

MEMO

To: Judy Weber
From: Kim Alleyne
Re: America Park Housing Development in Lynn, MA

Date: October 26, 2003

As we discussed, I am writing this memo:

- to provide background about the America Park Housing Development and stakeholders;
- to analyze four options for redeveloping the site and possible roles for TCB;
- and to recommend an initial planning process for The Community Builder.

Situation and Players

The Tenants Association of America Park Housing Development (The Park) has contacted us about partnering to redevelop the site. The development is considered “troubled” due to its age, design, accumulated deferred maintenance, and the income of residents. (Vale) Built in 1950, the Park contains 408 units in low-density, low-rise buildings. It has a prime location on the waterfront. The vacancy rate is over 50%, and several buildings have been abandoned. Over 75% of residents are single mothers whose only income is from welfare. Although half of the tenants have lived there under two years, many want to stay in this community. They have formed a strong Association.

In contrast, the Lynn Housing Authority (LHA) suffers from an “institutional void.” (Laws) Considered ineffective, LHA has not maintained the property and has no experience in property redevelopment. The Lynn CDC may be interested in an opportunity for a joint venture though it is not presently involved in the Park.

Redevelopment Options

Given this context, I have outlined 4 main options for the site in the matrix below. My recommendation for redevelopment and TCB’s role follow.

Redevelopment Options for America Park

	Demolition and Relocation	Renovation (units only)	Rehabilitation (Modernization)	HOPE VI Redevelopment
Physical Outcome	○ Demolition and sale	○ Units renovated	○ New buildings and site design	○ New buildings and site design
Outcome for Tenants	○ Displacement ○ Loss of community ○ Improved units (no guarantee)	○ Temporary Relocation ○ Improved units for the short term	○ Temporary Relocation ○ Improved units & site design ○ New Management ○ Mixed income (poss.)	○ Temporary Relocation ○ New development, social services ○ Displacement for some ○ Mixed income ○ New management/leases
Level of Management and Responsibilities	○ Moderate ○ Manage relocation, demolition, and sale	○ Moderate ○ Identify units ○ Manage developer ○ Handle relocation	○ High ○ Create plan ○ Manage developer ○ Handle relocation ○ Select management company (possible)	○ High ○ HOPE VI application ○ Manage developers ○ Handle relocation ○ Select management company
Cost (Source of funding)	○ Low in short run - profitable for LHA ○ High in long run - permanent loss of units (state & city)	High (HUD, state & city funds)	High (HUD, state and city funds, private investment and low income tax credits)	High (HUD, state and city funds, private investment and low income tax credits)
Players	○ LHA ○ Developer ○ Buyer	○ LHA ○ Developer ○ Tenants (limited)	○ LHA ○ Developer(s) ○ Tenants ○ City & State	○ LHA & Project Team ○ Development Team * ○ Tenants Association ○ HUD, City & State
Role for TCB	None	○ Developer ○ Financial consultant	○ Developer consultant ○ Financial consultant	○ Develop. Consultant ○ Private Developer ○ Financial consultant ○ Prepare the HOPE VI application

- *Demolition*: Demolition would be the cheapest solution for LHA, but the social costs are high for residents – dislocation and the permanent loss of affordable housing. This option requires an extensive strategy to relocate families to other developments or subsidized units.
- *Renovation*: Residents keep their units, but renovation is expensive given the extent of the structural problems and age of the buildings. Relocating residents is another major challenge. The double move (to the temporary home and back) disrupts social networks and the community and even affects health. Staged reconstruction would minimize the disruption to tenants but increases costs and the project time frame. Residents will need to ensure they can return to their units.
- *Comprehensive Modernization (Rehabilitation)*: The major advantages are that tenants would be able

to stay in their community, enjoy a re-designed site and buildings, with possibly more open space on the waterfront, and have significant control over the process. Major disadvantages are the cost, time frame, loss of units and relocation. Renovations are costly and may take longer than expected as at Orchard Park (Phase I). Units will be lost, but current tenants should not be affected given the current vacancy rate. Relocation, moves and reassignment represent major disruptions for tenants. The Tenant Association can either work with the LHA or a private developer. Orchard Garden (Phase I) and Bromley Heath are examples of the former. At Harbor (formerly Columbia) Point, the strong tenant council and a private developer created a mixed income development that took advantage of the waterfront location. Market rate units could attract private developer and supplement the operating subsidies for units for low and moderate-income families.

- *HOPE VI Redevelopment:* In this option the Park would be demolished and rebuilt as a mixed-income development. Mission Main and Orchard Gardens are two examples. On the positive side HOPE VI residents live in new townhouses with better management, upkeep and access on-site social services including child care and job training. From a management standpoint, HOPE VI offers significant HUD resources including more operating support than in modernization.

However, there are shortcomings for tenants concerned about the loss of units and sense of community among other issues. Units are not replaced on a 1 to 1 basis because current codes require bigger rooms than when the projects were built. In typical HOPE VI projects, only 25% of housing units are reserved for the lowest income families. Further, only 11.4% of tenants return to their units. As such, some argue the HOPE VI's income mix benefits private developers and management companies more than residents and unsophisticated housing authorities. Low rise, low density projects may actually encourage a greater sense of community than the suburban style townhouses in urban contexts. (Goddard)

Some see the HOPE VI development as a way to connect residents to the larger community. However, residents of the Park who feel stigmatized by the community may be resistant as were tenants at Mission Main. (National Law Housing Project, et al., iii; Keyes) Working on HOPE VI requires intense participation by stakeholders, but how much do HUD rules actually allow residents' participation after the application? (National, iii) (HOPE VI in Boston may be an anomaly in this regard.) This option represents a tradeoff between funding and meeting the needs of tenants for affordable housing and for genuine participation.

The Community Builders Role

Given the prime location and need for housing, America Park is an opportunity to build capacity in a strong tenants organization and to serve as a catalyst for community revitalization in Lynn.

Depending on the option residents choose, TCB can serve as a development consultant (to advise and assemble players), financial consultant, developer or co-partner with the tenants. Our recommendation requires an analysis of:

- the project costs based on a physical assessment of the property. Do the numbers work?
- funding and time constraints: a mix of credit and equity funding from city, the Mass. Housing Finance Agency, HUD, private investment, including limited tax income credits.
- the potential for collaboration or negotiation. What roles will tenants and LHA play? Will LHA sponsor the project or lease the land to a team of tenants and a developer? What is Lynn CDC's interest in the project, track record and expertise?

Challenge

TCB's ultimate decision to participate depends on quality of the working relationship between the Tenant Association and the LHA (and ultimately the chosen development team). We can address the need for education and building capacity for both tenants and LHA, but the project cannot go

forward without their willingness to negotiate and address the inevitable challenges of development and HUD requirements. In Mission Main HOPE VI, the lack of trust, social capital and clear communication between the tenants, the BHA and the developers undermined the direction of the project and the quality of resident engagement. Given this need, we might see our pre-development work as a relationship-building tool. With a local planning grant, we should:

1. Conduct training sessions to educate tenants about the process and build capacity. Share examples of other resident-initiated development projects.
2. Meet with the Tenants and the LHA to describe the project, its history, shared interests and constraints. Identify project teams, communication and decision-making protocol.
3. Facilitate a Master Planning process with Tenant Association and LHA about their vision, goals, concerns and questions. Discuss redevelopment options through a joint analysis of the strengths, weaknesses, opportunities and threats. Facilitate decision-making process and negotiations.

With a shared understanding, we can identify TCB's role. Only then would we begin to work with residents (and possibly LHA) to plan the site, identify funding, create and start a development plan.

Conclusion

Given our mission *to build strong communities where people of all incomes can achieve their full potential*, I recommend that we explore the options to redevelop America Park in Lynn. This project's strong tenant organization, prime location, and the need for housing in Greater Lynn make this project an attractive leadership opportunity in the current funding climate. Our first steps are to assess the capacity for the tenants and the Housing Authority to work together then examine financing for the project to determine the appropriate role for TCB.

Works Cited and Consulted

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The Community Builders, Inc. <http://www.tcbinc.org/>

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