Revitalizing Neighborhoods to Break the Cycle of Poverty

Monday, September 29, 2014
Poverty continues to undermine the American Dream

48.8 million Americans live in poverty¹

48.8 million > the entire populations of Canada, Denmark, and Ireland combined

That is more than 1 in 10 Americans

42% of children born to parents in the bottom fifth of the economic distribution remain in the bottom as adults²

23% rise only to the second fifth²

¹ U.S. Census Bureau, American Community Survey Briefs: Household income – 2012, ² National Center for Children in Poverty “Child Poverty and Intergenerational Mobility”
Children experience poverty at even higher rates

16.1 million children live in poverty

That is 1 in 4 American children

50%
Of poor children live in concentrated poverty

Concentrated poverty: >30% lives below the poverty line
Living in concentrated poverty often has dire implications for children

86% of 3rd graders living in concentrated poverty read below grade level

- 2x as many adults living in areas of concentrated poverty lack a high school diploma
- Residents of areas of concentrated poverty can experience 12 times higher homicide rates.

That is more than 6 out of 7 children

The human and economic costs of childhood poverty affect everyone.

It is estimated that childhood poverty...

- Raises health expenditures by $150 billion
- Raises the cost of crime by $160 billion
- Reduces productivity and economic output by $160 billion

The total costs to the United States associated with childhood poverty equals $500 billion per year.

Sources: Center for American Progress (2007)
Purpose Built Communities is working to break the cycle of poverty

Our holistic approach uses East Lake as a basis for a model that has proven results

Neighborhood Transformation that is both physical and human
• The East Lake Story

• A Model for Success

• Purpose Built Communities Network
East Lake Meadows - 1995
## East Lake Meadows - 1995

### Safety
- 18x national crime rate
- 90% of families victims of a felony each year
- $35 million a year drug trade

### Housing
- 100% public housing
- 1400 residents in 650 apartments
- 40% of units unlivable

### Employment
- 13% employment
- 59% of adults on welfare
- Median income of ~$4,500

### Education
- One of lowest performing schools in Georgia
- 5% of 5th graders meet state math standards
- 30% graduation rate
East Lake Meadows - 1995

Eva Davis, Former resident of East Lake Meadows
Villages of East Lake - Present

**Safety**
- 73% reduction in crime
- 90% lower violent crime

**Housing**
- High-quality, privately managed housing
- Mixed-income (50% public housing, 50% market rate)
- 1400 residents in 542 apartments

**Employment**
- 75% employment in public housing, remainder in job training, elderly or disabled
- Median income of ~ $15k in public housing households

**Education**
- ~1500 in Pre-K through 10th
- 98% meet or exceed state standards
- A top performing school in Atlanta and the state
• The East Lake Story

• A Model for Success

• Purpose Built Communities Network
The East Lake transformation gave rise to a replicable model

A Defined Neighborhood

Mixed Income Housing

Cradle-to-College Education Pipeline

Community Wellness

A Strong Lead Organization
Replace concentrated low-income housing with mixed-income housing

Mixed-income housing:
• Ensures high standards in design, development, and operation
• Attracts additional public and private investment to the neighborhood
• Destigmatizes the neighborhood
Implement a cradle-to-college education pipeline

To ensure an effective pipeline:
• Direct control of school
• A neighborhood focus
• Emphasis on high-quality Early Childhood Education
• Seamless coordination between each aspect of the pipeline
Drew students have shown tremendous improvement.

Percentage of Drew 4th graders who meet or exceed standards (2013)

Drew moved from being the 69th ranked school (last place in 2000-01) in the APS system to one of the state’s top ranked schools.

Source: GA Department of Education (CRCT scores – 2013);
Drew’s improvement over time has been consistent, slow and steady.

Since 2010, Drew’s CRCT performance across all subjects has reached and maintained the highest levels.

Source: GA Department of Education CRCT data, Governor’s Office of Student Achievement, 2000-1 through 2012-3
Drew students perform on par with the highest achieving schools in Atlanta.

% Meets or Exceeds on the CRCT
Elementary school (grades 3-5), all subjects
2012-3

FRL % | Average List Price
--- | ---
61.7 | 268K
10.8 | 1.8 M
7.3 | 1.8 M
7.8 | 457K
15.0 | 649K
19.1 | 1.2 M
12.5 | 484K

Source: GA Department of Education CRCT data, Governor’s Office of Student Achievement, enrollment data, 2012-3
http://www.trulia.com/real_estate/Atlanta-Georgia/09/18/2014
Drew’s FRL students outperform APS and the state’s non-FRL students, effectively eliminating the achievement gap

<table>
<thead>
<tr>
<th>% Meets or Exceeds on the CRCT</th>
<th>Elementary School (grades 3-5) all subjects, 2012-3</th>
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<tbody>
<tr>
<td>District</td>
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<tr>
<td>Drew</td>
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<td>APS</td>
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<td>State</td>
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<td>Georgia</td>
<td>95.2</td>
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Drew is one of only 67 schools of the 1712 schools in Georgia with available CRCT data for which FRL students outperformed the state non-FRL average

Note: 1712 schools with CRCT data includes elementary and middle schools, CRCT assesses students in grades 3 – 8)
Source: GA Department of Education CRCT data, Governor’s Office of Student Achievement, 2012-3
The East Lake Difference

Part of a coordinated, comprehensive community revitalization

Foundation of language and literacy

High-Quality Early Learning Education

Investment in high quality teachers and leaders

STEAM/Project-Based Learning

Public/Private Partnerships
Infuse community wellness with top quality amenities and support services
Effective, coordinated programs aligned with community needs enhance the neighborhood’s profile and benefit all families.

- Job readiness
- Benefits screening
- After school programs
- Tutoring and mentoring
- Community garden

- YMCA recreation and health programs
- Golf programs
- Community social events
- Summer camps
Healthy neighborhoods include facilities that support the community.

Health and Wellness Center (Indianapolis)  Publix grocery
Develop a strong Lead Organization

• Newly formed non-profit with a single focus

• Ensures that all programs are connected, coordinated and seamless

• Ensures high quality programming

• Ensures people in the target neighborhood are the ones served

• Braids a sustainable funding stream

• Serves as a single point of accountability

This is the Purpose Built difference
Success of the model requires the right building blocks

- Strong civic/business/faith-based leadership that fully supports Purpose Built’s holistic development vision and approach

- Sufficient multifamily scale for neighborhood transformation
- Economically viable surrounding area (essential to attract market rate residents)
- Sufficient funding resources for affordable component

- Potential for direct local control of schools
- Preference for neighborhood children to attend schools
Define a specific neighborhood

Atlanta, GA

East Lake

- The target area of investment (in orange) is less than 1 square mile

Target Area (Orange): Est. Population of ~1400
Area of Impact (East Lake and Kirkwood neighborhoods): Est. Population of ~12,300
Area of Impact: Racial Demographics 58% African-American, 38% White

Note: Population estimated based on 2010 Landscan data from USAID
Source: Population estimate from “population explorer” (http://www.populationexplorer.com/#)
The impact will spread into the surrounding community

East Lake and the surrounding community saw some $200M in new private investments in the first 10 years

• Residential and commercial investments:
  • New grocery stores
  • New bank branches
  • New and more varied housing options
  • Neighborhood retail and restaurants

The % gain in existing home prices enjoyed by East Lake residents was 4x larger than that realized by the typical Atlanta home owner

Source: Selig Center for Economic Growth; Internal Analysis
The East Lake transformation gave rise to a replicable model

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Two early stage successes indicate the model is replicable: New Orleans

Before

After

• **Lead Organization:** Bayou District Foundation (http://bayoudistrictfoundation.org/)
• **Housing:** Master Plan includes 900 mixed-income units (300 public, 300 low-income, 300 market rate) with ~675 built to date
• **Education:** Educare of New Orleans, K-8 public charter school and public high school in pre-development
• **Community Wellness:** Plans include YMCA, grocery store, health clinic, and city park revitalization
Two early stage successes indicate the model is replicable: Indianapolis

Before

After

- **Lead Organization:** Meadows Community Foundation (http://avondalemeadows.org/)
- **Housing:** Master plan includes 600 high-quality mixed-income apartment homes and 250 townhomes and single-family homes; 250 apartment homes completed to date
- **Education:** Two of Indianapolis' finest charter schools are in operation
- **Community Wellness:** Plans include a 70,000 sq. ft. multi-use health and wellness center, a full-service grocery store and commercial shops
Purpose Built is helping transform neighborhoods across the country.

- Omaha, NE
- Indianapolis, IN
- Columbus, OH
- Rome, GA
- Charlotte, NC
- Spartanburg, SC
- Birmingham, AL
- Atlanta, GA
- New Orleans, LA
- Houston, TX

Formal Network Members
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