

Innovative Strategies in Community Development



“It is not the strongest of species that survives...but the one most responsive to change.”

Charles Darwin



Darwin wasn't talking about community development, but he could have been. The field—as complex and diverse as the species he studied—is constantly evolving.

Community development practitioners are facing the familiar challenges of cuts to federal and philanthropic funding amidst a growing need among low-to-moderate-income (LMI) communities, explained Karen Leone de Nie, a director in the Federal Reserve Bank of Atlanta's community and economic development (CED) group. These practitioners have come up with creative ways around those challenges, many of which are playing out in the Southeast. Their strategies fall into three emerging themes—taking a holistic approach to community development, collaborating to increase capacity and boost impact, and using data to drive good decision making (see the sidebar).

A local success story goes national

There is perhaps no better example of a holistic approach than the revitalization of Atlanta's East Lake community. Today the

city's eastern-most neighborhood bears little resemblance to the place once disparagingly referred to as “Little Vietnam”—a moniker that reflected the neighborhood's violent past.

East Lake's transformation is well known among community developers. The neighborhood had languished for years in a cycle of concentrated poverty, crime, and low employment until Atlanta real estate developer and philanthropist Tom Cousins stepped in. “He brought a new model for doing community development,” said Shirley Franklin, the former Atlanta mayor who now heads Purpose Built Communities, a nonprofit consultancy that helps replicate the East Lake model in other struggling neighborhoods.

Cousins formed a nonprofit organization, the East Lake Foundation, and worked with residents, the Atlanta Housing Authority, and other stakeholders to transform the entire community. The model Cousins brought in called for razing the dilapidated East Lake Meadows public housing development and replacing it with mixed-income housing. It also included a charter school (the city's first), social services, and new retail investments. The East Lake Foundation also restored the neighborhood's aging East Lake Golf Club, now the permanent site of the PGA Tour Championship. The proceeds from the golf club help fund continued investments in the community.

Cousins may not have realized it at the time, but he was pioneering a new model for community revitalization—a holistic approach based on quality mixed-income housing, cradle-to-college education, and supportive community facilities and services. “It was the interrelationship of these elements that made the difference, that made it sustainable,” said Franklin. She further explained the importance of this holistic approach in *Investing in What Works for America's Communities*, a book of essays published by the Federal Reserve Bank of San Francisco: “Replac-

Using Data to Test and Tell

As the community development field seeks to “do more with less,” a focus on evidence-based decision making is taking center stage. The Greater New Orleans Community Data Center (GNOCDC) enables these types of informed decisions by aggregating, analyzing, and disseminating data about the southeast Louisiana region. The data center focuses its efforts on key areas such as disaster recovery, the regional economy, workforce development, and affordable housing.

Why the focus on data? Simply put, “we really believe that it can help improve effectiveness and efficiency across all sectors—the public, nonprofit, and private sector,” said George Hobor, a senior research fellow with the GNOCDC.

One important way a data-driven focus does this is by eliminating misconceptions and reducing uncertainty, he continued. Consider this example. In the years following Hurricane Katrina, New Orleans was rebuilding at a frenzied pace. It was a “build it and they will come” approach, said Allison Plyer, GNOCDC executive director. There was no data to guide policymakers or the housing industry about how many people would return or what their income level would be. “People were just building houses knowing that anything they built would get snapped up, and it did,” Plyer explained.

After several years, people started to question whether the city needed so many affordable housing units. The growing sentiment behind this questioning was that many of the low-income residents who had evacuated during Katrina did not intend to return, or they perhaps were unable to do so. Policymakers and others needed data to help flesh out the demand and need for low-income housing. The GNOCDC researched the issue and “what we found was that there was a great deal of demand,” Plyer said. Families were doubling or even tripling up to be able to pay the higher post-Katrina rents, she continued. “So it was clear from the data that there was a need for more units that were more affordable for low-wage workers, and that was a misconception we were able to address.” ■



ing housing would not attract families if the schools were in poor shape. Schools could not be expected to perform well in neighborhoods where children feared for their safety and showed up hungry and unprepared. And it is hard to reduce crime in neighborhoods full of unemployed high school dropouts.” These complex, interrelated problems spurred a departure from the traditional, siloed approach to community development.

After nearly two decades of hard work, East Lake’s transformation continues. The K–8 Drew Charter School is currently a top performer among Atlanta Public Schools, with 97 percent of fifth graders meeting or exceeding state standards for math. That figure was just 5 percent in the school that served that age group in the 1990s. Meanwhile, crime has fallen by 73 percent (90 percent for violent crime) and the employment rate for adults rose from just 13 percent to 70 percent, Franklin said.

In 2009, Cousins formed Purpose Built Communities to help other nonprofits replicate the model. In addition to bringing on Franklin as president and CEO, the nonprofit also has the backing of superstar financier Warren Buffett and retired hedge fund manager Julian Robertson. The organization is exporting the model nationwide, with projects under way in seven communities—including neighborhoods in the southeastern cities of Birmingham, Alabama; Rome, Georgia; and New Orleans, Louisiana.

New Orleans puts a bayou spin on the East Lake model

The nonprofit Bayou District Foundation is one of the Purpose Built partners working to repeat East Lake’s success in the Gentilly neighborhood of New Orleans. The distressed St. Bernard public housing development was damaged beyond repair by Hurricane Katrina. As the

city began to rebuild, local businessman Gerry Barousse Jr. saw an opportunity to effect lasting change in the struggling neighborhood. He, along with foundation partners Gary Solomon and Mike Rodrigue, set out to bring the various pieces of a mixed-income holistic model together, including workforce housing, educational resources, and recreation, Barousse said.

ECONSOUTH NOW PODCAST

Shirley Franklin, former Atlanta mayor and current head of Purpose Built Communities, discusses innovations in community development. On frbatlanta.org, select “Podcasts.”





Indeed, nonprofits often compete fiercely for funding, which makes it difficult to collaborate. But as the need among LMI communities has grown and funding has dried up, many community organizations are finding that the best way to increase capacity and boost their impact is to partner with others. This is where the FPP plays a starring role. The statewide coalition links a diverse group of actors—community organizations, state and local governments, and financial institutions—with a common goal to boost the financial well-being of Florida households. As Schmitz described it, “We’re a connecting-the-dots, information-brokering, statewide association.”

One of the FPP’s most successful initiatives is Bank On Florida, a campaign that aims to lower barriers to mainstream financial services for the state’s large un- and underbanked population, a group whose ranks swelled during the recession. More than 7 percent of Floridians (roughly 500,000 people) are unbanked, meaning they don’t have a checking or savings account. Another million or so have an account but continue to use alternative financial services such as payday lenders or check-cashing services. Many people don’t realize that there are other options, said Janet Hamer, a senior CED specialist at the Atlanta Fed’s Jacksonville Branch. “They’re giving away a portion of their paychecks to get their money.”

Through Bank On Florida, the FPP is trying to raise awareness about the benefits of using mainstream financial services. The program conducts outreach campaigns, helps develop safe and affordable financial products, and works to improve access to those products. Importantly, the program loops in various stakeholders—from banks and credit unions to nonprofits and local governments. Today, nearly two-thirds of the state’s 67 counties are involved with the Bank On Florida initiatives, said Schmitz.

She believes the FPP’s collaborative approach is part of a wider trend in the industry. Hamer, who until recently chaired the partnership’s board, agrees. “I think this is where the field is headed,” she said. “If we’re going to serve our low-to-moderate-income community in an efficient and successful way, we’re going to have to collaborate more.”

Faced with a complex and evolving set of challenges, community developers are coming up with innovative ways to serve LMI communities. The strategies vary, but many of them fall into a set of broad themes that include holistic approaches to community development, greater collaboration, and data-driven decision making. Indeed, whether it’s the integrated approach to community revitalization promulgated by Purpose Built Communities or the information-brokering coalitions nurtured by the Florida Prosperity Partnership, community developers have an array of creative tools and strategies at their disposal. ■

This article was written by Lela Somoza, a staff writer for EconSouth.

As the lead organization on the project, the Bayou District Foundation has hewed closely to the East Lake model. (The community even has a golf course.) Mixed-income housing replaced decaying public housing units, and soon the neighborhood will welcome retail shops and a new educational complex serving grades K–12. The project is still in the early phases, but already it is yielding impressive results. The new community is built on the former site of the St. Bernard Housing Community but is much smaller, with just 685 rental units versus 900 available units in the former development. Crime is down dramatically. From 2001 to 2004, the St. Bernard neighborhood had 684 felonies and 42 murders. Since 2010, when the first residents moved into the newly built Columbia Parc at the Bayou, there have been just two attempted felonies.

Through its network of partners, Purpose Built is proving that East Lake’s success can happen elsewhere. Not every community is a perfect fit for this approach, however. As Franklin writes in *Investing in What Works*, “the Purpose Built model is not the complete answer to neighborhood transformation. Not all distressed neighborhoods in our cities have the required conditions to apply it successfully.” For one, strong civic leadership is essential, Franklin said.

Indeed, given the crucial role Cousins played in the East Lake transformation, one can’t help but wonder what happens when there isn’t a wealthy philanthropist to drive the project. But as Franklin explained, what’s needed is “people who have credibility in the community, who are known for their integrity and their high ideals, but who are also known as people who can get things done.” Success requires civic leadership, “but it does not require wealth,” she emphasized.

Florida coalition banks on partnerships

In Florida, community developers are taking a different approach to the familiar challenge of doing more with less. In particular, they’re building partnerships. That strategy may seem obvious, but according to Kaye Schmitz, president and chief executive officer of the Florida Prosperity Partnership (FPP), it’s far from the status quo.