



## Regional Solutions for Rural and Urban Challenges

### Principles and Recommendations for Effective Regional Collaboration

#### Principles

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; this is clear from the literature review and the case studies underscore the importance of this 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, and thus improve social and economic conditions for all people and places in a region, so that these efforts are more likely to succeed.

#### **1. Building and sustaining trusted regionally-focused institutions with deep roots, contextual understanding, and strong analytical capacity.**

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 are essential for effective regional collaboration.



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.

**2. Recognizing that everyone, urban and rural alike, contributes to regional well-being.**

Proponents of a regional approach may argue that regional collaboration and solution-seeking leads to opportunity and health, particularly for rural communities, low-income people, or people of color. But saying ‘everyone benefits’ does not make it so. Aspirations that embrace the notion that everyone benefits if urban *and* rural are thriving 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.

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.

**3. Addressing Inequities of geography, race and ethnicity, gender, income, and class in order to improve social and economic opportunity and health for all people and places.**

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.

#### **4. Connecting the many elements that create and sustain healthy economies and communities 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.

#### **5. Investing for the long-term.**

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

These principles provide the foundation for effective regional collaboration 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 are intended to show how local, state, and federal governments, together with private, nonprofit, philanthropic, and academic engagement can support policymaking, practice and research to advance effective regional collaboration.

### Regional Development Organizations and Local Governments

Through their national organizations – the National Association of Counties (NACo), the National Association of Development Organizations (NADO), and the National Association of Regional Councils (NARC) – regional development organizations and local governments should, with the intention of making specific recommendations to Congress and state legislatures, instigate a two-pronged review of:

1. 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, 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.

2. The need for additional financial or other resources for regional development organizations to fully assume and deliver on their responsibilities for planning, coordination, analysis, and collaboration at the regional level. The review should consider how the needs of regions may vary. Thus, recommendations for both policy change and resources can be expected to 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**

The National Governors Association Center for Best Practices, the National Conference of State Legislatures, and the National League of Cities should, with the intention of making specific recommendations to Congress and state legislatures, 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.
- Can call on agencies that have a hand in creating and supporting dynamic, sustainable, inclusive communities to review 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.



## Federal Government

Informed by recommendations emerging from above reviews at the local and state government levels, federal agencies should take the initiative on the following:

1. Build upon programs such as Stronger Economies Together<sup>1</sup>, the POWER Initiative<sup>2</sup> and the Investing in Manufacturing Communities Partnership<sup>3</sup> to prompt agencies to create incentives and support for collaboration across jurisdictions and sectors. The aim should be to realign existing programs that promote regional collaboration in ways that are comprehensive, sustainable, and consider practitioner and community feedback on barriers to collaboration and on what worked and did not in previous federal initiatives.
2. Create a program within US Department of Agriculture Rural Development dedicated to expanding the capacity of rural and regional intermediaries (including rural development hubs). This should provide funding for building strong local institutions essential to ensuring that investments in water, housing, and other infrastructure are smart, strategic, coordinated, and aligned with long-term community and regional needs. This should be multi-year and focused on organizational development, financial sustainability, and organizational reach, rather than specific project outcomes.
3. Review and reorient the US Economic Development Administration's Comprehensive Economic Development Strategy (CEDS)<sup>4</sup> program, coupled with enhanced funding for planning grants to economic development districts and Tribes. The aim should be both to enhance the capacity of regional development intermediaries and to provide the framework for effective regional collaboration based on principles outlined above.

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<sup>1</sup> **Stronger Economies Together (SET)** enables communities and counties in rural America to work together in developing and implementing an economic development blueprint for their multi-county region that strategically builds on the current and emerging economic strengths of that region. Launched in 2010 by USDA Rural Development and the four Regional Rural Development Centers and their land-grant university partners, this initiative is now in place in more than 94 regions in 32 states.

<sup>2</sup> **The POWER Initiative** – Partnerships for Opportunity and Workforce and Economic Revitalization – is a Congressionally-funded initiative through the Appalachian Regional Commission to help communities and regions affected by job losses in coal mining, coal power plant operations and coal-related supply chain industries due to the changing economic of America's energy production. Projects are intended to be regional, strategic, and transformational in their approach to the economic revitalization of coal-impacted communities.

<sup>3</sup> **Investing in Manufacturing Communities Partnership** encourages communities to develop comprehensive economic development strategies that will strengthen their competitive edge for attracting global manufacturer and supply chain investments. Through IMCP, federal aid is coordinated to support communities' strong development plans and synchronize grant programs across multiple departments and agencies.

<sup>4</sup> **Comprehensive Economic Development Strategy (CEDS)** aims to promote effective economic development in America's communities and regions through a locally-based, regionally-driven economic development planning process. It serves to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional collaboration. CEDS provides a vehicle for individuals, organizations, local governments, institutes of learning, and private industry to engage in a meaningful conversation and debate about what capacity building efforts would best serve economic development in their region.



4. Review and expand the requirements for Metropolitan Planning Organizations (MPOs) to encourage them to integrate rural-urban connections and regional equity considerations into their planning and programming. The US Department of Transportation and other relevant agencies should promote the development and adoption of predictive analytical tools to harness data on land use, natural resources, sustainability, value chains and economic linkages to inform land-use decisions and to better understand the importance of rural-urban connections.

### **Financial Institutions**

The Opportunity Finance Network (OFN), the national association of community development financial institutions (CDFIs), together with the Federal Reserve Banks and the Office of the Comptroller of the Currency, should review the Community Reinvestment Act along with other key financial regulations to identify 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**

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, changes 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**



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:

1. Practical methods for identifying and valuing the contributions that rural economies and communities make to regional prosperity and well-being.
2. Analysis of public, private and philanthropic capital flows into regions and the impacts of different types of investment.
3. Creation of effective platforms to make the data accessible to regional decision makers.
4. Analysis of state budgets and legislation with an eye toward rural-urban balance.
5. Analysis of the rural and regional implications of national policy to better understand how existing programs, polices, funding formulas, etc. affect different geographies.
6. Application of effective community engagement strategies at the regional scale.
7. Approaches and methods for strengthening and creating cross-functional regional ecosystems.
8. Methods for integrating intentional equity policies and practices into regional policymaking and resource allocation.
9. Methods of facilitating regional rural-to-rural collaboration and solution-seeking in remote regions.
10. 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.





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