



Solving the Revitalization Puzzle? Putting the Pieces Together



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Matthew Martin: Welcome to the Federal Reserve's Economic Development podcast series. I'm Matthew Martin with the Federal Reserve Bank of Richmond.

The vibrancy of a local economy depends upon the health of the many and varied neighborhoods that it comprises. Thus, economic development efforts in some locations have expanded beyond traditional strategies to address the broad range of issues that affect a local economy, including job creation and training, housing, education, health, and transportation. In Atlanta, an example of one such comprehensive effort has yielded remarkable results. Led by an organization called Purpose Built Communities, the revitalization of the East Lake neighborhood has resulted in a decrease in crime, an increase in the percentage of employed low-income adults, and improvements in students' school performance.

Today I'm speaking with Shirley Franklin, CEO of Purpose Built Communities and former mayor of Atlanta from 2002 to 2009. Purpose Built Communities catalyzes and accelerates holistic community revitalization in neighborhoods across the country. Shirley, thanks for speaking with us today.



Shirley Franklin: It's my pleasure. Thank you.

Martin: To start with, can you describe the Purpose Built Communities model, and the conditions required in a community for effective use and application of the model? And also, what have been some of the success metrics you've used?

Franklin: The Purpose Built Communities model is based on a successful revitalization of Atlanta's East Lake community and it consists of four main components: high-quality mixed-income rental housing; an effective cradle-to-college education pipeline beginning with early childhood education; supportive programs, including educational enrichment, job training, recreational opportunities, access to health and wellness resources (and that component is based on the specific needs of the residents in the neighborhood); and a single-focus, not-for-profit organization that focuses and coordinates the neighborhood revitalization to ensure success and sustainability.

We then work in a defined neighborhood, a geographic area that has specific needs, usually disinvestment and a lack of community resources, low-performing schools, and high unemployment. The conditions that are required are a group of local leaders who decide that they want to work on a holistic revitalization adapting this model to their neighborhood, a not-for-profit that plans and drives the revitalization with all of the partners, and then partners from the public and private sector who are willing to buy into the strategic plan.

The success metrics are improved housing, an effective education pipeline beginning with early learning education prior to preschool, all the way through high school. A hundred percent of the students are targeted not just to graduate from high school but to go on to college. More adults in the neighborhood are employed and those with low incomes are earning more and moving up the economic ladder. And improved access to support programs, wellness resources to ensure better health outcomes over time.

Martin: As you may know, the Federal Reserve is interested in workforce development matters. Could you describe the role of Purpose Built Communities in the local workforce development ecosystem? In other words, how did the model help to expand the pipeline of qualified job candidates and foster job growth?

Franklin: The focus of the Purpose Built model is on education, on community engagement, on employability, [on] job training. We provide some resources for residents to obtain educational credentials. We identify partners who can work with us on that, whether it is a YMCA or a workforce development agency or a local business, and we provide some assistance with job placement and referral services. In East Lake, for example, residents of the original neighborhood set the criterion that all adults who were living at East Lake would be working or in training that would lead to employment, except for those with disabilities or senior citizens. So that's a high bar to reach, but one that we have reached successfully in the East Lake project. And the workforce development programs evolve from the specific dynamics of a neighborhood.

Martin: You've already mentioned some of the improvements in Atlanta's East Lake neighborhood as a result of this effort. Could you talk about another example from that neighborhood, particularly how other communities can draw on those lessons?

Franklin: One visionary philanthropic family, headed by Tom Cousins, spurred the transformation of East Lake, but he did not do that alone. He would say it took some money and a lot of hard work by many people and our partners. East Lake went from one of the most dangerous neighborhoods in Atlanta with a crime rate 18 times the national average and 90 percent of the families being crime victims each year to a healthy, safe community with pathways out of poverty for the lowest-income residents.

Crime is down 95 percent and it is 50 percent lower than the city overall. It went from having an only 13 percent employment rate among the public housing—assisted families to 70 percent with the others who are in job training, disabled, or elderly. The school, which was the worst in the Atlanta school district, with only 5 percent of fifth graders who could read at the grade level, became Atlanta's first charter school, and today 99 percent of the fifth graders are meeting or exceeding math standards and performing above their peers in schools across Atlanta at all grade levels. The revitalizations include a grocery store, a YMCA, programs for early childhood education as well. In an area where there had been no commercial or residential investment in over 30 years, \$123 million in capital investment attracted an additional \$175 million in new residential and commercial investment, in and around the neighborhood. And the home values have increased 3.8 times relative to those in the city of Atlanta.

The combination of high-quality mixed-income housing, high-quality education, access to transportation and health services with support services for all the residents who require that has resulted in East Lake becoming a model that is now replicated in seven other cities.

Martin: *Obviously, collaboration is a critical component of your strategy, and the private sector plays an important role in that. So how might economic developers and business leaders better support efforts such as these?*

Franklin: It is through collaboration that the success is possible in a 10-year period. We know that it takes this newly formed, single-purpose not-for-profit organization to plan, coordinate, and drive the revitalization, but it also takes numerous partners to really make it work; from government officials to neighborhood residents to private business and philanthropic partners.

Martin: *In your view, what types of economic development benefits have cities and neighborhoods derived from the Purpose Built Communities approach, and how have these community transformation efforts sparked other economic development initiatives?*

Franklin: In East Lake, we have seen the investment of nearly \$200 million in private, residential, and commercial development in and around a neighborhood that had not seen any investment, either commercial or residential investment, in three decades. So the original investment in East Lake leveraged additional investment and continued investment. There is no question that there are more jobs, there are better paying jobs, there's a higher tax base. In addition to that, we've developed a model that allows low-income people to improve their economic status.

Martin: *This has been interesting and fascinating. Thank you for joining us today, Shirley.*

Franklin: It has been my pleasure. Thank you.

Martin: *This concludes our podcast. We've been speaking with Shirley Franklin, CEO of Purpose Built Communities and former mayor of Atlanta.*

The International Economic Development Council will host its [annual conference](#) in Philadelphia on October 6–9, 2013. We hope you will join us there.

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