

RESEARCH REPORT

# Year 1 Evaluation of the PRO Neighborhoods Purple Line Collaborative

*Leiha Edmonds*

*Peter A. Tatian*

*Mychal Cohen*

*Jein Park*

*December 2020*



## ABOUT THE URBAN INSTITUTE

The nonprofit Urban Institute is a leading research organization dedicated to developing evidence-based insights that improve people's lives and strengthen communities. For 50 years, Urban has been the trusted source for rigorous analysis of complex social and economic issues; strategic advice to policymakers, philanthropists, and practitioners; and new, promising ideas that expand opportunities for all. Our work inspires effective decisions that advance fairness and enhance the well-being of people and places.

# Contents

<b>Acknowledgments</b>	<b>iv</b>
<b>Executive Summary</b>	<b>v</b>
<b>Year 1 Evaluation of the PRO Neighborhoods Purple Line Collaborative</b>	<b>1</b>
Purple Line	2
Purple Line Collaborative	4
Origins of the Purple Line Collaborative	4
Purple Line Collaborative Equitable Development Goals	5
Purple Line Collaborative Geographic Focus Areas	5
Evaluation Objectives and Methods	8
Year 1 Implementation Findings	9
Impact of COVID-19	9
Defining and Developing an Equitable Development Plan	10
Year 1 Implementation	11
Lessons Learned for 2021	18
<b>Appendix. Logic Models</b>	<b>21</b>
<b>Notes</b>	<b>24</b>
<b>About the Authors</b>	<b>25</b>
<b>Statement of Independence</b>	<b>26</b>

# Acknowledgments

This report was funded by Enterprise Community Partners as part of a JPMorgan Chase PRO Neighborhoods award. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at [urban.org/fundingprinciples](https://urban.org/fundingprinciples).

# Executive Summary

In 2019, the Purple Line Equitable Transit-Oriented Development Collaborative (Purple Line Collaborative) received a JPMorgan Chase PRO Neighborhoods award. The Purple Line Collaborative is made up of three community development financial institutions (CDFIs): Enterprise Community Partners, the National Housing Trust, and the Latino Economic Development Center. With the PRO Neighborhoods grant, the three CDFIs are focused on lending to develop and preserve affordable housing and small businesses along the Purple Line light rail line that is being built in the Maryland suburbs of Washington, DC, to connect communities in Prince George's and Montgomery Counties.

The PRO Neighborhoods grant will support the Purple Line Collaborative, which is focused on three main goals:

- **Develop and expand partnerships, policy, and community engagement in the corridor.** The CDFIs are focused on collaboration with stakeholders, residents, and community members in the corridor to meet common equitable development goals. In addition, the collaborative members support new policies, such as commercial rent control, that promote equitable development in the region.
- **Preserve and develop affordable housing.** Collaborative members are focused on strategic technical assistance and capital deployment to preserve at least 1,000 units of affordable housing in the corridor.
- **Provide loans and technical assistance to small businesses.** The CDFIs provide technical assistance and lending to preserve at least 200 small businesses in the corridor.

In the first three quarters of the year 1 grant, the Purple Line Collaborative accomplished several key objectives for developing and preserving affordable housing and small businesses along the transit corridor. During this time,

- 135 engagements were held with key nonprofit and public agency partners in the Purple Line corridor,
- 9 policy advocacy events and meetings took place,
- 57 small businesses received technical assistance,
- 368 technical assistance meetings were conducted with small businesses in the corridor, and

- 96 units of affordable housing were preserved using PRO Neighborhoods funds.

Much of the Purple Line Collaborative's work in 2020 focused on responding to the COVID-19 pandemic. Because of a slowdown in lending opportunities, the three CDFIs adjusted the timeline for their 2020 work, refocused on their partnerships with community organizations, and pivoted to virtual modes of collaboration. As the CDFIs prepare for 2021, they are focused on expanding partnerships to respond to the pandemic, increasing racial equity through the PRO Neighborhoods work, lending, and closing the client feedback loop.

# Year 1 Evaluation of the PRO Neighborhoods Purple Line Collaborative

In 2019, the Purple Line Equitable Transit-Oriented Development Collaborative (Purple Line Collaborative) received a JPMorgan Chase PRO Neighborhoods (Partnerships for Raising Opportunities in Neighborhoods) award. The PRO Neighborhoods competition makes investments of as much as \$5 million over three years in community development organizations tackling pressing demands in targeted neighborhoods. The Purple Line Collaborative is made up of three community development financial institutions (CDFIs): Enterprise Community Partners, the National Housing Trust (NHT), and the Latino Economic Development Center (LEDC). More information on each partner is in box 1.

---

## BOX 1

### About the Community Development Financial Institutions

- **Enterprise Community Partners (with support from Enterprise Community Loan Fund)** is a nonprofit organization that aims to make home and community places of pride, power and belonging for all. It develops and deploys programs and supports community organizations, advocates for policy at every level of government, and invests capital to build and preserve affordable rental homes. It also owns, operates, and provides resident services for affordable communities. Over 40 years, Enterprise has built and preserved 662,000 affordable homes and invested \$53 billion in communities.
- The **National Housing Trust** is an expert in preserving affordable housing, ensuring that privately owned rental housing remains affordable and sustainable. Using the tools of real estate development, finance, policy advocacy, and energy solutions, NHT is responsible for preserving and producing more than 37,000 affordable homes in all 50 states, leveraging more than \$1.2 billion in financing.
- The **Latino Economic Development Center** equips Latinos and other underserved communities in the Washington, DC, and Baltimore metropolitan areas with the skills and financial tools to create a better future for their families and communities. Participants in LEDC's programs learn how to buy and stay in their homes, join with their neighbors to keep rental housing affordable, and start or expand small businesses.

Source: Purple Line Collaborative documents.

---

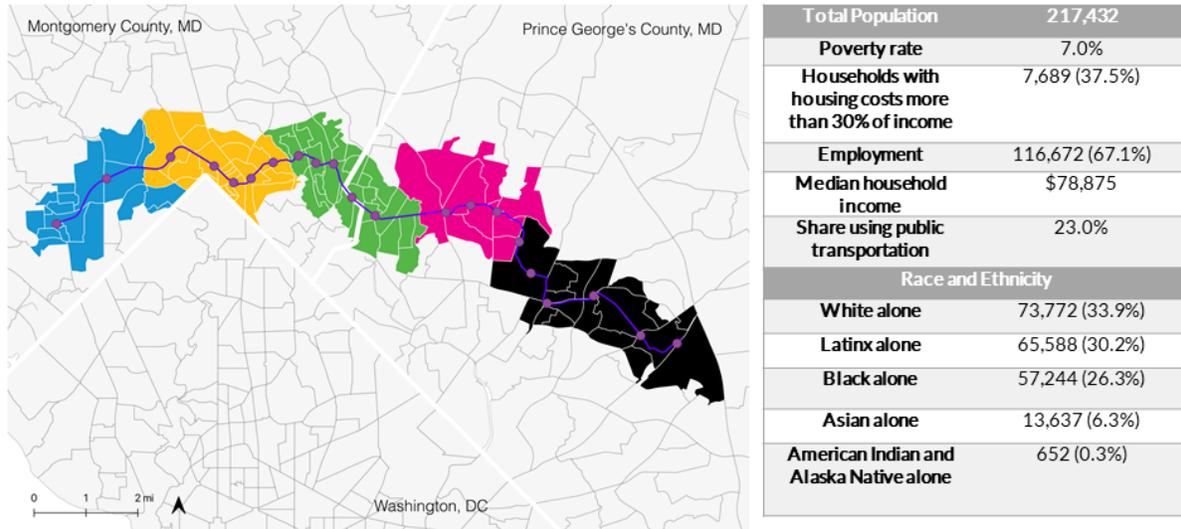
The Purple Line Collaborative selected the Urban Institute to be the research and evaluation partner during the three-year PRO Neighborhoods grant. Urban's role is to review the progress being made by the collaborative's members and assess that progress against the goals set at the start of the grant. This is the first of three summary reports that Urban will publish at the end of each grant year to present findings on progress made and lessons learned so the Purple Line Collaborative can improve results. This report summarizes the activities from January to October 2020, during the first year of the PRO Neighborhoods grant.

The report begins by describing the Purple Line and Purple Line Collaborative's origins, including the collaborative's equitable development goals and geographic areas of focus. After a brief discussion of the evaluation objectives and methods, the remainder of the report examines the Purple Line Collaborative's first year of implementation, including grantees' reflections on the COVID-19 pandemic's impact on their goals and outcomes. The evaluation highlights how the CDFIs preserved and developed affordable housing and small businesses, delivered technical assistance, partnered with stakeholders, engaged residents, and coordinated with the Purple Line Corridor Coalition (PLCC), which oversees the equitable development of the light rail line.

## Purple Line

Once completed, the Purple Line will be a 16-mile light rail line in the suburban Maryland counties north of Washington, DC; it will extend from Bethesda in Montgomery County east to New Carrollton in Prince George's County (figure 1). After more than a decade of preparation and planning by the Maryland Department of Transportation that began in 2002, work on the light rail line launched in 2016. According to the department's website, the Purple Line is projected to be completed in 2022,<sup>1</sup> but a dispute with the contractor may delay completion until 2024.<sup>2</sup>

**FIGURE 1**  
**Purple Line Corridor Map and Key Demographics**  
*Corridor subareas*



URBAN INSTITUTE

**Sources:** 2014–18 American Community Survey five-year estimates; University of Maryland National Center for Smart Growth Research and Education.

**Note:** Each corridor subarea is made up of census block groups.

In addition to creating a new east-west public transit system that connects the Red, Green, and Orange lines of the Washington area’s Metrorail system, as well as the Maryland Area Regional Commuter trains, Amtrak, and local bus services, the Purple Line catalyzes transit-oriented development, a policy tool used to expand the stock of mixed-use (commercial and residential) development near transit stations. This investment in commercial and residential development could provide more high-quality jobs, affordable housing, and neighborhood amenities along the corridor.

But without equitable transit-oriented development, the Purple Line could also increase rents and lead to the displacement of longtime, lower-income residents in the corridor, where the majority of residents (63 percent) are people of color. The region already has an above-average housing cost burden—more than 37 percent of households in the corridor pay more than 30 percent of their income on housing, compared with 28 percent of the nation overall. Also, research shows that, because of structural racism, people of color, especially immigrants and those with lower incomes, are more likely to experience displacement and loss of connection to place, history, and culture from fixed rail developments, and businesses owned by people of color are more likely to experience disruption.<sup>3</sup>

# Purple Line Collaborative

With the PRO Neighborhoods grant, the three collaborative partners are focused on developing and preserving affordable housing and small businesses along the Purple Line corridor through lending, technical assistance, and partnerships.

## Origins of the Purple Line Collaborative

Before the three CDFIs applied for the PRO Neighborhoods award, Enterprise and LEDC were active with the PLCC. The coalition formed in 2013 as a multisector collaborative led by the University of Maryland's National Center for Smart Growth Research and Education and includes community organizations, state and local governments, nonprofit organizations, philanthropies, and businesses. Enterprise serves on the PLCC steering committee and is a leader of the PLCC's housing accelerator action team, which works with partners to accelerate housing opportunities for people of all income levels—especially low-income, middle-income, and transit-dependent residents—in communities throughout the corridor. LEDC also serves on the PLCC steering committee and is a leader of the small-business group, which works to ensure that diverse, locally established businesses prosper both during and after the Purple Line's construction.

While the Purple Line is being built, PLCC members are working on important issues, including establishing a community benefits agreement and providing technical assistance and data on the Purple Line's development. From this activity through the PLCC, Enterprise and LEDC began coordinating to find more capital that could be invested in affordable housing and small businesses in the corridor. One grantee we interviewed said, "The dialogue for PRO Neighborhoods began between Enterprise and LEDC about how to partner in a comprehensive way around lending both to small businesses and housing developments along the Purple Line to put forward something that was different from what we'd seen." The PRO Neighborhoods grant offered \$5 million in loan capital over three years and suited the unique skills of the CDFIs.

As the application came together, Enterprise and LEDC brought NHT in because of its expertise on pre-development, unsecured loans for affordable housing and loan products that tend to be complementary to larger affordable housing lenders like Enterprise. As a team member described, "It was a neat opportunity to have NHT involved...who brought something complementary in terms of pre-development, or flexible capital...certain products that maybe Enterprise couldn't do, but we could work together." In 2020, the CDFIs collaborated to support the PLCC's larger work and expanded their partnerships and lending under the PRO Neighborhoods grant.

## Purple Line Collaborative Equitable Development Goals

The Purple Line Collaborative's PRO Neighborhoods equitable development priorities are focused on three main goals:

- **Develop and expand partnerships, policy, and community engagement in the corridor.** To expand affordable housing and preserve small businesses around the Purple Line, the CDFIs are focused on collaboration with stakeholders, residents, and community members in the corridor to meet common equitable development goals. In addition, the collaborative members support new policies, such as commercial rent control, that promote equitable development in the region.
- **Preserve and develop affordable housing.** The collaborative members are focused on strategic technical assistance and capital deployment to preserve at least 1,000 units of affordable housing in the corridor.
- **Provide loans and technical assistance to small businesses.** The CDFIs provide technical assistance and lending to preserve at least 200 small businesses in the corridor.

## Purple Line Collaborative Geographic Focus Areas

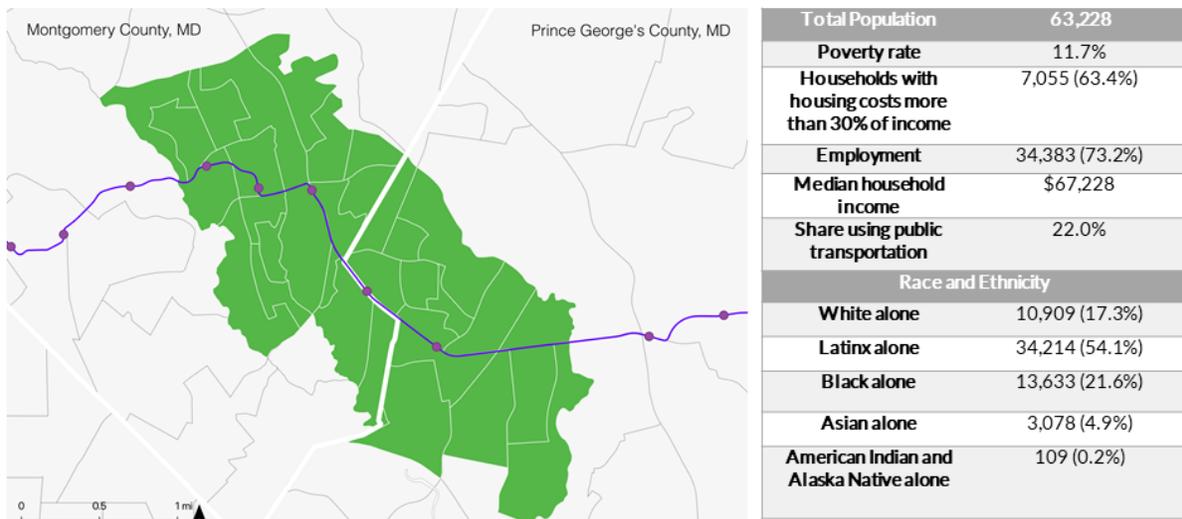
Investments from the PRO Neighborhoods grant are targeted toward three key areas along the Purple Line—the International Corridor, Riverdale/New Carrollton, and Silver Spring—each of which has different equitable development needs. These areas were selected because they generally have higher shares of nonwhite households, median household incomes of less than \$70,000, larger stocks of naturally occurring affordable housing, and higher unemployment and poverty rates than the regional average.

Two of the areas, Riverdale/New Carrollton and the International Corridor, are distinct in that they have more than 100,000 residents and 1,350 small businesses, 800 of which are in the construction areas. These two areas are suburban in character, although some neighborhoods are dense and host thousands of garden-style apartments that provide affordable housing. Surrounded by strip-style commercial zones, they have larger populations of color and have attracted recent immigrants, who are at greater risk of residential and commercial displacement during the Purple Line construction as the expected decrease in commerce occurs and speculation on land values increases. In contrast, Silver Spring is predominantly white, higher income, and has a large downtown center.

## INTERNATIONAL CORRIDOR

The International Corridor in Montgomery and Prince George’s Counties covers the communities of Takoma Park, Langley Park, Adelphi, and Lewisdale (figure 2). Fifty-four percent of residents of this area are Latinx, and 22 percent are Black. The International Corridor has a higher share of residents living in poverty (11.7 percent) than the collaborative’s other target regions and the Purple Line corridor overall (7.0 percent). The International Corridor also has a particularly high housing burden—63.4 percent of households pay more than 30 percent of their income on housing.

**FIGURE 2**  
International Corridor Area and Key Demographics



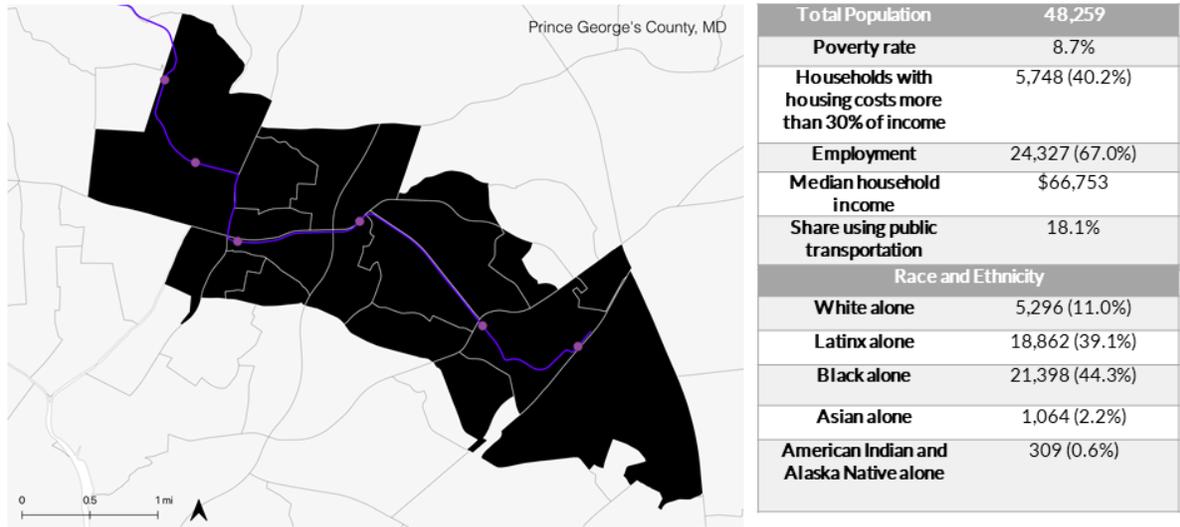
URBAN INSTITUTE

Sources: 2014–18 American Community Survey five-year estimates; University of Maryland National Center for Smart Growth Research and Education.

## RIVERDALE/NEW CARROLLTON

Similar to the International Corridor, the Riverdale/New Carrollton area, which is in Prince George’s County, is diverse: 44.3 percent of residents are Black, and 39.1 percent are Latinx. Among the collaborative’s target areas, Riverdale/New Carrollton has the lowest share of residents who use public transportation, 18.1 percent (figure 3). This is also lower than the share of Purple Line corridor residents overall who use public transportation, 23 percent. The housing burden in this area is high, at 40.2 percent, although it is lower than the International Corridor’s.

**FIGURE 3**  
**Riverdale/New Carrollton Area and Key Demographics**



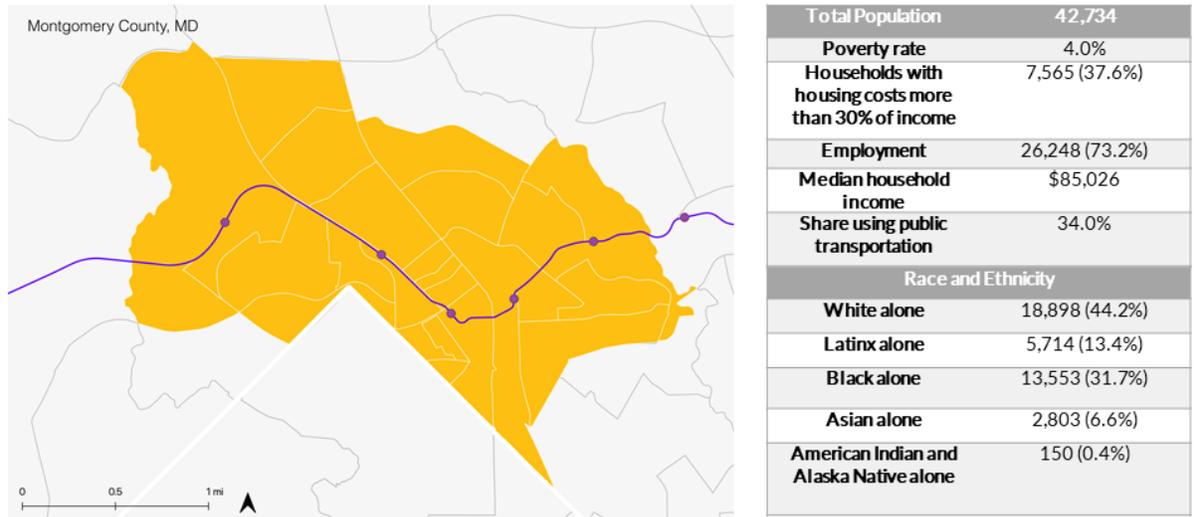
URBAN INSTITUTE

Sources: 2014–18 American Community Survey five-year estimates; University of Maryland National Center for Smart Growth Research and Education.

### SILVER SPRING

Silver Spring, an unincorporated community in Montgomery County, was originally developed with a restrictive deed covenant that prevented Black families from becoming homeowners, and that racism still has impacts today.<sup>4</sup> Among the areas that the collaborative is focusing on, Silver Spring has the highest share of white residents (44.2 percent) and the highest median household income (\$85,026, figure 4). Disaggregating income and poverty level by race, Black and Latinx households do not fare as well as white households in Silver Spring; the annual median income is \$71,272 for Black households and \$63,750 for Latinx households, compared with \$105,402 for white households. Similarly, Black and Latinx households experience higher poverty rates (7.4 percent and 30.2 percent, respectively), compared with the overall poverty rate in Silver Spring (4.0 percent).

**FIGURE 4**  
**Silver Spring Area and Key Demographics**



URBAN INSTITUTE

**Sources:** 2014–18 American Community Survey five-year estimates; University of Maryland National Center for Smart Growth Research and Education.

## Evaluation Objectives and Methods

The Urban Institute’s evaluation focuses on how the CDFIs affect the development and preservation of small businesses and affordable housing along the Purple Line corridor. The following four areas of inquiry organize this report:

- How and to what extent does the Purple Line Collaborative meet the annual goals to preserve and expand affordable housing in the target area through financing and development?
- How and to what extent does the Purple Line Collaborative meet the annual goals to preserve and expand small businesses in the target area through financing and technical assistance?
- How and to what extent does the Purple Line Collaborative preserve and expand affordable housing and small businesses in the target area through partnerships, policy, and community engagement?
- What major equity issues have the partners identified in the Purple Line corridor? How will the partners’ planned activities affect equity in the area?

We use quantitative and qualitative data to answer these questions. The primary methods for the year 1 study are the following:

- **Administrative data assessment.** This report focuses primarily on CDFI grantee data (reported to JPMorgan Chase on a quarterly basis) related to PRO Neighborhoods project outputs, such as the number of small businesses that received technical assistance.
- **Qualitative data assessment.** Urban interviewed staff members from the three CDFIs in summer 2020. The interviews focused on the CDFIs' accomplishments and challenges to date, the development of the PRO Neighborhoods grant programming plan and partnerships, and future challenges and opportunities.
- **Survey of small businesses that receive technical assistance from LEDC.** A brief online survey gathered uniform data on client satisfaction and COVID-19 response from a sample of businesses that received technical assistance from LEDC.

## Year 1 Implementation Findings

This section summarizes Urban's findings from the implementation of the first year of the Purple Line Collaborative's PRO Neighborhoods grant. As discussed below, the onset of the COVID-19 pandemic had an enormous impact on the equitable development work, and the collaborative partners had to adjust the content and pace of their work to adapt to the changing and uncertain environment. Despite this, the Purple Line Collaborative made notable progress toward its equitable development goals in the first grant year. We also discuss lessons learned that can improve implementation and practice in the second grant year.

### Impact of COVID-19

The pandemic shutdown began three months into the Purple Line Collaborative's first year of work under the PRO Neighborhoods grant. In response, the three CDFIs adjusted their 2020 timelines, refocused on their partnerships with community organizations, and pivoted to virtual modes of collaboration. Both NHT and Enterprise noted that in the early months of the pandemic, housing development plans slowed, which led the CDFIs to rethink their 2020 PRO Neighborhoods grant goals. One team member described the spring 2020 environment for financing projects as slow. As a result, the three CDFIs did not close any small-business loans or deploy affordable housing capital in the first three quarters of 2020.

---

*There was a period of time where everyone put a pause on financing new projects. [Developers] weren't looking at anything until they understood what the world would look like. In speaking with partners, we realized there was a pause on projects across the board...In general, COVID just has slowed everything down.*

*—Enterprise Community Partners staff member*

---

While the opportunities to finance affordable housing slowed, the CDFIs' work with community partners expanded to be responsive to organizations' needs as they addressed the pandemic's impact on residents with low incomes. This wider effort included meeting with community and religious groups to understand their needs and supporting small businesses along the Purple Line corridor as they applied for loans through the federal Paycheck Protection Program.

The COVID-19 pandemic also changed the way the CDFIs engaged with clients, and one another, as the collaborative moved to virtual meetings and increased its online presence. For LEDC, this switch to virtual engagement included supporting small-business clients' digital literacy and developing an app that allowed LEDC's technical assistance to be at clients' fingertips.

---

*Pre-COVID, a lot of the concern was 'how do I get my clients back into the shop because the traffic flow has been disrupted due to [Purple Line] construction.' Now, it's shifted to responding to virtual marketing, setting up social media pages...We also see a big gap in digital literacy and access to technology, so we've been spending a lot of time helping clients with online applications.*

*—Latino Economic Development Center staff member*

---

As the pandemic continues into 2021, the CDFIs plan to expand how they respond to client and community needs through partnerships and increased virtual engagement.

## **Defining and Developing an Equitable Development Plan**

Early in year 1, the Purple Line Collaborative began developing a cohesive equitable development plan. Urban fielded an informal survey of partners to help identify the key reasons that the corridor needed

equitable development. Beyond the quantitative metrics and outcomes, the partners focused on preventing displacement as a result of the Purple Line development (particularly for residents with low incomes and residents of color) and ensuring that small businesses benefit from neighborhood investment, that residents feel their stories are being told and their needs are being met.

These conversations led to the development of logic models for small business and housing (see the appendix). These models build out the activities, outcomes, and metrics for the collaborative's equitable development goals.

## Year 1 Implementation

Although timelines and modes of communication shifted because of COVID-19, the Purple Line Collaborative's PRO Neighborhoods efforts remained focused on

- preserving and expanding affordable housing in the target area through financing and development,
- preserving and expanding small businesses in the target area through financing and technical assistance, and
- preserving and expanding affordable housing and small businesses in the target area through partnerships, policy, and community engagement.

The collaborative's partners established the following goals for the first year:

- Convene collaborative and other key CDFI and banking partners, as well as development and community partners, to clarify lending targets and data resources.
- Build on the capital absorption efforts of the PLCC housing accelerator action team and Kaiser Permanente-supported affordable housing pipeline efforts.
- Conduct small-business assessments for 70 businesses in the corridor, resulting in 70 technical assistance plans and engagements.

LEDC and NHT led the small-business and affordable housing lending, respectively; Enterprise coordinated the collaborative and partnership engagement; and Enterprise's loan fund supported NHT's affordable housing lending work.

In year 1, the CDFIs focused heavily on relationship building; this included providing technical assistance to organizations and connecting with stakeholders in the corridor to focus on equitable

development policy. The CDFIs engaged in 368 technical assistance meetings in the first three quarters of 2020, in addition to conducting policy advocacy and meeting with other stakeholders to advance the broader goals of equitable development near the future light rail development.

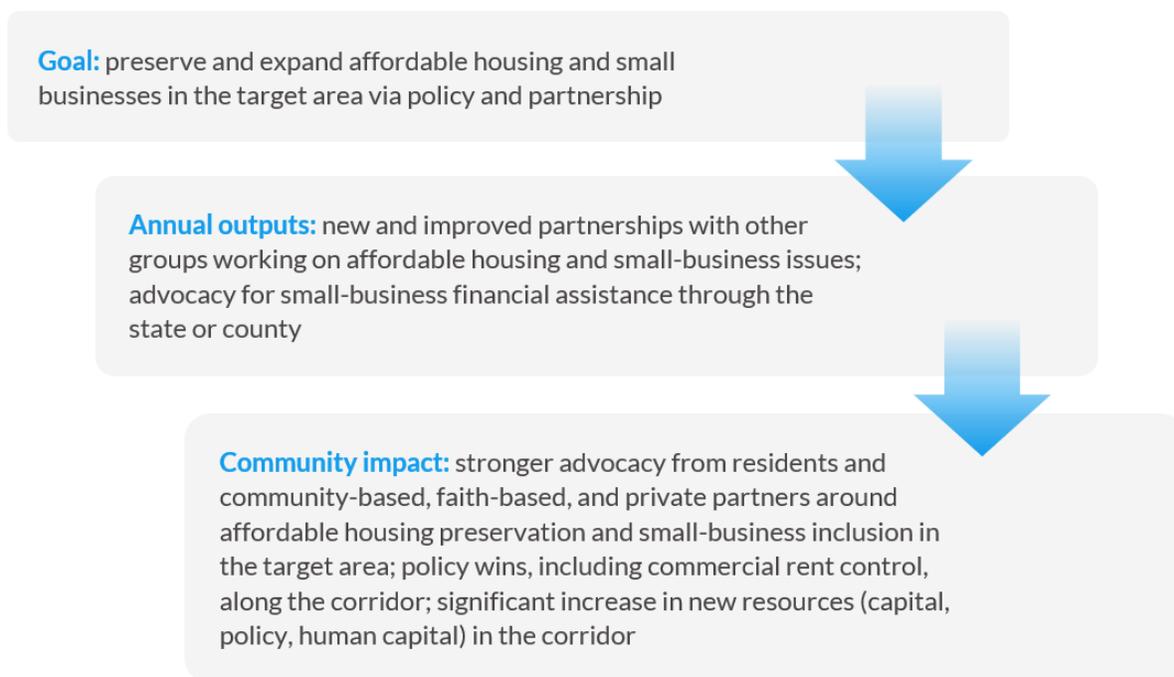
Overall, the CDFIs' focus on partnership led them to make significant headway on their engagement targets for year 1. At the same time, however, the economic uncertainty caused by the pandemic understandably slowed progress toward meeting lending goals. One interesting question for the second grant year is whether and to what extent the Purple Line Collaborative's partnership building in 2020 will open doors to using capital in 2021.

### PARTNERSHIPS, POLICY, AND COMMUNITY ENGAGEMENT

Policy advocacy, community partnership, and resident engagement are crucial to the long-term goals of expanding affordable housing and preventing the displacement of small businesses and residents in the neighborhoods around the Purple Line. Establishing lines of policy influence and community engagement will help ensure that the benefits of new investment in the area are shared with longtime residents and businesses. Figure 5 details the CDFIs' goals and outcomes in this area.

FIGURE 5

#### Overview of the Goal, Outputs, and Outcomes for Partnerships, Policy, and Community Engagement



URBAN INSTITUTE

Source: Purple Line Collaborative logic model.

Enterprise, LEDC, and NHT are deeply engaged in advocacy work, particularly in light of the pandemic’s effect on small businesses and housing affordability. LEDC held six advocacy events with county council members to advocate for additional small-business support in the Purple Line corridor (table 1). LEDC also supported advocacy efforts around rental assistance in Montgomery and Prince George’s Counties. Simultaneously, NHT and Enterprise engaged with the PLCC’s housing accelerator action team in its affordable housing advocacy with the city of College Park.

**TABLE 1**  
**Community Development Financial Institutions’ Advocacy Efforts**  
*Number of events and meetings*

	First and second quarters, 2020	Third quarter, 2020	Total
Latino Economic Development Center	3	3	6
National Housing Trust and Enterprise Community Partners	3	0	3
<b>Total</b>	<b>6</b>	<b>3</b>	<b>9</b>

Source: PRO Neighborhoods reporting data.

Pandemic response drove much of the CDFIs’ advocacy work in 2020. While the metrics capture meetings and events, the advocacy work had many touchpoints, including coalition meetings, letter writing, and one-on-one engagements with elected officials. An LEDC staff member said:

With regard to the Purple Line, we’ve been very active on how counties have been addressing COVID. We have been meeting with folks on the Prince George’s County side, state-level, and submitted letters to government folks about challenges that businesses are facing. So much of what goes on in policy undermines the work we do, so it’s important to be at the table for those policy talks.

Although efforts to use PRO Neighborhoods capital were delayed in 2020 because of the economic fallout from the pandemic, much of the collaborative’s activities shifted to creating partnerships and engaging stakeholders in the development of new affordable housing and small-business supports. For LEDC, this included connecting with small businesses in the corridor. In the first three quarters of 2020, LEDC reached out to businesses by phone and email 78 times (table 2). And it plans to expand to door-to-door outreach when doing so is safe. This outreach helped promote LEDC’s technical assistance and loan services in 2020 through the PRO Neighborhoods grant.

TABLE 2

Community Development Financial Institutions' Partnership Engagements

	First and second quarters, 2020	Third quarter, 2020	Total
Number of Enterprise Community Partners and National Housing Trust engagements with private partners	23	19	42
Number of Enterprise Community Partners and National Housing Trust engagements with public agencies	6	9	15
Number of Latino Economic Development Center engagements with potential partners	40	38	78
Total	69	66	135

Source: Pro Neighborhoods reporting data.

Note: Engagements include virtual meetings between technical assistance providers and stakeholders.

As work to develop affordable housing units progresses, these partnerships will be crucial for allowing LEDC, NHT, and the rest of the collaborative to stay up to date and engaged in project development. As one NHT staff member said:

Being at the [PLCC] table with stakeholders, directors of county housing agencies, different local council members, etc., has been helpful for us. This way, we receive more insight into project details and staying in the loop.

Partnerships have also been a tool for the CDFIs to engage community members. For Enterprise, participating in the housing accelerator action team has allowed it to connect with community stakeholders.

---

*Key stakeholders are local nonprofits that specifically provide social services and have a really good pulse on the neighborhood. As well as houses of worship, they can provide information on what the community is interested in.*

*—Enterprise Community Partners staff member*

---

SMALL-BUSINESS LOANS AND TECHNICAL ASSISTANCE

LEDC's 2020 work to support small businesses along the Purple Line was multifaceted. LEDC not only provides capital to small businesses to expand local enterprises but also provides technical assistance that supports small-business needs—from applying for outdoor seating permits, to building a business's online presence, to accessing state and county grants for small-business support. The pandemic has left many businesses hesitant to take on additional debt, so as of the third quarter of 2020, LEDC had not

made any business loans. Instead, it has worked on developing a microloan product focused on marketing.

The pandemic also brought various resources, and the struggles in accessing Paycheck Protection Program funds, particularly for businesses owned by people of color, were much-documented.<sup>5</sup> In lieu of providing credit that businesses could not take on, LEDC focused on providing technical assistance to help businesses in the Purple Line corridor navigate the barriers to applying for and receiving Paycheck Protection Program funds. Figure 6 details LEDC's lending and technical assistance goals and outcomes as the CDFIs work to address the capital needs of businesses in the corridor. It also describes the benefit of preserving small businesses along the Purple Line to support the community's needs.

**FIGURE 6**  
**Overview of the Goal, Outputs, and Outcomes for Small-Business Lending**



URBAN INSTITUTE

Source: Purple Line Collaborative logic model.

For 2020, the small-business portion of the PRO Neighborhoods grant reported a high number of both technical assistance meetings and businesses that received technical assistance (table 3).

**TABLE 3**

**Latino Economic Development Center Small-Business Metrics**

	First and second quarters, 2020	Third quarter, 2020	Total
Businesses receiving technical assistance	49	27 (8 new clients)	57
Technical assistance meetings	240	128	368

Source: Pro Neighborhoods reporting data.

In interviews, LEDC staff members noted that the unknowns created by the pandemic had made measuring the impact of the year 1 PRO Neighborhoods work a challenge. One team member said, “It’s difficult to measure client success at this point because of the pandemic, but it’s good to know that they’ve been able to get funding through our help.” The pandemic has led to historic challenges for small businesses nationwide, and businesses in the Purple Line corridor are no exception, as the survey results discussed later show. This makes evaluating LEDC’s efforts difficult. The pandemic’s economic impact disrupted or delayed many of the organization’s initial goals, but the crisis has also emphasized the value of LEDC’s efforts to help businesses through the maze of federal, state, and local funding.

LEDC launched a survey of its 57 Purple Line clients in September 2020 and had received 23 responses as of October 2020. The survey responses suggest that COVID-19 affected many clients: 54 percent of respondents reported closing for an average of two to three months since the pandemic started. The survey also found that during the pandemic, 46 percent of respondents began offering new services, ranging from expanded food delivery, to extended patio service, to mask making, to virtual service and retail. The survey also collected clients’ feedback on LEDC’s technical assistance, and the majority of clients reported being satisfied or very satisfied (table 4).

**TABLE 4**

**Client Satisfaction with Latino Economic Development Center’s Technical Assistance**

Client satisfaction level	Share
Very satisfied or satisfied	68
Neither satisfied nor dissatisfied	27
Dissatisfied or very dissatisfied	5

Source: Latino Economic Development Center survey of Purple Line technical assistance clients.

Note: Percentages are based on responses from 23 of 57 clients.

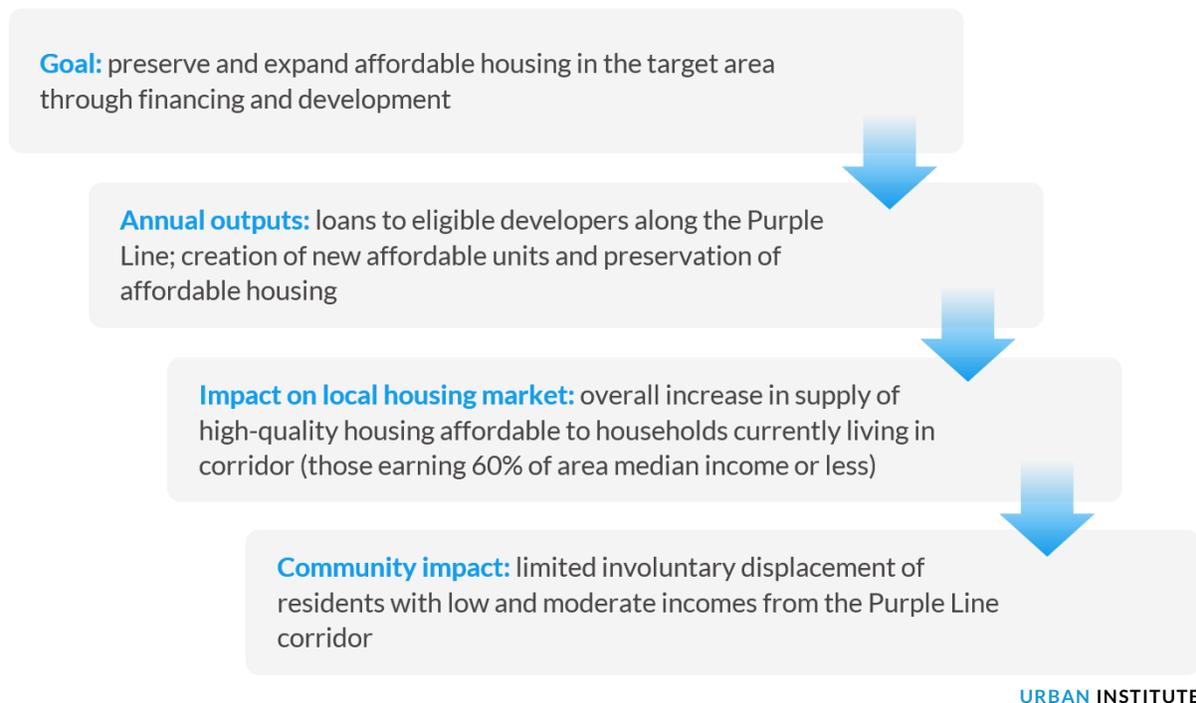
Finally, the survey asked clients what services they are most interested in receiving from LEDC. Among the top areas of client interest were support with marketing, low-interest loans, and assistance with lease negotiations.

## AFFORDABLE HOUSING DEVELOPMENT AND PRESERVATION

With only one project closing in year 1, NHT and Enterprise focused on supporting the development and preservation of affordable housing along the Purple Line by developing partnerships. Figure 7 details NHT's and Enterprise's financing and development goals and outcomes as the CDFIs work to address the capital needs for affordable housing development and preservation in the corridor. It also describes the benefit of expanding affordable housing to prevent the displacement of low- and moderate-income people who live near the Purple Line.

FIGURE 7

### Overview of the Goal, Outputs and Outcomes for Affordable Housing Lending



Source: Purple Line Collaborative logic model.

In 2020, NHT closed on two projects in the corridor, one of which used PRO Neighborhoods grant funding. The Hillwood Manor project, which will use \$800,000 in predevelopment funding, half of which will come from Pro Neighborhoods capital, closed in the fourth quarter. It is a rehabilitation of a 96-unit building in the International Corridor; a majority of the units are affordable at 60 percent of area median income. In addition, NHT secured \$2 million in capital from Chase's Flex Capital program in the third quarter of 2020, reserved for projects in the Purple Line corridor. Finally, NHT, with support from Enterprise, is negotiating to secure an additional approximately \$6.5 million in dedicated lending capital for the Purple Line corridor as of December 2020.

NHT also collaborated with other lenders and stakeholders in the region to enhance partnerships along the Purple Line. NHT has noted the value of being engaged in the housing accelerator action team, which has helped NHT make connections and build out its pipeline of potential affordable housing projects. The pipeline currently has four active projects that would create more than 400 units, and an additional 24 units are being discussed. It is important to note that pipeline data are a snapshot in time and that the number of buildings or units in the pipeline changes frequently as projects progress or fall through. As a result of these efforts, the affordable housing team feels well-positioned to deploy loans in 2021.

## Lessons Learned for 2021

Because of the pandemic, many of the lessons that the CDFIs learned in the first year of the PRO Neighborhoods grant were unexpected. Reflecting on what lies ahead for the Purple Line Collaborative, four themes emerged: expanding partnerships to respond to the pandemic, increasing racial equity, focusing on lending, and closing the client feedback loop.

### EXPANDING PARTNERSHIPS TO RESPOND TO THE PANDEMIC

The COVID-19 pandemic has led to deaths, job and income losses, and housing instability for people across the Washington, DC, region. In response, the CDFIs have been focused on better meeting the needs of the communities where they work. This includes working with partner organizations that are providing pandemic-related services to residents, and the CDFIs see more opportunities to support smaller organizations that are serving and empowering residents most affected by the pandemic. As one Enterprise staff member explained,

I think the next step is that there are more things that we can do to bring more empowerment, more capital, more political agency to folks along the Purple Line beyond the first wave of COVID help...Taking it a step further with what our money can do is probably going to be our next level-setting conversation in 2021.

**Recommendations.** The Purple Line Collaborative can build on its year 1 achievements by reviewing its partnerships and collaborations and determining where new relationships could help fill important gaps in year 2. This may include recognizing and elevating community-based efforts or organizations that align with the collaborative's goals and could benefit from amplification or support. The evaluation team could help support this relationship mapping and assessment.

## INCREASING RACIAL EQUITY

In 2020, the police killings of George Floyd, Breonna Taylor, and other Black people reinitiated critical conversations about racial equity. Several staff of the CDFIs view policy work in 2021 as an important component of addressing racial injustice. The CDFIs also want to focus on partnering and contracting with businesses that are led by people of color as a way to help move racial equity goals forward. One staff member said: “The opportunity for us is to just really lift up any developers of color where CDFIs play a role. We take a risk that traditional lenders aren’t willing to make, and we want to make sure we’re recommending people of color to be involved with the loan program who are local to the [Purple Line] area.”

**Recommendations.** The Purple Line Collaborative can further its commitment to racial equity goals by adopting a definition of equity that can be used across the partnership. This will help frame the collaborative’s actions as part of a unified approach. A shared definition can also be used to make the commitment to racial equity more explicit. In addition, the collaborative can include more racial equity metrics in their results framework. These metrics can be programmatic and population-level measures of current conditions and progress. Incorporating population-level metrics will help inform a strategy for larger policy and programmatic changes needed to address systemic barriers to racial equity.

## FOCUSING ON LENDING

Although the pandemic slowed the progress of the CDFIs’ loan making in 2020, all the groups are focused on deploying capital in 2021. “One of the biggest milestones we see ahead for our work is to just finance the project and then potentially having a developer look at opportunities in the area,” said one member of the team focused on affordable housing. Some staff of the CDFIs saw a potential silver lining in the pandemic: “What we see on the horizon is a ramp-up of the lending,” said one staff member. “There’s a number of obvious community-supported deals that our funds will be super helpful for. There are potential stresses due to COVID which may make some landlords willing to get some assets off their hands...We see an opportunity to get creative structuring for lower-income rental units.”

**Recommendations.** The evaluation team does not have specific recommendations regarding lending activity but encourages the collaborative to continue its proactive approach to identifying opportunities to deploy capital.

## CLOSING THE CLIENT FEEDBACK LOOP

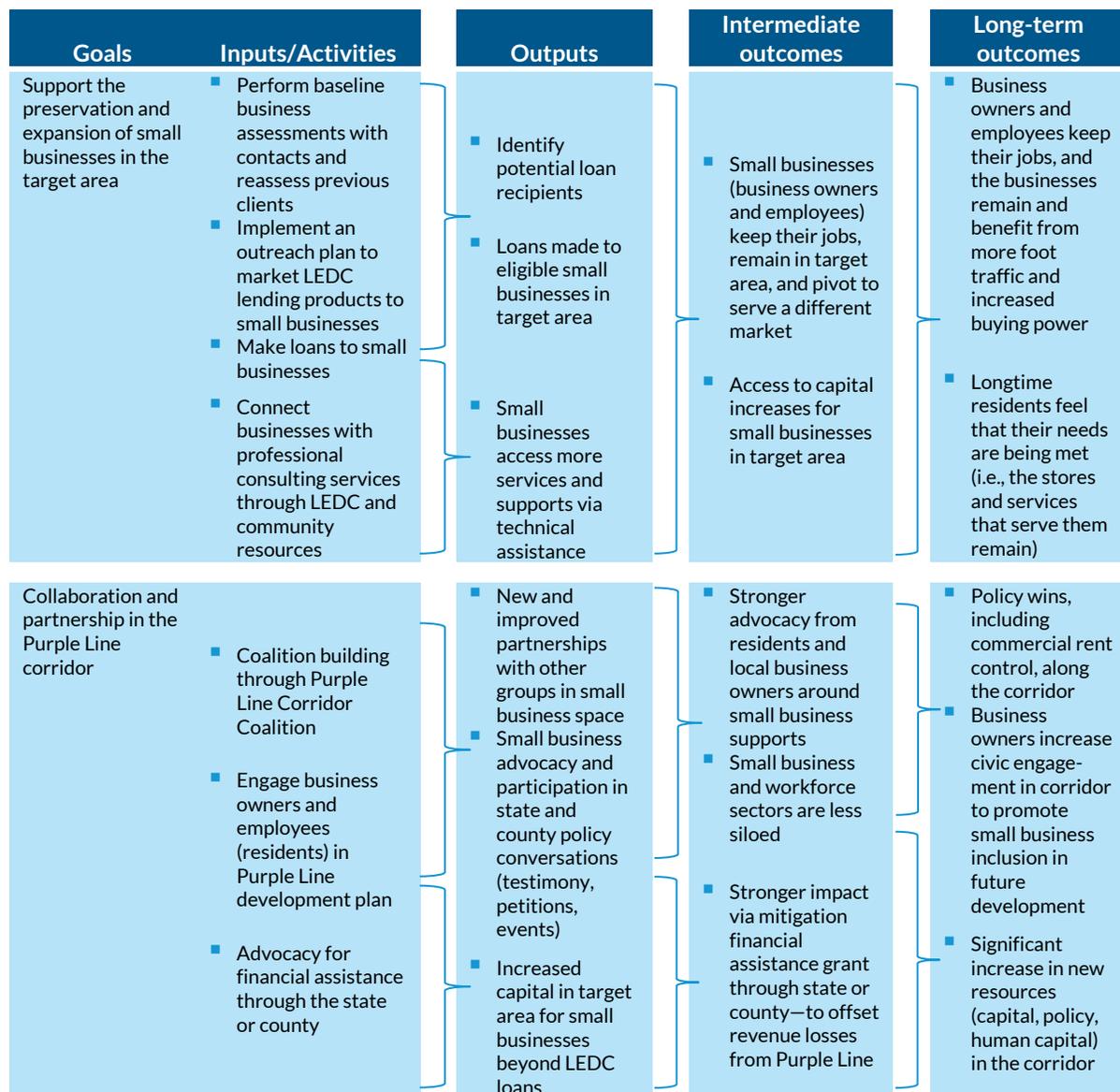
As noted above, LEDC in year 1 surveyed its clients, gathering information that included their level of satisfaction with LEDC's technical assistance. Collecting client feedback data is a best practice, and LEDC is to be commended for taking this step.

**Recommendations.** LEDC should continue its efforts to collect feedback data on programming, and these efforts could be expanded beyond surveys to qualitative data collection, such as interviews and focus groups, which can provide more nuanced and in-depth information. Other members of the collaborative could consider adopting similar client feedback approaches, as appropriate. In addition, the evaluation team can work with LEDC and other collaborative members on ways to "close the feedback loop," by thinking about how to use client feedback data to improve performance and results. Along with regular internal reviews of the data, this might include giving clients the opportunity to see survey results and offer suggestions for enhancing service delivery.

# Appendix. Logic Models

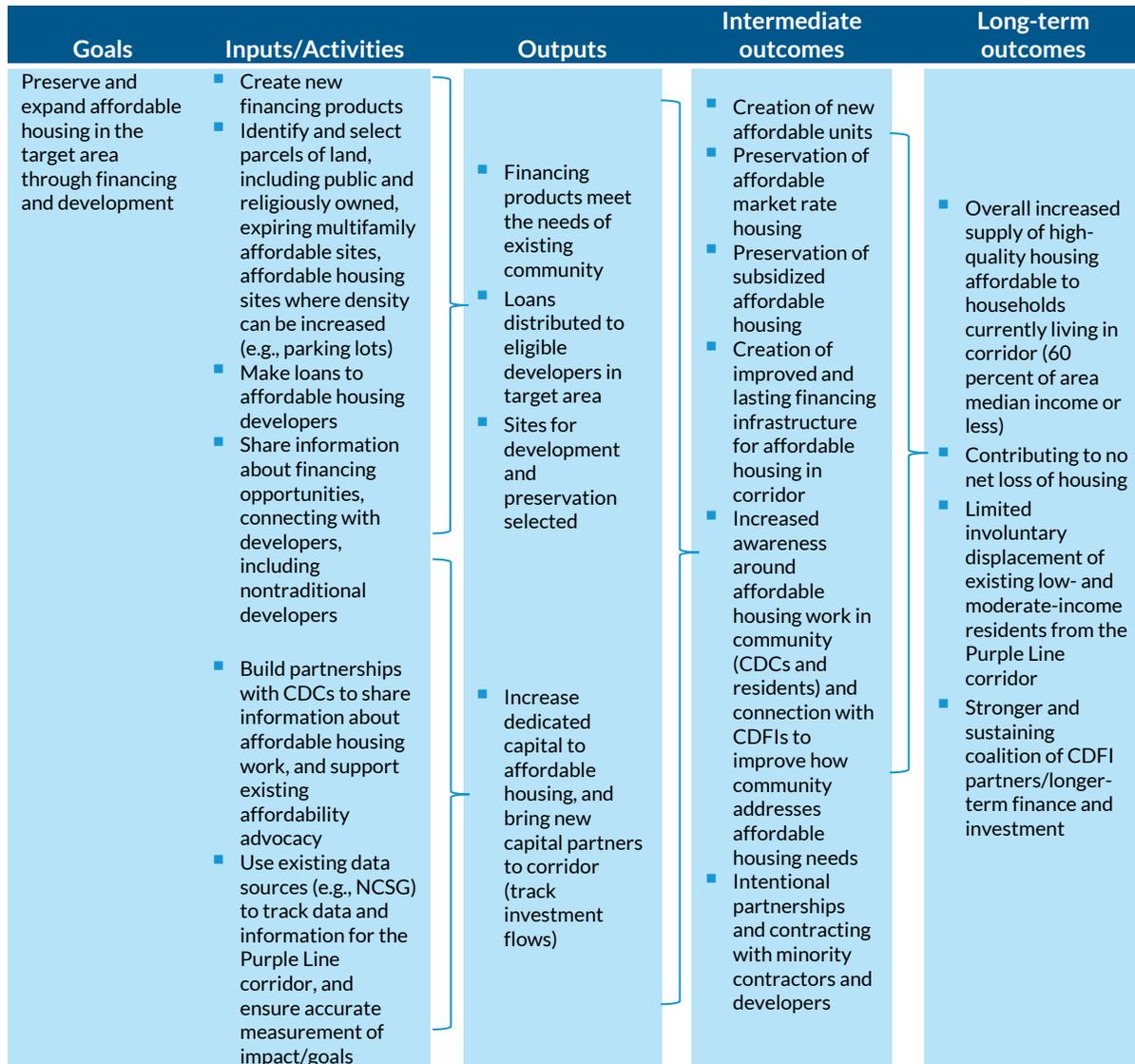
## Small-Business Purpose Statement and Logic Model

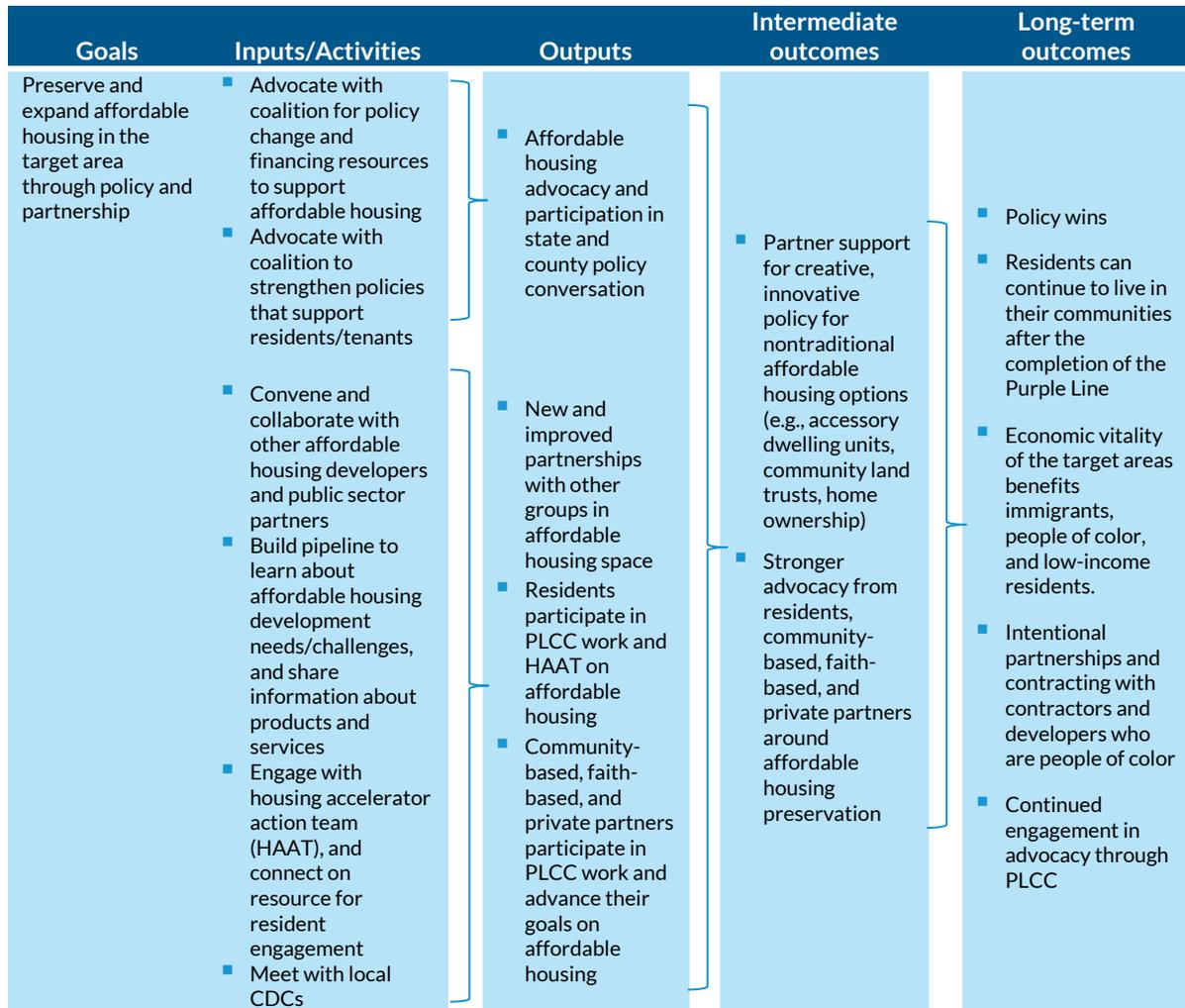
According to the memorandum of understanding for the Purple Line Collaborative, “the purpose of the Initiative is to increase the flow of capital for community investment with lending products that provide a comprehensive set of services for small business owners. Through strategic technical assistance and capital deployment, the small business team will support the Purple Line corridor’s existing businesses and help to sustain livelihoods of business owners and the people they employ.”



# Affordable Housing Purpose Statement and Logic Model

According to the memorandum of understanding for the Purple Line Collaborative, “the purpose of the Initiative is to preserve and create affordable housing in the Purple Line corridor by increasing the flow of public and private capital for community investment. Through strategic technical assistance and capital deployment, the Initiative will address systems’ change and capacity building for local organizations and facilitate community-based, faith-based, private partner and resident participation.”





# Notes

- <sup>1</sup> “Purple Line,” Maryland Department of Transportation, accessed December 1, 2020, <https://www.purplelinemd.com/04rna87dhc9c0gs9y>.
- <sup>2</sup> “Maryland’s Purple Line Has Uncertain Future after Contractor Quits, Claiming \$800M in Overruns,” *Baltimore Sun*, November 19, 2020, <https://www.baltimoresun.com/politics/bs-md-pol-purple-line-20201119-x4v2ysjfmfhqbsuce4dixdiom-story.html>.
- <sup>3</sup> “Understanding Gentrification and Displacement,” Uprooted Project, University of Texas School of Law and the Community and Regional Planning Program at the University of Texas at Austin, <https://sites.utexas.edu/gentrificationproject/understanding-gentrification-and-displacement/>.
- <sup>4</sup> David S. Rotenstein, “Protesting Invisibility in Silver Spring, Maryland,” June 23, 2017, <https://activisthistory.com/2017/06/23/protesting-invisibility-in-silver-spring-maryland/>.
- <sup>5</sup> Tommy Beer, “Minority-Owned Small Businesses Struggle to Gain Equal Access to PPP Loan Money,” *Forbes*, May 18, 2020, <https://www.forbes.com/sites/tommybeer/2020/05/18/minority-owned-small-businesses-struggle-to-gain-equal-access-to-ppp-loan-money/?sh=3b0f3b825de3>.

# About the Authors

**Leiha Edmonds** is a research associate in the Metropolitan Housing and Communities Policy Center at the Urban Institute. Edmonds conducts mixed method and community engaged research focused on social and economic inequality.

**Peter A. Tatian** is a senior fellow at the Urban Institute and research director for Urban–Greater DC. He is an expert on US housing policy, particularly in the areas of housing assistance and affordable housing preservation. He advises nonprofits on performance management and evaluation and heads Urban’s work providing technical assistance on data collection and use to grantees of the US Department of Education’s Promise Neighborhoods initiative.

**Mychal Cohen** is a research associate in the Metropolitan Housing and Communities Policy Center. His work focuses on affordable housing, neighborhood initiatives, and community development.

**Jein Park** is a research assistant in the Metropolitan Housing and Communities Policy Center. Her research interest focuses on economic empowerment through the combination of government policies and community-based initiatives.

## STATEMENT OF INDEPENDENCE

The Urban Institute strives to meet the highest standards of integrity and quality in its research and analyses and in the evidence-based policy recommendations offered by its researchers and experts. We believe that operating consistent with the values of independence, rigor, and transparency is essential to maintaining those standards. As an organization, the Urban Institute does not take positions on issues, but it does empower and support its experts in sharing their own evidence-based views and policy recommendations that have been shaped by scholarship. Funders do not determine our research findings or the insights and recommendations of our experts. Urban scholars and experts are expected to be objective and follow the evidence wherever it may lead.



500 L'Enfant Plaza SW  
Washington, DC 20024

[www.urban.org](http://www.urban.org)