

QUALITY HOUSING FOR ALL

MID-CITY NEIGHBORHOOD TRANSFORMATION

Mid-City Neighborhood Transformation can change neighborhoods and create quality housing that increases choices for everyone

Overview

Mixed-income housing is the best practice for transforming neighborhoods and creating quality housing that increases choices for everyone. Older subsidized housing is redeveloped into high-quality housing to serve a mix of low-income, work-force, and market-rate individuals and families. All families live in identical high-quality homes and enjoy beautiful amenities. A Mid-City Neighborhood Transformation approach can help a neighborhood compete for HUD's \$40-\$50 million Choice Neighborhoods Implementation Grant (HUD CNI Grant), leveraging over \$200 million of additional investment to a neighborhood in five years. This approach is being explored for the Lake Street area between I-210 and W. Sallier

HIGH
priority



0-7
years



\$200
Million



A Good Example

FORT MYERS 2020 CNI IMPLEMENTATION GRANT WINNER





WHAT DOES THIS MEAN FOR CALCASIEU PARISH?

A demonstration neighborhood transformation in the central city area of Lake Charles could bring hundreds of new mixed-income homes and millions of dollars of investment to the area north of Prien Lake Mall on Lake Street. The comprehensive transformation would provide quality housing for all families, improve quality of life in the neighborhood with new parks and streets, and support low-income families with services. The project can become a model for future neighborhood development in both parishes.



WHAT DOES THIS MEAN FOR CAMERON PARISH?

Ensuring affordability for families and individuals of all income levels is the best practice for both large and small projects. Cameron Parish can encourage a Mid-City Neighborhood Transformation model for new rental and homeownership developments by offering incentives and targeted funding sources.



Street. Homes for the current residents would be replaced one for one to minimize concerns about displacement. The transformation would go far beyond building new housing. The HUD CNI Grant focuses on three areas, housing, which focuses on the design and implementation of new mixed-income housing units, neighborhood, which focuses on community growth, connectivity, and significant community projects, and people, which focuses on support and services for neighborhood families.

Why is this important?

- Mid-City Neighborhood Transformation deconcentrates poverty while ensuring no one is displaced.
- It mixes low-income and market-rate families in identical units and buildings with housing for families, single people, seniors, and those with disabilities.
- A Mid-City Neighborhood Transformation approach can help an area qualify for the Department of Housing and Urban Development's \$40–\$50 million Choice Neighborhoods Implementation Grant, which can bring over \$200 million of investment into the neighborhood in 5 to 7 years.

The End Result

- 500-800 new mixed-income homes
- Neighborhood parks, retail, and community amenities
- Increased household incomes, health outcomes, and improved education for current and new families in the neighborhood



PLAN TOPIC AREAS

Plan Topics

The Mid-City Neighborhood Transformation focuses on growth in Community Planning, Housing, Economic Development, and Infrastructure. A neighborhood transformation plan:

Community Planning

- **Builds new streets and neighborhood parks, improving walkability, bikeability, and safety**
An action step to accomplishing the Mid-City Neighborhood Transformation is securing leverage; connecting funding and other resources to the transformation. Part of that leverage is provided by the City in the form of new streets, parks, and utilities.

Housing

- **Provides housing for all family types** New housing would provide choices for all family types, including single people, seniors, and those with disabilities while ensuring that low-income and market rate families live in identical, high-quality homes.

Economic Development

- **Supports local businesses and entrepreneurship opportunities** Programs, services, and sometimes physical infrastructure can support local businesses and entrepreneurs as part of the neighborhood transformation plan. The transformed neighborhood itself in turn can better support existing businesses and create opportunities for new ones to be created.

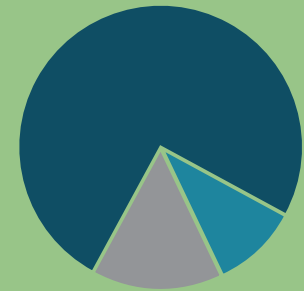
- **Promotes workforce development and career readiness opportunities** A people-focused non-profit is a key member of a successful CNI Implementation Grant partnership. This “people partner” works with existing partners, programs, and services to support workforce development and career readiness in the neighborhood.
- **Leverages HUD’s funding to secure hundreds of millions in additional neighborhood investment**
The money from the CNI Implementation Grant is seed money. The \$40–50 million investment can draw \$200 million+ of additional funding.

Infrastructure

- **Builds new streets and improves drainage in the neighborhood** The leverage provided by the City as a partner in the process could include streets, utilities, and other key infrastructure elements.

HIGHLIGHTING COMMUNITY SUPPORT

I think this project will benefit SWLA.



 **74%**
of respondents said **YES**

 **10%**
of respondents said **NO**

 **16%**
of respondents said **I'M NOT SURE**

Affordable housing might be the single most important aspect of not only our area, but the whole state.

ACTION STEPS

Transformation Plan and CNI Application

The Mid-City Neighborhood Transformation would require HUD's Choice Neighborhoods Initiative Implementation Grant as a primary funding source. The grant is competitive and has a defined series of steps to follow to be successful.

1 Creating Partnerships

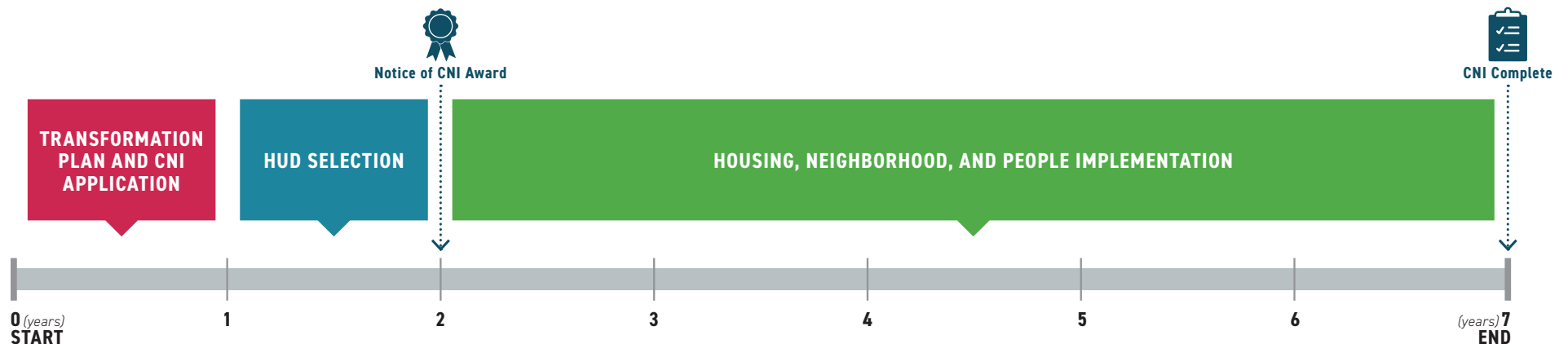
Total neighborhood transformation requires a collaborative effort. The HUD CNI Implementation grant has three components, housing, neighborhood, and people. Housing focuses on the new mixed-income units to be built, Neighborhood focuses on connectivity and other physical projects to create a physically transformed neighborhood, and People focuses on programs and services to help the existing residents thrive. A Mid-City Neighborhood Transformation developer would partner with the City of Lake Charles and the Housing Authority of the City of Lake Charles to lead housing and neighborhood, while people-focused non-profits, community service providers, and the school district would support people. The partnership then begins to establish a neighborhood boundary based on the requirements of the CNI grant.

Mid-City Neighborhood Transformation

Action Steps

- 1 Partner with mixed income housing developer, people-focused non-profit, school districts, the City of Lake Charles, the housing authority, and community service providers
- 2 Develop a transformation plan with the community
- 3 Secure leverage for housing, neighborhood, and people
- 4 Prepare and apply for the HUD Choice Neighborhood Implementation Grant
- 5 Prepare for HUD site visit if successfully short-listed
- 6 Initialize the CNI Grant
- 7 Build new streets and infrastructure
- 8 Implement three neighborhood projects
- 9 Provide people case management, support, and partnerships
- 10 Build new housing in several phases

Transformation continues with ongoing support for residents



2 Developing a Transformation Plan

Once the partnerships are established, a plan is created with the residents and with the input of the wider neighborhood. The partnership team engages residents to understand the vision for the neighborhood through community meetings, workshops, virtual engagement, and other methods. The community members help refine the neighborhood boundary, express desires about neighborhood amenities and their locations, and provide input on building types. With this input, the plan is created and refined.

3 Securing Leverage

To create a total neighborhood transformation, funding from the CNI Implementation Grant is seed money to draw additional funding and partnerships over time. This funding and these partnerships are called leverage. The \$40-50 million in funding from the CNI Implementation Grant can draw an additional \$200 million+ in leverage, including new streets, utility infrastructure, amenities, and funding to support existing programs and establish new ones to serve neighborhood needs.

4 Preparing the CNI Grant Application

Once there is community consensus on a plan and leverage is secured, the partnership team prepares the grant application which shows the plan, demonstrates the leverage that has been secured, and lays out the financial path for the development of the housing, transformation of the neighborhood, and the support for the residents in the neighborhood.

HUD Selection

5 Prepare for a HUD Site Visit

If successfully shortlisted for the CNI Implementation Grant, a site visit is conducted by HUD to better understand the proposed transformation. The partners work together to demonstrate the leverage that has been secured throughout the process and present the plan as a community vision.

6 Initialize the CNI Grant

A powerful aspect of the CNI Implementation Grant is that it is time-bound. Once the grant is started, the housing must be built in 6 years. If selected by HUD following the site visit, the grant term would begin. By then excitement in the neighborhood could be high and aspects of transformation started ahead of selection because of the partnerships created during the process.

Housing, Neighborhood, and People Implementation

7 Build New Streets and Infrastructure

Part of the leverage brought to the table during the CNI process is new streets and infrastructure, provided by the City. This significant investment is key to supporting neighborhood transformation and growth into the future.

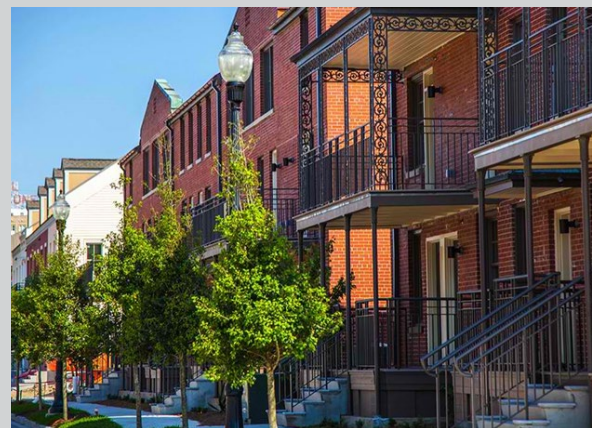
A Good Example

A REVITALIZED COMMUNITY: BIENVILLE BASIN

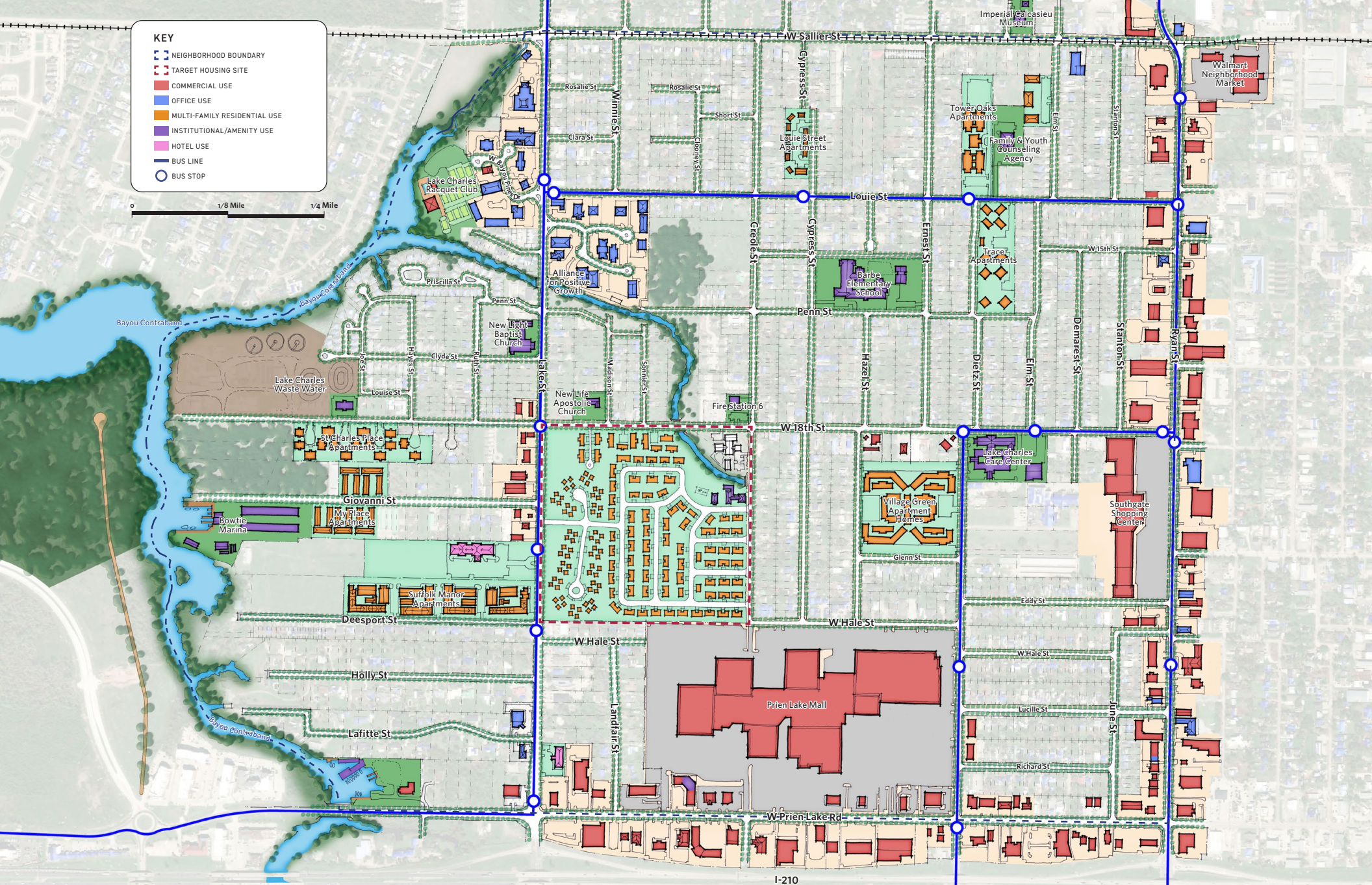
- The Iberville/Bienville Basin community was awarded a \$30.5 million HUD Choice Neighborhood grant.
- 304 public housing units at Iberville were developed into over 680 mixed-income homes on-site and an additional 600+ units were added off-site.
- As a result of winning the Choice Neighborhoods award, over \$749 million of investment has been invested in Housing, People, and Neighborhood.
- The project also brought artist housing and studio space, a new charter school, and senior housing to the neighborhood.



Before Redevelopment



After Redevelopment



A Neighborhood Plan

A neighborhood plan helps to visually document what assets are existing in the neighborhood and how they could connect to the proposed housing site. This plan of the Mid-City neighborhood shows different neighborhood uses, transit access, and potential neighborhood amenities.

08 Implement Three Neighborhood Projects

One of the aspects of the transformation plan is three neighborhood projects. These community improvements could range from specialty parks and gathering spaces to a focus on broadband access. The neighborhood projects would be supported and implemented by partnerships established while securing leverage.

09 Provide Case Management, Support, and Partnerships

A critical aspect of the CNI Implementation Grant is resident support. Families would have case management and support through each step of the process with a focus on anti-displacement strategies. Partnerships established while securing leverage would also provide additional supportive services to residents and other members of the community.

10 Build New Housing in Several Phases

Finally, the dilapidated public housing at 661 Dixy Drive would be demolished and the new Mid-City Neighborhood Transformation would be built according to the community vision. The housing would be built in phases to minimize the relocation of residents during demolition and new construction. The partnership would establish the plan for long-term management of the property. Steps 7–10 would happen concurrently as the neighborhood transformation would continue during the grant term and beyond.



Potential Partners

- Lake Charles Housing Authority
- City of Lake Charles
- Calcasieu Parish
- National & Regional Mixed-Income Developer
- National People-Focused Non-Profit
- Calcasieu School District, Calcasieu Parish School Board
- Foundations and Non-Profits
- Service providers
- Calcasieu Parish Council on Aging
- Churches and other non-profits interested in developing housing



Potential Funding Sources

- HUD Choice Neighborhoods CNI Implementation Grant (\$40 million)
- Restore LA PRIME (Piggyback) loan program
- City's CDBG allocation
- Conventional loan debt
- LHC funding programs for rental affordable housing
- In-kind commitments
- City of Lake Charles CIP/General Fund
- Philanthropy
- Infrastructure Investment and Jobs Act (IIJA) competitive grants
- LA DOTD Safe Routes to Public Places grants

A Good Example

COLUMBIA PARC, NEW ORLEANS

- 493 distressed public housing units were redeveloped into 685 mixed-income homes.
- 1/3 are occupied by families that qualify for public housing; 1/3 by low-income households, and 1/3 by market rate households. The units are identical and mixed in every building and block.
- There are parks, playgrounds, and a health clinic in the neighborhood.
- The community has a 'cradle-to-college' focus on education. Partners developed a new early childhood education center and a high school.



Before Redevelopment



After Redevelopment

ECONOMIC IMPACT

The economic impact of the Mid-City Neighborhood Transformation is over 10 times the investment from the partners. The focus of the transformation is securing leverage to turn the significant grant funding of \$40 million into a much larger investment that impacts the entire neighborhood and beyond.



IMPLEMENTATION

| HOW? | COST |
|---|--|
| Partner with a developer that has national experience transforming neighborhoods with Mid-City Neighborhood Transformation | n/a |
| Partner with a people-focused non-profit with CNI experience transforming families' outcomes | n/a |
| Partner with school districts and community service providers to improve education, health, and incomes | n/a |
| Engage with residents and neighborhood stakeholders to put together a Mid-City Transformation Plan that addresses Housing, Neighborhood, and People | \$600,000 |
| Secure leverage and apply for the HUD Choice Neighborhoods Implementation Grant | Minimum of : <ul style="list-style-type: none"> \$15 million in Neighborhood Investment \$56 million in Housing Leverage \$9 million in People Leverage |
| Prepare application and submit | included in \$600,000 |
| Upgrade infrastructure | \$15-20 million |
| Implement Neighborhood Critical Community Improvement (CCI) projects | \$10-50 million |
| Implement 6 years of People case management and partnerships | \$25 million |
| Build Phases 1-5 of housing (minimum of 481 mixed-income housing units) | \$100 million |

| TIME FRAME | POTENTIAL FUNDING SOURCES | LEAD ENTITY | SUPPORTING PARTNERS/ENTITIES |
|------------|---|--|--|
| 0-3 months | <ul style="list-style-type: none"> HUD Choice Neighborhoods \$40 million | Lake Charles Housing Authority & City of Lake Charles | National mixed-income developer Regional low-income housing development partners |
| 0-3 months | <ul style="list-style-type: none"> PRIME (piggyback) program — \$356 million allocation) | Lake Charles Housing Authority | National people-focused non-profit |
| 0-3 months | <ul style="list-style-type: none"> CDBG | Calcasieu School District | <ul style="list-style-type: none"> Visit Lake Charles Calcasieu Parish City of Westlake |
| 0-6 months | <ul style="list-style-type: none"> Lake Charles Housing Authority operations funds City of Lake Charles contribution from the general fund | Lake Charles Housing Authority City of Lake Charles | Mid-City Neighborhood Transformation Implementation Committee (CNI Working Group) |
| 0-6 months | <ul style="list-style-type: none"> State funding sources (affordable housing trust fund, PRIME Piggyback loan program) Non-profit in-kind commitments Philanthropic contributions | Lake Charles Housing Authority City of Lake Charles | Mid-City Neighborhood Transformation Implementation Committee (CNI Working Group) |
| 6 months | <ul style="list-style-type: none"> In-kind commitments | National mixed-income developer and national people-focused non-profit | National mixed-income developer and national people-focused non-profit |
| 2-3 years | <ul style="list-style-type: none"> City of Lake Charles CIP, State Capital Outlay funds, State Water/Sewer Commission funding IJJA competitive grant funding LA DOTD Safe Routes to Public Places grants | City of Lake Charles | |
| 1-6 years | <ul style="list-style-type: none"> City capital funding Philanthropic funding | City of Lake Charles | |
| 1-6 years | <ul style="list-style-type: none"> Philanthropy, in-kind commitments from service providers | National people-focused non-profit | Lake Charles Housing Authority, service providers and non-profits |
| 1-6 years | <ul style="list-style-type: none"> LHC — LIHTC 9% credits Conventional mortgage debt City contributions | National mixed-income CNI housing developer | Regional low-income housing development partners Lake Charles Housing Authority |