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HOPE VI

BUILDING VIBRANT COMMUNITIES

HOPE VI Overview

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What is HOPE VI?

- Urban Revitalization Demonstration (URD) approved in 1992
- HOPE stands for Housing Opportunities for People Everywhere
- HOPE VI has awarded 609 grants nationwide totaling $6,267,475,563
- There have been various types of grants in the HOPE VI program
- RRHA was awarded an HOPE VI Revitalization Grant in 1997 for $26,964,119 for the Blackwell community

HOPE VI Grants

Awards	Grant Type	Funding
35	Planning Grants 1993-1995	$14,752,081
236	Revitalization Grants 1993-2006	$5,844,473,198
287	Demolition Grants 1996-2003	$395,323,275
45	Neighborhood Networks 2002-2003	$9,967,500
6	Main Street Grants 2005-2006	$2,959,509

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RRHA HOPE VI: Background

Blackwell Public Housing Complex:

- 1 & 2 story concrete block scattered-site apartment units
- apartment units had 1 – 5 bedrooms

HOPE VI Funding in Blackwell

- Used to demolish 440 public housing units
- Used to acquire and demolish other blighted and deteriorated housing structures

Demolition occurred from 1999 to late 2001

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RRHA HOPE VI: Blackwell Relocations

With the HOPE VI grant of $26.9 million from HUD, RRHA assisted 392 families with relocation needs

Depending on eligibility and housing availability, relocation options included:

- Other public housing developments
- Other RRHA owned housing, i.e. housing available through the leased housing program
- Private housing assisted by a Housing Choice Voucher subsidy and other private housing opportunities

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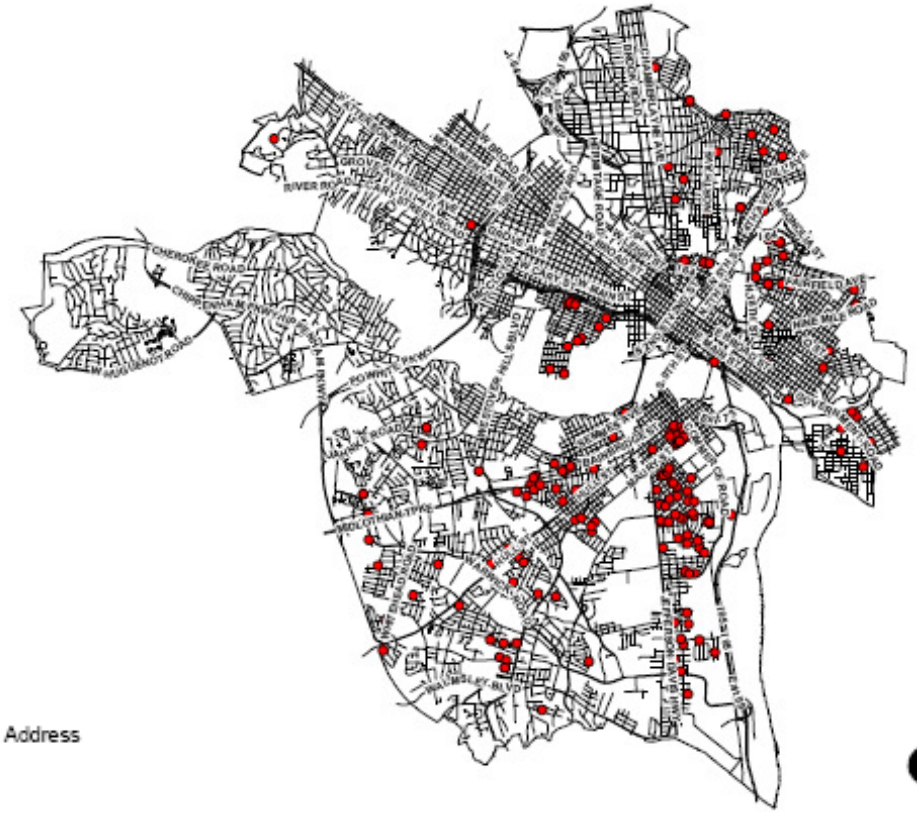
BLACKWELL RELOCATIONS



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Public Housing Relocations

Afton	2
Bainbridge	7
Creighton	8
Dove	5
Elderly	3
Fairfield	11
Fulton	2
Gilpin	21
Hillside	28
Mosby	11
Randolph	5
Whitcomb	3
TOTAL	**106**

Other Relocations

Homeownership	8
Housing Choice Voucher	109
Lease/ PH	11
Leased/Ownership	3
Moved on Own	41
The Townes at River South	27
Terminated after Relocation	4
Miscellaneous	2

*Reductions from original Blackwell relocations total of 392 occurred due to terminations from public housing, housing choice vouchers, leased housing or Townes at River South for non-payment of rent, involvement in illegal activities, death, withdrawals, and "ported out" to other states. Others purchased or secured housing independently of the HOPE VI project.

TOTAL RELOCATIONS: 311*

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RRHA HOPE VI: Lessons Learned

- Changing the physical shape of public housing so that it reflects the surrounding community instead of being seen as isolated housing
- Developing positive incentives for resident self-sufficiency and comprehensive services empower residents
- Lessening the concentration of poverty by promoting mixed-income communities
- Creating partnerships with other agencies, local governments, non-profit organization private business to leverage support and resources.
- RRHA's relocation-self-sufficiency program used a case management approach through which the staff who relocated residents were also their counselors/ case managers

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RRHA HOPE VI: Lessons Learned

- The staff counselors were also relocation specialists who created a database accurately maintained by the counselors who were in ongoing contact with relocated residents. HUD recognized this database as outstanding because of its depth.

- An independent task force was created to oversee the implementation of the HOPE VI relocation and self-sufficiency program. The task force included residents, tenant councils legal aide, businesses, and social service agencies and reported out to all stakeholders.

- Positive outcomes of HOPE VI:
  - Unemployment rates in HOPE VI neighborhoods have fallen by an average of 8.4 percent
  - 11% of neighborhood households are receiving public assistance (down from 38% in 1989)
  - Per capita incomes in HOPE VI neighborhoods have increased an average of 71%

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RRHA HOPE VI: Plan

Two Part Plan for Revitalizing Blackwell

- Replace outdated public housing with modern multi-family units
  - Townes at River South apartments as well as others in offsite phases
    - 2,3 & 4 bedroom townhouse style homes:
      - 1,000 to 1,400 sq ft
      - Air conditioning
      - Private front and rear porches
      - Washer dryer hook-ups
      - Energy saving construction
      - Exterior storage
      - Rear entrance parking
- Provide Single Family Housing Units in Blackwell and other off-site phases

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RRHA HOPE VI: Multi-Family Implementation

The Townes at River South

- Construction began in 2000 and was completed in 2004 by H.J. Russell & Company and Regency Development Associates (Blackwell Limited Partnership)
- Currently managed by Edgewood Management Company
- In the end there will be 161 housing units on-site and 68 housing units off-site

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RRHA HOPE VI: Single Family Goals

- Revitalize Blackwell
- Encourage Business Growth on Hull Street
- Help Rejuvenate Southside Richmond
- Expand Housing Opportunities in Richmond
- Construct and/or provide 310 single family homeownership opportunities: 188 on-site in Blackwell & 122 off-site

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RRHA HOPE VI: Single Family Challenges

Difficulties with a Master Developer:

At first, RRHA contracted a single master developer to construct all 188 housing units.

After delays in construction which led to many negotiations and discussions, the agreement was dissolved.

To avoid similar complications in the future, RRHA decided to break construction into phases and use different developers for each phase.

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RRHA HOPE VI: Single Family Challenges

Staff turnover at RRHA and HUD:

- There was a decrease in HUD funding and a freeze on HOPE VI funds
- RRHA was forced to decrease staff involved in the HOPE VI team
- There was a similar restructuring at HUD that led to a lack of cohesion between RRHA and HUD

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RRHA HOPE VI: Single Family Phasing

Eight Phases:

- **Fulton**: 2 phases consisting of construction of 32 homes completed in phase 1, and construction of 26 homes in phase 2, which will begin in late 2009, resulting in 58 affordable homes
  - Estimated cost of homes: $170,000 - $200,000
  - 1,500 - 2,000 square feet
  - 3 – 4 bedrooms with 2.5 baths
  - Energy efficient construction
  - Carpeting & vinyl flooring
  - Single car attached garages

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RRHA HOPE VI: Single Family Phasing

Blackwell: RRHA with partners Southside Community Development & Housing Corp. and Better Housing Coalition, comprising 4 phases to total 188 new housing units

- 1st Phase: SCDHC has started construction of 37 housing units
  - 1,500 – 2,000 square feet
  - 3 or 4 bedrooms
  - decks
  - decorative railings and columns
  - Wall to wall carpeting
  - Vinyl flooring
- 2nd Phase: BHC has started construction of 45 housing units
  1,500 – 2,000 square feet
  - 3 or 4 bedrooms
  - decks
  - Earthcraft certified construction
  - Wall to wall carpeting
  - Vinyl flooring

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RRHA HOPE VI: Single Family Phasing

Blackwell *continued*:

- 3rd Phase: RRHA has begun construction of 55 housing units
  - 1,500 – 2,000 square feet
  - 3 or 4 bedrooms
  - decks
  - Energy efficient construction and appliances
  - Wall to wall carpeting
  - Vinyl flooring
- 4th Phase: RRHA will oversee construction of 51 housing units
  - 1,500 – 2,000 square feet
  - 3 or 4 bedrooms
  - decks
  - Energy efficient construction and appliances
  - Wall to wall carpeting
  - Vinyl flooring

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RRHA HOPE VI: Single Family Phasing

- **Swansboro**: SCDHC has completed construction of 16 Single Family Homes (8 new & 8 renovated)
  - Cost of homes range from $140,000 to $185,000
  - 1,500 – 1,800 square feet
  - 3 - 4 bedrooms and 2.5 baths
  - Wall to wall carpet
  - Energy efficient design and construction

- **City Wide**: “Downpayment assistance only” phase available for qualified purchasers is completed with funding provided to 48 first-time homebuyers.

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RRHA HOPE VI Budget

Line	Item	Amount
1408	Management Improvements	$2,200,000
1410	Administration	$2,097,282
1430	Fees & Costs	$2,241,565
1440	Acquisition	$2,182,061
1450	Site Improvements	$1,833,073
1460	Dwelling Unit Construction	$12,603,531
1475	Non-Dwelling	$92,000
1485	Demolition	$2,594,857
1495	Relocation	$1,119,750
Total		**$26,964,119**

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RRHA HOPE VI Development Process

Step One: Selection of a Developer/ Builder

- Request for Proposals
- RRHA Panel selects those to be interviewed
- Candidates are interviewed and a Panel recommendation is sent to Board of Directors for approval

Step Two: Pre-Development Activities

- Unit designs and approval
- Surveying
- Engineering
- Site Planning
- Appraisals & Market Studies
- Financial details are resolved

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RRHA HOPE VI Development Process

Step Three: Term Sheet Submission to HUD

- Many of the pre-development activities are included
- Relevant approvals at the city level must be obtained
- Term Sheet provides HUD with information needed for their review and comments before formal agreements are authorized between the Authority and Developer concerning construction and unit sales activities

Step Four: Mixed Finance Closing

- Details of the Developer Agreement are finalized
- Legal documentation and agreements between RRHA, Developer/ Builder, Financial Institutions, and City are resolved at this stage

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RRHA HOPE VI Single Family Development

Budgetary Considerations:

- Predevelopment costs
- Construction costs
- Unit sales costs
- Unit sales proceeds
- Real estate closing costs

Bulk of HOPE VI Funds are reserved for down payment assistance and forgivable second mortgages to first time homebuyers

Funds are factored into the buyer qualification screening to determine buyer's needs

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RRHA HOPE VI- Single Family Development

Transactions must be pre-approved by HUD in order to receive funding targeted for that specific unit sales

Funds are kept in an escrow account until the scheduled real estate closing and are then wire transferred to the closing agent on behalf of the homebuyer

In order to receive these funds buyers must maintain ownership of property for a specified period of time without the risk of having to reimburse the Authority for all or any funds received

Funds become available to the buyer at the real estate closing

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