



# Purpose Built Communities

A nationally replicated model of equitable  
neighborhood revitalization

MPAC

Portland, OR

January 22, 2020

# Purpose Built Communities

Purpose Built Communities helps local leaders revitalize neighborhoods to create greater racial equity, economic mobility, and improved health outcomes for families and children.



# Poverty and place are tied together in America

- **13.8 million** Americans live in neighborhoods “devastated” by concentrated poverty (Jaworski, 2015)
- **72% increase** in the number of people living in high poverty neighborhoods since 2000
- **Zip code** has become the most accurate predictor of academic, economic and health outcomes
- **50%** of low income children live in concentrated poverty
- **86% of 3<sup>rd</sup> graders living in concentrated poverty are unable to read at grade level**
- Neighborhoods of concentrated poverty **didn't happen by accident**
- **Everyone** impacted by the effects of living in concentrated poverty





# Purpose Built's Origin

## East Lake Meadows – 1995

- 18x the national crime rate
- \$35M local drug trade
- 40% of units uninhabitable
- 5% of 5th graders meeting state math standards
- 30% high school graduation rate
- Median income: \$4,500
- 13% of adults working





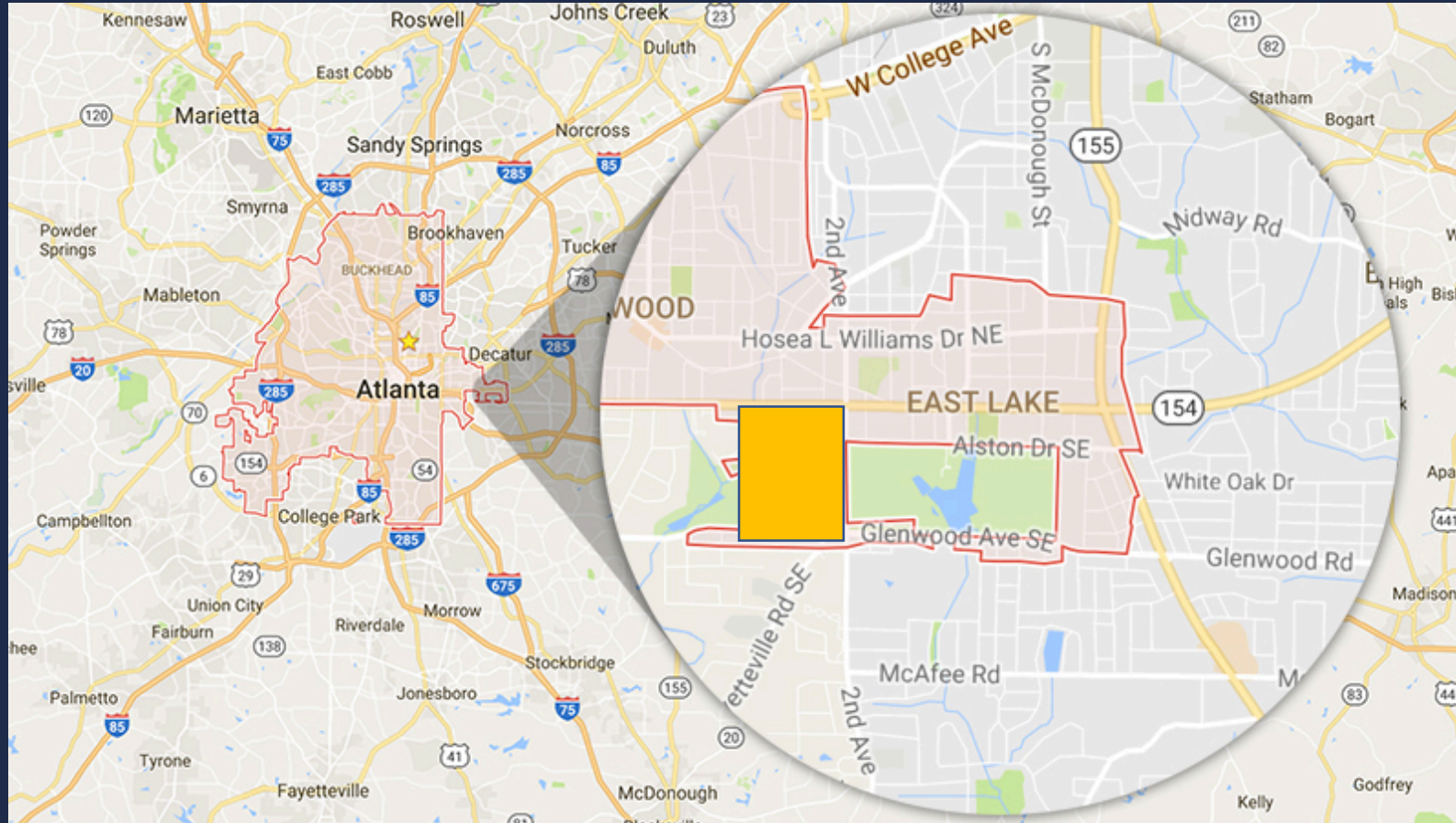
# East Lake 2020

- 76% drop in crime
- 99% drop in violent crime
- 100% of eligible adults are working or in job training
- Income 5x higher for families receiving housing assistance
- 98.7% graduation rate over the past 4 years
- Elementary academy in top 3% in the state



# Concentrated effort into a small area – a neighborhood

Target area of investment (less than 1 square mile)



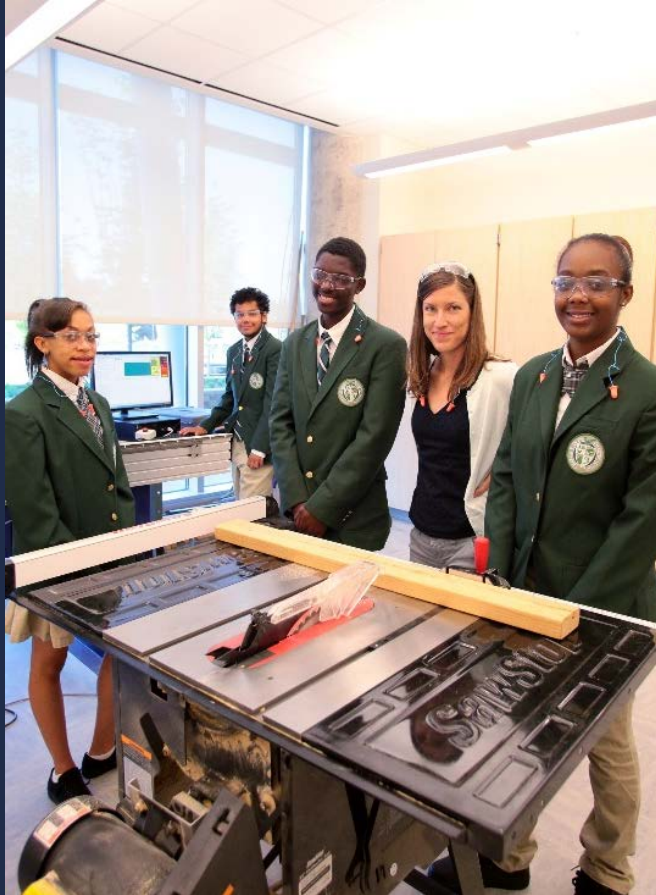
# Replaced concentrated low-income housing with mixed-income housing

- Partnered with the Atlanta Housing Authority to turn East Lake Meadows into the Villages of East Lake, a mixed income housing development
- High standards in design, development, and operation
- Attracted over \$400M in additional investment to the neighborhood





# Implemented a cradle-to-college education pipeline



**Launched Drew Charter School**



**Expanded high quality early learning (0-4)**



**Educational support services**





# Promoted community wellness with quality amenities and support services



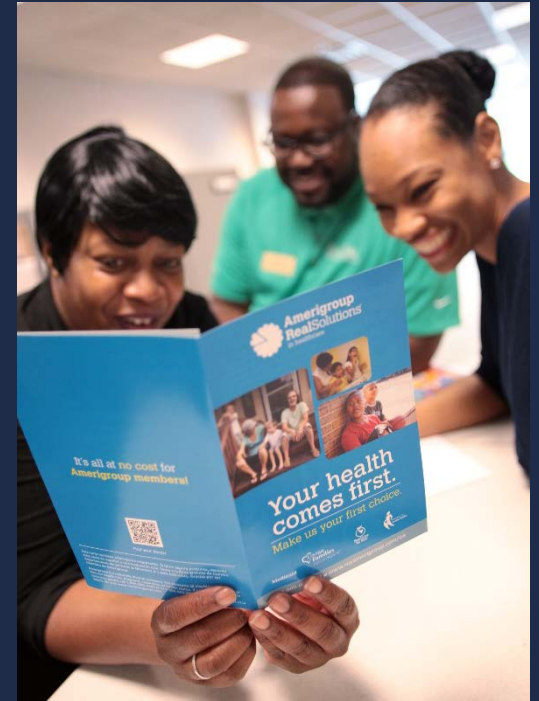
**Full-service YMCA**



**First Tee® of  
Metro Atlanta  
Program**



**Publix Grocery  
Store and bank  
branches –  
SunTrust and  
Wells Fargo**



**Resident Support  
Services, Healthy  
Connections**



# Created a “Community Quarterback” Organization to knit it all together

- Newly formed non-profit with a single focus
- Ensures that all programs are connected, coordinated and seamless
- Ensures both equity and excellence
- Ensures people in the target neighborhood are the ones served

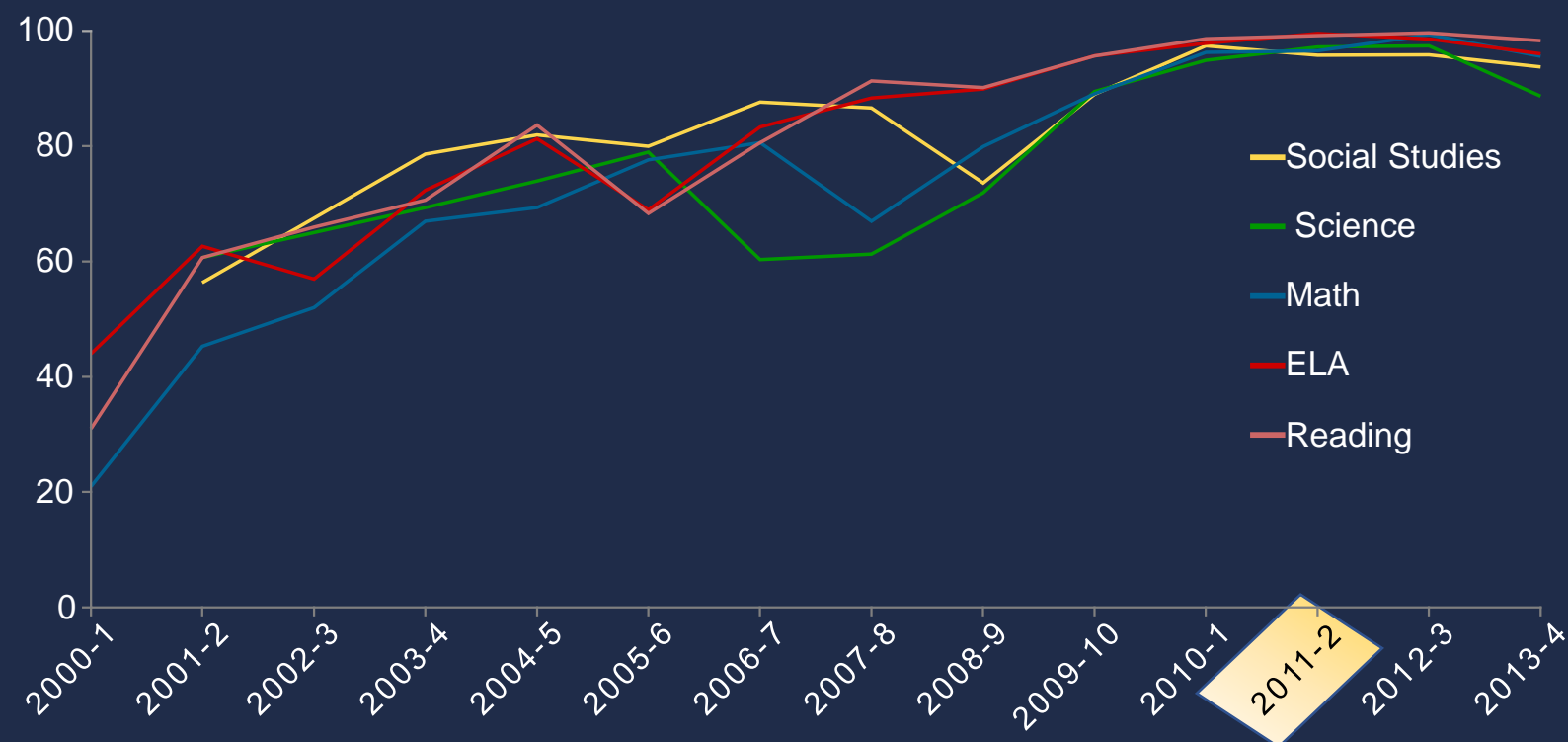


Danny Shoy, President of the East Lake Foundation



# School improvement tied to both school and community strategies

% Meets or Exceeds on the CRCT  
Elementary School (grades 3-5)



Note: Decreases in % Meets and Exceeds were consistent with district and state trends (a result of changes made to the Georgia state standards and CRCT); Social Studies and Science were not assessed in 2000-01 and 2002-03; only 4<sup>th</sup> grade assessed in 2000-1 and 2002-3  
Source: GDOE, 2013-14 CRCT Scores (<https://www.gadoe.org/Curriculum-Instruction-and-Assessment/Assessment/Pages/CRCT-Statewide-Scores.aspx>, accessed 7/13/15).

# The entire neighborhood has benefitted



\$1.6 billion

**In residential real estate equity created in East Lake and Kirkwood since 1995**



4x gain

**Gain in existing home prices in East Lake 4x larger than that realized by the typical Atlanta homes**



More options

**New and more varied retail options**



5x Gain in Incomes

**Public housing residents' incomes 5x higher**





# Residents “owned” the transformation

Residents held leadership positions and...

had priority in relocation and new apartments.

Residents shared decision making with other partners...

and set the standards and expectations the team was held to.



# Proven in Atlanta, the Purpose Built model is now being replicated across the country



- Comprehensive, integrated effort within a defined neighborhood
- Establish, nurture and protect...
  - high-quality mixed-income housing
  - birth-12<sup>th</sup> grade education pipeline
  - other programs and facilities that promote community wellness
- Long-term commitment with a focus on excellence, equity and access for neighborhood residents, especially lower-income families





# Purpose Built helps local leaders break the cycle of poverty across America

We provide free consulting services to community leaders interested in implementing our model.



Neighborhood  
identification and  
assessment



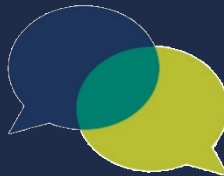
Real estate  
acquisition and  
housing financing  
strategies



Charter school  
planning and  
school system  
contracting



Community wellness  
partnering and  
strategy



Community  
engagement and  
communications



Lead organization  
design and  
implementation

Our Network Members learn from and leverage each others' efforts.



# There are now 27 Network Members

Atlanta (East Lake), GA

Atlanta (Grove Park), GA

Atlanta (South Atlanta), GA

Birmingham, AL

Charlotte, NC

Columbus, GA

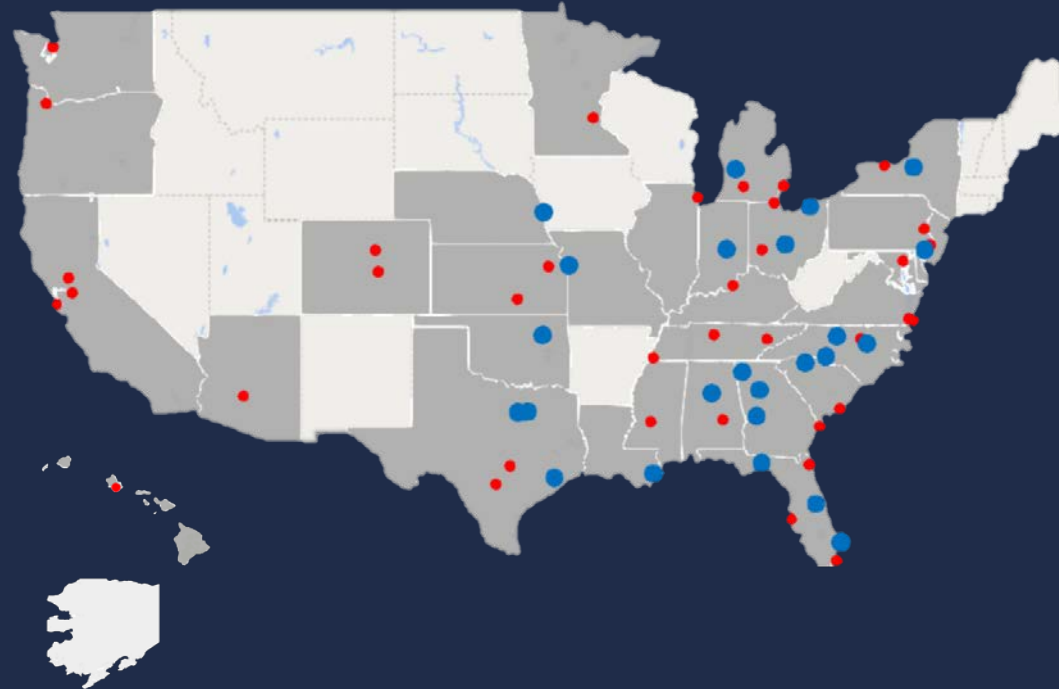
Columbus, OH

Cleveland (Buckeye-Woodhill), OH

Cleveland (Glenville-Circle North), OH

Dallas, TX

Fort Worth, TX



Omaha, NE

Orlando, FL

Raleigh, NC

Rome, GA

Spartanburg, SC

Syracuse, NY

Tallahassee, FL

Tulsa, OK

West Palm Beach, FL

Wilmington, DE

Winston Salem, NC

Grand Rapids, MI

Kansas City, MO

Houston, TX

New Orleans, LA

Indianapolis, IN





# Advancing racial equity is central to everything we do

- Organizational Values:  
“Neighborhoods become distressed for many reasons, but the heart of our work is to heal and restore those neighborhoods harmed by structural and institutional racism and inequity”
- Key Partnerships
  - Race Forward for staff PD and Network Member support
  - Frameworks to help with messaging
- Investments
  - Equity Fellowship Program for Network Members



# We have to be mindful of concerns about gentrification

- There is a real risk that by creating healthy neighborhoods we will set off an investment cycle that reduces or eliminates affordability in a neighborhood
- Even in neighborhoods where affordability has been protected, there are changes in the cultural and political balance that can be uncomfortable and disruptive



# Then we make the case for this approach

## “Status quo is both stupid and expensive”

- Half of all the areas in the nation that gentrified between 1970 and 2010 were in three cities (NY, DC and Chicago) (Source: Cortright & Mahmoudi, 2014)
- For every low-income neighborhood that is gentrifying, there are 10 getting no investment

## Displacement is a complicated thing

- Distressed neighborhoods have transiency rates in the 20-40% range; neighborhoods of last resort for families with children
- Transiency rates among low income residents go down once gentrification begins

*In 2004, Columbia University economists Lance Freeman and Frank Braconi found that low-income residents of “gentrifying” neighborhoods were less likely to move out of the neighborhood than low-income residents of neighborhoods that had none of the typical hallmarks of gentrification.*

## Wealth gap is driven by lack of growth in residential equity

Median and average wealth, by race

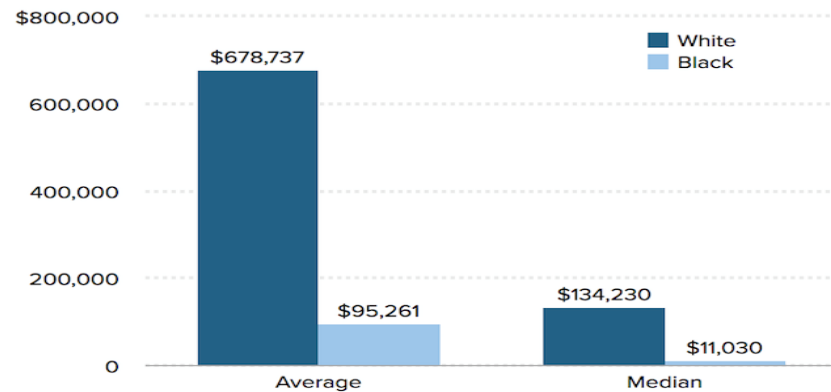


Chart Data

Source: Survey of Consumer Finance Combined Extract Data, 2013.

Economic Policy Institute

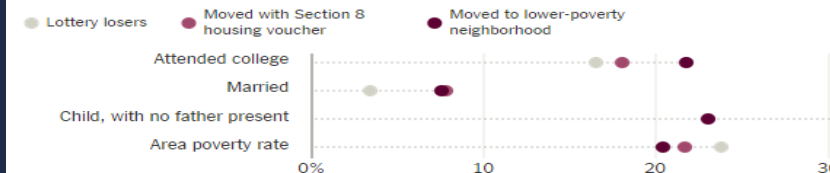
## Children growing up in mixed income neighborhoods have better life outcomes

*“There is strong evidence that when neighborhood disadvantage declines, the economic fortunes of black youth improve, and improve rather substantially.”*

*Patrick Sharkey  
Stuck in Place*

### The Benefits of Moving to Opportunity

Children who moved to better neighborhoods in their preteen years enjoyed a variety of long-run advantages over those who did not.



Source: Raj Chetty, Nathaniel Hendren and Lawrence Katz

*“only 16 percent of children raised in poor areas become economically successful adults.”*

**U.S. Partnership on  
Mobility from Poverty**







# Thank you!

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