Overview of the HUD Choice Neighborhoods Implementation Grant

Choice Neighborhoods is designed to address struggling neighborhoods with distressed public housing and/or other HUD-assisted housing, including certain Indian Housing, through a comprehensive approach to neighborhood transformation. The program helps communities transform neighborhoods by revitalizing severely distressed public and/or assisted housing and investing and leveraging investments in well-functioning services, high quality public schools and education programs, high quality early learning programs and services, crime prevention strategies, public assets, public transportation, and improved access to jobs.

There are three core goals of Choice Neighborhoods:

- **Housing**: Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood
- **People**: Improve educational outcomes and intergenerational mobility for youth with services and supports delivered directly to youth and their families
- **Neighborhood**: Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families’ choices about their community

Successful applicants have in place a comprehensive neighborhood revitalization strategy, or “Transformation Plan.” This Transformation Plan is the guiding document for the revitalization of the public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood and creating positive outcomes for families. The Alisal Vibrancy Plan and the City of Salinas Housing Element provides some of the information needed for a comprehensive revitalization plan. However, specific eligibility requirements must be met to receive a grant.

Eligibility Information

There are three key eligibility criteria to apply for the grant.

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1 Choice Neighborhoods Implementation Grant Program (Technical Correction), 2016
1. **Eligible Applicants** - PHAs, local governments, tribal entities, nonprofits, and for-profit developers that apply jointly with a public entity are eligible to apply. As the City of Salinas is a local government, this requirement is easily met.

2. **Eligible Target Housing.** Each application must focus on the revitalization of at least one severely distressed public and/or assisted housing project. It must be demonstrated in the application that the targeted housing is eligible under this NOFA (i.e. is public and/or assisted housing) and meets the definition of severely distressed. If the targeted project(s) is/are not eligible housing and is/are not severely distressed, the application will not be considered for funding. During our meeting with the Housing Authority of Monterey County, it appears that most housing projects under their operation are not considered severely distressed. As the Choice Neighborhoods Implementation Grant must be used for public and/or assisted housing, the City of Salinas must identify a housing project that would meet the criteria.

3. **Eligible Neighborhoods**
   - With at least 20 percent of the residents estimated to be in poverty or have extremely low incomes based on the most recent data collected by the U.S. Census Bureau.
     - In the Alisal NRSA (Neighborhood Revitalization Strategy Area), a third (33.3 percent) of all residents lives in poverty
   - That are experiencing distress related to one or more of the following:
     - (1) high crime; defined as where either the Part I violent crime rate (measured as Part I Violent Crimes per 1000 persons) over the three years 2013-2015 is at least 1.5 times the per capita Part I violent crime rate (measured as Part I Violent Crimes per 1000 persons) of the city or, where no city data is available, county/parish in which the neighborhood is located over the same time frame; or the rate is greater than 18 crimes per 1000 persons; OR
       - In 2014, 17 of the 27 homicides in Salinas occurred in the 93905 ZIP code that includes the Alisal NRSA. In 2014, 15 of the 18 homicides occurred in the same area.
     - (2) high vacancy or substandard homes; defined as where either the most current rate within the last year of long-term vacant or substandard homes is at least 1.5 times higher than that of the county/parish; or the rate is greater than 4 percent; OR
       - Approximately 36.6 percent of all households in the Alisal NRSA were overcrowded and 12.2 percent were severely overcrowded. Overcrowding is significantly more prevalent among renter-households than owner-households (Table 10). Overcrowding is significantly more prevalent in the NRSA compared to the City as a whole. In fact, overcrowding in the NRSA is more than twice the level of overcrowding.
seen citywide. However, a measurement of the percentage of substandard housing is still needed to fully meet this criteria.

○ (3) inadequate schools; defined as where either a low-performing public school or a persistently lowest-achieving public school, as defined in section I.A.4, is in the neighborhood or at least 20 percent of the children from the target public and/or HUD-Assisted Housing attend such a school.

■ More information is needed from the City of Salinas on the state of schools in the Alisal NRSA.

Other requirements for the grant are described below:

Cost Sharing or Matching
This Program requires an applicant to leverage resources through cost sharing or matching as described below. Section 24(c)(1)(A) of the 1937 Act (42 U.S.C. 1437v(c)(1)(A)) sets forth a requirement for matching funds for all HOPE VI-related grants, which includes Choice Neighborhoods. Matching funds in the amount of at least five percent of the requested grant amount in cash or in-kind donations must be secured and used by the end of the grant term.

Other Regulatory Requirements
● Threshold Requirements
● Statutory and Regulatory Requirements
  ○ a. Compliance with Nondiscrimination and Related Requirements. Compliance with Fair Housing and Civil Rights Laws. Affirmatively Furthering Fair Housing.
  ○ b. HUD Agency Wide or Federal Government Wide Requirements.
● Program Specific Requirements
  ○ Program Activities

Conclusion

The City of Salinas currently has much of the documentation necessary to successfully apply for federal grants to revitalize the Alisal NRSA. Whether the HUD Choice Neighborhoods Implementation Grant will be a viable source of funding however depends on the City and the County’s assessment of the current state of public housing. A specific criteria for the grant application is that a public or assisted housing project within the neighborhood that is severely distressed must be identified to be rehabilitated. Because of the Housing Authority’s active attempts to maintain the state of public housing in Monterey County, most public housing projects are in fair conditions. The more feasible route may be to identify any federally assisted housing projects are in currently in disrepair within the Alisal area. Other eligibility requirements
on the conditions of the neighborhood are in fact met as the Alisal suffers from high crime and substandard housing conditions overall.

Other Grants Available

We recommend the City of Salinas apply for other grants for the Alisal Area that it may also be eligible for. They are listed below with a short description.

- **Grants for the Benefit of Homeless Individuals** *(Health and Human Services)*
  The purpose of this program is to support the development and/or expansion of local implementation of a community infrastructure that integrates behavioral health treatment and services for substance use disorders (SUD) and co-occurring mental and substance use disorders (COD), permanent housing, and other critical services for individuals (including youth) and families experiencing homelessness.

- **Research on Reducing Violence in Communities** *(Dept. of Justice)*
  The purpose of this solicitation is to support research to produce sustainable community-level reductions in violence. NIJ seeks to develop scientific evidence and build practical knowledge of the factors that contribute to achieving enduring violence reductions in communities. NIJ is interested in receiving proposals for research with both empirical and theory-building elements that will lead to practical and generalizable recommendations. These recommendations should inform community-focused efforts to produce substantial and lasting violence reductions in communities that have suffered from persistently high levels of violence.

- **Safe and Thriving Communities** *(Youth Violence)*
  The purpose of Safe and Thriving Communities is to support and enhance efforts to develop comprehensive prevention and public health and safety plans to address violence in homes, schools, and communities and the consequent trauma. This initiative is intended to strengthen the capacity of selected communities to collaboratively plan, align, and execute community driven approaches focused on a shared framework of prevention; intervention and providing opportunities; and community development, along with deterrence, targeted outreach, and enforcement.
Sustainability Best Practices

From our research, a brief list of sustainability best practices is listed below.

- **Marketing**
  - **Market the organization and the idea of affordable housing.** Widely promoting the concept of affordable housing is an important part of cultivating a hospitable environment for projects. Nonprofit housing developers, as mission-based organizations, are particularly aware of the need to generate wider acceptance in the larger community.
  - **Be aware of land use issues and politics** in the community to win the support of others in the neighborhood.

- **Environmental Sustainability**
  - **Design the project to be green from the start.** When building a green affordable housing project, it is most efficient to set clear goals and start thinking green as early and comprehensively as possible. It is more expensive to add green elements later in the process and the project is less likely to achieve the energy efficiency and reductions in carbon emissions desired. Moreover, it is important to ensure that greening is not simply an upgrade that is seen as an expendable item that adds to the project cost, but rather an integral part of the design and construction. Going green incrementally is often less effective and more expensive than simply committing to green development from the start.
  - **Rehabilitate existing buildings.** Structural issues can be challenging and, in some circumstances, there may be a temptation to tear down an older, inefficient structure to start over with a new building that can readily incorporate the latest technologies. However, there is the false economy of demolition, because it can take 20 to 30 years of energy savings to offset the energy used in tearing down an old building and constructing a new building.

- **Community Sustainability**
  - **Transportation.** Connected communities are places with affordable housing options, pedestrian-friendly street designs, public spaces, and transportation

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options to access major employment centers, key goods and services, and amenities.

- For most households, transportation is the second-largest annual expenditure after housing. Many small and mid-sized cities offer only limited public transportation options such as local bus service, shuttles, or paratransit rather than rail or bus rapid transit systems that can support a broad ridership. Limited transportation options mean reduced access to jobs, public spaces (such as parks, plazas, and campuses), and key goods and services. Decentralized employment, higher gas prices, and the continued relocation of low-income households to suburban areas further isolate these communities. The City, when building more affordable housing, should also consider the increased need for transportation infrastructure.

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3 https://www.huduser.gov/portal/pdredge/pdr_edge_research_071414.html