

Sustainable Communities - Neighborhood Reinvestment Rental Housing: Encouraging New Production

The Need:

Historically, the production of affordable rental housing has occurred in a vacuum of sorts – rental homes standing in isolation, with limited access to services, infrastructure and support and with no real connection to “community.” In order to combat these past attempts at housing development, our **Sustainable Communities – Neighborhood Reinvestment** program works to create sustainable communities where quality affordable homes are integrated into their neighborhoods, and residents – both of the development and the larger community – benefit from neighborhood reinvestment. This reinvestment translates into a community evolution where formerly isolated pockets of dense subsidized housing are transformed and integrated to ensure diversity of individuals and families and income levels.

The Program:

The program was conceived as a way to foster the creation of sustainable communities with a mix of market and affordable homes, transportation options, employment opportunities for residents and access to services. The program works to end a legacy of poor planning and economically isolating land use, by reinvesting in neighborhoods and weaving them back into the fabric of their communities. The program creates communities that stand as models for sound planning, employment of smart growth principles, and enhancement of the natural and built environments.

Through dedication of funding resources, outreach to our housing partners, social service agencies and others we have attracted reinvestment in areas from private developers that has resulted in the creation of mixed-use, vibrant communities. The goal is to create compact development, denser building models, well-designed buildings and landscapes within a highly livable, walkable and intimate neighborhood for residents. The creation of attractive, street-oriented housing types that appeal to market-rate buyers and renters, while also meeting the municipalities’ and the state’s commitment to subsidized housing, can be achieved through creative allocation of funds, strong partnerships and XXX. The re-use of previously developed land is in-line with our state’s efforts to reduce sprawl and redevelop blighted and underutilized property, directing growth away from undeveloped, natural resources, toward existing and under-served communities.

The concept – that housing is more than four walls and a roof, it is the people within and community outside – comes to life through neighborhood reinvestment. Sustainable communities lessen the concentrations of poverty by promoting mixed-income communities and forging relationships with multiple social service agencies, local businesses, schools and universities to leverage support and resources.

Case Study – Newport Heights

In the 1990s the City of Newport recognized the fragmentation between the downtown tourist destination with its mansions and historic homes and the predominantly low income neighborhood known as the North End. The city began developing its “North End Master Plan” to reconnect the north end to the rest of city, with a focus on the redevelopment of two primary parcels: a 14.5 acre site the Navy was abandoning and Tonomy Hill, a 498-unit public housing complex that was on HUD’s watch list. Rhode Island Housing, in conjunction with the city, the local housing authority and numerous development and community partners, set out to completely revitalize and redevelop the former military housing in the city’s low-income North End neighborhood into a multi-use and mixed income community.

The former Navy site was redeveloped to maximize economic development opportunities and services for area residents and is now home to the Newport campus of the Community College of Rhode Island, a Head Start Child Care facility, and the new corporate headquarters for BankNewport, creating employment opportunities for area residents as well as services for children. The plan envisioned the possibility, for example, that an unemployed single mother living in one of the nearby public housing developments could drop her children off at the child day care facility while she attended classes at the campus next door. Ultimately she could earn a degree or acquire the skills needed to secure employment, possibly at one of the businesses located on the third parcel.

Simultaneously, the local housing authority began planning for the redevelopment of the adjacent Tonomy Hill public housing development under HOPE VI. Comprised of almost 500 deeply subsidized and deteriorated housing units in pre-World War II era buildings, the development stood along crumbling roads with large areas of undefined space between the houses and streets, reinforcing the feeling of isolation that permeated the entire development. Designed as a multi-phase development, the transformation of Tonomy Hill to Newport Heights stands out for its mix of housing types, both subsidized and market-rate, brought together within a framework of interconnected streets and small neighborhood parks, configured to afford views of the Narragansett Bay.

These two development projects have completely revitalized the community while ensuring that residents have access to safe, affordable, healthy homes while removing many of the obstacles facing them – specifically the absence of job opportunities, access to education and training, and the lack of affordable child care. Importantly, an under-utilized brownfield has been transformed into a vibrant economic driver that serves the needs of the neighborhood and the community through new educational opportunities, child care services, and jobs. These amenities and services are all within walking distance for residents and accessible to public transportation.

The redeveloped sites employ smart growth principles and a commitment to the creation of distinctive communities with a strong sense of place. At Newport Heights, the thoughtfully designed mixed-income residential community has been successfully integrated into the surrounding neighborhoods and provides homes for a variety of income levels. The introduction of sidewalks and front porches strengthens the concept of “community” at Newport Heights and connects residents to their surroundings and neighbors. The multi-family buildings resemble single-family homes and have been strategically sited to create a pedestrian-friendly neighborhood that allows the new development to blend in with the surrounding community. The variety of units responds to the program of supplying housing types for both individuals and families, with many units handicap accessible. To reduce visual pollution, power lines were laid underground. The results are accessible and aesthetically pleasing homes for residents with a strong sense of place.

When completed, Newport Heights will include 420 homes and apartments. The first four phases of the five-phase development have produced 336 affordable rental homes and 7 homeownership opportunities. The 336 rental units are comprised of 132 units of public housing, 50 market-rate rental units and 154 affordable rental units.

Presently, over 25 agencies work in partnership with the local housing authority to supply much-needed services and support to neighborhood residents. The supportive services they supply have drastically improved the lives of residents in the community. Prior to revitalization efforts, 80% of the Public Housing Authority residents earned less than 30 percent of HUD’s median family income; 65% reported no earned income. Following redevelopment and creation of supportive services programs, there are

now 262 newly employed residents, and for the first time in decades, wages are the primary source of income for the majority of households.

Newport Heights is a mixed-income development of attractive, energy-efficient apartments and homes served by a new child care center, nearby community college, charter school, and a host of community programs and services. The revitalized development provides housing and comprehensive supportive services fostering self-sufficiency among residents with a range of incomes, including education, computer training, job readiness programs, child care, counseling, health and wellness assistance, and homeownership support. The project represents an ambitious revitalization plan for the city's urban neighborhood. Where there was once barracks-style housing rigidly lined along crumbling roads, new houses breathe life back into the area and create a safe, affordable and healthy environment for families. The resulting community has greatly improved both the physical and social fabric of the City's North End, providing the essential ingredients of sustainable communities.

The Financing

Funding for the initiative required the flexibility and innovativeness of both the private and public sectors. Aside from the variety of financing mechanisms used by its three development partners for their respective new facilities on the former Navy land, the City was able to access a variety of funding sources in the implementation of this activity, including a U.S. Department of Commerce - Economic Development Administration grant; CDBG grant funds from the City and four other Newport County communities; CDBG loan from State of RI; financing from the RI Board of Governors for Higher Education; and City of Newport funds.

Funding for the multi-phase Newport Heights development required multiple allocations of low-income housing tax credits, federal HOME funds, state financing and a HOPE VI grant. Due to the development's size, Rhode Island Housing had to be creative when cobbling together the financing packages. Otherwise, the project's demand for scarce 9 percent Housing Tax Credits (HTC) would have eliminated resources for other strong competing proposals. The development utilized a mix of taxable and tax-exempt financing and 9 and 4 percent HTCs among other sources of financing, and relied on forward commitments of HTCs.

The Result

The result was the creation of a mixed-income residential community with subsidized and market-rate homes standing side-by-side. By providing housing for people with moderate incomes, as well as for those on the lower end of the economic scale, a sustainable community has been created, where crime won't be tolerated, good citizenship is rewarded and where people care about their property and feel connected to the larger city. The transformation has helped shatter the former housing development's image as a troubled community for the very poor.

Increasingly mixed-use and mixed-income development makes economic and community development sense. Reinvestment in our existing communities, bringing businesses back to formerly forgotten neighborhoods, and creating pedestrian friendly neighborhoods is a model which can be replayed in any state in the nation. With the restrictions on our many sources of funds, creative partnerships with the private sector and other government funding agencies, becomes the new paradigm for financing developments which increase affordable housing and enhance community development.