Regional Solutions for Rural and Urban Challenges
Research Methods

This paper describes the methods and considerations for each phase of the *Regional Solutions for Rural and Urban Challenges* project.

**Literature Review**

The literature review was structured in three parts, the first two of which were based on a systematic search of primarily peer-reviewed academic research from the year 2000 to the present date using Articles+ and Google Scholar search engines. In a few cases materials published before 2000 were included to provide essential context for current research.

Search terms for the first part included ‘rural urban connections’ and ‘rural urban linkages’ and generated 99 articles, book chapters, and reports. A second stage review of abstracts resulted in the selection of 50 articles for full reading, of which 48 were referenced in the review. The review drew from several disciplines, primarily regional science, political and social science, international development, and sustainability/land use, and from several regions, mainly the United States, Canada, United Kingdom, Europe, and Latin and South America.

For the second part, search terms included ‘regional collaboration’ and ‘regional governance’ and generated 37 articles, book chapters, and reports. A second stage review of abstracts resulted in 25 articles for full reading, of which 21 were referenced. The review drew from disciplines of urban affairs and studies, public administration, politics, and public policy, primarily from the United States and Europe.

The first two parts were conducted in the period October-December 2018. The third part was completed in October 2019 which included additional materials recommended from stakeholder and expert interviews and newly published articles and books. This resulted in 26 additional more references for the review.

**Stakeholder and Expert Interviews**

During the period February to May 2019 a series of telephone interviews were conducted with stakeholder and experts with the aim of (a) affirming (or otherwise) the value and relevance of the project in the research, policy, and practice arenas; (b) obtaining perspectives on the framing of the project and any elements to be included or considered; (c) inviting recommendations on examples of regional efforts, other people to interview, additional literature to be reviewed, and potential venues for disseminating the project’s findings; and (d) raising awareness of the project.

In all, 67 people were identified for interview, based on team member networks, the literature review, and recommendations from those being interviewed. Team members made initial contact by email, and then conducted a total of 46 interviews lasting 20 – 60 minutes by phone (and in three cases face-to-
face) using a semi-structured format intended elicit responses to the purposes listed above. The results were synthesized into a single document.

**Definitions**

Defining terms became an imperative for both team members and people contacted during the duration of the project and the following glossary was prepared.

- **Rural** For policy and analysis purposes, the Census Bureau and the OMB define rural respectively as non-urban and non-metropolitan – the former a function of population and density, the latter a reflection of commuting patterns around urban centers into surrounding counties. Both are widely used even though their deficiencies have long been recognized.
  - **Rural-urban continuum** A recognition that there is a range of characteristics and experiences between densely urban and remote rural which dichotomous labels cannot convey. The continuum provides context for assessing the contributions that suburbs, exurbs, and small cities make to rural-urban connections. The Economic Research Service’s Rural-Urban Continuum Codes and the Isserman classification are two examples of typologies that better recognize the on-the-ground realities. For data comparisons, the team adopted the Isserman classification\(^1\) based on 2010 Census data at the county level.

- **Region** A geographic area, which can be small (say, two counties) or large (say, multi-state or transnational), which can be classified as:
  - **Formal region** – an area officially recognized for political and administrative purposes, such as a state or local government, a statutory regional commission, or a federal or state administrative agency division.
  - **Functional region** – an area defined by a system of interactions or functions: for formal purposes, such as councils of governments or school districts, for analytical purposes, such as commuting zones, or for operational purposes, such as service territories for private companies and public or nonprofit agencies.
  - **Physical region** – an area defined by its landforms, ecosystems, or climate.
  - **Cultural region** – an area defined informally based on its history, culture, dialects, attitudes, and stereotypes.

  Some areas may be defined by two or more of these types; most areas are parts of several different formal regions. Some are fixed such as formal and physical, while others will change over time, such as functional and cultural.

- **Regionalism** A political or social expression of regional distinctiveness, often based on cultural factors (see cultural region above), which can be both positive – embracing history, art, language, literature – and negative – focusing on homogeneity and excluding outsiders or ‘others.’ It can evolve into **regionalization** – extending to like-minded areas, cultures, identities across borders; into **regional awareness** and identity; and into **cooperation** and integration between areas focused on issues of common concern.

- **Regional development** A process for addressing regional scale problems and issues through public policy interventions implemented at the regional level. On the international stage, regional development is mainly equated with governmental aid to the developing world, but it can refer to

an array of measures – policies, regulations, financial incentives – that support local and regional processes for economic, social, and environmental betterment.

- **Regional collaboration** Processes and activities where governments, businesses, and nonprofits work together across jurisdictional, sectoral, and functional boundaries to address complex regional problems. It may be pursued to pool resources and capacities where these may be stretched thin, respond to threats or opportunities, or overcome government fragmentation. Collaboration may take many forms, formal or informal, voluntary or imposed, and may be challenged by high transaction costs, imbalances of power and resources, and differences in philosophy.

- **Rural-urban interdependence** A recognition that rural and metropolitan areas contribute to each other’s prosperity – rural areas providing critical consumption goods for metropolitan consumers, such as food, energy, lower-cost land and labor, and unique recreational experiences; metropolitan areas constituting the end-market for rural production, providing specialized services, offering diverse job opportunities, and generate resources for public and private investment in rural America. The notion of interdependence is an important frame for understanding and valuing the rural contribution.

- **Sector** As in multi-sector or cross-sector: sector refers to the public sector (government at all levels), the private sector (businesses, large and small, in any activity), and nonprofit (non-governmental, mission-driven agencies, including philanthropic institutions (national, state, local). Activities that involve collaborations between one or more sectors are multi-sectoral.

- **Jurisdiction** As in multi-jurisdictional or cross-jurisdictional: jurisdiction refers to the geographical area to/for which a government has legal responsibility – city, county, tribal nation, or state. Activities that involve collaborations across one or more jurisdictions, including federal agencies, are multi-jurisdictional.

- **Equity** PolicyLink defines equity as “just and fair inclusion into a society in which all can participate, prosper, and reach their full potential” ([www.policylink.org](http://www.policylink.org)). The main drivers of inequity are structural racism, income inequality, poverty, disparities in opportunity and power, and governance that limits meaningful participation (ChangeLab Solutions/RWJF). According to RWJF, “(h)ealth equity means that everyone has a fair and just opportunity to be as healthy as possible. This requires removing obstacles to health such as poverty, discrimination, and their consequences, including powerlessness and lack of access to good jobs with fair pay, quality education and housing, safe environments, and health care” ([www.rwjf.org](http://www.rwjf.org)).

### Research Protocol

- **Primary Research Questions**
The project was designed around the following questions:
  - What are examples of policy and practice that promote boundary-crossing, multi-sector solutions to regional challenges and which advance opportunity, health, and well-being in a region without leaving behind rural areas and low-income people and people of color?
    - How effective are these examples? Who are the main players and beneficiaries? What are the important contextual characteristics? What is innovative? How replicable are they? How can they be improved? What is next?
  - What lessons can be taken from these examples that can be replicated elsewhere or at least inform policy and practice more generally? Specifically:
    - What creates the enabling environment for these examples to be possible to succeed? How important are the policy, political, economic, demographic, and geographic contexts?
What are the conditions that make regional collaboration and solution-seeking approaches most effective in improving social and economic outcomes?

Where there is a strong regional collaboration and solution-seeking structure in place, what contribution has this made to improved social and economic conditions?

**Contextual Questions**
These questions were intended to gain an understanding of the pre-conditions or enabling environment that fosters regional collaboration and solution-seeking. The extent to which programs and initiatives were products of their environment and circumstances was required to assess what might be replicable to other places.

- What is the history of the region and how does this determine the current conditions and challenges?
- What impact have race, class, and wealth had on current conditions and challenges?
- How do the region’s geography and demographic composition affect conditions and challenges?
- How diverse or homogeneous is the region?
- What have been the main causes of conflict in the region, and what actions have been taken to resolve them?
- What is the institutional landscape of the regions – public, private, nonprofit? Are there differences in institutional strength and capacity between rural and urban?

**Component Questions**
These questions were intended to examine important dimensions of the project embedded.

**Community and Economic Development Strategies**
1. What regional issue(s) is this collaboration trying to address? Has the focus of the collaboration changed or evolved over time? If yes, how?
2. What specific strategies are you using to address these issues? How were these strategic priorities determined?
3. Who are the partners to the collaboration? In what specific ways are they engaged?

**Rural-Urban Connections**
4. Describe how rural and urban parts of the region are connected as part of the work you are doing?
5. Was building and/or growing rural-urban connections intentional and central to this work? Or was it accidental and incidental?
6. Did this specific regional work build on existing regional collaborations and relationships? If yes, how important were these established relationships between leaders and places within a region to the success or progress of this collaboration?
7. What role does trust (or lack of) in local institutions play in the success of this regional initiative?
8. Based on your experience with this initiative, what would you say are the most important catalysts for stronger rural-urban connections?

**Regional Intermediaries**
9. What is the goal of the regional intermediary that is primarily driving this initiative? In other words, what does success look like for that organization?
10. What is the governance structure for the intermediary? How is it financed and staffed?
11. What led to the formation of the intermediary? Who were the founders and why did they step up? How has it evolved over time?
12. What is the role of the regional intermediary in building and sustaining collaboration across jurisdictions, sectors, interests, and geographies?

- **Regional Collaboration**
13. What is the goal of this regional collaboration? In other words, what does success look like?
14. What led to the formation of the collaboration? Who were the initiators and why did they step up? How has it evolved over time?
15. What are the strengths and weaknesses of public sector actors in this collaboration? What are the strengths and weaknesses of nonprofit sector actors in this collaboration?
16. What public or nonprofit sector organizations ought to be involved in this work but are not? Why do you think they are not engaged?
17. What have been the major barriers to collaboration and how have they been addressed?
18. How have conflicts and lack of trust been handled to achieve beneficial outcomes?
19. What is the governance structure for the collaboration? How is it financed and staffed?
20. How sustainable is the collaboration? To what extent has it become institutionalized in the region?

- **Equity**
21. In what ways is equity integrated into and a priority for this collaboration?
22. How is equity defined?
23. Is this regional approach and/or stronger rural-urban connections leading to more equitable outcomes? If yes, how do you know? If not, what must change to achieve more equitable outcomes?
24. Based on your experience with this collaboration, does there need to be an intentional focus on equity, or could it come as a by-product of regional collaboration and solution-seeking?

- **Outcomes**
25. How effective have this collaboration been in achieving its stated goals?
26. Are there specific outcomes you can cite related to:
   - Changes in policy?
   - Flows of capital and investment?
   - Governance?
   - Attitudes toward regionalism or the benefits of connectedness?
   - Health?
   - Economic opportunities?
   - Advancements in equity?
27. For the collaboration, how are these outcomes measured and reported?

**Site Selection**

There was a multi-stage process that led to the selection of seven sites for fieldwork:
- Compilation of a long list of 65 potential organizations/initiatives identified during the expert interviews and the literature review.
- Team review of the long list to take out organizations/initiatives that had little or no apparent relevance to the project. This was followed by a review of websites for each of the remaining
organizations/initiatives, and using team experience and expertise to select which might offer learning and insights leading to answering the research questions.

- The selected 15 organizations/initiatives were then subjected to a due diligence review based on phone interviews with staff and key informants and on available documentation. The due diligence was based on two sets of criteria:

  o **Threshold Criteria**
    - Rural-Urban Linkage: Is there a clear form or method of linkage? Does the initiative articulate way(s) in which urban and rural areas are interdependent on each other and build a strategy based on that interdependence? Is there an intentional effort to ensure rural areas benefit equitably through this initiative? Does the initiative frame its work in terms of regionalism?
    - Equity: Does the initiative involve and/or benefit people of color or other persons who have been historically excluded? Is equity an intentional goal?
    - Collaboration: Does the initiative bring together people from different spheres to work together? Does the initiative overcome fragmentation and silos? Is the collaboration formally mandated/constituted (legislative, regulatory)?
    - Multi-Sector: Does the initiative involve at least 2 (and preferably 3) of the public, private, and non-profit sectors?

  o **Sample Diversity Criteria**
    - Geography: Region of country: South, Pacific Northwest, etc. Geographic composition of site’s region: e.g. population size of urban area (major metropolitan, mid-size city, micropolitan); size and degree of remoteness of rural areas.
    - Structure of Collaboration: Type of lead organization, membership composition. Governance structure, diversity/inclusiveness of collaboration.
    - Issue Areas: Some combination of economic development, land use/transportation planning, health, natural resource management, environmental protection, infrastructure, social services, etc.
    - Equity: Affected Populations: African-American, Latinx, Native

- The results of the due diligence process were carefully reviewed to assess what could be expected to be learned from a more in-depth look at the organizations’ activities through site visits. The result was agreement on seven organizations.

**Site Visits**

The site visits were conducted in July through September 2019. Each site was visited by two team members (except for one) for periods of 3-6 days depending on the nature and complexity of the organizations, the availability of people for interview, and geographical spread. Interviews were conducted with organizations’ staff, board members, partner organizations, local community representatives, and funders, with the number of interviews per site ranging from six to 25, with an average of 14. Team members used an interview protocol based on the due diligence criteria.

Every interview was written-up and a synthesis document prepared for each site. Each site synthesis was subsequently shared with a lead organization representative to check for accuracy and completeness.
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Literature Review

Introduction
The *Regional Solutions for Rural and Urban Challenges* project hypothesizes that regional collaboration and solution-seeking can be an effective way of improving social and economic opportunity and health for all people and places within a region. Specifically, it aims to identify and curate examples of policy and practice that promote boundary-crossing, and multi-sector solutions to regional challenges while advancing opportunity, health, and well-being without leaving behind rural areas, low-income people, and people of color. *Regional Solutions* intends to provide a counterpoint to the prevailing narrative of growing divisions between rural and urban populations. These occur along economic, social, cultural, and political lines, often supported by simplistic and misinformed ideas about daily lives across the spectrum from remote rural to dense urban places.

The project’s research process is designed to answer the following questions:

- What are examples of policy and practice that promote boundary-crossing, multi-sector solutions to the above-stated regional challenges?
  - How effective are these examples? Who are the main players and beneficiaries? What are the important contextual characteristics? What is innovative? How replicable are they? How can they be improved? What is next?

- What lessons can be taken from these examples that can be replicated elsewhere or at least inform policy and practice more generally? Specifically:
  - What are the conditions that make a regional collaboration and solution-seeking approach most effective in improving social and economic outcomes?
  - Where there is a strong regional collaboration and solution-seeking apparatus in place, what contribution has this made to improved social and economic conditions?

This literature review is the first part of a five-stage research process that framed and guided stakeholder interviews, location selection, on-site interviews and discussion groups, and subsequent analysis. It presents the theoretical underpinning, the range of applications, and any evaluated outcomes of regional approaches to solving social, economic, and environmental challenges.
Interpretation

Fourteen salient points emerged from the literature review.

1. The way ‘rural’ and ‘urban’ are defined has profound implications for policy, resource allocation, and program design. Despite obvious limitations and the availability of alternatives, most public policymakers and academic researchers use Federal definitions that make hard and fast distinctions between urban and non-urban, metropolitan and non-metropolitan – rural being a residual category.

2. Common perspectives and images of rural America tend to be based on, at best, partial reality, including that it is predominantly reliant upon agriculture. Far from being homogenous and undifferentiated, rural America is vast, complex, diverse, and evolving. The often-stated view that urban America thrives while rural America struggles is not supported by the data. In fact, economic growth and opportunity is uneven across the rural-urban continuum. There are struggling urban places and prospering rural places.

3. Most research rejects the notion of a simple rural-urban dichotomy and points to the shifting, crossing, and blurring of boundaries between rural and urban. New ways of describing the areas where urban and rural meet and mingle have emerged. They highlight the dynamic nature of rural-urban interactions fueled by contact between multiple and divergent interests.

4. Rural-urban interactions and specifically locational patterns of economic activity are products of comparative advantage, economies of aggregation, and costs of transportation and communications. Three themes emerge from the research: the economic dominance of cities is a strong and continuing centralizing force, the benefits of rural-urban interactions tend to favor urban centers, and the most visible interactions are through commuting. Rural economic development strategies favor greater integration with the urban economy for rural places within commuting distance, and local asset-based economic and entrepreneurial development for more remote places.

5. Current thinking on rural-urban interdependence emphasizes that interactions can be both positive and negative, and indeed that interdependence may be an underlying cause of many rural-urban conflicts. Thus, economic, organizational, and development decisions made without a rural lens may have a range of unintended social, economic, environmental, and identity consequences.

6. Some evidence appears to highlight the positive roles that small towns and micropolitan areas play in facilitating rural-urban connections. Such linkages benefit low-income households and long-time rural residents, and support upward economic mobility of low-income youth. Suburbs can act as bridges between rural and urban places, with exurbs representing a blend of urban and rural values, cultures, and landscapes. However, in certain places, development pressures and newcomers can lead to struggles over identity and competing visions for the future.

7. History plays a large role in shaping a place and its development, not just in its physical form, but in the deeply embedded ideas, norms, and values that local people take for granted. These influence the way in which local structures, institutions, actors, and
processes confront and respond to external economic, political, cultural, and environmental shocks. Seemingly benign policy changes can produce unexpectedly divisive reactions.

8. History also shaped the policies, practices, and investment patterns that conferred benefits on some people while imposing burdens on others. Established systems reinforce entrenched poverty and racial inequalities that generation after generation worsen health outcomes and increase community vulnerability. A lens of regional equity focuses on how life chances and health outcomes can be addressed for all people wherever they may live on the rural-urban continuum.

9. Poverty is a feature of both rural and urban places, although rural places have suffered generations of relatively higher poverty and lower income rates especially in more remote areas. These have been compounded by environmental injustice associated with location of land uses and functions not wanted in urban areas.

10. Rural areas are becoming increasingly racially diverse, and social and capacity challenges are observed where this shift is recent. There are also indications that residential sorting takes place with whites and minorities concentrating in different rural locations.

11. Complexity and dynamism of rural-urban interactions raise questions about the ability and capacity of governance structures. Of major concern is fragmentation of government that inhibits collaboration to tackle region-wide issues and creates inefficiencies, costs, externalities, and conflicts. A range of regional governance tools have been developed and employed to mitigate the effects of fragmentation, ranging from formal regional authorities to collaborative groups and councils to more informal networks.

12. Obstacles to regional collaboration include potentially high transaction costs, imbalances in preferences, resources, and power across a region, and often fundamental differences in philosophy between cities, suburbs, and outlying rural areas. An important tension exists in this regard as communities seek to adopt regional perspectives to tackle large-scale issues while also wishing to preserve association with a community or place – sometimes described as finding the balance between collective action and local autonomy.

13. “New regionalism” describes the evolution from conventional top-down, government-driven, highly structured efforts to those that encompass multi-level governance, place-based development, integrated development approaches, and rural-urban interdependence. Thus, collaboration and coordination across sectors and levels of government, a focus on identity and regional assets, the connection of social, economic, and environmental considerations, the bridging of urban and rural, and continuous learning and innovation, are important components of a regional solutions approach.

14. Over the past 20 years, several studies and initiatives have sought to document, reframe, or implement some or all these components. Rigorous evaluations looked at the conditions under which regional collaboration is most conducive to incorporating equity, and concluded that it takes time, trust, care, and strong leadership. Several reports advocate regional approaches to rural and urban challenges.
A Question of Definition
The starting point for discussion on rural-urban interactions is how the terms ‘rural’ and ‘urban’ are defined. This is a matter of both statistics and perception. The way rural and urban areas are distinguished has profound implications for policy, resource allocation, and program design, and this responsibility falls to the U.S. Census Bureau and the Office of Management & Budget (OMB), and to a lesser extent to the U.S. Department of Agriculture’s Economic Research Service.

For the 2010 Census, the Census Bureau classified as ‘urban’ all territory, population, and housing units located within urbanized areas and urban clusters. Urbanized areas consist of densely developed territory that contains 50,000 people or more, and according to the Census Bureau are delineated “to provide a better separation of urban and rural territory, population, and housing in the vicinity of large places” (U.S. Census Bureau; Ratcliffe, Burd, Holder, & Fields, 2016). Urban clusters are densely populated territories with at least 2,500 people and fewer than 50,000. ‘Rural’ consists of all territory, population, and housing located outside the urbanized areas and urban clusters.

According to the OMB (OMB, 2017; OMB, 2010) metropolitan areas comprise a collection of counties that have at least one urbanized area of 50,000 or more population, together with adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties. Micropolitan areas are similarly defined but with at least one urban cluster of at least 10,000 but less than 50,000 population. In both cases, integration is assumed when either at least 25 percent of the workers living in the county work in the central county or counties of the metropolitan/micropolitan area, or at least 25 percent of the employment in the county is accounted for by workers who reside in the central county or counties of metropolitan/micropolitan area. Areas designated as neither metropolitan or micropolitan are termed ‘non-metropolitan’ and widely assumed to be ‘rural’. As Isserman (2005) referring to both the Census Bureau and OMB definitions, observes, “(R)ural is used in two different and often contradictory ways, always defined by what it is not – not urban, not metropolitan” (p.466).

To overcome this unnuanced rural-urban statistical split, there have been efforts to form classification schemes that present a continuum from urban to rural. The Economic Research Service’s Rural-Urban Continuum Codes (ERS, 2013) distinguish metropolitan counties by the population size of their metropolitan area, and nonmetropolitan counties by their degree of urbanization and adjacency to a metropolitan area. The result is a nine-level scheme that extends from metropolitan counties with one million population or more to nonmetropolitan counties that are completely rural or having an urban population of fewer than 2,500, not adjacent to a metropolitan area. Isserman (2005) also proposes a typology to better measure and reflect the realities of rural-urban relationships. He combines the Census Bureau and OMB systems into a six-level scheme ranging from ‘rural nonmetro’ to ‘urban metro’. Efforts continue to better capture the nuances of regional and rural America (Ulrich-Schad & Duncan, 2018; Walmart, 2019; Chinni & Pinkus, 2019) but, for most public policy and academic research, the defining of rural as non-urban and non-metropolitan remains the predominant perspective.

Perceptions and Misconceptions of Rural
The definition of rural and urban is also a question of perception. At least in part, this reflects the historical connotations and images of what is to be urban or rural that contribute to (mis)conceptions of what they are really like today (Brown & Shucksmith, 2017). A study commissioned by the Kellogg Foundation (2002) based on interviews of rural, suburban, and rural Americans, finds that:
“...respondents hold strongly positive views about rural life in America, seeing it as the repository of traditional values, closely-knit communities and hard work. At the same time, these perceptions are tempered by the economic and social challenges facing these regions and the poor prognosis for their economic future. This means that perceptions of rural America are centered on a series of dichotomies - rural life represents traditional American values, but is behind the times; rural life is more relaxed and slower than city life, but harder and more grueling; rural life is friendly, but intolerant of outsiders and difference; and rural life is richer in community life, but epitomized by individuals struggling independently to make ends meet. Rural America offers a particular quality of life including serenity and aesthetic surroundings, and yet it is plagued by lack of opportunities, including access to cultural activities.” (Kellogg Foundation, 2002, p. 1.)

A decade later, Lichter & Brown (2011) identify ten common conceptions of rural and small-town America to analyze how spatial and social boundaries between rural and urban areas are changing. Rural America as a cultural deposit box, backwater, engine of urbanization, place of consumption, ghetto, new immigrant destination, food basket, and dumping ground are among these conceptions. In each example, there is (or was once) more than a grain of truth, but as Lichter & Brown (2011) note, the reality on the ground is that complex interactions between rural and urban interests blur spatial boundaries and challenge simple, binary definitions. This is reinforced by a recent report from the Pew Research Center (Parker et al, 2018) that shows that despite the widening gaps in demographics and politics, people in urban, suburban, and rural places have many experiences and aspirations in common.

One misconception has been particularly hard to overcome – the notion that rural is homogenous and undifferentiated. Part of this reflects the statistical definitions referred to earlier, and part is the belief that rural America is still predominantly reliant upon agriculture. Clearly for many parts of the United States farming remains the main economic engine, but for most of the country, this is no longer the case, and has been replaced by manufacturing and service activities more commonly associated with urban centers (Lichter & Brown, 2011). Castle, Wu, & Weber (2011) point out that rural America is a vast and highly diverse landscape and population, with varied local conditions and relatively high degrees of autonomy to pursue their own comparative advantages. They too note that the economic importance of agriculture varies greatly among rural places, although rural-urban challenges in general are all too often framed in agricultural terms.

That said, current trends of widespread rural depopulation and divergent patterns of development across the United States have their roots in the 1950s as many rural counties reached their peak populations when agricultural employment was still robust and before mechanization and consolidation radically transformed rural landscapes. Johnson & Lichter (2019) note that a combination of net out-migration and natural decrease have exacerbated the diminishing rate of population growth in the past decades and contributed to the downward spiral of population loss in some areas.

One classification of rural landscapes (Hiner, 2014) suggests that four main types. Productive landscapes, such as those associated with agriculture, forestry and mining, have a focus on modernization and increasing efficiencies and outputs, with profound impacts on employment, land use, and the environment. Traditional landscapes are where there is an emphasis on preserving cultural and historical heritage and scenery, while post-productive landscapes are where the value of ecosystems services is recognized and protected. The fourth is consumptive landscapes which include leisure and recreation, tourism, food and crafts, primary targeted at urban populations. These are commonly in tension and are central to rural-urban interactions, emphasizing how rural land use has significant implications for natural resource and environmental policy (and vice versa) (Castle, Wu, & Weber, 2011).
The Rejection of the Rural-Urban Dichotomy

In much of the recent literature, there is acknowledgment, notwithstanding statistical definitions and common perceptions, that the rural-urban dichotomy has no practical meaning. Garrett (2005) suggests that policies built on presumptions of separateness or on traditional ideas of urban and rural livelihoods limit the possibilities for economic growth and poverty reduction. Moreover, Garrett (2005) argues, if there was a better understanding of the current reality of urban and rural areas and the connections between them, policies would better reflect the ways people live.

Social processes are shifting, crossing, and blurring rural-urban boundaries (Lichter & Ziliak, 2017). Nonmetropolitan areas are regularly reclassified as metropolitan areas to reflect growing populations and expanding metropolitan influence, thus shifting boundaries outwards from the urban centers. People, ideas, and money cross back and forth between urban and rural areas, as improved transportation and communications accelerate commuting. It becomes harder to discern bright lines between rural and urban, spatially, socially, and economically. Boundary blurring means that people and communities often experience both worlds – rural and urban – on a daily or regular basis (Lichter & Ziliak, 2017).

In a series of six CityLab posts, Florida (2018) analyzes data on population growth, jobs, economic mobility, wages, educational attainment, and knowledge-based creative class across the rural-urban continuum. A consistent theme for all these metrics is that winners and losers can be found among all types of places. The narrative of urban revitalization and rural decline does not reflect the full complexity of economic life in America, where economic growth and opportunity is not only uneven and unequal between rural and urban places but uneven within them. “Some cities and large metros are growing like gangbusters, while others are declining; some suburban areas are booming, while others are beset by economic dislocation and poverty. So, it is with rural places.” (September 18, 2018).

The rejection of the simple rural-urban dichotomy has led to different ways of describing the spatial relationship between rural and urban. ‘Rural-urban interface’, ‘peri-urban interface’, ‘urban-rural space’, and ‘translocal’ appear in the literature as attempts to capture the complexity and fluidity of the relationship. The rural-urban interface is a zone of interdependence (Lichter & Brown, 2011), an area of intense social and economic interaction that links rural and urban people and communities (Brown & Shucksmith, 2017), and a set of relationships that are continually changing as boundaries shift and blur and as people, capital, ideas move back and forth (Lichter & Ziliak, 2017).

In a developing world context, researchers use the term peri-urban interface to describe areas with mixed urban and rural features, where flows of people and materials, commodities, resources, and waste are more important than place, and often characterized by the loss of rural features, such as soil fertility and natural landscape, and by the loss of urban attributes, such as density, accessibility, services, and infrastructure (Allen, 2010; McGregor, Simon, & Thompson, 2005).

Urban-rural space refers to areas that are characterized by rural landscapes but with important urban ties and functions. They are integrated into urban and suburban systems but are not just bland outer commuting zones and agricultural hinterlands. Instead, they are diverse regions of amenity-rich exurban settlements with different economic, ecological, and cultural histories and with unique development assets and trajectories (Irwin, Bell, Bockstael, Newburn, Partridge, & Wu, 2009; Olson & Munroe, 2012). Translocal is a term used to describe the networks between places – communications, knowledge flows, ideas – that occur as close interdependence between urban and rural areas adds greater complexity to
rural areas as new functions emerge, businesses diversify, and new social groups form (Hedberg & do Carmo, 2012).

All formulations recognize the dynamic nature of rural-urban interactions. International studies show these take different shape depending on the level of economic development, industrial and demographic structure, natural geography, and political traditions, leading to the emergence of a differentiated countryside (Andersson, Eklund, Lehtola, & Salmi, 2009). In a U.S. context, rural areas along the urban edge are multi-dimensional and plural, and their current status represents the outcome of negotiations between multiple and divergent interests. These can include long-time residents versus newcomers, production-oriented rural land users versus consumption-based rural stakeholders, and community-minded change agents versus ‘good ol’ boy’ power structures (Hiner, 2014).

Rural-Urban Interactions
A long and rich history of scholarship has accumulated on the relationship between cities and their hinterlands. It can be traced back 200 years to von Thünen’s production location theory, Christaller’s central place theory in the 1930’s, and to subsequent developments by Lösch, Hoover, Isard and others. (see Irwin, Isserman, Kilkenny, & Partridge, 2010).

Hoover & Giarratani (1999) synthesize this thinking to three ‘foundation stones’ that underlie the complex location patterns of economic activity. The first of these is **comparative advantage**, which stems from the uneven distribution of climate, minerals, soils, topography and other natural features and helps to explain the location of economic activities. These natural resources are immobile and convey locational advantages to some areas over others. The second refers to the **economies of spatial concentration or agglomeration**, which describe the benefits of lowered costs and increased revenues when labor pools, infrastructure, and specialist services are concentrated in certain locations. The third foundation stone is the **cost of transport and communication**, which places limits on comparative advantage and concentration, and focuses attention on the balance of locational costs and benefits of being near to suppliers or customers.

In their assessment of the current applicability of central place theories, Mulligan, Partridge & Carruthers (2012) place stress on consumer choice, firm agglomeration, and functional hierarchy. Firms offering goods and services locate centrally to their markets to minimize transport costs while clustering together for mutual advantage. The result is a hierarchy of places where a place’s importance is determined by the number and type of other places which are dependent upon it and the number and types of functions it performs and services it provides. The market area for each place is the distance people are willing to travel for these functions and services; the more specialized the function the further people must travel.

Substantial literature on rural-urban interaction exists where researchers employ econometric models to estimate the economic dimensions of commuting, trade, and other linkages between urban areas and their rural hinterlands (sometimes termed core and periphery). One focus of these studies is to gauge whether population growth (and jobs and income) associated with urban concentration of economic activities yields net benefits for the surrounding rural areas (spread or spillover effects) or drain people and capital out of rural regions into the urban centers (backwash effects). Three themes are evident. Firstly, the twin processes of urbanization and urbanism are central to most discussions. **Urbanization** refers to the shifts of population out from urban areas into the rural fringe, and **urbanism** to the rural adoption of urban values and attitudes (Hiner, 2014). Powerful external economic, social, political, and technological forces impact all places, urban and rural but which manifest themselves differently along
the rural-urban continuum (Castle, Wu, & Webber, 2011; Dabson, 2018). The economic dominance of cities is a strong and continuing centralizing force, but significant counterforces can be seen as households and firms move out to less congested and less expensive areas on the urban fringe. Falling transportation and communication costs, technological change and economic restructuring, rising incomes and changing tastes for natural amenities all drive this process of decentralization (or deconcentration) (Castel, Wu, & Weber, 2011; Irwin, Bell, Bockstael, Newburn, Partridge, & Wu, 2009).

Secondly, the benefits of urban-rural interactions generally favor urban centers. Urban cores attract income and investment flows that tend to stay within these cores and less likely to be distributed to the rural periphery. Income generated in or attracted to rural areas tends not to stick there but pass to the urban cores or to external owners (Dabson, Johnson, Miller, & Robinson, 2009; Balamou & Psaltopoulos, 2006). Over time, trade linkages between urban cores and their rural peripheries are found to diminish as both export a larger share of their goods and services outside the region than with each other (Lewin, Weber, & Holland, 2013) with likely disproportionate negative impacts on the rural economies. Growth in urban employment has the effect of promoting rural population growth, but with rural communities competing for a share of that growth on the strength of their local communities. However, growth of rural employment has little impact on urban population growth (Feng & Patton, 2017).

Thirdly, the most visible urban-rural interactions are commuting flows. The literature tends to stress the positive benefits for certain rural communities of rural-to-urban commuting as rural workers gain access to urban employment opportunities while retaining their homes in a rural location (Partridge, Ali, & Olfert, 2010). Such flows are strengthening both in numbers and in proportion to their respective labor forces (Lewin, Weber, & Holland, 2013) with the scale being a function of the size of the urban center and the distance of the rural community from that center (Ali, Olfert, & Partridge, 2011). The spread effects are estimated to be in the range of 75 miles (Partridge, Ali, & Olfert, 2010) to 125 miles (Wu, Weber, & Partridge, 2017) for those rural communities that can offer high quality of life and services for commuting residents. The larger the urban center, the greatest its impact on outlying rural economies (Partridge, Ali, & Olfert, 2010), but at least one study suggests the greatest benefits for rural communities come from interactions with medium-sized cities rather than the larger ones (Berdegue & Soloaga, 2018). The literature is silent as to whether such long-distance commuting is harmful to personal, family, and community life.

Partridge, Ali, & Olfert (2010) discuss economic development strategies that are most appropriate to the spatial relationship between a given urban center and the surrounding rural region. Rural areas within 75 miles of an urban center may be best served by strategies that seek integration with the urban economy, whereas for more remote rural areas, where commuting is minimal, strategies to stimulate local employment opportunities, often based on assets associated with natural resources and amenities, are likely to be more effective. The central point is that rural development strategies must be based on a realistic assessment of opportunities and constraints, which will determine whether improving integration with the urban economy through infrastructure improvements and supply chain management, or place-based development through enhancing amenities and entrepreneurship (or some combination) are the right priorities (Olfert & Partridge, 2010). Partridge, Rickman, Olfert, & Tan (2013) warn that place-targeted interventions that inhibit spatial mobility may trap people and firms in uneconomic regions or industries, sometimes at great expense, both directly through taxes and through sacrificing economic growth.

Entrepreneurs can be change agents when rooted in the rural context while possessing strong urban linkages (Mayer, Habersetzer, & Meili, 2016). These rural-urban connections help entrepreneurs
understand core market demands and trends through incremental expansion into national and international markets, through work experience at export-oriented firms, and through having lived in cities. They use this understanding to add value to rural assets, identify urban needs for rural values, and create authentic branding for rural products (Mayer, Habersetzer, & Meili, 2016). Some evidence suggests that rural areas with higher levels of well-educated in-migrants see entrepreneurial growth through connection to non-local markets, especially where already a culture of entrepreneurship exists (Kalantaridis, 2010). One study indicates that self-employment in rural counties is fostered by growth in nearby small metropolitan areas but is hampered by growth in the nearby larger metropolitan areas (Tsvetkova, Partridge, & Betz, 2017) reinforcing the necessity for understanding economic relationships along the rural-urban continuum or urban hierarchy.

Discussions about rural-urban interactions often raise the importance of geography, particularly in the west. Vast expanses of public-owned lands and the significant distances between towns and cities have suggested the need for a different way of classifying counties that recognizes the value of accessibility to airports. One proposal (Rasker, Gude, Gude, & van den Noort, 2009) is a three-level classification: 

- metropolitan counties and their commuter sheds,
- connected counties, non-metro areas with population centers within a one-hour drive of the nearest major airport with daily passenger service,
- isolated counties with no such air service and which are truly remote.

The connected county denotes the importance for entrepreneurs attracted to high amenity areas to be able to travel readily to visit with colleagues, clients, and suppliers.

*Rural-urban interdependence* is a term that implies more than connection or interaction. Dabson (2007) identifies the unique assets and contributions that rural America makes to metropolitan America, which in turn provides the markets, resources, jobs, and services necessary for rural sustainability and competitiveness. In this formulation, recognition of rural-urban interdependence, of rural and urban needing each other, is deemed essential for national prosperity. A somewhat less normative view of interdependence is presented in Reimer, Barrett, Vodden, & Bisson (2019). Here rural-urban interdependence is defined as “changes in one place that affect the other,” where the changes can be either positive or negative, and indeed where interdependence can be an underlying cause of many rural-urban conflicts.

The authors describe four “spheres” of interdependence. *Trade and exchange* refer to economic interdependence, the most commonly recognized, with exchanges of goods, services, labor, and finances. This includes commuting, supply chains, and issues of where value is added to raw materials and who benefits. *Institutional interdependence* is where seemingly geographically neutral policies may differentially impact urban and rural places, usually to the detriment of rural residents. *Environmental interdependence* focuses on the impact of urban growth and development on air and water quality, productive farmland, and quality of life. The fourth sphere is *identity* where attachment to place through language, dialect, traditions, architecture, music, and values, can be upended by insensitive interactions, developments and investments.

**Importance of Place**

As cities expand outwards converting farmland and open countryside into suburban residential and commercial development, rural communities and people living in the changing locations are brought into close and continuous contact with the urban economy and society. Lichter & Brown (2011) suggest that conceptually suburbs represent a rapidly growing ‘associational bridge’ between urban centers and the surrounding rural areas. Suburban residents operate daily on either side of the rural-urban divide.
and as such blur conventional spatial and social boundaries. For a comprehensive discussion of suburban definitions and their implications, see Airgood-Obrycki & Rieger (2019).

Arguments have been made that small towns or micropolitan areas play a unique role in facilitating urban-rural connections. Small towns can enable beneficial economic development while conserving the environmental assets of the open countryside. They have concentrations of community and institutional capacity, acting as ‘sub-poles’ for focusing rural development investments to take advantage of agglomeration economies and allow benefits to spread to rural areas (DETR, 2000). However, one econometric study finds that small towns do not in fact act as poles, because flows of goods and services do not generate spillover effects into the hinterland (Courtney et al, 2007).

Nevertheless, research shows that small towns do make significant contributions to certain types of connection in certain places. They supply labor particularly for farming and service industries and remain important for shopping, but the greatest impact is for lower-income households and long-time residents (van Leeuwen, 2010). They do provide an employment function although the associated income levels are lower than for in-commuters and for those commuting out to larger centers (Courtney et al, 2007). One study finds that the presence of small- and medium-sized cities within some rural-urban territories enhances economic growth and reduces income inequality compared to deep-rural and metropolitan territories (Berdegue, Carriazo, Jara, Modrego, & Soloaga, 2014).

Some micropolitan counties can serve as small urban cores in rural regions enabling upward mobility in ways that take advantage of their density and scale. Others are relatively low-density transition zones between remote rural counties and metropolitan centers, supporting upward mobility of low-income youth in ways that both exploit the opportunities and reveal weaknesses associated with small size, lack of density, and limited technological capacity in rural communities (Weber, Fannin, Cordes, & Johnson 2017).

Arnosti & Liu (2018) make the case that one of the best ways to help rural America is to support a distributed network of economically vibrant small and mid-sized cities across the United States. They argue that cities matter to rural revitalization because prosperity in cities and metropolitan areas subsidizes public investments in rural areas; access to cities – and their markets, specialized industries, and capital – increases rural prosperity; and cities provide opportunities for ambitious rural residents to gain new skills and experiences, benefitting workers and their home communities. The argument continues that state and federal policymakers could target effort to small, and mid-sized markets by helping them strengthen commercial corridors and modernize existing industries “rather than sprinkle limited resources across every rural county” (p.6). “...[M]id-size cities, if they can continue to serve as places of growth and opportunity, are better positioned to offer social and economic benefits to rural communities than distant, high-cost cities.” (p.6).

A recent phenomenon is the springing-up of new housing developments beyond the urban fringes but still accessible to big cities. These exurban\(^1\) communities, often relatively prosperous, transcend traditional geographical classifications that distinguish rural from urban. Woods (2009) calls them “hybrid spaces, in which rural and urban values, cultures, and landscapes have become fused” (p.853). They have emerged as a result of city people choosing a rural landscape as a setting for their home, not necessarily as an escape from urban living nor an embrace of the rural idyll, and not simply a geographic

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\(^1\) The term ‘exurban’ is attributed to Auguste Comte Spectorsky in his 1955 book, *The Exurbanites*. 
zone, but a different way of life with an array of social, economic, and environmental interconnections (Hiner, 2014). Exurbia brings with it many challenges such as loss of productive farmland, greater proximity of humans and animals and the associated health risks, wildfires, habitat fragmentation, and conflicts over land use changes and visions of productive or consumptive landscapes (Hiner, 2014; Lichter & Brown, 2011).

In areas of high amenity, pressures for new residential development and subdivisions have exposed overlapping and competing interests of landowners, economic developers, farming and forestry practices, new residents, and different levels of government (Abrams, 2016). These may lead to conflicts between landowners who want to develop their land and those who want to preserve, between farmers and producers and other non-agricultural users, between external and local ownership and interests, between local government and state and federal agencies, and between Tribes and governments and landowners over issues of sovereignty. Such conflicts represent struggles over identity and competing visions for the future and require new models of land management as a ‘landscape of reconciliation’ (Abrams & Bliss, 2013).

It is often forgotten, or conveniently ignored, that history places a huge part in shaping a place and its development, not just in its physical form, but in the deeply embedded ideas, norms, and values that local people take for granted in their daily lives (Berdegué, Escobar, & Bebbington, 2015). All places are subject to the same external economic, political, cultural, and environmental forces that may restrict their options. However, each place, with its structures, institutions, and actors, processes the ideas, shocks, and incentives that come from elsewhere in its own way. Therefore, the same law, policy, or economic shock, can have very different effects in different places, and seemingly benign changes can produce unexpectedly divisive responses.

**Regional Equity**

Regional equity has been defined as a framework for social change that is nestled within, and inseparable from the quest for economic and social justice in America. Regional equity brings a unique perspective about how development patterns structure the life chances and social and economic opportunities of residents, and the ways in which uneven spatial development reinforces old racial and class divides, while creating new ones. (Rubin, 2011). The goal, Rubin (2011) argues, is to ensure that everyone, regardless of where they live has access to the essential ingredients for economic and social success. Regional equity offers an analysis of the root causes and dynamics that create and perpetuate inequity as well as a toolkit of strategies, principles and methods for advancing equity and opportunity in regions.

Chapple (2015) suggests that regional governance strategies which seek to change the spatial distribution of population through land use planning and growth control or to reduce service disparities through government consolidation, special purpose districts, state equalization aid, or tax base sharing, have the potential to be effective ways of addressing disparities even though they remain little discussed in the United States.

Pastor, Benner, & Matsuoka (2011) regard regional equity as being fundamentally about scale: if problems are created at a regional scale, then policies should focus at the regional level and the power analysis and power-building that can change things should also be pursued at the regional level. They suggest an analytical frame that has three components. *Community development regionalism* refers to approaches that provide an ‘outside game’ to make traditional local efforts to provide jobs, affordable housing, and family supports more effective by tackling taxation, planning, investment, and other
policies and rules that undermine these efforts. Policy reform regionalism describes the activities of policy entrepreneurs who work outside formal government structures and levels to identify and define problems, build networks, and offer research, strategies, and frames for understanding and solving these problems. Social movement regionalism is about building power at the regional level to mobilize politically to address social issues, and specifically to scale-up neighborhood and community-based efforts to effect change.

Evaluations of the Sustainable Communities Regional Planning Grant Program from the U.S. Department of Housing & Urban Development have yielded some important findings. The program was created to support locally led collaborative efforts that bring together diverse interests from the many municipalities in a region to determine how best to target housing, economic and workforce development, and infrastructure investments to create more jobs and regional economic activity. One evaluation focuses on the conditions under which regional collaboration is most conducive to incorporating equity (Frick, Chapple, Mattiuzzi, & Zuk, 2015). The first finding is that regional collaboration is stronger when partners have a reason to stay at the table and negotiate, particularly when dollars are at stake or key decisions are being made. However, even with optimal levels of collaboration, process, form, and function it may breed unintended consequences that deepen existing divisions or create new silos.

Second, equity and inclusion can strongly feature in regional collaboration if there is strong leadership and nonprofit organizational capacity. Otherwise, they may appear only indirectly, for example as part of a requirement for fair housing assessment or may be disconnected from core programming. A third finding is that it is advisable to build-in adequate time before and during collaborative processes to take stock of, and even revisit, historic tensions and institutional structures. To superimpose a planning effort without directly confronting these issues could lead to a resurfacing of past challenges in expected and unanticipated ways throughout the process, particularly in highly fragmented regions. In doing so, full consideration of the key actors and resources needed for implementing tangible products also is critical. A final finding is that partners should confront and set aside “optimism bias” in gauging potential transaction costs of implementing planning efforts, recognizing that participants are typically resource challenged, with limited bandwidth to attend meetings (Frick, Chapple, Mattiuzzi, & Zuk, 2015).

In another evaluation study, Arias, Draper-Zivetz, & Martin (2017) observe that as a result of their previous experiences, communities and advocates tend to be skeptical and lack trust in the authenticity of regional players. They also question the way in which equity considerations are incorporated into the overall process, and how the notion of equity is interpreted. The researchers noted that stakeholder engagement efforts with both communities and businesses can magnify existing regional dynamics (good or bad) rather than change them. The participation of local jurisdictions was uneven, exposing different priorities between local and regional actors, and cities and suburbs, with local elected officials often unwilling to act in the interest of the broader region.

A new initiative focused on metropolitan regional equity may offer both framing and practical insights for regional equity across the rural-urban continuum. The Strong, Prosperous, and Resilient Communities Challenge (SPARCC) (Choi, 2019) is an effort in six metropolitan regions to promote collaborative leadership to advance changes in policy, practice, and investment that promote equitable regional development. It is founded on the recognition that regions are shaped by their historical context that produced policies, practices, and investment patterns that conferred benefit to some at the burden of others. The resulting systems serve to reinforce entrenched poverty and racial inequities that worsen health outcomes and climate vulnerability with each successive generation. SPARCC sets out
ensure that both the benefits and burdens of future development are responsibly shared across all groups to promote more equitable regions.

The implications of rural-urban interaction on poverty and race highlight both historical inequities and the rapid changes underway. Poverty is to be found in all places, rural and urban, to varying degrees, but rural areas have suffered stubborn disparities in income and poverty rates for decades, with the gaps increasing with remoteness from urban areas (Castle, Wu, & Weber, 2011). Urbanization can have differential impacts on low-income rural households, as poorer rural areas are treated as ‘dumping grounds’ for urban functions such as prisons, toxic waste sites, and polluting industries, and for malodorous industrial food production and processing plants (Allen, 2010). The questions of environmental justice raised by these developments are compounded by issues of vulnerability to flooding, loss of soil productivity, public health, and contamination of drinking water (Allen, 2010) in peri-urban areas.

The likelihood that where someone lives helps determine their safety, susceptibility to chronic health conditions, and life expectancy, underscores the critical importance of place in seeking better health outcomes. The drive to create healthy communities provides opportunities to think and act at a regional level (Rubin, 2015). Rubin (2015) argues that healthy communities are a product of regional patterns of growth, change, and investment, and that when regional strategies are motivated by principles of sustainability, a natural connection to health outcomes can be seen as communities strive to be more livable, walkable, environmental sustainable, and thus healthier.

One continuing part of the rural-urban divide narrative is that urban areas are heterogenous in terms of race and ethnicity, whereas rural areas are homogenous. The assumption here is that rural America is predominantly white, conveniently ignoring historical concentrations of African Americans and Native Americans. However, a recent study of diversity along the rural-urban continuity (Lee & Sharp, 2017) finds that diversity now spreads across rural and suburban spaces in all types of context, further blurring rural-urban boundaries. The challenge, however, is the recent nature of this phenomenon along with the limited capacity of rural communities to deal with the educational, healthcare, and housing needs of a diverse population. A recent study suggests that whites and minorities are sorting themselves into different types of rural places, with growth in black and other minority populations occurring disproportionately in the most racially diverse places (Lichter, Parisi, & Taquino, 2018). The potential benefits of demographic, economic, and cultural revitalization will not be realized (Lee & Sharp, 2017) if intergroup avoidance and conflict outweigh integration. Lichter & Brown (2011) note that the blurring of rural-urban spatial boundaries is being accompanied by a hardening of other boundaries, especially class and race, and that as rural and urban America are more interdependent, future discussions about social change in rural (or urban) will be more difficult without acknowledging the other.

Fragmentation and Regional Governance
The complexity and dynamism of rural-urban interactions raise questions about the ability and capacity of existing governance structures. According to Partridge & Olfert (2011), a lack of awareness of the realities of these interactions and interdependencies means that there has been little in the way of institutional and governance response to regional change. These result in local governments competing with their neighbors rather than working together in their mutual interests using “governance designed in the ‘horse and buggy’ era to compete in the 21st century” (Partridge & Olfert, 2011, p.144).

However, a review of the public management literature on regional governance reveals both that this is a subject of some longstanding contention and that numerous and diverse approaches have been
explored to tackle regional challenges. At the heart of the contention is the issue of government fragmentation. It should be noted that much of the discussion focuses on regionalism and integration in a metropolitan context. Savitch & Adhikari (2017) provide an overview of the two main schools of thought. **Monocentrists** (for example, Miller 2002; Orfield 1997; Pierce 1993; Rusk 1993) see fragmentation feeding inequities and favor putting power in the hands of central decision-makers. They see metropolitan governments as standardizing policies, raising revenues, and planning across a whole area. This helps to reduce or absorb negative spillovers of uneven development and more equitably distribute positive spillovers of wealth generation.

**Polycentrists** take their cue from Tiebout (1956) who argues that people make location decisions based on their preferences for a pattern of local government revenue and expenditure and therefore value maximum choice. He sees competition between governments as resulting in allocative efficiencies – the extent to which governments supply the level and quality of services expected by citizens. Ostrom (1990) and others argue that decentralized, autonomous jurisdictions, rather than being chaotic, have a heterogeneous and voluntary coherence of their own, able to forge cooperative agreements and ad hoc arrangements across metropolitan regions. Moreover, they believe that fragmentation of policymaking and service delivery across multiple governments and authorities reduces concentration of powers and promotes innovation and competition (Feiock, 2009).

Between these two broad views is to be found a substantial literature on what Savitch & Adhikari (2017) call ‘back-door regionalism’ which accepts that fragmentation cannot be reversed but can be circumvented by people and organizations working at multiple levels and across multiple issues.

Feiock (2009) notes that fragmentation creates inefficiencies, costs, externalities, and conflicts, particularly in metropolitan areas where authority is fragmented horizontally among competing local governments and vertically among overlapping federal, state, and local agencies. He presents a typology of tools for regional governance that are being used to meet these challenges. These include multi-lateral mechanisms where decisions are made collectively and networked bi-lateral exchanges and a high level of individual choice is exercised over whether and how to participate. They also range from mechanisms that are imposed by higher-level governments and/or resourced externally, to those where local units delegate some level of authority by voluntarily entering into organizations or mutually binding contractual agreements, to those based on informal relationships that depend on trust and familiarity.

Feiock (2009) describes six such tools, the most formal being **regional authorities** and **managed networks** where a higher-level government provides funding and mandates the formation of collaborations among local governments or designates a lead agency to coordinate intergovernmental service provision. At the other end of the spectrum are **collaborative groups and councils** formed to help information exchange, program coordination, and joint action based on shared understandings and expectations, and **policy networks** that provide opportunities for regular face-to-face interactions between leaders and peers.

In the middle ground are regional organizations and contract networks (Feiock, 2009). **Regional organizations** are those designed to collectively and voluntarily manage regional problems across jurisdictions. They include regional councils of government (focusing on comprehensive planning, community and economic development, land use, and services for the elderly), metropolitan planning organizations (primarily focused on transportation), and regional partnership organizations (most commonly public-private economic development efforts). **Contract networks** refer to joint ventures,
interlocal agreements, and service contracts between governments for service delivery and resource sharing across a wide range of functions.

The interlocal agreement is one of the oldest and most common collaborative instruments (Chen & Thurmaier, 2009). These can take the form of an informal “handshake” agreement or an elaborate contract structured according to statutory requirements and filed with a state agency and county recorder. They exist in myriad forms across the United States between cities, counties, a city and a county, between cities and school districts, between school districts, and in many other combinations.

Bel & Warner (2015) offer a typology of cooperative agreements based on the degree of institutionalization, the tasks performed, the quantity of functions performed, and the type of governance. Thus, agreements range from the informal to the formal, with the latter including both standing bureaucratic organizations and contractual agreements. Some are operational in nature, engaged in service delivery, while others are mainly coordinative. Some are single purpose and others are multi-purpose. Governance may be through a single entity or be multi-governmental, with boards comprising elected representatives or appointed managers (Bel & Warner, 2015).

Aldag & Warner (2018) find that different motivations for such agreements. Those of a longer duration tend to be driven by cooperation and reciprocity, with the aim of improving service quality and coordination using formalized agreements and low transaction costs. However, those of shorter duration while intended to achieve cost savings often have high transaction costs.

Obstacles to Regional Collaboration
Whatever the form governance and collaboration might take, Feiock (2009) argues that the challenge for those that are not externally imposed or resourced is to overcome the transaction cost barriers for participants. The higher these are, the less likely it is that regional collaboration will be embraced. Feiock (2009) identifies four sources of transaction costs. These are rules imposed by states that determine the specific authority and the strategies available to local governments to participate in collective agreements; the extent to which outcomes are easy or difficult to measure; the spatial and demographic characteristics of the participating areas – the more homogeneous the easier the collaborative potential; and whether legislators see collaboration as a positive or negative in delivering benefits to their constituents.

Another obstacle is the residential sorting and segregation across metropolitan areas that result in asymmetries in service preferences, resources, and political power that create cumulative disadvantage to some areas (Lowery, 2000; Dowding, John, and Biggs 1994; Howell-Moroney 2008).

Fowler (2018) notes that local governments will seek networks, collaboration, or partnerships when they cannot solve problems on their own and when they see the possibility of available resources. When need and opportunity meet, local governments will join networks and expand public service delivery efforts to create better outcomes through joint action. However, the result will likely be uneven across a region as need and opportunity for each government will be a function of its goals, operations, and constraints. Depending upon the goods and services to be shared or delivered, dilemmas arise over a local government actor’s choice of actions (i.e., whether to enter into agreement or not) and its partner choice (i.e., with whom to establish contractual ties) (Andrew, 2009). Decisions about entering into a contract are predicated on the success of previous interactions, the behavior of current partners, and expectations for the future. Andrew (2009) raises the importance of preferential attachment, especially where activities are complex, and outcomes are not easily determined in advance. Specifically, this
means a preference to collaborate with those who are similar in characteristics. Other studies have found that the common ground on which governments can forge and sustain agreements, minimize conflict, and lower costs of collaboration, is substantially reduced where regions have populations of jurisdictions that are homogeneous internally but heterogeneous relative to each other (Hendrick & Shi, 2014).

This challenge of heterogeneity is highlighted by Herrschel (2009) and Jones (2000) who argue that the stark social and ethic contrast between ‘core city’ and ‘suburb’ is an important determinant of, often hostile, attitudes to region-building. Core cities are characterized by strong party-political contacts and linkages and more redistributive policies, whereas the suburbs seek to keep ‘their’ tax dollars to themselves, and have a more technocratic, public choice-oriented “business-friendly” approach. Herrschel (2009) also points to a dislike in some parts of the United States to concentration of governmental power at other than the local level. He associates this with an inherent individualism and distrust of governmental interference with private lives, going back to the pioneering days and a strong sense of self-reliance. This translates to regionalism as “usurping” more political-administrative power by a bigger governmental machinery and reducing local self-determination in policy choices.

**Emerging Forms of Regionalism**

Regionalism is an umbrella term for a range of perspectives and processes, which can be described in three broad categories (Hurrell, 2007). **Regionalization** refers to processes of social and economic integration that occur without formal direction or intervention. Examples are the U.S. borders with Mexico and Canada, where flows of people, goods, and capital back and forth drive the regional economies in the border states. **Regional awareness and identity** relate to the strong sense of cultural and historical attachment to place and to group, such as can be found in ‘The South’ and the Pacific Northwest. The third category, **regional cooperation**, describes the variety of formal and informal arrangements where governments and communities come together to address common issues and challenges. These include regional development organizations, public-private partnerships, and federal-state-local initiatives.

Hurrell (2007) suggests that regionalism is a complex and dynamic process based on several interacting and often competing factors. Globalization and technology are driving economies at every level, penetrating all geographies and cultures, both diminishing the importance of place, while opening opportunities for the exchange of ideas and norms. Similarly, regionalism can be both a way of mediating or moderating political interests across place and space, and a means for projecting power. Another important factor is the ongoing struggle between the need to adopt regional perspectives to tackle large-scale issues and the desire to associate with a community or place. Often, this may reflect the crises of identity in the face of demographic, economic, social, and environmental change.

Over the past forty years, there has been much written about “new regionalism”, a somewhat fluid concept to describe an evolution of thinking beyond regional development as top-down, government-driven, highly structured approaches focused on defining boundaries and jurisdictions. The impetus for new regionalism has been as a recognition of the economic self-interest of governments to overcome their divisions, in spite of the political constraints that have held them back in the past (Frisken & Norris, 2001), and as a response to urban sprawl, traffic congestion, characterless development, and geographic inequities (Wheeler, 2002).

New regionalism embodies five connected themes according to Daniels, Douglas, Vodden, & Markey (2019): multi-level collaborative governance, place-based development, integrated development
approaches, rural-urban interdependence, and innovation and knowledge flows. While each of these themes are still debated in academic circles, with skeptics critical of a lack of definitional and methodological clarity, they do represent a useful framework for analysis. *Multi-level governance* refers to “a process of coordination and coordination, and steering of interests involved in decision-making, including community, voluntary, and commercial interests within an area, across economic, social, and environmental sectors” (Daniels et al, 2019, p. 33). Governance does not imply an absence of government but a better structuring of relationships within and outside government.

*Place-based development* recognizes ideas such as regional identity, the identification and use of local assets (whether social, economic, physical, cultural, financial, or natural), and integrating these into competitive advantage and local control. *Integrated development approaches* emphasize the value of multi-sectoral approaches across social, economic, and environmental issues, and to the balancing of such questions of regional economic development and social equity. The theme of *rural-urban interdependence* will be returned to later in this review. Finally, *innovation and knowledge flows* refer to processes of learning and adaptation that influence systems, structures, and policies.

According to Herrschel (2009), growing evidence shows that new forms of regional thinking are emerging not as a new phase of territorial governance but as extensions to existing structures and strategies. He refers to “virtual regionalization” that provides a new strategic, policy-focused dimension to existing administratively and technocratically centered arrangements such as interlocal agreements. Planning for infrastructure and environmental projects, for instance, must go beyond technical considerations and incorporate political and strategic leadership and visioning that transcend established institutional and jurisdictional boundaries.

Herrschel (2009) continues by noting that these new approaches seem to highlight the differences between “winners” and “losers”, with city-regions in economic core areas generating new flexible institutions, and more rural, peripheral localities being represented through more rigid technocratic-administrative regionalism. While bottom-up regional efforts seem to promise more relevant forms of region building, he sees a “danger of inter-local competition, driven by localist ambitions, setting the agenda, rather than attempts at finding outwardly-directed responses to the shared challenges of global economic competition” ...[Stronger] localities are reluctant to engage with apparently inferior partners within a region, as there seems no obvious advantage. Instead, they seek to emphasize their relative strength in relation to regional weaknesses, in the belief to be able to boost their own apparent competitiveness” [p.283].

Nevertheless, Herrschel (2009) concludes that the solution to policy challenges at the regional level does reside at the local level. The task is to establish a system that rewards collaborative and innovative policymaking, while both embracing local interests and structures and promoting institutional interactor collaboration across governmental, private sector, and civic sectors. This formulation appears regularly in recent literature. Brown & Shucksmith (2017) see a requirement for new hybrid structures that combine place-based interests and engagement with the need to establish relationships and networks across the rural-urban continuum. These must link businesses, communities, and institutions at a variety of scales to fulfill the purposes of deliberative governance, territorial ‘place-shaping’, institutional capacity-building, and sharing of responsibilities.

Caffyn & Dahlstrom (2005) suggest that existing separate rural and urban policies must be supplemented by alternative approaches to addressing the movement of goods and people across space, promoting social inclusion, and recognizing commonalities across the rural-urban continuum.
Andersen & Pierre (2010) discuss the concept of ‘strategic regions’ that emerge bottom-up to solve collective action problems and to exploit economies of scale in service delivery. These, they argue, are complementary to the institutional arrangements for local and regional governance more than alternative solutions and represent a flexible system applying a wide range of tools of governance, while being adaptable to fluctuations in the range and depth of collaboration. Savitch & Adhikari (2017) talk about “fragmented regionalism” which marries the desire for local autonomy with the necessity for collective action. Fragmented regionalism is a condition of piecemeal, partial, and selective processes that induce a metropolitan-wide action while guaranteeing local prerogatives.

Over the past 20 years there have been several non-academic studies and reports that have sought to draw lessons, policy prescriptions, and practice recommendations from rural and regional efforts across the United States (for example, Kubisch, Topolsky, Gray, Pennekamp, & Gutierrez, 2009: Dabson & Meyers, 2015; McFarland, 2018; Community Strategies Group, 2019).

The recognition that a growing number of urban challenges – environmental, social, and economic – call for action at a regional scale, led the Lincoln Institute of Land Policy to convene a forum of practitioners, advocates, and academics to share insights on several regional experiments underway across the United States. The report of the forum (Porter & Wallis, 2002) summarized 18 regional initiatives and presented a set of common issues that such efforts must address. The focus was on what was termed “ad hoc regionalism,” intending to convey a spirit of improvisation and invention in addressing pressing issues where existing structures and approaches were shown to be ill-equipped and unresponsive.

Porter & Wallis (2002) drew out four important insights. First, regional identity (and boundaries) can be rooted in place, particularly where strong geographical or cultural characteristics distinguish it from surrounding areas, or rooted in function such as commuter, air, and water sheds; or some combination. Second, the driving forces for regionalism can be a response to an immediate crisis, a perceived threat to existing quality of life, or a way of capturing a competitive opportunity. Third, effective regionalism requires leadership, institutional, fiscal, technical, and civic capacities. Finally, regional efforts typically progress through three main stages – growing awareness, initiating action, and sustaining efforts.

More recently, Liu & Arnosti (2018) offer three principles for modern regionalism. They stress the importance of unifying leaders around economic growth and inclusion, building on past successes in land use and infrastructure, municipal revenue sharing, and governance reforms, of relying on an expanded network of actors and voters to create change, including ballot initiatives for regional assets such as parks, transit and airports, and of recognizing that regionalism is not always regional – some regional challenges are grounded in specific places.
References


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Methodology

This literature review is structured in three parts, the first two of which are based on a systematic search of primarily peer-reviewed academic research from the year 2000 to the present date using Articles+ and Google Scholar search engines. In a few cases materials published before 2000 have been included to provide essential context for current research.

Search terms for the first part include ‘rural urban connections’ and rural urban linkages’ and generated 99 articles, book chapters, and reports. A second stage review of abstracts resulted in the selection of 50 articles for full reading, of which 48 are referenced in this review. The review draws from several disciplines, primarily regional science, political and social science, international development, and sustainability/land use, and from several countries, mainly the United States, Canada, United Kingdom, Europe, and Latin and South America.

For the second part, search terms included ‘regional collaboration’ and ‘regional governance’ and generated 37 articles, book chapters, and reports. A second stage review of abstracts resulted in 25 articles for full reading, of which 21 are referenced in this review. The review draws from disciplines of urban affairs and studies, public administration, politics, and public policy, primarily from the United States and Europe.

The first two parts were conducted in the period October-December 2018. The third part was completed in October 2019 which included additional materials recommended from stakeholder and expert interviews and newly published articles and books. This resulted in 26 additional more references for the review.

*Regional Solutions to Rural-Urban Challenges* was a project of LOCUS Impact Investing, guided by a project team of experienced economic development practitioners, researchers and policy makers. This work was funded through a grant from the Robert Wood Johnson Foundation, whose support is gratefully acknowledged. For more on the project, go to WEBPAGE LINK.
Synthesis of Stakeholder and Expert Interviews

During the period February to May 2019 a series of telephone interviews were conducted with stakeholder and experts with the aim of:

- Affirming (or otherwise) the value and relevance of the project in the research, policy, and practice arenas;
- Obtaining perspectives on the framing of the project and any elements to be included or considered;
- Inviting recommendations on examples of regional efforts, other people to interview, additional literature to be reviewed, and potential venues for disseminating the project’s findings; and
- Raising awareness of the project.

The stakeholders and experts interviewed were diverse in background and perspective, and their insights ranged from the broadly philosophical to the very practical. They are listed at the end of this paper. The discussions are organized into the following set of themes that informed the crafting of the selection criteria for regional efforts to be investigated and the design of the fieldwork protocols.

1. The critical role of intermediaries

Two main types of organizations have relevance for catalyzing and managing rural-urban interactions:

- **Regional development organizations**, which are structures for local governmental planning, resource allocation, program implementation, and service delivery across multiple counties, cities, and municipalities. Some are exclusively governmental, others are public-private partnerships. Some of these organizations may be entirely urban/metropolitan-focused but may offer lessons on effective approaches to multi-sectoral and multi-jurisdictional collaboration. Others span both metropolitan and rural counties and it was suggested that such regional organizations bring professional capacity and greater participation in beneficial funding programs (usually Federal) to rural counties, and generally reduce wasteful and disruptive internal competition within a region.

- **Nonprofit regional community and economic development organizations**, which include sector-specific research, advocacy, and programmatic agencies, community development financial institutions, community foundations, and public-private-nonprofit partnerships. Some of these are multi-state in scope, some mainly rural, but all are regional by design and by approach. They are distinguished by their trust networks and relationships, their power to convene and to broker agreements between conflicting interests, and their ability to combine deep local knowledge (boots on the ground) and broad regional and strategic perspectives.

2. The imperative for rural-urban interaction

- **Agglomeration economics** drives the prevailing view that rural communities will only survive and prosper if they develop and strengthen their connections with metropolitan centers. Such connections may be transportation-related, such as commuting patterns or easy access to airports, they may be value chains for the conversion of raw materials to final products, or broadband-enabled communications for commerce, education, and health.
• In turn, there is an increasing focus on the role of small metropolitan and micropolitan centers as hubs for investment with the expectation that there will be positive spillover effects into the surrounding rural hinterlands.

3. **The conditions for regionalism**
• Regional approaches can flourish only through building relationships and common interests over time. They require a clear vision and the capacity to coordinate, convene, and facilitate. Whatever the structure of the regional organization, rural interests need to be firmly embedded and not added as an afterthought. This requires leadership that sends a clear message about the importance of regionalism and operationalizes it through hiring, resource allocation, and program priority decisions. Unless rural areas know where they are going, they will be subsumed by urban strategies.
• Strong and well-resourced intermediaries can foster relationship-building and provide much-needed capacity across their regions, but often where the need is greatest and the local capacity is weakest, intermediaries, if they exist at all, have only limited resources to achieve regional impact.
• Although there may be technical and legal challenges and high transaction costs for local communities to engage in regional collaboration, these need not be unsurmountable, provided that political and social differences can be set aside, and broadly acceptable approaches negotiated. This highlights the importance of forging relationships and building social capital.
• Regionalism can be primarily transactional to deal with a specific issue or opportunity, but to be effective and sustainable it also must be long-term and strategic.

4. **Regional interaction and collaboration can take many forms**
• Collaboration can relate to health or economic development or watershed planning or to any issue that requires regional solutions.
• Collaboration can involve planning, regulatory action, public or private investment choices, or along value chains.
• Although there are examples of regional activities that go back decades, most of those discussed are relatively new with outcomes not yet clear.

5. **Regional equity must be intentional**
• Some question whether regionalism has any relevance for achieving societal goals such as equity (whether regional, racial, or economic opportunity) suggesting that it is more appropriate for tackling such issues as infrastructure or economic development. Others suggest that inequities are an inevitable outcome of prevailing market forces and policies and can only be overcome and addressed through intentional design, policy, and practice.
• A concern was how native communities fit into the regionalism frame. Tribes, it was reported, often find collaboration challenging, both because of the press of poverty and health issues, particularly on the rural reservations, and of unresolved hostility between tribes and state governments on matters of sovereignty. However, new generations now bridging urban and rural experiences are open to broader, systemic approaches, including collaboration with those who have access to resources and technical expertise.
• Intentionality was a consistent theme. Leaving things to chance or to evolve will not be in the interests of rural communities, poorer neighborhoods, or people of color. Effective regionalism will not happen without intentionality. The unanswered question is whether intentionally
incorporating voices and concerns of rural, low-income, and minority people and communities into regionalism will achieve the desired outcomes.

### List of Interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
<th>Location</th>
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<tbody>
<tr>
<td>Jesse Abrams</td>
<td>Assistant Professor, Natural Resource Policy &amp; Sustainability</td>
<td>University of Georgia, Athens, GA</td>
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<tr>
<td>MarySue Barrett</td>
<td>President</td>
<td>Metropolitan Planning Council, Chicago, IL</td>
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<tr>
<td>David Brown</td>
<td>Professor Emeritus, Development Sociology</td>
<td>Cornell University, Ithaca, NY</td>
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<tr>
<td>William (Bill) Bynum</td>
<td>CEO</td>
<td>HOPE Enterprise Corporation/Credit Union, Jackson, MS</td>
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<tr>
<td>Clark Casteel</td>
<td>President &amp; CEO</td>
<td>Danville Regional Foundation, Danville, VA</td>
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<tr>
<td>Matthew Chase</td>
<td>Executive Director</td>
<td>National Association of Counties, Washington DC</td>
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<tr>
<td>Dante Chinni</td>
<td>Research Professor/Project Director, American Communities Project</td>
<td>George Washington University School of Media &amp; Public Affairs, Washington DC</td>
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<tr>
<td>Daniel Cooper</td>
<td>Director of Research</td>
<td>Metropolitan Planning Council, Chicago, IL</td>
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<tr>
<td>Chrystel Cornelius</td>
<td>Executive Director</td>
<td>First Nations Oweesta Corporation, Longmont, CO</td>
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<tr>
<td>Alicia Cramer</td>
<td>Senior Vice President</td>
<td>U.S. Endowment for Forestry &amp; Communities, Greenville, SC</td>
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<tr>
<td>Ray Daffner</td>
<td>Principal</td>
<td>Strategic Advisory &amp; Investment Services, Waterford, VA</td>
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<tr>
<td>Mike Dickerson</td>
<td>Manager, Innovation &amp; Evaluation Center</td>
<td>Craft3, Astoria, WA</td>
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<tr>
<td>Matthew Dolge</td>
<td>Executive Director</td>
<td>Piedmont Triad Regional Council, Kernersville, NC</td>
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<tr>
<td>Richard Feiock</td>
<td>Professor, Askew School of Public Administration &amp; Policy</td>
<td>Florida State University, Tallahassee, FL</td>
</tr>
<tr>
<td>Richard Florida</td>
<td>Professor, Rotman School of Management</td>
<td>University of Toronto, Toronto, ON</td>
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<tr>
<td>Grace Fricks</td>
<td>President &amp; CEO</td>
<td>ACE, Cleveland, GA</td>
</tr>
<tr>
<td>Stephan Goetz</td>
<td>Professor &amp; Director, North East Regional Center for Rural Development</td>
<td>Penn State University, State College, PA</td>
</tr>
<tr>
<td>Jason Gray</td>
<td>Senior Fellow, Research &amp; Policy</td>
<td>North Carolina Rural Center, Raleigh, NC</td>
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<tr>
<td>Stephanie Gutierrez</td>
<td>Co-Founder</td>
<td>Hope Nation Consulting, St. Louis, MO</td>
</tr>
<tr>
<td>Seana Hasson</td>
<td>Senior Director, Research, Analytics &amp; Insights</td>
<td>YMCA of the USA, Chicago, IL</td>
</tr>
<tr>
<td>Lynn Hunter</td>
<td>Director, Regional Strategies &amp; Networks</td>
<td>Philanthropy Northwest, Seattle, WA</td>
</tr>
<tr>
<td>Name</td>
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<tr>
<td>Erin Kelly</td>
<td>Associate Professor, Forestry Policy, Economics, &amp; Administration</td>
<td>Humboldt State University, Arcata, CA</td>
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<tr>
<td>Whitney Kimball-Coe</td>
<td>Director, National Programs</td>
<td>Center for Rural Strategies, Knoxville, TN</td>
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<tr>
<td>Jane Leonard</td>
<td>President</td>
<td>Growth &amp; Justice, St. Paul, MN</td>
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<tr>
<td>Daniel Lichter</td>
<td>Professor &amp; Director, Institute for the Social Sciences</td>
<td>Cornell University, Ithaca, NY</td>
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<tr>
<td>Amy Liu</td>
<td>Vice President &amp; Director, Metropolitan Policy Program</td>
<td>Brookings Institution, Washington DC</td>
</tr>
<tr>
<td>Lizzy Mattiuzzi</td>
<td>Senior Researcher</td>
<td>Federal Reserve Bank of San Francisco, CA</td>
</tr>
<tr>
<td>Christiana McFarland</td>
<td>Research Director, Center for City Solutions</td>
<td>National League of Cities, Washington DC</td>
</tr>
<tr>
<td>Lisa Mensah</td>
<td>President &amp; CEO</td>
<td>Opportunity Finance Network, Washington DC</td>
</tr>
<tr>
<td>Mark Partridge</td>
<td>Professor, Swank Chair in Rural-Urban Policy</td>
<td>The Ohio State University, Columbus, OH</td>
</tr>
<tr>
<td>Ines Polonius</td>
<td>CEO</td>
<td>Communities Unlimited, Fayetteville, AR</td>
</tr>
<tr>
<td>Ray Rasker</td>
<td>Executive Director</td>
<td>Headwaters Economics, Bozeman, MT</td>
</tr>
<tr>
<td>Harry Rhodes</td>
<td>Former Executive Director</td>
<td>Growing Home, Chicago, IL</td>
</tr>
<tr>
<td>Rob Riley</td>
<td>President</td>
<td>Northern Forest Center, Concord, NH</td>
</tr>
<tr>
<td>Michele Stumpf</td>
<td>Executive Director</td>
<td>Mobile United, Mobile, AL</td>
</tr>
<tr>
<td>Brett Schwartz</td>
<td>Associate Director</td>
<td>National Association of Development Organizations, Washington DC</td>
</tr>
<tr>
<td>Carl Seip</td>
<td>Vice President, Communications &amp; External Affairs</td>
<td>Craft3, Seattle, WA</td>
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<tr>
<td>Joe Short</td>
<td>Vice President</td>
<td>Northern Forest Center, Concord, NH</td>
</tr>
<tr>
<td>Karl Stauber</td>
<td>Former President &amp; CEO</td>
<td>Danville Regional Foundation, Danville, VA</td>
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<tr>
<td>Soma Stout</td>
<td>Vice President</td>
<td>Institute for Healthcare Improvement, Boston, MA</td>
</tr>
<tr>
<td>Janet Topolsky</td>
<td>Executive Director, Community Strategies Group</td>
<td>Aspen Institute, Washington DC</td>
</tr>
<tr>
<td>Mildred Warner</td>
<td>Professor, City &amp; Regional Planning</td>
<td>Cornell University, Ithaca, NY</td>
</tr>
<tr>
<td>Bruce Weber</td>
<td>Professor Emeritus, Applied Economics</td>
<td>Oregon State University, Corvallis OR</td>
</tr>
<tr>
<td>Shannon Welch</td>
<td>Project Director, 100 Million Healthier Lives</td>
<td>Institute for Healthcare Improvement, Boston, MA</td>
</tr>
<tr>
<td>Leslie Wollack</td>
<td>Executive Director</td>
<td>National Association of Regional Councils, Washington DC</td>
</tr>
<tr>
<td>Ashley Zuelke</td>
<td>Senior Director for Research &amp; Programs</td>
<td>Rural Community Assistance Program, Denver, CO</td>
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</table>
Regional Solutions to Rural-Urban Challenges was a project of LOCUS Impact Investing, guided by a project team of experienced economic development practitioners, researchers and policy makers. This work was funded through a grant from the Robert Wood Johnson Foundation, whose support is gratefully acknowledged. For more on the project, go to WEBPAGE LINK.
Minnesota Case Study

**Researchers:** Alan Okagaki & Travis Green  
**Visit Dates:** July 22 – 25, 2019

**Interviewees**
Diana Anderson, President, Southwest Initiative Foundation, Hutchinson MN  
Brett Buckner, Managing Director, One MN, Minneapolis MN  
Joe Buttweiler, Partnership Development Manager, Consolidated Telecommunications Company, Baxter MN  
Vicki Chepulis, Grants & Program Coordinator, Five Wings Arts Council, Staples MN  
Dawn Espe, Sr. Regional Development Planner, Region Five Development Commission, Staples MN  
Nicole Griensewic Mickelson, Executive Director, Region Nine Development Commission, Mankato MN  
Anna Gruber, City & County Programs, SourceWell Region 5, Staples MN  
Eryk Haapajoki, Director of Sales, Consolidated Telecommunications Company, Baxter MN  
Don Hickman, VP for Community & Workforce Development, Initiative Foundation, Little Falls MN  
Cherylal Hills, Executive Director, Region Five Development Commission, Staples MN  
Kyle Hoffman, Community Development Planner, Region Nine Development Commission, Mankato MN  
Andy Isackson, Director of Member Operations, Consolidated Telecommunications Company, Baxter MN  
Arlene Jones, Executive Director, Sprout, Little Falls MN  
Bernadine Joselyn, Director of Public Policy and Engagement, Blandin Foundation, Grand Rapids MN  
Jane Leonard, President, Growth & Justice, St. Paul MN  
Kevin Lindsey, President, Minnesota Humanities Center, Saint Paul, MN  
Bob McLean, Principal Executive Officer, Happy Dancing Turtle, Pine River MN  
Sonja Meriild, Director of Grants, Blandin Foundation, Grand Rapids MN  
Eric Muschler, Program Officer, McKnight Foundation, Minneapolis MN  
Shawn Schloesser, Community and Business Development Specialist, Region Nine Development Commission, Mankato MN  
Kate Searles, Research Director, Growth & Justice, St. Paul MN  
Quinn Swanson, Executive Director, Happy Dancing Turtle, Pine River MN  
Luan Thomas-Brunkhorst, Chamber Director, Long Prairie Chamber of Commerce, Long Prairie MN  
Rick Utech, Executive Director, Todd County Economic Development Corporation, Long Prairie MN  
Robin Weis, Economic Development Director, Southwest Regional Development Commission, Slayton MN

**Background**

- **Intent:** The original intent of the Minnesota site visit was to examine two efforts: Growth & Justice, a research and advocacy nonprofit whose mission is to develop and advocate for public policy that makes Minnesota’s economy more prosperous and fairer for all; and the Minnesota Initiative Foundations (MIFs), six regional development entities created by the McKnight Foundation. Growth & Justice’s signature activity is the *One Minnesota Equity Blueprint*, a comprehensive policy agenda and socio-economic contract for achieving rural-urban and racial economic equity and inclusive
growth. Over their 30+ year history, the Initiative Foundations have awarded over 32,000 grants in Greater Minnesota\textsuperscript{1} and leveraged over $190 million for a variety of projects.

- **Community Development Systems:** In order to best understand Growth & Justice, we visited a number of its partners, most notably three of Minnesota’s Regional Development Commissions (RDCs). Additionally, for one of the RDCs, we met with seven of its partners to gain still more perspective about RDCs and the One Equity Blueprint.

The narrative that emerged was less about Growth & Justice or the Initiative Foundations as discrete institutions but rather the presence of local and regional community economic development systems. These regional systems are tied together through a layer of state-wide institutions and networks that facilitate shared learning and joint state-wide initiatives and policy agendas. The regional and state-wide systems encompass governmental, non-profit, and for-profit actors and are supported by public, philanthropic and private funding. Accordingly, this site report is about these system as a whole.

**Organization**

Our inquiry investigated three primary types of organizations within the system:

- **Regional Development Commissions:** The Regional Development Act of 1969 set up a process for creating regional development commissions (RDCs) – quasi-public entities governed by boards with private, public and civic sector representatives. Nine serve Greater Minnesota performing the planning and coordination functions associated with metropolitan planning organizations. All of the RDCs are Economic Development Administration economic development districts. Many also operate federally-funded programs such as aging services.

- **Initiative Foundations:** In the 1980s, Minnesota experienced a farm crisis which precipitated foreclosures, bankruptcies and a general failure of the rural economy. In response, the McKnight Foundation launched six regional foundations whose purposes were to diversify the rural economy and foster healthy places for people to live. Each initiative foundation is independent and serves its region with grants, business loans, programs and priorities, and donor services. As community foundations, the MIFs are positioned to capture local wealth and reinvest it in their regions. As of 2017, their combined endowments exceeded $300 million and their loan portfolios totaled almost $70 million.\textsuperscript{2}

- **State-wide Structures:** Minnesota has an unusually well-developed set of state-wide organizations that tie together the different regional and local development organizations. Minnesota Rural Partners, created in the late 1980s, was the original coordinating hub for rural development. When federal funding was cut in the early 2000s, the Regional Economic Development (RED) Group was formed in 2004 “to advocate for regional development and realign existing systems with the ultimate goal of increasing business and workforce growth in greater Minnesota.”\textsuperscript{3} The RED Group is active today. Its participants include the initiative foundations, the RDCs, the state Chamber of Commerce, the state colleges and university system, state Department of Employment and Economic Development (DEED) and other public, private and non-profit entities. In addition, the initiative foundations meet regularly as do the RDCs through their state association, the Minnesota

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\textsuperscript{1} “Greater Minnesota” refers to all of Minnesota outside the Twin Cities metro region.


\textsuperscript{3} https://www.greaterminnesota.net/regional-economic-development-red-group/
Association of Development Organizations (MADO). The regional development entities often coordinate with the Coalition of Greater Minnesota Cities (CGMC) which brings together city officials primarily for state advocacy and its sister organization, the Greater Minnesota Partnership, which advocates for economic development policies and resources that benefit rural Minnesota.

- **Growth & Justice**: Growth & Justice was founded as a non-profit organization in 2002 on the belief that economic growth has to benefit everyone, that growth and justice are fundamentally connected. G&J functions as the parent organization for Thriving by Design, a website and network staffed by G&J employees, through which the One Minnesota Equity Blueprint is being developed. The vision behind the Blueprint is to create a new state Rural Urban Development Act that embodies three themes: “a persistent concern and focus on rural and urban interdependence, a high priority on racial equity and other aspects of social justice, and a stronger integration of climate action with equity in all aspects of policy-making.”

The Blueprint’s Policy Agenda for 2019-2020 includes Democracy and Civic Health; Economic Development; Climate Action and Environment; Infrastructure, Transportation and Transit; Education, Early Childhood through Post-Secondary; Broadband & Digital Inclusion; Housing; Immigration; Criminal Justice Reform; Taxes, Budgets, and Investments.

**Context**

- **Demographic and Geographic Overview**: Minnesota has a population of about 5.6 million people and a land mass slightly less than 80,000 square miles. 83 percent of the state’s land is mixed cropland. Over half of the population is concentrated in a seven-county region commonly referred to as the “Twin Cities.” These seven counties are governed under the Metropolitan Council, a regional planning organization. The Minneapolis-St. Paul-Bloomington metropolitan statistical area, as designated by OMB, encompasses an additional nine counties for a total population over 3.6 million. Minnesotans generally think of the Twin Cities metro area as “urban” and all of the rest of Minnesota, referred to as “Greater Minnesota”, as rural. However, three other cities have populations over 50,000 (Rochester (117,000), Duluth (86,000) and St. Cloud (66,000)) and should be considered urban centers. Many other counties or regions are anchored by one or more micropolitan cities (population 10,000 – 50,000). The generalization of Greater Minnesota as “rural” is simplistic and potentially somewhat misleading.

- **Regional Framework**: In 1969 Minnesota state government divided the state into 11 regional development districts and created the enabling authority for regional development commissions. At that time, more and more federal programs were requiring multi-county geographies for funding which in turn spawned new collaborations and multi-county organizations each of which defined its “region” however it wanted. At the state level, agencies were using some 80 different sub-state regional delineations, often with no logical rationale for the regional boundaries. This proliferation of regional definitions created confusion and exacerbated difficulties in coordinating services. To ameliorate this problem, the state established standard regions, each defined as a set of contiguous counties. The regional district boundaries have largely been followed. As a result, regional development entities usually have service territories that align with each other. Not only does this facilitate programmatic collaboration but it also encourages collegial relationships because one is working with the same people all of the time.

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4 Thriving by Design, *One Minnesota Equity Blueprint Policy Priorities For the 2019-20 Legislature.*
• **Population and Economic Trends:** Although more than 4/5 of the land is consumed by farming, employment in the sector has declined from 134,000 people in 1970 to 78,000 today. Most rural Minnesota counties are aging and losing population. However, within any region, some communities thrive, some hold their own, while others fade away. The stronger communities have become economic hubs, collecting and incubating business activity. Manufacturing, both food processing and non-food industries, continues to be an important part of the rural economy. Within counties and regions, employment is concentrating in cities and towns that have competitive advantages and good local leadership. Meanwhile, desirable places with less employment are losing population and decline.

• **Immigration and Workforce:** As counties age or lose population, they experience workforce shortages which in turn have drawn immigrants from urban centers but also some recruited directly from Latin America by employers. Consequently, many areas are coping with assimilating these new populations into their communities. Some areas are working at being a “Welcoming Community” – developing local skills for diversity, inclusion and cultural competence.

**Collaboration**

• **Local Collaboration and Functional Ecosystems:** Interviews with five regional development organizations in different parts of the state confirm a high level of collaboration on local economic development projects. These regional entities operate in an environment where each county usually has its own economic development staff as do many cities and towns. Often these local entities will initiate an economic development project, for example assisting an existing business with expansion. The MIFs and the RDCs are rural development hubs. They are adept at bringing together the resources, expertise and partners necessary for the local project to succeed. Partners span a full spectrum of public, private and non-profit organizations in a wide span of issue areas. The MIFs and RDCs have helped construct support ecosystem that generally seems to function effectively.

Meanwhile, the regional entities are also focused on systemic problems that inhibit economic growth and vitality, such as housing, workforce development and childcare as mentioned earlier. On these region-wide issues, there also generally appears to be strong collaboration among the different actors.

• **DevelopMN:** MADO’s “Develop MN” policy agenda illustrates collaboration at a state-wide level. Prior to the One Minnesota Equity Blueprint, MADO undertook a two-year process to craft a Greater Minnesota policy agenda called “DevelopMN.” It synthesizes the CEDS plans of the 10 RDCs, supplemented by data analysis, review of national best practice and meetings with state and local economic development organizations, philanthropic foundations, local governments, state and local elected officials, the business community, and educational institutions. The final strategy is built around four cornerstones: 1) human capital, 2) economic competitiveness, 3) community resources (local values and social, cultural and natural assets), and 4) foundational assets (such as infrastructure).

**Rural-Urban Relationships**

• **The Rural Urban Compact:** Growth & Justice views its work in terms of a rural-urban social compact. Historically, the Twin Cities grew as a processing and distribution hub for many of the agricultural products coming out of the great plains. This economic and cultural interdependence inevitably shaped the social compact between parts of the state. Jane Leonard of G&J said, “People (all over
the state) considered Minneapolis “our city” and the University of Minnesota was “our university.” Everyone cheered for the Gophers.” Senate Bill 1 in 1987, by choosing to make investments in Greater Minnesota, was a re-affirmation of that compact. Over time, that compact seems less present and greater political divides have emerged rooted around economic inequality, race, ethnicity and culture.

- **Rural-Urban Interdependencies**: Interviewees identified multiple ways the Twin Cities metro area and Greater Minnesota are interdependent:
  - Ecosystem Services, in particular water: Urban centers are dependent on rural watersheds for clean water.
  - Food: Agriculture, food processing and distribution intertwine urban and rural economies.
  - Natural Resources: timber, mines, trees, energy.
  - Identity and Sense of Place: Minnesotans understand themselves in terms of rural places. The boundary waters, the tall grass prairies are part of a collective identity.
  - Tourism
  - Workforce: Younger workers are migrating to rural communities experiencing workforce shortages as the population ages.

- **State Policy-Making**: State-wide coalitions, which intrinsically require rural-urban connections, are necessary to move policy forward. The state-wide structures such as MADO, the RED Group, and the Greater Minnesota Partnership are important vehicles for building those coalitions. Also, the policy interests of urban and rural community economic development professionals frequently align. Housing supply and affordability, child care, workforce preparation, aging infrastructure, brownfield clean-up, and assimilating recent immigrants into workforce and community are challenges common to the Twin Cities and Greater Minnesota and require state-level policy action rather than being solvable solely through local or regional initiatives.

**Equity**

- **Intentionality**: A concern for equity was present in the three RDCs and the two Initiative Foundations visited. Equity is conceived in terms of both income and race/ethnicity. Equity outcomes are achieved through strategies and programs that meet the needs of those populations (affordable housing, childcare, workforce development, entrepreneurship training) and through targeted outreach and specialized programs. For example, the (Central Minnesota) Initiative Foundation conducts entrepreneurial training specifically for the Somali community.

- **Growth & Justice**: Equity was a founding principle of G&J; its premise was that a successful economy must lead to prosperity for all. G&J’s partner in developing the One Minnesota Equity Blueprint is OneMN.org, an organization with strong ties to communities of color. The specific policy recommendations were decided at a December 2018 convening comprised of a representative from each state senate district so that the group as a whole matched as closely as possible Minnesota’s projected race and ethnicity distributions for 2040.

- **Workforce and Welcoming Communities**: The RDCs and the Initiative Foundations have been strengthening the capacities of rural communities to address local resistance to changing race, ethnicity and culture. This work is often conducted under the rubric of “Welcoming Communities” – events, programs and outreach to help communities understand and accept these new residents. Workforce shortages have often led the business community to participate in the broader Welcoming Community efforts.

- **Foundation Influence**: Our sense is that the more progressive foundations have been influential in moving regional development organizations towards equity. Blandin has a training program called
“Leadership in Ethnically Diverse Communities” to increase the capacity of rural leaders to develop inclusive communities and reduce systemic racial and cultural barriers. It has funded innovative programs such as Region 5 Development Commission’s pioneering Welcoming Communities work. More generally, as a funder of development organizations in Greater Minnesota, it can communicate its perspective and help them learn cultural competence skills.

Commentary

- **Uniqueness:** One could argue that the “systems” that we found in Minnesota are really no different than those found in other states. For example, Minnesota’s regional development commissions are like EDA economic development districts seen all over the country, the initiative foundations are like other community foundation, and MADO, which has been instrumental in building state-wide agendas, has analogues in most states. While true at a surface level, our qualitative judgment is that the development infrastructure is more robust and the depth of collaboration and functionality is markedly higher than we have seen elsewhere.

- **History:** The present state of community economic development in Minnesota – including the high degree of collaboration and regional strategies -- is a product of deliberate public policy choices, investments in rural areas, and leadership development over a long period of time. The theme of regional approaches was initiated in the state’s 1969 Regional Development Act that set up the regional district boundaries and the RDCs. Senate Bill 1 in 1987 reaffirmed the rural-urban relationship and provided seed funding for the Initiative Foundations. The state-wide structures such as the RED group and MADO have continued this tradition of collaboration, regionalism, and have helped advance efforts in diversity and inclusion. Thriving by Design and the Equity Blueprint build on that foundation and take it another step forward.

- **Community Economic Development Practice:** Nationally, economic development and community development are usually separated. However, the RDCs and the Initiative Foundations see the work as one and the same. Both perceive the critical economic development issues to be housing, childcare, and workforce preparation. This is a far cry from the common refrains of reduce taxes, cut regulation, and recruit business through public subsidy. This shift has been prompted partly by rural workforce shortages which have forced greater communities to respond to housing, childcare and workforce development needs. Another factor integrating community and economic development might be that the MIFs and the RDCs are “hybrid” institutions. The MIFs are community foundations that make social purpose grants but they also have small business development and lending functions much like CDFIs. Similarly, the RDCs conduct planning and programs for transportation, housing, land use, social services and the like but they are also economic development districts with business lending functions. They too have to combine social purpose programming with economic development.

- **Investment:** Balancing investment between urban and rural areas is a central theme of the rural-urban compact and of the One Minnesota Equity Blueprint. Other interviewees talked about the need to equitably invest in both rural and urban areas. Policy debates are too often framed as a false choice between rural and urban. The message behind “One Minnesota” is that everyone benefits if we invest in both. The social compact is a political consensus that permits equitable investment in rural Minnesota.

- **Philanthropy:** Minnesota’s strong regional economic development system exists because of consistent funding over a long time by several foundations, most notably the McKnight and Blandin foundations. As a result, Greater Minnesota has a more highly developed non-profit infrastructure
compared to other parts of the country. By investing in the RDCs, we hypothesize that the foundations have not only built their capacity but also exposed them to a broader spectrum of perspectives than is commonly seen among local economic development organizations.

- **Leadership:** The strong regional development systems are also a product of local leadership which has also been cultivated, in part by foundation investment. The Blandin Foundation’s leadership program has trained over 7,000 leaders in about 600 rural Minnesota communities since 1985. The Bush Foundation has offered fellowships for community leaders since 1965, approximately 2300 fellows in total. Just as foundation investment have had a cumulative effect of strengthening institutional capacity in rural areas, we believe that these leadership investments have had an analogous impact in Greater Minnesota.

- **Knowledge Sharing:** The statewide structures such as MADO and the RED Group have helped accelerate shared learning which in turn makes it easier to coalesce around state policy agendas and priorities. For example, we were struck by the similarities in issue framing between the three RDCs, the two Initiative Foundations, and the One Minnesota Equity policy agenda. The high degree of communication has led to a more common understanding of issues and agendas.

- **Political and Cultural Divides:** Nearly all of the interviews touched on the political and cultural divides in the state or their region, analogous to the toxic national political climate. Rural Minnesota is going through significant cultural and demographic changes, often precipitating a backlash. The problem extends to urban areas where liberal residents are quick to dismissively characterize Greater Minnesota as “Trump country.” Rural practitioners acknowledge how difficult their work has become because of highly vocal conservative activists. Although urban-rural coalition building should be possible given commonalities of interest, it is difficult to negotiate in a climate of stark political division.
Sacramento Area Council of Governments (SACOG)
Site Visit Summary Report

Researchers: Brian Dabson & Katharine Ferguson
Visit Dates: September 2-6, 2019

Interviewees:
Julie Alvis, Deputy Executive Officer, Sierra Nevada Conservancy, Auburn CA
(Formerly Deputy Assistant Secretary, California Natural Resources Agency) (by phone)
James Corless, Executive Director, SACOG, Sacramento CA
Ken Hiatt, Assistant City Manager for Community & Economic Development, City of Woodland CA
Glenda Humiston, Vice President, Agriculture & Natural Resources, University of California, Oakland CA (by phone)
Josh Huntsinger, Agricultural Commissioner, Placer County, Auburn CA
Trish Kelly, Managing Director, Valley Vision, Sacramento CA
Mary Kimball, Executive Director, Center for Land-Based Learning, Winters CA
Kacey Lizon, Deputy Executive Director, SACOG, Sacramento CA
Craig McNamara, Walnut Farm Owner, Winters CA
David Shabazian, RUCS Program Manager, SACOG, Sacramento CA
Chris Turkovic, Turkovic Family Wines, Winters CA

SACOG Board Members (Lunch Meeting):
  • Lucas Frerichs, Council Member, City of Davis, SACOG Board Vice Chair; Jill Gayaldo, Council Member, Rocklin City Council; Robert Jankovitz, Council Member, Isleton City Council; Mike Kozlowski, Council Member, Folsom City Council; Mike Leahy, Supervisor, Yuba County; Pierre Neu, Council Member, City of Winters; Susan Peters, Supervisor, Sacramento County; Ricky Samayo, Mayor, Marysville; David Sander, Vice Mayor, Rancho Cordova City Council, SACOG Board Chair; Don Saylor, Supervisor, Yolo County' Tom Stallard, Council Member, Woodland City Council; Aleksandar Tica, Council Member, Live Oak; Rick West, Mayor, Wheatland.

Background
• The Rural-Urban Connections Strategy (RUCS) is a program of the Sacramento Area Council of Governments. It is both a strategy for looking at the region’s growth and sustainability objectives from a rural perspective, and a suite of data and analytical tools for “proactive rural planning” that allows for forecasting and preparing possible future scenarios. RUCS, created in 2007, was recognized as a Top 25 Program for Innovations in American Government in 2015 by Harvard’s Kennedy School of Government, and received an Innovations Award in 2011 from the National Association of Development Organizations.
• Accordingly, RUCS has attracted much attention from across the country, but because of its dual nature as a strategy and data tool, its replication elsewhere has been elusive. It was selected for a site visit to better understand what RUCS is, how it functions as a rural-urban connector, and the extent to which it is a product specific to the California policy environment.

Organization
Sacramento Area Council of Governments (SACOG) was authorized through a Joint Powers Agreement in 1980 (later revised 2003) by six counties (El Dorado, Placer, Sacramento, Sutter, Yuba, and Yolo) and 22 cities. Its role is to act as a forum for discussion and study of area-wide issues and concerns, notably transportation, water quality, air quality, land use, housing, and employment. SACOG facilitates policies and action recommendations, and independently reviews projects receiving federal and state funding.

It is governed by a 32-member board of directors (one of whom is ex-officio from Caltrans) which is responsible to the membership of constituent local governments. SACOG has a staff of 55, including the Executive Director. Its annual budget is approximately $25 million.

SACOG has several Federally and state defined responsibilities including:

- Regional Transportation Agency for four counties (Sacramento, Sutter, Yolo, and Yuba) designated by the Secretary of the California Business, Transportation & Housing Agency
- Metropolitan Planning Organization (MPO) for the Sacramento, Yuba City, and Davis Urbanized Areas designated by the Governor and the U.S. Department of Transportation.
- Metropolitan Planning Organization for the Sacramento Metropolitan Planning Area designated by the Secretary of the California Business, Transportation & Housing Agency.
- Designated Airport Land Use Commission for Sacramento, Sutter, Yolo, and Yuba Counties.
- Metropolitan Planning Organization for the federally designated ozone non-attainment area in Sacramento, Yolo, El Dorado, and Placer County and the Sutter Buttes.

However, SACOG is not the designated Economic Development District (for U.S. Economic Development Administration purposes). El Dorado and Placer Counties are part of the Sierra Economic Development Corporation, Yuba and Sutter Counties form the Yuba-Sutter Economic Development Corporation, and Yolo County has its own economic development district.

Context

The complex legislative and policy landscape in California is a crucial part of the story of SACOG and RUCS. Here are some of the highlights:

- Federal-Aid Highway Act of 1962 mandated the formation of metropolitan planning organizations (MPOs) nationwide in regions with populations greater than 50,000. These were charged with ensuring that transportation expenditures were based on continuing, cooperative, and comprehensive planning processes that involved local communities and the state. MPOs are designated by agreement between the state’s governor and local governments representing 75 percent or more of the region’s population. The Federal law allows MPO boards to adopt, with state approval, their own bylaws governing membership, voting rights, decision-making procedures, and advisory committees. Single city or county governments can host MPOs, or they can be housed in councils of government. There are over 400 MPOs across the United States. SACOG was formed in 1965.

- Mulford-Carrell Air Resources Act of 1967 created the California Air Resources Board, which was charged with developing a unified, statewide approach to addressing air pollution. It should be noted that there was, and still is, a statewide network of Air Pollution Control and Air Quality Management Districts (AQMD), which are not contiguous with the Councils of Government – there are five AQMDs within the SACOG region.

- 1980s and 1990s saw rapid population growth in California; air quality, regional economic health, overcrowded schools, affordable housing, loss of agricultural land, and water shortages emerged as important issues. A growing interest in focused regional planning around environment and land use, coincided with the emerging national smart growth and sustainable development movement. Some states passed regional growth management legislation.
(Maryland, New Jersey, Oregon, and Florida) which provided California with some models to emulate. California’s COGs/MPOs expanded their role as transportation agencies to address air quality, environment, affordable housing, and land use.

- In the 2000s, four metropolitan regions, San Francisco Bay Area, Sacramento, San Diego, and Los Angeles, launched visioning processes to develop regional land use growth scenarios and smart growth principles. These led to the state, in 2005, creating CALDOT’s **California Regional Blueprint Planning Program** (Blueprint Program) to assist COGs/MPOs in conducting regional planning efforts that would result in consensus by regional leaders, local governments, and stakeholders on a Blueprint for a 20-year planning horizon through 2025.

- **Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84)** authorized $5.4 billion in general obligation bonds to fund a variety of projects as highlighted in the title. One of its provisions, “Sustainable Communities and Climate Change Reduction” made $90 million available for incentives to encourage the development of regional and local land use plans designed to “promote water conservation, reduce automobile use and fuel consumption, encourage greater infill and compact development, protect natural resources and agricultural lands, and revitalize urban and community centers.”

- **California Global Warming Solutions Act of 2006 (AB 32)** required the state to reduce its greenhouse gas from all sources to 1990 levels by 2020. It gave responsibility to the California Air Resources Board to monitor and reduce emissions that cause climate change.

- **SB 732 of 2008** created the **Strategic Growth Council**, a cabinet-level committee tasked with coordinating the activities of state agencies with respect to improving air and water quality, protecting natural resource and agriculture lands, increasing the availability of affordable housing, improving infrastructure systems, and promoting public health. One of its roles is to assist state and local entities in the planning of sustainable communities and meeting AB 32 goals and distributing funds for planning under Proposition 84.

- **Sustainable Communities and Climate Protection Act of 2008 (SB 375)** sought to reduce greenhouse gas emissions from passenger vehicles. California Air Resources Board was required to set regional emissions targets and each MPO (including SACOG) was tasked with developing a Sustainable Communities Strategy, integrating transportation, land use, and housing policies to plan the achievement of the emissions target for its region.

- **The Sacramento Region Blueprint**, approved by its Board of Directors in 2004, sought to “integrate land use and transportation planning to curb sprawl, cut down on vehicle emissions and congestion in order to improve the quality of life for residents of the region.” As such it represented the regional interpretation of the state legislative framework. However, it was apparent that most of the attention was focused on the urban areas representing just 15 percent of the total land area, with rural lands largely undifferentiated and whose contribution to the region was not adequately understood or valued. In response in 2008, SACOG “shifted the paradigm to more explicitly include rural areas” by launching the Rural-Urban Connections Strategy project.

- **The Rural-Urban Connections Strategy** was (and is) both an outreach strategy to farmers, producers, and communities, and an analytical platform for a broad array of data on the rural economy and environment. More detailed information will be provided later.

- **The Regional Prosperity Strategy** is a collaboration between the SACOG, the Greater Sacramento Economic Council, the Sacramento Metropolitan Chamber of Commerce, and Valley Vision. It was established in 2018 to take a fresh look at the regional economy in the light of significant and disruptive trends from globalization, technological change, and demographic shifts. The Brookings Institution was commissioned to carry out a comprehensive assessment of the Sacramento’s regional economic position based on benchmarking assessments of 15 peer regions across the
country. One of the conclusions of Brooking’s report, *Charting a Course to Sacramento Region’s Future Economic Prosperity*, was that the region’s primary competitive advantage is the food and agriculture sector and its intersection with science and technology. This served to underscore the prescience of SACOG’s ‘paradigm shift’ mentioned above.

- SACOG’s draft *Metropolitan Transportation Plan and Sustainable Communities Strategy (MTP/SCS)* to be adopted in 2020 is a 20-year regional transportation and land use strategy seeks to advance a range of goals, including economic opportunity, transportation options, affordable housing, air quality, open space and natural resources preservation, and greenhouse gas emissions. The strategy makes explicit reference to the value of investing in rural economies and smaller towns and connecting the natural resource economy to its urban markets.

**Collaboration**

- SACOG is a typical example of collaboration between six counties and 22 cities, brought together to tackle regional challenges. The staff provides high level expertise in transportation, planning, demographics, and data analysis to support the member governments. In addition, SACOG works with different combinations of counties and cities as part of its federally- or state-mandated transportation, land use, and air quality responsibilities.
- SACOG has a long-standing relationship with Valley Vision on outreach and visioning processes in the region. Valley Vision is a 25-year nonprofit that was created as a response to the closing of 21 military bases with a loss of 82,000 military and civilian personnel in the Sacramento area. It was tasked to be a neutral body to help organize community responses, and over the years has become a trusted partner providing research, community engagement and implementation support on a range of triple-bottom line efforts to public agencies and civic intermediaries. Valley Vision partnered with SACOG on the outreach to farmers, producers, and communities for the establishment of RUCS, and more recently with the formation of the Partnership for Prosperity.
- The importance of Valley Vision cannot be understated; as state leadership has changed and political administrations have come and gone, Valley Vision appears to have remained a constant, maintaining relationships and a consistent direction. A civic-sector intermediary able to morph itself into an entity that complements its partners and stepping in to fill gaps where needed (e.g. running civic engagement processes for an organization without that capacity or writing a project proposal for a Food Hub). Some might call Valley Vision a Rural/Regional Development Hub.

**Rural-Urban Relationships**

- The Sacramento region promotes itself as America’s Farm-to-Fork Capital. 2013 saw the first Farm-to-Fork Festival, a celebration of the region’s food and agriculture and a way of introducing people to the chefs, farmers, ranchers, vintners, and brewers who bring food and drinks to their table every day. This is now an annual two-week food, drink, and music event at the end of September bringing 100,000 visitors from across the country.
- According to some, RUCS is now part of an ecosystem of organizations that in various ways reinforce the importance of agriculture to the regional economy. These include Sacramento Food Policy Council, the Chamber’s Food & Agriculture Committee, University of California-Davis, Center for Land-Based Learning, Farmer Veteran Coalition, and many others.
- The contribution of RUCS was described in many ways by interviewees, the common feature being that is was instrumental in making visible a rural-urban relationship that had been hidden in plain sight. The following are representative:
  - RUCS is an effective communications tool, allowing visual presentation of the role of farmland and its relationship with urban development. It enabled previously undifferentiated
undeveloped lands around urban centers to be seen in their full complexity and contributed to major shifts in state policy towards farmland.

- RUCS is a bridge to link rural and urban, and to uplift agriculture as being vitally important to the region and to a better understanding for urban residents about where food comes from.
- RUCS enabled SACOG to elevate the conversation about transportation in the region beyond commuting to consider how best to move agricultural products more efficiently through the region.
- RUCS is the basis of a model for rural economic development in the 21st century, focusing on natural assets, tourism, and working landscapes, the benefits of which are rarely appropriately monetized. Development pressures often reduce economic arguments to short-term assessments of property taxes and highest and best use of land calculations; as a result, a range of other important metrics are not considered such as jobs, air pollution, and long-term financial return.
- RUCS reinforces the fact that agriculture is a primary economic driver for the regional economy, whose long-term future is dependent upon the careful management of land, water and ecosystem services, and upon wise infrastructure investments, all of which require productive rural-urban relationships.
- RUCS provided a route to collective action through visits to Washington DC and farm and business tours. Transportation was shown to be critical for getting goods to market and in turn vital to rural regeneration. It took five years for the business community to see the value of agriculture to the economy.
- RUCS provides an array of analytical tools, including GIS, production data, scenarios for gauging the effects of changes in crop choices, market conditions, policies, water availability, and urban development. Much of this has been sourced from and validated by growers and processors in the region, and thus helps to build trust that the interests of rural areas are not being ignored.

- Unlike the original Sacramento Region Blueprint 15 years ago, the latest SACOG documents make specific reference to the importance of rural economies and smaller towns to the region. For example, in the draft Metropolitan Transportation Plan and Sustainable Communities Strategy for 2020-2040, makes the following arguments for rural-urban interdependence:
  - The rural land base is vital to the region’s agricultural economy, health, and quality of life. The land supports not only agriculture but also provides water supply and flood protection, recreation and tourism, habitat conservation, and provides aggregate and timber for development.
  - The fruit and vegetable industry contributes $1.2 billion to the regional economy, with most agricultural jobs in processing, manufacturing, and distribution located in cities and urban areas. There is considerable potential for growth in value-added processing.
  - The plan will support the rural economy by strategically investing in transportation infrastructure to serve the farm-to-market activity of the natural resource economy.

Equity

- The Sacramento region is a rapidly growing and increasingly demographically diverse area. About 45 percent of the population comprise people of color and they are disproportionately represented in households that do not earn enough to cover their basic household expenses for housing, transportation, and childcare. Almost half of black families and over 40 percent of Hispanic families meet this definition. It is expected that by 2040, people of color will comprise over half of the region’s population.
- As part of its preparatory work for the Metropolitan Transportation Plan and Sustainable Communities Strategy (MTP/SCS), SACOG is required under Federal and state law to carry out an
Environmental Justice analysis. This is to determine if the plan has any disproportionate negative impacts on low-income people and/or people of color living in the region and if the plan has disparate impacts specifically based on race, color, or national origin. SACOG takes a three-pronged approach to this task, through public meetings and online surveys, data analyses, and the production of fact sheets providing demographic data for each county and city to help local organizations engage with the issues. SACOG convenes an Equity Working Group to oversee this process and assess the Regional Economic Prosperity Strategy. The group’s work is supported by a grant from the California Endowment and state funds.

- For many of the interviewees, the focus was on geographical equity, specifically ensuring that the needs of the rural areas of the region were properly addressed, and credited RUCS as being an important voice.

Commentary
- The unique policy environment in California has led to sustained state intervention and an acceptance of planning and coordination that is rare in other parts of the country. This can be illustrated by:
  - Strong legislative actions over the past 50 years to tackle pressing issues such as air quality, the consequences of rapid urban growth, water quality and supply, and more recently sustainable communities, and reduction in greenhouse gas emissions. These actions have been woven into mainstream government functions such as transportation, housing, natural resources protection, and economic development.
  - Formation of oversight and coordinating bodies and councils to monitor, guide, and assist state and local government agencies, and link to the private and nonprofit sectors, both to facilitate communication and coordination horizontally across functions and issues and vertically between levels of government. These include the California Air Resources Board and the Strategic Growth Council.
  - The embracing of regions as a vital piece of state governance, both in recognition of the significant geographical, economic, and cultural differences across California and as an intermediary between the state and local governments. For 25 years, metropolitan planning organizations have been mechanisms for planning and prioritizing transportation, air quality, land use, and affordable housing investments, reinforced over the past decade by responsibilities for meeting sustainability and climate change goals.
  - Opportunities for policy entrepreneurship where individuals or organizations can explore new approaches to framing issues, pursuing system change, and building bridges across diverse perspectives. Examples mentioned in the interviews include Sunne Wright McPeak, formerly head of the Bay Area Council and Secretary of the California Business, Transportation, and Housing Agency, whom was credited as being the driver of regional approaches in the state, and Valley Vision, a nonprofit focused on collaborative approaches to tackling a range of economic and environmental challenges.

- Sacramento Area Council of Governments is regarded as a high performing regional organization. It has an engaged board of representatives from every county and city in the region, and a large and skilled staff. SACOG has a pivotal role in the allocation of Federal and state dollars for transportation and housing, which makes it a key player in the region. It was an acknowledged leader in the development of the Regional Blueprint approach statewide and is a key partner in the Regional Prosperity Strategy. One oddity is SACOG’s tangential role in economic development with
the six-county region divided into four economic development districts, although the Regional Prosperity Strategy does call for SACOG to take responsibility for a Comprehensive Economic Development Strategy (CEDS) for the region.

- The Rural-Urban Connections Strategy is regarded by some as an example of policy entrepreneurship on the part of SACOG and RUCS Manager, David Shabazian. It was a response to perceived shortcomings in the original Sacramento Blueprint and over the following decade developed into a nationally recognized strategy and analytical tool. Its strengths can be summarized as:
  - Through powerful data and predictive analytics, RUCS was able to shine a bright light on the importance and diversity of regional agriculture and its impact on the regional economy, something that had not previously been understood or recognized.
  - RUCS extensive outreach to farmers, processors, rural businesses and communities gave them a voice in regional decision-making and led to changes in the way transportation investments were allocated.
  - The extensive community engagement process that was part of creating the RUCS technology platform coincided with publication of Michael Pollan’s *Omnivore’s Dilemma* and a growing national interest in food and agriculture. For some, RUCS was part of Sacramento and the greater Sacramento region developing a regional identity worthy of investment and pride.
  - RUCS has become the economic and environmental sustainability strategy for the rural parts of the region and a complement to the Blueprint Strategy. Its toolkit enables users to:
    - Identify inputs and outputs of the agricultural system, run scenarios that imagine market shifts or cropping changes, and identify trade-offs between competing land uses and forecast their potential outcomes
    - Access business tools, models, and business plans for regional agriculture infrastructure, such as food hubs
    - Assess overall economic impact of agriculture
    - Support land conservation and stewardship and enhance ecosystem services and working landscapes.

- The interviews raised some concerns about the future of RUCS:
  - SACOG leadership realize that RUCS is currently (and has been since the beginning) undercapitalized, and that in order to attract investment, the strategy and approach need to be refreshed. RUCS 2.0, undertaken last year, was a process of consultation and outreach to determine possible future directions. One possibility is forestry, an important issue in California, because of its economic contribution and the threat of wildfire and issues of poor forest management. However, RUCS will require significant investment to develop the new data and tools, on top of reinvestment that is urgently required to update the data upon which RUCS relies for its agricultural analysis.
  - Few of the farmers, growers, producers, or local governments had made use of the toolkit, although some recognized the power of the data and analysis in making the case for rural investment. This appears to be the heart of the issue: RUCS is both a strategy (or perhaps more accurately a way of thinking about agriculture as economic development) AND a set of analytical tools: the tools have limited value on their own, the strategy has no power without the data.
However, there is an important missing piece. There is frustration that projects such as food hubs, which have emerged out of the consultations and outreach, and supported by the analytics and business planning tools, have yet to be implemented. RUCS needs an entrepreneurial investment partner, such as a community development financial institution (CDFI), to assemble project financing, but it seems that the CDFI infrastructure for economic development is under-developed in the Sacramento area.

- RUCS can be seen as a vehicle for collaboration among farmers, producers, processors, and governments to give a stronger voice to rural interests in the region – as a counterbalance to the continuing urban pressures for expansion across the landscape. Its part in the evolving farm-to-fork system in the Sacramento region is a strong example of rural-urban linkage as its name suggests.
- But RUCS is a project in SACOG’s portfolio, and it is SACOG where responsibility for collaboration and equity lies. Although SACOG’s Board is overwhelming white and male, the California policy and legislative context (as well that as Federal Department of Transportation) places stringent requirements for consultation, environmental justice, and equity as preconditions for funding. The regional framework allows for appropriate variation in responses to the particular social, economic, and environmental characteristics, but is not of itself a driver of collaboration and equity.

*Regional Solutions to Rural-Urban Challenges* was a project of LOCUS Impact Investing, guided by a project team of experienced economic development practitioners, researchers and policy makers. This work was funded through a grant from the Robert Wood Johnson Foundation, whose support is gratefully acknowledged. For more on the project, go to WEBPAGE LINK.
California Partnership for the San Joaquin Valley

Researcher(s): Alan Okagaki, Chris Danis

Visit Dates: July 29–31, 2019

Interviewees
Dorene D’Adamo, Board Member, California Water Resources Control Board, Sacramento CA
Lynn Ashbeck, Senior Vice President for Community Engagement, Valley Children’s Health Care, Clovis CA
Vito Chiesa, Board of Supervisors, Stanislaus County, Hughson CA
Lee Ann Eager, CEO, Central Valley Economic Development Corporation, Fresno CA
Sarge Green, Interim Director, Center for Irrigation Technology, CSU Fresno, Fresno CA
Ismael Hernandez, Executive Director, Office of Community Economic Development, California State University Fresno, Fresno CA
Genoveva Islas, Executive Director, Cultiva de Salud, Fresno CA
Courtney Kalashian, Executive Director, San Joaquin Valley Clean Energy Organization, Fresno CA
Luisa Medina, Director of Development, Central California Legal Services, Fresno CA
Andrew Mendoza, Manager for Community and Government Relations Central Valley, Kaiser Permanente, Stockton CA
Mary Renner, Chief Operations Officer, Central Valley Health Network, Fresno CA
Karen Ross, Secretary, California Dept. of Food and Agriculture, Sacramento
Jim Sunennen, Associate Secretary, External Affairs, California Health and Human Services Agency, Sacramento
Pete Webber, (retired), founder and former Partnership Board Member, Fresno CA

Background
• The California Partnership for the San Joaquin Valley (CPSV) was created by governor’s executive order in 2005 to improve the economy and well-being of the people of the San Joaquin Valley and address the region’s repeated failure to meet EPA air quality standards. Its original board included eight representatives each from state government, local government and the private sector. It was charged with, among other responsibilities:
  o Identifying projects and programs that best utilize public dollars and will most quickly improve the economic vitality of the Valley;
  o Gaining support for federal resources
  o Recommending changes that would improve the economic well-being of the Valley and the quality of life of its residents.

• The Valley is an agricultural powerhouse and its vitality is critical to the state economy. Despite this natural wealth, the Valley lags behind the rest of state on economic, environmental, and human well-being indicators. When the Partnership was created:
  o Per capita incomes were 32.2% lower than the state average.
  o College attendance was consistently 50% below the state average.
  o Violent crime was 24% higher.
Access to healthcare was 31% lower (based on the number of primary care physicians serving the population).

Air quality was among the worst in the nation.

Per-capita federal and state funding were less than national and state averages.

The CPSJV was included in this study because it spans geographic, jurisdictional, sector and issue area boundaries. It incorporates state agency heads alongside local elected officials in its governance structure, an unusual and possibly unique arrangement. Its work groups cover a wide spectrum of issues: economic development, energy, education, health, air quality, water supply and quality, transportation, broadband, and workforce development.

Organization

Legal Structure: The Partnership has no formal legal structure other than being “chartered” by a time-limited governor’s executive order. It is not incorporated as a for-profit, non-profit or quasi-public entity nor does it exist through a joint powers agreement as do regional COGs.

Component Parts: The Partnership has three major component parts:

Board of Directors: Presently consists of 37 persons appointed by the Governor. Current board composition: 10 persons representing state agencies; 12 local government officials (elected officials and heads of special purpose entities such as irrigation districts); 7 private sector; 7 non-profit and labor; and 2 college presidents. The board has women and people of color as members but they are arguably under-represented numerically. Board meets quarterly.

Work Groups: The Partnership has 10 issue-specific work groups:

- Water Quality, Supply and Reliability
- Higher Education
- Economic Development
- Advanced Communications
- Health and Community Services
- Housing
- PreK-12 Education
- Air Quality
- Energy
- Workforce Development

Secretariat: The Partnership contracts with the Office of Community and Economic Development (OCED) at California State University Fresno to serve as secretariat: coordinating and supporting Partnership Board meetings and the work groups. In addition to its administrative functions, OCED raises funds for Partnership operations and is often the public face of the Partnership.

Authority and Funding: Although created by government and largely comprised of governmental entities, the Partnership lacks formal authority and a permanent funding stream. It has no regulatory, taxation or other vested authority. After an initial $5 million award, most of its funding has come from outside state government and it has been forced to raise its own operating support like a non-profit organization.

Functions: Despite these limitations of funding and authority, the Partnership performs several valuable functions:
- It presents a unified voice for the San Joaquin Valley in policy and funding decisions, directed primarily at state government.
- It is charged with including the voices of those typically left out of the power structure.
- It serves as a neutral and safe forum where issues affecting the region as a whole can be raised, learned about, discussed, responses formulated, and action taken.
- It is a place where new initiatives and even new organizations can be conceived and launched.
- It is a rich venue for information-sharing and cross-sector and cross-issue learning.

Context

- **Demographics:** The San Joaquin Valley region consists of eight counties in central California (Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare) with a combined population over 4.2 million and a landmass of 27,262 square miles. Between 2010-2017, the region’s population increased by 6.8%, faster than the State’s 5.3% growth. The region as a whole is majority Latino. The overall poverty rate was nearly 20% (state poverty rate was 13.3% in 2017) and two counties, Fresno and Tulare, qualify as USDA persistent poverty counties. County per-capita income stood between $19,000 and $25,000, compared to a stage average of $33,128. While the Valley is generally thought of as “rural”, every county has at least one city with a population over 50,000 and each county is classified as “metropolitan” under the OMB definitions of “metropolitan” and “non-metropolitan”.

- **Economics:** The Valley’s economy is predominantly based on natural resources and amenities: agriculture and food processing throughout the Valley, oil and gas in Kern County (the southern Valley), and recreation/tourism in the mountainous eastern part of the Valley. Economic strength has not translated into favorable economic and well-being outcomes for many Valley residents.

- **Regional Identity and Common Concerns:** The San Joaquin Valley is understood as a distinct region by those within and outside the Valley. Many of the Valley’s problems are understood as intrinsically regional in nature and cannot be solved through local action alone. Some examples are: scarce water and water quality, air pollution, vitality of agriculture and food processing industries, and limited health care and mental health services.

- **Policy and Power Disparities:** Interviewees expressed the power disparities between the Valley and California’s major urban centers. A consistent refrain from board members was that Los Angeles and the Bay Area were able to command resources from state government and the rest of the state fought over the scraps. The fact that the Valley receives less funding per-capita than the state average gives credence to this complaint. Power disparities lead Partnership Board members to want to speak for the Valley with a unified voice.

Collaboration

- **Scope of Partners:** As noted above, the Partnership incorporates state agencies, local officials, special purpose districts, quasi-public development organizations, large and small businesses, non-profit organizations, large institutions (hospitals, college and universities), labor and interested others into its board and work groups. The issue breadth of its work groups leads to a still larger array of partners. Through its board and workgroups, the Partnership facilitates information-exchange and cooperation across issue-area boundaries. Many interviewees cited the opportunity to learn about and make connections across issue silos as one of the primary benefits from the Partnership.
• **Soft Power:** The Partnership is a case study of what we might call “soft power” – persuasion and cooperation as opposed to regulation, taxation or other forms of hard power. The Partnership’s strength is its ability to work with key groups to find common ground on important issues and move them forward. Even though it has no authority or statutory standing, it serves as a relevant voice that is both trusted and considerate of the varied interests in the Valley, including urban and rural stakeholders. While the Partnership lacks formal power, its structure, with 7 state agency heads sitting on its board of directors, gives it direct and unusual access to power. State legislators and members of the federal Congressional delegation regularly participate in Partnership board meetings, further strengthening the Partnership’s influence. The broad representativeness of the board and the work groups gives the Partnership legitimacy.

• **Political Culture:** The Partnership operates through bi-partisan dialogue and cooperation: Democrats and Republicans working together. Board members and working group participants are asked to “check their partisanship at the door” and operate on the basis of what is best for the Valley. Interviewees said the Valley itself has a long history of political leaders and agencies working across party aisles and that this culture has persisted despite the intensity of current political divides. The Partnership was built on this culture of cooperation and has been able to continue functioning by maintaining an open political culture.

• **Formal Regional Authorities:** It would appear the Partnership might duplicate the functions of formal regional bodies such as the councils of government. Each of the eight counties has its own COG which, in turn participates in a regional association, San Joaquin Valley Regional Policy Council (SJVRPC). Given their mandated responsibilities, the COGs and the SJVRPC are more heavily focused on federal and state transportation and transit funding and air quality concerns. Its approach is more county-centric than San Joaquin Valley resident centric and it lacks the Partnership’s issue breadth and cross-sector approach. Urban-rural connection is less prevalent in SJVRPC work. Despite some overlaps in role and purpose, the Partnership and SJVRPC do collaborate. Four persons sit on both boards of directors. The SJVRPC is the lead organization in the Partnership’s Sustainable Communities work group, with the caveat that that work group has not been very active. The SJVRPC includes the OCED Secretariat as part of its board meetings and agenda update items.

**Rural-Urban Relationships**

The rural-urban relationship operates at two different levels. First, there is the relationship between the San Joaquin Valley region as a whole and the major coastal urban areas of California. In this relationship, the San Joaquin Valley is perceived as “rural” and greater Los Angeles and San Francisco Bay Area are “urban.” Second, there is the relationship between the cities within the San Joaquin Valley and their surrounding rural areas, noting that every Valley county is anchored by at least one city with over 50,000 population.

**Relationships between the Valley and the Rest of California**

• **Economic:** The Valley’s agriculture and food processing industries are a critical part of the total California economy.

• **Growth Spillover:** Given high cost of land and housing in major urban areas, the Valley is absorbing growth that cannot be accommodated in Los Angeles or the San Francisco Bay Area.

  o The north Valley is home to commuters who live in the Valley but work in the Bay Area.
Businesses in major urban areas are locating parts of their operations in the Valley. The lower cost of land and lower cost of living make relocations and expansions attractive to business owners and their employees.

- **Transportation:** The Valley is a major transportation corridor linking northern California to southern California: Interstate 5 and State Route 99.
- **Water:** Water is collected and stored in the Sierra Nevada mountains and foothills. Water is moved from northern California to southern California through an aqueduct system that runs through the Valley.
- **Recreation:** The Sierra Nevada mountains on the eastern edge of the Valley are one of the major, if not the major outdoor recreation and tourism destination in California.

### Rural-Urban Relationships within the Region

- **Land Use Patterns:** The dominant land use for much of the San Joaquin Valley is agriculture. Transitions from urban to rural are abrupt; rural areas generally occur quickly outside of the urban areas. Suburban edges and peri-urban areas are fairly limited but are growing in some parts of the Valley.
- **Commuter Relationship:** Housing prices in the urban centers are increasing, forcing people to live further away from their jobs and lengthening commuting times to 1-2 hours. Rural and peri-urban areas are providing housing for workers employed in urban areas.
- **Ecosystem Services:** Water issues necessitate urban and rural working together. Groundwater management, including aquifer recharge, has become the new frontier of water policy. Meanwhile, many smaller rural water districts have failing infrastructure and limited capacity to address water supply and quality problems on their own.
- **Social Services:** Health and social services are concentrated in the major urban centers and then distributed outwards to the rural areas through satellite offices. For more sophisticated or niche services, people have to travel to the urban centers.
- **Broadband:** High-speed broadband infrastructure is deficient through much of the Valley, particularly in rural agricultural communities. This digital divide constrains agriculture industry technology advancements, economic development, and delivery of services such as health care, workforce training, and distance learning.

### Equity

- **Intentionality:** The Partnership’s focus on equity was intentional. Geographic inequity – the disparities between the Valley and the rest of California – was the fundamental premise behind the Partnership’s origins. The commitment to people of color and lower-income populations was explicit in the Partnership’s original Strategic Action Proposal:

  To the Partnership, social equity means fair treatment and meaningful involvement of all races, cultures and income levels from early stages of planning and investment decision-making. And, it embraces the concept of environmental justice as articulated in the federal executive order which promotes policies and strategies to enhance the participation of low-income and minority...
communities in public policy promulgation and decision making to ensure that adverse impacts of public investments do not unfairly burden a group or community.¹

- **Equity-related Strategies and Activities:** Four of the Partnership’s strategic priorities directly confront equity issues:
  - **Water Quality and Supply:** safe drinking water for all; deteriorating infrastructure in small rural communities
  - **Higher Education:** Expanding higher education opportunities for all.
  - **San Joaquin Valley Broadband:** Bringing high-speed broadband infrastructure to rural agricultural communities. Improving digital literacy for less advantaged populations.
  - **Health:** Efforts to advance health equity to ensure all residents have health insurance and access to high-quality, affordable health care.

- **Advocacy:** The Partnership has advocated for resources and initiated specific programs that have benefitted low-income people or rural communities. Some examples include: broadband deployment in underserved and rural areas; safe drinking water for rural communities; energy conservation programs for smaller cities and towns; and research, education and treatment options around “Valley Fever”, a fungal infection that affects young, elderly and agricultural field workers.

**Commentary**

- **Challenge of Converting Soft Power to Results:** The Partnership has been successful at facilitating information-exchange, networking and learning across sectors, jurisdictions and issue-areas. In fact, many interviewees cited the opportunity to learn and make connections across issue silos as one of the primary benefits from the Partnership. However, most interviewees would like the Partnership to be more action-focused. Since it lacks regulatory, taxation or other formal power, the fundamental question for the Partnership is: *How to move from talk to regional solutions and action using the resources of soft power?*

- **Modes of Action:** To answer that question, the first step is to be clear about what “action” look like in a soft power context. We found several different forms of action that the Partnership has taken:
  - **Launch of New Programs or Initiatives:** The Partnership has launched or encouraged other stakeholders to implement new initiatives such as the San Joaquin Valley Clean Energy Organization, the San Joaquin Valley Regional Broadband Consortium, and the 8-county coordination of the workforce development system.
  - **Negotiating Compromises:** Action may take the form of a negotiated agreed-upon course of action for a politically difficult situation. The Partnership has served that function on contentious water quality and water supply issues, presenting policy recommendations to the state which had consensus support.
  - **Resources:** The Partnership has been able to influence the flow of resources into the Valley, such as state legislative or agency-level funding decisions such as for railway or highway funding.

- **Maintaining and Building Soft Power:** Soft power depends on a culture of trust and cooperation. That culture can be lost if false moves are taken. Soft power organizations risk losing that culture if they overextend their reach, especially if those efforts fail or disappoint. On the other hand, soft power and its underlying culture will grow with success. There seems to be a paradox whereby the

Partnership’s lack of formal power gives space to more honest conversation and building common understanding.

- **Staffing and Core Support:** Soft power organizations need high quality staffing and adequate core support to deliver results. In its early years, the Partnership was well-resourced and was able to move many projects along. When state funding was lost, its ability to do so was limited and it tilted more towards a forum for information sharing and learning rather than action.

- **Peaks and Valleys:** The Partnership has cycled between periods of strength and of weakness depending on two factors: 1) support from the Governor; and 2) funding. Former governor Arnold Schwarzenegger had a strong allegiance to the San Joaquin Valley and originally created the Partnership through executive order. For Jerry Brown, who became governor in 2011, the Valley was not a priority and the Partnership received no more state funding. Equally important, Brown did not pressure his agency heads to participate. The Partnership waned during his tenure and survived only through foundation grants and the personal commitment of its board and work group members. In November 2018 Gavin Newsom was elected governor of California. Newsom has a much greater interest in the Valley and has signaled his support for the Partnership. A new state-wide initiative, Regions Rise Together, was launched earlier this year patterned after the Partnership. Ironically, while lacking permanent status and funding source, the Partnership model has been deemed worthy of replication throughout California.

- **Wider Applicability:** The critical factor in the Partnership’s success is the required direct participation of state department heads on the Partnership board. Given time constraints, it is agency leaders may not be able to serve on more than one or two regional boards. Principles of soft power are widely applicable. While regional institutions such as COGs do have formal standing and authority, their powers are generally fairly limited. By necessity, regional government entities must utilize soft power to accomplish goals and objectives beyond the direct scope of their regulatory and formal powers. The lessons of soft power hold true not just for the Partnership but for all regional government intermediaries.

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Craft 3 Site Visit Summary Report

Researchers: Brian Dabson & Travis Green
Visit Dates: August 5-August 10, 2019

Interviewees:
Jeff Baker, Business Lender, Craft 3 (Bend, OR)
Bruce Brooks, Senior Vice President, General Counsel, Craft 3 (Seattle, WA)
Natalie Charley, Executive Director, Taala Fund (Seattle, WA)
Ed Davis, Indian Country Regional Strategist, Craft 3 (Seattle, WA)
Mike Dickerson, Innovation and Evaluation Center, Craft 3 (Astoria, OR)
Brandon Dorman, Learning and Evaluation Coordinator, Craft 3 (Portland, OR)
Saif Hakim, Senior Business Lender, Craft 3 (Seattle, WA)
Maggie Kirby, Senior Vice President, Development Director, Craft 3 (Bend, OR)
Jamie Lee, Director of Community Initiatives, SCIDpda (Seattle, WA)
Roger Lee, CEO, Economic Development for Central Oregon (Bend, OR)
Tawny Reader, Assistant Vice President, Consumer Product Manager, Craft 3 (Bend, OR)
Carl Seip, Vice President, Communications and External Affairs, Craft 3 (Seattle, WA)
Turner Waskom, Senior Vice President, Commercial Lending Director, Craft 3 (Bend, OR)
Che Wong, Business Development Specialist, Craft 3 (Seattle, WA)
Adam Zimmerman, President & CEO, Craft 3 (Portland, OR)

Background
• Shorebank Enterprise Pacific, an affiliate of the Shorebank Corporation out of Chicago IL, was founded in 1995 in Ilwaco, WA as a partnership with Ecotrust, a Portland-based nonprofit “working to create, social, economic, and environmental benefit across the Pacific Northwest.” During the next ten years, Shorebank Enterprise Pacific opened offices in Astoria and Coos Bay in Oregon and Port Angeles in Washington, with a presence also in Port Townsend and Forks, and invested $30 million as a nonprofit community development financial institution (CDFI) in businesses and communities in coastal (mainly rural) Washington and Oregon.

• In 2006, Shorebank Enterprise Pacific merged with another CDFI, Cascadia Revolving Fund, which was founded in 1985 and had loaned over $35 million to entrepreneurs and nonprofits from their offices in Seattle, WA, and Portland and Bend OR. The new entity, Enterprise Cascadia, under the leadership of John Berdes, set out to tackle issues affecting the region’s triple bottom line: social, economic, and environmental well-being, with a loan fund of $70 million making it the largest CDFI in the Pacific Northwest. In 2011, the organization rebranded itself as Craft3.

• Rural-urban connections are part of Craft3’s DNA. Shorebank Corporation was an urban venture that sought to replicate its learning from investing in poor urban neighborhoods to rural regions in Arkansas (Southern Bancorp, 1986) and Michigan Upper Peninsula (Northern Initiatives, 1992), before entering the Washington and Oregon market (1995). Enterprise Cascadia was a merger of two CDFIs – a rural (Shorebank Enterprise Pacific) and an urban (Cascadia Revolving Loan Fund). Today, Craft3 describes its work as supporting strategies that strengthen regions and better link rural and urban communities of the Pacific Northwest.
Organization

- Craft3 is a nonprofit (501(c)(3)) community development financial institution that is Aeris-rated and certified by the U.S. Treasury. It has an 11-member Board of Directors (4 minority, 6 women) chaired by a former City Manager of Astoria, OR. There are 65 staff working from eight regional locations. By the end of December 2018, Craft3 had cumulatively made 6,885 loans (1,283 commercial and 5,602 consumer) to the value of over $510 million (83 percent commercial). Craft3’s total assets are over $148 million, capitalized by banks (33.5 percent), state and local governments (23.1 percent), foundations (14.7 percent), the Federal government (11.6 percent), community impact investors (individuals)(10 percent), non-depository financial institutions (6.1 percent) and religious orders (1 percent).
- Craft3 has two product portfolios. The commercial portfolio, which accounts for 74 percent of the total, comprises business loans for working capital, inventory, equipment, and commercial real estate, as well as loans to nonprofits for real estate acquisition and development, and loans for clean energy and conservation projects. The consumer portfolio (17 percent of the total) is designed for a wide range of borrowers including low-income households and funds home energy and clean water loans (repair and replacement of failing septic systems). New products include manufactured home replacement and funding for accessory dwelling units.
- Craft3 is guided by its 2018–2022 Strategic Plan:
  “Over the last five years Craft3 achieved regional scale and put feet on the ground in regional centers throughout Oregon and Washington. Our approach for the 2018–2022 Strategic Plan is based on deepening our impact and focusing our resources and energy on creating enhanced outcomes from our lending. Our priorities will emphasize getting better over getting bigger.” (p.5)
- Each regional office has (or will have) an outreach strategy with a five-year time horizon, as does Craft3’s work in Indian Country, in the Clean Tech and Food and Agriculture sectors and for community facilities. With the intention of connecting the dots between the Strategic Plan, the outreach plans, and annual progress reports, Craft3’s Innovation and Evaluation Center is charged with implementing a learning and evaluation strategy to continuously improve the impact and efficiency of the organization’s strategies, tactics, products and processes.

Context

- Two of Craft3’s offices are in the major metropolitan centers of Seattle and Portland. Seattle has a city population of around 756,000 in a metropolitan area of nearly four million; Portland’s city population is 667,000 in a metropolitan area of around 2.5 million. They have advanced economies based on technology, aerospace (Seattle), logistics (shipping and ports), manufacturing, financial and health services. Both areas struggle with gentrification pressures pushing low and moderate-income people to the suburbs, income and wealth disparities for communities of color, high cost of housing and homelessness, and service provision for low-income people. Much or most of their population growth is coming from immigrants and people of color.
- On the other hand, four of Craft3’s offices are in small cities or towns (Astoria, Walla Walla, Klamath Falls, and Port Angeles) with populations between roughly 10,000 – 35,000, facing very different economic and social challenges. All four are historically natural resource-based economies (timber, fishing, agriculture) which are in different stages of reinventing their economies. The other two offices are in Spokane (population, 217,000) and Bend (98,000) are mid-sized cities surrounded by agricultural lands or outdoor recreation areas. Craft3 can be a “big fish” in a community the size of Astoria. It is much harder to exert comparable influence on the economies of Portland or Seattle.
The interviews revealed some of the challenges of working across state lines, specifically the differences in attitudes of the state agencies in Washington and Oregon. Washington, which is almost twice as populous as Oregon, has more money and resources and a greater willingness to try new approaches despite the enormous wealth gap between Seattle and the rest of the state. Oregon, on the other hand, because of its smaller size and regional inequities (east and west of the Cascades), is observed to be more parochial, turf conscious, and “squeezes the life out of big ideas.” To the extent that this is true, Craft3 has been challenged in expanding programs developed in one state into the other.

Another feature of the Pacific Northwest that has importance to Craft3’s operations is that there are 38 federally recognized Tribes in the region (29 in WA, 9 in OR), owning 4.2 million acres (4 percent of the total land area) with some 88,000 enrolled members. There are 11 Native community development financial institutions.

Collaboration

Craft3 is primarily a lending institution for which collaboration and partnership are essential given its geographical spread across two states and its active engagement in social, economic, and environmental issues. It relies on collaborative relations to:

- Foster trust and goodwill at the community and state levels to identify mission-supporting lending opportunities;
- Gather community support from local governments, tribes, businesses and nonprofits;
- Generate referrals from banks and other financial institutions;
- Obtain access to sources of capital from banks, federal and state governments, and foundations; and
- Pursue broad regional goals, including bridging the rural-urban divide, with like-minded organizations.

Examples of collaboration include:

- Craft3 has developed a longstanding and effective relationship with the State of Washington. This began with Craft3 creating a small business credit fund capitalized by $9 million from the State’s Small Business Credit program, $2 million from Craft3, and over $30 million from Wells Fargo and other banks. Total lending under this initiative was in the order of $30-40 million.
- Working with Oregon Department of Energy’s Clean Energy Fund, using federal, Recovery Act funds, Craft3 developed a home energy product. Craft3 now partners with the Energy Trust of Oregon, utility companies, and community organizations to provide home energy loans repaid through the utility bill. The product became available in Washington supported by state funding a few years later. To date, 4,000 families in Washington and Oregon have taken loans amounting to $50 million to reduce energy use and create local jobs.
- Craft3 entered into a memorandum of understanding with 22 Washington counties to use state funds to repair and replace septic systems to clean groundwater and waterways that flow into shellfish harvest areas. 1,500 loans have been made totaling $33 million, keeping 1,400 families (40 percent low income) in their homes.
- Craft3 partnered with the Shoalwater Bay Tribe in southwest Washington to make the one of the first-in-the-nation New Markets Tax Credit investments in Indian Country for a wellness center. The facility offers medical, dental, drug, and alcohol counseling and mental health services in an area remote from adequate medical care.

An important feature of Craft3’s approach is use of outreach strategies for each of the eight places in which it has a presence and Indian Country. These are assessments of the sub-regional economic status and trends, the small business financing ecosystem, and key community stakeholders and
potential partners. The result is a set of priority areas for engagement, a sub-regional vision for Craft3, outcomes, tactics, and metrics. These strategies are the basis for developing or strengthening collaboration with the community and region.

- The model for these strategies is Astoria OR. Craft3 began work in 1997 in the city of Astoria with two projects. One was a real estate initiative to redevelop former fairgrounds and a defunct plywood mill for mixed-income housing, the other was focused on interventions in the seafood industry. The redevelopment project was a critical part of the City’s revitalization plans for downtown Astoria, which not only led to housing and other development (such as an aquatic center, a movie theater, medical facilities, commercial space, and a park) but a long-term and still continuing relationship with the City on other real estate projects. The seafood project was a partnership with the Oregon State University’s Seafood Lab and the Coastal Oregon Marine Experiment Station to create the Community Seafood Initiative to support new product development, value-added processing and innovation in the seafood industry. Craft3’s work in Astoria combines a place strategy, investing in the economic center of a rural region, and a natural resources strategy that had regional impact across state lines on the Lower Columbia River.

Rural-Urban Relationships

- Rural-urban relationships are core to Craft3’s history and mission and essential for getting to scale and achieving regional impact. The Astoria project was an early example of combining place and sector investments to connect rural and urban economies and communities. A Craft3 strategy document from 2012 on regional resilience notes that the organization works in regions that frequently have rural and urban places near each other. Such places, it argues, mutually contribute to regional resilience through a wide range of economic exchanges.

- The 2018-2022 introduces a subtle change in emphasis termed ‘regional amplification.’ This refers to translating innovation and experience in specific places and sectors into opportunities to amplify Craft3’s work throughout the region. This implies both a strong emphasis on learning from what works, whether originating from urban or rural places, and ensuring a balance of activities and investments across Craft3’s regional footprint.

- Of the 112 current loans, there is an equal split between Seattle/Portland and the rest of the two states. Much of the back-office functions are in the two cities to make lending more efficient in the rural locations. A point made many times in the interviews was that keeping a rural-urban balance across Craft3’s activities requires intentionality through its mission, organizational structure and operations, and strategies and priorities.

- Examples of intentional efforts to ensure that Craft3 maintains this balance, include:
  - Craft3 has eight sub-regional offices: Olympic Peninsula (Port Angeles, WA), Eastern Washington (Spokane, WA), Lower Columbia (Astoria, WA), Puget Sound (Seattle, WA), Mid-Columbia Basin (Walla Walla, WA), Central Oregon (Bend, OR), Columbia-Willamette (Portland, OR), and Southern Oregon (Klamath Falls, OR). There is no headquarters, with senior management located across the network offices (Commercial Lending Director, Bend; Consumer Lending Director, Seattle; Development Director, Bend; Innovation & Evaluation Center, Astoria; IT Director, Seattle; Chief Financial Officer, Portland; President & CEO, Portland; Chief Operating Officer, Port Angeles.) This geographic distribution of staff and functions helps to promote a network rather than a hub-and-spoke, center-periphery structure, which would normally favor the urban centers.
  - Craft3 identifies capital needs along three dimensions – people, place, and sector – which tends to preclude hard-and-fast distinctions between rural and urban. Priority is given to underserved populations, including entrepreneurs of color, women, immigrants, and veterans. Craft3’s focus
on places is supported by outreach strategies in each of eight sub-regions), and its work in sectors is focused on clean energy, food and agriculture, and community facilities.

Equity

- **Equity, collaboration, and regionalism are interconnected and reinforcing components of Craft3’s strategies and operations.** The following examples illustrate its approach to addressing barriers to capital and knowledge faced by minority and under-served businesses and communities in city neighborhoods and in Indian Country.

- **Minority Business Development.** Craft3 Business Development Specialist, Che Wong is working in King County building long-run relationships and understanding community needs for capital. Her focus is on nine neighborhoods, mainly in Seattle, where there are barriers to entrepreneurship for minority residents. She is developing a simplified loan application process and finding partners to provide technical assistance and training. Craft3’s intention is, once the new process has been tested, to replicate or adapt it in other locations to make access easier for rural and minority entrepreneurs.

- **Craft3 partners with the University of Washington School of Business, the Minority Business Development Agency, and the Northwest Mountain Minority Supplier Development Council, with funding from the Chase Foundation and Wells Fargo, to provide training and capital to minority businesses in selected Seattle and King County neighborhoods. The goal is to connect new minority businesses to buyers and to each other and currently 60 businesses organized in two tracks, food and beverage and clean energy, are in the program.**

- **The combination of the simplified loan application process and targeted technical assistance is intended to bring more potential minority borrowers through the door while reducing lending risk but rolling this approach in the more rural sub-regions will be challenged by lack of technical assistance capacity.**

- **Sharia-Compliant Lending.** Sharia Law regards the practice of paying interest on loans as usury. This presents challenges for obtaining financing from the mainstream financial system. Craft3 worked with the Islamic community to find a way to fund the creation of a mosque in Seattle that would be Sharia compliant. This entailed a Craft3 LLC purchasing a commercial property for conversion to a mosque, of which Craft3 owned 70 percent and the partners 30 percent, with the partners making quarterly payments of rent and dividends until they own the property.

- **Lending in Indian Country.** Lending to businesses on the reservations is made more difficult as land cannot be used as collateral (held in trust by the Tribes, not by individuals) and there is limited technical assistance capacity. Nevertheless, Craft3 has invested $18 million in Indian Country, and is now managing a recent $50 million New Markets Tax Credit allocation, a proportion of which will also be targeted at projects in Indian Country. The eventual aim is to build the capacity of Native Americans to build their own capital and control their own investment decisions. There are five Native CDFIs in the region and these have established a peer learning group through which Craft3 provides back office services, loan processes and documentation, and mentoring and coaching. According to one interviewee, Craft3 is regarded by the Tribes as trustworthy and business-oriented, operating as a peer within a network of tribes.

Commentary

- **Craft3 shows how regional, collaborative, and equitable sensibilities guide its activities as a high-performing community development financial institution.** These are evident in its overarching and sub-regional strategies, its collaboration with state agencies, tribes, and local communities, and the
development of new products. They are also reflected in its performance metrics and in its management structure and operations.

- A study recently published by the Aspen Institute’s Community Strategies Group highlights the importance of certain types of rural and regional intermediaries, known as “rural development hubs.” A number of criteria are proposed, including regional thinking and action, deep knowledge and understanding of their region, a long-term view and commitment, a bridge across issues and silos, systems thinking and efforts to address gaps, creation of structures, products and tools for effective solutions, collaboration, spanning local, state, and national connections, innovation and adaptability, and willingness to tolerate risks. All of these describe well the approach and track record of Craft3.

- ‘Intentionality’ is a key word for describing Craft3. Bridging the rural-urban divide, working collaboratively, and tackling social and economic inequities were baked in from the beginning, and every new development is assessed according to these principles. For example, Craft3’s Strategy-Risk-Complexity Matrix is a tool used to guide commercial investment and lending decisions. It requires projects to be assessed firstly according to the extent to which they align with sub-regional (place-based) or sectoral plans and will lead to measurable outputs in terms of under-represented populations and businesses, as well as other social, economic, and environmental metrics. Then, the projects are assessed according a set of indicators of financial risk and project complexity.

- Now with $200 million of assets under management, Craft3 can be said to have achieved significant scale in its operations. Leadership have indicated that they have a goal to grow to $500 million in assets within the same geographical footprint in order to have real regional impact. To date, impact through growth has been balanced with an essentially bottom-up approach from the sub-regional offices and outreach strategies to the varied needs of communities and businesses across the Pacific Northwest.

- Craft3’s unusual distributed organizational structure, with its eight sub-regional offices and no headquarters, is maintained through the extensive use of communications technology, a largely distributed leadership across the offices, an embedded culture and common language, and a powerful mission of getting capital to where it is most needed.

- Craft3’s mission can only be achieved through effective collaboration with financial institutions, businesses, governments, foundations, and communities, and this is only possible through building trust and confidence over the long haul. Trust and confidence are based on competence and performance, and on developing relationships through the sub-regional offices and outreach strategies. Nowhere is this more important than in Indian Country and Craft3 has responded by having a targeted outreach strategy led by an on-staff tribal leader and businessman to work with Native CDFIs across the region.

- Knowledge transfer across the organization happens organically but is now being formalized through the Innovation and Evaluation Center and the work underway to integrate the various strategies and plans. The development work in Seattle neighborhoods to simplify lending processes and support minority entrepreneurship is fully expected to be applied in some form to the other sub-regions.

- Craft3 will be hard to replicate as it is born out of its geographical context and the vision of its founders and has had 25 years of intentional learning and development to bring it to its current state. But there are principles and approaches referred to above that can be applied in other contexts.

- One challenge that faces Craft3 as it looks forward is how to engage with state (and Federal) policy insofar as it impacts the social, economic, and environmental well-being of the region. Policy engagement requires building alliances and coalitions with advocacy groups, many of which are
Seattle- or Portland-based and liberal leaning. These are regarded with suspicion in rural communities which tend to be more conservative. Craft3 must pick its alliances carefully to ensure that it does not lose its credibility with its rural partners and customers. The cap and trade proposals in Oregon showed how differing perspectives among rural and urban actors can be exploited for party political gain. To date, Craft3’s approach has been “to show up, be patient, provide expertise when asked for, and keep strengthening regional networks.”

**Regional Solutions to Rural-Urban Challenges** was a project of LOCUS Impact Investing, guided by a project team of experienced economic development practitioners, researchers and policy makers. This work was funded through a grant from the Robert Wood Johnson Foundation, whose support is gratefully acknowledged. For more on the project, go to WEBPAGE LINK.
Sustainable Northwest Site Visit Summary Report

Researchers: Brian Dabson & Travis Green
Visit Dates: July 31-August 2, 2019

Interviewees:
Greg Block, President, Sustainable Northwest (Portland, OR)
Vernita Ediger, Natural Resources & Environmental Program Administrator, Central Oregon Intergovernmental Council (Bend, OR)
Marla Harvey, Energy Coordinator, Mid-Columbia Economic Development District (Hood River, OR)
Jenna Knobloch, Forest Program Manager, Sustainable Northwest (Portland, OR)
Dylan Kruse, Director of Governmental Affairs & Program Strategy (Portland, OR)
Jay McLaughlin, Executive Director, Mt. Adams Resource Stewards (Glenwood WA)

Background
• Sustainable Northwest operates at the intersection of community, ecology, and economy, focusing on working lands (not parks or protected areas) specifically forestry, ranching, and farming, and on issues of water and energy.
• Sustainable Northwest was created as a response to the often-violent conflict and acrimony between the timber industry, environmental advocates, and the government resulting from court rulings in the 1990s that stopped logging on Federal lands. The conflict was widely portrayed as “Jobs vs. The Environment” and represented a major crisis over the management of natural resources in the Pacific Northwest. Sustainable Northwest’s founder promoted the then contentious idea that collaboration and community-based conservation efforts were the way to create jobs, strengthen rural communities, and restore the environment. These early bridge-building efforts led to the formation of Forest Collaboratives, of which there are now 31 still active in Oregon and Washington.
• Today, Sustainable Northwest describes itself as being at “the radical middle of economy, environment, and community” envisioning “a prosperous Northwest where rural and urban areas are united by sustainably produced goods and services, healthy natural systems and strong communities.” The organization pursues this vision through “wise partnerships, policies, and investments”. Sustainable Northwest’s contribution is through facilitation, conflict resolution, and negotiation of multi-party agreements, through the crafting of state and federal policies that balance environmental and community needs, and through offering expertise in science, law, energy, and other technical knowledge.
• Sustainable Northwest was selected for a site visit because the organization’s very existence is predicated on collaboration, boundary-crossing, and achieving regional impact.

Organization
• Sustainable Northwest is a 501(c)(3) organization based in Portland, Oregon. It is governed by a 14-member Board of Directors, providing a range of legal, capital, forestry, ranching, and business expertise, as well as representation from the Confederated Tribes of the Umatilla Indian Reservation. The organization has a staff of 14 (an equal split of women and men).
Sustainable Northwest Wood is a wholly owned subsidiary of Sustainable Northwest. Consolidated annual revenues amount to approximately $2.5 million (2016) of which the subsidiary accounts for about 30 percent.

Context
- Both Oregon and Washington are defined by their geography and history. The Cascades divide the states between the western region with its relatively modest temperatures and abundant rainfall, and the eastern region with its hot summers, cold winters, and much lower rainfall. The forestlands reflect these climatic differences – rich, dense forest of Douglas fir, hemlock, cedar and spruce in the west, sparser forests of ponderosa and lodgepole pine in the east. The main population centers are clustered to the west of the Cascades – Portland-Eugene in Oregon and Seattle-Tacoma in Washington, together with the state capitals of Salem and Olympia. The metropolitan areas are characterized by rapid growth, new economy jobs, and increasing challenges of congestion, affordability, and gentrification, in contrast to the slower paced, economically struggling more rural regions. There is growing inequity in incomes, wealth, economic opportunities, and educational attainment between these regions, highlighting deep social, economic, cultural, and political rifts. The bitter conflicts over logging on public lands, 'jobs vs. environment', communities vs. the Federal government are both symptoms of, and reinforcers of these rifts.
- The rural economy of the Pacific Northwest is going through a long and painful transition brought about by global economic forces, shifts in Federal natural resources policies and practices, growing environmental awareness, and long-term threats from climate change and immediate threats from wildfires, diseases, and urban expansion. Forests cover half of Oregon’s land area, and 60 percent of those are owned by the Federal government, and most of the private forests are owned by outside corporate interests. This contributes greatly to the sense of lack of control over regional and community destiny felt by many rural communities.
- Nevertheless, making progress on any of the major issues of the day, whether climate change, education, or the economy, require policymakers, policy advocates, practitioners, and communities to seek common ground for the good of the whole state. Sustainable Northwest is one of many organizations active in this endeavor seeing the goal of healthy forests and healthy communities as only being possible through policies and practices that build bridges between urban and rural interests.
- Greg Block, Sustainable Northwest’s president, identifies four enabling conditions for their work – social and economic stressors and conflicts that make people open to change, to doing things differently; local leaders, whether organizations or individuals, willing to commit time and energy to make things better; patience, a willingness to accept that positive change takes time often over many years; and institutional capacity to provide ongoing historical and technical knowledge to guide decision making.

Collaboration
- Sustainable Northwest is a pioneer in fostering collaboration on land management models in watersheds, forests, and rangelands. Since 1994, it has supported grassroots efforts that have brought together disparate partners to forge agreements and continue to advance collaborative practices across the region.
- Forest collaboratives are the signature program for Sustainable Northwest, the first of which was established in 1992. These are place-based groups that emphasize inclusive planning processes to achieve balanced social, ecological, and economic objectives. They aim to achieve a variety of outcomes, such as reduction of the risk of wildfire, protection of drinking water sources, spurring
rural economic development, enhancing recreation opportunities, and conserving flora and fauna. It can be challenging to manage for these diverse benefits while incorporating extensive stakeholder involvement, but given the history of forest management conflicts, they represent a better alternative to using the courts to resolve disputes.

- There are 23 collaboratives in Oregon and eight in Washington. Their composition varies from place to place but typically they include environmental groups (both local and national), local timber industry and lobbyists, county commissioners, recreational groups, homeowners’ associations, local economic development groups, watershed councils, plus representation from state and federal agencies.

- The role of Sustainable Northwest has evolved over the years as the collaboratives have become part of the established practice of the Forest Service and other federal agencies. It is transitioning from direct action as catalyst, convener, and coordinator to more of a network builder. Sustainable Northwest has supported the development of the Oregon Forest Collaborative Network and the Washington Forest Collaborative Network. These are intended to foster a community of practice for sharing among the collaboratives and for building support for collaborative forest work at the state level. Sustainable Northwest helps to facilitate annual summits of these networks, bringing them together with agency partners, state and federal officials, and scientists and practitioners to share success stories and discuss lessons learned. In addition, Sustainable Northwest hosts a workshop for all the collaboratives within the U.S. Forest Service Region 6 (Washington and Oregon) to share their experiences and practices.

- The U.S. Forest Service is implementing the Collaborative Forest Landscape Restoration Program (CFLRP) to restore ecosystem health and create jobs in forest restoration in five National Forests in Washington and Oregon. CFLRP brings together public and private land managers, conservation interests, and tribes to engage in ten-year projects that take a landscape scale approach to forest restoration. Benefits that are already being seen include job creation and job stability, reliable wood supplies for local mills and market infrastructure, restored forest health, improved community safety, and reduced fire suppression costs. Sustainable Northwest is coordinating the Region 6 CFLRP network to connect the participants from the five projects for learning and sharing, identifying core needs, challenges and successes in CFLRP planning and implementation, and sharing successful practices to enhance wildlife habitat, reduce the risk of wildfire, combat invasive species and restore watershed health.

- Sustainable Northwest operates within a complex ecosystem of organizations concerned with environmental and rural development issues. In 2000, it formed Rural Voices for Conservation Coalition (RVCC) and organized its efforts for ten years before it became self-sustaining. RVCC describes itself as an inclusive movement that seeks common ground between diverse interests. It comprises more than 80 nonprofit, public, and private organizations, including rural community advocates, regional and national conservation organizations, environmentalists, business owners, federal and state land managers, researchers, county and state government, and foundations. RVCC focuses on land stewardship, renewable energy, climate change, and local workforce development. By bringing rural leaders together to share their work, it promotes peer learning and capacity building, and supports critical legislation such as the Collaborative Forest Landscape Restoration Program. Sustainable Northwest remains as a member of the RVCC leadership team that draws from organizations across Alaska, California, Idaho, New Mexico, Montana, Oregon, and Washington.

Rural-Urban Relationships
• Rural-urban relationships for Sustainable Northwest are complex and have several dimensions. They can be seen for instance in supply chains, statewide policy alliances, environmental spillovers, and resource and investment flows.

• **Supply Chains.** Sustainable Northwest Wood (SNW Wood) is a for-profit subsidiary of Sustainable Northwest founded in 2008. It is a wholesaler based in Portland with a mission to support small mills in rural communities to bolster sustainable economic development and job creation. It only carries wood from the Pacific Northwest, grown in forests managed to the standards of the Forest Stewardship Council (FSC) or as part of stewardship programs restoring native ecosystems.

• **SNW Wood** grew out of the Healthy Forests Healthy Communities Partnership – an initiative to create a network to build awareness of, and demand for responsibly produced wood products and builds capacity in rural communities to produce and market goods that benefit both local businesses and forest ecosystems. At one time, 70 companies in four states (OR, WA, CA, MT) were in the network. SNW Wood emerged as SNW’s entrepreneurial response – a “purpose-driven” lumber company offering locally-sourced wood products from well-managed forests and ecosystem restoration projects in the Pacific Northwest, “supporting small mills, fostering conservation-based economic development in rural areas, and bridging the rural-urban divide.”

• **Services** include Forest Stewardship Council Chain of Custody Certification, connections to policy advocacy, supply management (providing technical assistance from forests to customers), market opportunities, such as juniper wood (now much sought-after but challenging to harvest and process), and “telling the story” about responsible forest management (equivalent to Farm to Table).

• Here, rural-urban relationships are commercial transactions, connecting architects, contractors, and environmentally aware technology companies who are constructing green buildings in Seattle and Portland to certified suppliers in the region. SNW Wood in this context operates as a rural-to-urban supply chain intermediary.

• **Statewide Policy Alliances.** Sustainable Northwest was an active member of Renew Oregon, a coalition of businesses, nonprofits, and community organizations that supported proposed legislation to introduce a cap-and-trade system in Oregon to limit greenhouse gas emissions, similar to one already in operation in California. The bill, among other things, would have promoted adaptation and resilience by natural and resilience by natural and working lands, fish and wildlife resources, communities, and the economy, and provided assistance to households, businesses, and workers impacted by climate change or climate change policies. The proposal was calibrated to ensure broad-based support for both urban and rural interests, and would have brought substantial investment to rural Oregon; however, the bill was not enacted in 2019 partly because the opposition used urban vs. rural rhetoric to present it as an urban-centric, environmentalism measure that would damage rural interests. This had echoes of the narratives that led to the founding of Sustainable Northwest 25 years ago.

• **Environmental Spillovers.** 2018 saw wildfires burn 1.3 million acres of forest and grasslands in Oregon and Washington because of drought, heat, lightning storms, and human actions. Smoke from these fires and others in British Columbia led to the cities of Vancouver and Seattle being ranked #1 and #4 for the world’s worst air quality during August. This highlighted the ongoing need to reduce the fuel load in the region’s forests – as Jay McLaughlin of Mt. Adams Resource Stewards commented, “a teaching moment for the proper management of the forests” and why urban residents should care.

• **Resource and Investment Flows.** A challenge that was mentioned in the interviews was how best to “make rural matter to urban”, particularly to the new generation of younger, urban funders. Two inter-related approaches were mentioned. The first was bringing to life the urban-rural connection
in the areas of food, water, energy, and forest products. The Pacific Northwest is already very sophisticated in valuing farm-to-table food systems and local wines and beers, and this awareness makes it possible to explore similar approaches in protecting water supplies through effective watershed management practices, and in sourcing wood from sustainably managed forests.

- The other approach is to offer a value proposition linked to the ethic of natural resource stewardship. This might mean showing how public and private investments at scale in rural places and sectors, not only in food, water, energy, and forests, but also in carbon sequestration and carbon offset projects, workforce and business development, healthcare, education, broadband and other infrastructure, would produce sizeable returns in long-term urban and rural resilience.

**Equity**

- Sustainable Northwest has a track record of working with tribes across the Pacific Northwest. The forest collaboratives have had mixed success in engaging with tribes because of issues of sovereignty, treaty rights, and a long, troubled history that has undermined trust. The Confederated Tribes and Bands of the Yakama Nation, a signatory member of the Tapash Sustainable Forest Collaborative along with The Nature Conservancy and the State of Washington, provides a positive example of engagement; others have been involved in specific issues such as the implementation of the Tribal Forest Protection Act.

- Increasingly, the forest collaboratives have been paying attention to equity issues, particularly the growing Hispanic population in rural Oregon and Washington. Sustainable Northwest, through its facilitation of the collaborative networks, has offered workshops on diversity, equity, and inclusion (DEI), and is working with PCUN (Pineros y Campesinos Unidos del Noroeste) a nonprofit public education and political action group focusing on marginalized Latinx farmworkers and working families. There are concerns about working conditions for workers particularly on private forest land.

- A specific example of how an equity focus has had an impact is the Deschutes Forest Collaborative. Prescribed burns are an essential approach to forest management and reduction in fuel loads, but smoke from these burns has had significant health effects on low-income communities in or next to the forests. The State of Oregon has placed limits on burning and requires communities to be fully informed of proposed burns and be issued HEPA filters. The collaborative has prepared a county response plan working with the health departments and local communities, who must sign-off before any burning can start.

- An important philanthropy in Oregon, the Meyer Memorial Trust, has been very active in requiring its grantees to pay attention to DEI in funding proposals and managing projects. This was one of the reasons why Sustainable Northwest introduced DEI workshops to the forest collaborative networks. Context is important when discussing DEI in the rural Pacific Northwest. Interviewees made the point that other than in the larger cities, racial diversity was limited in rural areas, other than the largely invisible migrant worker community. However, there are many other dimensions of diversity (and inequity) that need to be addressed, specifically poverty, poor education, unemployment and underemployment, health status, and aging.

**Commentary**

- Sustainable Northwest has been working at the interface of economic development and environmental conservation for 25 years. It has adopted a position of conflict resolution looking for ways in which wise stewardship of natural resources, particularly forestlands, can sustain economic opportunity in rural communities. The most visible outcome has been the networks of forest collaboratives that have been at least partly responsible for restarting productive and sustainable
forestry in Oregon and Washington and demonstrating a way of bringing diverse interests together and reducing litigation.

- Sustainable Northwest works regionally across jurisdictions in Oregon and Washington, and occasionally beyond, and through its subsidiary SNW Wood acts as a supply chain coordinator between rural producers and urban consumers.

- Its work has entailed building strong partnerships with Federal agencies, Tribal nations and councils, rural businesses and communities, and an array of environmental and resource-based nonprofits, and many of these have developed beyond the transactional to long-term relationships. Equity issues are expressed in terms of geography and culture and of making sure that Tribal and minority (especially Latinx forest workers and their families) communities are partners in the processes of creating healthy forests.

- There are, however, existential threats to the continuing success of Sustainable Northwest’s activities. The first are the long-term cultural stresses in the region that feed into the current rural-urban divide narrative. These stem from the historic extraction of natural resources in ways that drained wealth from the region and rendered local interests powerless, from the fact that the Federal government owns and controls 60 percent of Oregon’s forestlands, and from significant differences in income, wealth, and education between the rapidly growing metropolitan area in Portland and the Willamette Valley, and the rural areas on the coast and to the east of the Cascades. The court rulings that halted the timber industry in favor of environmental and stewardship considerations led to often violent clashes between economic and conservation, rural and urban, local and Federal interests. These grievances and lack of trust remain under the surface even though Sustainable Northwest and many other organizations and agencies have sought to find common ground and mutual interests. These efforts to build regional partnerships and collaborations remain fragile, as evidenced by the way the rural-urban divide was invoked to stop recent climate change legislation.

- Secondly, there are growing threats to forest systems from wildfire and pests and diseases. These result from not only long-term poor management practices and urban expansion into wildlands, but also from the effects of climate change on temperatures and rainfall. Confronting the drivers of climate change requires major changes in state and Federal policies and priorities, and this in turn leads organizations such as Sustainable Northwest to engage in policy advocacy for measures such as cap-and-trade legislation. Unfortunately, advocacy may does not sit well with some of the interests with whom Sustainable Northwest must collaborate to advance sustainable forest practices.

- Thirdly, since Sustainable Northwest first began its work, other organizations have formed pursuing similar work and seeking funding support from the same sources that SNW has relied upon. This places Sustainable Northwest in the uncomfortable position of competing with its allies for resources or looking for new business models to further its activities. Interestingly, one approach may be to seek impact investments from private urban-based individuals, corporations, and foundations, who can see the value in promoting rural-urban interdependence.

*Regional Solutions to Rural-Urban Challenges* was a project of LOCUS Impact Investing, guided by a project team of experienced economic development practitioners, researchers and policy makers. This work was funded through a grant from the Robert Wood Johnson Foundation, whose support is gratefully acknowledged. For more on the project, go to WEBPAGE LINK.
Land of Sky Regional Council, North Carolina
West Next Generation Network Broadband Initiative

Researcher: Chris Danis
Visit Dates: July 22-23 and August 21, 2019

Interviewees
Erica Anderson, Director of Economic and Community Development, Land of Sky Regional Council
Jody Call, Chief Technology Officer, Wilkes Communications and RiverStreet Networks, Wilkesboro, NC
John Connet, City Manager, Hendersonville, NC
Keith Conover, NC Office of Information Technology-Broadband Infrastructure Office (BIO)
Hunter Goosman, Executive Director/CEO, ERC, Asheville, NC
John B. Harris, Chair, Board of Delegates, Land of Sky Regional Council and Alderman, Town of Black Mountain
Edward Katz, Professor, Associate Provost, Dean of University Programs, and Chief Research Officer, University of North Carolina at Asheville
Timothy Love, Director, Intergovernmental Projects, Buncombe County, NC
Stagg Newman, Principal, Pisgah Communications Consulting, Asheville, NC
Sara Nichols, Regional Planner, Land of Sky Regional Council
William Sederburg, Chair, WestNGN Initiative
Christopher Todd, Town Manager, Laurel Park, NC

Background
- Land of Sky Regional Council is a multi-county, local government, planning and development organization serving a region comprising four counties – Buncombe, Henderson, Madison and Transylvania – and 15 municipalities in western North Carolina. The region has a population of approximately 432,000. Haywood County to the west, although part of the adjoining Southwestern Commission Council of Governments, lies within the Asheville-Brevard Metropolitan area and is included in the Land of Sky Regional Council’s Community Economic Development Strategy.
- Buncombe County, the largest with a 2018 estimated population of 259,103, and anchored by the City of Asheville (population 92,452), is forecasted be the location of most of future growth in the region. Henderson County is the second largest, with a population of 116,748; its major city is Hendersonville (population 14,107). Madison and Transylvania counties are smaller and more rural, with predominately white and aging populations. They have the highest poverty rates, 15.2 percent and 17.6 percent respectively, while Buncombe and Henderson have rates below the national average.
- Much of the region’s vitality can be attributed to its unique geographic setting. Its topography ranges from fertile valleys to rugged mountains. The region is framed by the Blue Ridge Mountains on the east and the Great Smoky Mountains on the north and west. The highway network includes the intersection of Interstates 40 and 26, US 25, US 70, US 19/23, and other major thoroughfares. The Asheville-Buncombe County area serves as the job center for eastern Tennessee and northern South Carolina. Many residents commute to work at the BMW plant in Greenville, SC and the associated automotive technology manufacturing cluster. The region has developed a diversified
economic base with large and small firms manufacturing products such as medical devices, data storage systems, fine papers, automotive techniques and electrical equipment. At the same time, a traditional crafts industry has grown and gained national attention. The region serves as an important commercial, medical and educational center for an area which stretches from Piedmont North Carolina into the Tennessee Valley, and from the Virginia border into South Carolina and Georgia. The region houses one university, five colleges, and two community colleges and technical schools.

- The focus of the case study is on the opportunities and challenges associated in bringing broadband access to rural western North Carolina and on the role of the Land of Sky Regional Council as a regional catalyst, coordinator, and collaborator.

**Organization**

- The Land of Sky Regional Council was established in 1966 with the mission to “provide creative regional solutions to relevant and emerging issues in Buncombe, Henderson, Madison and Transylvania counties while providing a standard of excellence in the delivery of federal, state, and regional services for member communities.” The Regional Council is designated as a Local Development District by the Appalachian Regional Council and as an Economic Development District by the U.S. Economic Development Administration giving access to community, economic development, and infrastructure funds from the Federal government. It also serves as an Area Agency on Aging, a Metropolitan Planning Organization, and a Transportation Regional Planning Organization, as well as staffing the Mountain Area Workforce Development Board and Waste Reduction Partners.

- West Next Generation Network (WestNGN) Broadband is a regional consortium, with no formal legal status, staffed by the Land of Sky Regional Council. It has a Coordinating Committee comprising representatives of the Chamber, Universities (NC State, UNC Asheville, Lenoir-Rhyne U.), ERC Broadband, and Land of Sky Regional Council, and a Steering Committee of the Regional Council and six local government representatives, for which the Council acts a secretariat and fiscal agent.

- It was formed in 2016 following a meeting hosted by the University of North Carolina at Asheville to learn of the North Carolina Next Generation Network, a regional initiative focused on stimulating the department of broadband networks in the Research Triangle and Piedmont regions. WestNGN’s goal is to “encourage private sector providers to deliver ultra-fast bandwidth at highly affordable prices to ensure [the] region remains competitive and at the forefront of developing the next-generation applications essential to all sectors of the economy.” Initially it was focused on the urban areas of Buncombe, Haywood, and Henderson Counties and led by the cities of Asheville and Hendersonville, and four smaller towns. Collaborative partners included University of North Carolina-Asheville, the Education and Research Consortium of the Western North Carolinas (ERC), North Carolina State University, Asheville Chamber of Commerce, Lenoir-Rhyne University, and the Land of Sky Regional Council.

**Context**

- Land of Sky Regional Council’s role in broadband is shaped by both Federal and state regulatory policies. The Federal Communications Commission is an independent U.S. government agency overseen by Congress that regulates interstate and international communications by radio, television, wire, satellite, and cable in all 50 states. 2019 saw a series of announcements from the FCC on proposals to invest in the expansion of broadband in unserved rural areas. These included a proposal to establish as $20.4 billion Rural Digital Opportunity Fund, which among other things, will make more homes and businesses eligible for support, raise standards for minimum download and
upload speeds, and be technology-neutral opening up opportunities for all types of providers. Other measures reforms to the Universal Service Fund to strengthen and expand the nation’s broadband communications systems, improvements to data collection and mapping to better identify coverage gaps, and streamlining rules and regulations to accelerate deployment.

- The State of North Carolina does not currently allow local governments to provide for or regulate broadband service, unlike sewer or water services which are treated as public utilities. As a result, county and municipal governments have avoided inserting themselves in broadband issues or including broadband communications as part of the infrastructure/utility component of their comprehensive plans. Moreover, the entities that normally deliver broadband services, such as data and internet service providers, telephone membership corporations, cable and satellite television, or commercial mobile radio service (including cell phones and pagers) are not regulated by the North Carolina Utilities Commission. Thus, there is no unified regulatory oversight of broadband, no public access to data about broadband rates and utility infrastructure, and no central policy-making body to lobby for broadband inclusion other than the state legislature.

- The development of new broadband infrastructure is therefore based on perceived market return. Typically, densely populated urban areas and some wealthy rural communities attract broadband providers, as do certain public entities such as schools who are connected due to state policy. Other residents and businesses are bypassed by broadband providers.

- The State Broadband Plan, Connecting North Carolina, commissioned by the General Assembly in 2015 and prepared by the State Broadband Infrastructure Office, identified the nub of the challenge in the state. Although North Carolina’s broadband deployment is above the national average of 93 percent and continues to grow, lower deployment rates are to be found in areas of low population density. These estimates are based on Federal Communications Commission mapping which is generally seen to overestimate coverage and availability.

- At the same time, North Carolina has one the nation’s lowest broadband adoption rates at 16 percent. Adoption is particularly low among low-income households, primarily because of the cost or affordability of service, the perceived or actual costs of computers and laptops, and low levels of digital literacy. The plan addresses availability and adoption in relation to K-12 education, economic development, telehealth, and public safety.

- The Land of Sky Regional Council’s 2015-2019 Comprehensive Economic Development Strategy included strategies that will “promote regional collaboration for stronger networks between rural and urban areas” and establish a regional broadband task force to identify gaps in broadband service

Collaboration

- As noted above, WestNGN is a regional consortium of private and nonprofit organizations, local governments, and universities. Lacking the regulatory power to compel service, the Land of Sky Regional Council through WestNGN has adopted the approach of building public-private partnerships to attract investment to address deployment and adoption issues in the region. A 2017 document, Request for Negotiation for Strategic Alliance Partnership for Next Generation Broadband Services, prepared by WestNGN spelled out the terms of such an approach. The municipal members are taking action to make investment by service providers more attractive by reducing the cost of providing services, streamlining bureaucratic requirements, offering where possible access to public funding, and helping to promote broadband adoption. Private sector partners are expected to bear all the costs for expanded internet services, including design, engineering, construction, equipment and insurance. The municipal partners will not charge for access to their assets and infrastructure
and while not committed to provide finds for the construction, maintenance, and operation of the network note that grants may be available from other sources to help some communities.

- One of the original collaborating partners was the Education and Research Consortium of Western Carolina (ERC). ERC is a nonprofit organization, founded in 1997, which provides fiber-based network services to education, healthcare, government, and economic development institutions and agencies in western North Carolina. It began with a government-initiated project with regional colleges to assist communication infrastructure for education, community and non-profit entities in the region. Subsequently it received three rounds of Federal funding, some of it matched by the GoldenLEAF Foundation’s Rural Broadband Initiative (GLRBI).

- GLRBI provided 1,300 miles of new, middle-mile fiber to 69 counties through a $24 million grant to MCNC, a nonprofit statewide education and research network providing broadband services and support to school districts, higher education campuses and academic research institutions across North Carolina. ERC, through a subcontract from MCNC, added 100 miles to its network in western North Carolina. Completed in 2013, ERC’s extension connected and served over 50 community anchor institutions, including educational institutions, local government facilities, hospitals, healthcare agencies, libraries and more in Buncombe, Madison, Avery, Yancey, McDowell and Mitchell counties.

- Land of Sky Regional Council and ERC jointly prepared a successful submission for funding from the Appalachian Regional Commission to create a regional broadband deployment plan, including analyses of rural areas not currently being served by WestNGN and a compilation of community profiles.

- One outcome of WestNGN’s activities to stimulate interest in broadband expansion (through the Request for Negotiation) has been the entry into the market of RiverStreet Networks, a subsidiary of Wilkes Telephone Membership Corporation. RiverStreet Networks is based in Wilkesboro, a small town about 100 miles northeast of Asheville. It is a communications service provider with about 25,000 broadband users across Wilkes County and beyond. In pursuit of its mission to bring high speed internet to rural areas, it uses a variety of infrastructure approaches, from fiber-to-home, DSL, cables, to fixed wireless, recognizing that although fiber is the best connectivity option, it is very expensive and not currently the best way to serve unserved and underserved in low density areas. RiverStreet Networks is therefore exploring fixed wireless using cellphone towers, state, county or city owned towers, water towers, and grain silos at agricultural locations.

- RiverStreet Networks recently entered into a long-term partnership with the North Carolina Electric Membership Corporation (NCEMC), one of the largest generation and transmission electric cooperatives in the nation, providing electricity to its 26 member cooperatives. The rationale for this partnership is to utilize the NCEMC’s statewide loop of fiber optic infrastructure that connects its substations to expand high-speed internet access to unserved and underserved rural communities across the state. NCEMC has about 1.2 million customers across North Carolina of which 700,000 are located within the 17 counties RiverStreet is targeting. Joe Brannan, NMEMC’s Chief Executive Officer noted, “From a utility standpoint, broadband technologies benefit cooperative members by allowing them to better manage their home energy use, and they will make cooperative distribution systems more dynamic, flexible and efficient. Not only that, this deployment could also bring economic development, education and healthcare opportunities – by leveraging existing assets – to the parts of our state in most critical need of such services.”

- In 2019, Land of Sky Regional Council has been preparing broadband deployment plans with four counties and six municipalities to assist them with understanding and educating their communities about broadband infrastructure and costs. They have been able to draw on technical support from the university, service providers, and the state as well as political support from the counties and
municipalities. These plans provide a roadmap for building a regional broadband market that includes incumbents such as Spectrum and AT&T, who are mostly in the urban areas of Asheville and Hendersonville, as well as the rural cooperatives and non-profits. These providers are already working together in the region with WestNGN contributing its local knowledge and relationships. The ability to facilitate rural broadband in the region builds upon the trust the Regional Council has built in the community over time, the dedication of champions from the universities and the community, and recognition from funders, such as the Appalachian Regional Commission that the Regional Council is a reputable partner and lead entity for the region.

Rural-Urban Relationships

- The Land of Sky region is in the heart of the Southern Appalachians. As noted in the **2015-2019 Comprehensive Economic Development Strategy**, the regional economy is “rooted in the abundant natural and cultural resources of the region. The rich quality of life is often listed as the number one reason many businesses expand, locate, or develop here. The mountain vistas are the backdrop for the communities, crafts, music, and diverse heritage of the people in the region. A strong regional economy builds on the strengths of these local communities and creates resilient economies, critical to long-term growth and financial stability for families.” This statement of connection and interdependence will be tested as by the year 2040, the region’s population is expected to grow by over 40 percent adding 176,000 people mainly to Asheville and the counties of Buncombe and Henderson.

- The newest service requests are coming from Homeowner Associations (HOA) who are reaching out to Spectrum and AT&T as a group to bring broadband services to their communities, often located at the urban-rural interface. They increase property value and provide stay at home workers and second homeowners with the level of service they need or are accustomed to. Due to the growing age-restricted residential upscale developments in the region, these HOA’s now offer possible rural broadband connection points in the regional infrastructure system. They are willing to pay for a connection to an area that may be cost prohibitive to any single homeowner but as a group cost-sharing may be a realistic opportunity.

- The role of Land of Sky Regional Council is critical to bridging rural-urban connections in the region. The local governments in the region have adopted a regional perspective on broadband services, recognizing that the market if left to itself would favor investments in the Asheville area to the detriment of the rest of the region. The Regional Council reached out to private and nonprofit partners that had a demonstrated commitment to and experience of working on broadband deployment, and encouraging them in turn to partner with the incumbent providers to ensure a regionwide approach.

Equity

- The dual challenges of deployment and adoption identified in the state broadband plan are central to considerations of equity, both in terms of geography and income. Deployment of broadband services in rugged mountain terrain and across sparsely populated farm and forestlands raise construction and unit costs and limit the use of newer technologies such as fiber optics. Low adoption levels, particularly among low-income populations, is partly a function of affordability of both hardware and broadband services, and partly a limited understanding of the usefulness of broadband access. The combination of these forces increases the so-called digital divide between rural and urban, and between higher and lower income populations.
• One of the more serious impacts of this divide is highlighted in a 2019 report the North Carolina Broadband Infrastructure Office, The Homework Gap in North Carolina: A Pilot Study of K-12 Households. A survey of 115 school districts finds that 10 percent of respondents reported not having internet access at home, and 67 percent of those cited cost as the primary reason. The lower the respondent’s income and education levels, the less likely they were to have broadband access. Most respondents without broadband access also do not own a desktop, laptop or tablet.

• Meanwhile, the report noted that school districts, schools, and teachers increasingly use digital resources and tools in and outside the classroom to supplement or replace their traditional teaching methods. For those without home access or digital devices, the Homework Gap results in digital inequities that prevent those students from participating at the same levels as their peers. The survey showed that students without broadband access completed their homework at someone else’s home, in a restaurant, or at a public library.

• Interviews in the Land of Sky region revealed that every child in Buncombe County schools, as part of a statewide educational program, has been provided either a Chromebook or I-Pad. Some families will drive into town and work in the McDonald’s parking lot in their car to do their homework. Others will take advantage of the wireless school bus parked in their community for connecting to the internet. Schools, libraries, firehouses and municipal buildings are opening to assist homework work groups. Some will even take advantage of laundromats to work on homework or connect to the internet. Downtown Hendersonville provides free Wi-Fi service and the police station is opening a training room with free Wi-Fi connection and snacks for families.

• Although the term ‘equity’ was rarely used in interviews or in documentation, disparities between growing, more prosperous, more dense urban markets and less economically active, poorer, and less dense rural markets was the focus of the key players in broadband services. The Regional Council, the State Broadband Infrastructure Office, RiverStreet Networks, ERC, and the North Carolina Electric Membership Corporation have all expressed their commitment to addressing the deployment and adoption gaps in the region. The lack of meaningful policy structures at the Federal and state level, which would treat broadband as a regulated utility and as right equivalent to electricity, means that making progress on equitable deployment and adoption will remain a substantial challenge.

• According to Public Knowledge¹, a national nonprofit focused on communications issues, 31 percent of rural Americans do not have access to high-speed broadband compared to just 4 percent of urban Americans, and 27 percent of people of color in rural areas are unserved. Public Knowledge call on Congress and the FCC to address issues of affordability and transparency through accurate data on the demographic composition of people not being served by high-speed broadband services.

Commentary

• In any discussion about rural-urban relationships, invariably broadband communications are mentioned both in terms of the so-called digital divide and their potential to allow rural communities and businesses to participate in all the social and economic opportunities that connectivity can offer. The policy context directly influences results on the ground. North Carolina both benefits from Federal investments in broadband and is constrained by Federal (FCC) policy that determines broadband communications as not being a utility that must be available to all households and businesses. The state of North Carolina prevents local governments from intervening in broadband markets either through regulation or direct investment, thus preventing them from acting in the interests of under- and unserved populations. This is not unusual as

¹ [https://www.publicknowledge.org](https://www.publicknowledge.org)
according to BroadbandNOW, a broadband advocacy group, municipal broadband is roadblocked or outlawed in 25 states.

- The activities of the State’s Broadband Infrastructure Office, the Golden Leaf Foundation, and MCNC underscore the importance of broadband to rural areas, and the work of Land of Sky Regional Council, ERC, and RiverStreet Networks show how Federal and state funding can be used at the regional level to benefit urban and rural populations. Yet, there is still much work to do, particularly in addressing the challenge of low adoption rates among rural and low-income populations.

- Land of Sky Regional Council has shown itself to be an effective catalyst and coordinator of broadband deployment efforts even though neither it nor its local government members have any statutory or regulatory role. They have recognized the importance of broadband to the future of their region and used their planning and convening remit to bring together key players to promote public-private partnerships. There appears to be significant progress being made in deployment, which offers the opportunity for Land of Sky Regional Council to explore ways to work with K-12 institutions, libraries, local nonprofits, and others to begin to address the adoption issue. Certainly, the Regional Council has a continuing and critical role in ensuring that all the benefits of broadband expansion do not just go the growing urban areas around Asheville but are equitably spread into the more rural counties of Madison and Transylvania.

- There appear to be many important opportunities in prospect as the region’s communities come to appreciate the critical importance of broadband services. These include integrating broadband infrastructure into emergency preparedness, response, and recovery; floodplain mapping and management; closing the homework gap; expanding telemedicine; and digital inclusion efforts to provide information, training, and support at the local community level.
Amarillo Site Visit Summary Report

Researchers: Katharine Ferguson & Deb Markley
Visit Dates: Monday July 29 – Wednesday 31, 2019

Interviewees
Brady Clark, PATH Fund, Amarillo Area Foundation, Amarillo, TX
Kyle Cowan, Wheelhouse Commercial Development, Lubbock, TX
Linda Crank, Senior Vice President, CRA and Fair Lending, Happy State Bank, Addison, TX
Steve Dalrymple, President, CEO, CLO, Baptist Community Services, Amarillo, TX
Kyle Ingham, Executive Director, Panhandle Regional Planning Commission, Amarillo, TX
Donna Dorman Madison, Program Coordinator, PATH Fund, Amarillo Area Foundation
Ginger Nelson, Mayor, City of Amarillo, TX
Puff Niegos, Board member, Amarillo Area Foundation, Amarillo, TX
Jackie Pearson, Immediate Past Board Chair, Amarillo Area Foundation, Amarillo, TX
Ines Polonius, CEO, Communities Unlimited, Fayetteville, AR
Tanya Sluder, Vice President, CRA Officer, First Capital Bank of Texas, Amarillo, TX
Clay Stribling, President & CEO, Amarillo Area Foundation, Amarillo, TX
Lizzie Ware Williams, Community Development Director, Amarillo National Bank, Amarillo, TX
Emily Wood, Vice President of Community Investment, Amarillo Area Foundation, Amarillo, TX
Gina Woodward, Regional Director, Small Business Development Center, West Texas A&M University, Amarillo/Canyon, TX

Background
- The PATH Fund is a civic and private sector-led initiative intended to bring business assistance and capital to entrepreneurs throughout the Texas Panhandle region. It is still very much in its infancy, but the journey thus far offers some insights into what it takes to create an effective collaboration that connects a city with its rural region.
- The origins of PATH go back nearly a decade when representatives from three regional banks – Happy State Bank, Amarillo National Bank, and First Capital Bank of Texas – and from the Amarillo Area Foundation and Baptist Community Services served together on a Junior Achievement Board. Some five years ago, with a shared interest in improving financial literacy, these stakeholder organizations prepared and rolled out a curriculum called Bank On, which unfortunately failed partly because of a lack of resident input. Nevertheless, the stakeholders maintained their commitment to do something impactful for the city and the region.
- One possibility they explored was establishing a Community Development Financial Institution (CDFI) for the Amarillo region. The Foundation and the stakeholders contracted with an Albuquerque consulting firm to assess the potential for a CDFI, but the consultant’s report concluded that the stakeholders were out of touch with the needs of the community and that there was much to be learned before moving forward.
- Undaunted, the stakeholders, following a meeting with community leaders, hired a well-established and respected community organizer in Amarillo to help overcome the shortfalls identified by the consultants. His first move was to create a pilot program – PATH – that would be useful to residents and help the stakeholders learn about the on-the-ground needs of local existing and aspiring entrepreneurs. The project worked with six entrepreneurs from underserved neighborhoods in...
north and east areas of Amarillo, providing one-on-one technical assistance, coaching, mentoring, and support.

Organization

- The PATH Fund is housed as an initiative at the Amarillo Area Foundation, a community foundation serving the Texas Panhandle with consolidated assets of over $260 million. In 2017, the foundation made nearly $2.3 million in discretionary grants for education, human services, health, arts, humanities and culture, and public benefit purposes, of which in broad terms one-half went to Amarillo projects, one-quarter to regional projects and one-quarter to rural projects.
- The Foundation’s signature programs include No Limits, No Excuses, a community impact initiative to create pathways to postsecondary credentials that lead to living wage employment, THRIVE Amarillo, a scholarship program to increase enrollment in postsecondary education, and Harrington Fellows program to offer scholarships for gifted students to attend University of Texas at Austin.
- The Foundation’s Vice President of Community Investment provides the backbone support for the PATH Fund and coordinates the work of two consultants who have been staffing the pilot project. Other support comes from the bank CRA officers and community outreach leads, as well as from the President/CEOs of the Foundation and Baptist Community Services.

Context

- The Texas Panhandle region is a 26-county area of almost 26,000 square miles. The 2019 estimated population is 439,145 of which 203,245 live in Amarillo and 269,397 in the Amarillo metropolitan area. For the region, approximately 70 percent of the population is white, 25 percent is Hispanic, and six percent is black, while in Potter County (where Amarillo is located), the white population is 49 percent of the total, Hispanic 35 percent, and black 10 percent.
- The principal economic activities are agriculture, petroleum, renewable energy, finance, healthcare, manufacturing, and education. Cattle ranching and food processing, oil fields and wells, copper and precious metal refining, wind farms and wind energy technology, and gear manufacturing are the region’s signature industries.
- The region is relatively isolated -- Amarillo is closer in distance to Denver, Tulsa, and Albuquerque than it is to Austin, the Texas state capital, which is 500 miles away – which according to interviewees creates a strong sense of regional identity.

Collaboration

- At the center of the PATH Fund alongside the Amarillo Area Foundations are the longstanding stakeholders of civic and banking institutions.
  - **Happy State Bank** is the 21st largest bank in Texas with $3.5 billion in assets and 39 branches, 27 of which are within and across the 26-county Panhandle region. The bank has a strong commitment from the leadership to investing in rural communities and its “we’ll make it happen” attitude makes them a strong collaborative partner. The interviews showed that the bank has clear opinions about the need to change Community Reinvestment Act (CRA) regulations to help them better address the realities of their rural region.
  - **Amarillo State Bank** is a fifth-generation family-owned bank with $5 billion in assets and 19 branches in the region, primarily in Amarillo.
  - **First National Bank of Texas** is a community bank based in Midland, TX with assets of $1.1 billion with two offices in Amarillo.
  - **Baptist Community Services** is nonprofit organization affiliated with the Baptist General Convention of Texas. Located in Amarillo operates a senior retirement campus, a short-term rehabilitation center for seniors, a fitness facility, and a children’s food program. It also has a
grant-making foundation, High Plains Christian Ministries Fund that promotes Christian causes and programs and healthcare services in the region.

- With the initiation of the PATH Fund, the stakeholders have reached out to two public sector organizations:
  - Small Business Development Center at West Texas A&M University is part of a nationwide network of centers supported by the U.S. Small Business Administration (SBA). It is funded by the SBA and the State of Texas to offer free and low-cost services to clients to 25 counties of the Texas Panhandle. Services include business plan assistance, financial projections, tax information, marketing plans, seminars and workshops, feasibility studies, and research services. The SBDC partnered with the PATH Fund on the pilot program to find clients, but with limited staffing (2.7 FTE) it does not have the capacity to provide either the intensive coaching inherent in the PATH model or adequately serve the rural counties across the region.
  - Panhandle Regional Planning Commission (PRPC) is the Council of Governments for the 26 counties of the Texas Panhandle. It provides a range of services to its member governments including economic development, aging, criminal justice, emergency preparedness, regional transportation planning, solid water management, water planning, and workforce development. With a staff of 44 and 90 member governments (counties, cities, special districts), the PRPC represents the main source of regional capacity. PRPC is an economic development district and operates two small loan funds—one targeted to rural entrepreneurs is capitalized by USDA’s Rural Microentrepreneur Assistant Program (RMAP) and the other targeted to Amarillo is capitalized by Amarillo banks. The PRPC has expressed interest in having these loan funds operated as part of a larger initiative as it does not have the capacity to allocate the staff resources needed to more fully deploy these funds throughout the region.

- The stakeholders recognize that if they are to achieve their vision of an entrepreneurial ecosystem, they will have to scale-up substantially and find funding and organizational capacity beyond that which is currently available. In the words of City of Amarillo Mayor Ginger Nelson, they need to “think bigger” and “build for the long-term.” The next stage in expanding collaboration will likely be a partnership with Communities Unlimited.
  - Communities Unlimited based in Fayetteville, Arkansas has the mission of helping communities, small businesses, entrepreneurs, and families move away from poverty and towards sustainable prosperity. It is a Community Development Financial Institution (CDFI) and is a partner organization with the Rural Community Assistance Partnership (RCAP) providing water and wastewater disposal assistance to communities in seven southern states including Texas. The stakeholders see the potential of Communities Unlimited to create a sustainable regional model for providing technical assistance and lending in the Panhandle.

Rural-Urban Relationships
- Amarillo is the dominant urban area in an economic region that includes the Texas Panhandle and several counties in eastern New Mexico. Outside the Amarillo Metropolitan area, the largest city is Pampa with a population of 18,000. Five counties are within the Amarillo Metropolitan Area, five others are within four micropolitan areas, and the remaining 16 are essentially rural.
- During the interviews, Amarillo was often referred to as the biggest small town you’ll ever visit. There was a strong regional sensibility -- what is good for Amarillo is good for the region since people from across the Panhandle come to Amarillo with frequency, whether it be to buy groceries,
materials for the ranch, a car -- or simply for a change of scenery or to go to the mall. Asked whether Amarillites have reason to get out and into the towns around Amarillo, the answers were mixed, with recreation (e.g. fishing and hunting), a change of scenery and visiting family as the most likely reasons cited.

- An example of an informal regional structure was cited in talking with the City of Amarillo Mayor. When communities around the Panhandle have a question -- be it about water or finance -- the first call they often make is to the City of Amarillo to talk to the City Manager or other city staff for advice. Asked if this affects staffing or if there is a formal infrastructure within the city government to handle these requests, the mayor indicated there was not and that they simply “fit it in” to everything else they do.

Equity
- The growing diversity of the region, and particularly of the Amarillo area, raises questions about the importance of equity in the PATH Fund to date, the stakeholders, and the plans for developing a regional entrepreneurial ecosystem. The consultant hired to implement the pilot PATH project comes from a background of neighborhood organizing in Amarillo. His focus on equity led to the outcome that five out of the six entrepreneurs in the program were people of color.
- Amarillo Area Foundation has as its mission “to improve the quality of life for Texas Panhandle residents” and one of its core values is to “strive for equity, inclusiveness and opportunity in all we do...” The foundation has put equity at the core of its strategic plan to be launched in 2020, where equity encompasses rural and urban, and both gender and socio-economic inequities. It is also seeking to build a board that is more representative of the region they serve; currently there is only one non-white member, the chair of the board who is leader in the Amarillo Hispanic Chamber of Commerce.
- An example of intentionality comes from the Panhandle Regional Planning Commission where it was reported that five elected official and five at-large seats on the Board of Directors have been designated for people of color – a total of ten out of the 27 seats available.
- Looking forward, the possibility of partnering with Communities Unlimited should only reinforce the equity dimensions of the next stages for the collaboration, as evidenced by the following statement from the organization’s 2017 annual report:
  - “Equity: People of all income levels and ethnicities deserve safe drinking water and clean wastewater. Entrepreneurs, regardless of their educational attainment, income or race, deserve the opportunity to turn an idea into a livelihood. Rural places and urban neighborhoods benefit when leaders from all parts of the community are engaged in planning and implementing strategies that affect them. Communities can only transition from surviving to thriving, when all members thrive.” (p.3)

Commentary
- This is a case study of some of the preconditions for and building blocks of a regional approach to rural and urban development. It is story of how a small group of people came together to create a vision and who have stayed together over many years, and who are now grappling with what it takes to create a regional and sustainable model for entrepreneurship development in a large rural region dominated by a single large city.
- The original stakeholders – a community foundation, a community services organization, and three banks – tried two initiatives, a financial literacy program and the creation of a CDFI. These were unsuccessful for the same reason – they were not adequately connected to the people and communities they sought to serve. To address this failing, they hired a consultant with deep community roots to create a pilot entrepreneurship project targeted at people of color in two urban
neighborhoods. The interviews reported general satisfaction with the pilot’s outcome, although its small scale (six would be entrepreneurs), its intensity (one-on-one coaching for people mainly in the pre-business start-up phase), and its urban focus were somewhat distant from the regional ecosystem vision.

- The pilot highlighted two important issues for the stakeholders. To be regional, they had to expand their collaboration to work with other organizations with a regional focus, which led them to the Small Business Development Center and the Panhandle Regional Planning Commission. This was an appropriate move but exposed the second issue. Neither organization had the staff capacity needed to provide entrepreneurship technical assistance and financing across the region.

- Moving forward, the stakeholders believe they have found a good partner from outside the region, Communities Unlimited to move them closer to their vision. The next challenge is finding the necessary level of resources initially to pay for Communities Unlimited’s services and then to invest in creating the components of a regional entrepreneurship ecosystem. This in turn will mean expanding further the collaboration to federal and state agencies, private companies, and philanthropic and nonprofit organizations.

- It was the view of many of those interviewed that rural-urban relationships were well-established and was a natural consequence of being a rural region dominated by a large urban center, remote from other regions in the state. One said, “Amarillo thinks regionally -- we don’t have a choice; it’s kind of a necessity.” It should be noted that the case study did not include interviews with people and organizations from the rural parts of the Panhandle.

- In many ways, the project has incorporated the idea of equity at a number of levels, strengthened by the ethos of the foundation and the community services agency and by the CRA requirements for bank community activities. There is every reason to expect that the involvement of Communities Unlimited will only reinforce equity as a dimension of the regional initiative.

Regional Solutions to Rural-Urban Challenges was a project of LOCUS Impact Investing, guided by a project team of experienced economic development practitioners, researchers and policy makers. This work was funded through a grant from the Robert Wood Johnson Foundation, whose support is gratefully acknowledged. For more on the project, go to WEBPAGE LINK.
Defining Rural and Urban

For the purposes of this data analysis, rural and urban are defined using A. Isserman’s method and 2010 county data:

- **Rural** counties have a
  - population density of less than 500 people per square mile, and
  - 90 percent of the county population is in rural areas or the county has no urban area with a population of 10,000 or more.

- **Urban** counties have a
  - population density of at least 500 people per square mile, and
  - 90 percent of the county population lives in urban areas, and
  - the population in urbanized areas is at least 50,000 or 90 percent of the county population.

- If a county is neither urban nor rural, the county is **mixed-rural** if its population density is less than 320 people per square mile. It is **mixed-urban** if its population density is equal to or greater than 320 people per square mile.
Population Change, 1969-2017

US population increase in same period: 62%

Source: Bureau of Economic Analysis - Regional Economic Accounts
Amarillo - Change in Age Group Population, 2013-2018

Source: U.S. Census Bureau, Population Division
Craft3 - Change in Age Group Population, 2013-2018

Source: U.S. Census Bureau, Population Division
Land of Sky - Change in Age Group Population, 2013-2018

Source: U.S. Census Bureau, Population Division
Minnesota - Change in Age Group Population, 2013-2018

Source: U.S. Census Bureau, Population Division
Sacramento - Change in Age Group Population, 2013-2018

Source: U.S. Census Bureau, Population Division
Sustainable NW - Change in Age Group Population, 2013-2018

Source: U.S. Census Bureau, Population Division
San Joaquin Valley - Change in Age Group Population, 2013-2018

Source: U.S. Census Bureau, Population Division
Population Race and Ethnicity, 2018

# Population Change by Race and Ethnicity, 2010-2018

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<td><strong>Craft3</strong></td>
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<td><strong>Sacramento</strong></td>
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<tr>
<td><strong>Sustainable Northwest</strong></td>
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<td>25%</td>
<td>40%</td>
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<tr>
<td><strong>San Joaquin Valley</strong></td>
<td>15%</td>
<td>18%</td>
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Source: American Community Survey, U.S. Census Bureau.

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Mixed Rural</th>
<th>Mixed Urban</th>
<th>Urban</th>
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<td><strong>United States</strong></td>
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<tr>
<td>San Joaquin Valley</td>
<td></td>
<td>23%</td>
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<td>17%</td>
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</table>

*Source: American Community Survey, U.S. Census Bureau.*

Source: American Community Survey, U.S. Census Bureau.
## Overrepresented Sectors by Employment

### Average Annual Location Quotient (x Nat Average) (2000-2017)

<table>
<thead>
<tr>
<th>Region</th>
<th>Rural</th>
<th>Mixed Rural</th>
<th>Mixed Urban</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amarillo</td>
<td>Farm (11.09); Mining (10.20); Forestry (4.10)</td>
<td>Mining (6.42); Farm (1.32); Utilities (1.27)</td>
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<td></td>
</tr>
<tr>
<td>Craft3</td>
<td>Farm (6.48); Forestry (5.36); Government (1.37)</td>
<td>Foresty (2.79); Farm (2.68); Manufacturing (1.17)</td>
<td>Government (1.68); Construction (1.19); Real estate (1.10)</td>
<td>Information (2.30); Management (1.75); Professional (1.35)</td>
</tr>
<tr>
<td>Land of Sky</td>
<td>Farm (6.26); Forestry (2.44); Arts &amp; Entertainment (1.74)</td>
<td>Arts &amp; Ent (1.36); Accommodation &amp; Food (1.29); Construction (1.27)</td>
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</tr>
<tr>
<td>Minnesota</td>
<td>Farm (6.42); Manufacturing (1.40); Government (1.17)</td>
<td>Farm (2.19); Manufacturing (1.48); Health Care (1.26)</td>
<td>Manufacturing (1.65); Arts &amp; Ent (1.37); Retail Trade (1.27)</td>
<td>Management (3.12); Finance (1.49); Wholesale Trade (1.37)</td>
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<tr>
<td>Sacramento</td>
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<td>Forestry (2.51); Farm (1.48); Construction (1.34)</td>
<td>Government (1.71); Administrative Services (1.11); Finance (1.09)</td>
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<tr>
<td>Sustainable Northwest</td>
<td>Farm (6.23); Forestry (4.86); Government (1.38)</td>
<td>Foresty (2.73); Farm (2.64); Manufacturing (1.15)</td>
<td>Government (1.68); Construction (1.19); Real estate (1.10)</td>
<td>Information (2.30); Management (1.75); Professional (1.35)</td>
</tr>
<tr>
<td>San Joaquin Valley</td>
<td></td>
<td>Forestry (13.70); Farm (3.98); Mining (1.39)</td>
<td>Forestry (5.81); Farm (2.47); Transportation (1.98)</td>
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</tr>
</tbody>
</table>

**Source:** ENTER SOURCE

Source: American Community Survey, U.S. Census Bureau.
Takeaways

• Other than in the Pacific Northwest, the rural parts of the study regions were not keeping pace with U.S. population growth.

• Population growth was most significant in mixed-rural and mixed-urban counties.

• Like the U.S. as a whole, the study regions are experiencing a demographic shift towards more 35-40-year-olds, 65+ year-olds, and a decline in other age groups. This is likely a reflection of the relative sizes of the Baby Boomer and Millennial generations.

• Comparatively, this trend is less pronounced for Millennials in the rural parts of our study regions.

• Commute times are longer in urban and mixed-urban parts of Minnesota, the Pacific Northwest, and San Joaquin Valley. Commute times are longer in rural parts of the Land of Sky region.
Takeaways *contd.*

- For most of the study regions, urban counties tend to be more diverse than mixed-urban counties, mixed-urban counties are more diverse than mixed-rural counties, and mixed-rural counties are more diverse than rural counties.
- The Latinx population, however, skews towards more rural counties. They make up a larger proportion of the rural and mixed rural counties in the Amarillo, Pacific Northwest, and San Joaquin Valley regions.
- In the last five years, the Latinx and Non-White populations in the study region increased significantly. The White population changed marginally.
Takeaways *contd.*

- For the study regions, urban counties tend to be more educated and have higher incomes than mixed-urban counties, mixed-urban counties are more educated and have higher incomes than mixed-rural counties, and mixed-rural counties are more educated and have higher incomes than rural counties. The Sacramento region is an exception, and in Minnesota, mixed-urban counties have slightly higher incomes than urban counties despite having less education.

- Poverty is the lowest in mixed-urban (suburban) counties and higher in mixed-rural, rural and urban counties. The relative rurality of a county seems to have significant relationship with poverty rates.

- Unsurprisingly, rural and mixed-rural counties have higher densities of agricultural, forestry and energy related employment.
Introduction

The purpose of the project is to test the hypothesis that regional collaboration and solution-seeking can be an effective way of improving social and economic opportunity and health for all people and places within a region. More specifically, the project has two main objectives:

- To identify and curate examples of policy and practice that demonstrate boundary-crossing, multi-sector solutions to regional challenges that advance opportunity, health, and well-being in a region without leaving behind rural areas and low-income people and people of color.
- To use the learning and insights from these examples to inform and inspire action among local, state, and national leadership in the public, private and philanthropic sectors by showing how, and under what conditions, regional solutions can be effective, and to articulate policy, research, and practice agendas that can be supportive.

This synthesis of findings draws from four sources of information:

- **Literature Review.** We examined the peer-reviewed academic research, primarily from the year 2000 to the present in two areas: 1) rural-urban connections and linkages drawing from regional science, political and social science, international development, and sustainability and land use literature; and 2) the literature on regional collaboration and regional governance from the disciplines of urban affairs and studies, public administration, and politics and public policy. Approximately 100 articles and book chapters were read for this literature review.

- **Expert Interviews.** Nearly 50 interviews were conducted with experts and stakeholders to discuss the value and relevance of the project, obtain perspectives on framing, and invite recommendations for literature and potential projects and initiatives to be studied. The experts were generally experienced academics and leaders from the public and nonprofit sectors.

- **Case Studies.** Seven regional initiatives were selected for in-depth, on-site interviews with key informants and collaborators to understand the organization, the context, the nature of collaboration and rural-urban relationships, and the importance of equity. They were chosen from an initial list of 65 possible sites recommended by interviewees or culled from the literature review. Selections were based on a set of threshold criteria relating to rural-urban linkage, equity, collaboration, multi-sectoral scope, and impact measurement, and a set of diversity criteria for geography, organizational structure, issue areas, and impacted populations. They are:
  - **Amarillo Area Foundation/PATH Fund:** early stage regional effort to create entrepreneurship system in Texas Panhandle.
  - **California Partnership for San Joaquin Valley (CPSV):** public-private partnership for 8 counties in central California.
  - **Craft3:** community development financial institution (CDFI) serving multiple urban, rural, and tribal locations across Oregon and Washington with a balanced rural-urban loan portfolio.
- **Land of Sky Council of Governments/ West Next Generation Network (West NGN):** a public-private-education initiative to bring broadband to rural mountainous counties in western North Carolina.

- **Minnesota Community Economic Development Ecosystem:** statewide system of regional organizations and investments serving rural Minnesota.

- **Sacramento Area Council of Governments/Rural Urban Connection Strategy (SACOG/RUCS):** rural outreach/policy strategy and GIS/analytical tools in Sacramento metropolitan area; integration of rural concerns into metropolitan planning.

- **Sustainable Northwest:** non-profit organization working primarily in forestland communities in Oregon and Washington, bridging the environment vs. jobs divide.

- **Delta Forum:** The case study research is limited in that none of the sites contained “persistent poverty” counties which are mostly located in the lower Mississippi Delta, central Appalachia, the Texas-Mexico border, and the historic Black Belt that runs through Mississippi, Alabama, Georgia and Tennessee. To test the applicability of our findings to persistent poverty regions, we convened a discussion in Memphis with the Federal Reserve Bank of St. Louis on December 3, 2019. Invited to the meeting were representatives from organizations in the Delta who have a stake in the future of the region and who could make a substantive contribution to a discussion about the relevance of regional collaboration and solution-seeking.

The next section, Key Findings, summarizes the most important points uncovered by the research. Subsequent sections go into the detail behind those findings. This synthesis does not speak to policy, practice or research recommendations, which are presented in a separate document.
Key Findings

1. Far from being homogenous, rural America is vast, complex, diverse, and evolving. The often-stated view that urban America thrives while rural America struggles is not supported by the data. There are struggling urban places and prospering rural places. The evolution of rural America is: spatial (growth of zones at the urban-rural interface with characteristics of both places); economic (diversification beyond natural resources); and demographic (in-migration of people of color into areas that had previously been nearly all-Caucasian).

2. Two main types of organizations catalyze and manage rural-urban interactions: 1) public and quasi-public regional development organizations such as councils of government (COGs) which are structures for local governmental planning, resource allocation, and service delivery across multiple jurisdictions; and 2) nonprofit regional community and economic development organizations, which include programmatic agencies, community development financial institutions, community foundations, and public-private-nonprofit partnerships. These structures emerge from the specific enabling environment in each region. The substantial differences between these environments and organizations underscores the futility of one-size-fits-all approaches to rural and regional development.

3. There are many forms of rural-urban connection. Rural areas contribute to the economy and well-being of urban areas through economic supply chains, ecosystem services, materials and natural resources, commuting relationships (as housing prices in urban centers increase, people are forced to live further away from their jobs), growth spillover (rural areas absorb business and population growth that cannot be accommodated in cities) and identity and recreation values. However, the significance and the magnitude of rural-urban relationships are often unrecognized, undervalued, and almost always unmonetized. They are “hidden in plain sight” and most often are not part of the public dialogue.

4. Rural-urban connection is not so much a development strategy per se but rather a lens for looking at regions and relationships between regions. In the past, the interdependence was understood as a rural–urban compact: the countryside sends products and people to the city in exchange for the city's products, services and capital. This traditional compact has become frayed. Policy debates are framed as a false choice between rural and urban. However, the fundamental truth undergirding the compact, which is that everyone benefits if urban and rural both do well, still holds.

5. The organizations profiled in this study operate in regional economies historically dependent on natural resources: agriculture, oil and gas, timber and seafood. They are now subject to changing market dynamics, demographic forces, and technological change (such as broadband). Communities in these regions are going through transformation and, in some cases, deliberate re-invention. The case study initiatives are best understood as efforts to lead these transformations in positive directions.

6. While economic development and community development are usually conducted as separate activities, all of the case study initiatives feature integration across those practice areas. In Minnesota, the Initiative Foundations are hybrid institutions – community foundations that do small business lending as well as social purpose grantmaking, as are the regional development commissions, which combine governmental planning, coordination and service delivery functions with small business lending and economic development. Sustainable Northwest was founded on the then contentious idea that community-based conservation efforts were the way to create jobs, strengthen rural communities, and restore the environment. The Sacramento Area Council of
Governments brings land use management, economic development, agriculture and resource conservation into a unified planning framework.

7. A recent Aspen Institute study highlights the importance of certain types of rural and regional intermediaries, known as “rural development hubs.” These hubs have certain qualities including the capacity for regional thinking and action, the ability to bridge across issues and silos, systems thinking and efforts to address gaps, creation of structures, products and tools for effective solutions, and collaboration, spanning local, state, and national connections. This study affirms the importance of rural development hubs and notes that several of the institutions in the case studies exemplify this form of action.

8. While specific policies and practices are important, their power is dependent on the functioning of the larger community economic development ecosystems. The California and Minnesota development ecosystems stood out for their extent and robustness. Both are products of long, evolutionary histories and as such, do not lend themselves to simple, mechanical replication. They exist because public and philanthropic leadership recognized the value of regional approaches and made investments in regional institutions over extended periods of time. Long-term and sustaining change happens not through one-off strategy interventions but through cultivation of these ecosystems.

9. Local and regional community economic development have been greatly affected by political and cultural divides, analogous to the toxic national political climate. Public policy is important in that it creates frameworks for action and directs resources to the highest priorities but it is overshadowed by the acrimonious politics that underlie the policy-making process.

10. Issues of power are woven into any consideration of rural-urban interactions. Collaborative regional approaches can only be designed and implemented in the context of power dynamics; indeed, the current political climate elevates power issues to a central, critical position. At the state level, rural-urban coalitions are imperative to break through political gridlock. Productive rural-urban interactions and connections around practice and projects are a step towards building those political coalitions.

11. Power dynamics between urban and rural areas can cut both ways. In Minnesota and California, rural areas lacked power at the state level, leading to efforts to unify rural interests into a more powerful single voice. In other states, rural areas have power disproportionate to their population, depending on how legislative districts are drawn. In either case, power disparities can create a difficult context to pursue regional solutions.

12. At the federal and state levels, arguably the most important policies affecting regional solutions relate to investment flows. The notion of the rural-urban compact, where everyone benefits if rural and urban both do well, is a useful way to frame the balancing of resources between rural and urban places. If the interdependencies between rural and urban were monetized, the allocation of resources could be made more precise.

13. Collaboration is central to all the cases, the differences between them being a matter of strategy and scope and the way it is structured. Collaboration skills are necessary because regional organizations, whether public or nonprofit, are generally created without formal powers of coercion and taxation. This applies even to well-established governance structures such as councils of government which have planning and coordinating powers but lack the real power to coerce compliance or independently drive implementation. Instead, they must rely on “soft power”: education, persuasion, cooperation, and advocacy to get things done.
14. Regional-scale development efforts should be linked together into state-wide and even multi-state networks. The purposes of these networks are to share and accelerate learning, promulgate multi-region initiatives, develop and advocate policy agendas, capture more resources, and develop shared support infrastructure.

15. Equity was most often interpreted in this study as geographic equity – all parts of a region or state receiving their fair share. By virtue of their core values, some regional organizations have extended their understanding of equity to include racial, gender, income and wealth, health and other considerations. Foundation and federal funding requirements have often driven the adoption of diversity, equity, and inclusion strategies and actions.

16. Interviews with experts and the case studies voiced a consistent message that inequities are an inevitable outcome of prevailing market forces and policies and can only be overcome and addressed through intentional design, policy, and practice. Leaving things to chance or to evolve is not in the interests of rural communities, poorer neighborhoods, or people of color. Conclusive quantitative evidence confirming causal relationships between regional collaborative strategies and equity outcomes are generally lacking. The evidence is anecdotal at this point and needs to be confirmed by data in the future.
The Changing Rural Context

Common perspectives and images of rural America tend to be based on, at best, partial reality, including that it is predominantly reliant upon agriculture. Far from being homogenous and undifferentiated, rural America is vast, complex, diverse, and evolving. The often-stated view that urban America thrives while rural America struggles is not supported by the data. In fact, economic growth and opportunity is uneven across the rural-urban continuum. There are struggling urban places and prospering rural places.

The research literature identifies a number of ways rural areas are evolving. They include:

- **Shifting and Blurring Boundaries between Rural and Urban**: Social processes are shifting, crossing, and blurring rural-urban boundaries.¹ Nonmetropolitan areas are regularly reclassified as metropolitan areas to reflect growing populations and expanding metropolitan influence, thus shifting boundaries outwards from the urban centers. People, ideas, and money cross back and forth between urban and rural areas, as improved transportation and communications accelerate commuting. Boundary *blurring* means that people and communities often experience both worlds – rural and urban – on a daily or regular basis. It becomes harder to discern bright lines between rural and urban, spatially, socially, and economically.

- **A New Type of Space**: These processes of shifting and blurring boundaries have led many researchers to reject the simple binary classification of space into “urban” or “rural” and instead to find new ways to describe the areas where urban and rural meet and mingle. “Ex-urban,” “rural-urban interface,” “peri-urban interface,” “urban-rural space” and other terminology appear in the literature as attempts to capture those places which lie between the developed urbanized core and the rural hinterland. This in-between space contains both urban and rural features. It has been described as a zone of interdependence, an area of intense social and economic interaction that links rural and urban people and communities, and a set of relationships that are continually changing as boundaries shift and blur and as people, capital, ideas move back and forth.² In our case study research, counties that contained a mix of rural and urban places have gained population more rapidly than those that were strictly urban or rural, underscoring the significance of these in-between places.

- **Diverse Economic Landscapes**: While farming remains the main economic engine in many rural places, it has been replaced by manufacturing and service activities in other areas. One researcher has classified rural landscapes into four types which suggest the diversity of contemporary rural economies:³
  - *Productive landscapes*, such as those associated with agriculture, forestry and mining.
  - *Traditional landscapes* are where there is an emphasis on preserving cultural and historical heritage and scenery.
  - *Post-productive landscapes* are where the value of ecosystems services is recognized and protected.
  - *Consumptive landscapes* which include leisure and recreation, tourism, food and crafts, primary targeted at urban populations.

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¹ Lichter & Ziliak, 2017
³ Hiner, 2014
• **Demographic Change:** A continuing misperception is that urban areas are heterogenous in terms of race and ethnicity, whereas rural areas are predominantly white. However, a recent study of diversity along the rural-urban continuum finds that diversity now spreads across rural and suburban spaces in all types of context, further blurring rural-urban distinctions. The challenge, however, is the recent nature of this phenomenon along with the limited capacity of rural communities to deal with the educational, healthcare, and housing needs of a diverse population. Furthermore, the blurring of rural-urban spatial boundaries is being accompanied by a hardening of other boundaries, especially class and race, and that as rural and urban America are more interdependent, future discussions about social change in rural (or urban) will be more difficult without acknowledging the other.

**The Case Study Geographies**

The seven places researched in this study were deliberately chosen to represent a diversity of geographies. Many of the themes identified in the research literature reappeared in the case study interviews.

- **Multi-State Geographies, Oregon and Washington:** Two of the case study organizations, Craft3 and Sustainable Northwest, have regional footprints across Oregon and Washington states, which are divided by the Cascade mountain range. The main population centers are clustered to the west of the Cascades – Portland-Eugene in Oregon and Seattle-Tacoma in Washington, together with their state capitals of Salem and Olympia. The lands east of the Cascades are thought of as more “rural.” The metropolitan areas are characterized by rapid growth, new economy jobs, and increasing challenges of congestion, affordability, and gentrification, in contrast to the slower paced, economically struggling more rural regions. There is growing inequity in incomes, wealth, economic opportunities, and educational attainment between these regions, highlighting deep social, economic, cultural, and political rifts.

- **State-Wide Rural-Urban Divides:** Similar state-level divisions between urban and rural were evident in our Minnesota case study and with the California Partnership for the San Joaquin Valley. Minnesotans commonly distinguish the urban Twin Cities metropolitan area from the rest of the state, commonly called “Greater Minnesota” and considered rural. In California the agricultural, inland San Joaquin valley is perceived as “rural” while the large coastal metropolitan areas such as Los Angeles and the San Francisco Bay Area are considered “urban.” In both states, the disparities in economic and personal well-being between urban and rural places were the impetus for the initiatives profiled here.

- **Urban Core-Rural Periphery:** The other three case studies are multi-county regions encompassing metropolitan areas and surrounding counties with varying degrees of rurality. The Sacramento Area Council of Governments (SACOG) region consists of 6 counties in northern California dominated by the city of Sacramento and its suburbs. While all six counties are part of the metropolitan area, roughly 85% of the region’s landmass is treated as “rural” for regional planning purposes. Amarillo, a city of 203,000 people, is the urban core of the Texas Panhandle, a 26-county region of almost 26,000 square miles with a total population of 440,000. All of the surrounding counties, none of which has a population over 22,000, are rural. Asheville, with a population of 93,000, is the urban core of the 4-county Land of Sky Region (432,000 total

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4 Lee & Sharp, 2017
5 Lichter & Brown (2011)
population) in western North Carolina. Asheville is the economic hub for the region which is otherwise predominantly rural.

- **Isolation:** While the Texas Panhandle and Land of Sky regions are roughly equal in total population, they differ in land mass (the Panhandle region is 14 times larger), population density, and degree of isolation. Asheville is about a one-hour’s drive from Greenville, SC (906,000 metro area) and two hours from Charlotte, NC (2.6 million metro area). The Texas Panhandle is far more isolated. By contrast, the nearest major metropolitan cities to Amarillo are Oklahoma City, OK (260 miles; 1.4 million metro area population); Albuquerque, NM (270 miles; 916,000 metro area); and Dallas (334 miles; 7.5 million metro area). With this greater isolation, the Panhandle is much more of a region unto itself and has more limited economic development options. The lack of density also affects economic development by increasing travel time between places and making it harder to assemble a critical mass of actors to initiate change.

- **The Delta:** For purposes of this study, the lower Mississippi Delta region includes 38 counties in Mississippi and Arkansas with a total population 1.1 million. Twenty-two of those counties are classified as “Persistent Poverty” counties by the Economic Research Service (ERS), U.S. Department of Agriculture. The Delta is predominantly African-American and agricultural with many residents descended from slaves. Many of the smaller communities are 80% or more African-American and have been losing population for decades, beginning with the Great Migration at the outset of World War I. While Delta communities are not that distant from the metropolitan centers of Memphis, TN, Little Rock AR, and Jackson MS, they suffer a high degree of social and economic isolation.

### Organizational Structures and their Ecosystems

Through the interviews with experts and stakeholders, we identified two main types of organizations that have relevance for catalyzing and managing rural-urban interactions:

- **Regional development organizations**, which are structures for local governmental planning, resource allocation, program implementation, and service delivery across multiple counties, cities, and municipalities. Some are exclusively governmental, others are public-private partnerships. Nationally, some of these organizations are entirely urban/metropolitan-focused but others span both metropolitan and rural counties. It was suggested that such regional organizations bring professional capacity and greater participation in beneficial funding programs (usually Federal) to rural counties, and generally reduce wasteful and disruptive internal competition within a region.

- **Nonprofit regional community and economic development organizations**, which include sector-specific research, advocacy, and programmatic agencies, community development financial institutions, community foundations, and public-private-nonprofit partnerships. Some of these are multi-state in scope, some mainly rural, but all are regional by design and by approach. They are distinguished by their trust networks and relationships, their power to convene and to broker agreements between conflicting interests, and their ability to combine deep local knowledge (boots on the ground) and broad regional and strategic perspectives.

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6 ERS defines counties as being persistently poor if 20 percent or more of their populations were living in poverty based on the 1980, 1990, and 2000 decennial censuses and 2007-11 ACS 5-year estimates.
The case study initiatives were led by organizations that fell into those two broad categories but they represented a variety of structures and legal formats.

- **COGs and RDCs:** Two of the case studies, SACOG and Land of Sky Regional Council, are led by councils of government (COGs), voluntary associations that represent local governments to provide planning, coordination, and technical assistance on issues of mutual concern that cross jurisdictional lines. In California, COGs are constituted through Joint Powers Agreements among the participating entities, and in North Carolina, state enabling legislation allowed formation of multi-county regional planning districts.

In the Minnesota case study, we visited three of the state’s regional development commissions (RDCs), quasi-public entities similar to COGs authorized under the state Regional Development Act of 1969. Like COGs, the RDCs are governed by boards with private, public and civic sector representatives and carry out a variety of planning, coordination and implementation functions that address regional critical issues. Land of Sky Regional Council and the Minnesota RDCs are alike in that they are also economic development districts (EDDs) under the direction of the US Department of Commerce Economic Development Administration (EDA). SACOG is not an EDD and lacks those economic development capacities.

- **Community Foundations:** The Amarillo PATH Fund is a civic and private sector-led initiative intended to bring business assistance and capital to entrepreneurs throughout the Texas Panhandle region. While the PATH partnership includes three regional banks and a social service non-profit (Baptist Community Services), it is led by and housed at the Amarillo Area Foundation, a community foundation serving the Texas Panhandle with consolidated assets of over $260 million.

In Minnesota, we also encountered two of the six initiative foundations (IFs), regional community development entities created in the 1980s by the McKnight Foundation in response to a state-wide farm crisis and general failure of the rural economy. While structured as community foundations, the IFs do small business lending in addition to grant making. They are hybrid institutions combining the capacities of a philanthropy with a CDFI. As of 2017, their combined endowments exceeded $300 million and their loan portfolios totaled almost $70 million.7

- **California Partnership for the San Joaquin Valley (CPSV):** This Partnership is unique among the case studies in that it has no formal legal structure. It was created by governor’s executive order in 2005 to improve the economy and the well-being of the people of the San Joaquin Valley. It has no charter beyond time-limited governor’s executive order; it is not incorporated as a for-profit, non-profit or quasi-public entity nor does it exist through a joint powers agreement as do the regional COGs. Instead, the CPSV derives its legitimacy and its power from its board of directors: 37 persons appointed by the Governor that includes 10 persons representing state agencies, 12 local government officials, 2 college presidents, and 14 representatives from the private sector, non-profit sector and labor.

- **Non-Profit Organizations:** Three organizations are 501(c)(3) nonprofits: a policy, advocacy, and technical assistance nonprofit (Sustainable Northwest), a CDFI focused on lending to businesses, communities, and consumers (Craft3), and a research and advocacy nonprofit whose mission is

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to develop and advocate for public policy that makes Minnesota’s economy more prosperous and fairer for all (Growth & Justice).

The first two organizations operate across Oregon and Washington and were organized in the early 1990s as responses to the conflict between the timber industry, environmental advocates, and the government over natural resource management, widely portrayed as “Jobs vs. The Environment.” Sustainable Northwest has been working at the interface of economic development and environmental conservation for 25 years. It has adopted a position of conflict resolution looking for ways in which wise stewardship of natural resources, particularly forestlands, can sustain economic opportunity in rural communities. Craft3 has grown from a 3-person staff operating in a single Washington county into a lending institution with $150 million in total assets and offices in large and mid-size metropolitan and four rural communities (Astoria and Klamath Falls, OR; Port Angeles and Walla Walla, WA). It balances its lending between urban and rural areas and seeks to connect its activities from all of its offices to leverage two-state regional impact.

Growth & Justice was founded in 2002 on the belief that economic growth has to benefit everyone, that growth and justice are fundamentally connected. G&J functions as the parent organization for Thriving by Design, a website and network staffed by G&J employees, through which the Minnesota Equity Blueprint is being developed. The vision behind the Blueprint is to create a new state Rural Urban Development Act that embodies three themes: “a persistent concern and focus on rural and urban interdependence, a high priority on racial equity and other aspects of social justice, and a stronger integration of climate action with equity in all aspects of policy-making.”

- **The California Ecosystem:** The organizations and initiatives profiled have to be viewed in the context of their policy environments and institutional ecosystems. The unique policy environment in California has led to sustained state intervention and an acceptance of planning and coordination that is rare in other parts of the country. Regional institutions such as COGs have been embraced as a vital piece of state governance, both in recognition of the significant geographical, economic, and cultural differences across California and as an intermediary between the state and local governments. The State has also taken strong legislative actions over the past 50 years to tackle pressing issues such as air quality, the consequences of rapid urban growth, water quality and supply, and more recently sustainable communities, and reduction in greenhouse gas emissions. Frequently, the regional bodies such as COGs have been tasked with planning, advising, prioritizing investments, coordinating, oversight and otherwise implementing those objectives. In executing those responsibilities, regional bodies have had to build new capacities but, in turn, that activity has further legitimized the role of regional institutions and approaches.

- **The Minnesota Ecosystem:** Minnesota has a very well-developed local and regional community economic development systems. These regional systems are tied together through a layer of state-wide institutions and networks that facilitate shared learning and joint state-wide initiatives and policy agendas. The regional and state-wide systems encompass governmental, non-profit, and for-profit actors and are supported by public, philanthropic and private funding. While these systems are similar to those in other states, our qualitative judgment is that the

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8 Thriving by Design, *One Minnesota Equity Blueprint Policy Priorities For the 2019-20 Legislature.*
development infrastructure in Minnesota is more robust, collaborative and functional than seen elsewhere.

As with California, the state of community economic development in Minnesota is a product of deliberate public policy choices and investments over a long period of time. The theme of regional approaches was initiated in the state’s 1969 Regional Development Act that set up the regional district boundaries and the RDCs. Senate Bill 1 in 1987 reaffirmed the rural-urban relationship, provided seed funding for the Initiative Foundations, and made additional investments and policy changes benefiting rural economic development. Several Minnesota foundations have provided consistent funding to non-profit organizations over a long time. As a result, Greater Minnesota has a more highly developed non-profit infrastructure compared to other parts of the country.

To summarize, different kinds of organizational structures pursue regional work: public regional development organizations, such as Councils of Government (SACOG, Land of Sky) and Regional Planning Commissions (Minnesota); community foundations (Minnesota, Amarillo); community development financial institutions (Craft3); and nonprofits (Minnesota, Sustainable Northwest). Their primary activity varies from planning and coordination (SACOG, Land of Sky) to business and project financing (Craft3, Amarillo, Minnesota) to collaborative convening and advocacy (Partnership for San Joaquin Valley, Sustainable Northwest). These structures emerge from the specific enabling environment in each region, which include state policy frameworks for regional governance, economic and demographic trends, the civic infrastructure (including philanthropy and non-profits), and power dynamics between rural and urban areas. The substantial differences between these environments underscores the futility of one-size-fits-all approaches to rural and regional development.

**Rural-Urban Interactions**

A long and rich history of scholarship has accumulated on the relationship between cities and their hinterlands. It can be traced back 200 years to von Thünen’s production location theory, Christaller’s central place theory in the 1930’s, and to subsequent developments by more contemporary economists. More recent scholarship has broadened the understanding of the complex ways rural and urban places interact beyond the purely economic.

- **Rural-Urban Interactions Shape the Rural Economy:** Substantial literature on rural-urban interaction exists where researchers employ econometric models to estimate the economic dimensions of commuting, trade, and other economic linkages between urban areas and their rural hinterlands (sometimes termed core and periphery). One focus of these studies is to gauge whether population growth (and jobs and income) associated with urban concentration of economic activities yields net benefits for the surrounding rural areas (spread or spillover effects) or drain people and capital out of rural regions into the urban centers (backwash effects). Three themes emerge from the research:
  - **Benefits Favor Urban:** The benefits of urban-rural interactions generally favor urban centers. Urban cores attract income and investment flows that tend to stay within these cores and less likely to be distributed to the rural periphery. Income generated in or attracted to rural areas tends not to stick there but pass to the urban cores or to external owners. Growth in urban employment has the effect of promoting rural population growth, but with rural communities competing for a share of that growth on

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10 Dabson, Johnson, Miller, & Robinson, 2009; Balamou & Psaltopoulos, 2006
the strength of their local communities. However, growth of rural employment has little impact on urban population growth.\textsuperscript{11}

- **Demographic and Business Location Patterns:** The economic dominance of cities is a strong and continuing centralizing force. However, significant counterforces can also be seen as households and firms move out to less congested and less expensive areas on the urban fringe. Falling transportation and communication costs, technological change and economic restructuring, rising incomes and changing tastes for natural amenities all drive this process of de-concentration.\textsuperscript{12}

- **Spread Effects:** The most visible urban-rural interactions are commuting flows. Such flows are strengthening both in numbers and in proportion to their respective labor forces with the scale being a function of the size of the urban center and the distance of the rural community from that center.\textsuperscript{13} The spread effects are estimated to be in the range of 75 miles\textsuperscript{14} to 125 miles\textsuperscript{15} for those rural communities that can offer high quality of life and services for commuting residents. The larger the urban center, the greatest its impact on outlying rural economies\textsuperscript{16}, but at least one study suggests the greatest benefits for rural communities come from interactions with medium-sized cities rather than the larger ones.\textsuperscript{17}

- **Forms of Interdependence:** *Rural-urban interdependence* implies more than connection or interaction between rural and urban places. It asks the questions “why do rural areas matter to urban places and vice-versa?” and “how do changes in one place affect the other?” In the academic literature, Reimer, Barrett, & Vodden, & Bisson (2019) describe four spheres of interdependence.

  - **Trade and exchange** refer to economic interdependence, the most commonly recognized, with exchanges of goods, services, labor, and finances. This includes commuting, supply chains, and issues of where value is added to raw materials and who benefits.
  
  - **Institutional interdependence** is where seemingly geographically neutral policies may differentially impact urban and rural places, usually to the detriment of rural residents.
  
  - **Environmental interdependence** focuses on the impact of urban growth and development on air and water quality, productive farmland, and quality of life.
  
  - **Identity** is the fourth sphere, where attachment to place through language, dialect, traditions, architecture, music, and values, can be upended by insensitive interactions, developments and investments.

- **Interdependence in the Case Studies:** The case study research affirmed the basic interdependencies found in the literature review, with minor differences in terminology or

\textsuperscript{11} Feng & Patton, 2017.
\textsuperscript{12} Castel, Wu, & Weber, 2011; Irwin, Bell, Bockstael, Newburn, Partridge, & Wu, 2009
\textsuperscript{13} Lewin, Weber, & Holland, 2013; Ali, Olfert, & Partridge, 2011
\textsuperscript{14} (Partridge, Ali, & Olfert, 2010
\textsuperscript{15} Wu, Weber, & Partridge, 2017
\textsuperscript{16} (Partridge, Ali, & Olfert, 2010
\textsuperscript{17} Berdegué & Soloaga, 2018
categorization. The forms of interdependence most commonly cited in the case study interviews were:

- **Supply Chains**: primarily around natural resource-based goods. Food is the clearest example as agriculture, food processing and distribution intertwine urban and rural economies.

- **Ecosystem Services**: including clean water, clean air, flood control, habitat conservation, nutrient recycling, pollination.

- **Materials and Natural Resources**: timber, metals, minerals, energy (renewable and non-renewable).

- **Commuting Relationships**: As housing prices in urban centers increase, people are forced to live further away from their jobs. Rural and peri-urban areas provide housing for workers employed in urban areas.

- **Growth Spillover**: Given high cost of land and housing in major urban areas, the rural areas absorb business and population growth that cannot be accommodated in cities.

- **Identity and Recreation Values**: Rural places form part of the collective identity in some states. Minnesotans, we were told, understand themselves in terms of such places: North Shore, the Cabin, the Boundary Waters, the “Lake” & “Up North”, the tall grass prairies.

- **Hidden in Plain Sight**: The significance and the magnitude of rural-urban relationships are often unrecognized, undervalued, or unmonetized. While major metropolitan areas are usually thought to be the drivers of the state economies, a study in Minnesota estimated that 40 percent of all employment in traded industry sectors happened in Greater Minnesota (outside the Twin Cities region). SACOG’s Rural Urban Connections Strategy (RUCS) program found that the fruit and vegetable industry contributes $1.2 billion to the regional economy, with most agricultural jobs in processing, manufacturing, and distribution located in urban areas. Despite the magnitude of its economic impact, interviewees said it took five years for the business community to see the value of agriculture to the economy. Additionally, the rural land base surrounding Sacramento supports not only agriculture but also provides water supply and flood protection, recreation and tourism, habitat conservation, and aggregate and timber for development. These benefits are generally not acknowledged or accounted for in policy decisions.

- **Investment and Rural-Urban Compacts**: The traditional rural–urban compact, whereby the countryside sends products and people to the city in exchange for the city’s products, services and capital, has become frayed. Economies have become more complex and political divides have emerged rooted around economic inequality, race, ethnicity and culture. Policy debates are too often framed as a false choice between rural and urban. However, there is a fundamental truth undergirding the compact notion which was best articulated by the organization Growth & Justice in Minnesota, which is that everyone benefits if urban and rural both do well. For that to happen, investments have to be balanced between urban and rural areas. The social compact is a political consensus that permits equitable investment.

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• **Small Towns and Micropolitan Areas:** Some evidence suggest positive roles that small towns and micropolitan areas play in facilitating rural-urban connections. Towns have concentrations of community and institutional capacity, acting as ‘sub-poles’ for focusing rural development investments to take advantage of agglomeration economies and allow benefits to spread to rural areas. However, one econometric study finds that small towns do not in fact act as poles, because flows of goods and services do not generate spillover effects into the hinterland.

In a similar vein, other research suggests that some micropolitan counties can serve as small urban cores in rural regions enabling upward mobility in ways that take advantage of their density and scale. Others can act as bridges between remote rural counties and metropolitan centers, supporting upward mobility of low-income youth in ways that both exploit the opportunities but revealing weaknesses associated with small size, lack of density, and limited technological capacity in rural communities.

In sum, rural America has unique assets and makes contributions to metropolitan America, which in turn provides the markets, resources, jobs, and services necessary for rural sustainability and competitiveness. In this formulation, recognition of rural-urban interdependence, of rural and urban needing each other, is deemed essential for state and national prosperity.

In this formulation, it also becomes apparent that rural-urban interdependence is not so much a development strategy per se but rather a lens for looking at regions and relationships between regions. The interdependencies identified in the literature review and case study site visits are intrinsically there; they exist naturally and organically, not as the creations of deliberate policy. These interdependencies could be made more apparent, brought out into the open, valued appropriately, and monetized. With that understanding, wiser policy and investment decisions can be made that balance the needs and capabilities of both places.

**Community Economic Development Practice**

In each of the case studies, we probed the community and economic development strategies and practices employed by the participating institutions.

- **Functional Ecosystems:** In Minnesota, the RDCs and the Initiative Foundations have helped construct support ecosystems for economic development that generally seem to function effectively. These regional entities operate in an environment where each county usually has its own economic development staff as do many cities and towns. The local actors are often the ones to initiate an economic development project, for example assisting an existing business with expansion. The RDCs and Initiative Foundations support that effort by bringing together the resources, expertise and partners necessary for the local project to succeed. That support might include grant funding, capital, workforce training, business expertise, infrastructure, etc. Simultaneously, the RDCs and IFs also address region-wide systemic problems that inhibit economic growth and vitality, most notably the shortage of affordable housing, workforce development needs, and the lack of childcare. On these issues, they often connect with their counterparts around the state to advocate for more public resources and policy change.

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19 DETR, 2000  
20 Courtney et al, 2007  
21 Weber, Fannin, Cordes, & Johnson 2017
• **Rural Development Hubs:** A study recently published by the Aspen Institute’s Community Strategies Group highlights the importance of certain types of rural and regional intermediaries known as “rural development hubs.” These hubs have a number of characteristics including regional thinking and action, deep knowledge and understanding of their region, a long-term view and commitment, bridging across issues and silos, systems thinking, and the ability to create structures, products and tools for effective solutions, collaboration, spanning local, state, and national connections, innovation and adaptability, and willingness to tolerate risks. The RDCs, Initiative Foundations, and Craft3 exemplify this form of action.

• **Transformation and Reinvention:** With the possible exception of Land of Sky Regional Council, all of the organizations profiled in this study operate in regional economies significantly dependent on natural resources: agriculture (SACOG, Minnesota RDCs and IFs, Amarillo PATH, San Joaquin Valley, Craft3), oil and gas (Amarillo PATH, San Joaquin Valley), timber (Sustainable Northwest, Craft3, SACOG/RUCS), and seafood (Craft3). Communities in these regions are going through transformation and, in some cases, deliberate re-invention. The case study organizations were often at the forefront of these change processes:

  o **Forest Economies:** The rural economy of the Pacific Northwest is going through a long and painful transition brought about by global economic forces, shifts in Federal natural resources policies, long-term threats from climate change and immediate threats from wildfires, diseases, and urban expansion. Sustainable Northwest has pioneered place-based groups that emphasize inclusive planning processes to achieve balanced social, ecological, and economic objectives. It also created a for-profit subsidiary (Sustainable Northwest Woods) that buys and distributes sustainably wood products from small mills in rural communities to bolster sustainable economic development and job creation.

  o **Land Use Choices:** In the Sacramento region, population growth is converting farmland into housing, and market forces and environment and water constraints cause farmers to rethink their crop options. RUCS provides an array of analytical tools that can gauge the effects of land use and crop choices, identify trade-offs between competing land uses and forecast their potential outcomes. Development pressures often reduce economic arguments to short-term assessments of property taxes and highest and best use of land calculations; as a result, a range of other important metrics are not considered such as jobs, air pollution, water, habitat and other conservation benefits, and long-term financial return.

  o **New Sectors:** We found numerous examples of case study organizations supporting the development of new industry sectors to diversify the economy, including: renewable energy, sustainable agriculture and food systems, advanced manufacturing, health and tourism. Craft3 has targeted lending programs in clean energy technology (in partnership with the state of Washington Department of Commerce) and sustainable food systems (in partnership with a coalition of philanthropies).

  o **Socio-Cultural Change:** As rural counties age or lose population, they often experience workforce shortages which in turn have drawn immigrants from urban centers or who have been recruited directly from Latin America by employers. These areas are coping with assimilating these new populations into their communities. In Minnesota, we saw

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22 https://www.aspeninstitute.org/events/rural-development-hubs-action-innovators-for-rural-prosperity/
efforts at creating “Welcoming Communities” – developing local skills for diversity, inclusion and cultural competence.

- **Broadband**: Broadband is essential basic infrastructure in today’s economy. It is required for everything from major economic development projects to individual entrepreneurship to the delivery of services from telemedicine to children doing their homework. In many states, broadband deployment is market-driven with little regulatory intervention. This further divides communities and even regions into “haves” and “have nots” with poor and less populated places left further behind in the digital age. The Land of Sky West NGN initiative recruits broadband providers to deliver service to smaller communities in rural western North Carolina.

**Integration Across Practice Areas**: Nationally, economic development and community development are usually separated. However, the Minnesota RDCs and the Initiative Foundations see the work as one and the same. Thus, they perceive the critical economic development issues to be housing, childcare, and workforce preparation. This is a far cry from the common refrains of reduce taxes, cut regulation, and recruit business through public subsidy. This shift has been prompted partly by rural workforce shortages which have forced greater communities to respond to housing, childcare and workforce development needs.

Another factor integrating community and economic development might be that the IFs and the RDCs are “hybrid” institutions. The IFs are community foundations that make social purpose grants but they also have small business development and lending functions much like CDFIs. Similarly, the RDCs conduct planning and programs for transportation, housing, land use, social services and the like but they are also economic development districts with business lending functions. They too have to combine social purpose programming with economic development.

We found numerous other examples of integration across issue areas. Sustainable Northwest was founded on the then contentious idea that community-based conservation efforts were the way to create jobs, strengthen rural communities, and restore the environment. SACOG’s RUCS program brings land use management, economic development, agriculture and resource conservation into a unified planning framework. Growth & Justice’s Policy Agenda for 2019-2020 includes Democracy and Civic Health; Economic Development; Climate Action and Environment; Infrastructure, Transportation and Transit; Education, Early Childhood through Post-Secondary; Broadband & Digital Inclusion; Housing; Immigration; Criminal Justice Reform; Taxes, Budgets, and Investments. Similarly, the Partnership for the San Joaquin Valley has 10 issue-specific work groups from Water to Higher Education to Economic Development to Health and Community Services. Its quarterly board meetings have become rich venues for cross-sector and cross-issue learning.

**Rural Economic Centers**: Even within regions or counties that are losing population, there are usually some communities which continue to thrive. The stronger communities have become economic hubs, collecting and incubating business activity. Employment is concentrating in cities and towns that have competitive advantages and good local leadership. Meanwhile, desirable places with less employment are attracting commuters as residents, while towns that lack competitive advantage or amenities lose population and decline.

Craft3 has deliberately located its four rural offices in the economic centers of their regions. It acknowledges that some communities are not strong candidates for investment. This strategy parallels findings in the academic literature that towns can act as ‘sub-poles’ focusing rural development or as bridges between remote rural counties and metropolitan
An important feature of Craft3’s approach is the development of “place strategies” for each of its eight offices plus Indian Country. These are assessments of the sub-regional economic status and trends, the small business financing ecosystem, and key community stakeholders and potential partners. The result is a set of priority areas for engagement, a sub-regional vision for Craft3, outcomes, tactics, and metrics.

As we got deeper into the case study research, our emphasis shifted somewhat away from specific strategies and practices to the functioning of whole community economic development ecosystems. The California and Minnesota development ecosystems stood out for their extent and robustness. Both are products of long, evolutionary histories and as such, do not lend themselves to simple, mechanical replication. They exist because public and philanthropic leadership recognized the value of regional approaches and made investments in regional institutions over extended periods of time.

**Policy and Politics**

Public policy creates frameworks for action and directs resources to the highest priorities. The case study research explored policies that helped or hindered efforts towards regional solutions, rural-urban connection and equity. While the policy discussions were fruitful, they were somewhat overshadowed by a greater concern for the politics that underlie the policy-making process.

- **Venues and Resources:** Most of the policies encountered in this project fell into two categories: 1) policies that created or sustained institutions that served as venues for planning, coordination, discussion, implementation or monitoring; and 2) policies that provided resources for community economic development projects or programs. The first group contains the legislation and the gubernatorial executive orders that support organizations like COGs, regional development commissions, and the Partnership for the San Joaquin Valley. But policy can create venues in other ways as well. Sustainable Northwest organized a number of Forest Collaboratives of which 31 are still active in Oregon and Washington. These are place-based groups that aim to achieve a variety of outcomes for the national forests, such as reduction of the risk of wildfire, protection of drinking water sources, spurring rural economic development, enhancing recreation opportunities, and conserving flora and fauna. They were organized to provide input into the U.S. Forest Service’s forest management planning processes.

- **Policy and Power Disparities:** In Minnesota and California, interviewees expressed the power disparity between rural and urban areas and its implications to policy. The California Partnership for the San Joaquin Valley was born out of this uneven conflict between the Valley and state’s major urban centers. A consistent refrain from board members was that Los Angeles and the Bay Area were able to command resources from state government while the rest of the state fought over the scraps. The Partnership’s founding documents cite the fact that the Valley receives less funding per-capita than the state average. Power disparities lead Partnership Board members to want to speak for the Valley with a unified voice.

In Minnesota, the regional development organizations recognize that state-wide coalitions, which intrinsically require rural-urban connections, are necessary to move policy forward. Several state-wide structures such as the Minnesota Association of Development Organizations (MADO), the Rural Economic Development (RED) Group, and the Greater Minnesota Partnership are important vehicles for building those rural-urban coalitions. Notably, these organizations have found that the policy interests of urban and rural community economic development professionals frequently align. Housing supply and affordability, child care, workforce preparation, aging infrastructure, brownfield clean-up, and assimilating recent immigrants into workforce and community are challenges common to the Twin Cities and Greater Minnesota
and require state-level policy action rather than being solvable solely through local or regional initiatives.

- **Power Disparities, the Counter-Argument:** This notion that rural areas are politically disadvantaged does not universally hold true. Power disparities can flow in multiple ways. At the Delta forum, it was pointed out that Little Rock, the state capital of Arkansas and the only city with population greater than 100,000, is maligned in a very rural state. Legislative redistricting has given rural legislators in some states power disproportionate to their population. In any case, power disparities can create a difficult context to pursue regional solutions.

- **Political and Cultural Divides:** Local and regional community economic development have been affected by political and cultural divides, analogous to the toxic national political climate. Rural Minnesota, for example, is going through significant cultural and demographic changes, often precipitating a backlash. The problem extends to urban areas where liberal residents are quick to dismissively characterize Greater Minnesota as “Trump country.” Rural practitioners acknowledge how difficult their work has become because of highly vocal conservative activists. Although urban-rural coalition building should be possible given commonalities of interest, it is difficult to negotiate in a climate of stark political division.

The California Partnership for the San Joaquin Valley has worked hard to sustain a political culture of bi-partisan dialogue and cooperation: Democrats and Republicans working together. Board members and working group participants are asked to “check their partisanship at the door” and operate on the basis of what is best for the Valley. Interviewees said the Valley itself has a long history of political leaders and agencies working across party aisles and that this culture has persisted despite the intensity of current political divides. The Partnership was built on this culture of cooperation and has been able to continue functioning by maintaining an open political culture.

- **Investment Flows:** Securing more public and private investment is critical for rural development. Craft3 originates $50-$60 million of loans per year which it consciously balances between urban and rural places. Its largest investments (over $5 million) have been made disproportionately in rural communities. Its most successful consumer lending product finances replacement of failing septic systems, which of course are mostly located in rural places.

There have been successes in channeling public investments around transportation. The Partnership for the San Joaquin Valley has been able to influence the funding of railway and highways in the Valley. The RUCS analytics showed that transportation infrastructure was critical for getting goods to market and in turn vital to rural regeneration in the Sacramento area. Previously, SACOG’s transportation planning was concerned only with reducing urban area traffic congestion.

The public investment process has been distorted by political divides. In the past, public investments could be balanced by horse trading: urban legislators would support funding for a rural project if rural legislators would approve an urban priority. Now, as Jane Leonard of Growth & Justice describes today’s political environment, “there used to be a lot more bargaining. Now there’s more hostage taking.” Sustainable Northwest was active in a coalition of businesses, nonprofits, and community organizations that supported proposed legislation to introduce a cap-and-trade system in Oregon to limit greenhouse gas emissions, similar to one already in operation in California. The bill, among other things, would have brought substantial investment to rural Oregon and was calibrated to ensure broad-based support for both urban
and rural interests. It failed when Republican legislators literally left the state, paralyzing government.

- **Broadband and Regulatory Environments**: The Land of Sky case study revealed the opportunities and challenges in bringing broadband access to rural western North Carolina. The North Carolina regulatory environment is not favorable towards the deployment of broadband infrastructure into rural areas or the adoption of broadband technology for lower-income households. The State of North Carolina does not currently allow local governments to provide for or regulate broadband service, unlike sewer or water services which are treated as public utilities. As a result, county and municipal governments have avoided inserting themselves in broadband issues or including broadband communications as part of the infrastructure/utility component of their comprehensive plans. Moreover, the entities that normally deliver broadband services, such as data and internet service providers, telephone membership corporations, cable and satellite television, or commercial mobile radio service (including cell phones and pagers) are not regulated by the North Carolina Utilities Commission. Thus, there is no unified regulatory oversight of broadband, no public access to data about broadband rates and utility infrastructure, and no central policy-making body to lobby for broadband inclusion other than the state legislature.

Not surprisingly, North Carolina has one the nation’s lowest broadband adoption rates at 16 percent. Adoption is particularly low among low-income households, primarily because of the cost or affordability of service, the perceived or actual costs of computers and laptops, and low levels of digital literacy. In this regulatory environment, the Land of Sky Regional Council has stepped in, through its West NGN (Next Generation Network) initiative, to push the market to build broadband infrastructure in rural areas and offer services at rates affordable to lower-income families.

At the federal and state levels, arguably the most important policies affecting the case study initiatives relate to investment flows. The notion of the rural-urban compact, where everyone benefits if rural and urban both do well, is a useful way to frame the balancing of resources between rural and urban places. If the interdependencies between rural and urban could be monetized, the allocation of resources could be made more precise.

Issues of power are woven into any consideration of rural-urban interactions. Collaborative regional approaches can only be understood, designed, and implemented in the context of power dynamics; indeed, the current political climate elevates power issues to a central, critical position. If the goal is to achieve positive equitable outcomes for rural communities and economies, then ways must be found to encourage and shape productive rural-urban interactions and connections. Collaborative regional strategies and institutions that bring together rural and urban interests can lead to state policy changes and local or regional programs and projects to address inequities. Rural-urban coalitions are imperative to break through political gridlock.

**Collaboration**

Collaboration is central to all the cases, the differences between them being a matter of strategy and scope and the way they are structured. Collaboration is seen as a way of building trust, gaining support, and accessing skills, capacity and capital.

- **Collaboration Strategies**: Craft3 is primarily a lending institution for which collaboration and partnership are essential given its geographical spread across two states and its active
engagement in social, economic, and environmental issues. Some examples of collaboration include:

- **Business Lending:** Craft3 has a longstanding relationship with the State of Washington. This largely began with a partnership between Craft3 and the State Department of Commerce to create a small business credit fund during the Great Recession. The fund was capitalized by $9 million from the federal pass-through State Small Business Credit initiative (SSBCI), $2 million from Craft3, which leveraged over $30 million from Wells Fargo and other banks. Total lending under this initiative was on the order of $30 to $40 million.

- **Energy Conservation:** Working with the Cities of Portland and Seattle, the Energy Trust of Oregon and other partners, and by using federal dollars from the American Recovery and Reinvestment Act, Craft3 developed a home energy upgrade loan that is repaid through the borrower’s utility bill. The product received additional support from the State of Washington several years after launch. To date, 4,000 families in Washington and Oregon have taken loans amounting to more than $50 million to reduce energy use and create local jobs.

- **Clean Water:** Craft3 has entered into a memorandum of understanding with nearly two dozen Washington counties to use State Department of Ecology funds to repair and replace septic systems to clean groundwater and waterways that impact shellfish harvest areas and public health. 1,500 loans have been made totaling $33 million, helping keep 1,400 families (40 percent low income) in their homes.

- **Indian Country:** Craft3 partnered with the Shoalwater Bay Tribe in southwest Washington to make one of the first-in-the-nation New Markets Tax Credit (NMTC) investments in Indian Country for a wellness center in an area remote from adequate medical care. Additional investments in the Shoalwater Bay Tribe included resources to establish a water testing facility and to secure land on which to build an emergency tsunami shelter for the local community. This series of investments are an example of Craft3’s approach to establishing long-term partnerships that result in “iterative” lending to maximize impacts over time.

- **Meta-Structures:** Local and regional organizations band together to create state-wide or even multi-state alliances to further policy, practice and learning objectives. Minnesota has an unusually well-developed set of state-wide organizations that tie together the different regional and local development organizations. Minnesota Rural Partners, created in the late 1980s as part of the USDA-led National Rural Development Partnership, was the original coordinating hub for rural development. When federal funding was cut in the early 2000s, the Regional Economic Development (RED) Group was formed in 2004 “to advocate for regional development and realign existing systems with the ultimate goal of increasing business and workforce growth in greater Minnesota.”23 The RED Group is active today. Its participants include the initiative foundations, the RDCs, the state Chamber of Commerce, the state colleges and university system, state Department of Employment and Economic Development (DEED) and other public, private and non-profit entities. In addition, the Initiative Foundations meet regularly as do the RDCs through their state association, the Minnesota Association of Development Organizations (MADO). The regional development entities often coordinate with the Coalition of Greater

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23 https://www.greaterminnesota.net/regional-economic-development-red-group/
Minnesota Cities (CGMC) which brings together city officials primarily for state advocacy and its sister organization, the Greater Minnesota Partnership, which advocates for economic development policies and resources that benefit rural Minnesota.

Sustainable Northwest has helped create several state-wide and regional structures such as the Oregon Forest Collaborative Network and the Washington Forest Collaborative Network, building from its 31 local Forest Collaboratives. These are intended to foster a community of practice for sharing among the collaboratives and for building support for collaborative forest work at the state level. Sustainable Northwest also coordinates the Region 6 Collaborative Forest Landscape Restoration Program (CFLRP) to restore ecosystem health and create jobs in forest restoration in five National Forests in Washington and Oregon. CFLRP brings together public and private land managers, conservation interests, and tribes to engage in ten-year projects that take a landscape scale approach to forest restoration. Sustainable Northwest connects participants from the five projects for learning, identifying core needs, challenges and successes in CFLRP planning and implementation, and sharing successful practices.

- **Soft Power:** Regional organizations, whether public or nonprofit, are generally created without formal powers of coercion and taxation. This applies even to well-established governance structures such as councils of government which have planning and coordinating powers but lack the real power to coerce compliance or independently drive implementation. Instead, they must rely on education, persuasion, cooperation, and advocacy to get things done. This can be described as the application of ‘soft power’.

  The Partnership for the San Joaquin Valley is an excellent example of soft power. Its strength is its ability to work with key groups to find common ground on important issues and move them forward. Even though it has no authority or statutory standing, it serves as a relevant voice that is both trusted and considerate of the varied interests in the Valley, including urban and rural stakeholders. While the Partnership lacks formal power, its structure, with 7 state agency heads sitting on its board of directors, gives it direct and unusual access to power. State legislators and members of the federal Congressional delegation regularly participate in Partnership board meetings, further strengthening the Partnership’s influence. The broad representativeness of the board and the work groups gives the Partnership legitimacy.

- **Converting Soft Power to Results:** Given its lacks regulatory, taxation or other formal power, what can a collaboration like the Partnership actually accomplish? We found several different forms of action that can be undertaken through soft power:

  - **Launch of New Programs or Initiatives:** The Partnership has launched or encouraged other stakeholders to implement new initiatives such as the San Joaquin Valley Clean Energy Organization, the San Joaquin Valley Regional Broadband Consortium, and the 8-county coordination of the workforce development system.
  
  - **Negotiating Compromises:** Action may take the form of a negotiated agreed-upon course of action for a politically difficult situation. The Partnership has served that function on contentious water quality and water supply issues, presenting policy recommendations to the state which had consensus support.
  
  - **Resources:** The Partnership has been able to influence the flow of resources into the Valley, such as state legislative or agency-level funding decisions for railway or highway funding.
• **Managing Culture:** All forms of collaboration depend on a culture of trust and cooperation. The national political environment has multiplied the challenges in maintaining a collaborative culture. It is not accidental that Sustainable Northwest, an organization founded amidst battles between logging and environmental interests, cites conflict resolution as one of its core skills. The culture of collaboration can be lost if false moves are taken. The Partnership for the San Joaquin Valley will side-step issues that are too contentious and instead will direct its energies on those issues where it can find common ground. However, by consistently being a safe place for discussion, it has cultivated an environment whereby issues that provoke conflict in other settings can be discussed constructively within the venue of the Partnership. There even seems to be a paradox whereby the Partnership’s lack of formal power gives space to more honest conversation and the building of common understanding.

• **From Planning to Implementation:** Many of the regional governmental structures, such as COGs have planning as their core business; however, planning and doing are not the same. SACOG’s RUCS program has prioritized the development of new regional agriculture infrastructure. However, RUCS has been frustrated that projects such as food hubs, which have emerged out of the consultations and outreach, and supported by the analytics and business planning tools, have yet to be implemented. RUCS needs an entrepreneurial investment partner, such as a community development financial institution (CDFI), to assemble project financing, but it seems that the CDFI infrastructure for economic development is under-developed in the Sacramento area.

**Equity**

In the stakeholder interviews, many suggested that inequities are an inevitable outcome of prevailing market forces and policies and can only be overcome and addressed through intentional design, policy, and practice. Some persons questioned whether regional approaches were relevant to societal goals such as equity (whether regional, racial, or economic opportunity) suggesting that regionalism is more appropriate for tackling such issues as infrastructure or economic development. The case study research revealed several strategies for intentionally achieving equity outcomes.

• **The Dimensions of Equity:** In the case study interviews, equity was most often interpreted as geographic equity – all parts of a region or state receiving their fair share. By virtue of their core values, some regional organizations have extended their understanding of equity to include racial, gender, income and wealth, health and other considerations. Some public entities are mandated to take equity into account in their planning processes. For example, as part of its Metropolitan Transportation Plan and Sustainable Communities Strategy, SACOG is required under Federal and state law to carry out an Environmental Justice analysis.

• **Voice:** In many different ways, organizations in this study have promoted equity by giving voice to persons or communities who otherwise could not effectively participate in decision-making. For example,
  - Land of Sky’s West NGN Initiative gives voice and participation to smaller communities that would not otherwise get the attention of the larger broadband providers.
  - RUCS gave voice to the agriculture/food processing industry and to the smaller communities in the SACOG region – the ones located in the 85% of the region’s landmass that had been previously labeled as “undifferentiated rural” in SACOG’s land use plans. SACOG has since institutionalized small-towns and communities as regular parts of their planning and documents.
o The California Partnership for the San Joaquin Valley is charged with soliciting input from low-income communities, and communities of color – the voices typically left out of the power structure.

o Sustainable Northwest’s forest collaboratives provide a venue for the full spectrum of local and regional interests to participate in forest planning, including the timber industry, homeowners’ associations, recreational groups (motorized and non-motorized), environmental organizations, watershed councils and economic development agencies. While it can be challenging to manage such diverse stakeholder involvement, the collaboratives represent a better alternative to using the courts to resolve disputes.

o Growth & Justice developed its Minnesota Equity Blueprint through a series of convenings and workshops held through the state. The specific policy recommendations collected from community members and organizations statewide between June 2018-December 2018 and prioritized at a December 2018 convening came from persons from each state senate district so that the group as a whole matched as closely as possible Minnesota’s projected race and ethnicity distributions for 2040.

- **Targeted Programs:** The organizations in this study also operate many programs targeted to specific demographic groups:

  o **Entrepreneurship:** Because of entry barriers into the labor market, small-scale entrepreneurship has long been a vital economic strategy for immigrant communities and people of color. Several organizations offer business development or financing serviced targeted to entrepreneurs of color including: the Initiative Foundation (Somali entrepreneurs in St Cloud, MN), Amarillo PATH (5 of 6 entrepreneurs in the pilot program are people of color); Craft3 (targeted lending to entrepreneurs of color in King County); Long Prairie (MN) County EDC and Long Prairie Chamber of Commerce (support for Latino entrepreneurs).

  o **Digital Divide:** The digital divide is geographic (the places where service is or is not available) and demographic (the households that have the income and wherewithal to subscribe to high-speed service). The Land of Sky West NGN initiative attempts to address both divides. In the San Joaquin Valley, a program initiated through the Partnership for the San Joaquin Valley trains parents (mostly low-income, Latino, or both) in digital literacy.

  o **Indian Country:** Several organizations have made special efforts to work with Native American communities. Craft3 has invested $18 million in Indian Country, with more large investments expected to close over the next year. It works with the five Native CDFIs in its region to build their capital base, expertise and lending processes. Sustainable Northwest has a tribal representative from the Umatilla Indian Reservation on its board and has worked with the Yakama Nation, a signatory member of the Tapash Sustainable Forest Collaborative along with The Nature Conservancy and the State of Washington. The Southwest Regional Development Commission in Minnesota assisted the Lower Sioux tribe with a business incubator.

- **Workforce and Welcoming Communities:** In Minnesota, the private sector often takes an important role in supporting diversity. The influx of people of color into Greater Minnesota has precipitated both resistance from residents who don’t want change and a counter-reaction from
those who wish to make their towns “Welcoming Communities.” Organizations like the RDCs and Initiative Foundations have been integrally involved in strengthening the capacity of rural communities’ ability to address symptoms of changing race, ethnicity and culture. Certain large employers have taken the lead instituting changes in their businesses to make them more accommodating and supportive of people from different ethnic and cultural backgrounds. Because of their need for a larger workforce, the business community is often heavily involved in the broader Welcoming Community efforts.

- **Role of Foundations:** Foundation and Federal funding requirements have often driven the adoption of diversity, equity, and inclusion strategies and actions. An important philanthropy in Oregon, the Meyer Memorial Trust, has been very active in requiring its grantees to pay attention to DEI in funding proposals and managing projects. Thus, Sustainable Northwest introduced DEI workshops to its forest collaborative networks. SACOG has an Equity Working Group that oversees some of its planning processes, supported in part by a grant from the California Endowment. In Minnesota, the more progressive foundations such as the Blandin Foundation have consciously moved regional development organizations towards equity. Blandin sees equity as a thread going through all of its work and also has a training program called “Leadership in Ethnically Diverse Communities” to increase the capacity of rural leaders to develop inclusive communities and reduce systemic racial and cultural barriers. It has funded innovative programs such as Region 5 Development Commission’s pioneering Welcoming Communities work. More generally, as a funder of so many development organizations in Greater Minnesota, it can communicate its perspective and help them learn cultural competence skills.

Based on case study interviews, our conclusion is that regional strategies will not yield equitable outcomes without intentionality. Leaving things to chance or to evolve is not in the interests of rural communities, poorer neighborhoods, or people of color. Conclusive quantitative evidence confirming causal relationships between regional collaborative strategies and equity outcomes are generally lacking. The evidence is anecdotal at this point and will need to be confirmed by data in the future.

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Regional Solutions for Rural and Urban Challenges

Principles and Recommendations for Effective Regional Collaboration

The overarching argument for regional collaboration is that many of the challenges facing communities and local governments are of a scale and complexity beyond the resources, capacity, and expertise of any single entity to tackle on its own. Only by working across jurisdictions, service territories, and sectors can there be possibilities for action and change. The premise for this project has been that urban and rural places are inherently interconnected and thus, collaboration that embraces both rural and urban interests is not only beneficial but essential for enhancing social and economic opportunity and health for all people and places within a region.

Rural-urban interactions are inherently complex and multi-layered; the literature review indicated this and case studies underscore the importance of this very basic observation. Another elemental finding: regional context matters; it influences the nature of rural-urban interactions as well as possible solutions to regional challenges. These two findings raise questions about the possible relevance and efficacy of universal, one-size-fits-all policy and practice responses. There, of course, echoes here of debates that have continued since the nation’s founding over the appropriate division of responsibilities and functions between the federal and state levels of government, and between those of state and local governments.

Nevertheless, there are several important principles that emerge from the case studies that can guide the creation and implementation of policies, strategies, and programs intended to advance regional collaboration so that these efforts are more likely to succeed. In our view, effective regional collaboration improves the social and economic conditions for all people and places within its region.

Principles for Effective Regional Collaboration

A deep understanding of context is an essential condition for effective regional collaboration and decision-making. This requires the presence of trusted institutions with deep roots and analytical capacity to marshal data and information on current conditions and trends.

The way regional collaboration plays out across the country is a function of the local and regional historical, geographic, social, and economic context. It is also determined by the policy and political environment that may promote or hinder regional collaboration.

There are many types of institutions that may be able to fill this role, and whichever steps up will be a function of leadership, institutional capacity, and acceptability within the region. It could be a council of governments or some similar form of regional development organization, a community development financial institution, a community foundation, a public-private partnership, a nonprofit agency, or institution of higher education.
The efficacy of a regional collaboration depends, in part, on local actors at the helm of the effort being able to capture all the many facets of regional identity and conditions. A regional collaboration that fails to recognize challenges that, for instance, may have historical origins in segregation, disinvestment, or resource exploitation, will neither attract the necessary support and credibility, nor be a robust basis for action. This is one more reason why trusted institutions with deep knowledge of the region must be involved for a regional collaboration to be effective.

Acknowledging the importance of context and the likelihood that no two regions will be alike in their approach and focus has policy implications. While top-down initiatives may be important to prompting, financing and holding accountable regional collaborations, overly prescriptive or uniform solutions at the state or federal level may hinder or even undermine regional efforts. More important than the exact structure or composition of a local collaboration is engaging the right actors and trusted institutions with an extensive and nuanced understanding of the region – past, present and future.

Making the case means addressing the “hidden in plain sight” problem: a lack of awareness of the contributions that rural economies and communities make to the overall regional economy. This means that such contributions are appropriately recognized and monetized so the true value of, for instance, stewarding natural resources, providing ecosystem services, and large-scale landscape management are no longer hidden to urban populations.

Proponents of this regional approach often say that regional collaboration and solution-seeking leads to opportunity and health, particularly for rural communities, low-income people, or people of color. Saying ‘everyone benefits’ does not make it so. Aspirations that embrace the notion that everyone benefits if urban and rural are thriving require must demonstrate how their specific collaboration will fairly consider, value, and benefit rural places, as well as low-income people and people of color.

Developing data and analytical platforms that can show the economic impact of different land use and resource allocation decisions is necessary to shine light on rural-urban interactions. They can also inform investment decisions by broadening what is considered in calculating rate of return.

Specific actions for consideration include:

- Assess and scale promising data, analytic and modeling tools; working with the American Planning Association, establish proven models as standard practice for regional land use planning and other planning bodies.
- Incorporate models for monetizing ecosystem services into community and economic development professional training.
- Working with the National Conference of State Legislatures, draft model legislation for monetization and trading markets.
- Support pilot projects to demonstrate and measure the benefits (such as job and wealth creation) from urban investment in rural ecosystem services.

Rural-urban interactions take many forms and their relative importance will differ from place to place. These may include supply chains, water quality and availability management, commuting patterns,
urbanization and encroachment of exurban development into wildlands, and rooted family connections. Recognizing, celebrating and leveraging these interactions helps to make the regional case.

**Improving social and economic opportunity and health for all people and all places within a region means addressing inequities of geography, race and ethnicity, gender, income, and class. This requires diverse collaboration partners and intentional efforts to engage in difficult conversations to reach equitable and lasting solutions to regional and community challenges.**

There are likely multiple regions in any given state; many of these regions will comprise a mix of urban and rural economies and communities. Across a region, just as in a state, there are always concerns about inequities of power and influence that lead to imbalanced allocations of attention and resources. These concerns over power, voice and belonging can be at the heart of rural-urban divide and other us-vs-them narratives.

Effective regional collaborations will bring to the table voices previously absent or ignored; doing this in a sustained and meaningful way will inevitably alter the power dynamics within a region. Thus, these regional approaches to problem solving will not come easy for people and communities who are not comfortable with change or perceived loss of power, but the reality is that communities and regions, both rural and urban, are undergoing rapid and fundamental demographic and economic changes. Consequently, they will likely need help from people and institutions one-step removed or more detached from the outcome than many of the key actors will be.

Facilitating conversations across regions and between communities and interests on contentious issues must extend beyond simply seeking public input through informational meetings and surveys to techniques that encourage active engagement in setting priorities and driving change. Difficult conversations as well as trusted venues for de-politicized conversations and solution seeking require collaborative partners with commitment to and expertise in resident engagement to ensure that representative and diverse voices and perspectives are heard. Regional philanthropy or regional development hubs may be uniquely positioned to serve as neutral conveners and facilitators of this kind of change management.

The work of regional organizations can be amplified by them coming together in associations and coalitions to facilitate shared learning of what works and what does not, create policy agendas, and form advocacy platforms for additional resources and/or legislative and regulatory changes.

**Affordable housing, childcare, healthcare, workforce development, transportation, air quality, and broadband are all interdependent and essential to creating and sustaining healthy economies and communities. Each topic is the focus of distinct systems and networks of policy advocates, service delivery agencies, funding sources, research specialists, and political constituencies. At a regional level, the aim must be to connect these systems and networks together into regional ecosystems.**

Once almost entirely separate disciplines, community development and economic development policies and practices are merging. At the local level, this means many economic development directors and chambers of commerce are working with community action agencies, affordable housing entities and
social service providers. While collaboration is an essential first step, to tackle the ‘wicked’ problems that communities are facing, regional partners need to move beyond the act of collaboration toward ecosystem building. The difference? Collaboration entails working across sectors and political boundaries towards common goals. Ecosystem building entails intentionally mapping the system(s) at work in a region, understanding the gaps in the system(s) and, through this process, determining what it will take to improve outcomes.

The first step in ecosystem mapping is for a lead organization to convene stakeholders (both professional and community) to map these systems and networks and their interactions. The purpose is to find out what every organization is doing and how, and to identify where there are gaps in markets, capacity, and institutions. From there it should be possible to identify resource opportunities and deficiencies, and to develop priorities for engagement and action.

One outcome of ecosystem mapping is identifying organizations and institutions that should comprise the regional collaborative. Public, private, philanthropic, nonprofit, educational, and community partners will be needed to articulate needs, develop action plans, attract resources, and ensure implementation. Together they will hold the promise of being agents for regional transformation and investment. They can guide both rural and communities and economies to address the impacts of regional economic and demographic change.

Creating and sustaining ecosystems of effective regional development organizations and foundations require substantial, flexible, and long-term public (federal and state) and philanthropic funding.

Regional collaboration is hard, slow, and expensive, but the potential rewards can be significant. Whatever the form of the lead regional organization, resource and capacity constraints inhibit their ability to achieve impact. Part of the problem is that organizations best positioned to do this work on the ground are rarely funded for collaboration, mapping systems and filling gaps in the regional ecosystem. Instead, funds typically go to specific, pre-defined programs and activities (water, housing, broadband) and there is limited investment in institution- and system-building activities. Transaction costs, both financial and personnel, associated with convening multiple organizations, engaging communities, and managing complex systems are high and difficult to fund, and especially so in low-wealth predominantly rural regions.

Flexible and long-term funding that adapts to regional needs and priorities is critical. In areas of persistent poverty, capacity constraints may be mitigated by organizing funder collaboratives dedicated to long-term investment and capacity building of rooted intermediaries. In addition, dollars for public, public-private, and nonprofit programs should be complemented by ‘collaboration’ incentives to encourage regional solution-seeking that crosses jurisdictions, service territories, and sectors.

**Recommendations for Effective Regional Collaboration**

Our research indicates these principles are essential to effective regional collaboration, that is, one which improves the social and economic conditions for all people and places within its region. As noted, regional collaborations vary greatly in form and because regional context matters greatly, any policy
designed to advance regional approaches must consider – even welcome and encourage – variation. The following recommendations provide a range of actors with guidance for how to support policymaking, practice and research that can advance effective regional collaboration.

**Federal Government**

Building on pilot initiatives such as Stronger Economies Together, POWER grants and the Interagency Manufacturing Communities Partnership, the Executive Branch should prompt agencies to identify ways to incentivize and support regional collaboration. Agencies should be challenged with devising a budget proposal that would align and advance existing and previous efforts to prompt regional collaboration in a way that is comprehensive, sustainable (not a one-off, unfunded initiative) and considers practitioner and community feedback about existing barriers to regional collaboration and what worked (and did not) about previous federal initiatives, including those mentioned above.

Congress and the USDA should work together to create and fund at least one program within USDA Rural Development dedicated specifically to building the capacity of rural and regional intermediaries, such as Rural Development Hubs that are well-suited to coordinate and convene across a rural region. Some funding of this nature exists at the U.S. Department of Housing & Urban Development (HUD) and other agencies, but Rural Development, the federal entity tasked with advancing rural places currently has almost no funding that can support the foundational work of building strong local institutions essential to ensuring subsequent investments in water, housing, and other infrastructure are smart, strategic, coordinated and aligned with long-term community and regional needs. This funding should be multi-year and focused on organizational development and benchmarks such as financial sustainability and organizational reach, rather than the project-specific funding that USDA Rural Development typically provides. Program design should include attention to how to ensure funds reach both Tribal Governments and civic sector entities working with and within Indian Country.

As recommended in the next section focused on regional development organizations and local government, there is much that can be done to better align federal programs with regional needs. For instance, in reauthorizing the U.S. Economic Development Administration (EDA), Congress should consider how to modernize the Community Economic Development Strategy (CEDS) plan and process with a greater emphasis on rural-urban interdependence and equity. Concurrently Congress should look to reorient EDA from the technical work of business attraction and export to the more comprehensive and long-term work of ecosystem building and regional wealth creation with an emphasis on improving individual and community outcomes.

HUD and the U.S. Department of Transportation (DOT) should review the requirements of Metropolitan Planning Organizations (MPOs) adding questions that prompt these entities and localities to consider rural-urban connections and regional equity in the short and long-run. Federal agencies through programs such as the Opportunity Project at the U.S. Census should prompt and partner with developers to build open-source platforms and predictive analytical tools that would assist states and localities in harnessing the data they have—or could collect—on land and natural resources to inform land-use decisions with a better understanding of the long-term implications and rural-urban connections.

**Regional Development Organizations and Local Governments**
Working across sectors and political boundaries is often complicated by a maze of federal requirements that vary from agency to agency, incentivizing (or disincentivizing) certain decisions and types of collaboration. Many of these requirements are dated and no longer reflect how organizations are working on the ground -- or could.

Working together, the National Association of Counties (NACo), National Association of Development Organizations (NADO), and the National Association of Regional Councils (NARC) should review current statutory and administrative requirements for relevant Federal planning processes to identify changes that would improve the ability of local governments and regional development organizations to:

- Enhance their analytical capabilities to map and analyze needs and opportunities
- Conduct planning processes that are inclusive (geographically, racially and ethnically, economically) and adopt accepted community engagement practices
- Prioritize investments that better align with the needs and interests of rural communities and economies, and facilitate positive interactions between rural and urban parts of their regions
- Focus on creating regional ecosystems in collaboration with a broad array of other public, private, philanthropic, nonprofit, and educational institutions with regional missions and agendas

At a minimum, the scope of the review should include: the U.S. Department of Commerce, Economic Development Administration’s Comprehensive Economic Development Strategies (CEDS); the U.S. Department of Transportation’s Regional Transportation Plans and Transportation Improvement Plans; U.S. Department of Housing & Urban Development’s Consolidated Plan. This review could be conducted in partnership with relevant federal agencies; the Interagency Partnership for Sustainable Communities could prove a useful model.

In addition to recommendations related to policy change, this review should consider what additional financial or other resources are needed for regional development organizations to more fully assume and deliver on their responsibilities for planning, coordination, analysis, and collaboration at the regional level. In conducting this review and assembling these recommendations, these organizations should consider how the needs of regions may vary. Thus, recommendations for both policy change and resources should be different for, for example, low capacity rural regional organizations in low-wealth, low-tax base areas.

Beyond this review of federal policy and resource needs, these national organizations should support statewide and multi-state efforts to create joint urban-rural policy agendas in community and economic development through information sharing, peer-to-peer convenings and creating venues where such policy agenda building can happen.

**State Governments**

Several of the case studies cite state action as an essential catalyst for regional collaboration. While local and regional entities must do the work, state action, be it an informal initiative or a statewide legislation, can provide the focus, energy, resources, and accountability needed for this kind of regional approach to take hold.
Given 50 states, each with its own history, and an interest in urban-rural connections and regional approaches that has waxed and waned over the years, there is no go-to source or documentation of what has been tried, what has worked to advance effective regional collaborations and why. This makes it hard for states to learn from one another and for policy makers to build on what has been done before.

To remedy this sizeable knowledge gap about state efforts to advance regional approaches, the National Governors Association Center for Best Practices, the National Conference of State Legislatures, and the National League of Cities (along with other academic and policy institutions with expertise in state policy) should review the history and lessons from regional solutions to rural and urban challenges, specifically:

- Intentional efforts, whether legislative or administrative, to encourage, support or advance regional collaboration across the state
- Statewide actions that have resulted in regional collaborations as a mechanism for meeting new regulatory requirements, realizing administrative savings, etc.
- If and how states have effectively provided financial operating support for planning, coordination, analysis, and collaboration by regional development organizations or other regional entities
- If and how states have provided venues for sharing best practices and ideas, training, and cross-sector collaboration at the regional level.

Governors can be particularly influential in pursuing and supporting regional collaboration. They, and their cabinet colleagues, can use the power of the bully pulpit to emphasize the mutual benefits and equity potential of enhanced urban-rural connections. This means talking about interdependence with consistency, especially in cities and suburban areas where there is often a lower level of awareness about rural places and cities’ dependence on their rural regions for water, energy, and food. Governors can also call on agencies that have a hand in creating and supporting dynamic, sustainable, inclusive communities with reviewing their own internal policies and programs to gauge whether they spur and support or inhibit collaboration between rural and urban areas and across political boundaries. For example, states might find that they prompt communities to compete against one another for certain pots of funding where it may be possible to incentivize collaboration via joint applications from multiple towns or a region.

States can invest in building data and analytical tools and systems that provide city planners, town managers, county commissioners and others involved in land use planning and decisions to more appropriately gauge the long-term value of not-developing land and natural resources such as water and forests. These platforms could be built and housed at state demographers’ offices or within public university systems or a state agency; what is most important is that the data and systems are user-friendly and designed to be accessible and available (at no or very low cost) to local planners and decision makers.

**Community Development Financial Institutions**

The case studies show that community development financial institutions (CDFIs) can play an important role in advancing rural and urban connections. This is because CDFIs, by design, work in places
underserved by standard financial institutions. Many CDFIs work across broad geographies, urban and rural, and serve as a de-facto convener or bridge across sectors.

Seemingly invisible, the rules governing financial institutions have a tremendous impact on money flows and thus, incentives or dis-incentives for investment in a region. For example, as currently written the Community Reinvestment Act only gives banks ‘credit’ for investing the areas where they have bank branches or deposit-accepting ATMs; this means an urban-centered bank may not be interested in a regional approach, as the bank won’t “get credit’ for investments in the surrounding rural region.

An update to the Community Reinvestment Act that is currently underway may address this problem, but there is more to do. The Opportunity Finance Network (OFN), the national association of community development financial institutions (CDFIs), together with other organizations focused on improving the financial system so that it works for everyone, along with the Federal Reserve Banks and the Office of the Comptroller of the Currency, should review of the Community Reinvestment Act and along with other key financial regulations with the intention of identifying changes that could:

• Stimulate increased bank investments in rural CDFIs and rural markets
• Provide incentives for CDFIs, banks, and other financial institutions to participate in regional collaborative efforts with public, private, philanthropic, nonprofit, and educational institutions, and to support efforts that strengthen rural-urban connections for regional benefit.

In conducting this review, OFN and other partner organizations should convene statewide meetings of CDFIs and other regional entities to assess what state legislatures and agencies can do to achieve a higher level of sustained investment in rural economies and communities.

**Philanthropy**

Regional philanthropic organizations have a vital role in sustaining regional collaborations. These entities can take risks and fund activities, such as peer-learning and organizational capacity building, essential to success and which public funding rarely supports.

Despite their importance and the potential to realize significant impact across a region, regional philanthropic organizations are often wary of regional collaborations; this may be, in part, because there are hidden barriers to regional investment. The Council on Foundations and the National Standards for U.S. Community Foundations, together with other interested parties, should review current regulations and practices to determine what, if any, change in policy or practice are needed to enable and incent community and regional foundations to support, engage with, and take leadership roles in building effective regional collaboratives and strengthening regional ecosystems.

Philanthropic entities with a commitment to regional and rural development, should consider:

• Making three- to five-year investment commitments in selected regions to support the creation and expansion of regional ecosystems that embrace both rural and urban interests and enhance social and economic opportunity and health for all people and places within a region.
• Investing in the development and leadership capacity of the people who will be change agents in a region over the long-term. These investments should identify and lift-up promising local leaders, create reliable and sustaining financial resources for those change agents, and connect them so that they can learn from and support each other. Such long-term investments in regional leadership capacity are essential given the long-term nature of regional solutions.

• Convening public and private sector experts focused on rural and regional development to consider effective models and identify needed legislative or administrative changes that better leverage public sector investments with philanthropic dollars.

Research Entities
Created in 1860, the Land Grant University and Cooperative Research and Extension Systems were first tasked with ensuring rural people and places had education, tools and resources they needed to succeed, despite their distance from urban centers. Given seismic and continual economic and societal shifts, there is an acute need for more and ongoing research on the conditions that improve social and economic outcomes through regional collaboration and solution seeking. However, currently there is not a clear, shared nor funded research agenda that aligns with these aims.

The U.S. Department of Agriculture, together with U.S. Department of Housing & Urban Development (HUD) and the U.S. Department of Commerce’s Economic Development Administration, should develop a program of academic research and extension engagement that will continually and systematically advance the base of knowledge about what works to improve social and economic outcomes through regional collaboration and solution seeking. This agenda should be developed in consultation with subject matter experts in universities, the Community Development section of the Federal Reserve System and various Federal Reserve Banks, rural-focused organizations and philanthropies with significant research capacity, and rural practitioners.

Such a program may tap a diverse array of federal research entities such as the USDA’s National Institute of Food and Agriculture, Rural Development or the Economic Research Service, the HUD Office of Policy Development and Research, and EDA’s Research and Evaluation Program within the Department of Commerce.

Specific areas of research might include:
• Practical methods for identifying and valuing the contributions that rural economies and communities make to regional prosperity and well-being
• Analysis of public, private and philanthropic capital flows into regions and the impacts of different types of investment
• Creation of effective platforms to make the data accessible to regional decision makers
• Analysis of state budgets and legislation with an eye toward rural-urban balance
• Analysis of the rural and regional implications of national policy to better understand how existing programs, polices, funding formulas, etc. affect different geographies
• Application of effective active community engagement strategies at the regional scale
• Approaches and methods for strengthening and creating cross-functional regional ecosystems
• Methods for integrating intentional equity policies and practices into regional policymaking and resource allocation
• Methods of facilitating regional rural-to-rural collaboration and solution-seeking in remote regions
• Tracking what works in international development and what other developed countries are doing to advance regional solutions and bringing key learnings to the United States

Regional Solutions to Rural-Urban Challenges was a project of LOCUS Impact Investing, guided by a project team of experienced economic development practitioners, researchers and policy makers. This work was funded through a grant from the Robert Wood Johnson Foundation, whose support is gratefully acknowledged. For more on the project, go to WEBPAGE LINK.
ABSTRACT

The webinar presents the findings of a recent study in the United States, *Regional Solutions for Rural and Urban Challenges*. The study’s first objective is to identify and curate examples of policy and practice that demonstrate boundary-crossing, multi-sector solutions to regional challenges. These must advance opportunity, health, and well-being in a region without leaving behind rural areas and low-income people and people of color. The second objective is to use the learning and insights from these examples to inform and inspire action among local, state, and national leadership in the public, private, and philanthropic sectors, by showing how, and under what conditions, regional solutions can be effective and to articulate policy, research, and practice agenda that can be supportive. The webinar will focus on the main findings and lessons for policy, practice, and research.

PANELISTS

Brian Dabson is Research Fellow, School of Government, University of North Carolina-Chapel Hill, Senior Research Fellow, Urban Institute, University of North Carolina-Charlotte, and Advisor, LOCUS Impact Investing. His interests now focus on regional and rural development.

Before moving to North Carolina, he was Associate Dean, Research Professor, and Director of the Institute of Public Policy at the University of Missouri’s Harry S. Truman School of Public Affairs. Previous positions include President of the Rural Policy Research Institute and President of CFED (now Prosperity Now).

He served as president of the Consortium of University Public Service Organizations, board chair of the Center for Rural Entrepreneurship, member of the Federal Reserve Bank of St. Louis Community Development Advisory Council, member of the national steering committee of the National Rural Assembly, and president of the Social Innovations Forum at the Organization for Economic Cooperation & Development (OECD).
Regional Solutions for Rural and Urban Challenges
RPLC/CAPR Webinar

Rural Policy Learning Commons/Communauté D’Apprentissage Des Politiques Rurales
December 17, 2019
Hypothesis

• Regional collaboration and solution-seeking can be an effective way of improving social and economic opportunity and health for all people and all places within a region.
Objectives

• Identify and curate examples of policy and practice that:
  • Demonstrate boundary-crossing, multi-sector solutions to regional challenges
  • Intentionally advance equity of opportunity, health, and well-being in a region
• Use learning and insights to inform policy, practice, and research
Process

- **Literature Review**
  - Academic & Gray

- **Expert Interviews**
  - 50

- **Potential Sites & Due Diligence**
  - 65 > 35 > 14

- **Communication**

- **Synthesis**

- **Site Visits**
  - 7
Selection Criteria

Threshold Criteria
- Rural-Urban Linkage?
- Equity?
- Collaboration?
- Multi-Sector?

Diversity Criteria
- Geography
- Collaboration Structure
- Issue Areas
- Impacted Populations
1. Craft 3 (WA & OR)
2. Sustainable Northwest (WA & OR)
3. Sacramento Area Council of Governments (CA)
4. Partnership for San Joaquin Valley (CA)
5. Amarillo Area Foundation (TX)
6. Initiative Foundations, Growth & Justice (MN)
7. Land of Sky Council of Governments (NC)
## Case Studies

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<td>WA &amp; OR</td>
<td>CDFI</td>
<td>Multiple urban, rural, and tribal locations across two states.</td>
<td>Balanced rural-urban loan portfolio, 8 subregional offices, mixed place-based and sector-based, equity and tribal initiatives, triple bottom line</td>
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<td>2 Sustainable Northwest</td>
<td>WA &amp; OR</td>
<td>Nonprofit</td>
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<td>Conflict resolution, technical assistance, advocacy: economy &amp; environment; sustainable forestry and value chains; collaboratives</td>
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<td>Rural-Urban Connections Strategy (RUCS) – rural outreach/policy strategy and GIS/analytical tools – rural integration into metro planning</td>
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<td>CA</td>
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<td>8 counties in central California</td>
<td>Governor-initiated, broad-based state and local partnerships across multiple sectors and issues, intentional equity focus</td>
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<td>TX</td>
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<td>Statewide system</td>
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<td>NC</td>
<td>COG, partnership</td>
<td>4 counties in western North Carolina around Asheville</td>
<td>West Next Generation Network, a public-private-university initiative to bring broadband to rural mountainous counties</td>
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Insights

• Nature of rural-urban connections
• Policy and political context
• Equity
• Collaboration
• Regional innovation
Nature of Rural-Urban Connections

• Take many forms
  • Supply chains, ecosystem services, provision of materials/natural resources, commuting patterns, urban expansion, collective identities

• Support for econometric models that show
  • Benefits of rural-urban interactions favor urban centers

• Rural contributions ‘hidden in plain sight’
  • Unrecognized, undervalued, unmonetized

• Rural-urban compact, once strong now frayed
  • Rural-urban divide, zero-sum arguments
  • Way forward – everyone benefits if both urban and rural are doing well: balanced investments
Policy and Political Context

• Power Disparities
  • Are real…but can be addressed by consolidating voices to combat regional power differences and by focusing on regional issues that are common to rural and urban and require statewide action

• Political and Cultural Divides
  • Polarization everywhere makes regional collaboration harder…but “checking partisanship at the door” has been an effective strategy in some regions to address political and cultural divides
Policy and Political Context contd.

• Investment Flows
  • “Hostage-taking” has replaced “horse-trading” which makes negotiations over resource allocation more difficult. Highlighting the contribution of rural economies to the overall economy can lead to shifts in public investments

• Institution Building
  • Concerted efforts through public and philanthropic policy and investment in some states have created an environment for building and sustaining regional institutions and capacity
  • But policies and regulations can also inhibit collaboration and actions
Equity

• Regional context matters in the way equity is defined. Can be geographic, income, gender, class as well as race.

• Diversity-Equity-Inclusion (DEI) requirements by federal agencies and foundations drive a new focus on equity

• Intentionally targeted programs can overcome specific inequities such as access to business capital and assistance and digital divide, as well as for specific communities such as Indian Country

• Demographic changes necessitate capacity building for welcoming new immigrants and assisting process of community acceptance and integration

• Equity promoted by giving voice to groups and communities who could not otherwise participate in decision-making
Collaboration

• Different Degrees of Formality
  • Highly evolved statewide and multi-state alliances,
  • Incented and encouraged by funders,
  • Built-in to the institutional design, or
  • Informal

• Role of Soft Power
  • Regional organizations rarely have coercion or taxation powers; must rely on education, persuasion, cooperation, advocacy to get things done
  • Lack of resources and capacity creates challenges for implementation, but evidence of the launch of new initiatives and organizations, negotiation of agreements on contentious issues, influencing flows of resources into and across the region
Regional Innovation

• Regional Ecosystems
  • Developing institutions and systems that work collaboratively and consistently to coordinate and pool resources and expertise on multiple issues across a region.

• Agents for Transformation and Reinvention
  • Helping regions and communities tackle major economic and structural changes – agriculture, natural resources, urban development, new economic opportunities, new populations
Regional Innovation *contd.*

- Integration of Community and Economic Development
  - Working on multiple, inter-related issues – housing, childcare, healthcare, workforce preparation, transportation, air and water quality...

- Rural Economic Centers
  - Focusing investments in stronger, assets-focused communities as place-based efforts to stabilize rural regions.
Principles

• A deep **understanding of context** is an essential condition for effective regional collaboration and decision-making. Requires trusted institutions with deep roots and analytical capacity.

• **Making the case** means addressing the “hidden in plain sight” problem: a lack of awareness of the contributions that rural economies and communities make to the overall regional economy.

• Facilitating conversations across regions and between communities and interests builds the foundation for regional collaboration. Must extend beyond seeking public input to active engagement in setting priorities and driving change.
Principles *contd.*

- **Mapping regional ecosystems** – affordable housing, childcare, healthcare, workforce development, transportation, air quality, and broadband are all interdependent and essential to creating and sustaining healthy economies and communities.

- Each topic is the focus of distinct systems and networks of policy advocates, service delivery agencies, funding sources, research specialists, and political constituencies. At a regional level, the aim must be to connect these systems and networks together into regional ecosystems.
• **Mobilizing resources** – multi-year public (federal and state) and philanthropic funding for creating and sustaining an infrastructure of regional development organizations and regional foundations -- regional ecosystems.

• **Amplifying Voice** Adopting strong regional structures and systems provides venues for communities and interests to be at the table when priorities are being set and decisions made.

• Improving social and economic opportunity and health for *all* people and *all* places within a region requires intentionality in striving for equity in terms of geography, race and ethnicity, gender, income, and class as an integral part of regional solution-seeking.
## Recommendations for...

| Regional Development Organizations | • Change federal funding requirements to enable RDOs better serve needs and interests of rural communities, facilitate inclusive planning processes, and enhance technical capacities |
| State Governments | • Review best practices to support regional solutions, including devolution of functions to regional development organizations, funding support for planning, collaboration, and providing venues for sharing ideas, cross-sector collaboration |
| Community Development Financial Institutions | • Review legislation and regulation to stimulate bank investment in rural; CDFIs and rural markets, provide incentives for CDFIs, banks to join collaborative efforts with public, private, philanthropic, nonprofit, educational institutions to strengthen rural-urban connections. |
| Philanthropy | • Review regulatory context for community and regional foundations to encourage them to take leadership roles in regional collaboratives and ecosystems; invite philanthropy to make 3-5-year commitments to support/expand regional ecosystems that enhance social and economic opportunity and health for all. |
| Higher Education | • Develop a program of academic research and extension engagement on valuing rural contributions, regional-scale engagement strategies, strengthening cross-functional ecosystems, integrating intentional equity into regional policymaking and resource allocations |
Brian Dabson

dabson@sog.unc.edu

(573) 673-1949
Regional Solutions for Rural and Urban Challenges
Delta Conversation

Venue: Federal Reserve Bank of St. Louis, Memphis Branch, Memphis, TN

Date: December 3, 2019

Participants:
- Daniel Davis, Assistant Vice President and Community Affairs Officer, Federal Reserve Bank of St. Louis (Memphis, TN)
- Meredith Covington, Community Development Manager, Federal Reserve Bank of St. Louis (St. Louis, MO)
- Martha Claire Drysdale, Community Development Director, Foundation for the Mid South (Jackson, MS)
- Leonette Henderson, Director of Development & Partnerships, Higher Purpose Co (Clarksdale, MS)
- Laura Martin, Associate Director, McLean Institute for Public Service and Community Engagement, University of Mississippi (Oxford, MS)
- Karama Neal, President, Southern Bancorp Community Partners (Little Rock, AR)
- Tom Pittman, President & CEO, Community Foundation of Northwest Mississippi (Hernando, MS)
- Ines Polonius, CEO, Communities Unlimited (Fayetteville, AR)
- Cynthia Terry, Director of Entrepreneurship, Communities Unlimited (Memphis, TN)

- Brian Dabson, Research Fellow, School of Government, University of North Carolina-Chapel Hill (Durham, NC)
- Travis Green, Vice President & Solutions Consultant, LOCUS Impact Investing (Washington DC)
- Tim Lampkin, CEO, Higher Purpose Co (Clarksdale, MS)
- Deborah Markley, Senior Vice President, LOCUS Impact Investing (Chapel Hill, NC)
- Alan Okagaki, Consultant (Missoula, MT)

Rationale
The process for selecting case study sites for the Regional Solutions project resulted in no representation from the Delta. The region’s complex and deep-seated challenges of race and disinvestment provide an important test for the relevance of the project’s findings. The meeting was convened by the Federal Reserve Bank of St. Louis whose service territory extends over seven states, including Arkansas, Mississippi, Missouri, and Tennessee in the Delta. Invited to the meeting were representatives from organizations in the Delta who have a stake in the future of the region and who could make a substantive contribution to a discussion about the relevance of regional collaboration and solution-seeking.
Structure
Following introduction, the project team gave a PowerPoint presentation on the purpose, approach, and key insights from the case study research in seven locations across the United States. There followed an extensive discussion about possible points of resonance and dissonance with the participants’ experience in the Delta.

Themes
While there was much that did ring true to participants, they highlighted some important conditions in the Delta (and perhaps in other rural regions characterized by persistent poverty, low population density and dispersed communities) that make regional solutions much harder. They also affirmed that no significant and important regional collaboration had been missed. Some of the themes are:

1. Low population density and distance between communities makes regional action more difficult. It is just harder to make the connections and to see how regional action can lift all boats.
2. It is challenging for community and organizational leaders in areas of persistent poverty to embrace a “we all do better if we all do better” philosophy. There is a “just getting by” reality that makes regional collaboration difficult and at a cost that is too high to bear.
3. In places like the Delta, it is hard for good ideas to get to scale because of the limited and episodic philanthropic investment in capacity building. There is a stark contrast between the long-term investment evidenced in Minnesota and the shorter term, “in and out” investment that has been the norm in the Delta. Similarly, regionalism and regional collaboration take resources which are limited in the Delta.
4. There are few truly urban places in the Delta. This raises a question about whether there are lessons from the project that might speak to connecting rural communities to each other in ways that benefit all people and places.
5. The same idea of “rooted in rural” that resonated in Minnesota applies to the Delta. People in urban places still feel connected to the places in the Delta where their kin are from. This is a hook that could be used to advantage regional solutions.
6. Systemic racism is an underlying issue in the Delta that impacts the way urban thinks about rural (“don’t want any more rural black folks coming to Memphis”). But income disparities and class represent other important components of equity in the Delta.
7. The unique multi-state nature of the Delta also creates challenges for regionalism. State lines make a difference and are effectively impeding regional solutions (with the possible except of the federally mandated workforce effort referenced by Foundation for the Mid-South).
8. Growth in Latinx population seems to be an urban to rural phenomenon – Latinx people moving from urban to rural areas because they feel safer in rural places where it is easier to know who to stay away from. This provides an interesting connection in terms of federal policy influencing rural-urban dynamics.
9. There are few if any coordinated political alliances designed to elevate the rural voice in the Delta. The perception is that the Delta Regional Authority is not playing this role (as compared to the Appalachian Regional Commission in Appalachia).
10. Care is needed in assuming that political power always favors urban over rural. In Arkansas, there is political power in rural. The real issue is in whose hands that power resides and whether it is used to serve all people and all places.
Regional Solutions to Rural-Urban Challenges was a project of LOCUS Impact Investing, guided by a project team of experienced economic development practitioners, researchers and policy makers. This work was funded through a grant from the Robert Wood Johnson Foundation, whose support is gratefully acknowledged. For more on the project, go to WEBPAGE LINK.
Regional Solutions for Rural and Urban Challenges
A Delta Conversation

Federal Reserve Bank of St. Louis, Memphis, TN December 3, 2019
Hypothesis

• Regional collaboration and solution-seeking can be an effective way of improving social and economic opportunity and health for *all* people and *all* places within a region.
Objectives

• Identify and curate examples of policy and practice that demonstrate boundary-crossing, multi-sector solutions to regional challenges

• Intentionally advance equity of opportunity, health, and well-being in a region

• Use learning and insights to inform policy, practice, and research
Team

Brian Dabson
UNC Chapel Hill

Deb Markley
LOCUS Impact Investing

Alan Okagaki
Consultant

Travis Green
LOCUS Impact Investing

Chris Danis
UNC Charlotte

Katharine Ferguson
Aspen Institute

Tim Lampkin
Higher Purpose Co.

Katrina Badger
Robert Wood Johnson Foundation
Process

- Literature Review
  - Academic & Gray

- Expert Interviews
  - 50

- Potential Sites & Due Diligence
  - 65 > 35 > 14

- Communication
- Synthesis
- Site Visits
  - 7
Selection Criteria

Threshold Criteria
- Rural-Urban Linkage?
- Equity?
- Collaboration?
- Multi-Sector?

Diversity Criteria
- Geography
- Collaboration Structure
- Issue Areas
- Impacted Populations
Sites

1. Craft 3 (WA & OR)
2. Sustainable Northwest (WA & OR)
3. Sacramento Area Council of Governments (CA)
4. Partnership for San Joaquin Valley (CA)
5. Amarillo Area Foundation (TX)
6. Initiative Foundations, Growth & Justice (MN)
7. Land of Sky Council of Governments (NC)
<table>
<thead>
<tr>
<th>Case Studies</th>
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<tr>
<td><strong>1.</strong> <strong>Craft3</strong></td>
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<td><strong>2.</strong> <strong>Sustainable Northwest</strong></td>
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<td><strong>5.</strong> <strong>Amarillo Area Foundation</strong></td>
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<tr>
<td><strong>6.</strong> <strong>Minnesota</strong></td>
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<tr>
<td><strong>7.</strong> <strong>Land of Sky COG/WestNGN</strong></td>
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Insights

• Nature of rural-urban connections
• Policy and political context
• Equity
• Collaboration
• Regional innovation
Nature of Rural-Urban Connections

• Take many forms
  • Supply chains, ecosystem services, provision of materials/natural resources, commuting patterns, urban expansion, collective identities

• Econometric models emphasize
  • Benefits of rural-urban interactions favor urban centers

• Rural contributions ‘hidden in plain sight’
  • Unrecognized, undervalued, unmonetized

• Rural-urban compact, once strong now frayed
  • Rural-urban divide, zero-sum arguments
  • Way forward – everyone benefits if both urban and rural are doing well: balanced investments
Policy and Political Context

- **Power Disparities**
  - Can be addressed by consolidating voices to combat regional power differences and by focusing on regional issues that are common to rural and urban and require statewide action

- **Political and Cultural Divides**
  - “Checking partisanship at the door” has been an effective strategy in some regions to address political and cultural divides, but polarization everywhere makes regional collaboration harder
Policy and Political Context contd.

• Investment Flows
  • “Hostage-taking” has replaced “horse-trading” which makes negotiations over resource allocation more difficult. Highlighting the contribution of rural economies to the overall economy can lead to shifts in public investments

• Institution Building
  • Concerted efforts through public and philanthropic policy and investment in some states have created an environment for building and sustaining regional institutions and capacity
  • But policies and regulations can also inhibit collaboration and actions
Equity

• Regional context matters in the way equity is defined. Can be geographic, income, gender, class, as well as race.

• DEI requirements by federal agencies and foundations drive a new focus on equity.

• Intentionally targeted programs can overcome specific inequities such as access to business capital and assistance and digital divide, as well as for specific communities such as Indian Country.

• Demographic changes necessitate capacity building for welcoming new immigrants and assisting process of community acceptance and integration.

• Equity promoted by giving voice to groups and communities who could not otherwise participate in decision-making.
Collaboration

- Different Degrees of Formality
  - Some highly evolved statewide and multi-state alliances
  - Some incented and encouraged by funders
  - Some built-in to the institutional design
  - Some informal

- Role of Soft Power
  - Regional organizations rarely have coercion or taxation powers; must rely on education, persuasion, cooperation, advocacy to get things done
  - Lack of resources and capacity creates challenges for implementation, but evidence of the launch of new initiatives and organizations, negotiation of agreements on contentious issues, influencing flows of resources into and across the region
Regional Innovation

• Regional Ecosystems
  • Developing institutions and systems that work collaboratively and consistently to coordinate and pool resources and expertise on multiple issues across a region.
    • Rural Development Hubs
      • Regional intermediaries that meet a range of criteria identified by Aspen Institute’s Community Strategies Group.

• Agents for Transformation and Reinvention
  • Helping regions and communities tackle major economic and structural changes – agriculture, natural resources, urban development, new economic opportunities, new populations
Regional Innovation *contd.*

- Integration of Community and Economic Development
  - Working on multiple, inter-related issues – housing, childcare, healthcare, workforce preparation, transportation, air and water quality...
  - These are the social determinants of health
- Rural Economic Centers
  - Focusing investments in stronger, assets-focused communities as place-based efforts to stabilize rural regions.
Next Steps

• Complete synthesis of learnings from case studies, interviews, and literature review
• Develop recommendations for policy, practice, and research
• Create a website to present all the materials, learnings, and recommendations
• Develop and implement a communications plan – presentations, webinars, blogs, articles
Points of Resonance and Dissonance

• Which of these findings resonate with your experience in the Delta?
• Which of these findings do not align with your experience in the Delta?
• What nuances or regional differences are missing?