



Building Community Wealth in Richmond

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Office of Community Wealth Building

POVERTY AND ECONOMIC NEED IN RICHMOND

Richmond

- 25.6% poverty rate
- \$40,496 median hh income
- 38.9% children in poverty
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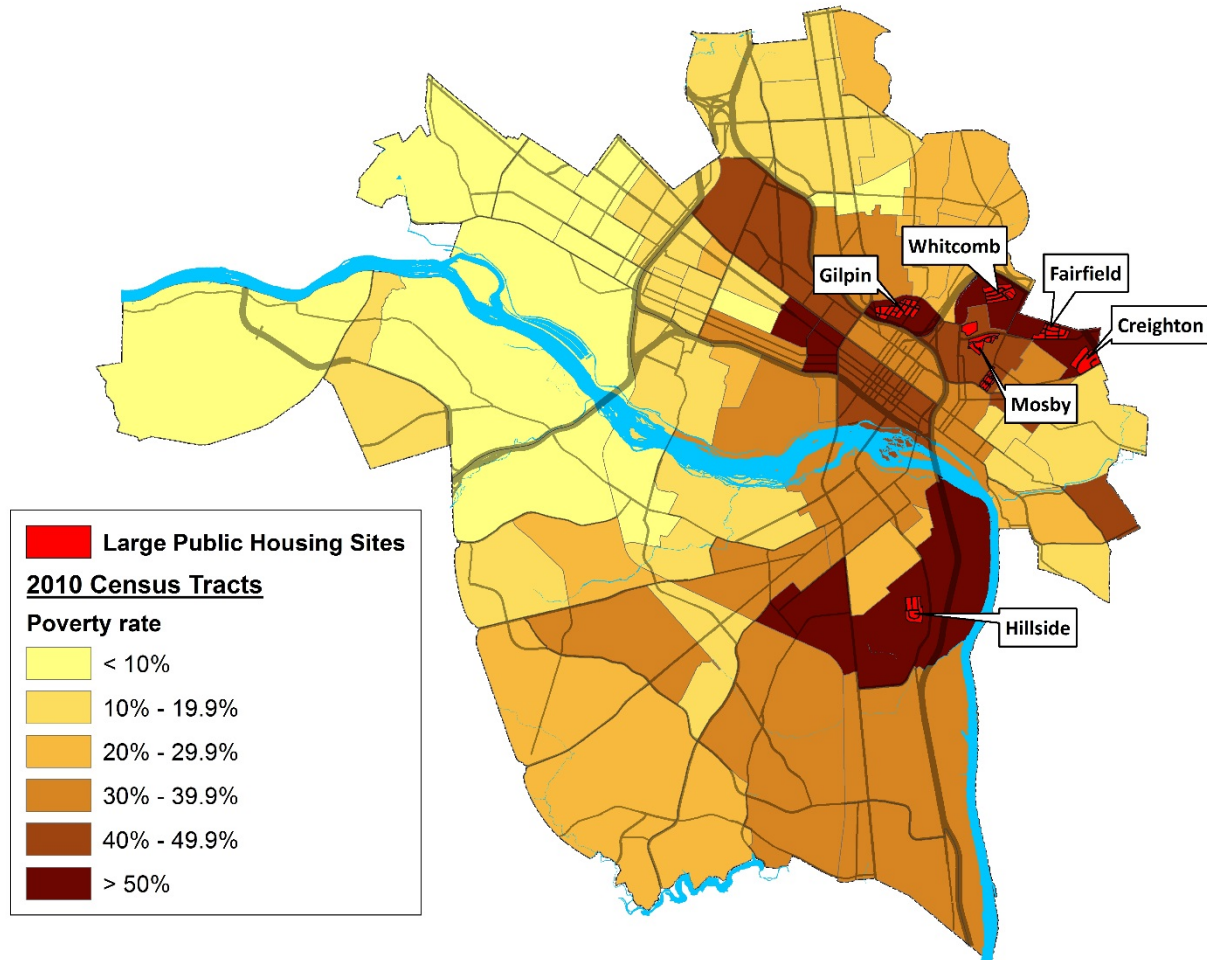
Virginia

- 11.3% poverty rate
- \$63,907 median hh income
- 14.9% children in poverty

- **Richmond metro area 85th nationally out of 100 largest metro areas in upward social mobility**
- **City of Richmond in bottom 2% of counties nationwide in upward wage mobility for low-income children**
- **Approximately 44,000 City residents in poverty apart from college students. 25.5k working age; 15k children; 3.5k elderly**

POVERTY BY CENSUS TRACT, RICHMOND VA

Percentage of Households with Annual Income Below the Poverty Threshold, By Census Tract



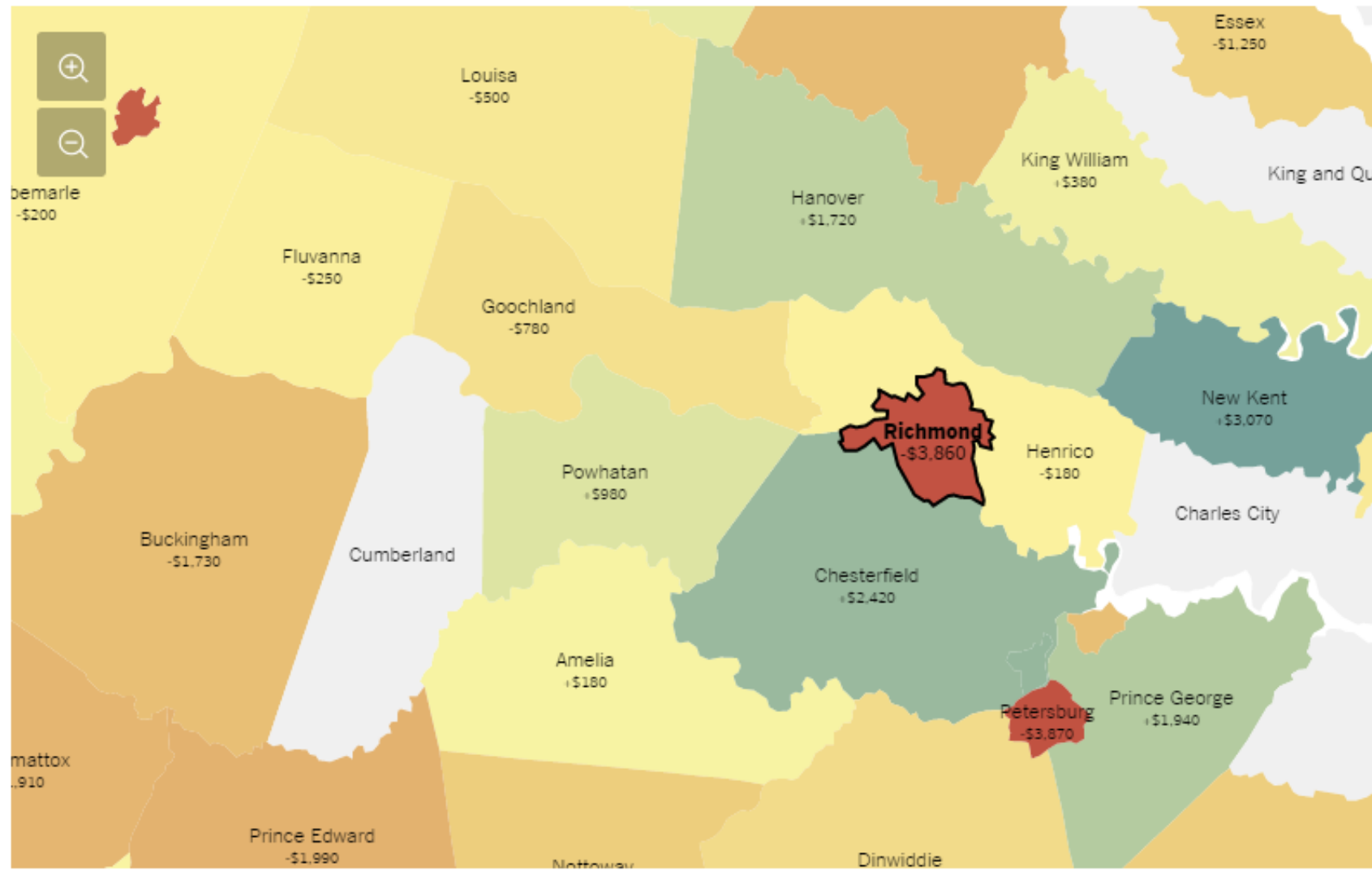
data source: American Community Survey, 2009 - 2013 5-Year Estimates (U.S. Census Bureau)



THE UPSHOT | The Best and Worst Places to Grow Up: How Your Area Compares

Switch to another county ...

All kids Boys Girls



THE HIGH COST OF HIGH POVERTY

- Weakened City tax base and expanded demand for services places **strain on City budget**, making it difficult to meet needs or significantly reduce taxes
- High poverty **impedes educational success**, which harms both long-term workforce development and the attractiveness of the community to potential employers and residents
- Concentrated poverty associated with patterns of **crime and violence**
- High poverty considered a **major risk factor** by bond agencies; conversely, the City's **concerted effort to tackle it is seen as a positive by bond agencies**

ASKING THE RIGHT QUESTION

- The right question as City policymakers is not “what should society as a whole do about poverty?” So much of what could or should be done lies outside of our immediate control or influence.
- The question *we* should be focused on is “What can *we* as a City and community do to alter these trends?”

OFFICE OF COMMUNITY WEALTH BUILDING: KEY ROLES

- **Coordination**
- **Planning**
- **Hub and Catalyst**
- Oversees **Workforce Development**
- **Research and Evaluation**
- Locus of **Accountability and Communication**
- Reports to the Mayor and CAO
- Works across City agencies as well as with partner agencies (RPS, RRHA, RCHD, GRTC)
- Works with university, nonprofit, private partners
- Ratified as permanent department of City in December 2015

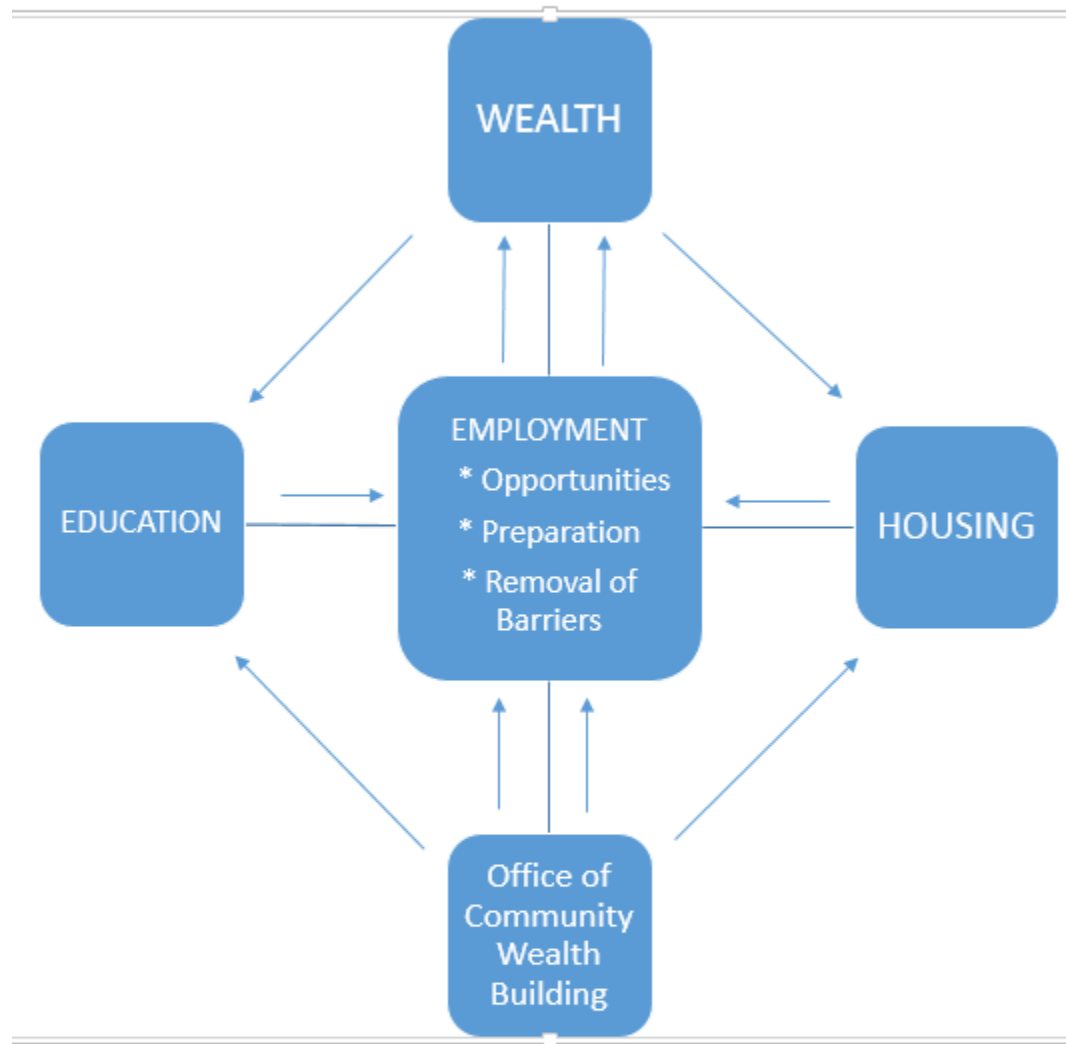
GUIDING FRAMEWORK: WHY COMMUNITY WEALTH BUILDING?

- Positive emphasis on capitalizing on what we have and positive assets and potential of people
- Emphasis on Neighborhoods *and* people
- Developing employment, entrepreneurial, and ownership opportunities with broad-based benefits
- Encompasses **human capital, social capital, physical capital, and financial capital**

RICHMOND'S STRATEGIC APPROACH TO POVERTY REDUCTION

- In the short term, to concretely impact the poverty rate, more residents must be successfully connected to full-time, year round **employment**.
- In the medium term, improving the marketability and work-readiness of Richmond's population will require dramatic improvements in **educational outcomes**.
- In the long term, reducing poverty's negative impact will require neighborhood change, specifically **breaking up the extreme concentration of poverty** associated with public housing communities
- Success in placing more households into employment will strengthen both educational outcomes and facilitate public housing redevelopment

II. STRATEGY AND PROGRAM: OFFICE OF COMMUNITY WEALTH BUILDING SYSTEM CHART



LONG-TERM GOALS

- Reduce overall poverty rate 40% by 2030
- Reduce child poverty rate 50% by 2030
- In numerical terms, this means reducing the number of persons in the City in poverty from approximately 44,000 (non-college students) to 26,000, and reducing the number of children in poverty from 15,000 to 7,500
- This can be accomplished by moving approximately 10,000 households out of poverty

STRATEGY AND PROGRAM

10,000

- **Move** 10,000 adults net permanently from below poverty line to above poverty line by 2030

1,000

- Must **build** capacity to move 1,000 adults net annually by year 2020

10

- **Sustain** that effort over the next 10 years

MECHANISMS FOR CHANGE

- Mechanism 1: People now below the poverty line in Richmond **climb out of poverty (attain higher household incomes) at a faster rate than people now *above* the poverty line fall beneath it** (see reduction in household incomes)
- Mechanism 2: Persons living in Richmond in poverty exit the City at a faster rate than people in poverty from other jurisdictions move to the City
- Mechanism 3: The number of children born to residents in poverty falls (i.e. birth rate for persons in poverty declines)
- Public policy and especially local policy is limited in its ability to influence Mechanisms 2 and 3. **So most of the action must focus on Mechanism 1.**

PRIMARY ENGINE FOR CHANGE: SUCCESS IN EMPLOYMENT

- Center for Workforce Innovation

- BLISS



TARGETING EMPLOYMENT BY SUBGROUP

- Many City residents classified in poverty already are working in the formal labor market, but only part-time or part-year or at very low wages; or are currently unemployed but ready to work immediately. (**Group 1**)
- Other City residents may need significant preparation and support services to become successfully employed either part-time or full-time (**Group 2**)
- Finally, some residents may have significant barriers to employment and self-sufficiency based on health, mental health, or other factors (**Group 3**)
- Based on the number of City residents who are working at least part-time but are in poverty, we estimate that 10,000 to 15,000 Richmond adults are in Group 1. So employment-based poverty reduction strategies should focus first on this group.

BUILDING PATHWAYS OUT OF POVERTY

In Crisis	→ At Risk	→ Safe	→ Stable	→ Thriving
<ul style="list-style-type: none"> • No Income or assets • No skills or credentials • Homeless or unstable housing • No or unreliable transportation or child care. • Safety and mental health risks are high • Addictions and/or Legal Problems 	<ul style="list-style-type: none"> • Seeking job or temp/seasonal job or other legal income • Temporary or transitional housing • Transportation and child care available, but not affordable or reliable • Seeking GED or vocational training 	<ul style="list-style-type: none"> • Employed in semi-stable job • Housing is stable and is affordable (maybe with subsidy) • Transportation and child care are generally reliable and affordable • Has high school diploma, GED, or vocational training 	<ul style="list-style-type: none"> • Permanent & stable job paying living wage • Housing is stable & and is affordable without subsidy • Transportation and child care are reliable and affordable • Career & educational plan in place; active & on-going learning 	<ul style="list-style-type: none"> • Permanent, stable employment sufficient to build assets • Housing is permanent & affordable without subsidy • Transportation and child care are reliable and affordable • Implementing education and career plan

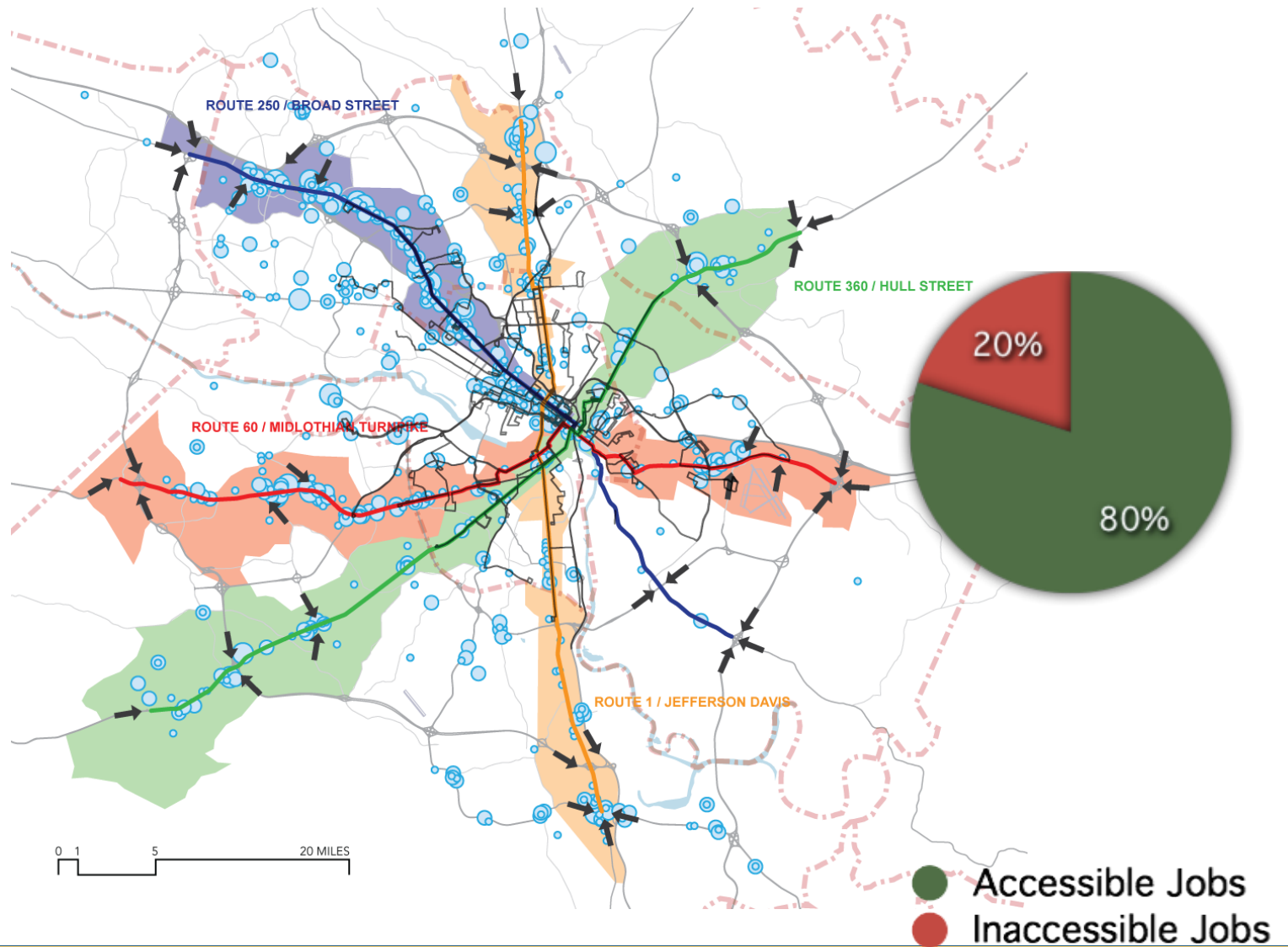
THE EMPLOYMENT “BUCKET”

- Richmond’s efforts to expand employment opportunities for low-income residents have three focal points:
- Expanded **workforce development** via the Center for Workforce Innovation and the innovative BLISS program
- Targeted **job creation**, including major projects such as the Port, as well as development of a **social enterprise** initiative for Richmond
- Expanded **access** to employment throughout the region via a regional transit approach. The GRTC Pulse (Broad Street BRT) project is a critical first step.

SOCIAL ENTERPRISE



REGIONAL TRANSIT



THE EDUCATION “BUCKET”

- About 40% of the resources devoted by the City for dedicated anti-poverty initiatives are to support education, focusing on four core areas:
- Strengthening **Early Childhood** education, via the Richmond Early Childhood Action Council
- Providing high-quality out-of-school time programming to middle school students via **NextUp RVA**
- Strengthening career and college counseling available to high school students, and moving toward establishment of a Promise Scholarship initiative, via the new collaborative initiative **RVA Future**
- Providing support services to families of RPS students in poverty, via **Communities in Schools of Richmond**

RVA FUTURE



THE HOUSING “BUCKET”

- Expansion of supply of affordable housing in the City of Richmond via the **Affordable Housing Trust Fund**
- Bringing information about services and opportunities directly to public housing residents and promoting resident engagement, leadership, and responsibility via the **Good Neighbor Initiative** base at the Richmond City Health District
- Pursuing **redevelopment of aging public housing communities**, with a policy commitment to one-for-one replacement and strong support services to households throughout the process

PUBLIC HOUSING TRANSFORMATION



EAST END TRANSFORMATION PROCESS



CONCENTRATED POVERTY IN RICHMOND

- East End of Richmond has one of the highest concentrations of poverty in the United States
- Census Tract 202, home to Fairfield Court and Creighton Court, has poverty rate of 68%
- The three major public schools attended by children in Creighton Court—Woodville Elementary, MLK Middle School, and Armstrong High School—all significantly underperform statewide benchmarks
- Low-income residents in East End are often isolated from economic and social opportunity

CHOICE NEIGHBORHOODS INITIATIVE

- The Choice Neighborhoods Initiative of HUD supports holistic, comprehensive approaches to public housing redevelopment with a strong focus on neighborhood-wide improvements as well as support for residents before, during, and after the transformation process.
- FY 2016 Notice of Funding Availability has been released. HUD expects to award four grants of up to \$30 million this funding cycle. Applications are due June 28.
- Successful applicants must have in place a comprehensive neighborhood revitalization strategy (“Transformation Plan”) and demonstrate significant financial leverage (3:1 or greater) in support of HUD funding to execute the Transformation Plan.

THREE FOCAL POINTS: HOUSING, PEOPLE, NEIGHBORHOOD

- **Housing:** Replace distressed public and assisted housing with high-quality mixed-income housing that is well managed and responsive to the needs of surrounding neighborhoods. One-for-one replacement of public-housing equivalent units.
- **People:** Improved educational outcomes and intergenerational mobility for youth with services and supports delivered directly to youth and their families.
- **Neighborhood:** Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, family recreation, public transportation, pedestrian mobility and commercial activity, that are important to families' choices about their community.

RICHMOND'S CHOICE NEIGHBORHOOD INITIATIVE

- Richmond will be seeking to support the transformation of Creighton Court, a 504 unit public housing community, into a mixed-use, mixed-income community. A total of 1200-1400 units will be built, including at least 504 public housing equivalent units. Many of these units will be on site at Creighton or in the immediate neighborhood; others will be in other parts of the City and potentially eligible locations within the region.
- Richmond Redevelopment & Housing Authority lead applicant; City of Richmond co-applicant

TRANSFORMATION HAS SEVERAL MAJOR BENEFITS FOR THE CITY AS A WHOLE

- Successful transformation has several major benefits for the City as a whole:
- Development a **new model of affordable housing** accessible to low-income families including better quality housing, greater social integration with the wider community, and greater access to services and amenities, that can be replicated throughout East End and Citywide.
- Provides **focused, intentional support to all Creighton households** in support of their housing, educational, and employment goals.
- Supports **academic improvement** in neighborhood public schools through greater demographic balance and focused support strategies for parents and children funded through the “People Plan.”
- Attracts **greater investment** from all sources to East End to stimulate commercial and residential activity and tax base growth.
- Provides lasting **neighborhood improvements** to all area residents

STATUS OF RICHMOND PLANNING PROCESS

- The City of Richmond and RRHA have been closely collaborating in the development of the Transformation Plan for Creighton Court in anticipation of application for the CNI award.
- Initial implementation of phase one, involving construction of 256 units on old Armstrong High School site, will begin over next 18 months.
- Significant planning towards the development of the “People Plan” has taken place over the year including collaboration between the City, RRHA, Richmond City Health District, Richmond Public Schools, and many other partners, with engagement and participation of neighborhood organizations and residents.

ARMSTRONG CONCEPT PLAN

Armstrong Concept Plan





Questions and Discussion