Equitable Growth in Hampton Roads

CONTENTS

INTRODUCTION	3
EXECUTIVE SUMMARY	4
KEY TAKEAWAYS	4
SUMMARIZED RECOMMENDATIONS	5
SECTION I: PROBLEM DEFINITION	9
OVERVIEW	9
GROWTH CHALLENGES	9
Military Dependence & Non-Diversification	9
Consequences	11
EQUITY CHALLENGES	12
Education & Workforce	12
Income & Wealth Inequities	13
Housing Inequities	14
Implications for Growth	15
ENVIRONMENTAL CHALLENGES	17
Environmental Risks	17
Economic & Human Impacts	17
Implications for Growth	19
SECTION II: PROMISING PRACTICES	21
UNDERSTANDING EQUITABLE GROWTH & DEVELOPMENT	21
The Goal: Inclusive & Equitable Growth	21
The Practices: Equitable Development, Economic Development, & Community Wealth	22
DRIVERS & STRATEGIES FOR EQUITABLE GROWTH	23
1. Preparedness	23
2. Core Drivers	27
3. Force Multipliers	32
SECTION III: GAPS & RECOMMENDATIONS	40
GAPS ANALYSIS	40
RECOMMENDATIONS: PREPAREDNESS	43
Priority 1: Prepare the region to advance equitable growth	43
Priority 2: Develop and operationalize a regionwide strategy for fostering equitable growth	45
Priority 3: Forge intra- and inter-regional partnerships to advance equitable growth	47

RECOMMENDATIONS: EXPLORE FURTHER	48
Priority 4: Target strategies to increase access to resources, ownership, and economic resilience among the region's Black population	49
Priority 5: Invest in strategies that advance equitable workforce development from cradle, to grade school, to post-graduation	
Priority 6: Explore strategies that can become force multipliers for equitable growth	53
SECTION IV: CONCLUSION	55
LIMITATIONS & FUTURE RESEARCH	55
IMPLICATIONS & PATH FORWARD	56
ACKNOWLEDGEMENTS	57
REFERENCES	58
APPENDICES	64
APPENDIX A: Hampton Roads Racial Disparities Dashboard	64
Table 8. Educational and Economic Disparities	
Table 9. Business Ownership Disparities	64
APPENDIX B: Comparison of Hampton Roads and Peer Southern Regions	65
Chart 1. Comparison of Population Growth (2010-2020)	65
Chart 2. Comparison of Job Growth (2009-2019)	65
Chart 3. Comparison of GMP Growth (2009-2019)	66
APPENDIX C: Brookings Metro Monitor for Hampton Roads	67
Table 10. Hampton Roads' Rankings for Brookings Metro Monitor (2021)	67
APPENDIX D: Regional Growth Organization Representation	68
Table 11. Reinvent Hampton Roads Representation	68
Table 12. Hampton Roads Alliance Representation	69
Table 13. RVA-757 Connects Representation	70

INTRODUCTION

This report emerged from personal experience and curiosity. I attended William & Mary and ran a nonprofit, the Armed Services Arts Partnership (ASAP), in the Hampton Roads region for six years. Throughout my time with ASAP, I found myself asking the same questions about Hampton Roads. Why has this beautiful area with warm winters and a range of coastal amenities stagnated while its regional peers have grown? Why does there seem to be such a culture of scarcity in the region, touching everything from nonprofit fundraising to the stand-up comedy scene? And, why do Black veterans in the region experience more challenges in traveling to ASAP's programs than their white counterparts?

As I entered the Harvard Kennedy School, I wanted to explore the questions of inter-region and intra-region disparities that emanated from my time in Hampton Roads. So, when I had the opportunity to do research on any topic, I decided to address questions around growth and equity within the Hampton Roads context. This report is a labor of personal curiosity and, I hope, a meaningful contribution to the region's approach to growth. It is my attempt to enhance my understanding of the field of equitable growth and propose recommendations for the region to create a more prosperous economy that benefits all of its residents.

From a research perspective, I approached this report with three primary objectives¹: (1) define the challenges that Hampton Roads is facing and their consequences for growth; (2) identify promising practices and case studies for promoting equitable growth; and (3) make preliminary recommendations for the region to integrate equity into its growth efforts.

Given that I had one semester to complete this report and I currently live in Cambridge, MA, my research approach was limited to what I could do remotely. I relied on three main sources, including independent academic research drawing on existing literature, interviews with relevant experts, and stakeholder interviews with leaders in Hampton Roads. While this process was not community-driven due to my research limitations, my hope is that the recommendations offered within this report can set the region on a trajectory toward a more transparent, inclusive, and equitable approach to regional growth.

This report should be viewed as complementary to the region's ongoing economic development efforts. It is concerned less with proposing new growth strategies for the region and more with providing guidance for Hampton Roads to better advance equitable outcomes as it grows. If successful, this report will serve as an actionable nudge for Hampton Roads' regional leadership, pushing reform of who is involved in the region's growth efforts, how decisions are made, and what goals and strategies the region pursues.

Hampton Roads does not yet have the requisite foundation to advance equitable growth. However, regional leadership can take a necessary first step by acknowledging that the way it has been conducting economic development is not the way it should continue. And, regional leadership can recognize that a cohesive, long-term commitment to equitable growth will lead to meaningful progress over time. This is the work: the future well-being of the region—and *all* of its residents—depend on it.

¹ This report was originally focused on equitable and resilient growth. Given the breadth of these topics, I ultimately elected to limit the scope of this report to equitable growth.

EXECUTIVE SUMMARY

The purpose of this report was to frame Hampton Roads' challenges and opportunities around equitable growth. This report had three primary objectives: (1) define the issues that Hampton Roads is experiencing and their consequences for growth; (2) identify promising practices and case studies for promoting equitable growth; and (3) make preliminary recommendations for the region to integrate equity into its growth efforts. This Executive Summary includes the key takeaways from this research as well as a synopsis of the recommendations put forth.

KEY TAKEAWAYS

Takeaway 1: Major racial inequities exist in the region and these disparities impede growth. Black residents of Hampton Roads perform worse than white residents across nearly every major economic indicator, including educational attainment, employment, income, poverty, wealth, homeownership, and business ownership. The National Equity Atlas (2021) estimates that, if there were no racial gaps in income or employment in Hampton Roads, the region's GDP would have been \$17 billion (16.5%) higher in 2019. These inequities amount to a hidden tax on Hampton Roads' economic output, limiting the region's ability to perform and grow to its full potential.

Takeaway 2: Increased flooding risks disproportionately affect Hampton Roads' Black population and threaten the region's long-term growth prospects. Segments of Hampton Roads' Black population face significant risks of economic dislocation and displacement due to their increased exposure to flooding, greater levels of wealth in housing, and higher rates of economic insecurity. At the region level, base case projections for sea level rise could increase Hampton Roads' economic damages from coastal flooding by up to \$100 million annually (VCPC, 2016). Models predict that the Hampton Roads population will contract by up to 314,000 residents by 2100 (Hauer, 2017). This population loss and the potential departure of the military could create a negative feedback loop of contraction for the region.

→ Click here to read the full Problem Definition section, which further contextualizes and expands upon Takeaways 1 and 2.

Takeaway 3: There is no one way to advance equitable growth, but Hampton Roads can learn from and adapt promising practices pursued in other cities and regions. Most cities and regions are still in the early stages of acting toward equitable growth; as such, there is no one set of best practices. However, several regions are further ahead than Hampton Roads and can offer strategies on which regional leadership can draw. These strategies fall into three buckets: (1) *Preparedness*: establishing regional readiness and willingness to drive equitable growth; (2) *Core Drivers:* eliminating regional gaps in access to capital and skills that directly hinder equitable growth; and (3) *Force Multipliers*: investing in broader, region-wide strategies to help accelerate equitable growth.

→ <u>Click here</u> to read the full *Promising Practices* section, which includes example strategies, case studies, and resources for advancing equitable growth.

Takeaway 4: The region's growth organizations and leadership are not prepared to advance growth in an equitable manner. The principal gap in Hampton Roads' approach to equitable growth is that equity issues are viewed as separate from growth issues among regional leadership. This disconnect manifests in (and, in some cases, is driven by): (1) a regional approach to growth that lacks transparency and procedural equity, (2) the underrepresentation of individuals with equity expertise and from minority backgrounds among regional growth organizations, and (3) equity considerations inconsistently incorporated into—or completely absent from—the region's growth plans and activities.

→ <u>Click here</u> to read the *Gaps Analysis* section, which analyzes the region's preparedness for equitable growth.

Takeaway 5: Hampton Roads must change how it approaches growth, who is involved, and what strategies it pursues to establish the foundation for equitable growth. Hampton Roads is in the nascent stages of planning and acting toward equitable growth. The foremost priority of the region's leadership should be to enhance its preparedness to grow in an equitable manner. Recommendations 1-3 offer a roadmap for Hampton Roads to re-orient its processes, leadership, plans, and activities to create a growing economy that works for all of the region's residents. However, preparedness is not enough: leadership should also start to target strategies for facilitating equitable growth. Recommendations 4-6 offer strategies to advance the core drivers and force multipliers for equitable growth at the regional level.

→ <u>Click here</u> to read the full *Recommendations* section, which includes descriptions and initial action steps for each recommendation.

SUMMARIZED RECOMMENDATIONS

Priority 1: Prepare the region to advance equitable growth.

- → Recommendation 1.1: Leverage the Successor Leadership and Economic Development transition to advance procedural transparency, inclusivity, and equity in regional growth leadership. The current Successor Leadership and Economic Development transition is occurring in a non-transparent manner, but this does not have to be the case. The group can be intentional in creating a transparent process for input, engaging underrepresented stakeholders, and co-creating the path forward around regional growth.
- → Recommendation 1.2: Strengthen regional growth leadership by incorporating equity stakeholders and increasing its representation of Hampton Roads' demographic composition.

 The current Board leadership of Reinvent Hampton Roads and the Hampton Roads Alliance includes (a) few individuals with equity expertise, and (b) few people of color, women, and young people. Regional leadership should identify target candidates who already hold leadership positions within the region, develop a pipeline to cultivate underrepresented emerging leaders, and include committee structures that explicitly address equity issues within growth.

→ Recommendation 1.3: Ensure that regional growth leadership is aligned on Hampton Roads' key issues around growth and equity. For Hampton Roads to approach growth in an equitable manner, it will be important for the region's leadership to align on the key issues around growth and equity. This would mean developing a shared understanding of the problem definition: how do equity issues impede the region's growth prospects—both now and in the future—and how do the region's environmental risks intersect with these issues?

Priority 2: Develop and operationalize a regionwide strategy for equitable growth.

- → Recommendation 2.1: Develop, operationalize, and measure progress toward equitable growth goals. The region's current growth and economic development plans do not actively consider equity issues. Regional leadership should both (a) develop new growth goals that incorporate an equity lens, and (b) integrate equity into their existing growth goals. Goals should be developed and/or adjusted with ample participation from community stakeholders and a grounding in the evidence of the region's challenges.
- → Recommendation 2.2: Create a centralized, transparent, and continually updated dashboard for the region's key metrics around equitable growth. Regional leadership should roll out a centralized, up-to-date dashboard that can be easily accessed by the public. This could entail adding a new dashboard to the Community Indicators Dashboard, or it could involve developing a separate dashboard. The dashboard should be made available on the websites of major regional organizations and the open data portals for local government sites.
- → Recommendation 2.3: Augment existing regional growth initiatives by incorporating an equity lens. Approaching regional growth with an eye toward equity does not mean starting over; it means building on what is already in place by applying an equity lens to these initiatives. For example, this could include weaving equity goals into emergent initiatives, such as the Maritime Innovation Cluster, or existing organizations, such as 757 Angels and 757 Accelerate.

 Organizational leadership should coordinate with regional leadership to incorporate strategies that will contribute to the region's equitable growth goals.

Priority 3: Forge intra- and inter-regional partnerships to advance equitable growth.

- → Recommendation 3.1: Establish a regional partnership for equitable growth. Each region-level organization involved in Hampton Roads' growth planning should form a partnership focused on aligning strategies and activities toward equitable growth outcomes. This partnership should meet regularly to strengthen their efforts for advancing equitable growth in the region—both by enhancing regional cohesion and by improving the efficacy of each organization's activities.
- → Recommendation 3.2: Create a regional equity consortium for the city, academic, business, and civil society stakeholders who address equity issues in their roles. While the region has many leaders across sectors who are working on equity-related issues, they are not convening in a consistent, coordinated manner. The region's HBCUs (Norfolk State, Hampton) could take a lead role, collaborating with region-level convenors (i.e. HRCF, HRA, ODU) to establish a consistent

- convening for leaders who address equity issues within the region. This would enable leaders to discuss challenges, share practices, produce research, and explore opportunities to collaborate.
- → Recommendation 3.3: Engage with other regions that have pursued equitable growth to learn from what has worked and to avoid common pitfalls. Regional leadership can connect with leaders from other regions—Charlotte, Cincinnati, St. Louis, Tulsa, Richmond—to learn about both what has worked from their approach and the pitfalls to avoid. Further, the region can seek to create a community of practice around equitable growth, or join a community of practice if a relevant one already exists.

Priority 4: Target strategies to increase access to resources, ownership, and economic resilience among the region's Black population.

- → Recommendation 4.1: Replicate Cincinnati's Minority Business Accelerator, adapting it to the Hampton Roads context. The rate of Black business ownership severely lags the rate of white business ownership in Hampton Roads and Black businesses tend to be in lower revenue sectors. By adapting a version of Cincinnati's Minority Business Accelerator to the Hampton Roads context, regional leadership could help reduce this ownership and revenue gap. A minority business accelerator in Hampton Roads should, like Cincinnati, pursue an industry specific strategy and channel Black businesses to the region's key and emergent industrial clusters.
- → Recommendation 4.2: Partner with internal stakeholders or an external organization, such as Forward Cities, to more intentionally cultivate an equitable entrepreneurial ecosystem. The region does not currently have a cohesive strategy and set of practices for cultivating an equitable entrepreneurial ecosystem. The region should partner with leaders from Hampton Roads and/or an external organization, such as Forward Cities, to develop and implement an equitable entrepreneurship strategy to guide and connect the entire ecosystem.
- → Recommendation 4.3: Hampton Roads municipalities should adopt a variation of Norfolk's resilience zoning ordinance to increase density on higher ground. Hampton Roads is facing the two-fold challenge of a decreasing amount of habitable land due to relative sea level rise and a mounting housing affordability crisis. Norfolk's model of increasing zoning density on higher ground should be adapted by other Hampton Roads' municipalities to meet their resilience and housing needs. Such an approach could allow Hampton Roads' municipalities to continue to grow, while bolstering their resilience and the affordability of housing and rental units.
- → Recommendation 4.4: Leverage community equity investment models, such as Neighborhood REITs and Community Investment Trusts, for new development in the region. Community equity investment models offer existing residents of a community the opportunity to purchase equity shares in a project and benefit financially from new development in their neighborhoods. Regional and municipal leadership—in partnership with community stakeholders—should explore opportunities to integrate community ownership models into new development projects to enable all residents to benefit from growth

Priority 5: Invest in strategies that advance equitable workforce development from cradle, to grade school, to post-graduation.

- → Recommendation 5.1: Partner with StriveTogether to create and implement a vision for cradle-to-career opportunities in Hampton Roads. Hampton Roads is neither home to a Promise Neighborhood nor a StriveTogether community focused on strengthening its cradle-to-career pipelines. StriveTogether is a nonprofit with an evidence-based model that partners with regions to produce outcomes around educational attainment and employment for children in a region's most disadvantaged communities. By partnering with StriveTogether, the region could take a step toward more equitably strengthening the region's education system and workforce.
- → Recommendation 5.2: Assemble a Regional Talent Exchange that engages employers in education and training. Regional Talent Exchanges are new type of labor market intermediary that connects educational institutions (K-12, community college, universities) and in-demand skills providers with businesses in key growth sectors. Such an initiative would help to better connect and integrate the disparate institutions across Hampton Roads that drive the region's workforce. The program should particularly target historically disadvantaged and underconnected communities in Hampton Roads.
- → Recommendation 5.3: Establish a multi-sector, region-wide effort to retain homegrown, college educated talent to work and lead in the region. Hampton Roads is losing college graduates to Richmond and Washington, DC. A myriad of new strategies can be pursued to retain this population, such as developing a competitive fellowship program for local graduates, exploring potential financial incentives focused on retention, and making the region a destination for hybrid work, among others. These initiatives would likely require a region-level vision for talent retention and region-level collaboration across the private sector, philanthropy, and academia.

Priority 6: Explore strategies that can become force multipliers for equitable growth.

- → Recommendation 6.1: Strengthen Hampton Roads' philanthropic ecosystem by creating a multifamily, multi-corporation fund focused on the region's most significant issues. Anecdotally, Hampton Roads has an under-resourced civil society defined by scarcity and competition. The region's wealthiest families and corporations should partner to create a new fund focused on (a) tackling the region's primary challenges, (b) making bigger investments over a longer time period, (c) facilitating cross-sector collective impact, and (d) fostering engagement, input, and ownership from a broad swath of the community.
- → Recommendation 6.2: Establish a unifying vision for the region's future based on a commitment to equitable growth. Conversations with many stakeholders in Hampton Roads indicate a sense of frustration that the region does not have a bold, unifying vision for what it wants to be. Given Hampton Roads' history, demographic diversity, and potential future commitment to equitable growth, the region should consider emphasizing equity as the centerpiece to its unifying vision. Hampton Roads is at a point of transition: an opportunity exists to both make equitable growth the vision of the region and to follow through on that vision.

SECTION I: PROBLEM DEFINITION

OVERVIEW

The Hampton Roads region faces three challenges—lagging growth, persistent racial inequities, and mounting environmental risks—that are interrelated and reinforce each other. Hampton Roads was the slowest growing "Very Large" metro area in the U.S. throughout the 2010s. Significant racial disparities exist across nearly every economic and social indicator in the region. And, relative sea level rise combined with more frequent, wetter storms have led to more flooding throughout Hampton Roads. Given that Black people represent over 30% of Hampton Roads' population, it is likely that the region's racial disparities hamstring its potential for growth. Further, Hampton Roads' growing flooding risk (a) will likely inflict more physical and financial harm on the region's Black population, and (b) present significant headwinds for the region's near and long-term growth prospects. The following section thoroughly spells out these challenges in an attempt to tell a more complete story of the relationship among growth, equity, and resilience in Hampton Roads.

GROWTH CHALLENGES

Hampton Roads' growth challenges since 2007 have been well-documented; however, to situate this report in its broader context, they bear repeating. The region has experienced a "lost decade;" that is, a decade defined by anemic economic and population growth resulting from the twin blows of the Great Recession and Sequestration. Real GDP in Hampton Roads was \$85.6 billion at the end of 2019. If the region had grown at the same clip as the U.S. economy this century, real GDP would have exceeded \$100 billion (Dragas Center, 2019). Between 2009 and 2019, Brookings Metro Monitor (2021) shows that the Hampton Roads region was the slowest growing and third least prosperous "Very Large" metro area in the country. Understanding the root causes and far-reaching consequences of the region's sluggish growth is critical to charting a more prosperous path forward for the region.

Stakeholder Interview: Dr. Robert McNab, Director of the Dragas Center for Economic Analysis

"This area is sort of a paradox: it has rich natural resources, significant human capital, a wide array of industries, emerging opportunities in aerospace, renewable energy, and advanced manufacturing—and everyone looks at each other and asks, 'why can't we grow?' I keep coming back to the same issue: we like to pretend that we are a region, but we haven't made the sacrifices necessary to work together as a region."

Military Dependence & Non-Diversification

The Hampton Roads region's dependence on the military—and its affiliated private sector industries—is a double-edge sword. The local economy thrives when defense spending is increasing and stagnates when defense spending is decreasing. The region's reliance on a concentrated number of large public and private

sector institutions also crowds out the region's entrepreneurial ecosystem, creating a feedback loop that reinforces the region's non-diversification. The section below is informed by the Dragas Center's thorough research on the Hampton Roads regional economy.

The Hampton Roads regional economy depends on the federal government, particularly the military, and associated contracting roles. Approximately 40% of the region's economy can be attributed to the military. While the region's reliance on this sector can stimulate the economy when defense spending increases, it can likewise hamper the economy when spending declines. During periods of decline, those who maintain their jobs experience stagnating wages, which has negative rippling effects throughout the region's economy. Further, the loss of military and civilian jobs in the region has cascading consequences, including population outflows, stagnating home values, and reduced local spending. Because the average compensation for military personnel and federal civilian employees is 1.6-2x higher than the average pay for all employees in the region, the disappearance of these jobs requires multiple private sector jobs to replace this lost compensation (Dragas Center, 2019).

The economy of Hampton Roads relies on a small number of large firms in core cluster areas. As the Dragas Center writes in the Region 5 Growth and Diversification Plan (2019), "Due to the nature of federal contracting, firms tend to be large and not well-diversified. The behavior and performance of these large firms determines and drives the economic fortunes of Hampton Roads, which is top heavy in key industries." For example, ship repair and ship building lead the region with the highest employment location quotient of 43.2, indicating that the proportion of employees in the regional workforce in this cluster is 43 times higher than the national average. However, the establishment location quotient of 6.7 for ship repair and building indicates that the majority of employment in this cluster is dominated by a few large firms (i.e. Huntington Ingalls, BAE Systems). When these firms do well, the region does well; when these firms do poorly, the region does poorly. And, a significant portion of these firms' performance is tied to military spending.

The Hampton Roads regional economy underperforms its potential for dynamism, innovation, and entrepreneurship. The dominance of the military, Port of Virginia, manufacturing, and tourism in the regional economy have crowded out entrepreneurial activity in the region (Dragas Center, 2019). Hampton Roads has a below average entrepreneurial and small business environment, ranking 256 out of 380 U.S. metro areas for its change in establishment births to total establishments. According to the Patent Technology Diffusion Index—which measures the number of patents in a metro area and the generalizability of these patents—the Hampton Roads region ranks 163rd among metro areas, significantly lower than many of its regional peers. This finding comes despite the presence of major innovation-driving institutions, such as the NASA Jefferson Lab, Department of Defense (DoD), and several research universities. In fact, on the University-Based Knowledge Spillovers Index, the Hampton Roads region ranks relatively highly—35th among US metro areas—due to its geographic concentration of universities. However, the Dragas Center (2019) concludes that: "while these higher education institutions provide an opportunity for innovation spillovers throughout the region, many of the innovation metrics for the region suggest that the knowledge generated by universities is not sparking innovation in the private sector."

Consequences

While many of Hampton Roads' peer metro areas in the South have experienced rapid growth both before and since the Great Recession, the Hampton Roads region has stagnated (see <u>Appendix B</u>). The region's population, employment, wages, and productivity have remained flat. Major employers, such as Norfolk Southern, have left Hampton Roads for peer cities. And, the region has experienced a "brain drain," with college-educated educated young professionals and families leaving Hampton Roads for greater opportunity. I draw on the 2021 Brookings Metro Monitor report, which comprehensively tracks the inclusive economic growth performance of the 192 largest U.S. metro areas, to highlight Hampton Roads' growth in comparison to other metro areas (see <u>Appendix C</u> for more data).

The population of Hampton Roads has grown slowly since the Great Recession, and the region's population of young professionals and families is shrinking. The 2010 Census estimated the region's population at 1.67 million, compared to approximately 1.76 million today; this represents an overall growth rate of 5.1%, or half a percent per year. Net domestic migration—individuals leaving Hampton Roads for other regions, and individuals coming from other regions to Hampton Roads—has been negative during this time period. Further, the millennial population in Hampton Roads has been declining since 2016, a period during which many of the region's southern peers have experienced significant growth among this demographic. The Weldon Cooper Center projects that, if these population trends continue, Hampton Roads' 25 to 34 age cohort will contract by 8% by 2040 (Dragas Center, 2020). While the region's military installations and colleges pull educated young professionals and families to the region, many leave the region after service or school, often to pursue economic opportunity elsewhere.

The region has experienced anemic employment growth and wages have remained nearly flat. The Brookings Metro Monitor (2021) finds that the Hampton Roads region ranked last out of all 53 very large metro areas in terms of its percent change in jobs between 2009 and 2019. The region's 2.2% increase in jobs pales in comparison to the 14% national increase and 17% increase among very large metro areas during the same time period. Moreover, Hampton Roads ranked 49 out of the 53 very large metro areas for its percent change in average annual wage between 2009 and 2019. While the United States and very large metro areas experienced 11% average annual wage growth, the Hampton Roads area saw just a 4.3% increase in the same period. The loss of major regional employers, such as Ford's Norfolk plant closure in 2006 and Norfolk Southern's departure to Atlanta in 2018, exemplify the region's non-military employment challenges.

Hampton Roads' overall output and productivity have stagnated, and the standard of living in the region has declined. Brookings Metro Monitor (2021) shows that Hampton Roads' overall output, measured in terms of Gross Metropolitan Product (GMP), has grown slower than any other very large metro area in the country. The region's 1.6% increase in GMP was significantly lower than the 22% increase nationally, and, more notably, the 26% average GMP growth among the very large metro areas in the data set. Likewise, the region ranked 49 out of 53 in terms of its productivity—measured as GMP divided by the total number of jobs—with a -0.6% decrease, contrasting with the 7.8% increase nationwide and a 7%

increase for very large regions. Finally, for percent change in standard of living,² the Hampton Roads region ranks last out of all 53 very large metro areas in the data set. Hampton Roads' 2.1% decrease in standard of living sharply contrasts with the 14% increase in standard of living across the country, and the 15% increase among very large metro areas.

Table 1. Brookings Metro Monitor Growth & Prosperity Indices

Indicator	Output	Ranking
Change in Jobs (%)	2.2%	53 of 53
Change in GMP (%)	1.6%	53 of 53
Change in Jobs at Young Firms (%)	1%	34 of 50
Overall Growth Index		50 of 50
Change in Productivity (%)	-0.6%	49 of 53
Change in Average Annual Wage (%)	4.3%	49 of 53
Change in Standard of Living (%)	-2.1%	53 of 53
Overall Prosperity Index		51 of 53

At a moment in time when many southern regions have experienced surges in economic and population growth, the Hampton Roads region has stagnated. From Raleigh, to Charlotte, to Nashville, to Atlanta, to Richmond just up the road, America's large southern regions have thrived in the 21st Century. Meanwhile, Hampton Roads has performed in a manner more similar to the Rust Belt cities of Buffalo, Rochester, and St. Louis. Undoubtedly, Hampton Roads' poor performance is a cause for significant concern. However, the flip side of this concern is opportunity: if the region can right its ship, it has the potential to become a growing community in the American South.

EQUITY CHALLENGES

Hampton Roads' effectiveness in eliminating its racial disparities will be integral to its long-term potential or growth. The Hampton Roads region struggles with a multitude of inequities resulting from its long history of racial injustice, from chattel slavery to its regime of Jim Crow laws. These inequities affect every social and economic indicator in Hampton Roads, including education, health, housing, employment, entrepreneurship, income, and wealth, among others (see Appendix A). Historically, efforts to shrink these regional disparities have been viewed as completely separate from economic development activities. However, these inequities are intertwined with the region's future growth prospects. They amount to a hidden tax on the region's population—one that, if unaddressed, will continue to hamstring the region's ability to reach its full economic potential.

Education & Workforce

² The Brookings Metro Monitor defines standard of living as GMP per capita; that is, the GMP divided by the total metropolitan population.

Educational attainment among Black residents lags the region. More than 12% of Black residents age 16 to 24 are considered disconnected youth³ in comparison with only 7% of white residents in this age group (National Equity Atlas, 2021). Approximately 87.5% of Black residents age 25 or older have a high school degree, compared to 94.5% of non-Hispanic white residents and the regional average of 91.5%. Similarly, only 22.3% of Black residents have a Bachelor's degree or higher, compared to 37.6% of white residents and the regionwide rate of 32.5% (Community Indicators Dashboard - CID, 2019).

The Black unemployment rate is higher than the regional rate, and Black residents are underrepresented in higher-performing sectors. As of 2019, the unemployment rate for Black workers in the region was 8.2%, compared to 5.3% for the broader region. Further, Black employment is concentrated in lower wage, lower growth sectors, and is underrepresented in the region's growing, higher wage industries (Reinvent Hampton Roads, 2021).

Black residents are severely underrepresented in the Hampton Roads business community. Despite representing over 30% of Hampton Roads' population, Black-owned businesses account for 5.4% of the total firms and 2.1% of total jobs created in the region. The business density—total companies per 1,000 residents of the same racial group—for Black-owned businesses is 2.8 compared to 20.7 among white-owned businesses. Average annual sales for Black-owned businesses (\$696,000) are 3x lower than sales for white-owned businesses (\$2,144,000). Finally, only 9.1% of Black-owned businesses in the region participate in high-wage industry sectors, in contrast with 13.6% of white-owned businesses (Small Business Equity Tool, 2021).

Table 2. Education & Workforce Disparities

Indicator	Non-Hispanic White	Black / African American	Disparity
% Disconnected Youth	7%	12%	5%
% with High School Degree (age 25+)	94.5%	87.5%	-7%
% with Bachelor's Degree	37.6%	22.3%	-15.3%
Unemployment Rate	5.3%	8.2%	2.9%

Table 3. Business Ownership Disparities

Indicator	White-Owned Businesses	Black-Owned Businesses	Disparity
Business Density	20.7	2.8	-17.9
Average Annual Sales	\$2,144,000	\$696,000	-\$1,448,000
High Wage Industry Participation	13.6%	9.1%	-4.5%

Income & Wealth Inequities

The wages and income of Black residents lag those of white residents. The median hourly wage of Black residents is \$18per hour compared to \$24 per hour for white residents (National Equity Atlas, 2021). Moreover, the per capita income of Black residents is \$25,665. This is approximately \$9,000 lower than the

³ Disconnected youth refers to the population ages 16 to 24 who are not working or enrolled in school.

average per capita income for the region of \$34,155, and \$15,000 below the average per capita income for non-Hispanic white residents of \$40,916 (CID, 2019).

Significant racial disparities exist around poverty in Hampton Roads. Black residents of Hampton Roads experience poverty at nearly three times the rate of non-Hispanic white residents—18.9% compared to 6.9%. The childhood poverty rate is three and a half times larger for Black children than non-Hispanic white children: 30.3% of Black children live in poverty in the region, compared to just 8.1% of non-Hispanic white children (CID, 2019). A full 14% of Hampton Roads' Black residents are characterized as working poor,⁴ in contrast with 6% of the region's white residents. And, 11.2% of Black residents live in high poverty neighborhoods,⁵ compared to just 1.4% of white residents (National Equity Atlas, 2021).

The wealth of Black residents is substantially lower than the wealth of white residents. The asset poverty rate⁶ for Black residents in Hampton Roads is 43.5%, compared to 16.5% for white residents and 24.1% nationally. In addition, 32.2% of Black residents in the region have zero or negative net worth, compared to 11.9% for white residents and 15.7% for the national average (Prosperity Now - PN, 2018).

Table 4. Income & Wealth Disparities

Indicator	Non-Hispanic White	Black / African American	Disparity
Per Capita Income	\$40,916	\$25,665	-\$15,251
Median Wage	\$24	\$18	-\$6
Poverty Rate	6.9%	18.9%	12.0%
Family Poverty Rate	4.1%	15.2%	11.1%
Child Poverty Rate	8.1%	30.3%	22.2%
% Living in High Poverty Neighborhoods	1.4%	11.2%	9.8%
% Working Poor	6%	14%	8%
Asset Poverty Rate	16.5%	43.5%	27%
% with Zero or Negative Net Worth	11.9%	32.2%	20.3%

Housing Inequities

White Hampton Roads residents are significantly more likely to own and afford homes than Black residents. The homeownership rate among white residents in the region is 72.1%, compared to only 43.7% among Black residents. Further, the affordability of housing in Hampton Roads varies by racial group. The housing affordability ratio—defined as median home value divided by median family income—is 5.06:1 for Black families compared to 3.15:1 for White families (PN, 2018).

Hampton Roads is among the top five most rent-burdened metro areas in the United States, with disproportionate impacts on the Black community. A full one-third of renters in Hampton Roads are rent-

⁴ Working poor is defined as both (1) working full-time and (2) having a family income below the indicated federal poverty threshold based on family size and composition.

⁵ High-poverty neighborhoods are defined as census tracts with poverty rates of 30% or higher.

⁶ The asset poverty rate is defined as the percentage of households without sufficient net worth to subsist at the poverty level for three months in the absence of income.

burdened, and a quarter are severely rent-burdened (PN, 2018; Enterprise Community Partners, 2016).⁷ Among those earning 50% of Hampton Roads' Area Median Income (AMI), approximately 85% are rent burdened (Howell, 2018). Proportionally, this impact is experienced more by Black residents in the region, who are more likely to be renters than white residents.

Hampton Roads is the worst region in the country in terms of its cities' eviction rates. Eviction Lab found that, in 2016, four of the top 10 and five of the top 15 evicting large cities in the U.S. are located in Hampton Roads.⁸ Given the immense and compounding economic and social ramifications of receiving an eviction (Desmond, 2017)—and the concentration of evictions among Hampton Roads' Black residents—these data are especially concerning for the advancement of equity in the region.

Rank	City	Eviction Rate
1	North Charleston, SC	16.50%
2	Richmond, VA	11.44%
3	Hampton, VA	10.49%
4	Newport News, VA	10.23%
5	Jackson, MS	8.75%
6	Norfolk, VA	8.65%
7	Greensboro, NC	8.41%
8	Columbia, SC	8.22%
9	Warren, MI	8.08%
10	Chesapeake, VA	7.90%
11	Tulsa, OK	7.77%
12	Killeen, TX	7.67%
13	Fort Wayne, IN	7.39%
14	Indianapolis, IN	7.27%
15	Virginia Beach, VA	7.26%

Implications for Growth

The poor performance of the Hampton Roads region across these equity metrics implies that the region does not have the requisite foundation to promote equitable growth. The benefits of growth flow to those with high socioeconomic status, who, in Hampton Roads, are mostly white. Meanwhile, those of lower socioeconomic rungs, who are disproportionately Black, are left behind. As a result, growth leads to expansions—rather than reductions—in economic inequality, which has a racial component in the region. Yet, beyond the moral case to eliminate inequities, there is also a potential economic case. These racial disparities amount to a hidden tax on Hampton Roads' economic output, limiting the region's ability to perform and grow to its full potential. Instead of being viewed as a hindrance to growth, addressing inequities should be viewed as a possible catalyst to unlock the region's full economic potential.

Hampton Roads has grown in a non-inclusive manner over the past decade. The 2021 Brookings Metro Monitor's Racial Inclusion indicators measure the gap between the non-Hispanic white population and people of color on metrics of inclusion. On the Overall Racial Inclusion Index, Hampton Roads ranked 46 out of 53 for the very large metro areas in the data set (see Appendix C). This is driven by its 1.3% percentage point increase in the white/people of color relative poverty rate gap, for which it ranked 47 out of 53. In addition, Hampton Roads' poor performance on racial inclusivity is due to its \$2,532 increase in

⁷ The U.S. Department of Housing and Urban Development (HUD) defines "rent burdened" as spending more than 30% of income on housing and "severely rent burdened" as more than 50% of income on housing.
⁸ Portsmouth, VA and Suffolk, VA are the 5th and 28th highest evicting mid-size cities in the U.S., with eviction rates of 15.07% and 8.63%, respectively.

the white/people of color median earnings gap, for which the region ranked 42 out of 53. Despite the region's meager growth, the benefits of this growth flowed largely to the non-Hispanic white population, thereby expanding racial economic inequality.

Table 6. Brookings Metro Monitor Racial Inclusion Index

Indicator	Output	Ranking
Change in White/People of Color Employment Gap (%)	-1.7%	36 of 53
Change in White/People of Color Median Earnings Gap (\$)	\$2,532	42 of 53
Change in White/People of Color Relative Poverty Gap (%)	1.3%	47 of 53
Overall Racial Inclusion Index		46 of 53

Under current conditions, Hampton Roads' future growth is projected to be unevenly distributed. Even if the region were to experience more significant growth, it is likely that the benefits of this growth would be channeled to those at the top of the region's economic ladder. The concentration of landownership among white residents means that they would disproportionately benefit from increased property values and rents. The concentration of business ownership among white business leaders would mean they would disproportionately benefit from increased investment and revenues. And, the concentration of highgrowth, high-wage employment among white workers means that they would disproportionately benefit from higher wages and increased equity values.

Inequities in Hampton Roads are likely hindering the region's full economic potential. The effects of racialized income disparities on the regional economy are potentially quantifiable. The National Equity Atlas (2021) estimates that, if there were no racial gaps in income or employment in Hampton Roads, the region's GDP would have been \$17 billion (16.5%) higher in 2019. McKinsey (2021) estimates that "closing the Black-white and Hispanic-white racial wealth gaps would boost consumption and investment within the US economy by an additional \$2 trillion to \$3 trillion, or an equivalent to 8 to 12 percent of U.S. GDP." Given that Black residents account for approximately 31% of Hampton Roads' population—compared to 12% of the U.S. population—it follows that closing the racial wealth gap in Hampton Roads could have a proportionally larger effect on the region's economy. As it stands, Hampton Roads' racial disparities in income and wealth could amount to a substantial tax on the region's output.

Stakeholder Interview: Maurice Jones, CEO of OneTen

"What do we have to do? We need to make people better understand the business case here. We are leaving genius and assets on the sidelines. Genius is everywhere, talent is everywhere, it is opportunity that is not. We need the assets of [low-resourced] communities. For us to compartmentalize means that we are taking assets off of the table. We are removing assets that we need to be great. That economic development strategy is imprudent. We need all places and people to be at their best for us to be at our best. We cannot be great without all assets being great."

ENVIRONMENTAL CHALLENGES

The Hampton Roads metro area is facing a confluence of environmental issues that will complicate regional growth and exacerbate existing inequities if not sufficiently addressed. The combination of relative sea level rise and more frequent, wetter storms means that an ever-growing number of areas will experience recurring flooding over time. Further, there is a significant risk that a hurricane will make direct landfall in Hampton Roads. These regular and extreme environmental challenges will have immediate consequences for Hampton Roads' population and economy—and will have implications for future growth in the region.

Environmental Risks

The Chesapeake Bay Watershed is ground zero for the twin challenges of relative sea level rise and climate change, and the Hampton Roads region is ground zero for these issues within the Chesapeake Bay Watershed. Relative sea level rise and more frequent, wetter storms have created a negative feedback loop of environmental risks throughout Hampton Roads.

Hampton Roads has experienced the highest rate of relative sea level rise among any region along the *East Coast.* Sea levels have risen more than 14 inches in Hampton Roads since 1930, and they are expected to rise another 3 to 4.5 feet in the region by 2100. In Hampton Roads, sea levels are rising faster than the global average because the land is sinking. This sinking is occurring unevenly, with some places sinking at 7 to 10 times the rate of the spatial average (VCPC, 2016; CSLR, 2017).

The frequency and intensity of heavy rain and coastal storm events have increased and are expected to continue increasing. Warmer seas and more moisture in the atmosphere have led to wetter storms. Over the past 100 years, six of the 10 biggest storm surges at Sewell's Point in Norfolk have taken place within the last two decades (VASEM, 2021). Though, in recent decades, the Hampton Roads region has avoided a direct hit from a hurricane, the increased frequency and intensity of these storms likewise increases the chances that the region will experience a direct hit in the future (CCRFR, 2019).

Relative sea level rise and more consistent, wetter storms have led to a heightened frequency of recurrent and storm surge flooding. Both minor tidal and major storm surge flooding have increased in recent decades throughout Hampton Roads (Ezer, 2018). For example, nuisance tidal flooding at Norfolk's Sewell's Point has increased by 325% since 1960 (NOAA, 2017). Further, NOAA (2021) predicts this type of flooding, which occurred 14 days in 2020, could double in frequency by 2030 and 10x in frequency by 2050.

Economic & Human Impacts

The Hampton Roads metro area is second only to New Orleans as the largest U.S. population center at risk from relative sea level rise, and the region ranks 10th globally in terms of its assets exposed to increased flooding from sea level rise (CSLR, 2017). Hundreds of thousands of residents are at risk of temporary or permanent displacement due to flooding. The burden of flooding, both personal and economic, is

expected to disproportionately impact Black and low-income communities. Meanwhile, municipalities and institutions throughout the region are already incurring significant costs to deal with the challenges wrought by sea level rise, intense storms, and increased flooding. These costs are only expected to continue in the years to come and would be further compounded by a hurricane or tropical storm event.

Sea level rise is already imposing significant financial costs on the region—costs which are expected to grow in the future. Flooding already costs the City of Norfolk \$26 million per year (Cooper & Andrews, 2021), and Virginia Beach recently approved a \$568 million bond issuance to address the city's mitigation and adaptation needs (City of Virginia Beach, 2021). A study from the Hampton Roads Planning District Commission estimated the costs from three feet of sea level rise to range from \$12 billion to \$87 billion (CSLR, 2017). According to the Virginia Coastal Policy Center (2016), current projections for sea level rise of .5 to .75 meters could increase Hampton Roads' costs and economic damages from coastal flooding by up to \$100 million annually.

The economic effects of a large storm event, such as a direct hit from a hurricane, could be catastrophic.

Wind and water damage from a direct hurricane hit today are predicted to produce costs exceeding \$17 billion. In the year following the hurricane, Hampton Roads would lose more than 176,000 jobs and nearly \$25 billion in economic output. The total physical and economic impacts would exceed \$40 billion, with ripple effects extending across Virginia and over time (CCRFR, 2019). The VCPC's "Costs of Doing Nothing" report highlights how sea level rise compounds the impact of a hurricane. The study finds that the decline in Hampton Roads' Gross Regional Product (GRP) due to a 100-year storm event would go from \$611 million without sea level rise to \$1+ billion with sea level rise of .5 meters and \$2+ billion with a sea level rise of .75 meters.

A significant portion of the Hampton Roads population faces the risk of displacement. The increasing frequency of recurrent and storm surge flooding—coupled with the economic damages this flooding causes—will lead a growing number of Hampton Roads residents to be displaced from their homes. Further, CCRFR (2019) estimates that, if a hurricane were to hit today, 200,000+ Hampton Roads residents would be displaced, and 15,000+ residents would need to seek public shelter. This potential displacement from flooding is not an abstract theory; it is a recognized reality among the state's leadership. Ann Phillips, former Governor Ralph Northam's Special Assistant for Coastal Adaptation and Protection, acknowledged that some residents may ultimately need to move, and the state is developing a strategic relocation handbook to facilitate this process (Cooper & Andrews, 2021).

The flooding caused by relative sea level rise and coastal storms imposes disproportionate impacts by race and socioeconomic status. Recent research from Redfin (2021) finds that redlined communities, which are still home to majority Black and immigrant populations, face a higher risk of flooding than non-redlined communities. Moreover, Black households hold more of their wealth in housing than white households: 37% compared to 32%, nationally (Federal Reserve, 2017). In addition, many of the region's public housing communities have been built in flood prone areas, both intentionally and unintentionally. This increased exposure to flooding, greater levels of wealth in housing, and higher rates of economic

insecurity place segments of Hampton Roads' Black population at significant, compounding risk of economic dislocation and displacement.

Stakeholder Interview: Dr. Robert McNab, Director of the Dragas Center for Economic Analysis

"We need to get down into the data and see how the sea level rise will disproportionately impact African American households. Since African American households hold more wealth in housing, they will be disproportionately impacted in comparison with white households, which have more diversified portfolios and are more resilient in the face of sea level rise. This, coupled with [African American households'] greater risk to flooding, will create even more outmigration among minority communities."

Implications for Growth

Hampton Roads' environmental risks, particularly those from relative sea level rise, coastal storms, and flooding, pose significant challenges for the future economic growth of the region. Potential challenges include declining populations, driven by both decreased inflows and increased outflows, as well as the departure of key industries from the region over time. The future of the Hampton Roads region depends on how it responds and adapts to its mounting environmental risks.

Hampton Roads could experience increased population outflows and decreased population inflows.

Population outflows from Hampton Roads—whether forced by hurricane displacement or relocation initiatives, or a voluntary choice of residents—present a significant risk to the region's growth prospects. Fan, Fisher-Vanden, and Klaiber (2018) project that 1 in 12 Americans in the Southern half of the United States will move toward California, the Mountain West, or the Northwest over the next 45 years because of climate influences. Hauer (2017) finds that the Hampton Roads region will have the third worst net migration (in-migration less out-migration) due to sea level rise of any metro area in the United States, trailing only Miami and New Orleans. On net, Hampton Roads would lose 314,000 residents by 2100 in his model with no adaptation and 234,000 residents in his model with adaptation. This represents a full 10-15% of the region's current population lost to sea level rise alone.

The military, and its affiliated industries, could begin to leave the region. In 2019, the DoD identified the Hampton Roads region as "the most vulnerable to flooding military operational installation area in the United States." While limited public data is available on the financial costs borne by the DoD to address climate change and sea level rise, the Biden Administration requested \$617 million in fiscal year 2022 to support the military's climate change preparation, adaptation, and mitigation efforts (Eversden, 2021). It is likely that this number does not capture the full cost of the DoD's flood mitigation and adaptation activities in Hampton Roads. Flooding also imposes operational costs, both on base and in the civilian community, which impede the military's ability to exercise its mission. Should these costs continue to increase, it is possible that the DoD may choose to relocate some of its military installations out of Hampton Roads (McCollester, Miro, & Van Abel, 2020). Even a partial military departure from Hampton Roads would be

damaging to the region's economic prospects, driving military and civilian jobs, affiliated industries, and residents to leave the region.

Together, population outflows and industry decline could create a downward spiral for Hampton Roads.

Hampton Roads' future economic viability hinges on its capacity to mitigate and adapt to sea level rise. The dual shocks of net out-migration and a partial or full military departure would have rippling effects throughout the region. As areas such as Detroit have demonstrated, the reinforcing nature of population and industry loss drive dis-agglomeration economies and negative feedback loops for regions. As jobs and people leave, income, home values, and businesses decline, leading more jobs and people to leave—and this cycle continues, ad infinitum. Hampton Roads must literally stem the tide to avoid triggering this downward spiral of economic consequences.

Stakeholder Interview: Marty Kaszubowski, Executive Director of ODU's Institute for Innovation

"What I find when I go to other places, where I've seen a lot of success is when the region is forced to say, 'oh my god, the world is going to end if we don't do something.' I continue to be concerned that we don't have quite enough urgency as a region, and I worry that we are not getting there. I struggle to find any region that has made a transition from an old economy to a newer economy without a near death experience."

Stakeholder Interview: Dr. Robert McNab, Director of the Dragas Center for Economic Analysis

"If we are looking down the road at the region, there are two huge risks: one, climate change and sea level rise, and two, the loss of the military. These go hand-in-hand. Sea level rise puts Norfolk, Langley, and Little Creek at direct risk. If these facilities are no longer useful, the Department of Defense will move their assets. And, if there is a natural disaster, it could potentially accelerate the loss of the military. If you're looking forward 20 years, these catastrophic threats will combine to present a huge issue. Hampton Roads could be staring down the barrel of a Detroit type apocalypse like when Ford left Detroit."

SECTION II: PROMISING PRACTICES

UNDERSTANDING EQUITABLE GROWTH & DEVELOPMENT

The Goal: Inclusive & Equitable Growth

The concepts of inclusive growth and equitable growth have become increasingly common parlance among economists, economic developers, urban planners, and city and regional leaders. The *Built for All* report (2020), produced by the Mastercard Center for Inclusive Growth and the Centre for Public Impact, offers a sampling of definitions of inclusive growth and inclusive economies (pp. 7, 13).

"Inclusive growth ensures the benefits of a growing economy extend to all segments of society. Unleashing people's economic potential starts with connecting them to the vital networks that power the modern economy." – MasterCard Center for Inclusive Growth

"Inclusive growth is a process that encourages robust long-run growth by improving the productivity of individuals and firms in order to raise local standards of living for all people." – Brookings Institution

"An inclusive economy is one in which there is expanded opportunity for more broadly shared prosperity especially for those facing the greatest barriers to advancing their well-being." – Rockefeller Foundation

"Inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all." – OECD

"An inclusive economy is a system that is intentionally designed to prioritize the flourishing of all people and the planet, supported by three pillars: (1) equitable access to resources and opportunities, (2) a level playing field for work and competition, and (3) collective stewardship of shared resources for future generations." – Built for All

A similar set of definitions emerge for equitable growth and equitable economies. The Washington Center for Equitable Growth (2017) defines equitable growth as "an economy that raises living standards for all families." John Williams, President of the Federal Reserve Bank of New York, defined equitable growth in a 2020 speech as an economy that is accessible for all and where everyone can realize their full economic potential. PolicyLink and USC Equity Research Institute describes regional economies as equitable when "all residents—regardless of their race/ethnicity, income, neighborhood of residence, or other characteristics—are fully able to participate in the region's economic vitality, contribute to the region's readiness for the future, and connect to the region's assets and resources."

These definitions share a common through line: cities, states, and nations should remove barriers from—and increase access to—resources and opportunities to unlock the full economic potential of regions and drive sustained growth that benefits all residents.

The Practices: Equitable Development, Economic Development, & Community Wealth

Inclusive and equitable growth can be facilitated by several forces, most of which are included within the practices of equitable development, equitable economic development, and community wealth building.

The Environmental Protection Agency (2021) defines *equitable development* to be: "an approach for meeting the needs of underserved communities through policies and programs that reduce disparities while fostering places that are healthy and vibrant." The Government Alliance on Race and Equity (2015) offers a more expansive definition, describing equitable development in the following terms:

Quality of life outcomes, such as affordable housing, quality education, living wage employment, healthy environments, and transportation are equitably experienced by the people currently living and working in a neighborhood, as well as for new people moving in. Public and private investments, programs, and policies in neighborhoods meet the needs of residents, including communities of color, and reduce racial disparities, taking into account past history and current conditions (p. 5).

Baked into the high-level concept of equitable development is the practice of *equitable economic development*. PolicyLink (2017) describes equitable economic development as: "an approach that unlocks the full potential of the local economy by dismantling barriers and expanding opportunities for low-income people and communities of color. Through accountable public action and investment, it grows quality jobs and increases entrepreneurship, ownership, and wealth" (p. 7). Minzner (2021) frames equitable economic development as:

... a system of relationships and strategies that foster conditions for broadly inclusive growth—where everyone has equal access to opportunity and where strategies and programs are implemented to compensate for past discrimination. These strategies and programs must simultaneously deliver environments in which firms and industries can thrive and ... that lift up workers and communities, especially those that have been historically disadvantaged" (p. 23).

The practice of building *community wealth* adds a degree of granularity to equitable development, with a focus on approaching it from the community and neighborhood level. Baird, Katz, Lee, and Palmer (2019) explain community wealth to be: "a broad-based effort to build equity for low-income residents of disadvantaged communities" (p. 5). A community wealth approach grows the individual and collective assets of neighborhood residents, improves access to private capital that has high standards and a long-term commitment to the neighborhood, and enhances inclusion by bringing fairness and transparency to neighborhood revitalization.

Collectively, the lenses of equitable development, equitable economic development, and community wealth amount to a set of practices that, if implemented, iterated on, and improved over time, have the potential to produce growing, equitable regional economies.

DRIVERS & STRATEGIES FOR EQUITABLE GROWTH

Before diving into the possible drivers of equitable growth, it is worth identifying the constraints that inhibit equity within growth—uneven access to skills and capital. Gordon Hanson (2021), Professor in Urban Policy at Harvard Kennedy School, elaborates on these challenges: "Disadvantaged workers have a hard time accumulating the right skills. People without wealth have a hard time amassing the collateral they need to get loans to start businesses. You cannot generate income or wealth without one or both of those things." Efforts aimed at reducing disparities while promoting growth must be aimed at addressing these two constraints.

A scan of the emergent literature on equitable and inclusive growth offers several commonalities in suggested strategies that can be implemented, tested, and refined by regions. The strategies fall into three categories: (1) Preparedness, (2) Core Drivers, and (3) Force Multipliers. The Core Drivers category is underpinned by two primary outcomes: Shared Access & Opportunity and an Educated & Skilled Workforce. Within the Force Multipliers category, there are three target outcomes: Connected Neighborhoods & Region, Resilient & Adaptive Communities, and a Dynamized Economy. For each category, I have detailed promising approaches—many of which are sourced from the Bloomberg City Leader Guide on Equitable Economic Development (2020)—and example case studies from regions that have put these strategies into practice. These promising approaches and case studies do not have a Hampton Roads focus; rather, they are intended to offer a high-level overview of the evolving equitable growth landscape. Suggestions on strategies for the Hampton Roads region to pursue are discussed in detail in Section III: Gaps & Recommendations.

1. Preparedness

Understanding Regional Preparedness

The Bloomberg City Leader Guide on Equitable Economic Development (2020) describes a prepared region as one that is *willing* and *prepared* to pursue economic development in an inclusive and equitable manner. *Willingness* is based on a region's awareness and recognition of the importance of incorporating inclusion and equity within growth; it is reflected by the organization's leadership and prioritization. *Preparedness* refers to how this willingness is translated into efforts, resources, and capabilities to act on a policy agenda focused on equitable growth. There are four stages for organizational or regional preparedness to drive equitable growth:

⁹ For the purpose of this section, "region" refers to (a) the organizations and leaders tasked with advancing growth and economic development at the region-level and (b) municipalities and their leaders within a region.

<u>Level 1: Nascent:</u> The region is aware of the need and sympathetic to the idea of equitable economic development, but not yet ready to have the difficult conversation and fully commit to the work. In this case, the region should identify entry points to begin the work.

<u>Level 2: Emerging:</u> The region has started difficult conversations, but is not yet equipped to do follow through with analysis and action. Here, the region should look to build capacity to follow through.

<u>Level 3: Intermediate:</u> The region has had difficult conversations, completed initial analysis, and started to develop practices. In this situation, the region should focus on alignment of strategies and activities.

<u>Level 4: Advanced:</u> The region has practices in place, continues with analysis and conversations, and doubles down on efforts for equitable economic development. Regions at this stage should look to adapt and innovate on their practices.

To understand the extent to which a region is prepared for equitable growth, regional leadership should explore its readiness across the categories of leadership and policy priorities, programming and resource allocation, and measurement transparency.

Highlighted Resource: A Rubric to Assess Organizational Readiness in City Hall

The Bloomberg City Leader Guide for Equitable Economic Development (2020) provides a sample framework to assess where a city stands in its readiness to advance equitable growth. This diagnostic tool offers questions for self-assessment and a rubric for self-evaluation and goal setting. While this framework is designed for city leadership, it can be made relevant to region-level leadership with slight adaptations.

- → <u>Click here</u> to access the full rubric (pp. 11-12).
- → <u>Click here</u> to access the interactive workbook (pp. 4-13).

Focusing on Process and Outcomes

Much of the literature on equitable growth emphasizes the distribution of outcomes. However, the process undertaken by regions pursuing equitable growth is of equal importance—and likely will influence the outcomes. The concept of "procedural equity" is of foundational importance. Procedural equity involves equitable participation in decision-making processes, which includes public participation in the development of plans, efforts to increase ongoing public participation in city and regional governance, and specific outreach to groups that often are underrepresented in traditional public engagement processes (Meerow et al., 2019). This type of commitment to inclusive stakeholder engagement can both produce better economic development outcomes and engender a sense of trust in the legitimacy of the process.

The Bloomberg City Leader Guide for Equitable Economic Development (2020) and the Georgetown Climate Center (2020) offer guidance for grounding processes in procedural equity:

<u>Designing the Process</u>: Collaborate with community groups to co-define the vision and scope of a community-driven engagement process. Build flexibility into the process: effective community engagement requires varied approaches for different communities to accomplish different goals. Develop processes to solicit community input early and throughout, rather than asking for input after a plan is already developed.

<u>Diagnosing Challenges:</u> Involve local residents in parts of diagnosing challenges to help understand how the region historically developed current levels of inequity. Share data and insights with stakeholders about the results of this problem definition research. Hold focus groups or listening sessions to share insights and solicit feedback around the problem definition exercise to better interpret results.

<u>Developing & Implementing Strategy:</u> Host community participatory sessions as part of the process of developing goals for new equitable economic growth strategies. Intentionally include representatives of disadvantaged communities on sub-committees or working groups involved in strategy development. Provide citizens with feedback mechanisms to regional leadership about new programs and policies.

<u>Establishing Accountability:</u> Involve stakeholders in the evaluation of policy and program results and communicate early how stakeholders can become engaged in this evaluation. Evaluate the process of community engagement and share the findings of the evaluation—as well as next steps—with community stakeholders. Establish an equity task force that can serve as partners in this work of stakeholder engagement and external communications.

Strategies for Regional Preparedness

Regions committed to driving equitable growth can consider implementing several strategies to move toward a place of preparedness. Specific strategies should be selected based on a region's overall readiness, as well as its established or emergent priorities for equitable growth. A sampling of these strategies and practices, adapted from the Bloomberg City Leader Guide, is detailed below.

<u>Develop an Equitable Growth Plan:</u> An equitable growth plan serves as an opportunity for a region to gather insights from the community, develop a plan that articulates a clear vision and agenda around equitable growth, and communicate its importance across the region. This type of plan can also formalize the region's commitment to equitable growth and hold regional leadership accountable to progress.

<u>Create an Equitable Growth Partnership:</u> Regions contain a multitude of regionwide and city-level organizations—working across economic development, transit, housing, entrepreneurship, and

more—all seeking to advance growth. An equitable growth partnership, featuring leaders from these different stakeholder groups, can align strategy and activities toward inclusive growth.

<u>Conduct an Equity Audit:</u> Cities and regions can review the principles and major allocations for its budget and analyze how their proposed investments and spending can affect economic divides. This can, in turn, inform how the region and its municipalities allocate spending to better meet the priorities established in their equitable growth plan.

Improve Data Collection on Equitable Growth Indicators: Cities and regions can (a) collect local data that includes information on key indicators established for equitable growth, and (b) disaggregate this data by demographic focus areas for of inclusivity (race, ethnicity, and urban vs. rural, etc.) to monitor the progress of their equitable growth plans and gain better insights for policymaking.

Case Studies & Resources for Regional Preparedness

Case Study: Charlotte Future - 2040 Comprehensive Plan

In June 2021, Charlotte City Council adopted its Charlotte Future 2040 Comprehensive Plan, the first comprehensive plan to guide growth and development in the city since 1975. As Mayor Vi Alexander Lyles wrote in the plan's welcome letter, the planning process "has been guided by a focus on equitable growth and by the residents of Charlotte coming together to prioritize what is most important to us. As a community-driven plan, it seeks to address the inequities of the past, and unite the city around a shared set of goals for our future." Mayor Lyles explains that "the Comprehensive Plan is crafted through a lens of equity and with a commitment to thinking of our most vulnerable populations first with a vision of helping our city become a place where all residents can thrive, regardless of race, income, age, ability or where they live."

The output of this equity-centered approach is an Equitable Growth Framework, which aims to ensure that the costs and benefits of growth and change in Charlotte are distributed more equitably. The framework is focused on (1) mitigating involuntary displacement and promoting (2) access to essential amenities, goods, and services; (3) access to housing opportunity; (4) access to employment opportunity; and (5) environmental justice. The framework then uses these desired outcomes to inform its 10 policy goals to guide the city through 2040. While the results of this framework remain to be seen, Charlotte's process for equitable growth planning is viewed as a model for other cities and regions to emulate.

- → <u>Click here</u> to learn more and explore the plan for equitable growth in Charlotte.
- → <u>Click here</u> to zoom out and see the Charlotte Future: 2040 Comprehensive Plan website.

Highlighted Resource: National Equity Atlas Indicators & Detroit's Economic Equity Dashboard

The National Equity Atlas indicators track how communities are performing on key measures of inclusive prosperity. They define an equitable community as one where all residents—regardless of their race, nativity, gender, or zip code—are fully able to participate in the community's economic vitality, contribute to its readiness for the future, and connect to its assets and resources. The National Equity Atlas indicators track change over time, are comparable across regions, and are disaggregated by race and other demographics as much as possible. These data can serve as a starting point and source for indicators to be measured and shared.

- → <u>Click here</u> to access and explore the National Equity Atlas' Indicators page.
- → <u>Click here</u> to see how Detroit has put the National Equity Atlas indicators to use in a public dashboard.

Highlighted Resource: Brookings' roadmap to developing inclusive regional economic indicators

In 2020, Brookings Metro ran an Inclusive Economic Indicators Lab to help three regions—Indianapolis, Memphis, and Orlando—develop compelling and influential indicators projects that use metrics to drive more inclusive local economic outcomes. This roadmap distills experiences and lessons from the Lab, offering a flexible framework and case-study examples that can help interested regions develop an inclusive indicators project and understand the choices inherent in that process.

The framework identifies three phases, beginning with steps to set the conditions for success by identifying key stakeholders and agreeing on shared definitions and motivations for pursuing inclusive economic growth. Regional leaders then create the indicators project, honing a shared vision, identifying indicators and metrics, and testing and refining each iteratively. From there, they put the indicators to work by strategically communicating the results and embedding the indicators into as many organizational strategies as possible.

→ <u>Click here</u> to learn more about the roadmap and its affiliated resources.

2. Core Drivers

A. Shared Access & Opportunity: Resource access and economic opportunity, ownership, and wealth is equitably distributed across the region.

Strategies for Shared Access & Opportunity

The opportunity to generate income and wealth typically requires access. A regional economy is accessible if all of its residents have equal access to the information, services, capital, real estate, and infrastructure they need to pursue economic opportunity. Certain forms of access are explicitly tied to wealth creation, such as access to loans to purchase a home or access to debt or equity capital to start a business. Other forms of access are less explicitly tied to economic activity, such as access to childcare or quality

transportation; however, the absence of this type of access inhibits the economic opportunities of individuals and communities. Strategies that enable access in its many forms can lead to higher quality jobs, increased rates of business and homeownership, and, ultimately, a more equitable distribution of wealth across a region. A few of these potential strategies, drawn from the Bloomberg City Leader Guide, are described below.

<u>Launching Incubators:</u> Regions and cities can help identify the non-financial resources that disadvantaged entrepreneurs lack, direct entrepreneurs to local resources, and collaborate with ecosystem-building organizations like incubators or co-working spaces. These spaces can offer targeted programming for underrepresented entrepreneurs and improve access to physical spaces for ongoing entrepreneurial support and mentorship.

<u>Creating Small Business Offices & Mentorship Schemes:</u> Regions and cities can create offices dedicated to supporting small businesses, especially for minority or historically underrepresented owners. These offices can offer business or entrepreneur mentorship programming—targeted at Minority/Women-Owned Business Enterprises (MWBEs)—for organizations at different stages of development and that may lack access to existing business networks. These offices can also help business owners navigate complex regulatory processes, and even streamline cumbersome regulations to simplify starting and growing small businesses.

Improving Access to Capital: Regions and cities can create investment funds or work with Community Development Finance Institutions (CDFIs) to improve access to debt and equity capital for diverse firms. These could be targeted towards specific gaps in the existing financial ecosystem, such as startup loans for women and minority-owned businesses, or growth investments for firms with underrepresented founders operating in a strategically important industry cluster.

Implement Community Equity Investment Models: Cities and neighborhoods are exploring a multitude of new community equity investment models to reduce the racial wealth gap and help all residents benefit from growth. Sometimes referred to as Neighborhood Real Estate Investment Trusts (REITs), Community Investment Trusts, or Investment Cooperatives, these models offer residents the opportunity to purchase equity shares in a project and benefit financially from new development in their neighborhood. This approach expands the definition of ownership beyond housing and business wealth, thus reducing barriers and expanding access to wealth generation (Theodos & Edmonds, 2020).

<u>Develop 10-Minute Neighborhoods:</u> Regional and city leadership can collaborate to create more 10-Minute Neighborhoods, which provide all residents with access to essential amenities, goods, and services within a 10-minute walk, bike, or transit trip. Such access within a 10-Minute Neighborhood could include healthy food, transit stations, non-emergency health care services or pharmacies, community facilities (libraries, community centers, etc.), early childhood education, and financial services (i.e. banks and credit unions).

Case Studies & Resources for Shared Access & Opportunity

Case Study: New Orleans' BuildNOLA Mobilization Fund

New Orleans partnered with business and philanthropic organizations to create the BuildNOLA Mobilization Fund, which provides minority and female entrepreneurs access to capital to compete for public infrastructure projects. Access to capital and opportunity are major barriers to economic competitiveness among small contractor businesses, particularly to businesses owned by people of color. The Mobilization Fund seeks to remove this barrier and provides alternative strategies and sources of capital to underserved businesses that are forced to operate outside of the mainstream capital marketplace. The fund provides mobilization capital for start-up costs—including insurance, bonding, equipment, and initial labor costs—and contract lines of credit to ensure timely payments to suppliers and employees. An evaluation of the pilot showed that the fund enhanced recipients' ability to deliver on their public contract in two ways: first, by reducing immediate financial barriers; and second, by allowing the contractors to focus on providing high-quality services.

- → <u>Click here</u> to learn more about the initial launch of the BuildNOLA Mobilization Fund.
- → <u>Click here</u> to learn more about the recent growth of the BuildNOLA Mobilization Fund.

Case Study: Portland's Community Investment Trust

Mercy Corps, a nonprofit that provides loans and financial education to people with low incomes, formed Community Investment Trust (CIT) to buy the Plaza 122 shopping plaza in Portland, Oregon, for \$1.2 million in 2014. Using the Securities Act of 1933, the nonprofit formed the trust to allow East Portland families to invest in a commercial retail development. The development of CIT began when Mercy Corps fielded a survey about what resources affordable housing tenants and farmers' market participants wanted in their community and found that most survey takers desired ways to invest and benefit from development in their neighborhood.

Investors make monthly payments of \$10, \$25, \$50, or \$100 and have an opportunity to renew every year. People can invest until all 45,000 shares in the property are bought. CIT guarantees a minimum 2 percent return (required for approval from the Securities and Exchange Commission). To date, it has averaged 9 percent annually.

- → <u>Click here</u> to learn more about the Community Investment Trust.
- → <u>Click here</u> to explore other case studies of community equity investment models.

Highlighted Resource: Forward Cities' Equitable Entrepreneurial Ecosystems

Forward Cities is a national nonprofit that collaborates with cities and regions to foster stronger and more equitable entrepreneurial ecosystems. One of their flagship initiatives is ESHIP Communities, a three-year, community-driven approach for building entrepreneurial ecosystems that fosters inclusion, relationships, collaboration, and social capital across networks of entrepreneurs and those who support them. The program supports the creation and evaluation of a repeatable, bottom-up approach to building and strengthening entrepreneurial ecosystems. Current ESHIP Communities include Baltimore, Kansas City, Long Beach, Albuquerque-Santa Fe, Orlando, and Indianapolis.

- → <u>Click here</u> to explore Forward Cities' approach to ESHIP Communities.
- → <u>Click here</u> to learn more about Forward Cities' specific community engagements.

B. Educated & Skilled Workforce: The region's whole workforce is educated, skilled, and capable to fully participate in the local economy.

Strategies for Fostering an Educated & Skilled Workforce

Strategies for cultivating an educated and skilled workforce begin at early childhood and extend through retirement age. The strength of a region's public education system, from accessible pre-kindergarten through quality primary and secondary school, is critical for creating a level regional playing field. Accessible pathways to technical crafts, community college, and higher education help local students enter the appropriate careers for their interests and skillsets—and these pathways need to be targeted to overcome barriers to access among more disadvantaged populations. Professional training, reskilling, and transition programs support adults to make career changes, whether they choose to or are forced to do so. This capability is of increasing importance in a modern economy continually disrupted by automation and globalization. Across these strategies, specific emphasis should be placed on targeting disadvantaged groups to gain access to higher wage, higher growth, and/or more stable jobs. Examples of specific initiatives that regions can pursue are outlined below.

<u>Establishing Universal Preschool:</u> Several studies have found that access to preschool promotes a wide range of long-term academic, behavioral, and economic outcomes for the students enrolled, as well as near-term economic benefits for parents. While the workforce benefits of an investment in universal preschool take 20 to 30 years to pay off, this strategy is among the most effective and proven mechanisms for facilitating equitable workforce development.

<u>Launching Cradle-to-Career Initiatives:</u> Cradle-to-career initiatives are often developed through the Department of Education's Promise Neighborhood model as well as philanthropic initiatives, such as StriveTogether. Both are led by organizations that work to ensure that all children and youth in the target, distressed geographic area have access to the continuum of solutions needed to graduate from high school with college- or career-readiness. These strategies can be scaled up to prepare and strengthen the workforce across a region (PolicyLink, 2021).

<u>Building Cluster-Specific Job Training Programs:</u> Regions and cities can coordinate partnerships between major employers and training or education providers to expand opportunities and fill skills gaps. These efforts can specifically target disadvantaged groups, and they can focus on integrating them into the region's high-growth, high-wage clusters—something these groups would likely not otherwise access. Likewise, these activities can boost the growth and productivity of the partner firms as they tap into a previously underutilized workforce.

<u>Creating Apprenticeship Schemes:</u> Regions and cities can form partnerships with foundations, educational institutions, and local businesses in high-demand industries to create apprenticeship programs that bridge educational access gaps and provide critical work experience opportunities in growing job areas. Regional and city-level leadership can work with employers to create more apprenticeship opportunities, help recruit targeted populations into those opportunities, and build training programs to prepare current apprentices become mentors to future apprentices.

Case Studies & Resources for Fostering an Educated & Skilled Workforce

Case Study: Rhode Island's Outcomes-Focused Approach to Workforce Development

Over the past six years, the state of Rhode Island has made fundamental changes to its workforce programs with the aim of helping all Rhode Islanders, especially the 67% without a bachelor's degree, earn a good wage. Rhode Island overcame three major challenges to workforce development initiatives by replacing a "train and pray" strategy with employer focused partnerships, shifting from a "fund and done" model to active contract management, and refocusing its team on performance over compliance.

One of Rhode Island's programs is Real Jobs Rhode Island, a \$14 million workforce development program that provides grants to industry-led partnerships—collaborations of employers, educators, and training providers—to create innovative training programs tailored to the current and anticipated workforce needs of employers. In setting up these partnerships, the state targeted industries with strong growth potential such as biomedical innovation, data analytics, shipbuilding, advanced business services, health care, and logistics. The partnerships could train potential new hires, upskill incumbent workers, or do both. As of November 2020, Real Jobs Rhode Island had placed nearly 4,600 new hires and upskilled more than 6,000 incumbent workers, with new hires earning an average annual wage of \$33,170.

- → <u>Click here</u> to read the full case study on RI's approach from Jeffrey Liebman and Gina Raimondo.
- → <u>Click here</u> to read the full *Workforce Realigned* book on workforce development and mobility.

Highlighted Resource: StriveTogether's Cradle-to-Career Communities

StriveTogether is a national movement with the goal of helping every child succeed in school and in life. In partnership with nearly 70 communities across the country, StriveTogether provides resources, best practices, and tools to create opportunities and close gaps in education and the workforce. Built on lessons from their network members, StriveTogether's nationally recognized Theory of Action™ helps communities build and sustain the civic infrastructure necessary to improve outcomes and close gaps from cradle-to-career. Civic infrastructure is how a community builds a partnership, holds itself collectively accountable, and organizes to implement a cradle-to-career vision.

Cradle-to-career partnerships are formal groups consisting of cross-sector organizational and system leaders (e.g., education, business, government, nonprofits, etc.) as well as grassroots organizations, neighborhood leaders, and individual members of affected populations—especially youth and families who come together around a shared community vision. With support from backbone staff, the partnership group works together to define population-level challenges, develop and implement strategies to address those challenges, and hold systems accountable for results. The target outcomes of the StriveTogether approach include kindergarten readiness, early grade reading, middle grade math, high school graduation, post-secondary enrollment, post-secondary completion, and employment.

- → <u>Click here</u> to check out StriveTogether's website.
- → <u>Click here</u> to explore StriveTogether's robust action framework.
- → <u>Click here</u> to view StriveTogether's current partnership network.

3. Force Multipliers

A. Connected Neighborhoods & Region: The region's municipalities, neighborhoods, businesses, anchor institutions, and civil society organizations collaborate effectively.

Strategies for Connecting Neighborhoods & Region

The Bloomberg City Leader Guide on Equitable Economic Development (2020) describes a regional economy as connected if it has a dense network of demographically and geographically diverse community groups, philanthropies, business associations, and anchor institutions (i.e. "civil society") that provide leadership and support action from outside of government. Collaboration among the public, private, and social sectors—both within and across neighborhoods, cities, and regions—is integral to driving economic activity, inclusion, opportunity, and growth from the neighborhood to the regional level. The following examples of promising strategies and practices offer a starting point for strengthening the connections within regions to foster equitable growth.

<u>Investing in Civil Society:</u> Regional organizations, cities, and philanthropy can provide grants and investment to civil society groups that have the potential to generate economic activity or support wealth generation and retention among disadvantaged populations. Funding could be based on

facilitating specific outcomes or promoting broader capacity-building within the community. This work should not be done haphazardly or in silos. Rather, it should involve a long-term commitment, be grounded in moving the needle on foundational issues, and be conducted as a cross-sector, cross-organization collaboration.

<u>Supporting Community Development Corporations (CDCs):</u> CDCs are nonprofit, community-based organizations that focus on revitalizing areas that are typically low-income. While they most often invest in housing units, many take on a role in encouraging commercial development, entrepreneurial support, and unemployment programs. Regional organizations or cities can support the creation of new CDCs through grants and investment, or create tailored grants to encourage existing CDCs to move beyond a focus on housing.

<u>Centering HBCUs as Anchor Institutions:</u> Anchor institutions often have the power to shape the local economy as employers, workforce developers, local purchasers, and local business incubators, among other roles. HBCUs can be engines of economic mobility within regional economies and are often home to strong voices for equity within growth. However, HBCUs often play less central roles in regional leadership than other colleges and universities. By centering HBCUs as key anchor institutions, previously overlooked voices can have more power in shaping regional plans and activities.

Strengthening Local News Organizations: Local news organizations—both print and television—can be critical for facilitating awareness, connectedness, and accountability across a region. However, many local news outlets across the country have been greatly weakened, acquired and nationalized, or eliminated entirely. The strength of a region hinges, in part, upon the strength of its local news ecosystem. In addition to potential federal legislation, philanthropic and private sector stakeholders can work to create an independent and active base of local news organizations that advance accountability and equity across a region.

Case Studies for Connecting Neighborhoods & Region

Case Study: Detroit's New Economy Initiative

The New Economy Initiative (NEI) is a philanthropic collaboration and special project of the Community Foundation for Southeast Michigan working to build a regional network of support for entrepreneurs and small businesses. Their mission is to grow an inclusive culture of entrepreneurship in southeast Michigan that benefits all residents and strengthens the regional economy. Since launching in 2007 with a \$100 million commitment, NEI has invested more than \$120 million in more than 14,000 companies, representing more than 35,000 employees. A detailed and transparent history of the initiative, describing their evolution and pivots over time, can be found here. To help other regions learn from and adapt their approach, NEI has created NEI Insights, which includes a "how to" guide and case studies to inform implementing the NEI approach.

→ <u>Click here</u> to access NEI's "how to" guide.

→ <u>Click here</u> to access NEI's other resources, including case studies to explore.

Case Study: Tallahassee Office of Economic Vitality & Florida A&M Collaboration

Since 2016, the Tallahassee-Leon County Office of Economic Vitality has partnered with Florida A&M University, one of the nation's top HBCUs, to collaborate on economic development. Core to the collaboration was a focus on growing minority- and women-owned small businesses, which is centered around a Small Business Development Center (SBDC) based out of Florida A&M. This partnership exemplifies how HBCUs can be leveraged as anchor institutions to drive equitable economic development in a regional economy.

- → <u>Click here</u> to watch an International Economic Development Council webinar on this partnership.
- → <u>Click here</u> to learn more about the SBDC at Florida A&M.

B. Resilient & Adaptive Communities: The region redresses environmental harms and proactively adapts to environmental risks in a manner that protects and benefits all residents.

Strategies for Building Resilient & Adaptive Communities

A resilient and adaptive community is one that pursues an approach of environmental justice: it seeks to address environmental inequities resulting from past policy decisions and to proactively prepare for environmental risks in a manner that includes, protects, and benefits all residents. Communities that are resilient and adaptive actively work to mitigate environmental hazards that produce disparate social, economic, and health consequences in the present. Further, these communities actively pursue measures to prevent unequal future harm due to natural disasters, a changing climate, and other environmental shocks. Outlined below are potential practices—some of which are drawn from Hampton Roads—for incorporating equity into environmental harm mitigation and resilience planning.

<u>Creating Equity-Based Resilience Plans:</u> Portsmouth, VA recently received \$500,000 from the VA General Assembly to develop an equity-driven resilience strategy (City of Portsmouth, 2021). Approaching resilience planning and implementation with a grounding in equity is now largely viewed as necessary rather than optional. This means designing an equitable process for resilience planning and focusing on outcomes that address the needs of the most vulnerable populations and neighborhoods.

Implementing Resilient Zoning Ordinances: A few years ago, Norfolk, VA adopted a zoning ordinance focused on bolstering resilience while increasing the city's housing supply (Pew, 2019). In recognition of the current housing affordability crisis—and that flooding risks can reduce housing supply—cities can look to adopt similar zoning ordinances that increase density on higher ground while limiting or prohibiting development in flood prone areas.

<u>Establishing Environmental Justice Initiatives:</u> Cities and regions can establish initiatives focused on furthering environmental justice. These initiatives can drive community engagement, increase publicly available information, facilitate local policy change, and create or fund projects that advance environmental justice in a targeted manner. <u>This report</u> from the Tishman Environment and Design Center (2019) offers a national scan of local policies for environmental justice.

Case Studies & Resources for Building Resilient & Adaptive Communities

Case Study: Environmental Justice in Charlotte's Equitable Growth Framework

Charlotte's Equitable Growth Framework, foundational to its Charlotte Future: 2040 Comprehensive Plan, helps ensure that the costs and benefits of growth and change in Charlotte are distributed more equitably. Charlotte's plan identifies four metrics to advance equity within growth. The first three metrics—access to essential amenities, goods, and services; access to housing opportunities; and access to employment opportunities—tend to be more common among equitable growth plans. However, Charlotte is relatively unique in identifying environmental justice as its fourth and final metric. The region defines environmental justice as "seeking to minimize and equalize effects of environmental hazards among the entire community regardless of income, race, education level, and age." To measure access to environmental justice across the city, Charlotte analyzed five measures, including: (1) tree canopy, (2) impervious surface, (3) proximity to heavy industrial uses, (4) proximity to major transportation infrastructure, and (5) flooding risk.

Charlotte translated this operationalized vision of environmental justice into its policy framework for the city. For example, Goal 7 in this framework is to create "integrated natural and built environments," which it defines as "protecting and enhancing its surface water quality, tree canopy, and natural areas with a variety of trees, plantings, green infrastructure, green building practices, and open space at different scales throughout the entire community as a component of sustainable city infrastructure that addresses the threat of climate change." Charlotte's strategy exemplifies how environmental justice and equity can be considered within a broader growth framework.

- → <u>Click here</u> and click the "+" next to "Environmental Justice" to read more about how Charlotte defines and measures access to environmental justice.
- → <u>Click here</u> for Charlotte's approach to creating integrated natural and built environments.

Case Study & Highlighted Resource: Virginia's Coastal Resilience Master Plan

In December 2021, Virginia released Phase 1 of its *Coastal Resilience Master Plan*. The master plan is intended to help chart the course to adapt and protect Virginia's coastal communities. Virginia's plan is noteworthy in its centering of equity and community vulnerabilities in its approach to adaptation and resilience. The "Community Vulnerabilities and Capacities" section of the plan, which begins on p. 68, outlines the state's methodology and approach for incorporating equity within resilience. The plan includes four factors that drive a community's social vulnerability—Socioeconomic Status; Household Composition & Disability; Language, Race, & Ethnicity; and Housing Type & Transportation—all of which have multiple underlying variables. For each vulnerable region of the Commonwealth, the plan offers a detailed analysis of the region's community resources and capacity in conjunction with its coastal flood hazard and social vulnerability.

- → <u>Click here</u> to access the full Virginia Coastal Resilience Master Plan.
- → <u>Click here</u> to read the FEMA guide to *Building Alliances for Equitable Resilience*.

C. Dynamized & Diversified Economy: The region's economy contains the diversification, complexity, innovation, and entrepreneurial ecosystem to grow and thrive.

Strategies for Dynamizing and Diversifying the Economy

A dynamic and diversified region has high levels of entrepreneurship and new business formation, innovation, economic complexity, industry diversification, and differentiation. These factors enable regional economies to grow and become more resilient in the face of shocks. While these factors, alone, do not drive equity, they are critical for equitable employment, business creation and growth, and wealth building among disadvantaged groups. To that end, I have highlighted examples—drawn from the Bloomberg City Leader Guide and Brookings—of how these strategies can incorporate an equity lens.

<u>Providing Technical Assistance and Business Support:</u> Regions and cities can identify companies with growth potential and support them with targeted and customized assistance to increase output and employment, specifically for low and moderate-income communities. This may involve investing public funds in institutions that diffuse technology or productive practices, supporting collaborations between research institutions and firms, or providing market intelligence and analysis.

<u>Creating Accelerators:</u> Regions and cities can provide initial capital or partnership support to help start or expand accelerator programs that provide programmatic assistance and funding access to entrepreneurs. Equity considerations can be integrated into accelerators both from a process perspective (i.e. sourcing and selection) and from a programmatic perspective (i.e. sector focus, specific innovation challenges, etc.).

<u>Developing Innovation Districts:</u> Regions and cities can create innovation districts or develop entrepreneurship zones where permitting processes are streamlined, and business support services are consolidated. These areas can incentivize clustering for high-growth industries and can be a driver of economic inclusion through the physical location of the districts, entrepreneurship focus within classrooms, vocational training, and mentorship schemes. Though fairly new, several cities have incorporated equity into their innovation district strategies.

<u>Developing Cluster Strategies</u>: Regions and cities can identify groups of innovative firms that are concentrated around a particular skill base, sector, or technology, and take steps to support their growth. Regional and city leadership play an important role in supporting new and inclusive governance models, equitably providing investment and land for new institutions and initiatives, and supporting disadvantaged populations to access high-wage jobs.

Case Studies & Resources for Dynamizing and Diversifying the Economy

Case Study: Cincinnati's Ecosystem-Wide Approach

The National Inclusive Metro Recovery Playbook (2021), produced by Accelerator for America, showcases Cincinnati's ecosystem-wide approach to facilitate equitable growth. Importantly, the report notes that this strategy is borne out of "decades of collaboration" and "a focus on equitable economic development" (p. 16). The five components of Cincinnati's strategy that are highlighted in the playbook—which we've excerpted below—demonstrate how equity can be leveraged to dynamize and diversify a regions' economy.

<u>Anchor Procurement:</u> Procter & Gamble, Kroger, and the Uptown Consortium lead the City's supplier diversity initiatives. All are members of the Billion Dollar Roundtable, a coalition of corporations that spend \$1 billion or more with minority- and women-owned businesses, and have worked hard to increase their diverse procurement initiatives locally.

→ <u>Click here</u> to learn more about the Billion Dollar Roundtable.

<u>Business Support Services:</u> Cincinnati has a wide variety of entrepreneurial support organizations, but two leading organizations are the Minority Business Accelerator and MORTAR. The centerpiece of MORTAR's model is a fourteen-week intensive Entrepreneurship Academy designed for minority entrepreneurs who are starting or growing their businesses.

→ <u>Click here</u> to learn more about MORTAR.

<u>Capital Access:</u> Cincinnati has a number of innovative capital access organizations that are helping to connect diverse entrepreneurs with debt and equity financing. Two include Fifth Third Bank, which has committed \$100 million to a regional neighborhood fund, and Centrifuse, which has a syndicated fund for local corporations that has invested \$90 million of venture capital into regional startups.

→ <u>Click here</u> to learn more about Fifth Third's Neighborhood Investment Program.

<u>Business Districts:</u> Cincinnati is in the process of establishing a regeneration alliance to coordinate between local organizations and optimize the distribution and use of resources across numerous Neighborhood Business Districts (NBDs). The alliance will work with key stakeholders and community associations in selected NBDs to design customized mechanisms and strategies.

→ <u>Click here</u> to learn more about the NBD Improvement Program.

<u>Sector Diversification:</u> Cincinnati's Minority Business Accelerator has focused on growing Black-owned firms in the manufacturing sector. Prior to COVID-19, it was pursuing a four-pronged strategy to: (i) help minority-owned businesses scale; (ii) build a pipeline of future minority-owned businesses; (iii) bring more minority-owned firms into the region's manufacturing, aerospace, and chemicals sectors; and (iv) grow minority-owned businesses by acquiring existing businesses with no succession plans.

- → <u>Click here</u> to learn more about the Minority Business Accelerator.
- → <u>Click here</u> for a Brookings case on the Minority Business Accelerator.

Case Study: Cleveland's Health-Tech Corridor

The Cleveland Health-Tech Corridor stretches between Cleveland's downtown and University Circle, and is anchored by R&D-intensive institutions such as Case Western Reserve University, Cleveland Clinic, University Hospitals of Cleveland, VA Medical Center, and Cleveland State University. Designated as an innovation district over a decade ago, the Health-Tech Corridor now has over 170 biomedical and health care companies in addition to the four universities and colleges and four health care institutions. The Health-Tech Corridor has made inclusive economic growth a key aspect of its mission, striving to create equitable community development in adjacent low-income neighborhoods, train local residents to participate in the innovation economy, and signal to the private sector that the region is a place for future growth and investment.

Efforts to promote equitable development have been reinforced by a new kind of anchor: the Cleveland Foundation. After over 100 years operating in downtown Cleveland, the Foundation's headquarters will move to the Health-Tech Corridor in 2022, physically positioning itself between downtown and University Circle. This relocation will strengthen the Foundation's efforts to catalyze growth within the district and spur equitable neighborhood development, alongside the activities led by the Corridor's more traditional anchors and companies.

→ <u>Click here</u> to learn more from Brookings about the Health-Tech Corridor's approach to equity.

Case Study: Tulsa's Black Tech Street

In the early 1900s, Tulsa's Greenwood neighborhood was one of the most prosperous Black communities in the United States and was referred to as "Black Wall Street." Then, in 1921, the neighborhood was burned to the ground by a white mob in what is now known as the "Tulsa Race Massacre." Hundreds were killed, thousands were left homeless, and most of the community's businesses were destroyed.

Precipitating the one hundredth anniversary of the massacre, leaders in Tulsa launched Black Tech Street to foster a redemption narrative for the region's Black community and create a vision for Tulsa to be globally-renowned for its black tech ecosystem. The aspiration of Black Tech Street is for Tulsa's Black Innovation Economy—an economy designed by, and for, black entrepreneurs—to become a national center of inclusive economic opportunities for black entrepreneurs and businesses. While the initiative has just started, it offers an example of how a region can incorporate equitable entrepreneurship as a key factor for driving its regional economy.

→ Click here to learn more about Black Tech Street.

SECTION III: GAPS & RECOMMENDATIONS

GAPS ANALYSIS

For the purposes of this report, the principal gap in Hampton Roads is that equity issues are viewed as separate from growth issues. Therefore, they are inconsistently incorporated into—or completely absent from—the region's growth plans and activities. Highlighted below are the fundamental gaps in the region's preparedness for equitable growth.

Gap 1: Regional growth leadership's current process for selecting board members and determining strategies is not transparent, inclusive, or equitable.

Historically, regional growth leadership has been shepherded by a small group of wealthy and well-connected individuals from the region's business community. The boards of the organizations that these individuals have helped create—Reinvent Hampton Roads (Reinvent) and the Hampton Roads Alliance (HRA)—are, in large part, comprised of people from the same networks. The process for how individuals were selected to join these boards is opaque. Moreover, the pending *Successor Leadership and Economic Development* transition, initiated by current regional growth leadership and intended to shape the future of Hampton Roads' regional economic development organization and efforts, is occurring behind closed doors. At present, it is unclear how successor leadership has been identified. Who selected successor leadership? What were the considerations and criteria for making these selections? How was the community involved, if at all? The result is a process for selecting leaders and driving strategy that, from the outside, appears to lack consideration for inclusivity or equity.

Stakeholder Interview: Patrice Lewis, Senior Advisor for the 757 Regional Branding Initiative

"The leadership does not represent the community, and the 'diverse' leadership is tokenized ... There is a group of people who have always been in place, and will continue to try to be in place as much as possible, and this is a big barrier ... There is more of an understanding of diversity and equity from young professionals than there are among people in power right now. Gatekeepers are gatekeepers and they are going to continue to be gatekeepers; until they really promote and listen to the broader public, this is going to be an issue for the area ..."

Gap 2: The region's growth leadership is not aligned on the role of equity in planning for Hampton Roads' growth.

Conversations with leadership across the region's growth and equity efforts agree on one thing: regional growth leadership is not aligned on the role of equity in planning for growth. Some leaders believe that conversations around these issues should continue to happen in separate silos. Some believe that efforts toward increased equity are in tension with strategies to facilitate growth. And some believe that equity

considerations should be centered within the region's growth efforts. Without alignment on the role that equity should play in Hampton Roads' growth efforts, it will be difficult for coordinated, effective growth planning that incorporates these considerations to occur.

Gap 3: Individuals with experience and expertise in equity are underrepresented among the leadership of Hampton Roads' regional growth organizations.

Hampton Roads three main regional growth organizations—Reinvent, HRA, and RVA-757 Connects—lack representation from individuals who have expertise and experience in equity (see **Table 7**). Within these organizations, leaders who have experience with equity issues account for 12-15% of Board members. This absence of representation among equity stakeholders may shape the strategic direction of these organizations.

Gap 4: The leadership of regional growth organizations is not representative of the demographics of Hampton Roads' population.

Hampton Roads' three primary regional growth organizations also lack representation from minorities and women. While 42.5% of the region identifies as non-white, only 15-20% of Board members for the region's growth organizations are minorities. Women account for only 15-20% of leadership for the Boards of Reinvent and HRA, and 30% of leadership for the Board of RVA-757 Connects. The disparities in regional growth leadership reflect—and have the potential to reinforce—the economic and social disparities in Hampton Roads.

Table 7. Board Representation of Regional Growth Organizations¹⁰

Regional Organization	Equity Experience	% Minority	% Female
Reinvent Hampton Roads	14.3%	19.0%	19.0%
Hampton Roads Alliance	15.0%	20.0%	15.0%
RVA-757 Connects	12.5%	16.7%	30.0%

Stakeholder Interview: Doug Smith, CEO of the Hampton Roads Alliance

"There seems to be a real separation socially between owners of Black businesses and other business leaders. Many of our regional organizations have boards that are primarily comprised of white men. It's not that there are not talented and successful African Americans, it is that our leaders from different communities don't know each other. We need to do the heavy lifting and better connect the business leadership to better integrate some of the regional boards."

¹⁰ See <u>Appendix D</u> for full breakdown of board representation for regional growth organizations in Hampton Roads.

Gap 5: Equity considerations are not sufficiently integrated into the region's growth plans and initiatives.

The region's three most recent growth and economic development plans either completely leave out or insufficiently incorporate equity considerations. The Region 5 Growth & Diversification Plan (2019) does not address regional inequities within its problem definition and proposed strategies. The Hampton Roads Comprehensive Economic Development Strategy (2020) addresses the issue of inequities in multiple sections; however, its strategic direction and action plan lacks strategies that directly address these issues within growth. The 757 Recovery & Resilience Action Framework (2021) identifies "a commitment to inclusion and equity" as its first value and includes a small number of activities aimed at addressing inequities within the region. However, equity considerations appear to be add-ons rather than central to the action framework.

Gap 6: Hampton Roads does not provide data on equitable growth in a centralized, up-to-date, and publicly accessible manner.

Data on the region's growth performance and racial disparities are currently decentralized and difficult to access. The Hampton Roads Chamber of Commerce Diversity, Equity, & Inclusion Dashboard has not been updated since February 2020, and is focused on regional sentiment rather than regional performance. The Greater Hampton Roads Community Indicators Dashboard is more comprehensive and provides indicators that are material to growth as well as economic and social disparities. This Community Indicators Dashboard has the potential to become the platform for equitable growth indicators. However, as it is currently set up, indicators of growth and equity are disparately located throughout the site. The site could benefit from a tighter focus on a set of key indicators that can be accessed in a streamlined manner. An absence of clear, centralized data makes understanding the region's challenges around equitable growth more difficult and hinders public accountability of regional leadership.

Gap 7: Hampton Roads' key growth and innovation initiatives inconsistently integrate equity considerations into their work.

An assessment of available information for 757 Accelerate, 757 Angels, RISE, Hampton Roads Innovation Collaborative (HRIC), and Hampton Roads Maritime Collaborative (HRMC) indicates that few of Hampton Roads' key growth and innovation initiatives are incorporating equity considerations. While 757 Accelerate indicates that they support underrepresented founders, it is not clear how "underrepresented" is defined and how their selection process works. 757 Angels includes data on the diversity of their applicant pool and funded companies, but similar information is not available on their investor network, and it is unclear how equity issues factor into their investment decisions. RISE does not appear to incorporate equity considerations, both in terms of the founders/companies it supports and the challenges it has launched thus far. The HRIC does not consider equity-related issues in any of its goals or tactics, and it is not yet clear the role that equity considerations will play in the HRMC's activities. These inconsistent efforts impair the region's ability to grow in an equitable and inclusive manner.

RECOMMENDATIONS: PREPAREDNESS

As the Gaps Analysis indicates, Hampton Roads is still in the nascent stage of planning and acting toward equitable growth. As such, the foremost priority of the region's leadership should be to enhance its preparedness. The *Successor Leadership and Economic Development* transition offers a timely inflection point for Hampton Roads' growth leadership to pivot toward a more equitable, community-driven approach to regional growth. In this spirit, the recommendations below offer an initial roadmap for Hampton Roads to reorient its processes, leadership, plans, and activities to create a growing economy that works for all of the region's residents.

Stakeholder Interview: Doug Smith, CEO of the Hampton Roads Alliance

"At the Alliance, we must continue to get our house in order before we can more aggressively advocate for inclusive growth. We have things to fix internally before we turn around and tell people how they have to behave externally."

Priority 1: Prepare the region to advance equitable growth.

Recommendation 1.1: Leverage the Successor Leadership and Economic Development transition to advance procedural transparency, inclusivity, and equity in regional growth leadership.

The current *Successor Leadership and Economic Development* transition is occurring in a non-transparent manner, but this does not have to be the case. As the group turns to making recommendations for the possible re-envisioning of the region's economic development organizations, leadership, and strategy, it can do this with a grounding in inclusivity and equity. The group can be intentional in creating a transparent process for input, engaging underrepresented stakeholders, and co-creating the path forward around regional growth. While this would not be sufficient for building an equitable approach to regional economic development, it would signal a change from business as usual and lay the groundwork for a more equitable process for regional growth.

Initial Action Steps:

- 1. Identify leaders within the *Successor Leadership* group who have the credibility in disadvantaged communities to be the leaders of this process.
- 2. Partner with representatives from disadvantaged communities to determine the principles with which it approaches the process.
- 3. Intentionally seek out partners from underrepresented communities and organizations to engage stakeholders who historically have not had a voice in the region's decisions.

Stakeholder Interview: Dr. Cassandra Newby-Alexander, Dean of NSU's College of Liberal Arts

"Part of the paradigm shift is a cultural paradigm shift ... You can't keep the same group of friends if you want to change something. Your alliances have to be looking at things through a different lens."

Stakeholder Interview: Patrice Lewis, Senior Advisor for the 757 Regional Branding Initiative

"There needs to be continual engagement with the community. When you engage a population and empower them to feel like they can make changes, and they make those changes, that is when you will see more equity. A lot of people are speaking for these communities; however, they are not asking communities what they need on a regular basis to understand how to make life better for them ... in order for [equity] to be implemented those voices need to continue to be heard ..."

Recommendation 1.2: Strengthen regional growth leadership by incorporating equity stakeholders and increasing its representation of Hampton Roads' demographic composition.

While the future structure of the region's growth organizations is undetermined, the current Board leadership of Reinvent and the HRA include (a) few individuals with equity expertise, and (b) few people of color, women, and young people. As the two main organizations that currently plan growth and economic development at the regional level, it is imperative that they include these underrepresented stakeholders if Hampton Roads is to begin working toward equitable growth. Regional leadership should identify target candidates who already hold leadership positions within the region, while developing a pipeline to cultivate underrepresented emerging leaders. From an operational perspective, these Boards should consider including committee structures that explicitly address equity issues within growth.

Initial Action Steps:

- 1. Designate point person for this effort within each organization.
- 2. Establish priorities for representation and functional expertise for each Board.
- 3. Identify target candidates to join each Board in partnership with underrepresented community leaders.
- 4. Determine changes to Board roles and committees to incorporate equity perspectives.

Stakeholder Interview: L'Allegro Smith, Former Special Assistant to Representative Bobby Scott

"If you have the same people in leadership, talking the same way, speaking to the same people, how are you going to change the region?"

Recommendation 1.3: Ensure that regional growth leadership is aligned on Hampton Roads' key issues around growth and equity.

Interviews with key stakeholders in Hampton Roads showed broad agreement on the region's challenges and opportunities around growth. However, there was disagreement over the role that equity should play in Hampton Roads' future growth. For Hampton Roads to approach growth in an equitable manner, it will be important for the region's leadership to align on the key issues around growth and equity. This would mean developing a shared understanding of the problem definition: how do equity issues impede the region's growth prospects—both now and in the future—and how do the region's environmental risks intersect with these issues? The problem definition section of this report provides a starting point on which future efforts can be built. The HRCF and HRA appear to be the most appropriate sponsors for commissioning a more comprehensive and focused report.

Initial Action Steps:

- 1. Commission report to comprehensively frame the problem by detailing the relationship among growth, equity, and environmental resilience in the Hampton Roads region.
- 2. Regional growth leadership to review, offer feedback, and approve final report, which can inform future growth planning.

Stakeholder Interview: Maurice Jones, CEO of OneTen

"Data will really be our biggest friend here. If you look at the talent in this region and you look at the workforce, I would venture to tell you that at least two-thirds of the workforce in this region doesn't have a four-year degree. So, the real question is, do we say to that two-thirds of our region, 'sorry unless you get a four-year degree, there is no access to a living wage job.' No, that is crazy. What we really need to make people understand is that the barriers to prosperity are actually systemic barriers that are harming the region in a much more general way. If we remove these barriers for communities of color, the beneficiaries of which will be the whole region."

Priority 2: Develop and operationalize a regionwide strategy for fostering equitable growth.

Recommendation 2.1: Develop, operationalize, and measure progress toward equitable growth goals.

The region's current growth and economic development plans do not actively consider equity issues. Regional leadership should both (a) develop new growth goals that incorporate an equity lens, and (b) integrate equity into their existing growth goals. Goals should be developed and/or adjusted with ample participation from community stakeholders and a grounding in the evidence of the region's challenges. Leadership should establish metrics on which these goals can be measured, and, to the extent possible, make publicly available the region's progress toward achieving these goals.

Initial Action Steps:

- 1. Identify and determine stakeholders to lead planning efforts.
- 2. Adjust region's Comprehensive Economic Development Strategy and Regional Growth & Diversification Plan with an equity lens.
- 3. Summarize in simplified document that can be accessed and understood by the public.

Stakeholder Interview: Maurice Jones, CEO of OneTen

"There is this temptation to take low-resourced communities and separate them outside of your overall business and growth and economic development strategy. You can't do that: you have to center them in your economic development approach. You are only going to be as strong as your least developed area. For me, the real gap is in our mindset. It is the notion that we will have a separate approach to our low-resourced areas. You have to have those areas informing your overall strategy, or it won't work. We are compartmentalizing poverty and race, and we will never make progress that way."

Stakeholder Interview: Aleea Slappy Wilson, Chief DEI Officer for City of Norfolk

"There are limited region-level strategic efforts around equity. Ideally, we would have regional goals related to equity. How can we come up with regional priorities around equity, and have each city work toward these goals?"

Recommendation 2.2: Create a centralized, transparent, and continually updated dashboard for the region's key metrics around equitable growth.

The Hampton Roads Chamber's Diversity, Equity, & Inclusion Dashboard is incomplete and has not been updated since February 2020. The Community Indicators of Greater Hampton Roads is more comprehensive but siloed. Based on the key metrics that are developed for equitable growth, regional leadership should roll out a centralized, up-to-date dashboard that can easily accessed by the public. This could entail adding a new dashboard to the Community Indicators Dashboard, or it could involve developing a separate dashboard. To promote accountability, the dashboard should be able to be viewed at the region-level as well as the municipality-level. Further, it should be built in a manner such that individual municipalities can incorporate their city-specific metrics for equitable growth. The dashboard should be made available on the websites of major regional organizations (Reinvent, HRA, HRCF) and the open data portals for local government sites.

Initial Action Steps:

- 1. Align on key metrics to track around equitable growth.
- 2. Determine methods and sources for data, such as drawing on the National Equity Atlas.
- 3. Engage with local government leadership for development and rollout of dashboard.
- 4. Allocate responsibilities for maintaining dashboard.

Recommendation 2.3: Augment existing regional growth initiatives by incorporating an equity lens.

Approaching regional growth with an eye toward equity does not mean starting over. Rather, it means building on what is already in place by applying an equity lens to these initiatives. For example, this could include weaving equity goals into emergent initiatives, such as the Maritime Innovation Cluster, or existing organizations, such as 757 Angels and 757 Accelerate. To support these efforts, regional growth leadership should create a guiding framework to help key governments, initiatives, and organizations integrate equity approaches into their existing activities. Organizational leadership should draw on this framework—and coordinate with regional leadership—to incorporate strategies that will contribute to the region's equitable growth goals.

Initial Action Steps:

- 1. Designate point person to coordinate with initiatives/organizations.
- 2. Identify key initiatives/organizations to incorporate equity lens.
- 3. Provide framework to key initiatives/organizations and coordinate with them on implementation.

Priority 3: Forge intra- and inter-regional partnerships to advance equitable growth.

Recommendation 3.1: Establish a regional partnership for equitable growth.

Each region-level organization that plays a role in strategizing and implementing Hampton Roads' growth plans should form a partnership focused on aligning strategies and activities toward equitable growth outcomes. This partnership should meet on a regular basis to collaboratively strengthen their efforts for advancing equitable growth in the region, both by enhancing regional cohesion and by improving the efficacy of each organization's activities. Key organizations that could participate in the partnership include Reinvent, HRA, Hampton Roads Chamber, Hampton Roads Transportation Planning Organization, Hampton Roads Planning District Commission, RVA-757 Connects, 757 Collab, Hampton Roads Maritime Collaborative, Black Brand, the Urban League, and local economic development groups. Additional efforts should be pursued to incorporate organizations that represent historically underrepresented stakeholders.

Initial Action Steps:

- 1. Determine the appropriate convenor.
- 2. Identify and invite key organizations/stakeholders to join the partnership.
- 3. Develop high-level goals and expectations for the partnership.
- 4. Invite additional, relevant organizations/stakeholders to join.

Recommendation 3.2: Create a regional equity consortium for the city, business, academic, and civil society stakeholders who address equity issues in their roles.

While the region has many leaders in city government, business, academia, and civil society who are working on equity-related issues, they are not meeting or convening in a consistent, coordinated manner. The region's HBCUs (Norfolk State, Hampton) could take a lead role, collaborating with region-level

convenors (i.e. HRCF, HRA, Sentara, ODU) to establish a consistent convening for leaders who address equity issues within the region. This consortium could feature specific working groups, such as a city government working group to foster better collaboration among city level leaders focused on equity. It can also set a coordinated research agenda, where academics from the region's dense and diverse network of universities can partner to generate relevant research. Finally, it could serve as a credible host of conferences, convenings, and workshops, both regionally and nationally. This type of convening would mirror the efforts of the region's Coastal Resilience & Adaptation Consortium, just from the equity angle, and enable leaders to discuss challenges, share promising practices, produce research, and explore opportunities to collaborate. Further, it could inform and feed into the efforts of regional leadership around equitable growth.

Initial Action Steps:

- 1. Determine the appropriate convenor(s).
- 2. Develop high-level goals and expectations for the equity consortium.
- 3. Identify and invite key city-level stakeholders to join the equity consortium.

Recommendation 3.3: Engage with other regions that have pursued equitable growth to learn from what has worked and to avoid common pitfalls.

In this report, I have highlighted several regions that have initiated processes to work toward more equitable and resilient growth. Regional leadership should engage with leaders from these other regions—Charlotte, Cincinnati, St. Louis, Tulsa, Richmond—to learn about both what has worked from their approach and the pitfalls to avoid. Further, the region can seek to create a community of practice around equitable and resilient growth, or join a community of practice if a relevant one already exists. To my knowledge, no region has pursued equitable growth well and there is no set of uniform "best practices." As such, approaching equitable growth with a learning orientation—both from other regions and from within the region—will be critical.

Initial Action Steps:

- 1. Identify target regions to engage and potential communities of practice to join.
- 2. Determine who or what organizations will lead outreach and engagement.
- 3. Establish mechanism to integrate learning and feedback into Hampton Roads' strategy.

RECOMMENDATIONS: EXPLORE FURTHER

As the region becomes prepared to advance growth in an equitable manner, leadership should start to develop specific strategies for proactively driving equitable growth. Offered below are recommendations for potential approaches to explore further. The recommendations were drafted based on promising practices pursued in other regions and an understanding of the region's existing activities. However, unlike the prior recommendations section, these suggestions should be viewed more as a menu of options to

consider than as strategies that should absolutely be pursued. Further research is necessary to validate the level of need, efficacy, and feasibility for each proposed option.

Priority 4: Target strategies to increase access to resources, ownership, and economic resilience among the region's Black population.

Recommendation 4.1: Replicate Cincinnati's Minority Business Accelerator, adapting it to the Hampton Roads context.

The rate of Black business ownership severely lags the rate of white business ownership in Hampton Roads, and Black businesses tend to be in lower revenue, lower growth sectors. By adapting a version of Cincinnati's Minority Business Accelerator to the Hampton Roads context, regional leadership could help reduce this Black business ownership and revenue gap. A minority business accelerator in Hampton Roads should, like Cincinnati, pursue an industry specific strategy and channel Black businesses to the region's key and emergent industrial clusters. The creation of the region's new maritime cluster could offer a timely launch point for the accelerator. Further, Black Brand's new B-Force Accelerator, launched in 2021, could serve as a potential partner for this effort.

Initial Action Steps:

- 1. Engage with Blair Durham, CEO of Black Brand, and Brian Owens, Program Manager for the B-Force Accelerator.
- 2. Engage with Patrick Duhaney, City Manager of Virginia Beach, who was Cincinnati's City Manager.
- 3. Connect with current leaders of Cincinnati's Minority Business Accelerator to learn from their program model.
- 4. Identify initial funding sources for a pilot program in Hampton Roads.

Stakeholder Interview: Doug Smith, CEO of Hampton Roads Alliance

"Companies and local governments want more minority suppliers. To date, in many cases the directive seems to have been 'give us your best effort.' It is going to take increased intentionality for localities and businesses to increase the number of minority suppliers. We have not been able to crack this code."

Recommendation 4.2: Partner with internal stakeholders or an external organization, such as Forward Cities, to more intentionally cultivate an equitable entrepreneurial ecosystem.

The region does not currently have a cohesive strategy and set of practices for cultivating an equitable entrepreneurial ecosystem. In TechStars' assessment of Hampton Roads' entrepreneurial ecosystem, it identified inclusion as the region's primary gap in its approach to entrepreneurship. While organizations like 757 Accelerate are attempting to more intentionally increase representation in their programs, a broader, ecosystem-wide strategy appears necessary. To that end, the region should partner with leaders

from Hampton Roads and/or an external organization, such as Forward Cities, to develop and implement an equitable entrepreneurship strategy to guide and connect the entire ecosystem.

Initial Action Steps:

- 1. Determine specific gaps and needs in terms of capacity and strategy.
- 2. Identify potential internal leader(s) who can drive the equitable ecosystem building efforts.
- 3. Identify potential external partner(s), if necessary, to support these efforts.

Stakeholder Interview: Aleea Slappy Wilson, Chief DEI Officer for City of Norfolk

"We have two HBCUs in the region. The majority of students going to Hampton University are coming from elsewhere, and then they leave again. This HBCU talent is leaving the region. How can we retain diverse talent better? We have not created a strategic ecosystem around supporting small businesses. It is not a collective effort. We haven't created a collective strategy to cultivate and retain entrepreneurs, particularly minority entrepreneurs."

Recommendation 4.3: Hampton Roads' municipalities should adopt a variation of Norfolk's resilience zoning ordinance to increase density on higher ground.

Hampton Roads is facing the two-fold challenge of a decreasing amount of habitable land due to relative sea level rise and a mounting housing affordability crisis. Norfolk's model of increasing zoning density on higher ground should be adapted by other Hampton Roads' municipalities to meet their resilience and housing needs. Additional measures, such as permitting the construction of affordable dwelling units (ADUs), should be pursued by municipalities to increase housing supply on habitable land. Such an approach could allow Hampton Roads' municipalities to continue to grow, while bolstering their resilience and the affordability of housing and rental units.

Initial Action Steps:

- 1. Convene City Council representatives and City Managers from relevant municipalities around best practices for increasing housing density in a resilient manner.
- 2. Partner with relevant stakeholders, such as developers and community leadership, to determine strategies to engage the public about the benefits of increasing density.

Recommendation 4.4: Leverage community equity investment models, such as Neighborhood REITs and Community Investment Trusts, for new development in the region.

According to The Urban Institute (2020), community equity investment models offer existing residents of a community the opportunity to purchase equity shares in a project and benefit financially from new development in their neighborhoods. Neighborhood REITs allow mission-driven investors and local residents to pool money and create special entities to purchase properties. Similarly, a Community

Investment Trust is a low-dollar (\$10-\$100/month), loss protected opportunity for community residents to invest in commercial properties. Regional and municipal leadership—in partnership with community stakeholders—should explore opportunities to integrate community ownership models into new development projects to enable all residents to benefit from growth. This could initially start as a pilot project akin to Portland's Community Investment Trust, and scale to municipal and regional policy.

Initial Action Steps:

- 1. Determine potential organizational partner(s), such as LISC Hampton Roads, to lead a pilot.
- Identify target developments that could serve as potential pilots for a community equity investment model.
- 3. Line up mission-aligned investors to support pilot model.
- 4. Co-create and determine community participation approach for pilot.

Priority 5: Invest in strategies that advance equitable workforce development from cradle, to grade school, to post-graduation.

Recommendation 5.1: Partner with StriveTogether to create and implement a vision for cradle-to-career opportunities in Hampton Roads.

Hampton Roads is neither home to a Promise Neighborhood nor a StriveTogether community focused on strengthening its cradle-to-career pipelines. StriveTogether is a nonprofit with an evidence-based model that partners with regions to produce outcomes around educational attainment and employment for children in a region's most disadvantaged communities. By partnering with StriveTogether, the region could take a step toward more equitably strengthening the region's education system and workforce. The HRCF, United Way, and Sentara appear to be the most likely partners to bring StriveTogether to Hampton Roads.

Initial Action Steps:

- 1. Determine local organizations to host a StriveTogether partnership.
- 2. Engage StriveTogether to explore feasibility and terms of partnership.

Stakeholder Interview: Dr. Cassandra Newby-Alexander, Dean of NSU's College of Liberal Arts

"There is a low expectation for the majority of the population. You have to funnel children into interest areas, and then they find out they might be interested in that. We have a system that punishes and rewards, but not one that motivates and encourages. Schools can provide opportunities for young people to go down a career path. Not everyone is college-bound, and not everyone will be college-bound after high school. What are the alternatives for people who don't want to go to college? What programs do we make available to young people that won't cost them to get into alternative work pathways?"

Recommendation 5.2: Assemble Regional Talent Exchange that engages employers in education and training.

In Talent Driven Economic Development (2019), the authors describe Regional Talent Exchanges as:

... a new type of labor market intermediary superstructure that connects middle schools, high schools, community colleges, higher education institutions, and in-demand skills providers with businesses in key growth sectors. Talent Exchanges would essentially combine sector partnerships and career-connected learning pipelines to provide a single window for businesses to partner with education and training institutions to prepare their workforce (p. 43).

Such an initiative would help to better connect and integrate the disparate institutions across Hampton Roads that drive the region's workforce. Moreover, dedicated staff members could be embedded in middle and high schools to "facilitate career awareness, exploration, and training," particularly targeting historically disadvantaged and under-connected communities in Hampton Roads. The Hampton Roads Workforce Council, HRA, Chamber, HRCF, local governments, and the region's colleges would likely need to be involved in this effort.

Initial Action Steps:

- 1. Connect with leadership at Brookings to better understand Regional Talent Exchange model and promising practices from other regions to emulate.
- 2. Determine relevant types of organizations—as well as specific organizations—in the region to incorporate into such a partnership.
- 3. Identify funding sources for a pilot program.

Stakeholder Interview: Maurice Jones, CEO of OneTen

"A big piece of our opportunity here is doing a much better job equipping folks for the demands that employers have ... We have got to have a strategy for equipping talent for the jobs of the 21st Century, and that cannot be focused on getting everyone a four-year credential ... you have to be focusing on talent without four-year degrees and be intentional with focusing on talent of color and talent coming out of the military. This is how we include the equity lens."

Recommendation 5.3: Establish a multi-sector, region-wide effort to retain homegrown, college-educated talent to work and lead in Hampton Roads.

Hampton Roads is losing college graduates—particularly from William & Mary and Hampton University—to Richmond and Washington, DC. These graduating students represent a diverse base of people who live in Hampton Roads and can plug into the higher wage, higher growth jobs in the region. Consequently, the region has an equitable growth imperative to intentionally try to retain more graduates from colleges in the region. A myriad of strategies can be pursued in addition to the Hampton Roads' existing efforts around

strengthening the region's branding, place-making, and transportation infrastructure. Such new strategies could include developing a competitive fellowship program for local graduates, exploring potential financial incentives focused on retention, and making the region a destination for hybrid work, among others. To be successful, these initiatives would likely require a region-level vision for talent retention and region-level collaboration across the private sector, philanthropy, and academia.

Initial Action Steps:

- 1. Identify partner organizations and stakeholders to guide this effort.
- 2. Determine subgroups of transitioning college graduates to target.
- 3. Develop potential pilot program(s) to test.

Priority 6: Explore strategies that can become force multipliers for equitable growth.

Recommendation 6.1: Strengthen Hampton Roads' philanthropic ecosystem by creating a multi-family, multi-corporation fund focused on the region's most significant issues.

Anecdotally, stakeholders have described Hampton Roads philanthropic ecosystem as weak, with a few foundations, corporations, and individuals contributing limited amounts of money across a range of needs. The result is an under-resourced civil society that is more often defined by a scarcity mindset rather than abundance mindset and competition instead of collaboration. The magnitude of Hampton Roads' challenges demands a more robust and strategic philanthropic response. The region's wealthiest families and corporations should partner to create a new multi-family, multi-corporation fund focused on (a) tackling the region's primary challenges (growth, equity, and resilience), (b) making bigger investments over a longer period of time, (c) facilitating cross-sector collective impact, and (d) fostering engagement, input, and ownership from a broad swath of the community. This fund would provide Hampton Roads with another lever it could pull to address the region's greatest challenges in addition to government funding, traditional philanthropy, and private investment.

Initial Action Steps:

- 1. Research examples of other regions that have established similar models.
- 2. Establish the vision, theory of change, and activities for such a fund.
- 3. Identify key potential contributors to join, the asks for each contributor, and begin raising money.

Recommendation 6.2: Establish a unifying vision for the region's future based on a commitment to equitable growth.

Conversations with many stakeholders in Hampton Roads indicate a sense of frustration that the region does not have a bold, unifying vision for what it wants to be. While the ongoing regional branding initiatives can be helpful in establishing a more cohesive identity for the region, they likely will not set an aspirational vision for what the region wants to become. Given Hampton Roads' history, demographic diversity, presence of multiple HBCUs, and potential future commitment to equitable growth, the region should consider emphasizing equity as the centerpiece to its unifying vision. This could be something like:

"Hampton Roads will be the best place for a person of color to start and grow a business." Regardless of the exact language, Hampton Roads is at a point of transition, and an opportunity exists to both make its aspiration for equitable growth *the vision* of the region and to follow through on that vision.

Initial Action Steps:

- 1. Integrate regional branding stakeholders into emergent planning/activities for equitable growth.
- 2. Develop unifying vision statement in collaboration with private, public, and social sector leadership, significant community input, and outside guidance, as needed.

SECTION IV: CONCLUSION

LIMITATIONS & FUTURE RESEARCH

This report has several limitations that are worth identifying. My time constraints—both in terms of completing a draft of the report by December 31, 2021 and writing the report in addition to a full course load—forced me to limit the report's scope. I did not engage with the intersection of environmental resilience and growth as substantively as I initially intended. I also did not include a history section due to the time and research necessary to do that section justice. Finally, I did not address one of the region's key structural challenges; that is, the challenge of regionalism. Many of these recommendations will not be feasible if Hampton Roads' municipalities and regional organizations struggle to act as a unified region.

The other significant limitation of this report is the narrow scope of the stakeholder engagement. The probono nature of this project meant that I had minimal funding to engage with the community in-person. Moreover, my approach to stakeholder engagement was inherently network-based, which meant the individuals with whom I spoke already had a voice in region-level conversations. As a result, underrepresented voices in Hampton Roads were likewise underrepresented in this report. However, my hope is that the promising practices and recommendations herein can provide a pathway for more inclusive region-wide stakeholder engagement in the future.

Future research can strengthen and build on this report in numerous ways, which I have outlined below:

- Connect Hampton Roads' history of discriminatory policies to its current challenges. The region
 could benefit from research connecting its history of discriminatory social and economic policy to
 the challenges outlined in the problem definition of this report. This would offer individuals
 involved in regional economic development a grounding in the origins of the challenges they are
 aiming to address.
- 2. Articulate the tensions between growth and environmental resilience—and a way forward at the regional level. Hampton Roads would be well-served by a region-level report that (a) outlines the tensions between growth and environmental resilience and (b) proposes a strategic and actionable path forward. While it appears that environmental and growth stakeholders are engaging with each other more frequently than in the past, there does not appear to be a unifying regional vision for environmentally resilient growth.
- 3. **Perform a landscape scan of regional economic development organizations that are accountable to residents.** The voluntary nature of the region's economic development leadership means they are not accountable to the people of Hampton Roads, and this lack of accountability leads to a lack of responsibility. A landscape scan of regions that have effectively implemented systems of accountability and responsibility within regional economic development organizations could offer a set of "north stars" for restructuring Hampton Roads' approach to growth.

4. **Conduct a gaps analysis of the region's philanthropic ecosystem.** Anecdotal evidence indicates that Hampton Roads' philanthropic ecosystem lacks sufficient diversification and depth to sufficiently support the region's civil society groups. The region could benefit from a comprehensive gaps/needs analysis of the philanthropic ecosystem and targeted proposals for strengthening it.

IMPLICATIONS & PATH FORWARD

Hampton Roads is not unique. Many southern regions are being forced to confront their history of discrimination, exclusion, and violence to create a future where everyone can benefit from growth and be protected from environmental risks. This work is messy. There is no set of best practices for doing this "right." However, the Hampton Roads region is taking a necessary first step by acknowledging that the way it has been conducting economic development is not the way it should continue conducting economic development.

So, what is the way forward? Focus on preparedness. Align on a shared understanding of the region's challenges around racial inequities, the origins of these challenges, and how they influence future growth. Approach equitable growth as both a process and an outcome, seeking to center underrepresented stakeholders in the feedback loop from visioning to evaluation. The *Successor Leadership and Economic Development* transition is a possible inflection point at which regional leadership can signal a direction change from opaqueness to transparency, exclusivity to inclusivity, and trickle-down economic development to equitable growth.

Hampton Roads also must start acting on its commitment to equitable growth. Re-envision the region's goals and its indicators for success. Integrate an equity lens into existing activities as well as new ones. Pursue promising opportunities, such as launching a Minority Business Accelerator, partnering with StriveTogether, and revitalizing *Something in the Water*. But also recognize that a commitment to doing the little things well, consistently and over time, will add up to equitable growth in the long-term. This is the work: the future well-being and viability of the region—and *all* of its residents—depend on it.

ACKNOWLEDGEMENTS

This report would not have been possible without a team of advisors, supporters, and partners.

To my Reading & Research advisor, James Carras: thank you for your patient and thoughtful guidance as I continually refined the focus of this project.

To my partners in Hampton Roads, Nancy Grden of Old Dominion and Bay McLaughlin of Brinc: thank you for our fruitful (and fun) Friday Zoom calls, for helping me navigate the Hampton Roads ecosystem, and for helping to plan by visit to Norfolk in December 2021.

To all of the individuals in Hampton Roads and beyond who offered your time and wisdom during my stakeholder interviews: thank you to Emily Steinhilber, Patrice Lewis, Bob McNab, L'Allegro Smith, Aleea Slappy Wilson, Deborah DiCroce, Mitch Horowitz, Jamie Rodota, Maurice Jones, Cassandra Newby-Alexander, Doug Smith, Marty Kaszubowski, Akosua Acheamponmaa, and Blair Durham.

To Norfolk State University's Center for African American Public Policy: thank you for generously hosting me for a lunch and learn, and for your challenging questions during our conversation.

To the Harvard Kennedy School Ash Center for Democratic Governance and Innovation: thank you for providing me with the funding to support that allowed me to visit Norfolk in December 2021.

To my advisors at the Harvard Kennedy School who provided me with input and expertise as I developed this report: thank you to LaChaun Banks, Professor Gordon Hanson, and Rafael Carbonell.

To Kessely Hong and Emma Heffern at the Harvard Kennedy School: thank you for granting me an extension on the Reading & Research deadline that enabled me to work on this report in the first place.

And, to my family and loved ones: thank you for putting up with me as I finalized this report at the kitchen table through the holidays.

REFERENCES

- Accelerator for America, MasterCard Center for Inclusive Growth, and Drexel University: Nowak Metro Finance Lab. 2021. "National Inclusive Metro Recovery Playbook."

 https://static1.squarespace.com/static/5d9f9365f67b454b1ce2dc2f/t/605ce29fe6861277202f8490/1616700100172/National+Inclusive+Metro+Recovery+Playbook+%28Compressed%29.pdf.
- Baird, Ross, Bruce Katz, Jihae Lee, and Daniel Palmer. 2019. "Towards A New System of Community Wealth." Philadelphia, PA: Drexel University: Nowak Metro Finance Lab. https://drexel.edu/~/media/Files/nowak-lab/Drexel NMFL CommunityWealth Final.ashx.
- Baptista, Ana. 2019. "Local Policies for Environmental Justice: A National Scan." New York, NY: The New School: Tishman Environment and Design Center. https://www.nrdc.org/sites/default/files/local-policies-environmental-justice-national-scan-tishman-201902.pdf.
- Berube, Alan, and Nicole Bateman. 2021. "A Roadmap to Developing Inclusive Regional Economic Indicators." Washington, DC: The Brookings Institution. https://www.brookings.edu/research/a-roadmap-to-developing-inclusive-regional-economic-indicators/.
- Bloomberg Harvard City Leadership Initiative. 2020. "City Leader Guide on Equitable Economic." Bloomberg Harvard City Leader Guides.
- Brookings Institution. 2021. "Metro Monitor 2021: Dashboard." Accessed November 3, 2021. https://www.brookings.edu/interactives/metro-monitor-2021/#metro-monitor-2021-dashboard.
- Center for Sea Level Rise (CSLR), Old Dominion University. 2017. "Center for Sea Level Rise. *Hampton Roads Intergovernmental Pilot Project.* Accessed October 18, 2021. https://digitalcommons.odu.edu/cgi/viewcontent.cgi?article=1000&context=hripp_website.
- Chui, Michael, Sara Prince, and Shelley Stewart III. 2021. "America 2021: The Opportunity to Advance Racial Equity." *America 2021* (blog). February 17, 2021. https://www.mckinsey.com/featured-insights/diversity-and-inclusion/america-2021-the-opportunity-to-advance-racial-equity.
- City of Charlotte. 2021. "Plan Policy." Charlotte Future 2040 Comprehensive Plan. 2021. https://www.cltfuture2040plan.com/plan-policy/welcome-letter.
- City of Portsmouth. 2021. "Portsmouth Awarded \$527,949 Community Flood Preparedness Grant." City of Portsmouth. https://www.portsmouthva.gov/DocumentCenter/View/11213/Community-Flood-Preparedness-Grant10-7-21.
- City of Virginia Beach. 2021. "Flood Protection Program." City of Virginia Beach. November 2021. https://www.vbgov.com/government/departments/public-works/flood-protection-program/Pages/Flood-Protection-Program.aspx.

- Commonwealth of Virginia. 2021. "Virginia Coastal Resilience Master Plan: Phase 1." Richmond, VA: Office of Governor Ralph S. Northam.
 - https://www.dcr.virginia.gov/crmp/document/VirginiaCoastalResilienceMasterPlan-Print.pdf.
- Cooper, Elizabeth, and Kate Andrews. 2021. "Flood Warning: Sea-Level Rise Predictions Become More Dire for Region." *Virginia Business*, September 30, 2021. https://www.virginiabusiness.com/article/flood-warning/.
- Curren, Ryan, Nora Liu, Dwayne Marsh, and Kalima Rose. 2015. "Equitable Development as a Tool to Advance Racial Equity." Local and Regional Government Alliance on Racial Equity. https://www.racialequityalliance.org/wp-content/uploads/2016/11/GARE-Equitable-Development.pdf.
- Desmond, Matthew. 2017. *Evicted: Poverty and Profit in the American City*. New York, NY: Crown Publishing.
- Detroit Future City. 2022. "Economic Equity Dashboard." Detroit Future City. 2022. https://detroitfuturecity.com/data-dashboard/.
- Dettling, Lisa J., Joanne W. Hsu, Lindsay Jacobs, and Jeffrey P. Thompson. 2017. "Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances." FEDS Notes.

 Washington, DC: Board of Governors of the Federal Reserve System.

 https://www.federalreserve.gov/econres/notes/feds-notes/recent-trends-in-wealth-holding-by-race-and-ethnicity-evidence-from-the-survey-of-consumer-finances-20170927.htm.
- Dragas Center for Economic Analysis and Policy at Old Dominion University (Dragas Center). 2019. "Go Virginia Region 5 Growth and Diversification Plan: Biennial Update 2019." Accessed October 11, 2021. https://www.reinventhr.org/wp-content/uploads/2019/09/Growth-and-Diversification-Plan-FINAL-091219.pdf, pdf.
- Dragas Center for Economic Analysis and Policy at Old Dominion University (Dragas Center). 2020. "An Update of the Comprehensive Economic Development Strategy for Hampton Roads." *Provided by courtesy of Dr. Robert McNab*.
- Enterprise Community Partners. 2016. "Percent of Renters Severely Rent Burdened." Enterprise Community Partners: Make Room Campaign.

 https://docs.google.com/spreadsheets/d/1CGFOdzzJfElCTmlkIr4h73t6tPWlVDw_zN6dS6YVtlo/pubhtml

 https://docs.google.com/spreadsheets/d/1CGFOdzzJfElCTmlkIr4h73t6tPWlVDw_zN6dS6YVtlo/pubhtml
- Eversden, Andrew. 2021. "'Climate Change Is Going to Cost Us': How the US Military Is Preparing for Harsher Environments." *Defense News*, August 9, 2021. https://www.defensenews.com/smr/energy-and-environments/.

- Eviction Lab. n.d. "Top Evicting Cities in the United States." Eviction Lab. https://evictionlab.org/rankings/#/evictions?r=United%20States&a=0&d=evictionRate&lang=en.
- Ezer, Tal. 2018. "The Increased Risk of Flooding in Hampton Roads: On the Roles of Sea Level Rise, Storm Surges, Hurricanes, and the Gulf." *Marine Technology Society Journal*, 52 (2): 34–44. https://doi.org/10.4031/MTSJ.52.2.6.
- Fan, Qin, Karen Fisher-Vanden, and H. Allen Klaiber. 2018. "Climate Change, Migration, and Regional Economic Impacts in the United States." *Journal of the Association of Environmental and Resource Economists* 5 (3): 643–71. https://www.journals.uchicago.edu/doi/10.1086/697168.
- Forward Cities. 2021. "ESHIP Communities." Forward Cities. 2021. https://forwardcities.org/ecosystems/eship-communities/.
- Georgetown Climate Center. 2020. "Community-Driven Engagement Processes." Equitable Adaptation Legal & Policy Toolkit. 2020. https://www.georgetownclimate.org/adaptation/toolkits/equitable-adaptation-toolkit/community-driven-engagement-processes.html.
- Greater Hampton Roads Community Indicators Dashboard. 2019. "Disparities Dashboard: Economy / Income / Poverty." Accessed November 16, 2021.

 http://www.ghrconnects.org/index.php?module=indicators&controller=index&action=dashboard&alias=disparities.
- Hampton Roads Alliance. 2021. "757 Recovery & Resilience Action Framework." 2021. https://framework.hamptonroadsalliance.com/757-recovery-resilience-action-framework/.
- Hampton Roads Planning District Commission. 2017. "Hampton Roads Benchmarking Study." Accessed November 16, 2021. https://www.hrpdcva.gov/uploads/docs/10%20Benchmarking%202017-%20Education.pdf.
- Hanson, Gordon. 2021. Interview with Gordon Hanson. Zoom.
- Hauer, M. 2017. "Migration induced by sea-level rise could reshape the US population landscape." *Nature Climate Change* **7**, 321–325. https://doi.org/10.1038/nclimate3271.
- Howell, Kathryn. 2018. "Eviction and the Rental Housing Market." RVA Eviction Lab. Richmond, VA: Virginia Commonwealth University. https://cura.vcu.edu/media/cura/pdfs/cura-documents/EvictionandtheRentalHousingMarketintheCommonwealth.pdf.
- Katz, Lily. 2021. "A Racist Past, a Flooded Future: Formerly Redlined Areas Have \$107 Billion Worth of Homes Facing High Flood Risk—25% More Than Non-Redlined Areas." Redfin. https://www.redfin.com/news/redlining-flood-risk/.
- Liebman, Jeffrey, and Gina Raimondo. 2021. "A Good Job at the End of Training: Rhode Island's Outcomes-Focused Approach to Workforce Development." In *Workforce Realigned: How New Partnerships Are*

- *Advancing Economic Mobility*, 86–100. https://socialfinance.org/wp-content/uploads/Workforce-Realigned-A-Good-Job-at-the-End-of-Training-Jeffrey-Liebman-Gina-Raimondo.pdf.
- MasterCard Center for Inclusive Growth, and Centre for Public Impact. 2020. "Built for All: A Global Framework for building Inclusive Economies." https://www.mastercardcenter.org/content/dam/mc-cig/uploads/BFA-Whitepaper.pdf.
- MasterCard Center for Inclusive Growth, Accelerator for America, and Nowak Metro Finance Lab. 2021. "Small Business Equity Toolkit: Virginia Beach-Norfolk-Newport News MSA." Small Business Equity Toolkit. 2021.
 - https://www.smallbusinessequitytoolkit.com/tool/#/?tool=metroðnicity=black&metric=INDEX_ran k_&areaLabel=Virg.
- McCollester, Maria, Michelle Miro, and Kristin Van Abel. 2020. "Building Resilience Together: Military and Local Government Collaboration for Climate Adaptation." Santa Monica, CA: RAND Corporation. https://www.rand.org/pubs/research_reports/RR3014.html.
- McNab, Robert, Vinod Agarwal, Barbara Blake, Sheila Hutt, Tim Komarek, George McLeod, and Emily Steinhilber. 2019. "An Analysis of the Potential Costs and Consequences of a Hurricane Impacting the Virginia Beach-Norfolk-Newport News Metropolitan Area." 9. Commonwealth Center for Recurrent Flooding Resiliency (CCRFR). https://www.floodingresiliency.org/wp-content/uploads/2019/06/Economic-Impact-of-Hurricane-v2.pdf.
- Meerow, Sara, Pani Pajouhesh, and Thaddeus R. Miller. 2019. "Social Equity in Urban Resilience Planning." Local Environment: The International Journal of Justice and Sustainability 24 (9): 793–808. https://www.tandfonline.com/doi/full/10.1080/13549839.2019.1645103.
- Minzner, Amy. 2020. "Measuring the Effectiveness of Equitable Economic Development Strategies." *The Foundation Review* 12 (4): 22–34. https://scholarworks.gvsu.edu/cgi/viewcontent.cgi?article=1540&context=tfr.
- National Oceanic and Atmospheric Administration (NOAA). 2017. "Shallow coastal flooding (nuisance flooding)." *U.S. climate resilience toolkit.* Retrieved from: https://toolkit.climate.gov/topics/coastal-flooding-nuisance-flooding.
- National Oceanic and Atmospheric Administration (NOAA). 2021. "The State of High Tide Flooding and Annual Outlook." Tides & Currents. 2021. https://tidesandcurrents.noaa.gov/HighTideFlooding_AnnualOutlook.html.
- New Economy Initiative. 2021. "Why Supporting Underserved Small Businesses Matters." NEI Insights. 2021. https://neinsights.org/why-supporting-underserved-small-businesses-matters/.

- Office of the Undersecretary of Defense for Acquisition and Sustainment. 2019. "Report on Effects of a Changing Climate to the Department of Defense." Department of Defense.

 https://media.defense.gov/2019/Jan/29/2002084200/-1/-1/1/CLIMATE-CHANGE-REPORT-2019.PDF.
- Parilla, Joseph, and Sifan Liu. 2019. "Talent-Driven Economic Development: A New Vision and Agenda for Regional and State Economies." Washington, DC: The Brookings Institution.

 https://www.brookings.edu/wp-content/uploads/2019/10/2019.10.15 Brookings-Metro Talent-driven-economic-development Parilla-Liu.pdf.
- Pew Charitable Trusts. 2019. "Norfolk's Revised Zoning Ordinance Aims to Improve Flood Resilience." Mitigation Matters: Policy Solutions to Reduce Local Flood Risk. Washington, DC: Pew Charitable Trusts. https://www.pewtrusts.org/-/media/assets/2019/11/norfolks_revised_zoning_brief_final.pdf.
- PolicyLink. 2017. "Equitable Economic Development: The Why and the How." November 3. https://www.lisc.org/media/filer_public/65/a6/65a6e5f3-ec78-4b3e-a90c-6a38b3153778/mary_lee_equitable_economic_development.pdf.
- PolicyLink. 2021. "Building Cradle-to-Career Pathways from Poverty to Opportunity." PolicyLink. 2021. https://www.policylink.org/our-work/community/pni/strivetogether.
- PolicyLink, and USC Equity Research Institute. 2021. "Indicators." National Equity Atlas. 2021. https://nationalequityatlas.org/indicators.
- Prosperity Now. 2018. "Prosperity Now Scorecard: Virginia Beach, VA-NC Metro." Accessed October 11, 2021. https://scorecard.prosperitynow.org/data-by-location#msa/47260.
- Reinvent Hampton Roads. 2021. "Build Back Better Regional Challenge: Project and Budget Narrative." *Provided by courtesy of Nancy Grden.*
- StriveTogether. 2021. "What We Do." StriveTogether: Every Child. Cradle to Career. 2021. https://www.strivetogether.org/what-we-do/#sub-menu.
- Theodos, Brett, and Leiha Edmonds. 2020. "New Models for Community Shareholding." Washington, DC: The Urban Institute. https://www.urban.org/sites/default/files/publication/103341/new-models-for-community-shareholding_0.pdf.
- U.S. Census Bureau. 2012. "Population and Housing Unit Counts: 2010." Accessed November 15, 2021. https://www.census.gov/library/publications/2012/dec/cph-2.html.
- U.S. Census Bureau. 2012. "Statistics for All U.S. Firms by Industry, Gender, Ethnicity, and Race for the U.S., States, Metro Areas, Counties, and Places: Virginia Beach-Norfolk-Newport News, VA-NC Metro Area." Census Survey of Business Owners. Accessed October 11, 2021. https://data.census.gov/cedsci/table?g=310M600US47260&tid=SBOCS2012.SB1200CSA01&hidePreview=true.

- U.S. Census Bureau. 2019. "Metro Area-to-Metro Area Migration Flows: 2014-2018 American Community Survey." Accessed November 15, 2021. https://www.census.gov/data/tables/2018/demo/geographic-mobility/metro-to-metro-migration.html.
- U.S. Census Bureau. 2021. "2020 Population and Housing State Data." Accessed November 15, 2021. https://www.census.gov/library/visualizations/interactive/2020-population-and-housing-state-data.html.
- U.S. Environmental Protection Agency (EPA). 2021. "Equitable Development and Environmental Justice." Environmental Justice. 2021. https://www.epa.gov/environmentaljustice/equitable-development-and-environmental-justice.
- Virginia Academy of Science, Engineering, and Medicine (VASEM). 2021. "The Impact of Climate Change on Virginia's Coastal Areas." Accessed October 18, 2021. http://www.vasem.org/wp-content/uploads/2021/08/VASEM_VirginiasCoastalAreasReport_FINAL.pdf.
- Virginia Coastal Policy Center (VCPC). 2016. "Costs of Doing Nothing: Economic Consequences of Not Adapting to Sea Level Rise in the Hampton Roads Region." Accessed October 18, 2021. https://law.wm.edu/news/stories/2016/documents/Summary%20Costs%20of%20Doing%20Nothing%20and%20Final%20Hampton%20Roads%20SLR%20Report.pdf.
- Wagner, Julie. 2020. "How Cleveland's Innovation District Is Advancing Equity through a New Kind of Anchor Institution." *The Avenue* (blog). November 9, 2020. https://www.brookings.edu/blog/the-avenue/2020/11/09/how-clevelands-innovation-district-is-advancing-equity-through-a-new-kind-of-anchor-institution/.
- Washington Center for Equitable Growth. 2017. "Explaining the 'What Is Equitable Growth?' Essay Series." July 12, 2017. https://equitablegrowth.org/explaining-the-what-is-equitable-growth-essay-series/.
- Williams, John C. 2020. "Building an Equitable Future." Speech presented at the The Impacts of COVID-19 on Communities of Color and Policy Insights for an Equitable Economic Recovery, Economic Inequality Policy Forum, September 24. https://www.bis.org/review/r200925a.pdf.

APPENDICES

APPENDIX A: Hampton Roads Racial Disparities Dashboard

Table 8. Educational and Economic Disparities

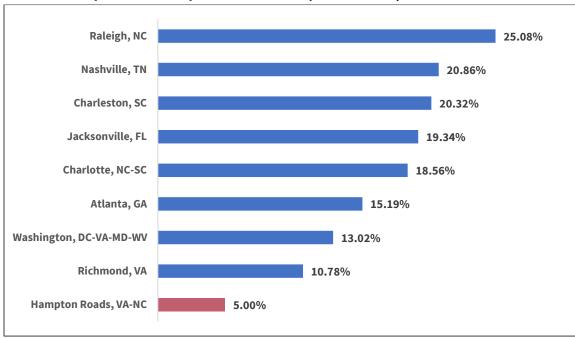
Indicator	Non-Hispanic White	Black / African American	Disparity
% Disconnected Youth	7%	12%	+5%
% with High School Degree (age 25+)	94.5%	87.5%	-7%
% with Bachelor's Degree	37.6%	22.3%	-15.3%
Unemployment Rate	5.3%	8.2%	+2.9%
Per Capita Income	\$40,916	\$25,665	-\$15,251
Median Wage	\$24	\$18	-\$6
Poverty Rate	6.9%	18.9%	+12%
Family Poverty Rate	4.1%	15.2%	+11.1%
Child Poverty Rate	8.1%	30.3%	+22.2%
% Living in High Poverty Neighborhoods	1.4%	11.2%	+9.8%
% Working Poor	6%	14%	+8%
Asset Poverty Rate	16.5%	43.5%	+27%
% with Zero or Negative Net Worth	11.9%	32.2%	+20.3%
Homeownership Rate	72.1%	43.7%	-28.4%

Table 9. Business Ownership Disparities

Indicator	White-Owned Businesses	Black-Owned Businesses	Disparity
Business Density	20.7	2.8	-17.9
Average Annual Sales	\$2,144,000	\$696,000	-\$1,448,000
High Wage Industry Participation	13.6%	9.1%	-4.5%

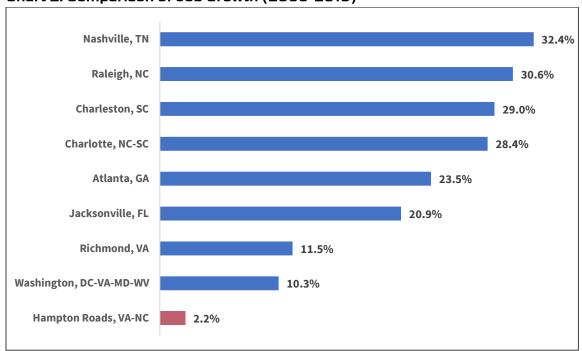
APPENDIX B: Comparison of Hampton Roads and Peer Southern Regions

Chart 1. Comparison of Population Growth (2010-2020)



Source: Census 2010 and Census 2020

Chart 2. Comparison of Job Growth (2009-2019)



Source: 2021 Brookings Metro Monitor

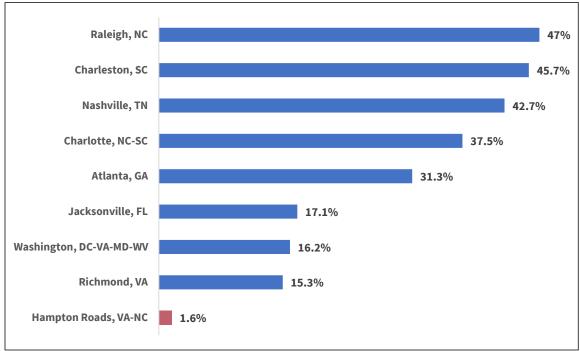


Chart 3. Comparison of GMP Growth (2009-2019)

Source: 2021 Brookings Metro Monitor

APPENDIX C: Brookings Metro Monitor for Hampton Roads

Table 10. Hampton Roads' Rankings for Brookings Metro Monitor (2021)

Indicator	Output	Ranking
Change in Jobs (%)	2.2%	53 of 53
Change in GMP (%)	1.6%	53 of 53
Change in Jobs at Young Firms (%)	1%	34 of 50
Overall Growth Index		50 of 50
Change in Productivity (%)	-0.6%	49 of 53
Change in Average Annual Wage (%)	4.3%	49 of 53
Change in Standard of Living (%)	-2.1%	53 of 53
Overall Prosperity Index		51 of 53
Change in Employment Rate (%)	2.4%	49 of 53
Change in Median Earnings (%)	4.4%	43 of 53
Change in Relative Poverty Rate (%)	-1.9%	20 of 53
Overall Inclusion Index		45 of 53
Change in White/People of Color Employment Gap (%)	-1.7%	36 of 53
Change in White/People of Color Median Earnings Gap (\$)	\$2,532	42 of 53
Change in White/People of Color Relative Poverty Gap (%)	1.3%	47 of 53
Overall Racial Inclusion Index		46 of 53

APPENDIX D: Regional Growth Organization Representation

I identified Reinvent, HRA, and RVA-757 Connects as three key regional growth organizations, identified current Board membership for each organization from their respective websites, and then researched each Board member's background to answer the following representation related questions:

- 1. Do they have experience in matters pertaining to equitable growth?
- 2. Do they have experience in matters pertaining to environmental resilience?
- 3. Do they identify with one or more racial minority groups?
- 4. Do they identify as a woman?

I compiled the results in the tables below, and then calculated representation percentages for each category analyzed.

Table 11. Reinvent Hampton Roads Representation

		•		
Name	Equity?	Environment?	Minority?	Woman?
Dubby Wynne	No	No	No	No
G. Robert Aston	No	No	No	No
Monique Adams	No	No	No	Yes
Gilbert Bland	Yes	No	Yes	No
Jennifer Boykin	No	No	Yes	Yes
Glenn Carrington	Yes	No	Yes	No
Robert Crum	No	No	No	No
Deborah DiCroce	Yes	Yes	No	Yes
Thomas Frantz	No	No	No	No
Howard Hoege, III	No	No	No	No
Susan Kelly	No	No	No	Yes
Howard Kern	No	No	No	No
John Lawson, II	No	No	No	No
Miles Leon	No	No	No	No
Harry Lester	No	No	No	No
Kevin Murphy	No	No	No	No
Bob Sasser	No	No	No	No
Doug Smith	No	No	No	No
Rony Thomas	No	No	Yes	No
Alan Witt	No	No	No	No
Stephen Edwards	No	No	No	No
% Representation	14.3%	4.8%	19%	19%

Table 12. Hampton Roads Alliance Representation

Name	Elected Official?	Equity?	Environment?	Minority?	Woman?
Richard West	Yes	No	No	No	No
Donnie Tuck	Yes	No	No	Yes	No
McKinley Price	Yes	Yes	No	Yes	No
Kenneth Alexander	Yes	Yes	Yes	Yes	No
Robert Dyer	Yes	No	No	No	No
Frank Rabil	Yes	No	No	No	No
Mary Bunting	Yes	Yes	Yes	No	Yes
J.D. Myers II	No	No	No	Yes	No
Mark Dreyfus	No	No	No	No	No
Keith VanderVennet	No	No	No	No	No
Bill Ermatinger	No	No	No	No	No
Cathie Vick	No	No	No	No	Yes
Diane Leopold	No	No	No	No	Yes
Howard Kern	No	No	No	No	No
Brian Skinner	No	No	No	No	No
Shawn Avery	No	No	No	No	No
James Spore	No	No	Yes	No	No
Doug Smith	No	No	No	No	No
Chris Morello	No	No	No	No	No
Hugh Patterson	No	No	No	No	No
% Representation (w/ Elect	ted Officials)	15%	15%	20%	15%
% Representation (w/o Elec	cted Officials)	0%	7.7%	7.7%	15.4%

Table 13. RVA-757 Connects Representation

Name	Equity?	Environment?	Minority?	Woman?
Gilbert Bland	Yes	No	Yes	No
Jennifer Boykin	No	No	Yes	Yes
John Broderick	No	No	No	No
Anne Conner	No	No	No	Yes
Deborah DiCroce	Yes	Yes	No	Yes
William Downey	No	No	No	No
Dawna Ellis	No	No	No	Yes
Cliff Fleet	No	No	No	No
Tom Frantz	No	No	No	No
Ross Grogg	No	No	No	No
Martin Joseph	No	No	No	No
Sarah Kirkland	No	No	No	Yes
John Lawson, II	No	No	No	No
J.D. Myers, II	No	No	Yes	No
John Reinhart	No	No	No	No
Katherine Rowe	No	No	No	Yes
James Spore	No	Yes	No	No
Rony Thomas	No	No	Yes	No
Dubby Wynne	No	No	No	No
Robert Duvall	No	No	No	No
Robbyn Gayer	No	No	No	No
Kasia Grzelkowski	Yes	No	No	Yes
Howard Kern	No	No	No	No
Jim Kibler	No	No	No	No
% Representation	12.5%	8.3%	16.7%	29.2%