



BEST PRACTICES PROFILE

what works, where, and why — and how to replicate success

August 20, 2001

TOPIC

BUILDING PARTNERSHIPS: Generating support for focused and effective initiatives

FOCUS

The City of Richmond, Virginia, *Neighborhoods in Bloom* Program

KEY ISSUE

To successfully combat problems of crime, vacancies and disinvestments in inner-city neighborhoods, a collaborative process is needed to bring people and assets back to the inner city. By focusing resources on a few neighborhoods with the greatest potential for improvement, Neighborhoods in Bloom partners—including CDCs, the City of Richmond, resident leaders, Housing Opportunities Made Easy, the Richmond Redevelopment and Housing Authority, LISC and others—are able to target funds and efforts to provide the visible revitalization necessary to begin to reconnect once isolated people and communities to the economic mainstream.

SUMMARY

Richmond's *Neighborhoods in Bloom (NIB)* program targets resources to six city neighborhoods in an effort to create visible and lasting revitalization. Collaborative partnerships between the City, community development corporations (CDCs), financial and educational institutions, and community residents provide not only extensive financial and technical resources, but facilitate the development of political capital and consensus.

- **How it works:**

The City of Richmond and its partners changed the way federal and City housing resources are allocated. Instead of spreading resources across the city, they targeted funds to six neighborhoods most likely to benefit from intensive revitalization efforts. Richmond LISC provided leadership as the CDC representative on the NIB advisory council, financial and technical project resources, and critical operating support to assist participating CDCs with building organizational capacity to effectively use the increased housing resources.

- **Why it works:**

NIB is built on a City-adopted strategy that allows citizens to play an active role in deciding where and how community development dollars are spent. Using this "Neighborhood Team Process," partners were able to develop the consensus necessary to target strategic neighborhoods. By creating visible change in select neighborhoods, greater economic impact can be realized, setting the stage for future private sector investment. As this occurs, additional neighborhoods can be identified to receive targeted resources.

- **What's needed to replicate it:**

- A consensus-building infrastructure among City officials, CDCs and residents that permits strategically-focused efforts to achieve visible impact; and
- Technical and financial assistance for CDCs to help them assess and manage risk and turn neighborhood initiatives into economically viable development projects.

BACKGROUND

In 1988, the City of Richmond created the Neighborhood Team Process (NTP) to involve the community in its decisions. Out of this approach grew the understanding that the City's financial and technical resources were simply not sufficient to address the problems of all the neighborhoods. A new and radical approach was designed to leverage private and public sector resources and to increase capacity by supporting the growing work of CDCs. Most importantly—and courageously from a political perspective—it was designed to target resources to a limited number of strategically selected neighborhoods to maximize impact.

Needs

- The rise in the cost of real estate in the late '70s and '80s, along with a slow economy and high interest rates had a significant impact on Richmond's 30 inner city neighborhoods. The city's population declined by 12 percent during the 1970s and continued to decline throughout the 1980s.
- In the targeted areas, only 26 percent of the properties were owner-occupied while 25 percent were vacant lots where houses had been demolished and 21 percent were vacant and abandoned structures. The neighborhoods had eleven drug hot spots and some of the highest crime rates in the city.
- Federal cuts meant limited CDBG funding and fewer resources for affordable housing and community development. The City's response, spreading resources throughout all its deteriorated neighborhoods, was ineffective because available funds fell far short of needs.

Assets

- The NTP resulted in a collaborative infrastructure of good communication and general consensus among residents and the City, along with local organizations and institutions.
- Local CDCs were working in the city, but required resources to expand their capacity and help sustain their efforts.
- Inner-city neighborhoods featured a rich architectural heritage and solid housing stock. Further, revitalization posed little threat of displacement of original residents since many structures had been abandoned.

Response

As residents revealed their concerns and interests through the Neighborhood Team Process, it became clear to City officials and others that a focused comprehensive strategic development approach was required if available resources were to have an impact. In addition, residents could expand their participation through work with CDCs. A visible program capturing these concepts would attract interest, political support, finances, and active partners.

The *Neighborhoods in Bloom* program focuses investment, redevelopment, and community marketing strategy to attract people back to Richmond's inner city neighborhoods. The City took the bold step of changing the way it allocated federal housing funds, and redesigned its approach to neighborhood revitalization.

HOW THE PROGRAM WORKS

General Features

- In July of 1999, the City mandated that \$7 million in Federal Community Development Block Grant Funds (CDBG) and HOME funds be directed into six neighborhoods. These resources were followed by an infusion of \$750,000 in local funds for public improvements through the City's Capital Improvement budget.
- Selection of the first six neighborhoods was accomplished through a collaborative process. City staff worked with citizens, community leaders, and CDCs to help them understand the approach and the changes involved. Each had an opportunity to provide feedback about the program and contribute to the decision making process.
- Data on each city neighborhood were gathered and analyzed, including measures of violent crime, neighborhood investment, demographics, and estimated number of vacant buildings.
- Consensus on the six neighborhoods to be targeted was reached based on need, development potential, and positive impact on the city. Working with neighborhood residents, applications for funds were developed and awards made in 1999.
- Revitalization efforts attempt to maximize the strengths of the neighborhoods. For example, one neighborhood, Jackson Ward National Historic Landmark District, is currently listed on the National and State Register of Historic Places. Applications for registration are being prepared for four of the remaining five neighborhoods, which will make these areas eligible for a 25 percent investment tax credit from the state for certified renovations to historic structures in the historic districts.
- Targeted efforts have encouraged private investment in the neighborhoods, the development of partnerships with CDCs, the Richmond Redevelopment and Housing Authority, the Police Department, and other public agencies.
- The visibility of the program and its outcomes provides the City with a framework through which to market the neighborhoods and encourage the return and participation of residents. Further, visible change enhances the credibility and capacity of program partners to build upon their success in the original six neighborhoods.



“Neighborhoods in Bloom has become one of the most innovative and best examples of high performance public-private partnerships. It has helped the city and our many partners utilize limited resources for the greatest community impact.” says Connie Bawcum, Richmond’s Deputy City Manager.

PARTNERS' ROLES AND RESPONSIBILITIES

Partners

Roles and Responsibilities

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| Richmond City Council | Initiated the program by adopting a plan of inclusiveness and strategically targeting over \$7 million in CDBG and HOME funds, 80% of the total allocation, to six neighborhoods, supported by an additional \$750,000 for infrastructure development. |
| Community Residents and Stake Holders | Participate in community planning, application development, decision-making, and discussions with City officials through the Neighborhood Team Process. Citizens participate by attending neighborhood Team meetings in their district. The city is comprised of nine districts formulated to be as nonpolitical as possible. Each Team has a chairperson and holds monthly meetings. All chairs meet monthly to exchange information and discuss issues with City agencies. |
| Police Department and others | Participate in the “Blitz to Bloom” program – a public safety and human services initiative providing service-related programs. |
| CDCs | Provide a variety of development and service activities including: child care facilities, property management, down payment assistance, home purchase and repair training, emergency transitional housing, lending, housing development, neighborhood outreach, and urban parks development. |
| Richmond Redevelopment and Housing Authority | Provides real estate development activities and critical eminent domain and condemnation powers to assist in strategic property acquisition. |
| Virginia Commonwealth University | Provides accredited capacity-building training for community residents as well as participating housing partners (CDCs, City, housing authority, etc). |
| Richmond Community Development Alliance | Increases availability of financial support for CDCs, increases awareness of the work of CDCs, and advocates for CDCs and their work. |
| Richmond LISC | Raises financial resources, initiates planning and program activities, provides financial and technical support for CDCs and provides technical assistance. |

PROGRAM RESULTS IN BRIEF

Neighborhoods in Bloom has acquired 138 properties and initiated or planned the acquisition of nearly 400 more. There are 46 units of new construction completed and an additional 300 units of new construction initiated or planned. Also, the program has more than 250 general rehabilitation and 375 repair projects completed, initiated or planned.

While the Neighborhoods in Bloom program is relatively young, there have been some demonstrable changes in the targeted neighborhoods. For example, the average sale price of homes in the six neighborhoods increased 18 percent between fiscal years 1998-99 and 1999-00 compared to 8 percent in the city as a whole. Property assessments also increased at a greater rate in NIB neighborhoods than in the city overall.

REPLICATION REQUIREMENTS

As Richmond has learned, no one organization or entity can revitalize neighborhoods. In communities left behind by conventional investment, partnerships among City agencies, CDCs and other community partners can achieve tangible results and significantly increase capacity by opening doors to resources through public/private leveraging. In Richmond, the following elements were critical to success:

Capacity

- Local government willing to embrace innovative approaches to neighborhood development and provide resources for community revitalization
- Citizens taking an active part and responsibility in strategic planning and the development of neighborhood programs
- A consensus-building infrastructure among City officials, CDCs, lenders, funders, and residents
- A network of CDCs willing to meet the demand for affordable housing and community services coupled with the technical and financial assistance to ensure the capacity to do so

Strategy

- Willingness to target available resources narrowly enough to achieve real and visible change
- Neighborhoods with strong potential for successful redevelopment without negative externalities such as displacement

Resources

- Public and private investors willing to participate in high-risk community ventures
- A development fund such as Richmond Neighborhood Development Fund (RNDF) that is willing to expand and diversify public and private resources and establish a revenue stream

Greta Harris, Richmond **LISC** Program Director, offers this advice to others seeking to help set up a similar program:

- *Good communication and neighborhood participation has been key to the development and ongoing success of the Neighborhoods in Bloom program. The “Neighborhood Team Process” provided a structure early on for residents to be heard and to participate in decisions about resources. It is a crucial element for this type of resource allocation strategy. Any effort to duplicate the NIB program must include this approach to neighborhood participation.*
- *If financial resources are the fuel of community development, CDCs, along with critical public-private partnerships, are the engines that transform neighborhoods. It is the excellent work of our high performance partnership, backed by financial and technical support, that helps good policies fulfill their promise.*

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