Neighborhood Revitalization: Keys to Success and Future Challenges
Integrated Development Partnership

McCormack Baron Salazar
- Leading Developer of Mixed Income Communities
- 15,999 units of housing
- $2.40 billion TDC
- $564 M in Federal Grants
- $98.6 M Foundations
- $880 M in Equity

McCormack Baron Ragan
- Management Portfolio of 12,358
- Staff experienced in Mixed Income Management/Compliance
- Hands on Management
- Committed to Community Stability

MBS Urban Initiatives CDE
- New Markets

Sunwheel Energy Partners
- Renewables
Community Stakeholders

- City
- County
- School Districts
- State
- Federal
- Other Agencies

- Neighborhood Businesses
- Regional Corporations
- Local MBE/WBE Firms
- Bank / Financial Institutions

- Community Development Corps
- Churches
- Credit Unions
- Foundations
- Universities/Colleges
- Health Care Providers
MBS Mission:

To rebuild neighborhoods in central cities across the United States that have deteriorated through years of neglect and disinvestment.

The goal is positive, long-term, and comprehensive revitalization of neighborhoods: economically diverse, architecturally pleasing, functional places that reflect strength, pride, and become neighborhoods of choice.
Neighborhood Housing Trends

Type & Number of Housing Units

Project Timeline

- Market Rate
- Workforce
- Affordable

Before
During
After
Smart Growth Communities:

**Healthy communities**
Accommodating growth while preserving open space and critical habitat, reusing land and existing infrastructure, and protecting water supplies and air quality.

**Economic development and jobs**
Creating business opportunities and improving local tax base, providing neighborhood services and amenities.

**Strong neighborhoods**
Providing a range of housing options, maintaining and enhancing existing neighborhoods and creating a sense of community.

**Transportation choices**
Giving people the option to walk, ride a bike, take transit, or drive.

Source: [http://www.epa.gov/smartgrowth](http://www.epa.gov/smartgrowth)
Heritage Park
Minneapolis, Minnesota

The St. Louis Brewery Apartments
St. Louis, Missouri
Bedford Hill
Pittsburgh, Pennsylvania

Ashwood Court
Los Angeles, California

Hillside Apartments
Ft. Worth, Texas
Metro Hollywood & Carlton Court Apartments
Hollywood, California
Hayes Valley
San Francisco, California

McCormack House
St. Louis, Missouri

Pueblo del Sol
Los Angeles, California
Keys to Successful Community Revitalization

- Common Vision
- Community and Political Will
- Strong Lasting Partnerships
- Available Resources and Tools
- Can’t be an Island: Must Tie into Nearby Strength – other healthy neighborhoods, institutions
Challenges for Community Revitalization in Future

• How to Deal with Shrinking Resources in Era of Greater Need
• Learning to Assemble Stronger, Broader Based Public/Private Partnerships
• More Focused Local and Regional Growth and Development Strategies
• Continuing to Educate Public about Smart Growth
• Creating Livable/Sustainable Urban Neighborhoods of Choice near Jobs and Transportation
Comprehensive Community Development in addition to housing development, includes:

- Transportation
- Education & Social Services
- Environmental Sustainability
- Jobs & Economic Sustainability
- Accessibility
- Active Lifestyle
- Community Services
Transit-Oriented Development

Whether situating residential and mixed-use developments adjacent to light-rail stations or partnering with local transit authorities to better service their communities, successful mixed-income communities must provide appealing public transportation options for residents.

Linking People to Transit

By programming sites with an appropriate density and providing direct connections to public transit, these transit-oriented communities decrease dependence on the automobile, promote healthy living among residents, and save valuable resources.
Community Schools & Services
Building a neighborhood is much more than just bricks and mortar. We seek to understand neighborhood systems and institutions by working with local organizations to improve the recreational and educational activities in the neighborhood. We actively seek out long-term partnerships with early education centers, schools, job training programs, social service providers and more.

The Human Capital Link
Promoting and supporting educational and job training programs as well as other social services in communities reduces the economic fragility and insecurity of families, increases the likelihood of upward mobility of low-income families, increases social integration among all residents of the mixed-income community, and creates the environment for improved school performance of low-income students.
Green Building
Green communities are built for sustainability creating healthier, more resource-efficient models of design, construction, renovation, operation, and maintenance. Their design maximizes energy efficiency, minimizes the use of resources and preserves the natural environment while remaining practical and affordable.

Green Benefits
Not only is this approach good for the environment, but our residents benefit from decreased utility costs and healthy, toxin-free environments. Building green also makes sense from a business perspective: by incorporating green design features from the start, a relatively small investment during development can result in significant long-term savings in the operations of the community.
**Job Creation**
Our developments create construction and green collar jobs, bring business opportunities and result in permanent management, retail, service, and commercial employment in historically disinvested neighborhoods.

**New Opportunities**
We work to connect residents and local businesses to these economic opportunities through ambitious MBE/WBE/Section contracting and hiring goals, through job training programs that target construction, green collar and post-redevelopment activities, and through programs like our partnership in California that connects residents with employment opportunities arising out of social enterprises.
Universal Design
Universal Design (UD) is the practice of designing the built environment to be accessible for everyone, including children, the elderly, the physically disabled and the able-bodied, without the results being so specialized as to render the units unappealing to the population at large.

Accessibility for All
By providing an environment for people of all ages and ranges of ability, our UD-buildings and UD-designed neighborhoods minimize hazards and promote comfort and efficiency to both the physically disabled and able-bodied population, without the stigma of specialized housing. All residents simply notice how much easier it is to live in these homes and get around their neighborhood.
**Green Space**

Our neighborhoods feature smaller blocks with wider sidewalks, pedestrian-scale lighting, street trees, safe and attractive crosswalks, and designated bike lanes, all of which are critical to making neighborhoods safe and inviting. Strategically-located and well-designed public spaces including parks and active recreational spaces create central organizing features and community gathering spaces.

**Recreation**

Green spaces are the base for providing essential opportunities for outdoor recreation. We partner with local recreation groups, like St. Louis Cardinal’s Redbird Rookies and Boys and Girls Clubs, to provide recreational programming for children, youth and adults in our green spaces so that “going out to play” is something in which everyone can participate.
Mixed-Use Developments
Integrating space for both commercial and residential uses leads to reduced sprawl and energy waste, increased convenience, functionality, and sustainability. We recognize the value in engaging businesses and services within our residential dwellings and have found the pairing to be mutually advantageous to both residents and surrounding neighborhoods.

A Mix of Uses
Building the space for a mix of uses is not enough. The uses that come into that space are more important than building the space alone. Uses and tenants included in a development should ensure the right mix to match community needs, including community services, retail, and even health services. By connecting with the community, the appropriate mix of services (and resident links to those services) can be determined and provided.
Harmony Oaks

New Orleans, Louisiana
Harmony Oaks
New Orleans, Louisiana
Harmony Oaks
New Orleans, Louisiana
Harmony Oaks
New Orleans, Louisiana
Harmony Oaks
New Orleans, Louisiana

Interior: 40-unit building with management office
Harmony Oaks
New Orleans, Louisiana
Harmony Oaks
New Orleans, Louisiana

Job Training Program
Job Training Program

Harmony Oaks
New Orleans, Louisiana
Job Training Graduation

Harmony Oaks
New Orleans, Louisiana
The Hill District

-Crawford Square
-Bedford Hill
-The Legacy
Crawford Square

Pittsburgh, Pennsylvania
Mixed-Income Communities
Crawford Square
Mixed-Income Communities
Crawford Square
Mixed-Income Communities
Crawford Square
## Sources of Financing

**Phase I Rental (203 Units) - Total of $18,700,000**

<table>
<thead>
<tr>
<th>Mortgage</th>
<th>Amount</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; Mortgage</td>
<td>$4,000,000</td>
<td>A consortium of local banks</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Mortgage</td>
<td>1,000,000</td>
<td>Pennsylvania Housing and Finance Agency</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; Mortgage</td>
<td>3,200,000</td>
<td>A consortium of Pittsburgh foundations</td>
</tr>
<tr>
<td>4&lt;sup&gt;th&lt;/sup&gt; Mortgage</td>
<td>3,300,000</td>
<td>Pennsylvania Department of Community Affairs</td>
</tr>
<tr>
<td>5&lt;sup&gt;th&lt;/sup&gt;/6&lt;sup&gt;th&lt;/sup&gt; Mortgage</td>
<td>2,200,000</td>
<td>Urban Redevelopment Authority of Pittsburgh</td>
</tr>
<tr>
<td>Equity capital</td>
<td>5,000,000</td>
<td>Local and national corporations</td>
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</tbody>
</table>

*Mixed-Income Communities*

Crawford Square
**Sources of Financing**

**Phase II Rental (71 Units) – Total of $8,000,000**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Source</th>
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<tr>
<td>1st/2nd Mortgage</td>
<td>$2,400,000</td>
<td>Pennsylvania Housing and Finance Agency</td>
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<tr>
<td>3rd Mortgage</td>
<td>$3,100,000</td>
<td>Urban Redevelopment Authority of Pittsburgh</td>
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<tr>
<td>Equity capital</td>
<td>$2,500,000</td>
<td>Corporate investors</td>
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</table>

**Mixed-Income Communities**

Crawford Square
## Sources of Financing

**Phase III Rental (74 units) – Total of $7,200,000**

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<thead>
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<th>Source</th>
<th>Amount</th>
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<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt;/3&lt;sup&gt;rd&lt;/sup&gt; Mortgage</td>
<td>$1,400,000</td>
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<tr>
<td>Pennsylvania Housing and Finance Agency</td>
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<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Mortgage</td>
<td>1,500,000</td>
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<tr>
<td>Urban Redevelopment Authority of Pittsburgh</td>
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</tr>
<tr>
<td>4&lt;sup&gt;th&lt;/sup&gt; Mortgage</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Urban Redevelopment Authority of Pittsburgh</td>
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</tr>
<tr>
<td>Equity capital</td>
<td>3,100,000</td>
</tr>
<tr>
<td>Corporate investors</td>
<td></td>
</tr>
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Mixed-Income Communities
Crawford Square
Mixed-Income Communities
Crawford Square
## Current Household Incomes

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $10,000</td>
<td>53</td>
<td>15%</td>
</tr>
<tr>
<td>$10,001 - $20,000</td>
<td>62</td>
<td>18%</td>
</tr>
<tr>
<td>$20,001 - $30,000</td>
<td>66</td>
<td>19%</td>
</tr>
<tr>
<td>$30,001 - $40,000</td>
<td>46</td>
<td>13%</td>
</tr>
<tr>
<td>$40,001 - $50,000</td>
<td>27</td>
<td>8%</td>
</tr>
<tr>
<td>$50,001 - $60,000</td>
<td>21</td>
<td>6%</td>
</tr>
<tr>
<td>$60,001 - $70,000</td>
<td>17</td>
<td>5%</td>
</tr>
<tr>
<td>$70,001 - $80,000</td>
<td>12</td>
<td>3%</td>
</tr>
<tr>
<td>$80,001 - $90,000</td>
<td>7</td>
<td>2%</td>
</tr>
<tr>
<td>$90,001 - $100,000</td>
<td>7</td>
<td>2%</td>
</tr>
<tr>
<td>Over $100,000</td>
<td>22</td>
<td>6%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>343</td>
<td><strong>99%</strong></td>
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</table>
## 2011 Summary Schedule of Rents

### Mixed-Income Communities
- Crawford Square

<table>
<thead>
<tr>
<th># of Units</th>
<th>60% Tax Credit</th>
<th>Market Rate</th>
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<tbody>
<tr>
<td><strong>1 Bedroom</strong></td>
<td>116</td>
<td>$441-558</td>
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<tr>
<td><strong>1 Bedroom – Townhouse</strong></td>
<td>21</td>
<td>$546</td>
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<tr>
<td><strong>2 Bedroom</strong></td>
<td>131</td>
<td>$523-664</td>
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<tr>
<td><strong>2 Bedroom – Townhouse</strong></td>
<td>55</td>
<td>$508-649</td>
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<tr>
<td><strong>3 Bedroom – Townhouse</strong></td>
<td>25</td>
<td>$581-744</td>
</tr>
<tr>
<td><strong>Total units</strong></td>
<td>348</td>
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</tr>
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</table>
The Legacy

Pittsburgh, Pennsylvania
The Legacy
Pittsburgh, Pennsylvania
The Legacy
Pittsburgh, Pennsylvania
The Legacy
Pittsburgh, Pennsylvania
Bedford Hill

Pittsburgh, Pennsylvania
Before

HOPE VI Communities
Bedford Hill
Before Bedford Hill

HOPE VI Communities
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Bedford Hill
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<td>84</td>
<td>$481-598</td>
<td>$725-815</td>
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<tr>
<td>2 Bedroom</td>
<td>165</td>
<td>$580-664</td>
<td>$815</td>
</tr>
<tr>
<td>2 Bedroom – Townhouse</td>
<td>29</td>
<td>$580-721</td>
<td>$915-950</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>59</td>
<td>$658-821</td>
<td>NA</td>
</tr>
<tr>
<td>4 Bedroom</td>
<td>14</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total units</strong></td>
<td><strong>351</strong></td>
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</table>
EAST LIBERTY
Federal American Properties --Aerial View
Liberty Park Apartments

Federal American Properties

Liberty Park Apartments
Penn Circle Towers

Liberty Park Apartments

East Mall Apartments
Fairfield

Pittsburgh, Pennsylvania

East Liberty
Fairfield
Pittsburgh, Pennsylvania
Fairfield
Pittsburgh, Pennsylvania
Fairfield
Pittsburgh, Pennsylvania
Fairfield
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<td>$316-441</td>
<td>$695</td>
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<tr>
<td>2 Bedroom</td>
<td>53</td>
<td>$367-507</td>
<td>$795</td>
</tr>
<tr>
<td>2 Bedroom – Townhouse</td>
<td>23</td>
<td>$352-492</td>
<td>$850</td>
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<tr>
<td>3 Bedroom – Townhouse</td>
<td>10</td>
<td>$399-632</td>
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</tbody>
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