leaders as diverse as the Reverend Johny Ray Youngblood, I.D. Robbins, Ed Chambers, Kathryn Wylde, and David Rockefeller have blazed a new trail by combining affordable homeownership opportunities with the rebuilding of devastated communities.

In Brooklyn, a coalition of religious leaders from local churches and synagogues, and community organizers from the Industrial Areas Foundation (IAF), came together to form the East Brooklyn Congregations (EBC) in the early 1980s. EBC led a crusade to raise \$7 million for no-interest construction financing and obtain cleared land and housing subsidies from the city and State government. IAF's Ed Chambers and EBC's Reverend Youngblood turned to I.D. Robbins, a retired builder and civic leader, who worked out a formula for inexpensively building entire blocks of basic single-family townhomes with front and back yards. Robbins' penchant for cost-saving land development and home construction methods rivaled the legendary Levittown mass production methods of the late 1940s, and brought the affordability of postwar suburbia right into the heart of today's inner city.

EBC's Nehemiah program, named for the biblical prophet who rebuilt Jerusalem, eventually built 2,300 homes in Brooklyn—1,200 in the Brownsville neighborhood and 1,100 in the neighborhood of East New York. Soon the EBC will be building another 1,200 new



New York City's Brownsville neighborhood in Brooklyn, before (top) and after the East Brooklyn Congregations' Nehemiah homes (bottom). (Bottom photo by Camilo José Vergara.)

single-family homes on two locations in East New York—700 homes west of Pennsylvania Avenue and 500 homes at Spring Creek near Starrett City. The South Bronx Churches, starting much later with a similar base of religious and community support, have already constructed over 500 Nehemiah homes.

By building a critical mass of inexpensive houses and using modest private and public subsidies to make the homes affordable to working families earning between \$25,000 and \$35,000 a year, the Nehemiah homeownership initiative provided safety where there had been crime, spending power and jobs where there had been poverty, and hope where there had been despair. Nearly 50 percent of the Nehemiah homebuyers in East Brooklyn were living in New York City's public housing at the time they bought their new private homes. This was true for 80 percent of the new Nehemiah homebuyers in the South Bronx. The majority of these first-time homeowners were African-Americans and Latinos, hard-working families who gained an opportunity to finally get their piece of the American dream.

*New York City Partnership's
"New Homes" in the South
Bronx, before (top) and after
(bottom).
(Photos by Camilo José Vergara.)*



At the same time that the East Brooklyn Congregations were organizing grassroots activity for homeownership in low-income neighborhoods, the New York City Partnership was being organized by David Rockefeller at the highest levels of corporate America.

The New York City Housing Partnership Development Corporation, headed for more than a decade by Kathryn Wylde, has leveraged \$31 million in HUD's UDAG funds by mobilizing private bankers, developers, and investors to partner with minority builders and nonprofit community groups to create affordable homes in inner-city neighborhoods. These homes are somewhat higher priced than those following the Nehemiah model, and they are also more varied in design, dwelling type, and land-use density.

The New York City Partnership's New Homes program has played a pivotal role in bringing moderate- to middle-income families back into previously devastated communities. Where a critical mass of new homeowners puts down roots, business soon follows. Today, the Partnership has established a Community Partnership Development Corporation to help bring shopping centers and other stores and minority-owned businesses back into these once-dormant neighborhoods, communities that are now showing signs of genuine economic vitality. The Partnership has generated 1,000 new homes annually in New York City since the early 1980s, with more than 12,000 homes already built and sold and another 3,000 under construction or planned for development. This represents an investment in excess of \$1.5 billion in more than 50 low-income neighborhoods during the past decade.

The success of the original Nehemiah homeownership initiative in Brooklyn inspired similar efforts all over the country, led by religious groups, community organizations, and IAF affiliates. HUD even established a new program, named after the same biblical prophet, to provide financing for these inner-city homeownership and redevelopment crusades. Likewise, the New York City Partnership has been the model for housing partnerships organized by business leaders in many other cities and has set a standard for local partnerships currently being organized across the country as part of the President's National Homeownership Strategy.

Los Angeles: Bringing Beauty and Opportunity to Struggling Communities



Viñas la Campana in the Los Angeles suburb of Bell Gardens, before (top), and after (bottom).

In Los Angeles, California, a coalition of community-based and religious faith-based organizations representing the United Neighborhoods Organization, the Southern California Organizing Committee, the East Valley Organization, and the Valley Organized in Community Efforts, joined together in 1988 to establish the Nehemiah West Housing Corporation. These organizations, all affiliated with the Industrial Areas Foundation, are committed to economic and political empowerment for people of modest means through strengthening communities and expanding opportunities.

Their purpose in creating Nehemiah West is to develop “at least 1,000 owner-occupied homes affordable to low- and moderate-income families in the Los Angeles metropolitan area.” They see working for homeownership as a good way to empower families and rebuild communities. Dr. Louis Negrete, professor at California State University and vice president of Nehemiah West, calls the homeownership campaign “a labor of love.”

In 1995, Nehemiah West completed its first new homeownership development—Viñas la Campana, 126 affordable townhomes and condominiums for sale in the community of Bell Gardens, a blue-collar suburb located in southeast Los Angeles County. Viñas la Campana, through a combination of government subsidies and private support, created homeownership opportunities for families earning as little as \$21,000 a year, which Los Angeles’ Roman Catholic Cardinal Roger Mahony calls “a real miracle.” The metropolitan Roman Catholic and Episcopal churches together contributed \$3.5 million in no-interest construction loans to help Nehemiah West develop Viñas la Campana. The homes sold for much less than the typical house or condominium in high-cost California.

Viñas la Campana is already sold out, and the new homeowners are all first-time buyers. Joel Santos, a film lighting technician who with his wife and two children bought a three-bedroom, two-story townhouse, says his new home is “an American dream come true.” The Santos family previously lived in a very overcrowded rental unit shared with their relatives,

where they paid more in rent than their current \$740 monthly mortgage payments.

Many of the new homeowners at Viñas la Campana had been living in converted garages and other types of substandard housing, with no place for their children to play that was safe from drive-by shootings and gang violence. Now their children and grandchildren can have fun at their very own playground and recreation center, daytime or evening, without fear of harm. Viñas la Campana emphasizes resident participation through a homeowner's association, and places great importance on safety and security in design and operations.

Nehemiah West is currently building more than 150 additional homes in Compton, California, with the help of nearly \$1 million in HUD's HOME funds. Compton is a relatively low-income suburb of working families not far from Bell Gardens. Nehemiah West also is searching for additional large sites to move forward on its pledge to develop 1,000 homes. These efforts nicely complement the homeownership initiatives of the city of Los Angeles, with its 38 attractive, Santa Ana Pines townhomes near the Watts Tower in south central Los Angeles, the first new homeownership subdivision built in Watts since World War II. Santa Ana Pines, which will eventually consist of 82 affordable homes, is within walking distance from 21 new homes in south central Los Angeles built in 1995 by Habitat for Humanity's Jimmy Carter Work Project. The Los Angeles Housing Department invested \$3.4 million to help make Santa Ana Pines affordable for moderate-income homebuyers, with a significant portion of these funds coming from HUD's CDBG and HOME programs.

Vermont Village Plaza, a mixed-use residential/commercial development that includes a substantial number of new homes, is currently being planned for construction in a badly damaged and neglected section of Vermont Avenue in south central Los Angeles. The public-private development partnership includes First Interstate Bank, city agencies, and the University of Southern California. The innovative plans by architect Daniel Solomon reflect many of the principles of the "New Urbanism" design philosophy.



Santa Ana Pines in south central Los Angeles near the Watts Tower, before (top) and after (bottom).

Buffalo: Rebuilding the City Center Through Homeownership

Just a short distance from the heart of downtown Buffalo, New York, is the Ellicott District, a vast expanse of land that was cleared several decades ago for urban renewal projects. This land, once considered a blight on the community, is now viewed as one of the city's greatest assets in its quest to vigorously expand homeownership opportunities. In the shadow of the central business district, where once might have stood high-rise office towers or apartment buildings, stand neat rows of single-family homes—more than 1,000 of them built within the past 10 years. These homes, constructed by private builders such as Dennis Penman of the M.J. Peterson Company and James Anderson of the James Management Company, are sold to a rapidly increasing market of eager homebuyers. Attractive and well-built, the new houses are very affordable. These homes are all conveniently located near jobs at local hospitals and other major employers, and they are situated in traditional Buffalo neighborhoods that once housed the new homebuyers' parents and grandparents.

More than 500 of Buffalo's 1,000 new homes are located in one concentrated area called Pratt-Willert, named for two of the major streets in the neighborhood. HUD helped finance the project at earlier stages through urban renewal and UDAG funding, and more recently through CDBG and HOME dollars. The State government helps out by providing \$20,000 per home as a second mortgage to reduce the purchase price. Key Mortgage Company is the primary mortgage lender for most of the homebuyers. The M.J. Peterson Company has built more than 500 of Buffalo's new urban homes, and Dennis Penman is a leading advocate for urban homeownership within the National Association of Home Builders.

New homes in the Pratt-Willert neighborhood near downtown Buffalo (right).





New home in the Pratt-Willert neighborhood near downtown Buffalo (left).

Buffalo's large volume of new central-city homes, particularly in Pratt-Willert, has helped stabilize once-transient neighborhoods. Hardly any of the new homebuyers have moved away or resold their homes. The many new homebuyers represent an income spectrum ranging from working families struggling to get by on very modest earnings, to young middle-class first-time homebuyers. Buffalo's development and sales approach for these new homes and homeowners has succeeded in bringing a much greater level of income mix to the central city than existed a decade ago. Overall, the 1,000 new homes have increased in value, and there have been very few mortgage loan defaults by the homebuyers. The city of Buffalo even won an excellence award in 1991 for its homeownership initiative in the Ellicott District, honored as "the best Urban Renewal Project in the United States."

As the demand for new homes continues to grow, Buffalo is creating a viable homeownership market and safe and healthy communities where neither existed before. Private builders and developers plan to construct many more homes near the downtown area, together with retail stores and other key services and economic activity. Public and private leaders in Buffalo believe that there is no better way to revive central city neighborhoods than to build good quality, modern homes for sale at affordable prices in a traditional community setting.

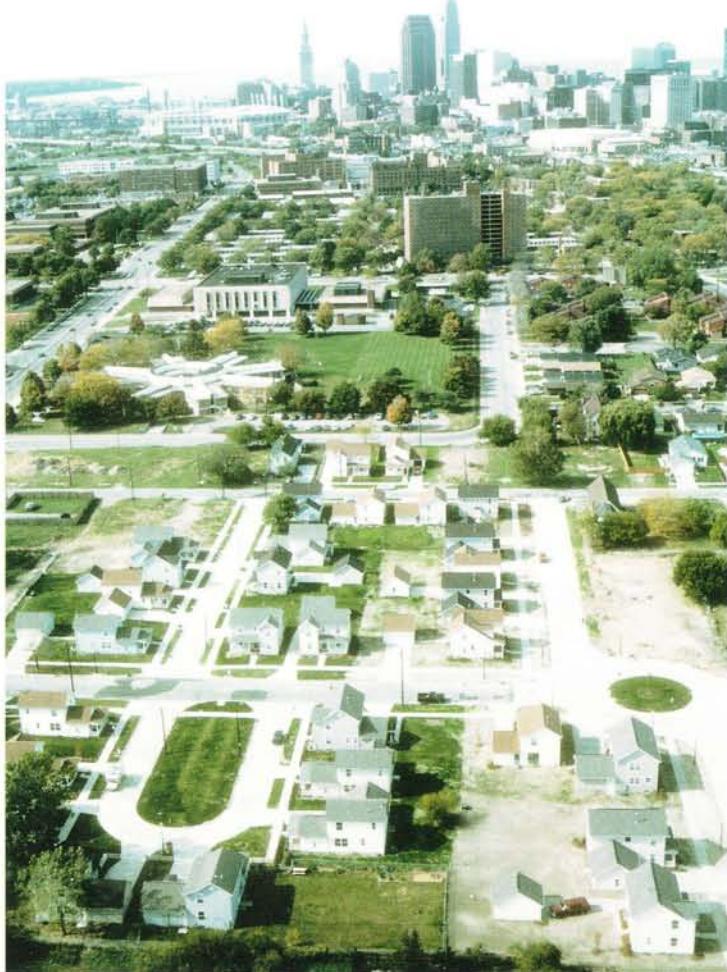
Cleveland: Building Community With the “New Urbanism”

Central Commons in Cleveland (below).

The newest inner-city homeownership subdivision in Cleveland, Ohio, is Central Commons, a planned community of 81 affordable homes on more than 20 acres of city-owned land on the east side, adjacent to Central Community College. More than 50 homes are now completed or currently under construction. Nearly \$2 million in HUD funds is invested in Central Commons, including almost \$600,000 in HUD's Nehemiah grants. Neighborhood Progress Inc., a nonprofit organization strongly supported by Cleveland's corporate and foundation leadership, is serving as the codeveloper with Burten Bell Carr, a local community

development corporation. Central Commons is being built according to an innovative community plan designed by architects Andres Duany and Elizabeth Plater-Zyberk, using the “New Urbanism” philosophy that they are applying in more upscale developments such as the new community of Kentlands in Gaithersburg, Maryland, near Washington, D.C. The Central Commons plan includes front porches on many of the homes, garage entrances through alleys at the rear of the homes, small landscaped parks to link the homes more closely into a community-centered arrangement, shorter blocks to encourage walking and discourage through traffic, and other innovative features.

Just a few miles further east, a \$1.2 million HUD grant to the city of Cleveland is helping to finance the development of Beacon Place at Church Square, 92 affordable homes to be built as part of a comprehensive neighborhood revitalization effort. This revitalization plan includes the newly completed and fully occupied Church





*Central Commons in
Cleveland (left).*

Square Shopping Center, which has already turned out to be a major success in an area that most private retailers were avoiding until very recently. Both the homes and the shopping center are designed by another leading “New Urbanism” architect and community planner, Ray Gindroz. New investment also includes many other nearby community improvements by the area’s largest and fastest-growing employer, the Cleveland Clinic, and the restoration of tree-lined Euclid Avenue, once the city’s most fashionable residential boulevard. A nonprofit community-based organization, the Fairfax Renaissance Development Corporation, is serving as codeveloper for Beacon Place. Another nonprofit community development corporation called NOAH, Inc. served as codeveloper of the Church Square Shopping Center. Both the homes and the retail center are located in Cleveland’s Empowerment Zone.

The city of Cleveland also is working with private developers and nonprofit neighborhood housing groups to build 218 single-family homes at Mill Creek and 20 homes at Renaissance Place, using nearly \$2 million in HUD funds. Finally, Bicentennial Village, an Empowerment Zone project, will have 66 new homes, including 16 to be built by Cleveland Habitat for Humanity. Bicentennial Village will draw upon \$4 million in HUD funding. Ray Gindroz and his firm, UDA Architects, prepared the master plan for Bicentennial Village. The city government is selling vacant land to private owners for \$100 per lot, and these vacant lots are being transformed with large, attractive homes for middle-income homeowners. Many of the new homeowner families grew up in Cleveland’s historic African-American community and are now moving back from nearby suburbs as a vote of increased confidence in the city of their relatives and ancestors.

Chicago: Partnership With Sears To Build a Model Neighborhood

In Chicago, Illinois, the former world headquarters of Sears, Roebuck & Co. is now the 55-acre site of Homan Square, one of the city's most ambitious large-scale, mixed-use developments. Homan Square is designed to revitalize the deteriorating west side neighborhood of North Lawndale and serve as a catalyst for the redevelopment of Chicago's west side. Sears, in partnership with a private developer, the Shaw Company, will build 632 new homes, apartments, and townhouses. Charles Shaw, a former national president of the Urban Land Institute (ULI), heads the Shaw Company. The city's New Homes for Chicago program will help make the hundreds of new homeownership units affordable for moderate-income homebuyers. Homan Square's first phase has been completed, and 55 homes have been sold, mostly to first-time homebuyers with an average family income of a little more than \$40,000. Many of the new homeowners work on the west side at the Illinois Medical Center complex and the University of Illinois at Chicago campus, or they work in Chicago's downtown "Loop," which is within a relatively short commuting distance by public transit or automobile from Homan Square. The former Sears headquarters site is near two major regional parks, Garfield

Chicago's Homan Square (right).





Chicago's Homan Square (left).

Park and Douglas Park; two rapid transit lines, the Congress/O'Hare and the Lake Street elevated trains; and adjacent to Interstate 290, the Eisenhower Expressway.

Along with the hundreds of new homes at Homan Square, there will be a large landscaped recreation park and a 2-acre community garden. In addition, the developers are planning to fill more than 1 million square feet of commercial space in the former Sears buildings, including the famous Sears Tower that is now a historic landmark. Already, various State, county, and city services and administrative offices have committed to occupying office space in Homan Square. On a nearby site just south of Homan Square, a community shopping center, including a major supermarket and a multiscreen movie theater, will be built adjoining the existing Community Bank of Lawndale. The entire site is located within Chicago's Empowerment Zone. Homan Square's plan builds on other recent initiatives to revitalize Chicago's west side, including the construction of the United Center Arena, the demolition and redevelopment of Henry Horner Homes with a \$50 million HUD HOPE 6 public housing grant, the \$300 million reconstruction of the Lake Street Green Line Rapid Transit, and the building of many new homes and community economic development projects in various neighborhoods, including 32 new homes built by Bethel New Life in nearby West Garfield Park using a \$500,000 HUD Nehemiah grant.

A Nationwide Movement and a Federal–State–Local Partnership



New homeownership revitalizes Boston's neighborhoods: Back of the Hill Rowhouses on Mission Hill (top and bottom left) and the Dudley Street Neighborhood Initiative in Roxbury (bottom right).

These eight cities are just the tip of the iceberg of a much larger movement to rebuild communities through homeownership. In the Roxbury section of Boston, Massachusetts, the work of the Dudley Street Neighborhood Initiative (DSNI) has generated the construction of 115 new homes in 3 separate developments, with 30 more homes on the way. The city acts as a partner in these developments, working with DSNI and several other community organizations. In addition, HUD has provided a \$30 million HOPE 6 grant to rebuild Orchard Park, a distressed public housing development in Roxbury. Some of the 300 new and rehabilitated housing units at Orchard Park will be converted to homeownership, as well as some of the 300 new homes that will be built in the surrounding Roxbury neighborhood. This homeownership revival is part of a comprehensive community revitalization strategy that includes new commercial and industrial investment; infrastructure improvements including streets, parks, and transit; and other initiatives such as HUD's YouthBuild program to train disadvantaged teenage youth and young adults to build and rehabilitate houses. DSNI's 30-acre site is located within Boston's Enhanced Enterprise Community. Just a few

miles away is Mission Hill, the site of Boston's Back of the Hill Rowhouses, 165 affordable homes on 4 square blocks in a multi-ethnic area. These new homes, built on a once-neglected "no man's land" between two neighborhoods, were designed by Boston architect William Rawn to create a new, thriving community using "New Urbanism" planning and design principles. The Back of the Hill Rowhouses were built by the Bricklayers and Laborers Nonprofit Housing Corporation to help generate new jobs and affordable homeownership opportunities for local building trades workers, while revitalizing the city's economy and neighborhoods.



In Pittsburgh, Pennsylvania, the city's Urban Redevelopment Agency teamed up with a private developer, McCormack Baron, and several community-based organizations including the Hill Community Development Corporation and the Hill Project Area Committee, to rebuild the historic Lower Hill District located near the Civic Arena, overlooking downtown's "Golden Triangle." This comprehensive, \$55 million, 18.5-acre development called Crawford Square, is planned for 550 affordable homes and apartments to be built by the end of the decade, along with an expanded shopping center, an entertainment and cultural center in a renovated theater, and a whole new community look, feel, and spirit for more than 1,000 families. The community plans and building designs were prepared using "New Urbanism" ideas by Ray Gindroz and his Pittsburgh-based firm, UDA Architects. The first phase of Crawford Square was financed in part with \$1.7 million in HUD's CDBG and HOME funds. The 27 Crawford Square homes completed and sold beginning in 1993 were the first new homes built in Pittsburgh in nearly 25 years.

In Atlanta, Georgia, just across the street from the new Olympic Stadium is Summerhill, one of the city's most troubled low-income neighborhoods, now on the brink of large-scale revitalization through homeownership. HUD has provided nearly \$10 million in loans and grants to rebuild the community, which is located in the heart of the Olympic Ring and Atlanta's Empowerment Zone. Summerhill is being rebuilt through a partnership of the city government, the Corporation for Olympic Development, the Summerhill Neighborhood Development Corporation (SNDC), and other key public- and private-sector partners. All told, nearly 300 new homes will be built and sold to low- and moderate-income families, and hundreds of other houses will be rehabilitated. This includes 116 townhomes in the Greenlea Commons project developed by John Wieland, a private homebuilder. Many of these townhomes will be leased to corporate sponsors during the 1996 Olympic Games for \$20,000 each, with some of this revenue helping to reduce the post-Olympics sales price for low-income homebuyers, and some of these funds earmarked for other community development needs. Another part of the



Pittsburgh's Crawford Square, before (top) and after (middle and bottom).



Summerhill near the Olympic Stadium in Atlanta (above).

(Photo by Camilo José Vergara.)

Summerhill initiative is 36 new single-family homes to be built on Terry Street, cosponsored by SNDC and NationsBank. Finally, a dramatic transformation is taking place at the Martin Street public housing development. These 60 apartment units are being completely rehabilitated and converted to homeownership through a resident-owned cooperative. HUD is investing \$2 million to rebuild the new Martin Street cooperative.

In San Francisco, the BRIDGE Housing Corporation is

bringing affordable homeownership to a city with the highest median housing prices in the continental United States. BRIDGE builds a high-quality product and makes its homes affordable by increasing the density—constructing townhomes to occupy less land per house, and designing recreation and green space to make the developments more open and livable. When BRIDGE built Parkview Commons, 114 townhomes on the site of a former high school, more than 3,000 moderate-income working families signed up for the opportunity to buy one of these attractive new homes, which sold for much less than comparable-sized houses in San Francisco. BRIDGE also has built Morgan Heights, 63 homes in Hunters Point that helped revitalize a low-income neighborhood. More than 3,000 families applied for the opportunity

San Francisco's Parkview Commons (top right) and (bottom right).



to purchase a Morgan Heights home. BRIDGE's successful approach is in demand across the San Francisco Bay area, and the company is building homeownership developments in the East Bay city of Richmond, and in Marin City, north of the Golden Gate Bridge.

In the Enterprise Community of Louisville, Kentucky, a comprehensive revitalization of the low-income East Russell neighborhood has fostered widespread community reinvestment in homeownership, with more than 130 affordable homes already built or planned, including 63 to be built by Louisville Habitat for Humanity. In addition, 258 public housing units have been successfully converted to condominium homeownership by the residents, and a 500-unit, HUD-subsidized apartment complex will be converted to resident homeownership using a 15-year lease-purchase plan. Substantial funding for these homeownership conversions and the new construction comes from various HUD programs.

In Houston, Texas, Mayor Bob Lanier's new public-private partnership, Homes for Houston, is the catalyst for a very ambitious homeownership program designed to add 5,000 new homes and homeowners every year for the next five years in order to rebuild the city's neighborhood fabric. Thus far 17 private-sector homebuilders and 9 community development corporations are participating in this effort to construct 25,000 new affordable homes in communities throughout the city. One example is the recently completed Vista Norte development, 102 new homes for low- and moderate-income families on Houston's north side, built by Dominium Homes and sponsored by the Association for the Advancement of Mexican Americans.

In Richmond, Virginia, the Randolph neighborhood near downtown has been completely reconstructed in the past few years, yet its design looks so traditional that an observer might not realize what a dramatic change has taken place so recently. The Richmond Redevelopment and Housing Authority acquired over 1,200 parcels of land in an ambitious effort to revitalize this neighborhood. Over 350 single-family homes have already been built, with another 150 to be completed in the next few years. In addition, more than 1,000 homes have been rehabilitated, and 300 units of affordable rental housing have been constructed. The city of Richmond succeeded in bringing economic diversity and homeownership back to this long desolate area, for the first time since the 1920s. Even the public housing units in this neighborhood are being converted to private homeownership. The master planner of the new Randolph



*"Homes for Houston,"
affordable new neighborhood
homes in Houston, Texas
(above).*



Richmond, Virginia's Randolph neighborhood, before (top) and after (middle and bottom).

neighborhood is Ray Gindroz, who brought a special touch of "New Urbanism" to the community by ensuring the design of the new homes fit within the traditional neighborhood pattern, while adding many improved amenities to the homes and the streetscape.

In St. Louis, Missouri, the Lafayette Town neighborhood is undergoing revitalization through a homeownership development called Buder Place. Started in 1988, 42 affordable homes are completed, sold, and occupied, with another 9 under construction and 30 more planned for the next few years. This project is a joint venture of the Charles F. Vatterott Construction Company and the St. Louis Association of Community Organizations. Most of the homes are FHA-insured, and each one includes a subsidy of \$20,000 to \$30,000 from HUD's CDBG program to reduce the purchase price for moderate-income homebuyers.

Near Miami, Florida, in the city of Homestead that was nearly destroyed in 1992 by Hurricane Andrew, Homestead Habitat for Humanity is building a whole new community of 187 homes for

low-income homebuyers. Using innovative neighborhood design and homebuilding methods, including state-of-the-art energy efficiency, special bike paths, and a major new community recreation center, the new homeowners will use their "sweat equity" to work with other volunteers in building an ethnically diverse homeownership community. HUD provided \$3.6 million in HOME funds for land acquisition and site development.

In Kansas City, Missouri, the Housing Development Corporation, a nonprofit community group, is building Renaissance Place, a new, affordable homeownership subdivision of 100 homes, with 38 more planned, all in the Downtown East neighborhood adjacent to Kansas City's Enhanced Enterprise Community. This development was supported with more than \$1.5 million in HUD's CDBG funds. In addition, the nonprofit Citizen Housing and Information Council has completed or is building a total of 25 new homes for low- and moderate-income, first-time homebuyer families in the inner-city Benton Boulevard urban renewal area, with support from HUD's CDBG and HOME funds.

In Tampa, Florida, two nearby developments, Osborne Woods and Osborne Oaks, are helping transform a low-income neighborhood. Osborne Woods was the first new subdivision

in America developed with the aid of HUD's HOME funds. The subdivision, developed by the Tampa United Methodist Centers in partnership with Allstate Homes, consists of 29 new homes for low- and moderate-income homebuyers. Nearby, Osborne Oaks has 10 new homes, developed by a nonprofit group, the Tampa-Hillsborough Action Plan, in partnership with NationsBank. Together these two projects used nearly \$1.5 million in HUD's HOME funds to make the single-family houses affordable for first-time homeowners. These developments are part of a \$35 million comprehensive community revitalization strategy called the East Tampa Initiative.



Renaissance Place, Kansas City, Missouri (above).

In Memphis, Tennessee, the Shelby County Interfaith (SCI) religious coalition of 52 Protestant, Catholic, and Jewish congregations recently organized a grassroots Nehemiah Project inspired by the East Brooklyn Congregations' Nehemiah homeownership initiative in New York City. The Memphis Nehemiah Project plans to build 2,000 new homes by the year 2000, all of them for homeownership by low- and moderate-income working families earning between \$12,000 and \$20,000 a year. The Interfaith group is raising \$2.5 million for a revolving, no-interest home construction loan fund, and the city is contributing nearly \$2 million for the first phase of 200 homes, including over one-half million dollars from HUD's CDBG program. Construction of Whitehaven, a "town in a town," is modeled after the successful new Harbor Town on Memphis' Mud Island. Harbor Town, which was built for a more affluent population than Whitehaven, is considered a good example of "New Urbanism" community planning and design. Harbor Town's developer, Henry Turley, and its architect, Carson Looney, are planning and designing the first three new neighborhoods to be rebuilt by the SCI's Nehemiah Project.

In Philadelphia, Pennsylvania, the first 64 West Poplar Nehemiah Homes are under construction in a north side neighborhood badly in need of revitalization. By 1997, there will be 204 new homes and homeowners on this site. West Poplar is near the Richard Allen Homes, a large public housing development now undergoing a major demolition and redevelopment with a \$50 million HUD HOPE 6 grant designed to produce 314 new townhomes and a community education center with computer labs. This neighborhood is now attracting a new police station, a new recreation center, and new retail stores including a Pathmark supermarket. The West Poplar Nehemiah Homes, supported by nearly \$6 million in HUD funds from CDBG and Nehemiah grants, will bring homeownership opportunities to low-income

homebuyers such as Lisket Lonon and Jeannette Johnson, who have lived for the past 17 years as renters in the Richard Allen Homes. Lonon, a 74-year-old retired construction worker, Johnson, her son, and two grandchildren currently share a tiny 2-bedroom apartment that Lonon says "is like a matchbox, and the kids are getting bigger." Johnson says of their new Nehemiah home now under construction, "It will be nicer for the children. They'll have their own rooms and a place they can sit out on the steps and play." Most of the Nehemiah homeowners have long dreamed of this opportunity but never thought they could make it happen. The church-based West Poplar Neighborhood Advisory Committee is the organizing force behind the Nehemiah development, which is being built by the nonprofit Poplar Enterprise Development Corporation. A consortium of local banks is providing low-interest mortgages for the new Nehemiah homebuyers. So far, 37 low-income families have qualified for loans, 7 of them first-time homebuyers moving from public housing at Richard Allen Homes. Across town on the west side, Philadelphia Interfaith Action (PIA) was formed in 1992 by a coalition of 43 churches, synagogues, and community organizations, with a goal of developing 1,000 affordable homes to revitalize neighborhoods for hard-working low- and moderate-income families. PIA, an affiliate of the Industrial Areas Foundation, is currently building 160 townhomes in west Philadelphia at 46th and Market Streets. More than 60 first-time homeowner families have already moved into their brand new homes. PIA's new three- and four-bedroom townhomes are selling for affordable prices of around \$50,000. Mortgage payments are just \$500 a month, less than these first-time homebuyer families have been paying in rent. Each new homeowner family can obtain a second mortgage for up to \$19,000 to make their home purchase even more affordable. The city government has supported PIA's West Philadelphia Nehemiah Homes development with nearly \$5 million for land assembly, site improvements, and financing assistance, including more than \$2 million in HUD's CDBG funds. Finally, in the neighborhoods of northwest Philadelphia, a nonprofit group called Resources for Human Development (RHD) is using HUD's HOPE 3 program to obtain vacant homes and

Tampa, Florida's Osborne Oaks (below).



renovate them to improve communities and expand homeownership opportunities. To date, RHD has restored 115 units, and now is working on renovating 20 homes in the Mt. Airy neighborhood. This initiative, a public-private partnership called the Musgrave Tract Rehabilitation Project, will use HUD's HOPE 3 funds as part of a \$1.3 million investment in improving the community's housing stock, working with two nonprofit neighborhood groups, the city government, a local bank, and the Federal

Home Loan Bank of Philadelphia. One of the community groups, EMAN (East Mt. Airy Neighborhood), is also building Curtin Place, 18 new, affordable two- and three-bedroom homes on the site of an old elementary school.

In Brownsville, Texas, a nonprofit group, the Community Development Corporation of Brownsville, is building Windwood, a development of 225 single-family homes for families earning as little as \$11,500 annually. Most of these homes—160 of them—are being sold under a lease-purchase arrangement, whereby the families who live in them pay rent that is applied toward building up a sufficient downpayment for homeownership. Windwood is the largest single lease-purchase homeownership subdivision in the United States, supported by \$1.5 million in HUD's HOME funds. Lenders include the Federal National Mortgage Association (Fannie Mae), Mercantile Bank, and the Federal Home Loan Bank of Dallas.

In Chattanooga, Tennessee, the nonprofit citywide organization Chattanooga Neighborhood Enterprise (CNE) developed Orchard Village, 58 new homes for low- and moderate-income families located in the Orchard Knob neighborhood just one mile from the city's downtown. The 8.6-acre site, acquired by CNE from the Chattanooga Housing Authority, was converted from a vacant lot and neighborhood eyesore into an inner-city homeownership subdivision using "New Urbanism" standards for home design and community planning. Partial funding for this new development came from HUD's CDBG and HOME programs. In the past 10 years, CNE has built, rehabilitated, and financed over 3,400 affordable homeownership housing units worth \$89 million of new investment in Chattanooga's neighborhoods.

In Norfolk, Virginia, the Norfolk Redevelopment and Housing Authority (NRHA) is helping to restore hope and opportunity to the traditional center of the African-American community. Just blocks away from the historic Crispus Attucks Theater stands Attucks Square and Attucks Square West. Together, these 52 new single-family homes have brought moderate-income homeowners back into what had been a declining neighborhood, and the NRHA will soon launch a third phase consisting of an additional 18 new homes. Not far away is the award-winning Middle Towne Arch, 188 new single-family homes built on cleared land just a mile from downtown Norfolk. The popularity of Middle Towne Arch has demonstrated the ability of good quality homeownership to attract the middle class back to central city neighborhoods. Middle Towne Arch was planned and designed by Ray Gindroz, using "New Urbanism" community building ideas.



Orchard Village, developed by Chattanooga Neighborhood Enterprise, in Chattanooga, Tennessee (top).

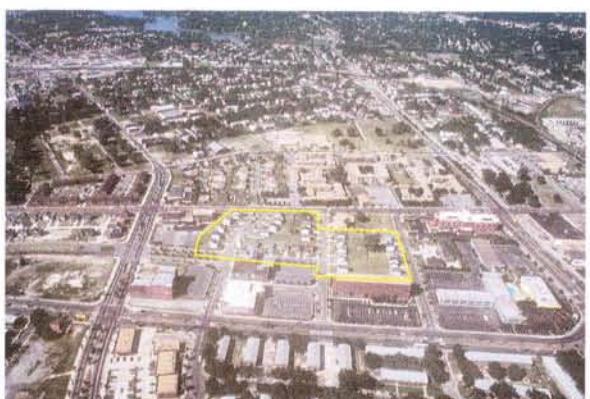
Attucks Square in Norfolk, Virginia, before (top) and after (middle and bottom).

In Dallas, Texas, a community-based organization called Vecinos Unidos is building Casa Rio, 57 new single-family homes for moderate-income, first-time homebuyers to promote homeownership and revitalize this west Dallas neighborhood. The homes were made affordable for families of modest incomes through grants that included \$1 million from HUD's HOME program, along with smaller grants from the National Council of La Raza, the Federal Home Loan Bank of Dallas, and the Texas Department of Housing and Community Affairs. The Federal Government's Resolution Trust Corporation donated the property to Vecinos Unidos,

and Bank One and Bank United, working with Fannie Mae, provided subsidized financing. Mariana Castillo, President of Vecinos Unidos, clearly explains the vision and hope for Casa Rio: "We were concerned about the run-down apartments and the crime which gave west Dallas a bad reputation. We wanted to build something for our children and we wanted to feel that we were in control of our lives and community. This project has created a sense of neighborhood pride. I had a dream that people in my neighborhood would come together, and now, I realize that it's not a dream. We have a long way to go, but we are making things happen."

In Jersey City, New Jersey, the J.P. Affordable Housing Company is building 112 new two-family townhomes in the Lafayette Park redevelopment area, near downtown and the Jersey City Medical Center. Rental income from the second units will help enable the homeowners to repay the mortgages on their new townhomes. Funding for these homes includes \$4.6 million from HUD's CDBG and HOME grants. In addition, HUD provided \$2 million in modernization funds to renovate the low-rise apartment buildings in the nearby Lafayette Gardens public housing development.

In Milwaukee, Wisconsin's Midtown Triangle neighborhood, the City Homes Development is a public-private partnership to bring 50 new homes for moderate-income homebuyers into a two-block area. City Homes is a catalyst to revitalize the neighborhood and attract the middle class back to the central city. A



private developer, Trustway Homes, is building the 50 new homes on a site convenient for public transportation, both to downtown Milwaukee and to nearby industrial and commercial employment centers. A recent market study, based on focus groups with moderate-income families, identified significant potential demand for new homes in inner-city locations if they are built in large numbers as part of an overall plan for community improvement.

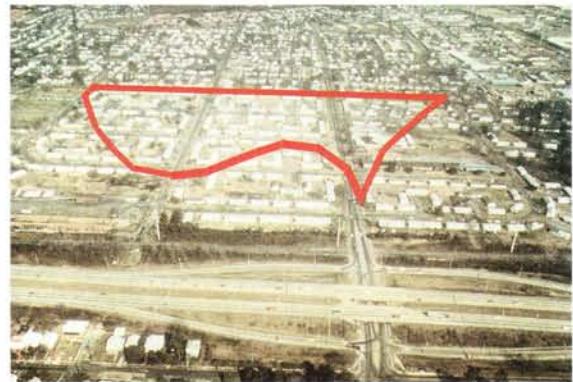
In Seattle, Washington, a nonprofit community organization called HomeSight has built 50 new affordable homes, 35 of them supported by \$525,000 in HUD's Nehemiah grant funds. HomeSight's homeownership developments include the Antonio M. Terry Estates, 18 two- and three-bedroom affordable single-family homes in a new subdivision in Seattle's Central District, just east of downtown.

In Portland, Oregon's Enterprise Community, the Northeast Community Development Corporation (NECDC) is building nearly 100 homes with the aid of more than \$1.5 million in HUD's Nehemiah grant funds. Nearly half of the homes are concentrated in the Walnut Park community, part of the Martin Luther King neighborhood being revitalized through a combination of residential and commercial development and rehabilitation spearheaded by NECDC's activities. Among the builders of these new homes is the Conifer Group, a private company headed by James Irvine, immediate past president of the National Association of Home Builders.

In Laredo, Texas, the city is using more than \$2 million in HUD's HOME and CDBG funds to support the South Laredo Affordable Housing Project, by developing a new residential subdivision of 68 single-family homes for low- and moderate-income families. This initiative follows on the successful East Laredo Affordable Housing Project, where nearly \$2 million in HUD's HOME and CDBG funding was used to build 33 new homes and subsidize their purchase by modest-income, first-time homebuyers such as Ruben and Sonia Rodriguez, former public housing renters who are now successful private homeowners.

In Rochester, New York, the North East Block Club Alliance, First Federal Savings and Loan, and the city government have

Norfolk's Middle Towne Arch before (top) and after (middle and bottom).





Nehemiah Homes in Portland, Oregon's Enterprise Community (above).

teamed up to construct First Place, 52 large single-family homes for low-income families built on a 5.3-acre site. The city used HUD's CDBG funds to make \$400,000 in site improvements and other investments in local infrastructure. Minority subcontractors participated in building the homes, and at-risk local high school students helped in the construction, gaining valuable skill training and job experience.

Development of First Place served as a catalyst for new home construction and rehabilitation on adjacent blocks and the building of a new neighborhood school to serve the expanding population.

In Kansas City, Kansas, the city government worked in partnership with a private developer, Construction Management, Inc., to build Palavista, a new inner-city subdivision of 21 affordable single-family homes. Originally, city officials thought it would take 2 years to market the subdivision, but, instead, all the homes were sold within the first year. Palavista was funded through HUD's HOME program, and it won an award from HUD as a model of affordable homeownership development. This new homeownership subdivision is located in Kansas City's Enhanced Enterprise Community.

In Jacksonville, Florida, the church-based Affordable Housing and Community Development Corporation is using \$660,000 of HUD's HOME funds to help finance the construction of 61 new single-family homes for moderate-income families at Soutel Estates. An additional \$400,000 in HOME funds is supporting the development of 39 affordable homes in Sterling Park, a new subdivision on Jacksonville's north side built by RENEX Homes.

In Prince George's County, Maryland, the Interfaith Action Communities (IAC), a multi-racial coalition of 44 religious congregations organized by the Industrial Areas Foundation, has set an ambitious goal of developing "3,000 affordable homeownership opportunities" in the Washington, D.C. suburbs. IAC congregations committed \$3 million for a no-interest construction loan fund, obtained public support including a \$1.2 million HUD Nehemiah grant, and worked with the Enterprise Foundation to build 85 new affordable townhomes in Capitol Heights for first-time homeowners.

In Camden, New Jersey, in a revitalization neighborhood near downtown Camden's Delaware River waterfront, Lanning Square West is being planned—a rebuilt community with 148 affordable new single-family homes and another 178 rehabilitated homes, along with new

commercial and industrial businesses. This project of the Lanning Square West Development Corporation is in the Federal Empowerment Zone and is supported by HUD funding through the CDBG and HOME programs.

In Columbus, Ohio, Columbus Neighborhood Housing Services used a \$660,000 HUD Nehemiah grant and other public and private funding to build Capitol View Estates, 44 new single-family homes for moderate-income families in an inner-city community undergoing substantial revitalization.

In Des Moines, Iowa, a church-based nonprofit group built 50 affordable homes in the Logan neighborhood on the city's east side. Funding included a \$750,000 grant from HUD's Nehemiah program, along with FHA mortgage insurance, Affordable Housing Program funds from the Federal Home Loan Bank of Des Moines, and below-market interest rate mortgages provided by the Iowa Finance Authority.

In Fort Worth, Texas, the Eastwood neighborhood located 5 miles southeast of downtown was restored through the Eastwood Model Blocks program. In a community primarily composed of moderate-income, African-American homeowner families, the city used more than \$1 million in HUD funds from CDBG, HOME, and HOPE 3 to rehabilitate 34 of the 146 homes in the 10-block neighborhood and to rebuild the streets and make other community improvements, including fixing up the neighborhood park. After these restoration efforts were completed in 1994, home values nearly doubled, according to recent sales data, and property crime decreased by more than 43 percent.

In Little Rock, Arkansas, the city has initiated a Model Blocks program to build new homes on vacant lots, rehabilitate older abandoned and deteriorated homes, expand police and community services, and invest in recreation and community improvements such as streets and parks. This comprehensive approach, which uses HUD's CDBG and HOME funds, is working to stabilize and upgrade the Dennison Street Model Block neighborhood and many others, involving hundreds of new and existing homes.

In Fresno, California, the city is using \$225,000 in HUD's HOME funds through its Affordable Housing Incentive Program to support the construction and sales of 29 affordable new single-family homes for moderate-income families at Olive Branch Estates.

In Omaha, Nebraska, the Holy Name Housing Corporation has built 53 new homes and rehabilitated another 150 existing homes, with a revolving loan fund for home purchase and renovation. These community improvement and homeownership initiatives are supported primarily with HUD's CDBG and HOME funds.

In Austin, Texas, developers are building hundreds of new moderately-priced homes on the city's largely Hispanic east side, using millions of dollars in Federal, State, and local grants and loans. Public support for these private affordable homeownership developments includes the use of HUD's HOME program to provide second mortgage financing ranging from \$8,000 up to \$20,000, enabling modest-income families to purchase the homes at a lower cost. Another key subsidy for some of the new homeownership developments comes from cheaper land prices for lots sold by the Federal Government's Resolution Trust Corporation. These new homes are located in an area that has been long neglected by private developers and lenders. New homeownership developments include 94 homes under construction at The Meadows of Walnut Creek supported by \$1.5 million in HUD's HOME funds, 43 affordable homes being built at Tillery Square with over \$1 million in grants from HUD's HOME program, and 100 single-family homes under construction at Fairway Ridge with \$650,000 in HUD's HOME funds.

In Wilmington, Delaware, the city and the nonprofit Wilmington Housing Partnership are working with a private developer, Leon Weiner, to build McCaulley Court, 55 new townhomes in the historic east side neighborhood just 3 blocks from the downtown's gleaming office towers. The development team worked closely with local residents to make sure that the design of these three-story townhouses was both attractive and compatible with the character of the homes in the surrounding neighborhood. The site plan and townhouse designs recently won an award from the Delaware chapter of the American Institute of Architects. McCaulley Court is located in the heart of Wilmington's Enterprise Community, and city leaders are counting on the new homes and homeowners to help spark an economic revival of this somewhat troubled neighborhood. The development site, which spans several city blocks, is very close to the rapidly expanding MBNA Bank headquarters as well as other downtown businesses. Wilmington developer Leon Weiner, former president of the National Association of Home Builders, believes the new three- and four-bedroom townhomes his company is building will entice young, middle-class downtown office workers to become urban homeowners, live at McCaulley Court and walk to work. At the same time, Weiner also expects McCaulley Court's initial home sales prices—in the \$75,000 range—to provide affordable homeownership opportunities for many current east side renters, helping to create a healthier, mixed-income community environment.

In Orlando, Florida, a partnership initiated by the city government and coordinated by the nonprofit Parramore Heritage Foundation is working to revitalize the Parramore area, 900 acres of older, deteriorated residential and commercial property directly west of the

downtown. Many of the older Florida-style homes in Parramore are considered to be architecturally distinctive, and they are in need of rehabilitation and historic preservation. The neighborhood plan for Parramore was prepared by Victor Dover, using key principles of the "New Urbanism." A major focus of the Parramore community revitalization plan is building new homes, renovating older homes, and expanding affordable homeownership. Already, 34 new affordable single-family homes have been built, including 16 homes by Orlando Habitat for Humanity, and more new homes are under construction. In addition, 123 homes and apartments are undergoing renovation. During the past few years, the city has committed nearly \$2 million in HUD's HOME and CDBG funds to revitalize the Parramore Heritage Area, leveraging another \$1 million in State, city, and private sector funds.

In the south suburbs of Chicago, Illinois, a once prosperous suburban area that is increasingly facing similar challenges to the neighborhoods in the city of Chicago's south side, a church-based group called New Cities Community Development Corporation is building large numbers of new affordable homes as one of the most important tools for stabilizing communities. In the suburb of Harvey, Illinois, for example, New Cities CDC has built 40 new affordable single-family homes and rehabilitated over 130 homes. New Cities CDC has used a substantial amount of HUD's HOME and CDBG funds to build and renovate a total of more than 1,000 housing units in Chicago's south suburbs, and they are planning to build many more new homes.

Building Better Communities Through Homeownership

These are just some of the examples of urban homeownership initiatives that involve building and rehabilitating significant numbers of homes to revitalize older neighborhoods. A recent HUD survey identified dozens of these developments in communities all across the country, almost all of them using some HUD funds from CDBG, HOME, and other programs, including FHA single-family home mortgage insurance. In addition to those mentioned in this booklet on *New American Neighborhoods*, many other cities are engaging in innovative new affordable homeownership construction initiatives. A large number of these new single-family homeownership developments do not involve as many homes as some of the major case

studies profiled above, and most of them are more modest in size than the 300 new homes that will be built in communities to be funded by HUD's proposed Homeownership Zones program.

If HUD had chosen to publish a comprehensive list of all current neighborhood homeownership initiatives focusing on building one or two new homes per block or on rehabilitating existing homes block-by-block, such a list would fill many more pages of this document. Alternative community homeownership strategies such as infill and rehab nicely complement the basic approach of Homeownership Zones—to revitalize whole neighborhoods by building hundreds of new homes for affordable homeownership.

Homeownership Zones are one of the most promising trends spurring the recovery of America's cities, a 21st century program that undoes the damage of urban abandonment by recharging our nation's communities with people, life, families, children, schools, businesses, and hope.



Back Cover Homeownership Zone:

Central Commons,

Cleveland, Ohio.

