

Using Schools as Centers for Urban Revitalization

Jason J. Riley 24 September 2011

Summary

Universal Companies, a successful real estate developer in South Philadelphia, took the unusual step of getting into the business of education. Seeking to address at a holistic level the social ills that plagued the neighborhoods in which they operate, they set their sights on schools as a way to redevelop a sense of pride and ownership within communities.

By providing an education that meets all the needs of students, and making schools a center of resources for families and community members, Universal has developed a model that has not only turned around academic performance, but has begun rebuilding the fabric of communities. In joining their experience in real estate and commercial development with their educational model, Universal envisions a future where wealth is retained within the community by creating opportunity for employment and entrepreneurship.

With a federal Promise Neighborhood Planning Grant, Universal has partnered with the City of Philadelphia and the Philadelphia School District to fully develop their

model of education by engaging stakeholders from all sectors to develop the means to identify, deliver, and evaluate the impact of services offered. This model will be scaled within the defined parameters of two South Philadelphia neighborhoods, based on the model of Harlem Children's Zone.

The Mission of Universal Companies

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The mission of Universal Companies is "is to create educational, cultural, and economic wealth within historically poor African American centers by tearing down the systemic and inter-related barriers that exist, to which, in most cases the residents are blind" (Universal Companies 2010). The organization was founded in 1993 by Philadelphia music legend Kenny Gamble, CEO of Philadelphia International Records, initially as a real estate investment company. His vision was to transform blight in his South Philadelphia neighborhood by redeveloping abandoned properties to provide safe and affordable housing for inner-city African American communities. Universal has created more than 1,000 units of affordable housing, revitalized commercial zones through public/private partnerships, and leveraged more than \$400 million in private and public funds for redevelopment.

However, the scope of Universal Companies' involvement

in the neighborhood quickly widened as it became clear that housing alone would not address the issues that contribute to urban decline. These issues include economic and social disinvestments, poor quality housing, lack of job opportunities, high crime levels, poor quality of education, and overall poor quality of life (Universal at a Glance n.d.). The organization began consolidating its resources and partnering with other service organizations to provide education through charter schools, job training opportunities, and economic education for families.

The Problem: Urban Decay

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The same problems that plague the service area of Universal Companies unfortunately affect inner-city African American communities throughout the country. There is no one definable cause of urban decay.

The President and CEO of Universal, Abdur-Rahim Islam, says that Universal is about rebuilding self-esteem and pride in the individual and community, and bringing to light the recognition that the two are intertwined. Through years of service, Universal has identified several factors that have led to a lack of motivation in the communities it serves.

Universal's residents lack opportunity. Without the availability of meaningful work or entrepreneurial

opportunities in the community, there is little motivation for individuals to excel within their community. Furthermore, this lack decreases the likelihood of wealth remaining within the community. Universal cites research that says within white communities, money will exchange hands seven times before being transferred to someone outside of that group. Within Asian communities, this exchange occurs five times. But within the African American community, money will exchange hands only 0.5 times before leaving the community. Universal's residents thus pay their money to businesses and individuals outside of their community, and the wealth doesn't remain there. The result is a shrinking tax base, which contributes to a decline in government-provided services, poor educational systems, significant economic disinvestments, declining safety, and increased blight.

Universal recognizes that these indicators are directly intertwined with a plethora of other issues that plague so many inner-city populations: lower academic achievement; higher rates of teen pregnancy; higher incarceration rates; low sense of security/safety; poor access to healthcare—and this unfortunately familiar list goes on.

Universal knew that their reach had to go beyond the redevelopment of properties in the neighborhood to address these issues. The factors required to revitalize the community all pivoted on a single concept: education. Universal felt a responsibility to bring quality education

into the failing schools in their neighborhood. But Universal believes that students can succeed only when they have a guardian at home who is invested in their education and willing to become educated themselves to help their children learn. Universal began to identify other ways in which it would need to meet the needs of the children in the neighborhood, including spiritual mentors (regardless of denomination), tutors, access to health care, nutrition, and after-school programs. As Universal began to develop this list, a picture gradually emerged of a school that was innovative.

The Innovation: Schools as the Center of Community

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The innovation in the approach of Universal Companies is two-fold. The short-term innovation is to gain control of schools as a means of creating the hub of activity from which Universal can address the systemic problems that contribute to urban decline. The long-term goal of Universal is to develop neighborhoods whose residents create both the supply and demand, generating a sustainable model that would provide for both employment and entrepreneurial opportunities.

Abdur-Rahim Islam describes blighted neighborhoods as a body of failing systems. This body consists of a political

system that is failing to protect and advocate for the marginalized, an educational system that is failing its students, a spiritual system where religious groups are at odds with one another, and a family system that is deteriorating. The one system that seemed most likely to unite the others is education, so Universal Companies took a front-end approach to provide intervention strategies by entering into education. They viewed schools as not only an opportunity to provide quality education, but as a center for community activity and growth. The school could be the catalyst and center of activity for rebuilding the sense of pride that had been lost in the community.

The theory of change is that in order to make an impact, first Universal must gain control of education in their service area. They have achieved this objective by operating three charter schools: Universal Institute Charter School (K–8), Bluford Charter School (K–6), and Daroff Charter School (K–8). Additionally, they took over management of Edwin M. Stanton Elementary School (K–8) and Edwin H. Vare Middle School (5–8) as contract schools with the School District of Philadelphia.

Secondly, the schools must become an embedded part of the community. Universal's goal is to make schools a hub of community activity where they meet the needs of not only the students, but the residents as well. By making the schools a center where the community feels welcomed, engaged, and able to benefit, Universal will be able to

achieve a front- and back-end approach to education. That is, they will be able to educate parents as well as their children. Through family resource centers in their schools, Universal can provide the direction that families need to access government services, legal services, food assistance, housing services, and consumer education.

The model provided by Universal is similar to that of the Harlem Children's Zone (www.hcz.org) in New York City. The focus of a national dialogue on neighborhood transformation, the model begins with a common set of entry points in the education pipeline (Howard and Stone 2009).

Because there is little economic opportunity in Universal's service area, there is little reason for residents to want to stay or invest in their community. Islam sees this as one of the main barriers to the success of Universal's work, and has made this issue a priority for the organization.

Offering vocational training programs through the schools that they operate is not sustainable without jobs for their graduates. The end goal, according to Islam, is to create opportunity for business.

Controlling the supply and demand is one way Universal sees future impact in creating employment and entrepreneurial opportunity. For example, graduates of construction apprenticeship programs could create a market for affordable housing without subsidies. This would not only provide business opportunity for

graduates, but also offer new opportunity to rebuild the fabric of the community through the school-based community resource centers. Another opportunity for entrepreneurship exists within the schools themselves. Islam notes as an example the outsourcing for provision of food services at the four schools Universal currently operates. Here is a prime example of a need in the community that is being met by businesses from outside the community.

Perhaps what is most innovative about Universal as a company is that it originated as a real estate development company that has expanded into education as a way to transform their neighborhood. Because of their experience in these two realms, they are in a position to be able to provide both the demand from the development perspective, and the supply from the students and community members that they are educating. It is a model that the organization is hoping to develop as they move forward.

The issues that Universal Companies is taking on can be overwhelming in magnitude, and certainly require expertise in many areas. Universal is quick to note that they do not pretend or intend to be experts in each area, but rather are experts in partnership. Their primary focus is education, and using schools as a hub for community activity, partnership, and growth. Like many organizations that seek to bring together multiple services, Universal has had difficulty measuring its impact on the community.

They are proud to make Adequate Yearly Progress in the schools that they operate, but the answer to scalability and accountability may lie in an enhanced partnership model.

Partnering to Enhance the Model

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In 2010, Universal partnered with the City of Philadelphia and the School District of Philadelphia to apply for a Promise Neighborhood Grant. The grants were offered by the U.S. Department of Education through a competitive process as planning grants to create a neighborhood zone modeled after the Harlem Children's Zone. Because Universal was already beginning to take a comprehensive approach to community empowerment and revitalization, it was a natural candidate for the \$500,000 planning grant. Through partnership with the City and School District, Universal was able to obtain an additional \$600,000 in commitments of financial contributions and staffing from organizations throughout the city.

Like the Harlem Children's Zone, the Promise Neighborhood has defined boundaries within which Universal will seek to enhance its model of rebuilding communities using schools as the center of activity and source of pride. Universal identified the communities of Point Breeze and Grays Ferry in South Philadelphia as their Promise Neighborhood. These two neighborhoods

have 10 public schools, three of which Universal was already operating. Although the Promise Neighborhood Grant was intended as a planning grant, Universal hit the ground running, and decided in coordination with the City and the School District that regardless of continued federal funding for this initiative, they were going to bring it to fruition. Universal immediately received commitments from health organizations and the Free Library to begin working to establish school-based health clinics and libraries.

Universal has brought together individuals from all sectors of Philadelphia—including community stakeholders, service providers, educators, and researchers—to serve on four groups that will help to formulate strategy to achieve the goals of the Promise Neighborhood. The work of these four groups and the involvement of stakeholders from all aspects of this community will seek not only to identify the needs of the community, but to identify the best ways to meet those needs, and also how to measure the impact of the initiatives in the Promise Neighborhood.

1. The Pre-School and Early Childhood Development team is charged with identifying best practices, effectiveness, and needs and gaps with respect to parenting, health care, nutrition, and wellness.
2. The Student Development and Career Development group is working to identify the same information as it pertains to curriculum and cognition, career exploration, internships, externships,

apprenticeships, mentoring, after-school programs, and health and wellness in school.

3. The Family Development group is seeking to identify ways in which the family can be enhanced through the Promise Neighborhood, and what services will need to be included here.
4. The Community Development group will make recommendations on best practices, effectiveness, and needs and gaps with respect to affordable housing, business development and commerce, transportation, and quality community facilities and public services.

Universal's model of partnership follows a national trend of multi-service organizations (MSOs) that are becoming less service-centric and more client-centric (Searle et al. 2011). But because Universal itself is not an MSO, it does not face the strategic, financial, and operational barriers that traditional MSOs face in their quest to become client-centric. Instead, Universal is able to begin breaking down the silo system of services, and bring each of them to the table.

Even though this initiative is still in the planning phase, Universal, the City of Philadelphia, and the School District have already made agreements to begin implementation. Universal took on the management of Audenried High School as a charter school in the fall of 2011. This public high school serves the neighborhoods of Grays Ferry and Point Breeze, and is the likely destination of the students

attending the nine elementary and middle schools in these neighborhoods. Stanton Elementary and Vare Middle Schools have recently become charter schools under Universal's direction as well. Alcorn and Smith—also in the Promise Neighborhood—will become charters in 2012.

At Audenried, Universal and its partners will have the opportunity to continue to develop their model. The operation of this high school may also provide the opportunity to pursue the goal of creating both the supply and demand chains within the community. Audenried will provide students with both the academic foundation needed for college and the technical skills necessary for entry-level employment in the workforce. In addition to academics, students will have the opportunity to focus on an area of skills development in creative arts, culinary arts, electrical, or health-related technologies.

Universal's goal is to have every child at Audenried graduate on time and at grade level by 2020. Partnerships to help meet this goal, in addition to those with the City and the School District, come from both the private and public sectors. Foundations such as United Way and the Annie E. Casey Foundation have pledged their support to implement "Success by Six"—United Way's early childhood development program—and "Parents as Literacy Leaders"—the Casey Foundation's early childhood literacy program. The Free Library of Philadelphia is creating a library at Audenried.

Independence Blue Cross has committed to ensuring the creation of a healthcare facility, with support from Thomas Jefferson University. Beyond the school, Philadelphia's Office of Housing and Community Development has committed to two projects to scale affordable housing. Each project will consist of 50-60 units, and will be developed by utilizing the local workforce.

The Policy: Partnering to Redefine Education

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Universal has gained control of educational institutions in a variety of ways, through charter schools and in partnership with the School District of Philadelphia as contract managers of some of its schools. The model of the Promise Neighborhood includes ten schools, six of which will still be operated by the District. President Obama's administration offered the planning grants for the Promise Neighborhood Initiatives through the Department of Education to organizations that were best equipped to replicate the Harlem Children's Zone. The Harlem Children's Zone credits its success in part to operating all of the schools within its zone as charter schools, independent of the management oversight of the school district. Key to Universal's success will be both a productive relationship with the School District of Philadelphia that allows Universal a similar sense of

autonomy, and emulation of its efforts in those schools in the Promise Neighborhood Zone that are still operated by the District.

Universal's unique partnership with the District is meant to ensure that the impact of the Promise Neighborhood planning grant is felt in all nine elementary and middle schools, as well as Audenried High School, which together represent a complete high school feeder system. Having control of this feeder system is critical, as the transition to high school is the point at which there is the highest risk of students dropping out (Howard and Stone 2009:7). The District has committed resources to the development of a Master Facilities Plan for all of the schools in the catchment area, which will include fundamental changes including decisions regarding consolidations and closures.

This partnership will prove pivotal in the success or failure of the Promise Neighborhood. The initiative is rooted in the ability to change a neighborhood by providing a "cradle to career" system of intervention and support. If this fails to take place in all of the schools in the catchment area, the notion of the Promise Neighborhood is undermined.

Policy issues will arise throughout the planning and implementation phases. In anticipation of this, during the application process, Universal garnered the support of the City departments that will be critical to its success in the Promise Neighborhood. These departments include the

Philadelphia Commission on Health, the Office of the Mayor, the District Attorney's Office, the Office of Housing and Community Development, the Redevelopment Authority of Philadelphia, and the 17th Police District.

At the federal level, there is the question of whether funding will be available for the implementation of the Promise Neighborhood. Awardees of planning grants are not guaranteed funding, but have to compete for up to six total awards of implementation grants of up to \$6 million. However, the Obama administration is attempting to make it easier for organizations that are consolidating services to obtain funding. In the White House Neighborhood Revitalization Initiative Report (2011), the Obama administration has laid out its plan to align those federal agencies that direct resources to neighborhoods in distress. The report identifies elements of successful neighborhood revitalization strategies in the hopes that it will be used by policymakers and agencies that fund these efforts.

Social Return on Investment

Social Return on Investment

It is difficult to say what the full scale of Universal's impact will be. Their iterative process has taken into account the organization's experience in the community, and has sought to develop initiatives that help them bring a voice to marginalized communities of South Philadelphia.

Having identified the Promise Neighborhood with distinct boundaries brings forth a new iteration in this process, and one that holds great hope. It has not only brought in more partners to help identify needs and identify the resources and strategies to meet those needs, but it will also develop mechanisms through which the impact of these initiatives can be measured.

The following are theoretical forecasts of the potential financial impact that could take place in the Promise Neighborhood as a result of Universal's influence.

Universal has been able to reverse performance trends in the schools that it currently operates. Where approximately 25 percent of students were testing proficient, almost 75 percent are now. A recent study indicates that students who do not read proficiently by third grade are four times more likely to leave school before obtaining their diploma (Annie E. Casey Foundation 2010). If this same transformation occurred at the schools in the Promise Neighborhood, which exhibit the same performance characteristics as Universal's schools initially did, the outcome could be staggering.

According to the U.S. Census Bureau, the wealth created by a high school graduate over a lifetime is \$305,000, as opposed to the (-)\$32,000 created by a non-high school graduate. The difference between those two numbers, multiplied by the increased number of students who would be performing at proficient levels, means that the total new societal wealth created is \$795,225,000. This

assumption credits the model with the increase of 50 percent of the school population who would now be performing at proficient levels.

Universal's goal of creating economic and employment opportunity within the community in order to keep wealth there could also produce a significant social return. If, for the sake of argument, we say that the number of times money was exchanged within the community was increased from 0.5 to 4, the increase of wealth being retained within the community would be in excess of \$1.2 billion.

Conclusion: Hope for Urban Renewal

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While it remains to be seen if these returns will be realized, Universal's willingness to learn from its experience and build partnerships will bring it closer to success. Learning from the model of the Harlem Children's Zone is helpful, but Universal is quick to note that a location-based model is imperative—one that takes into account the issues, factors, and stakeholders that are unique to Philadelphia's Promise Neighborhood Zone.

Through partnership with the organizations that have sought to provide services and bring about change in education, Universal is hopeful that its model will not only

enhance the educational achievement of the students in this zone, but create a center of community activity and engagement as well as future entrepreneurial opportunity.

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