New investment aims to transform New Orleans neighborhood

By: Lance Traweek  Reporter    February 2, 2016

An investment from a new multimillion-dollar social capital product aims to accelerate neighborhood transformation efforts in a New Orleans community still recovering from Hurricane Katrina.

Launched by the national nonprofit Low Income Investment Fund in conjunction with JPMorgan Chase, “Equity with a Twist” provides low-cost, 10-year financing to support solutions to poverty.

Part of the investment will be in the Columbia Parc neighborhood in New Orleans. The New Orleans-based Bayou District Foundation will receive $2 million of a $6 million pot, with the remaining money being allocated to other initiatives nationwide. The Louisiana nonprofit was created in 2006.

Its redevelopment of the St. Bernard’s Housing Community site was the largest public housing development in New Orleans. Its new investment will aid in continuing their work in the community to incorporate early childhood and K-12 education that will complement the mixed-income housing development that has already been constructed. Following Atlanta’s Purpose Built Communities model, the Columbia Parc redevelopment includes more than 685 mixed-income housing units, a health clinic, an early childhood education school and a planned charter school.

“Combining those elements is a high-impact way to create opportunity in a neighborhood,” said Rachel Bluestein, San Francisco-based LIIF’s vice president of strategic initiatives and programs. “With help from the JPMorgan Chase Foundation, ‘Equity with a Twist’ helps organizations like the Bayou District Foundation to accelerate and increase the impacts that they have in the communities where they work.”

Gerry Barousse, chairman of Bayou District Foundation, said the tool provides long-term, low cost patient money that has flexibility.

“This will allow us to move more timely with construction instead of having to complete the fundraising,” Barousse said. “We look at it as a vehicle that allows us to accelerate implementation of various pieces of our model that are critical.”

He said the sole purpose is to change the cycle of poverty for families in the community.

“This type of comprehensive approach to neighborhood revitalization has a high impact and offering flexible low-cost capital toward this kind of effort will increase the social impact,” Bluestein said. “We believe this is a product that will provide a high social return and modest financial returns to investors.”