

Purpose Built Communities

Revitalizing Neighborhoods to
Break the Cycle of Poverty

Monday, September 29, 2014



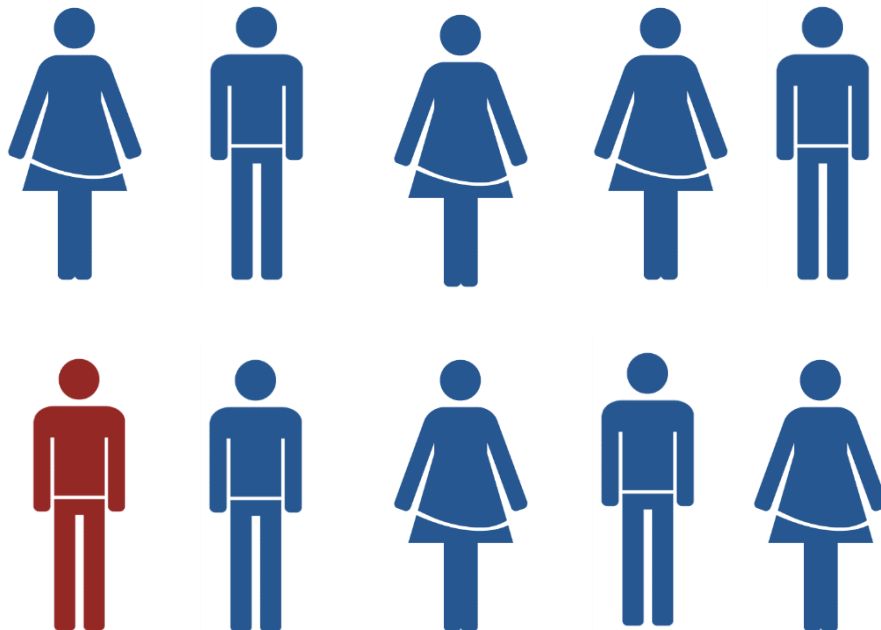
PURPOSE
BUILT
COMMUNITIES

Changing neighborhoods. Changing lives.

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



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

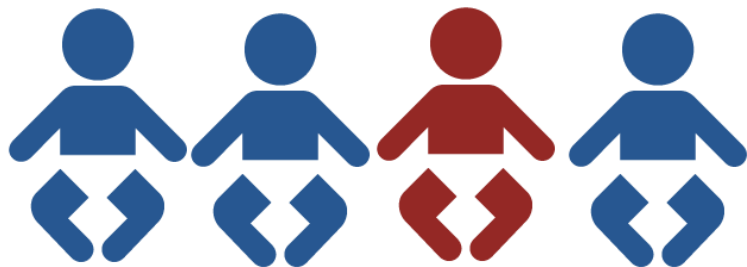
23% rise only to the second fifth²

That is more than **1 in 10 Americans**

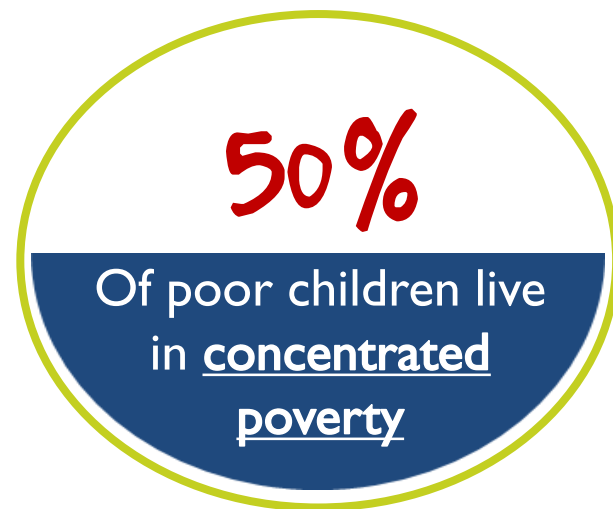
¹ U.S. Census Bureau, American Community Survey Briefs: Household income – 2012, ² National Center for Children in Poverty “Child Poverty and Intergenerational Mobility”

Children experience poverty at even higher rates

16.1 million children live in poverty



That is **1 in 4** American children



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



That is more than **6 out of 7** children

- 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.

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

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

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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



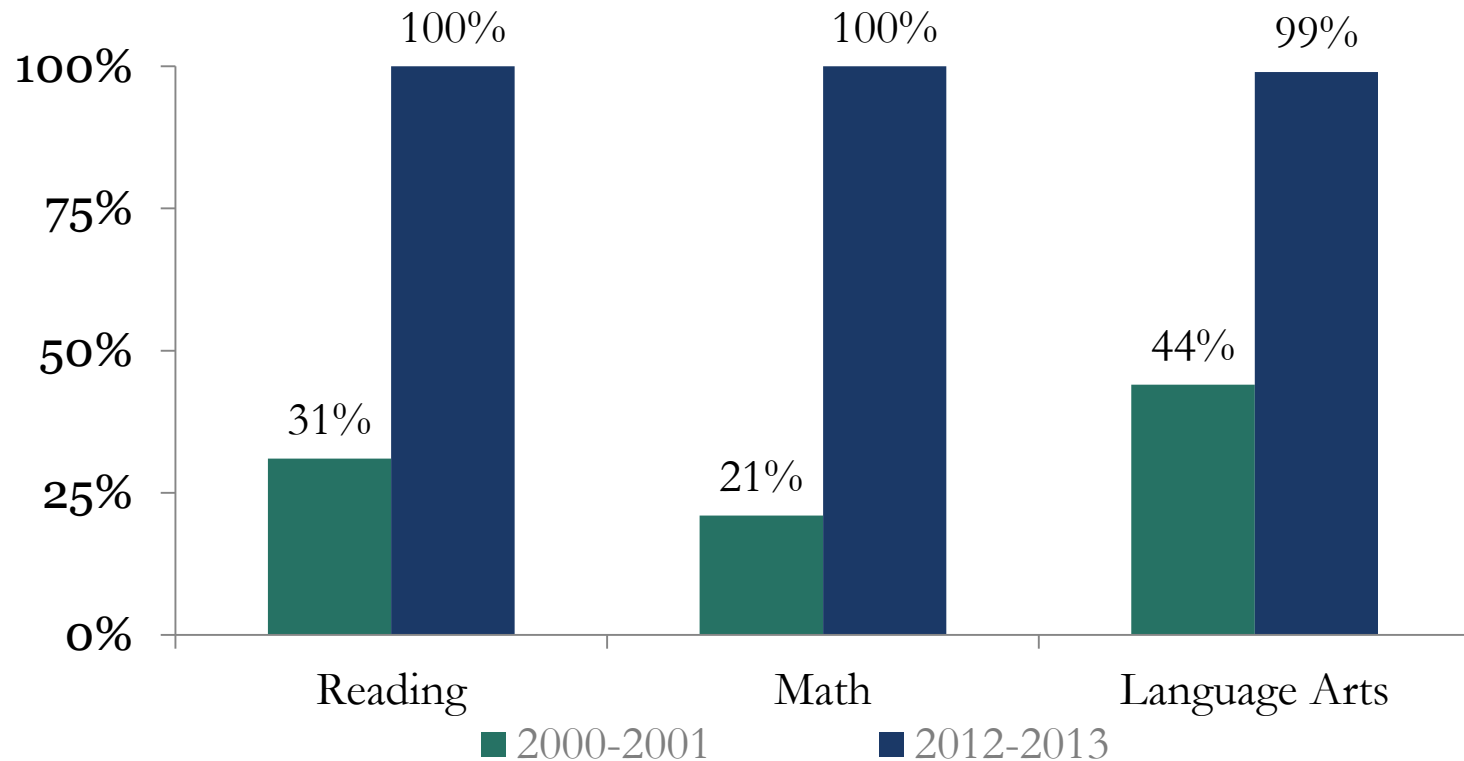
To ensure an effective pipeline:

- 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.

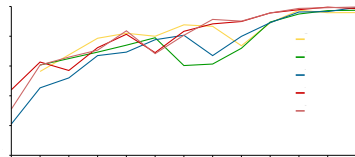
Percentage of Drew 4th graders who meet or exceed standards (2013)



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);

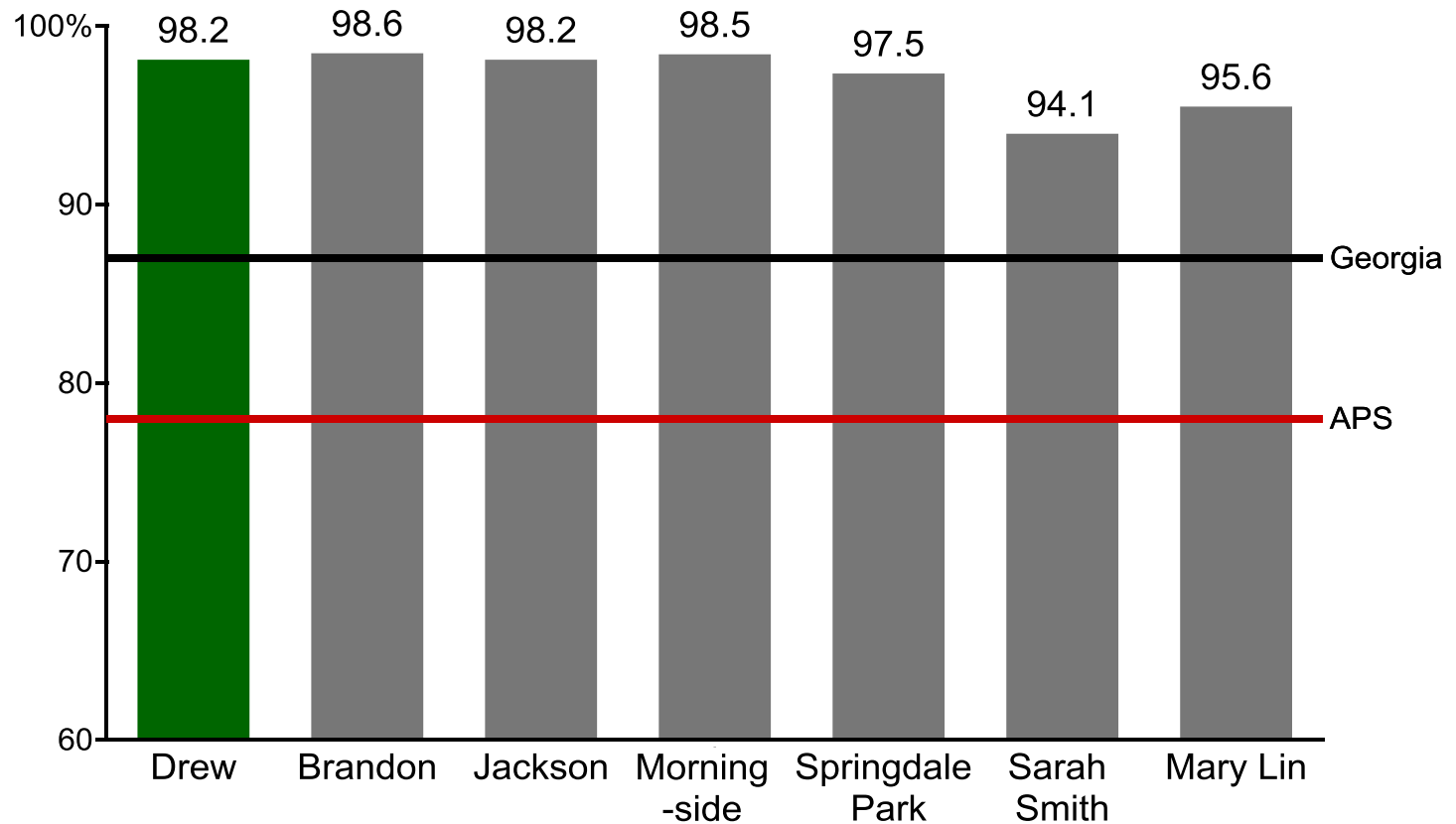
Drew's improvement over time has been consistent, slow and steady.



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

Drew students perform on par with the highest achieving schools in Atlanta.

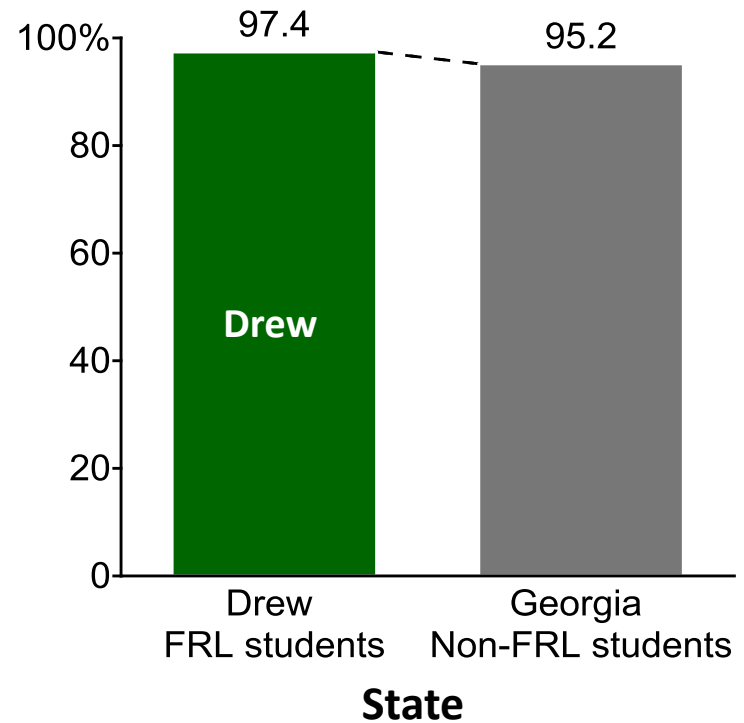
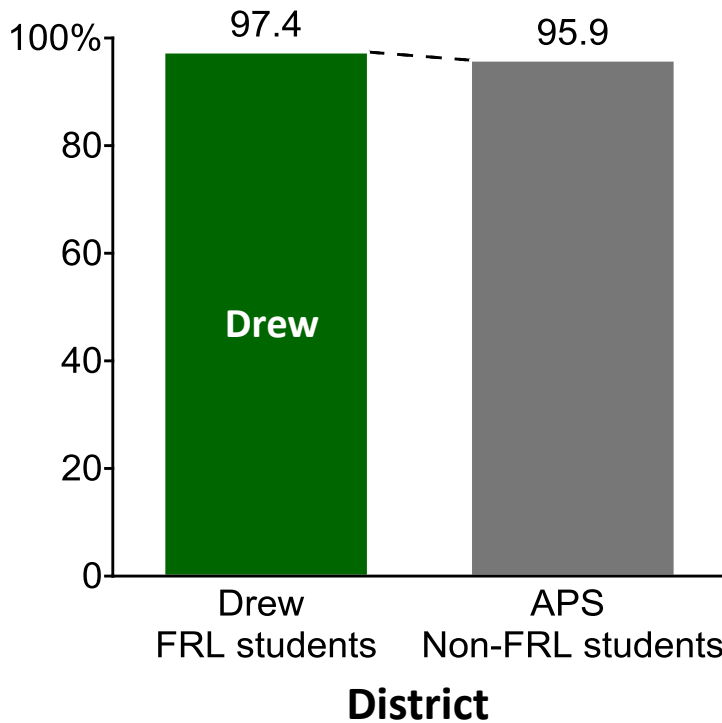
% Meets or Exceeds on the CRCT
 Elementary school (grades 3-5), all subjects
 2012-3



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

Drew's FRL students outperform APS and the state's *non-FRL* students, effectively eliminating the achievement gap

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



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

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

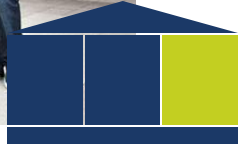


STEAM/Project-
Based Learning



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



Leadership

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



Housing

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



Education

- 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

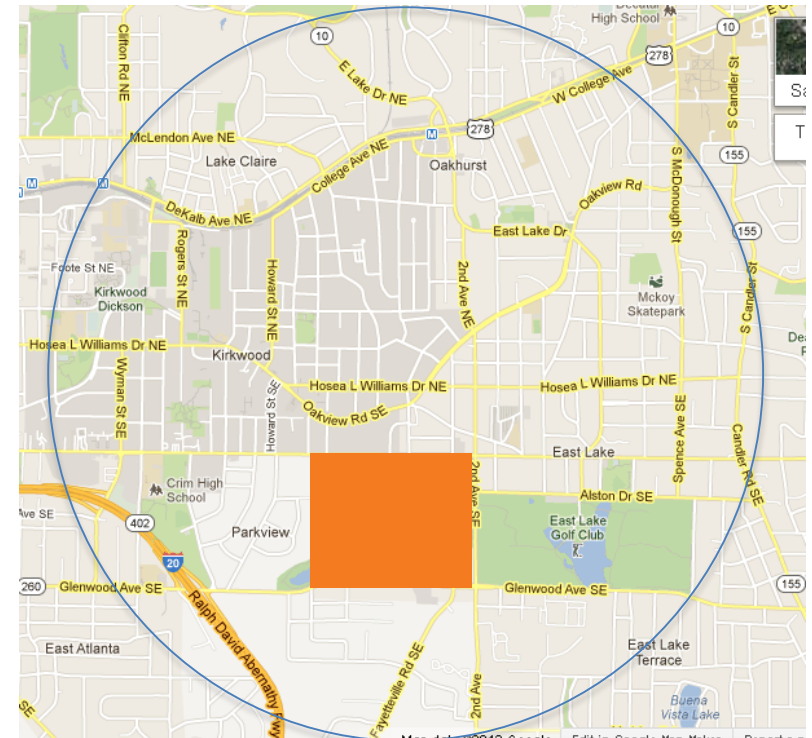
Source: Population estimate from "population explorer" (<http://www.populationexplorer.com/#>)

The impact will spread into the surrounding community

Broader 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

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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



Thank you



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