

Choice Neighborhoods

monthly news about transforming housing, people, & neighborhoods



Repositioning Public Housing Leads to Neighborhood Revitalization in Phoenix, Arizona

The Edison-Eastlake neighborhood, located immediately east of Downtown Phoenix, was once a distressed community that struggled with high crime rates, vacancy and blight. More than half of its housing stock was barrack-style public housing, built more than 50 years ago. With 577 units across three public housing sites, it was the largest concentration of public housing in Arizona. To revitalize the neighborhood, the City aimed to deconcentrate poverty by redeveloping public housing and adding much-needed affordable and workforce housing, all connected to jobs and public transit. After reviewing various ways to fund redevelopment, the City of Phoenix's Housing Department (which serves as the local housing authority) opted to reposition the 577 public housing units to Section 8 project-based voucher units through Choice Neighborhoods. This allowed the City to secure the necessary partners and financing to develop on such a large scale. After receiving a \$30 million Implementation Grant in 2018, the City is now nearing completion of 1,019 new housing units and has transformed Edison-Eastlake into a thriving neighborhood with a

range of housing options for different types of families, all connected to public transit, neighborhood amenities, new parks, and jobs downtown.

Citywide Housing Priorities and Choice Neighborhoods

According to Census data, housing demand in Phoenix has steadily grown and home prices have more than doubled over the past 15 years, which has limited housing options for low- and moderate-income workers. Most of the homes built during this period were single-family homes in subdivisions that spread further from the city's center. At the same time, Downtown Phoenix experienced a construction boom, with developers building luxury housing and entertainment districts along the city's new light rail system. When residents expressed concern for both housing affordability and the traffic caused by sprawling development patterns, the City prioritized building more affordable housing options and offering a range of housing types closer to jobs and public transit. These priorities are reflected in the City's 2015 Reinvent Phoenix Plan and expanded upon in the 2018 Edison-Eastlake One Vision Plan created with a Choice Neighborhoods Planning Grant. Both plans aim to deconcentrate poverty and build economic opportunity in the Edison-Eastlake neighborhood by redeveloping public housing and building new workforce and market rate units, all connected to the city's light rail system and enhanced public spaces.



Sidney P. Osborn Homes (Former Public Housing Units, left) and Soluna (Newly Developed Housing, right)

Repositioning Public Housing Units through Choice Neighborhoods

The three public housing sites within the Edison-Eastlake neighborhood, Sidney P. Osborn Homes, A.L Krohn Homes, and Frank Luke Homes, needed to be redeveloped. The buildings were over 50 years old, had antiquated infrastructure, no air conditioning systems, and outdated layouts, ones that failed to meet the needs of larger households and lacked amenities desired in modern housing. The City's Housing Department explored various options for how to improve these units. The City decided to pursue a Choice Neighborhoods \$30 million Implementation Grant, because it would provide significant gap funding necessary to redevelop at a large scale, which could not be achieved through the use of Public Housing Capital Funds or HUD's Rental Assistance Demonstration (RAD) alone. Similar to RAD, a Choice Neighborhoods repositioning would allow the City to better

leverage private debt and transition the units on the Section 8 funding platform toward long-term financial feasibility. The City ultimately pursued Choice Neighborhoods because its goal of deconcentrating poverty by creating new workforce and market rate units aligned with the goals of the Choice Neighborhoods program. The City selected a co-developer, Gorman & Company, prior to receiving a Choice Neighborhoods Planning Grant, and Gorman has remained a part of the process for more than a decade. With the City acting as co-developer, they were able to integrate more of the recommendations that emerged from the planning process into the final plan and oversee design and material standards.

The final plan calls for the demolition and replacement of public housing over ten phases within a mixed-income community, ultimately creating more than 1,000 housing units. Forty-nine percent of the units will be dedicated for HUD-assisted residents, 30% for low- and moderate-income workers, and 21% will be market rate rental units, including 44 townhomes for homeownership along the new Shoo:dag Mahmahd linear park.



Interior and exterior photos of Harmony at the Park

Leveraging Public-Private Partnerships for Success

Building 1,019 new housing units in the Edison-Eastlake neighborhood over a seven-year period, with more than half of all units affordable to low-income families, is no easy feat. This is particularly true in Phoenix, where the state agency responsible for administering Low-Income Housing Tax Credits (LIHTCs), the Arizona Department of Housing, limits developers to roughly one phase of 9% tax credits per year. This meant the Phoenix Housing Department and their co-developer, Gorman & Company, needed to use 4% tax credits for additional phases, which generated far less capital and thus increased the need for additional funding. Therefore, the City aggressively pursued other partners who could contribute to “close the gap.”

The State of Arizona provided additional resources, including a set-aside for Choice Neighborhoods projects in its annual LIHTC funding rounds, along with historic tax credits and vacant property. Maricopa County also supported development with \$5,000,000 in American Rescue Plan Act (ARPA) funding along with vacant land, and the Phoenix Community Development and Investment Corporation invested \$5,000,000. The City provided the largest share of gap funding, which included \$21 million in general obligation

bonds along with HOME and Community Development Block Grant (CDBG) commitments. In addition to the \$30 million, Choice Neighborhoods awarded two supplemental grants totaling \$12.5 million. Without these additional funding commitments and support at all levels of government, the transformation of the Edison-Eastlake neighborhood into a vibrant, mixed-income community would not be possible.



Aerial view of Harmony at the Park, part of the Edison-Eastlake redevelopment under Choice Neighborhoods

Building to Arizona Market Standards

Community and resident engagement were always at the forefront of redevelopment in the Edison-Eastlake neighborhood, leading to a Transformation Plan which emphasized well-designed homes built to today's market standard. One of the residents' main concerns was the lack of air conditioning in the original public housing units. Arizona State University and the Nature Conservancy conducted a heat assessment survey and found the neighborhood to be one of the hottest areas of Maricopa County, with an average temperature of 105 degrees in the summer months and surface temperatures frequently reaching 130 degrees. This study led to the adoption of several housing strategies that maximized shade, cooling and ventilation. The developers incorporated cool building materials; added in breezeways and cross-ventilation within the units; and created "cool islands" in outdoor spaces using low water usage features, native drought tolerant plants, and strategically placed greenspaces. The modernization of cooling systems and heat-sensitive design enhances the attractiveness and desirability of new apartments to support market rate development.

Building Community Hubs and Family-Friendly Amenities

Another goal of the Edison-Eastlake One Vision Plan, born from the community engagement process, was that all residents would benefit from the redevelopment efforts through access to good-paying jobs, high-quality education, and better health outcomes.

Through the engagement process, residents expressed a strong desire for improved public spaces that would enhance their sense of safety and improve their quality of life. This led to significant improvements with an emphasis on family-friendly gathering and recreational spaces protected from the summer heat. The formerly underutilized Edison Park was extended by two acres, adding in a sports field, renovated splash pad, skate plaza, and shaded gathering spaces, along with public art installations. Additionally, a new linear park was added to the neighborhood with trails, playgrounds, seating areas, walking paths, and shaded gathering spaces. To ensure efficient water usage, the parks will be served by flood irrigation. The overall project ties into the City's bike infrastructure initiatives, with a bike boulevard proposed to move through the center of the neighborhood. The bike boulevard will connect residents who rely on bicycling to community resources, new developments and amenities, and the existing transportation network.



Expanded Edison Park Rendering (left) and Edison Park Activity Hub Improvements (right)

Along with the investment in new parks, the City invested over \$15 million to develop two new neighborhood-serving commercial buildings. This includes a vacant historic State-owned building that was transferred to the City for development into a neighborhood and community center. The center, now called Thash Mahd will include a health clinic, digital access center called a “Hive”, and a commercial kitchen to support food entrepreneurs. Five additional historic buildings will be preserved for a future Family Education Center with planned spaces for a Head Start early learning center, dental clinic, case management offices, and a community gym.

Through Choice Neighborhoods, Phoenix repositioned the three public housing sites and created a mixed-income community with widespread community improvements. This has transformed the neighborhood and attracted outside investments, including two residential developments offering attainable workforce housing built on formerly vacant land.

A New Era for the Edison-Eastlake Neighborhood

The City of Phoenix repositioned 577 distressed public housing units through Choice Neighborhoods, ultimately creating more than 1,000 new homes for various incomes close to public transit, and adding new parks, streetscapes, community centers, and public art. This took more than a decade of planning and implementation and over \$325 million in investments, but it was able to transform this disinvested part of the city into a vibrant, modern neighborhood. *“The Choice Neighborhoods program is an important step that the Phoenix Housing Department has taken to increase the supply of housing in Phoenix, especially affordable housing,”* said Titus Mathew, Phoenix Housing Director. *“These new innovative mixed-income units not only provide more modern amenities to residents, they offer a sense of place with added resources to promote community, building on Edison-Eastlake’s assets to improve livability and quality of life.”*



Soluna Grand Opening, October 2022

This newsletter is prepared by technical assistance providers and intended as a resource for Choice Neighborhood grantees. The posting of this content is not intended as an endorsement by the U.S. Department of Housing and Urban Development (HUD) nor does it necessarily reflect the views and policies of HUD or the U.S. Government.