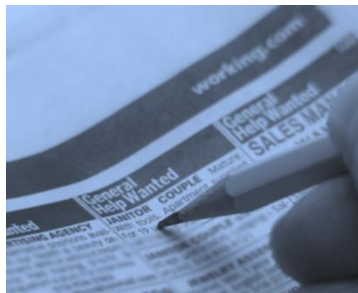




MAYOR'S ANTI-POVERTY COMMISSION REPORT



Presented to:
DWIGHT C. JONES, MAYOR

JANUARY 18, 2013

MAYOR'S ANTI-POVERTY COMMISSION

REPORT TO DWIGHT C. JONES, MAYOR OF CITY OF RICHMOND

JANUARY18, 2013

CHAIR

**HONORABLE ELLEN ROBERTSON, VICE PRESIDENT
CITY COUNCIL**

City of Richmond



A Message from the Chair of the Anti-Poverty Commission

I wish to acknowledge and thank my exceptional colleagues for their tremendous efforts and unending commitment to the work of the Anti-Poverty Commission. To end generational poverty and create an environment where people feel empowered to lift themselves out of their condition requires long-term dedication, innovation and diversity. I believe very strongly that the recommendations and strategies made will achieve those goals. I am so proud to be a part of this effort.

On behalf of the Anti-Poverty Commission, we thank Mayor Jones for his courage and conviction for establishing various commissions and charging them with researching and developing viable strategies and recommendations for tackling poverty and a host of other issues in order to construct a just and healthy Richmond!

Yours Sincerely,

Ellen F. Robertson, Councilwoman
Richmond City Council, Gateway 6th District

City of Richmond



Mayor's Order #2011-3 *For the Establishment of the* **Anti-Poverty Commission**

WHEREAS by the authority vested in me as Mayor of the City of Richmond I do hereby create the **Anti-Poverty Commission**; and

WHEREAS under this authority, the **Anti-Poverty Commission** is hereby established to develop strategies to address poverty that have demonstrable results for increasing employment and educational attainment, improving transportation, and enhancing healthy communities for Richmond residents; and

WHEREAS the City of Richmond seeks to identify the root causes of poverty in the City and develop policies designed to address these causes; and

WHEREAS according to the *US Census 2009 American Community Survey*, 22.1% of Richmond residents are below the poverty threshold set by the Federal government, compared to 7.2% average for the Commonwealth of Virginia; and

WHEREAS the *US Census 2009 American Community Survey* reports the median household income for residents of the City of Richmond as \$37,735, while the median household income for the Commonwealth of Virginia is \$60,301; and

WHEREAS according to the *U.S. Bureau of Labor Statistics*, December 2010 data, the unemployment rate in the City of Richmond is 9.5%, while the rate of unemployment for the Commonwealth is 6.4%; and

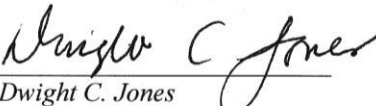
WHEREAS the City of Richmond seeks to promote economic parity and social justice;

NOW THEREFORE, I, Dwight C. Jones, Mayor of the City of Richmond, do hereby set forth to develop an Anti-Poverty Commission, and do hereby order that:

The Commission will consist of the following work groups; Job Creation, Workforce Development/Education, Policy/Legislation, Healthy Communities, Research/Evaluation, and Transportation. The Commission will provide recommendations on strategies to address poverty. The Commission will identify strategies consistent with making Richmond a Tier One City, and develop a report detailing its recommendations within twelve months of the establishment of the Commission.

IN WITNESS WHEREOF, I have hereto set my hand and caused the seal of the City of Richmond to be affixed.

DONE at the City of Richmond, this eighteenth day of March, two thousand and eleven.


Dwight C. Jones

March 18, 2011
Date

MAYOR'S ANTI-POVERTY COMMISSION MEMBERS

Positions refer to those held by members at time of Commission's appointment.

Co- Chairs:

Hon. Ellen F. Robertson
Council Vice President
6th District

Dr. Carolyn N. Graham
Deputy CAO
City of Richmond, Human
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Michael Cassidy
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The Commonwealth Institute for Fiscal
Analysis

Peter Chapman
Deputy Chief Administrative Officer
City of Richmond – Economic
Development and Planning

Dr. Meghan Z. Gough
Virginia Commonwealth University

Elizabeth Greenfield
Richmond Association of Realtors

Matthew Grossman
Director
MeadWestvaco Corporation

Members:

D. Wallace Adams-Riley
St. Paul's Episcopal Church

Kevin W. Allison, Ph.D.
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Virginia Commonwealth
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Father Shay Auerbach
Sacred Heart Catholic Church

Elizabeth Blue
Community Representative

Hon. Kim Bridges
School Board Office
Richmond Public School

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Executive Vice President
Capital One Financial Corp

Rev. Benjamin P. Campbell
Richmond Hill

Hon. Betsy B. Carr
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69th District

Tom Chewning
Community Representative

M. Maxine Cholmondeley
Interim Chief Executive Officer
Richmond Redevelopment Housing
Authority

Matt Conrad
Deputy Chief of State & Deputy
Counselor
Commonwealth of Virginia

Annette Cousins
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Greater Fulton

James (Jim) E. Eck
Vice President
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ALO Community Strategy

Hon. Dan Gecker
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Hon. James (Jim) Holland
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Dale District

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Homeward

Dr. Jack Lanier
Chief Executive Officer
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Richmond Virginia Branch NAACP

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Community Representative

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Services

Hon. Norma Murdoch-Kitt
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Richmond Public Schools

Hon. Rev. Tyrone E. Nelson
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Varina District
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Director
Richmond City Health District

Candice Streett
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Local Initiatives Support Corporation

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Fairfield

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Executive Director
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SPECIAL ACKNOWLEDGEMENTS

We acknowledge and thank Dr. Thad Williamson and Dr. John Moeser for their scholarly contributions that informed our work. Drawing on research conducted by the committees, Dr. Williamson penned the final document as contribution and commitment to the systemic policy changes necessary to move the city forward and to improve the quality of life to benefit all residents. Dr. John Moeser, whose seminal work began before the Commission was even envisioned, helped to frame our effort and provided much of the research needed to inform its contents. To both of these individuals, the Commission is grateful for your sustained contributions.

Special thanks are given to the Committee Chairs:

EDUCATION AND WORKFORCE DEVELOPMENT – Dr. Kevin W. Allison

JOB CREATION – James (Jim) E. Eck

TRANSPORTATION AND REGIONALISM – Hon. Ellen F. Robertson

POLICY AND LEGISLATION – Dr. Thad Williamson

UNIQUE, HEALTHY AND INCLUSIVE COMMUNITIES – Elizabeth Blue

ASSET BUILDING – Alice Tousignant

We also acknowledge the time and commitment put forth by the Virginia Commonwealth University Public Administration students and their professor, Dr. Nakeina E. Douglas:

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EXECUTIVE SUMMARY

In spring 2011, Mayor Dwight C. Jones appointed an Anti-Poverty Commission and launched an historic effort to develop a comprehensive plan to tackle the city's poverty crisis. One-quarter of the City of Richmond's population, including nearly two-fifths of the city's children, currently live in poverty. These disturbing statistics call for an aggressive community response, by city government in conjunction with community partners, neighboring jurisdictions, and higher levels of government. This commission, consisting of leaders of community organizations, public officials (including city and county elected leaders), academics, neighborhood activists, religious leaders, and business community leaders, has enthusiastically taken up the Mayor's charge to develop an analysis of poverty in the city and to offer comprehensive recommendations to effectively reduce and mitigate poverty in the years to come.

During the summer of 2011, a series of preliminary meetings were convened to provide the historic and policy context necessary to inform the work of this commission. Six work groups were formed to examine in greater depth poverty-related issues and to develop recommendations for action. These groups targeted distinct issue clusters: Education & Workforce Development, Job Creation, Transportation and Regionalism, Policy & Legislation, Unique, Healthy & Inclusive Communities, and Asset Building. Preliminary recommendations have been shared with Mayor Jones and the public in a series of meetings during 2012. Six public meetings held in May and June 2012 afforded citizens the opportunity to provide feedback and rank proposed recommendations from each of the commission's work groups. In July, an online survey was conducted to give Richmonders another opportunity to submit feedback and rank the recommendations.

The culmination of this process is this report that details the analysis and recommendations of the Commission and incorporates citizen feedback. The report also provides a discussion of the history of concentrated poverty in Richmond and an analysis of how best to think about developing anti-poverty policies in an urban context. To act effectively on poverty, we need to have a clear sense of what we mean by "poverty," recognition of poverty's multiple causes, and a realistic sense of the capacity local government has to impact poverty and its consequences.

This Commission makes five Top Tier recommendations for high-impact policy actions which, taken together, have the potential to make a significant dent in poverty in the City and improve the quality-of-life of all residents:

- Investing in workforce development targeted towards low-skilled and long-term unemployed and underemployed residents, while integrating workforce development with economic development strategies.
- Developing an effective educational pipeline that prepares Richmond Public Schools graduates for either college or the work force.
- Recruiting or developing one or more major employers capable of creating hundreds of jobs accessible by underemployed Richmond residents.
- Creating a regional rapid transit system, so as to make thousands more jobs accessible to metropolitan Richmond residents by effective public transportation and better link the regional economy together.
- Achieving the redevelopment of much of the city's public housing stock without involuntarily displacing residents, with the aim of weakening the concentration of poverty and improving the physical and social environment of public housing residents.

In addition, the Commission makes numerous secondary recommendations for policy steps expected to have a more incremental impact on poverty, as well as recommendations for legislative changes in Virginia that the City should advocate for, such as approving Medicaid expansion. These recommendations are itemized in the report, alongside a discussion of implementation strategies. Finally, in order to promote accountability in city government and continued attention in the coming years to the central problem of poverty, this Commission recommends the formation of an independent citizen body, to be created by City Council, tasked with ongoing monitoring of the city's progress in implementing this anti-poverty agenda and related policies.

It has been an honor for Commission members to participate in this process. The Commission is hopeful that this document will play a significant role in both educating the public about poverty in Richmond and in shaping the formation and implementation of appropriate anti-poverty policies in the City in the years to come.

PREFACE

We live in a time of heightened economic stress and economic pain for millions of Americans, resulting from both long-term trends and the Great Recession of 2008-09. Across the nation, poverty rates have risen, and states and localities are struggling fiscally to continue to fund public services and meet rising human needs.

Cities like Richmond are disproportionately harmed by the recent economic climate. In addition, the City of Richmond has long-term structural poverty resulting from decades of policy decisions that concentrated and isolated large numbers of poor citizens. Although there was growing regional prosperity in the 1990s and 2000s, many Richmond city residents and neighborhoods were largely left out.

Within this context, in March 2011 Mayor Dwight C. Jones launched a bold and compelling initiative aimed at addressing poverty. Few cities nationwide have been courageous enough to declare that “*now is the time*” to launch an aggressive policy attack on poverty and its consequences.

The members of this Commission are pleased and honored to have participated in this effort to chart an effective policy path to respond to the city’s long-term poverty problem. Whether or not the national economic climate improves in the near future, we believe the recommendations in this report are of critical importance to the city’s long-term future. A particular strength of this commission’s work is our emphasis on developing a long-term and comprehensive approach to poverty reduction and mitigation, while also identifying short-term policy changes that can be implemented quickly at minimal cost.

INTRODUCTION and OVERVIEW

Richmond, Virginia is a beautiful and historic American city.¹ For nearly three centuries, the American story has unfolded here in a way it has few other places in the nation, both triumphantly and tragically. The great tragic legacy inherited from our past includes the fact of slavery and the city's role as a center of the slave trade, the subsequent history of oppression of African-Americans during the Jim Crow Era, and the resistance to change during the great Civil Rights struggles of the mid-20th century. But we also inherit an inspirational legacy—the legacy of democratic ideals voiced by Virginians during the revolutionary generation of the late 18th century, the legacy of liberation from slavery and the efforts to build a free and empowered African-American community and multiracial city in the nineteenth century, and the legacy of a potent postwar Civil Rights movement that succeeded in registering thousands of blacks and influencing city politics years before the passage of the federal Voting Rights Act in 1965.

The culmination of the twentieth century civil rights struggle in Richmond was the reorganization of city government in the 1970s and the subsequent election of the city's first-ever majority black City Council and black mayor in 1977. Despite many tensions and conflicts, the city's politics have evolved a great deal since the 1970s, and racial polarization in the political arena has eased dramatically compared to prior periods of Richmond's history. There is a widespread desire among Richmonders of all racial and ethnic backgrounds to be truly one city, a diverse and welcoming community that values the perspectives, histories, and contributions of all its residents.

The single greatest obstacle to realizing this aspiration for Richmond is the persistence of extraordinarily high levels of poverty in our city. Poverty is the civil rights issue of the twenty-first century in America; the City of Richmond is no exception. Far too many children in Richmond have grown up, and are growing up, with the odds firmly stacked against them, as a result of growing up in poverty conditions. These children are in effect being excluded from the American

¹ Throughout this report, the word “city” is capitalized when it refers specifically to the government and political apparatus of the City of Richmond. For other uses, it is not capitalized.

dream, and are at high risk of spending a lifetime on the economic margins, struggling to survive from month to month.

The problem of poverty has concerned citizens and policymakers in Richmond for over a generation. Concerned observers have long worried about the interrelated problems of geographic concentration of poverty, declining job opportunities, subpar educational outcomes and inadequate job training in the city, and subpar transportation access to regional job bases. These problems directly harm the quality of life in low-income neighborhoods, they contribute to the problems of crime and of large numbers of young people being incarcerated or entering the child welfare system, and they contribute to the breakdown of families and community attachments. They also harm the city's tax base, strain the city's annual budget, hurt the city's bond rating, and impact the willingness of new businesses and residents to relocate in the city.

Richmond's political leaders have, at times, recognized and attempted to address aspects of these problems over the past quarter century. Violent crime and the homicide rate are now markedly lower than in the 1990s. The city's Neighborhoods in Bloom program has had a demonstrable impact in encouraging healthy redevelopment of some blighted neighborhoods. The growth of VCU has helped stimulate downtown, and the city's overall population has risen in recent years. Progress has also been made in the city's school system, particularly at the primary level, though enormous challenges still remain in the city's middle and high schools. Dozens of community organizations and religious congregations in the city do outstanding work on behalf of and in partnership with low-income residents and communities.

To date, however, the city has never developed a comprehensive anti-poverty policy plan, connecting all aspects of the poverty problem: employment and economic development, transportation and access to jobs, housing and quality of life, education and preparation for employment, financial literacy and asset development, and removal of barriers to escaping poverty.

The need for such a comprehensive approach has been heightened by the Great Recession of 2008-2009, which has led to an upward spike in the city's poverty rate. The stark reality is that, conservatively estimated, over 25% of the city's residents now live in poverty, as defined by the federal government, compared to 21% in 1990 and 18% in 1969. For children, the picture is even

more disturbing: nearly 39% of the city's children now live in poverty, compared to 24% in 1969.² In addition to adults and children below the official poverty line, many thousands more live just above the poverty line and are at risk of falling into poverty in the event of job loss or other adverse circumstance. The economic stresses and difficult choices faced by households just above the poverty line are nearly as severe as the stresses faced by those just below it. All told, nearly one-half of the city's residents either live in poverty currently or are at substantial risk of doing so in the near future. This is a citywide problem of daunting proportions, and a full-blown crisis for thousands and thousands of Richmond residents.

In spring of 2011, Mayor Dwight C. Jones launched an historic effort to develop a comprehensive anti-poverty plan with the appointment of the Mayor's Anti-Poverty Commission. This commission, consisting of leaders of community organizations, elected and other public officials, academics, neighborhood activists, religious leaders, and business community leaders, worked for over one year to develop both an analysis of poverty in the city and a set of recommendations for effectively addressing poverty in the years to come. After a series of preliminary meetings to establish historic and policy context in the summer of 2011, six working groups were formed to focus in greater depth on a particular poverty-related issue area and to develop recommendations for action. Preliminary recommendations from this work have been shared with Mayor Jones and with the public in a series of meetings in 2012. In six public meetings held in May and June, citizens were given the opportunity to provide feedback by ranking proposed recommendations from each of the commission's working groups. In addition, in July an online survey was posted giving Richmonders another chance to submit rankings.

The culmination of this process is the following written report detailing the analysis and recommendations of the Commission. Also included in the report is a matrix for comparing the costs and potential payoffs of different policy steps. While all the policy proposals forwarded by the Commission have merit, not all can be implemented simultaneously. Some of the proposals are "big-ticket" items requiring regional cooperation and/or cooperation from the state legislature;

² Figure for children in 1969 based on children aged 5-17 living in families. 1970 U.S. Census Supplementary Report PC (S1)-105, Published December 1975, Tables 9 and 10; 1990 Census of Population and Housing, Document CPHL-100, available at <http://www2.census.gov/prod2/popscan/cph-l-100.pdf>.

other proposals consist of long-term investments whose full fruits may not be realized for years to come.

This report consists of five sections. In the first section, we provide a discussion of the history of concentrated poverty in Richmond and an analysis of how best to think about developing anti-poverty policies in an urban context. To act effectively on poverty, we need to have a clear sense of what we mean by “poverty,” recognition of poverty’s multiple causes, and also a realistic sense of the capacity local government has to impact poverty and its consequences. This initial section addresses these points, then goes on to discuss briefly the history of anti-poverty initiatives in Richmond and Virginia, and also to discuss what Richmond can learn from anti-poverty initiatives launched in recent years in comparable cities across the country.

In the second section, we present the findings and recommendations from each of the six working groups on the commission: the Education & Workforce Development, Job Creation, Transportation and Regionalism, Policy & Legislation, Unique, Healthy & Inclusive Communities, and Asset Building. This section provides both the details of the recommendations forwarded by each working group, and the reasoning behind them forwarded by each working group.

In the third section, we summarize the results of public feedback on these proposed recommendations.

In the fourth section, we consider which of the proposed recommendations are most likely to have the highest impact on poverty in Richmond. Here we employ a decision matrix that categorizes each of the policy proposals along six dimensions: whether the action *reduces* or *ameliorates* poverty, size of total impact, speed at which that impact will be felt in the community, fiscal cost of action, political difficulty of action, and extent to which the policy requires either collaboration by the City with other entities or the development of additional capacity within the City. This categorization is intended to assist Mayor Jones and his staff in making difficult decisions about which policy steps to prioritize in the coming year(s), and also to illustrate to all readers the challenging trade-offs city government faces in charting a course to redress poverty in the city.

The fifth section consists of a brief conclusion, including recommended steps to continue to educate the community about poverty and the City's anti-poverty initiative and to promote follow-through and effective, accountable action by the City on this agenda.

A series of Appendices consists of additional explanatory material and statistical tables. Background research conducted on behalf of the Commission by students in Dr. Nakeina Douglas's graduate course on public policy at VCU in the fall of 2011 and copies of presentations made to the Commission in public meetings during the summer and fall of 2011 are available on the Commission's website.³

³ <http://www.richmondgov.com/CommissionAntiPoverty/index.aspx>

SECTION ONE: Understanding Poverty in Richmond

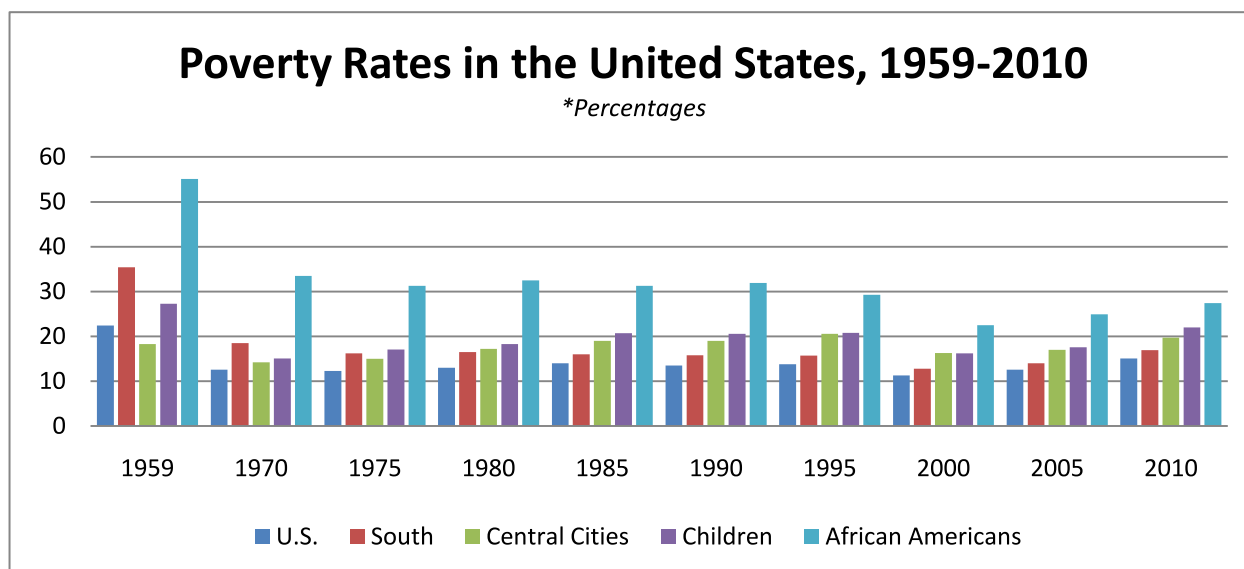
The Nature and Consequences of Poverty in an Urban Context

Poverty is usually defined as an economic condition, a condition of having too few resources to meet basic needs. The official poverty line in the United States has since the 1960s been based on estimating the cost of a bundle of food sufficient to meet a household's basic dietary needs, then multiplying that number by three. As shown in Table 1, by this measure poverty in the U.S. declined by roughly one-half between 1959 and the early 1970s, from 22.4% to a low of 11.1% in 1973.⁴ Since 2000, however, the poverty rate has sharply increased, from 11.3% to a high of 15.1% in 2010. The most recent figures released show a national poverty rate of 15.0% in 2011.

The official poverty measure has been widely criticized over the years for a variety of reasons. Some of these criticisms are technical: food is no longer as high a proportion of household expenditure as it once was, and the official measure does not take account of regional and metropolitan variations in the cost of living. Other critiques note that the official measure is strictly based on household cash income, and does not account for either in-kind benefits such as food stamps and housing subsidies that raise standards of living, or for medical and work-related expenses that reduce households' effective living standards. Also ignored are the impacts of taxes paid and tax credits received as cash via the Earned Income Tax Credit.

⁴ It is worth noting that in the City of Richmond itself, the poverty rate of black families declined from 43.1% to 24.8% between 1959 and 1969. Sharp declines in poverty in a relatively short time period are not unprecedented in the city's history. 1970 U.S. Census Supplementary Report PC (S1)-105, Published December 1975, Table 8.

Table 1. Poverty Rates in the United States, 1959-2010, Official Measure



Source: U.S. Census <http://www.census.gov/hhes/www/poverty/data/historical/people.html>

In 2011, the Obama Administration began publishing an alternative measure of poverty that addresses both kinds of criticisms. In calculating a household's effective resources, to cash income is added the value of SNAP (Food Stamps), school lunch assistance, supplementary nutrition assistance for women, infants and children (WIC), housing subsidies, the Earned Income Tax Credit, and low-income energy assistance. Taxes, job-related transportation costs, child care costs, child support paid, and health costs paid out-of-pocket are subtracted from the total. The poverty threshold is set according to a more sophisticated formula factoring in the cost of not only food but also shelter, clothing, and utility costs. This alternative measure produces a slightly higher overall estimate of poverty in the United States and also some significant differences in the estimated poverty rate for some demographic groups compared to the official rate (see Table 2).

Table 2. 2010 Poverty Rate by Sub-Group, Official and Supplementary Poverty Measures

	Official	Supplementary
All	15.2%	16.0%
Children	22.5%	18.2%
Elderly	9.0%	15.9%
Black	27.5%	25.4%
White (Non-Hispanic)	10.0%	11.1%
Hispanic	26.7%	28.2%
South	17.0%	16.3%
Central Cities	19.8%	21.0%

Source: Kathleen Short, “The Research Supplementary Poverty Measure: 2010,” U.S. Census, 2011.

In other nations, *relative* definitions of poverty are more commonly used. Relative definitions are based on the idea that the harm of poverty consists not just of absolute deprivation, but of falling too far below the socially accepted level of consumption. Persons who have enough income to meet their most basic needs but not to regularly purchase goods other citizens take for granted as an essential part of daily life—things such as transportation, Internet access, newspapers, entertainment—are in effect socially excluded from the mainstream. The most commonly used definition classifies individuals and households as impoverished if their income falls below one-half of the median income within a given nation. In the United States, median household income is currently (2011) roughly \$50,000; hence adopting this measure would result in classifying all households earning less than \$25,000 a year as impoverished. Use of this measure would significantly increase the number of Richmonders estimated to live in poverty, as 35% of Richmond households have income below \$25,000 a year (American Community Survey 2011, Tables B-19013 and S-1901).

Even in working with strictly economic definitions of poverty, it is important not to think of poverty as a dichotomous, all or nothing condition. The problems and daily challenges of families and households living just above the poverty line are quite similar to those of the “working poor” (individuals who are impoverished despite being regularly employed), and high levels of “churning”—with households over time seeing their incomes fluctuate above and below the official poverty thresholds—are quite common in the bottom half of the national income distribution. Likewise, the poor are not homogenous as a group. Some persons classified as poor

have small but steady incomes, have established work histories, and have relatively stable housing. But other individuals and households have little or no regular income, work histories with large gaps, and lack stable housing. The number of Americans living in extreme poverty (with income less than half the official poverty line) has risen sharply since the 2008 recession. In the Richmond metropolitan area, the number of persons living in extreme poverty is even more concentrated in the city than the overall poverty population (American Community Survey 2006-10, Table S-1703).

These statistical definitions of poverty do not fully capture either the reality of being poor in the United States nor the reasons why we should be deeply concerned with the prevalence of poverty in the City of Richmond. The ultimate reason for being concerned with reducing and ameliorating poverty is that individuals living with low incomes for a prolonged period of time will be less likely to either fully develop their own capabilities or to enjoy a meaningful degree of freedom in their everyday lives. Closely related to this, persons living in poverty for a substantial period of time are likely to be socially excluded, to be disconnected from political networks and opportunities to exercise political voice, and in some cases to be disconnected from healthy human connections altogether.

At the most elemental level, there is enormous scientific evidence showing that low income and prolonged poverty are highly correlated with health problems and shorter life expectancy.⁵ The very poor are subject to hunger and malnutrition, prolonged exposure to the elements, and other forms of visceral suffering. Poverty is also highly correlated with crime (both for victims and perpetrators), untreated drug and alcohol addiction, family instability, depression, fear, and low self-regard. In the most extreme forms, poverty and social exclusion can breed alienation and loss of respect for the value of life itself. Social science evidence suggests that the experience of being poor is especially painful in the context of affluent societies such as the United States, because of

⁵ Gopal Singh and Mohammad Siapush, "Widening Socio-economic Inequalities in U.S. Life Expectancy, 1980-2000," *International Journal of Epidemiology* 35 (August 2006): 969-979; Jay Olshansky et al, "Differences in Life Expectancy Due To Race And Educational Differences Are Widening, and Many May Not Catch Up," *Health Affairs* (August 2012): 803-813.

the invidious comparisons constantly made between the position and well-being of the least and most well off in such nations.⁶

In short, to say we are concerned with “poverty” is to say we are concerned with improving the quality of life of those amongst us whose lives are made more difficult, more deprived and more dangerous by a persistent lack of adequate material resources. Putting the matter this way is crucial, because it indicates a concern not just with the poor as statistics, but the poor as holistic human beings who need and deserve to be recognized as whole persons.

But here any sane and moral approach to the question of poverty must be careful. To say that the economically impoverished are living lives that are more painful and less fulfilling than they should be is not to say that the lives of the poor are without value. Money is only one of the important things in life, and many poor people in Richmond as elsewhere are quite adept in developing strong social networks based on family, neighborhood and congregational ties to help cushion some of the blows of economic poverty. There is a human need not just for meeting basic needs but also for a sense of community and a sense of belonging. Social research indicates that meeting the need for a sense of “affiliation” is *especially* important among the poor.⁷ In thinking about the problem of poverty in Richmond, it is essential to recognize and appreciate—without romanticizing—the importance of the social networks and sense of community that exist even in the city’s poorest neighborhoods.

In tackling poverty in the City of Richmond, we can thus distinguish two approaches: first, increasing the incomes, assets, and overall financial standing of as many members of Richmond’s poverty population as possible, and second, seeking to improve the overall quality of life for *all* low-income Richmonders, including those who will continue to be financially impoverished into the indefinite future.

The importance of this distinction is made vivid when we consider Richmond’s place as an independent city within a regional, state, and national context. It has long been recognized that to

⁶ Shigehiro Oishi, Selen Kesibir, and Ed Diener, “Income Inequality and Happiness,” *Psychological Science* 22 (September 2011): 1095-1100; Simon Chapple, Michael Forster and John Martin, “Inequality and Well-Being in OECD Countries: What Do We Know?” Conference Paper, 2009 OECD World Forum.

⁷ Jonathan Wolff and Avner De-Shalit, *Disadvantage*. Oxford: Oxford University Press, 2007.

end or dramatically reduce poverty in the United States would require *national* policies targeted toward that end. In the absence of such a national effort, it is almost inevitable that poverty will be disproportionately clustered in central cities such as Richmond. In the Richmond metropolitan area, for instance, the City of Richmond provides far more extensive and comprehensive social services than any neighboring locality, including public housing and a citywide public transit system. These and other facts make it likely that Richmond will continue to attract a disproportionate share of low-income residents.

Now consider the other side of the coin. Precisely to the extent that the City of Richmond succeeds in alleviating the burdens of poverty, and giving more children raised in the city an excellent educational experience and opportunity in life, we can expect that many of the city's success stories will choose to leave the city, for other metropolitan areas or for suburban locations within metropolitan Richmond. In the very long term, if Richmond's educational system and overall quality-of-life come to be perceived by most mobile, middle-class families as comparable or superior to suburban quality-of-life; it is possible this dynamic might recede. But in the immediate future we can expect that many of those who grow up poor in the city, given the opportunity to leave, will choose to do so.

This means that the success of the city's anti-poverty effort cannot be judged solely on the basis of the city's aggregate poverty rate. It is possible that the city could do a terrific job of providing greater opportunities to more of its residents, and still see limited progress on the citywide poverty rate because of the out-migration of economically successful Richmonders and the in-migration of new low-income residents. (It should also be stressed that the citywide poverty rate is strongly shaped by national trends and the health of the overall economy—matters largely beyond the city's control.) Likewise, it would be theoretically possible to impose policies that reduce the aggregate poverty rate in the city while actually harming the lives of poor people in the city—for instance, a policy of aggressive and forcible relocation of the poor causing them to leave the city altogether. Such an approach could not possibly be justified if our policy aim is to improve the lives of all Richmond residents.

This does not mean that efforts to combat poverty in Richmond are futile or that it is not possible to make substantial progress on all indicators of poverty, including the aggregate poverty rate. It does mean that we should be attentive to a broader range of indicators than simply the overall poverty statistic. And it also means we should be concerned with improving the quality of life for all Richmonders and all Richmond neighborhoods, understanding that many will continue to be classified as low-income for the foreseeable future. Even in neighborhoods with a relatively high rate of poverty, much can be done to reduce the harms associated with poverty, to build long term community and individual assets, and to create meaningful opportunities for children growing up in low-income households.

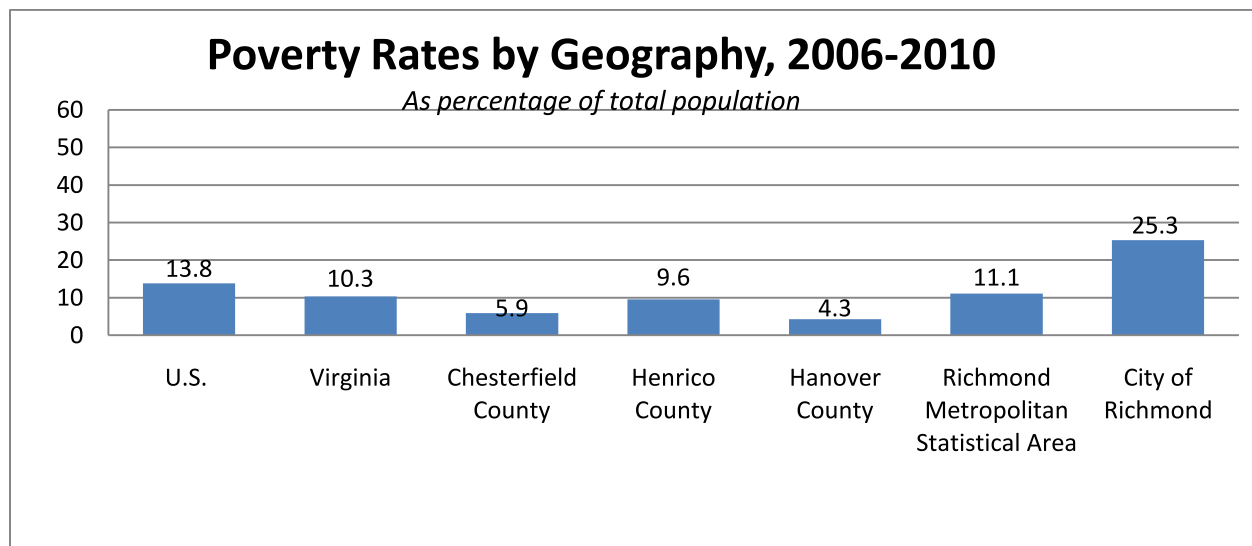
These observations are offered in the spirit of being sober and realistic about what Richmond's government can do to address poverty in the city. They should not be interpreted as underestimating the critical need for game-changing, large scale changes in the economic landscape facing Richmond's residents. The most fundamental cause of economic poverty is inadequate access to remunerative employment—that is, to good, steady jobs. A major theme of this report and this commission's recommendations is increasing employment opportunities in the city and better matching these opportunities to the needs and capabilities of low-income city residents.

Breakthroughs in this area are needed, and we contend they are achievable. But an employment and employment training strategy is not the whole of an effective anti-poverty strategy. Complementary policies that address the non-economic dimensions of quality-of-life in low-income neighborhoods are also an appropriate and essential part of a comprehensive policy approach.

Demographic Overview of Poverty in Richmond

As Table 3 illustrates, the City of Richmond currently has an official poverty rate of 25.3% that is nearly twice the national average and nearly two-and-a-half times the statewide poverty rate.⁸ Richmond also has a poverty rate over twice as high as the metropolitan-wide average, and higher still in comparison to its immediate neighbors in the county. Because the city population (2011) of 205,500 accounts for just under one-sixth of the population of the Census-defined Richmond metropolitan statistical area, it is important to be aware that a majority of persons defined as impoverished in the Richmond metropolitan area do *not* live in the City of Richmond. Poverty is a significant problem throughout the region. But poverty is disproportionately concentrated in the city. Further, Richmond has a peculiar position as a very high-poverty city located within a state that has a relatively low poverty rate and consequently has often not perceived poverty reduction as a major or urgent policy priority.

Table 3. Richmond's Poverty Rate in Comparative Perspective



Source: American Community Survey (2006-10), Table S-1701

⁸ Throughout this report, the five-year 2006-2010 data provided by the Census Bureau's American Community Survey are used as the source for statistical estimates unless otherwise noted. An advantage of the five year estimate is the larger sample size, making the estimates more reliable. A disadvantage is that these estimates do not fully capture the impact of the Great Recession (starting in 2008) and hence may tend to understate slightly the contemporary poverty rate in the city. In September 2012, just prior to completion of this report, the Census released its one-year data estimates for 2011; this data shows an estimated poverty rate of 26.9% (with a margin of error of 2.2% in either direction) in the city. (American Community Survey 2011 One Year Estimate, S-1701.)

We now go on to consider the demographics of poverty in Richmond in greater detail.

In understanding the persistence of poverty, it is critical to make a distinction between the causes of the overall *rate* of poverty and the question of *who is most likely to be poor*. At a societal level, the overall rate of poverty is a consequence of the level of economic development, the performance of the economy in creating adequate numbers of well-paying jobs, and the cumulative impact of public policies impacting poverty and the poor. For any given rate of poverty, however, some groups in American society are persistently more likely than others to experience poverty. National data consistently show, for instance, that women are more likely to be poor than men, less educated citizens more likely to be poor than better educated citizens, non-whites more likely to be poor than whites, the unemployed and underemployed more likely to be poor than the fully employed, central city residents more likely to be poor than suburbanites, and single parent families more likely to be poor than two-parent families. In some cases, these correlations are widely acknowledged to reflect a causal link: it's easy to understand why the employed have more income than the under-employed, and why the better educated find it easier to earn an income than the less well educated. Likewise, few would deny the continued existence of gender and racial discrimination in labor markets that make escaping poverty more difficult for women and non-whites. In other cases, the importance of the observed correlation is disputed or uncertain; for instance, there is a long-running debate about whether declining marriage rates are best understood as a cause or consequence of poverty (or both).

Tables 4 and 5 show how poverty rates differ across key demographic groups in the City of Richmond. With respect to age, seniors, working-age adults, and children in the city all have poverty rates significantly higher than the national average, but the poverty level amongst the city's children is extraordinarily high. This is disturbing, because studies show that experiencing poverty as a young child has lasting long-term consequences, including on educational outcomes and earnings as an adult.⁹ Similarly, educational studies have consistently shown how high

⁹ For a succinct overview of recent literature by two leading scholars in this field, see Greg J. Duncan and Katherine Magnuson, "The Long Reach of Early Childhood Poverty," available at http://www.stanford.edu/group/scspi/_media/pdf/pathways/winter_2011/PathwaysWinter11_Duncan.pdf

concentrations of poverty within schools make high educational achievement far more difficult to achieve.¹⁰ Such a high level of child poverty also seriously increases the likelihood that the cycle of poverty in the city will reproduce itself, with many children who grow up being less likely to succeed academically or economically, more likely to become entangled with the legal system, less likely to be able to form an economically stable marriage and more likely to become a parent at a young age. For this reason, the fact that nearly two children in five in Richmond now live in poverty is nothing short of a ticking time bomb for the city's future. To lift more children out of poverty will obviously require reaching and increasing the incomes of parents in Richmond. But the city also must take steps to improve the prospect of children who continue to live in poverty, through both immediate support and bolstering long-term opportunities.

There is a significant gender gap with respect to poverty in Richmond, with women more likely to be poor. In recent years this gap has actually fallen—due to the increased poverty rate among men, not a reduction in female poverty. There are also important racial differences in the poverty rate. A notable finding, however, is that white residents of Richmond have a poverty rate higher than the national average. The common assumption that poverty in Richmond is solely a phenomenon of African-Americans and Hispanics is simply not true; over 23% of the city's impoverished residents are white (non-Hispanic).¹¹ It is true however that African-Americans and Hispanics are

Additional research has found that experiencing multiple years of poverty as child, experience extreme poverty (living under 50% of the official poverty line), and living in a household experiencing job loss and rapid income drops all can have negative long-term effects on children.

¹⁰ For overviews of research, see the Poverty & Race Research Action Council's "Annotated Bibliography: The Impact of School-Based Poverty Concentration on Academic Achievement & Student Outcomes"; available at http://www.prrac.org/pdf/annotated_bibliography_on_school_poverty_concentration.pdf. For a general assessment of the multiple impacts of concentrated poverty, including on educational outcomes, see "The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S.," a joint report of the Brookings Institution and the Community Affairs Office of the Federal Reserve System (2008), available at: http://www.frbsf.org/cpreport/docs/cp_fullreport.pdf

¹¹ It should also be noted, however, that the estimate of whites living in poverty in Richmond is substantially inflated by the Census practice of including undergraduate students living off campus in poverty status calculations. There are an estimated 8,536 college students in Richmond designated as living in poverty (2006-10 American Community Survey Table B-14006), and 52.0% of college students in the city are white (non-Hispanic) (2008-10 American Community Survey, Tables B-14007 and B-14-0007H). If white students are in poverty at the same rate as all students, this indicates that 4,436 of 11,191 (39.6%) of impoverished whites in the city are college students, and that apart from college students, (non-Hispanic) whites account for 16.9% of Richmond's poor residents (2006-10 American Community Survey, Table S-1701). Likewise, this calculation implies that the city poverty rate among whites who are not college students is 11.2%. However, if white students are in poverty at a lower rate than non-white students, then the proportion of poor whites in the city who are college students would correspondingly fall, and the share of non-college student residents who are white as well as the estimate of the poverty rate among whites (non-college students)

significantly more likely to be impoverished than whites—twice as likely in the case of African-Americans and two-and-a-half times as likely for Hispanics.

Educational attainment is actually a stronger predictor of poverty status in the City of Richmond than race. Over 40% of the city’s poverty population has less than a high school education, and the poverty rate for this group is six times higher than that of college graduates in the city. Because nearly 20% of the city’s adult population has less than a high school education, developing strategies to increase employment and income (or when feasible, provide opportunities to complete high school) among this group is a major challenge for anti-poverty initiatives. Over the long term, the city must act to assure that as many young people as possible complete at least high school; those who do not are overwhelmingly likely to be consigned to a life on the economic margins.

The strongest single predictor of poverty is employment status. Amongst adults, the vast majority of Richmond residents who are working full time have income above the poverty line, and the vast majority of the adult poverty population consists of persons who are working either part-time or not at all. (To be sure, about two-thirds of adults who work part-time or less are not poor; presumably they are supported in part by another income in the household.) This strongly suggests that effective anti-poverty strategies in Richmond must have as a central focus expanding full-time employment opportunities accessible to Richmond’s low-income residents.

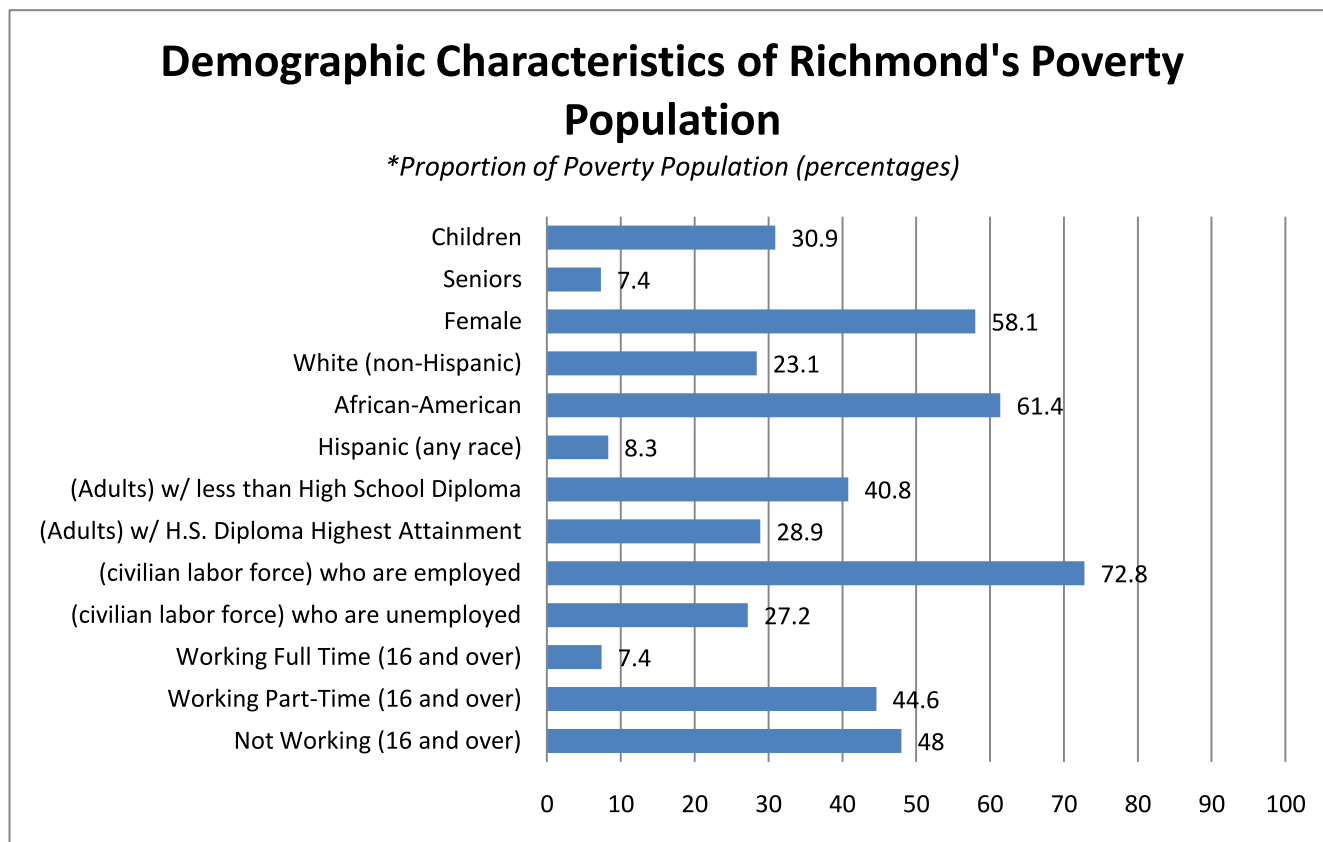
would increase. (Census data on poverty status of college students by race is not available; note also that college students by race is only available as a three-year estimate.) See below for further discussion of the impact of college students on estimated poverty rates in Richmond.

Table 4. City of Richmond Poverty Rate by Demographic Group, 2006-10

Citywide Poverty Rate All Persons:	25.3%
Children (17 & Under):	38.7%
Working-Age Adults (18-64):	22.9%
Seniors (65 & Over):	16.1%
Males:	22.4%
Females:	27.8%
White (Non-Hispanic):	15.4%
African-American:	30.0%
Hispanic (any race):	38.4%
Less than high school education (adults 25 and over):	34.3%
High school graduate or equivalent (adults 25 and over):	19.7%
Some college or associate's degree (adults 25 and over):	13.3%
Bachelor's degree or higher (adults 25 and over):	5.7%
Employed (civilian labor force):	13.4%
Unemployed (civilian labor force):	44.7%
Worked full time year round (population 16 and over):	4.1%
Worked part-time or part-year (population 16 and over):	33.7%
Did not work (population 16 and over):	35.3%
Persons with income less than 50 percent of poverty level:	24,555 (12.8%*)
Persons below 125 percent of poverty level:	58,532 (30.5% *)
Persons below 150 percent of poverty level:	69,090 (36.0% *)
Persons below 200 percent of poverty level:	88,250 (46.0% *)

Source: American Community Survey, 2006-2010 5-year overview. Table S-1701. * refers to percentage of population for whom poverty status is determined.

Table 5. Demographic Characteristics of Richmond's Poverty Population



Source: American Community Survey, 2006-10 Five Year estimates, Table S-1701.

Geographic Concentration of Poverty in Richmond

Poverty is present to a significant degree in the vast majority of Richmond's neighborhoods, citywide. But poverty is not evenly dispersed across the city; certain neighborhoods, particularly in the East End and Southside and particularly in the vicinity of public housing communities, have extremely high levels of poverty. This concentration of poverty is a crucial feature of the poverty problem in Richmond. See Figure 1 for a map showing census tract poverty rates, by Council District, in the city for 2006-10.

Figure 1 (and Appendix E) sort each of Richmond's 66 census tracts (2010 definition) into one of six categories: very low poverty (under 5%), low poverty (5-10%), moderate poverty (10-20%),

high poverty (20-35%), very high poverty (35-50%), and extreme poverty (above 50%).¹² Also reported in Appendix E are the total estimates of the poverty population in each tract, and the Council District or Districts in which each tract is located.

Eighteen of sixty-six neighborhoods (tracts) in the city have a poverty rate exceeding 35%, including six tracts with a poverty rate exceeding 50%. Over 51% of the city's poverty population (nearly 25,000 people) reside in these high-poverty neighborhoods.¹³ A further 25.5% of the city's poor live in neighborhoods with a poverty rate between 20% and 35%--high by national standards. Poverty in Richmond is thus concentrated to a remarkable degree, even compared to the national norm for central cities.¹⁴ Geographically concentrated poverty is thought by many scholars to exacerbate the impact of poverty status on opportunities and likely outcomes. Low-income persons surrounded predominantly or even solely by other low-income persons may, for instance, have less access to employment opportunities tied to social networks (i.e. be less likely to have contacts who can help one find a job); conversely, we may expect crime and the recruitment of individuals into illegal activity to be targeted towards very poor areas where few viable alternatives to crime are perceived to be available. Similarly, when children grow up in neighborhoods where they see very few examples of adults achieving educational and economic success through mainstream routes, their sense of possibility about their own lives is almost inevitably narrowed. Residents of known high-poverty and high-crime areas, especially of public housing communities, may also experience

¹² Census tracts are Census-defined contiguous geographies intended to correspond to the idea of a "neighborhood." Census tracts are subsets of counties or, in the case of Virginia, independent cities. The population of census tracts varies, but normally tracts have roughly 3,000 to 5,000 residents. 2010 Census Tract definitions in the city largely follow the 2000 definitions, with these exceptions: 1) Tract 104 on the Northside has now been subdivided into two tracts: 104.01 and 104.02. 2) Census Tracts 601 and 603, just south of the James River, have been combined into a single tract, Tract 610. 3) Census Tract 706 on the Southside has been subdivided into two tracts: 706.01 and 706.02. These changes lead to a net increase in the total number of tracts in the city, from 65 to 66.

¹³ Scholars commonly use a 40% poverty threshold to define census tracts or neighborhoods as exhibiting a high concentration of poverty. We here use the 35% threshold because a number of Richmond neighborhoods fall just short of the 40% line, and there is little reason to believe that a neighborhood with a poverty rate of 38.4% (Tract 706) is likely to be dramatically different than a tract with poverty rate of 40.2% (Tracts 412 and 413).

¹⁴ A 2011 analysis of concentrated poverty (defined as census tracts with poverty levels greater than 40%) in principal cities of the nation's top 100 metropolitan areas based on the 2005-2009 American Community Survey estimate by the Brookings Institution found that 26% of Richmond's poor were concentrated in such tracts, compared to 20% of the poor in principal cities of the top 100 metro areas nationwide. Analysis of the 2006-10 ACS data for Richmond shows significant worsening with several tracts crossing the 40% threshold; it is estimated that 43.3% of Richmond's poor are now in tracts with a poverty rate above 40%. (It is almost certain that the proportion of the poor nationally living in concentrated poverty also increased from 2005-09 to 2006-2010 due to the higher overall poverty rate.) See Elizabeth Kneebone, Carey Nadeau and Alan Berube, "The Re-Emergence of Concentrated Poverty: Metropolitan Trends in the 2000s." *Brookings Institution*, November 2011, Table 5 and Appendix B.

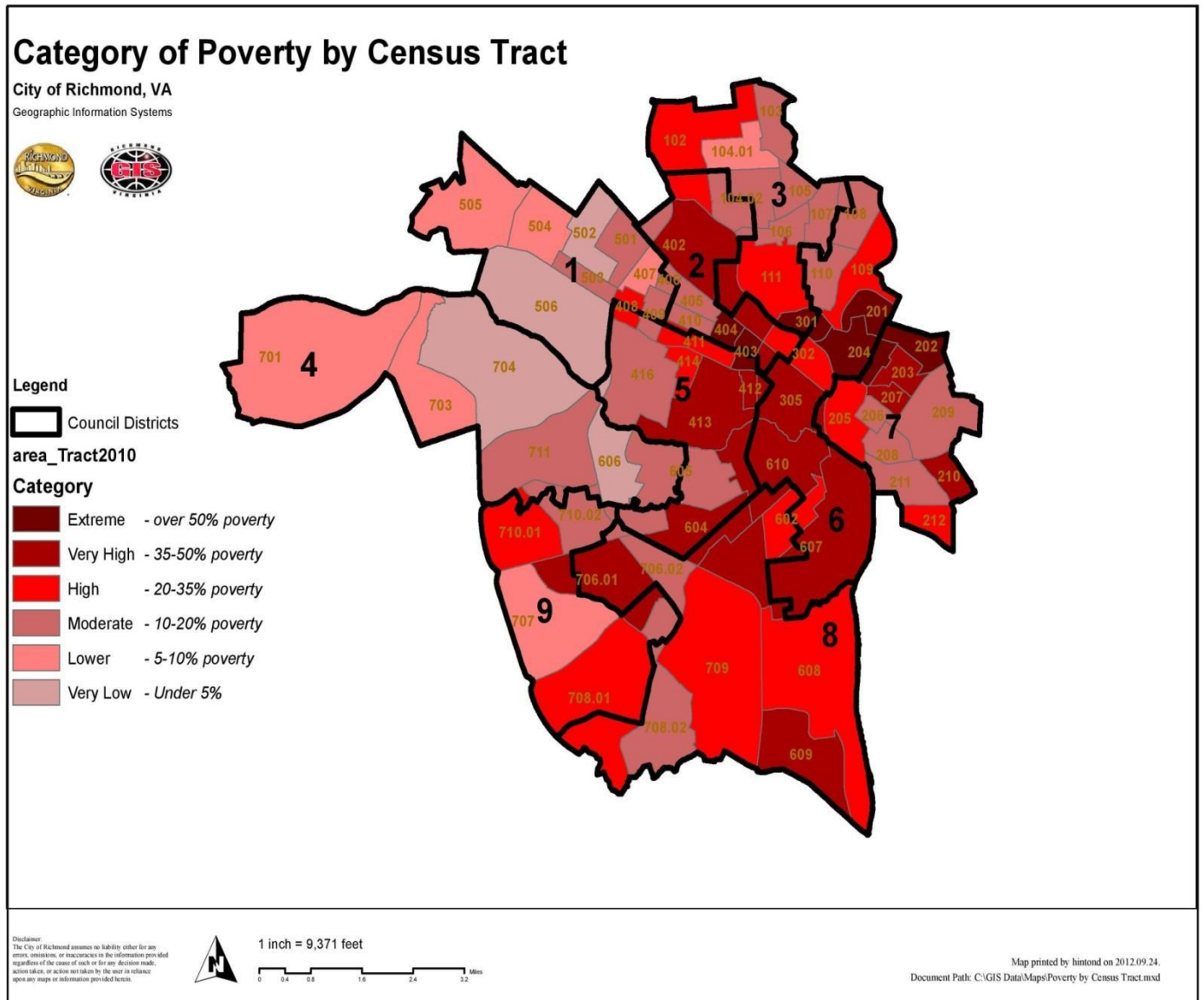
a social stigma: they live everyday in places many more affluent Richmonders regard as dangerous, undesirable, and unsafe to even visit.

North of the James River, all census tracts with a poverty population of at least 35% are located east of the Boulevard; south of the James, all such tracts are located south and east of the Midlothian Turnpike. The Council districts with the most poor residents living in highly concentrated poverty areas are the 6th (Gateway; roughly 10,000 persons), the 8th (Southside; about 4,000 persons) and the 7th (East End/Church Hill: roughly 4,000 persons). West of I-195 north of the river has much lower poverty rates, as do the Southside tracts annexed in 1970 from Chesterfield County. Nonetheless, it should be noted that eight of the nine council districts (all but the 4th) have or share at least one census tract with a poverty rate of at least 20% (high by national standards). In short, as one moves from the western to the eastern part of the city, poverty becomes increasingly prevalent, and in the eastern half of the city on both sides of the river one encounters extremely high poverty neighborhoods. Yet even apart from these very high poverty areas, many other parts of the city also have poverty rates that are quite high by Virginia and national standards.

This analysis suggests that a serious anti-poverty initiative in Richmond must have what is commonly termed a “place-based” component; that is, the effort must include strategies deliberately aimed at steering resources, opportunities, and economic development to the most severely impoverished neighborhoods and their residents. But it also suggests that policymakers should be mindful that poverty is quite prevalent many other places besides the public housing communities and other well-known high-poverty areas, and should aim at providing increased opportunities and access to employment for low-income residents of those areas as well.

Figure 1 illustrates the concentration of poverty by census tract and council in the City of Richmond. See Appendix E for detailed data on poverty rates in each census tract.

Figure 1. Poverty Rate by Census Tract and Council District, City of Richmond 2006-10.



Source: American Community Survey, 2006-10.

The Impact of College Students

An important caveat needs to be registered here. As in other towns and cities with a large college presence, estimates of the poverty rate are liable to be inflated by undergraduates who are counted as poor. Census procedure is to count all college students as residing in the location where they spend most nights—that is, where they go to college, not their family hometown. College students who live on-campus are *not* included in calculation of poverty status. However, college students who live off campus are counted in calculations of poverty status.¹⁵

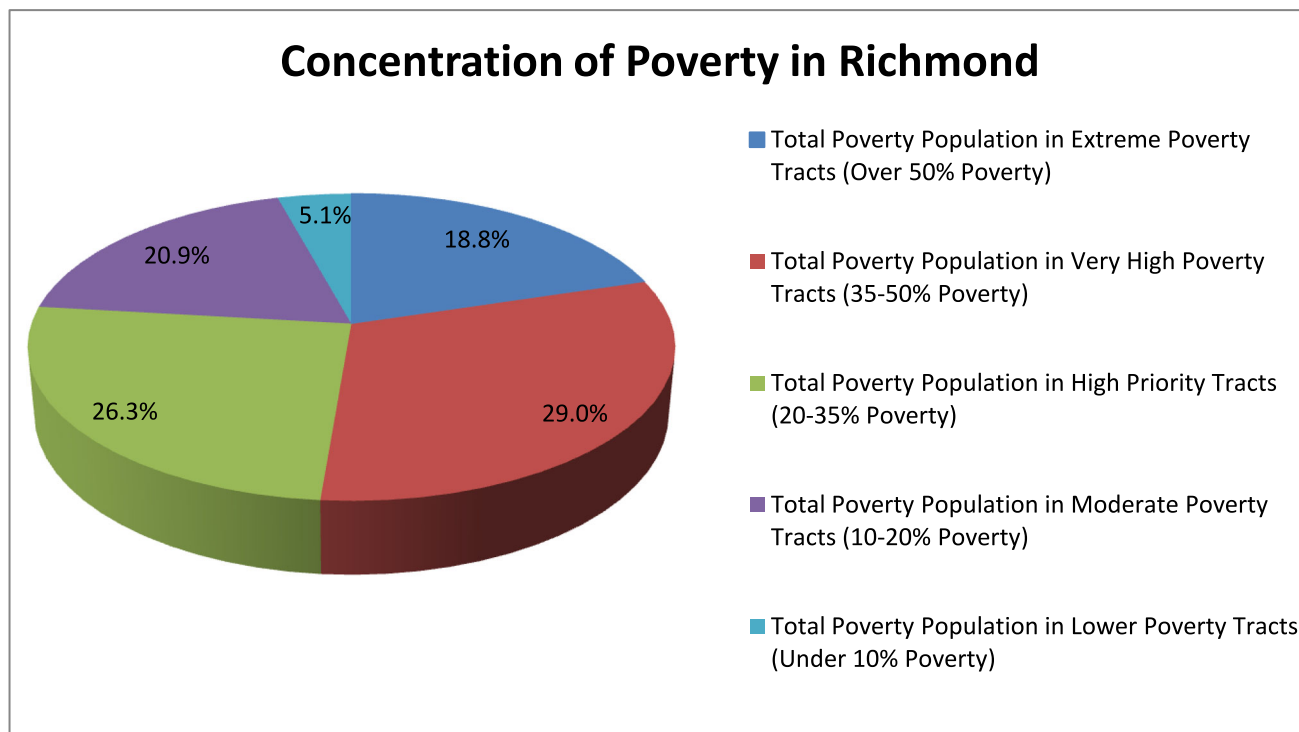
In Richmond, there are an estimated 16,064 undergraduates living off campus who are included in the city's poverty estimates; of these, 53.1% are counted as living in poverty (American Community Survey 2006-10, Table B-14006). Put another way, of the estimated 48,452 impoverished Richmonders (2006-10 estimate), 8,536 are college undergraduates. It is reasonable to draw a distinction between these students and the rest of Richmond's poverty population. Generally speaking, we can assume the basic material needs of college students are adequately met, and we can assume that most undergraduates who complete their degrees successfully will be in position to earn incomes taking them above the poverty level. If we remove college students from the equation, the estimate of the overall citywide poverty level falls from 25.3% to 22.7%.

In short, the presence in particular of large numbers of VCU students living off campus inflates the overall citywide poverty estimate by about ten percent. Note however that the adjusted (non-college student) poverty rate is still exceptionally high. Moreover, as noted below, *most* neighborhoods in Richmond with a high official poverty rate do not consist substantially (if at all) of college students. Some neighborhoods in the downtown area, however, are classified as high poverty by the Census primarily because of the presence of college students. Five of the eighteen tracts citywide with a poverty rate above 35% consist primarily of college students. These neighborhoods are noted in italics in Appendix E. Being aware of the impact of college students on the overall poverty rate is helpful not only to a geographic analysis of poverty in the city, but also to helping policymakers focus attention on those neighborhoods of highest permanent need: low-

¹⁵ See <http://www.census.gov/hhes/www/poverty/methods/definitions.html> (U.S. Census) for explanation of who the Census includes and excludes from calculations of poverty status.

income neighborhoods consisting of few or even zero college students where there is long-term embedded poverty.

Table 6. Concentration of Poverty in Richmond



Source: American Community Survey, 2006-10, Table B-17001.

Tabulation excludes the nine Census Tracts in which the majority of the poverty population are college students.

History Lesson: How Poverty Got So Concentrated in Richmond

How did the extraordinary concentration of poverty evident in the city to this day come about? Certainly one factor was the unintended consequence of good programs gone awry. The damage was still enormous, though at least accidental. The ugly truth of history, however, is that high density poverty exists largely because it was designed that way.¹⁶

¹⁶ This section of the report draws on material first developed by Commission member Dr. John Moeser for use in the 2011 report of the Mayor's Advisory Committee on Redistricting.

Much could be said about how the racial and social contours of the city were shaped by laws and customs of the 18th and 19th centuries as well as those of the first third of the 20th Century. In this overview, however, attention will be given to what happened between the late 1930s through the early 1970s that accelerated the concentration of poverty in certain quarters of Richmond, particularly East End.

One of the most destructive programs was a product of the New Deal. The Home Owners' Loan Corporation (HOLC) was created during the Great Depression for the purpose of refinancing homes to prevent foreclosure. The HOLC developed a uniform method of assigning risk to neighborhoods as a way to determine whether refinancing would be available to homeowners and, if so, how much. The agency relied on local realtors and lenders to serve as field workers to evaluate neighborhoods, using a common color-coded method of grading the quality of neighborhoods. The highest quality neighborhoods were colored green and rated first grade. Second grade neighborhoods were colored blue; yellow-colored neighborhoods received a third grade rating; and fourth grade neighborhoods, all colored red, were considered the worst.

In Richmond, African American neighborhoods in the city, irrespective of income, were given the lowest grade. Yet, declining working class white neighborhoods all received a higher grade. Also falling into the lowest category were sections of formerly all white neighborhoods where blacks were beginning to move. Grade A neighborhoods were most commonly identified with populations comprised of the “best people,” i.e., white business executives.

The instructions given field workers for grading neighborhoods called for them to identify features that enhance a neighborhood such as parks, schools, churches, utilities, as well as “zoning and restrictions.” Conversely, evaluators were to consider negative features such as absence of zoning or restrictions, obnoxious odors, fire hazards from industries such as slaughter houses and cleaning plants, and “infiltrations of foreign born, Negro or lower grade.” When commenting about the repair of buildings in a black neighborhood of Richmond, an evaluator wrote that the housing was “bad” for whites, but “fair” for blacks.

Two Richmond neighborhoods, which otherwise would have received B ratings, were graded C. In one case, the neighborhood received the lower grade because “the school for white children is in

the Negro area, D-8, and because the Negroes of D-8 pass back and forth for access to the William Byrd Park which lies to the west. For this reason losses on properties are being taken.” In the second case, the neighborhood residents were “respectable people, but homes are too near negro area D2.”

The 1937 HOLC color-coded map of Richmond was striking in that the majority of neighborhoods marked in red and yellow were located in the East End of Richmond. Conversely, the green and blue neighborhoods were found largely in the West End of Richmond. When one overlays current poverty data on the 1937 HOLC map of Richmond, one finds that the census tracts with the highest poverty rates are located in the neighborhoods that were red-lined in 1937. The only difference is that today the area of racially defined poverty is larger, though still most prominent in East Richmond.

Years later, Richmond’s public housing projects were located primarily in grade D neighborhoods, though some grade C neighborhoods were included. Given the income restrictions on public housing occupancy, public housing populations included only the poorest of the poor. The consequence was that property adjacent to public housing began to decline in value. While housing in the adjacent zones became more affordable to low-income people, over time the zones themselves became high poverty.

Long after the New Deal, from the late 1940s to 1978 when Congress passed the Community Reinvestment Act, red-lining became a common practice of local banks and lending institutions such that black neighborhoods failed to capture the same level of investment as white neighborhoods. The result was the neighborhoods began to deteriorate. The consequences of red-lining still haunt us.

What followed red-lining was slum clearance and urban renewal with the disinvested neighborhoods targeted for “civic improvement” projects. The first major project was the building of the Richmond-Petersburg Turnpike from the mid-to late 1950s. The turnpike together with the extension of Belvidere Avenue devastated Jackson Ward, the city’s largest African American community. The neighborhood was cut in half and 7000 people--10% of the city’s African American population--were displaced. Many low-income blacks whose houses were demolished

were forced into public housing, primarily Fairfield Court and Whitcomb Court in East End Richmond.

Other urban renewal projects took out entire neighborhoods. Navy Hill, which once was a cohesive African American community, was demolished to make room for the Coliseum and other new downtown development. The Biotech Park today once was the heart of the neighborhood. Fulton was another urban renewal project. Houses, stores, and churches were destroyed to make room for an industrial park, which never materialized.

Policies and programs that took out neighborhoods and forced poorer citizens into public housing are no longer in effect. Yet, the damage wrought by these programs remains visible today.¹⁷

History of Anti-Poverty Policies in Richmond and Virginia

Poverty has been a primary concern of Richmond policymakers for generations. As just noted, in the postwar era, as in other American cities, a form of urban renewal was practiced that damaged or destroyed working class neighborhoods, at the same time that means-tested public housing complexes were constructed, often to house the very people displaced by highway and development projects. Policymakers in this era often saw poor and working class neighborhoods as obstacles to be removed, and poor people themselves as a nuisance to be concentrated out of sight and out of mind.

Since the mid-1970s however, a succession of city leaders has voiced concerns about poverty, and a variety of policy initiatives have been launched. Over this time period, a major portion of the city budget has been devoted to social services. Indeed, no other entity in the metropolitan area plays a larger role in education, service provision, affordable housing provision, and other forms of assistance for the impoverished than the city government.

In the most specific sense, the city will in 2012-13 spend approximately \$69.9 million on human services—9% of the total budget--including \$57.9 million on social services.¹⁸ These expenditures

¹⁷ For further detail on this history, see Christopher Silver, *Twentieth Century Richmond: Planning, Politics and Race*. Knoxville: University of Tennessee Press, 1984.

cover a wide range of activities, including administration of benefit programs, administration of workforce transition programs, special assistance for the blind, elderly and disabled, needed assistance for persons not eligible for federal aid, support services for at-risk children and families in need, foster parent and adoptive parent services, support for benefit recipients to gain employment skills and transition to the workforce, child and adult protective services, providing low-cost day care. They also cover operation of the justice services system, and initiatives contained in the office of the Deputy Chief Administrative Office for Human Services, such as the Mayor's Youth Academy, teen pregnancy prevention, and the Office of Multicultural Affairs (formerly the Hispanic Liaison Office). In short, the city operates or administers a range of programs designed to assist those in immediate need and to attempt to interrupt the cycle of poverty.

The city will also in 2012-13 make a \$153.2 million contribution to the budget of Richmond Public Schools, whose students are disproportionately poor (roughly three-quarters of RPS students receive free or reduced lunch). The city's expenditure on culture (public libraries) and recreation (totaling \$21.3 million, of which \$16.2 million is for parks and recreation) is particularly critical to the quality-of-life and well-being of poor people and low-income communities. \$3.2 million is provided annually to the Richmond City Health District. A large proportion of the city's non-departmental budget expenditure (typically about \$50 million annually in recent years, leaving aside special one-time expenditures) is devoted to providing assistance and support to a variety of community and public organizations predominantly serving low-income residents, ranging from small grants to social service agencies working with the homeless to much larger grants such as \$1.8 million for the Richmond Behavioral Health Authority and the \$11 million annual contribution to the Greater Richmond Transit Company (GRTC).

Turning to public safety, the city's expenditure on policing is also critical to the safety and well-being of the city's poor neighborhoods (\$82.5 million). Conversely, the roughly \$30.9 million spent on the Sheriff's Office by the city annually can in part be interpreted as dealing with the predictable consequences of highly concentrated poverty—high crime and broken people.

¹⁸ Dollar figures in this section are based on the adopted FY 2013 City Budget, available at http://www.richmondgov.com/Budget/documents/BiennialPlans/2013_AdoptedAmendedBiennialFiscalPlan.pdf

Finally, much of the city's economic development efforts (\$6 million annually, combining the economic development budget with spending on minority business development) can be viewed as at least in part an effort to reduce poverty by increasing investment in the city and employment opportunities for residents. Especially in the field of community development, these efforts have often been augmented by third party nonprofit groups, such as the Better Housing Coalition, the Imani Intergenerational Community Development Corporation, the Local Initiatives Support Corporation, and many others.

The city government also plays an important role in oversight of the Richmond Redevelopment & Housing Authority (RRHA), which operates the city's public housing stock. RRHA primarily operates on federal funds, but its oversight board is selected by Richmond City Council. The city is engaged in many partnerships with RRHA, including financial contributions.

In short, many operations of city government are centrally connected to dealing with either the causes or consequences of poverty. Arguably almost all functions of city government are directly or indirectly impacted in some way by the problem and reality of poverty.

It is important to recognize the level of effort that already exists at the municipal level to help citizens in dire need and try to cushion the manifold consequences of extreme poverty. At the same time, it is important to acknowledge that these existing efforts are not sufficient to achieve poverty reduction or amelioration on the scale demanded. Provision of human services will remain one of the city's most urgent and important tasks long into the foreseeable future. It would be highly desirable for the provision of these services to be integrated with a larger systemic effort to tackle the root causes of poverty in Richmond, but service provision in itself is not such a strategy. Put bluntly, the city government does not now have and is not likely in the future to acquire sufficiently large resources to meet the full range of unmet human need in the city.

Policymakers have recognized this fact at various points in the city's history over the past generation. One of the most innovative and successful initiatives is the Neighborhoods in Bloom (NiB) program, launched in the 1990s. The concept behind NiB was to maximize the effectiveness of federal community development block grants by targeting them to specific geographic locations, with the intent of jump-starting investment in those neighborhoods. (Previous practice had spread

the grant funds so thinly that they were insufficient to have a tangible impact on most locations.) NiB produced documented successes in helping stimulate reinvestment in several neighborhoods, including Blackwell, Carver/Newtowne, Church Hill (central), Highland Park (southern tip), Jackson Ward, Oregon Hill, and southern Barton Heights. A sophisticated econometric analysis of the impact of NiB found that the strategy of concentrated investments by the City and by the Local Initiatives Support Corporation (LISC) had led to increases in home value and expanded opportunities for affordable homeownership in targeted blocks without significant displacement of residents.¹⁹

The city has had other economic development successes in the past decade, particularly the revitalization of areas adjacent to VCU. In 2010 the city completed a Comprehensive Economic Development Strategy report identifying future economic development opportunities in the city. That report identifies fifteen plausible development opportunities, and demonstrates the need for the city to develop a stronger retail sector.²⁰ Insofar as successful economic development is able to create job opportunities for local residents, the challenge of bringing some of these opportunities to fruition is clearly linked to the challenge of redressing poverty in the city.

Comparison to Anti-Poverty Initiatives in Other Cities and in Commonwealth of Virginia

Anti-poverty initiatives have been launched in numerous other cities in the past decade. In several cases, cities have formed commissions similar to the Richmond Mayor's Anti-Poverty Commission, involving community organizations, public officials, academics, business leaders and other stakeholders. Nashville, Tennessee, for instance, issued a report in which each of seven committees provided three-to-five action recommendations. Savannah, Georgia formed a new community organization, Step Up Savannah, which provides financial literacy and affordable banking services and supports workforce development, thus implementing recommendations of its anti-poverty plan. Strategic plans to combat poverty have also been developed in Athens, Georgia, St. Paul, Minnesota, San Francisco, California, and New York City, among others.

¹⁹ See John Accordino, George Galster, and Peter Tatian. "The Impact of Targeted Public and Nonprofit Investment on Neighborhood Development." Richmond Federal Reserve, July 2005; see also George Galster, Peter Tatian, and John Accordino, "Targeted Investments of Neighborhood Development," *Journal of the American Planning Association*, 72 (Autumn 2006): 457-474.

²⁰ *Richmond Comprehensive Economic Development Strategy*, October 2010, prepared for the City by TIP Strategies of Austin, Texas.

A distinguishing feature of recent urban anti-poverty initiatives has been a focus on pursuing comprehensive approaches to long-standing problems, and a focus on capitalizing on existing resources and assets within cities. In New York City, for instance, a three-year, \$127 million initiative focused on young low-income men involves “job-recruitment centers in public housing, reorganizing probation efforts to make them more accessible in neighborhoods, establishing new fatherhood classes, and job-training programs that combine morning classes in math and literacy with paid internships in the afternoon.”²¹ In Cleveland, local universities and hospitals have partnered with the Cleveland Foundation to launch a series of green, cooperative businesses employing residents in the University Circle area in living-wage jobs by awarding contracts to help start-up firms get off the ground, an effort that has attracted national attention.²²

Anti-poverty initiatives have taken place at the state level as well. In 2010, the Virginia Poverty Reduction Task Force, a bipartisan commission appointed by Gov. Tim Kaine, released its report “Poverty in Virginia,” containing a number of detailed recommendations grouped into four primary areas: “Increase Opportunities for Future Economic Security by Investing in Children and Their Education”; “Enforce Workforce Readiness by Expanding Access to Career Development Programs and Employment Supports”; “Enhance Family Financial Resources By Increasing the Returns on Work, and Promoting Family Savings and Diversified Asset Accumulation”; and “Expand Safety-Net Opportunities for Families in Crisis.” The detailed recommendations of the Poverty Reduction Task Force are replicated in Appendix A to this report, and there is some overlap between recommendations of the Policy & Legislation Committee of this Commission and that of the statewide group.

Comparison to Urban Policy Priorities of Federal Government, 2009- Present

Large-scale transformative policy initiatives at the local level often require support from federal funding sources. Since the election of President Barack Obama in 2008, the federal government has launched two new place-based anti-poverty initiatives, the Choice Neighborhood program (focused on comprehensive neighborhood redevelopment) and the Promise Neighborhood program

²¹ Peter Edelman, *So Rich, So Poor: Why It's So Hard to End Poverty in America*. New York: The New Press, 2012, p. 156.

²² See Evergreen Cooperatives website <http://evergreencooperatives.com> for details.

(focused on developing comprehensive support for public schools in high-poverty areas). The federal government has also continued to fund public housing revitalization through the HOPE VI program.

Richmond has filed applications for both the Choice Neighborhood and the Promise Neighborhood initiatives, but to date has not been selected for funding through the competitive grant process. Given the large number of applicants, including many from much larger cities, this result is disappointing but should not be cause for discouragement. The process of applying for these grants has been helpful in setting a template for comprehensive anti-poverty initiatives in the city. The recommendations of the Anti-Poverty Commission reinforce this comprehensive approach, and perhaps will strengthen the case of Richmond-based applications in future funding rounds. Richmond has an opportunity to distinguish itself as a model city in terms of a comprehensive anti-poverty approach, and hence a very strong candidate for substantial federal investments. We stress, however, that the majority of recommendations offered in this report do not assume or require the availability of federal resources.

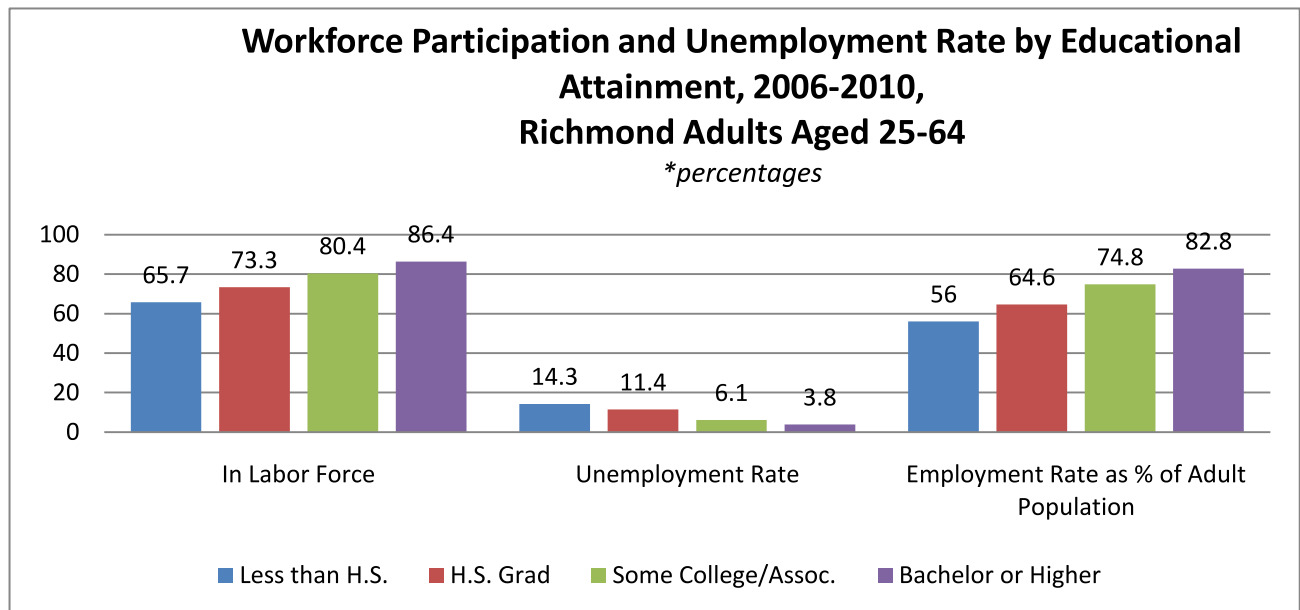
SECTION TWO: Committee Recommendations

This section presents and explains the committees' policy recommendations. The first three sets of recommendations cluster around questions of economic development, job access, and workforce development: Education and Workforce Development, Job Creation, and Transportation and Regionalism. There is, quite properly, significant overlap between the concerns of these committees, and their recommended actions will be most effective if taken together as a package. The section then goes on to consider the recommendations of the Unique and Healthy Communities, Policy & Legislation, and Asset Building Committees.

Economic Development, Education, and Transportation

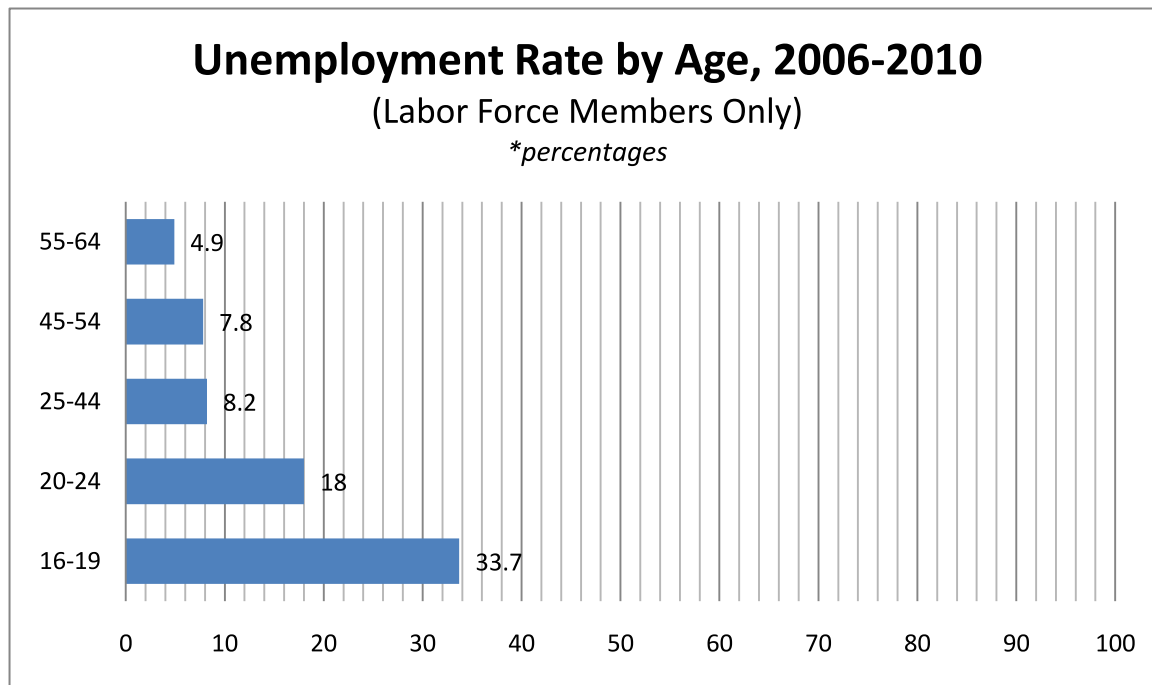
We begin with some general remarks about the interconnected issues of economic development, education, and transportation. As noted above, unemployment and under-employment are the most direct cause of high poverty rates, and educational levels are strongly correlated with individuals' likelihood of being poor. The under-employment problem in Richmond has four components: 1) Insufficient opportunities for employment at a living (above poverty line) wage; 2) A skill mismatch between opportunities that are available and the skills and training of unemployed, under-employed, and poverty-wage workers; 3) Inadequate transportation access to existing jobs in the region; and 4) Inadequate preparation for successful employment (basic work skills) among entry-level workers.

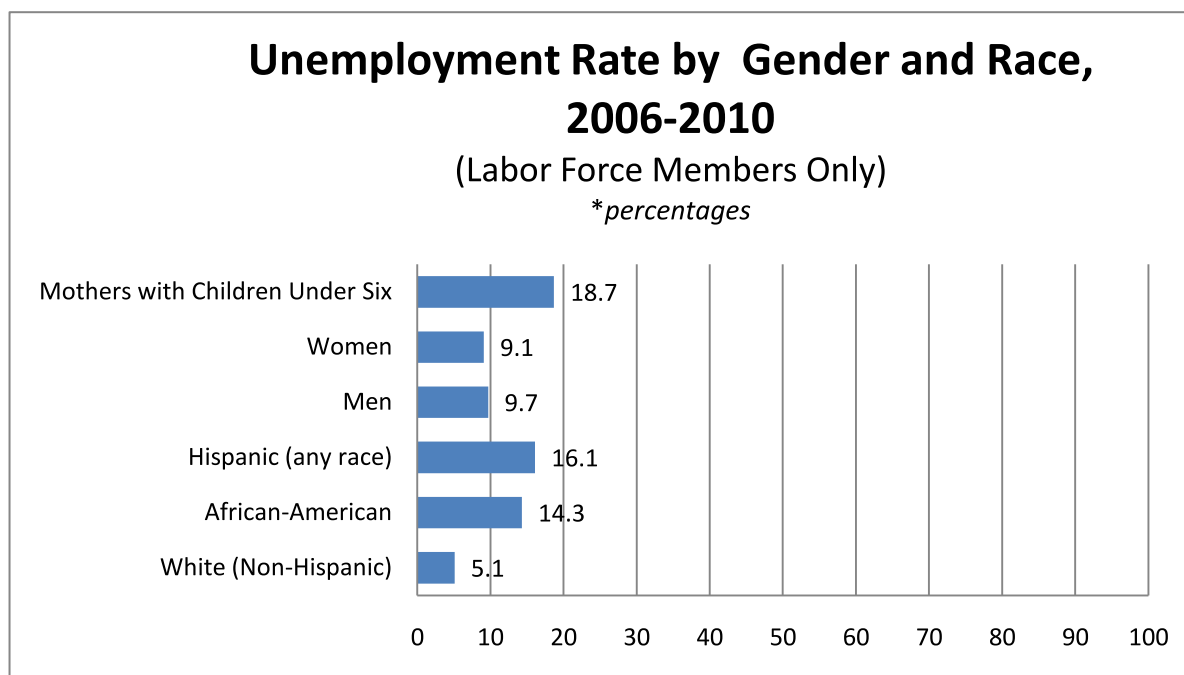
Table 7. Workforce Participation and Unemployment Rate by Educational Attainment, 2006-2010, Richmond Adults Aged 25-64



Source: American Community Survey, 2006-10. Table S-23006. Refers to civilian employment only.

Table 8. Unemployment Rate by Age, Gender and Race, 2006-2010 (Labor Force Members Only)





Source: American Community Survey, 2006-10. Table S-2301. Figures for mothers, women and men based on population aged 20-64; figures for race based on all labor force members.

Tables 7 and 8 demonstrate that labor force participation is lower and unemployment rates are much higher for Richmonders with lower educational attainment than for those with at least some college. Residents with a high school degree or less account for 41% of the city's adult population aged 25-64 (American Community Survey 2006-10, Table B-15001). Unemployment rates among teenagers and young adults in the work force are also much higher than among older residents. (These differences in turn help explain observed racial disparities in employment.)

A sensible anti-poverty approach must focus on raising the skills and workforce readiness of job seekers while simultaneously recruiting growth industry jobs that provide sustainable wages for workers with lower skill sets. In addition, an emphasis must be placed on helping younger people gain viable skills and capabilities, thereby promoting their successful entrance into the workforce. In absolute terms, there are about 3,700 persons aged 25-64 in Richmond *actively seeking work* with a high school degree or less who are unemployed (American Community Survey 2006-10, Table B-23006). We also estimate that about 4,200 Richmond residents with a high school degree or less have dropped out of the labor force but would be likely to re-enter it if jobs were

available.²³ In addition, there about 5,150 persons aged 16-24 in Richmond *actively seeking work* who are currently unemployed (American Community Survey 2006-10, Table B-23001), an additional 640 youth aged 16-19 who are neither enrolled in school nor in the work force (i.e. not actively seeking work) (American Community Survey 2006-10, Table B-14005), and probably at least as many youth age 20-24 who are similarly “disconnected.”²⁴

All told, it can be conservatively estimated that there is a need to connect 10,000 to 15,000 Richmonders who have a high school degree or less, are young, or fall into both categories with productive employment with good wages and/or good promise for advancement. In addition, over 15,000 Richmond adults living in poverty are underemployed and also have a need to move into more permanent jobs at good wages (American Community Survey 2006-10, Table S-1701).

Meeting these needs would have a genuinely dramatic impact on poverty in Richmond. A successful approach will need to attack the problem at both ends: targeting economic development efforts to recruit industries that can employ relatively low-education workers, while at the same time helping Richmond residents lift their skills and educational levels.

Over the long term, the role of the educational system in producing young people who are either prepared for college or prepared for the workforce is critical. Hence we turn first to the recommendations of the Education and Workforce Development Committee.

²³ This estimate is derived from calculating the combined increase in the labor force among high school graduates and persons with less than high school if these groups participated in the labor force at the same rate (roughly 80%) as Richmond residents with some college or a two-year degree. (American Community Survey 2006-10, Table B-23006). See Table 8 for differences in labor force participation by education level.

²⁴ Available American Community Survey tabulations do not permit a precise estimate.

Education and Workforce Development

(Kevin Allison [chair], Katherine Busser, Tom Chewning, Michael Herring, Yvonne Jones-Bibbs, Norma Murdoch-Kitt, Lora Ponder, Gary Rhodes, Tom Shields; research support from Samantha Kenny and Adnan Barqawi)

This committee was charged with identifying and reviewing workforce strategies being used by other jurisdictions that are proving to be effective in educating an uneducated adult population for a changing economy. Additional guidance relative to the committee charge specified that:

- Recommendations should be focused on strategies that might prove to be effective in the City of Richmond
- Innovative approaches that target the basic literacy needs of the subject population should be explored and presented.

Explanation of Committee's Work

The work of the committee focused on three developmentally distinct target populations and associated sets of potential interventions, practices and policies with potential to achieve increases in human capital and income for each of these groups. The committee's thinking was informed by national and local discussions regarding self-sufficiency demonstrating that efforts to reduce poverty, if based solely on targeting reductions in the federal poverty level, will fail to provide families with adequate financial resources to support themselves and their families. From this perspective, it is important to establish higher goals such as access to employment and developmental opportunities that support access to a living wage and self-sufficiency.²⁵ In the context of the current economic climate, committee conversations also underlined the need that recommendations be feasible, practical, and cost effective. The committee's work was also informed by regional workforce need projections completed by Chmura Economics and Analytics, as well as work describing the "skills gap" mismatch between current employment opportunities (which increasingly tend to skilled and technical jobs) and our available workforce, which includes

²⁵ See Department of Housing and Community Development, Commonwealth Corporation, and the Massachusetts Community Action Program Directors' Association (MASSCAP) (2003). Do you know the Way to Self-Sufficiency. <http://www.masscap.org/workforce/fnlstudies9-24-3.pdf>

individuals who have limited educational attainment, low skill levels, and inconsistent or weak employment histories.

The group's work was set in the context of a range of federal, state and local efforts to address un- and underemployment. This landscape suggests a complex set of employment supports that vary in focus, scale, scope and access based on eligibility and program target population. This includes the work of the Virginia Workforce Council designed to provide strategic leadership and guidance in creating workforce and development programs across the state. This board serves as the State Board for the federal Workforce Investment Act²⁶ and in this role, helps in creating and implementing new policies and standards for the local Workforce Investment Boards in collaboration with the Virginia Workforce Network.²⁷ Through the Virginia Workforce Council, the Virginia Workforce Network and the Virginia Workforce Connection were created to help match job seekers with employers and training opportunities and to help Virginians find employment information including wage data, skills requirements, and industry trends.²⁸

Within the Richmond metropolitan area, RESOURCE serves as the collaborative body that manages WIA efforts for the localities of Charles City County, Chesterfield County, Goochland County, Hanover County, Henrico County, New Kent County, Powhatan County and the City of Richmond.²⁹ Over the past several years, there have been multiple transitions for adult and youth service provider contracts which resulted in reported service disruptions and a decrease in overall service contacts. The provider transitions were further complicated by challenges associated with the geographic location and accessibility of these workforce supports (e.g., at different times service sites have been located on the Southside or by the airport, with temporary sites at

²⁶ The Workforce Investment Act (WIA, 1998) replaced the Job Training Partnership Act (JTPA) of 1982 with the purpose to provide “workforce investment activities that increase the employment, retention and earnings of participants, and increase occupational skill attainment by participants, and as a result, improve the quality of the workforce and increase improve the quality of the workforce...” (See language of the Workforce Investment Act and implementation rule: <http://www.doleta.gov/regs/statutes/finalrule.htm>.) There are requirements for each of the three WIA programs including age, income, and ability to work. (Joint Legislative Audit and Review Commission 2002, *Review of workforce training in Virginia*).

²⁷ Virginia's Community Colleges. (2011). *Virginia Workforce Council*. Retrieved from <http://www.vccs.edu/Default.aspx?tabid=694>

²⁸ See Virginia Workforce Connection website, <https://www.vawc.virginia.gov/>

²⁹ RESOURCE website, <https://www.resourceva.com/OneFlow/home.aspx?NC=1>

Innsbruck— each of which may present barriers for low-resource employment training and job seekers residing in communities with limited transportation resources or infrastructure).

Within the Department of Economic and Community Development, the City of Richmond has also established a workforce development program, the Richmond Workforce Pipeline, which works to identify and create employment opportunities and provides placement and employee transition and coaching supports grounded in national models of self-sufficiency. The program has limited staffing but has had promising success in both its work with local employers to develop job placement sites and in supporting effective transitions to employment for disconnected workers. It is notable that these services support individuals who may have a range of employment challenges, including periods of incarceration and limited job experience and inconsistent employment histories, and may require longer term support (i.e., one-to-three years) to move successfully to stable, permanent employment. (See Job Creation Committee recommendations for further details on the Pipeline program.)

Virginia Community Colleges have also developed One-Stop Career Centers that assist with several aspects of employment, training, and career education programs and are made available to employers, workers, and job seekers. Those eligible for these programs include job seekers aged 18 and older who are unemployed or underemployed. The three main services available to One-Stop Career Center users include “core,” “intensive,” and training. “Core” is also known as self-service job search assistance and is offered to workers looking for a job. Some of the core services include providing job seekers access to computers, internet service, and employment related workshops. Individualized services are also available to job seekers who need additional services and assistance to gain meaningful employment. This service is dependent on program eligibility requirements and funding. Some programs offered are case management, assessments, and career planning. Finally, training is offered at One-Stop Career Centers. Individuals seeking jobs can go through intensive services and needs training to reach employment goals. Some of these programs include adult education and literacy, occupational skills training, and job readiness training.³⁰

³⁰ Virginia’s Community Colleges. (2011). *One-Stop Career Centers*. Retrieved From <http://www.vccs.edu/WorkforceServices/VirginiaWorkforceNetwork/OneStopCareerCenters/tabid/1081/Default.aspx>

Richmond is also home to multiple nonprofit organizations which provide or collaborate in offering a range of employment support services, several of whom have been past providers of WIA services. These agencies include Goodwill Industries, Offender Aid and Restoration (OAR), William Byrd Community House, Boaz and Ruth, Fulton Neighborhood Resource Center, Positive Vibe Café, East District Family Resource Center, and Another Chance to EXCEL (ACE). In addition, many churches and religious organizations (e.g., ROC Richmond, St. Paul's Baptist Church) and local specialized organizations (e.g., Connect Richmond) provide job listings and other employment support services. Contemporary employment search and identification has become notably web-based as reflected in the development of resources such as Monster, Snag-a-job, and Craigslist. Within the Commonwealth, the Virginia Workforce Connection (www.vawc.virginia.gov) serves as a primary workforce resource for employers and jobseekers; however these resources underline the necessity for access to computers and basic computer literacy to support. Similar resources for education (e.g., the Virginia Education Wizard: www.vawizard.org) that support access to information about educational training resources (e.g., on-line career interest assessment and college search resources) also point to the importance of computer and internet access. It is notable that despite the availability of these multiple employment support services, from the user's perspective access to resources may appear fragmented, and the quality, capacity and effectiveness of these services is not transparent. In addition, it is not clear that there are consistent and sustainable funding streams for many of these initiatives.

At the core of a community's employment pipeline is its education system. The City of Richmond has more than 23,300 students in 46 public schools,³¹ and the city and surrounding area have a variety of private secondary schools. Local and national discussions suggest that with the focus on access to higher educational access reflected in No Child Left Behind (NCLB) and the "Race to the Top" effort, support of youth and adult access to high-quality effective training and vocational opportunities may lead to reduced support for career pathways that do not require college. Although Richmond has available resources such as the Richmond Technical Center, these resources are perceived to be underutilized. With the speed of change in many industries, there

³¹ RPS website, <http://web.richmond.k12.va.us/AboutRPS.aspx>

also are perceived challenges in ensuring that students receiving technical training have access to the most up-to-date training curricula. The Richmond City Career and Technical Education Commission is working to examine national models to strengthen access to high-quality technical education opportunities for Richmond residents.

There are also a range of higher education facilities located in or near Richmond including Centura College (Richmond Main Campus and Richmond West End Campus), J. Sergeant Reynolds Community College (Parham Road Campus, Midlothian Campus, Chester Campus, Downtown Campus, and Western Campus), Randolph Macon College, Richard Bland College, University of Richmond, Virginia Commonwealth University, Virginia Union University, and Virginia State University. These schools are resources available to support Richmond students and workers develop the necessary skills and education for meaningful employment, but there may be financial, transportation and support barriers to higher education access and persistence.

Richmond also has programs in the city to address the growing concern over education, the skills gap, and preparing students for workforce participation. One of the programs is Bridging Richmond, a regional collaboration attempting “to ‘bridge’ educational efforts across all segments of the educational pipeline.” Bridging Richmond focuses its efforts on supporting student success from early childhood, K-12, through college and technical training, increasing the likelihood that they will have access to a meaningful and fulfilling career and economic self sufficiency. The concept and framework for Bridging Richmond comes from the STRIVE model which attempts to build “a unique partnership of education, business, nonprofit, community, civic and philanthropic groups.” Collaborators successfully competed to bring the strategy to Richmond “and adopt its promise that every student in the region will be prepared for school, be supported in and out of school, succeed academically, enroll in college or career training, and graduate and enter a meaningful career.”³²

There are several new and ongoing programs and efforts supporting successful school completion and educational attainment within Richmond. Richmond Public Schools has implemented a Drop Out Prevention Program which includes the creation of a single point of entry at ACDC for all

³² See Bridging Richmond website, <http://www.bridgingrichmond.org/about/index.html>

recovered students, dedicated DPI Recovery Specialists and Intake Counselors who work with recovered students to develop Individualized Learning Plans, staff training on assisting at-risk students, door-to-door outreach, mentoring and implementation of the ‘Get In-Stay In’ media campaign. There are also a broad range of community volunteer programs and initiatives (e.g., the Micah Initiative³³, corporate “Lunch Buddy” programs, coordination of youth development programming through Communities in Schools, the Armstrong High School Leadership program, and the Partnership for the Future program) that target and support the educational and developmental success of Richmond Public School students. For students who have not been successful in traditional educational settings, Communities in Schools has supported the development and implementation of Performance Learning Centers which allows students an alternative route to high school completion and degree attainment in a supported, individualized, self-paced program that uses an online computer-based curriculum. The program had expanded to three sites with over 250 students in 2011-12, graduating over 190 students. In addition, the Middle College Program at J. Sargeant Reynolds Community College allows individuals between 18 and 24 to pursue a GED and earn college credit.³⁴ These alternative educational options, however, require a basic entry level of academic competency which has been a challenge to program access for a number of potential program participants.

The committee did not explicitly address basic core literacy skills reflected in adult education, but did review existing capacity. We note that although Richmond has resources such as the Adult Career Development Center and the Read Center which support adult literacy within the region, overall there appears to be inadequate regional capacity to meet core adult literacy needs.

Considering the existing context of supports, we present below a brief summary of perspectives and proposed strategies and recommendations for each of the developmental populations or “buckets.”

Recommendation One: Strengthen the Birth/Pre-K – 12 Educational and Developmental Pipeline

³³ “ . . . a partnership program between churches, synagogues, mosques and other communities of faith in metropolitan Richmond and the Richmond Public Schools for the purpose of supporting the education and the nurture of the children of Richmond.” See Richmond Hill website, <http://richmondhillva.org/what/micah.html>

³⁴ JSRCC website, <http://www.jsr.vccs.edu/middlecollege/default.htm>

Although the primary charge for the committee did not specifically encompass the educational pipeline, there is substantial evidence that investments in early childhood development are important to positive outcomes for children and youth and reductions in risk and negative outcomes that result in significant public expenditures. Early investments are most cost effective and have a much greater return on investment.³⁵ In the current public budget climate, to ignore the importance of early investments is ill advised.

To this end, the committee recommends:

- Building on Smart Beginnings and the City Early Childhood Initiative: Increase investments in programs such as quality home-visiting for pre- and post-natal care and education which could address the gap between recent capacities to serve 300 to 400 families despite an estimated 1700 families which would qualify or benefit from these services.³⁶
- Increased investment to improve the quality of child care through the Star Quality initiative.
- Enhancement of the early (child care, pre-school, and elementary year) educational pipeline to ensure basic reading and math literacy, ongoing assessment of needs and intervention for young children who fail to meet early educational benchmarks using proven or promising programs (e.g., Hubbard Street).
- Enhancement of the (child care, pre-school, and elementary) educational resources to strengthen STEM-relevant education and the sets of “survival skills” and core competencies that are anticipated for the next generation of adults. (See work by the Partnership on 21st Century Skills).

³⁵ See for example the work of R. Grunewald and A. Rolnick, “Early Childhood Development: Economic Development with a High Public Return,” March 2003, Federal Reserve Bank of Minneapolis; North Carolina Abecedarian project (e.g., Pungello, E. P., Campbell, F. A., & Barnett, W. S. (2006, December). “Poverty and early childhood educational intervention,” (Policy Brief No. 1). Available at <http://www.law.unc.edu/documents/poverty/publications/pungelloandcampbellpolicybrief.pdf>; S. Aos, R. Lieb, J. Mayfield, M. Miller, & A. Pennucci (2004). “Benefits and Costs of Prevention and Early Intervention Programs for Youth.” Technical Appendix, available at <http://www.wsipp.wa.gov/pub.asp?docid=04-07-3901>

³⁶ Program services include maternal and child health, positive parenting practices, safe home environments, and supported access to services.

- Development/expansion of a “Promise” Scholarship (similar to the “Kalamazoo Promise”) that would ensure Richmond Public School students who meet academic standards a guaranteed scholarship to a state institution of higher education.³⁷

Early childhood education and preparation for school are of vital importance to improved long-term educational outcomes. But it is also critical that early gains made through investments in early childhood are not wiped away by subsequent developments. At the elementary school level in Richmond, RPS 5th graders actually outpace the statewide average in reading, writing and math (as measured by percentage earning “advanced proficiency” SOL scores) for each of the largest major demographic categories: African-American, white, low-income.³⁸ Put another way, RPS elementary students are doing better on test scores than the demographics of the student population would predict. But many of these gains are in fact lost at the middle school and high school level. Richmond’s graduation rate of 70% is the lowest in the region, and in some high schools only a small percentage of students go on to four-year colleges. A major challenge for RPS and the city is how to achieve a turnaround in performance and outcomes at the city’s middle schools and comprehensive high schools.

Recommendation Two: Youth, Disconnected Youth & Young Adults

Adolescents and young adults (e.g., high school and college age) who are either transitioning from their secondary education experiences or who have become disconnected from these institutions are facing a daunting employment environment. According to the Virginia Department of Education, 86.6 percent of the state's 97,865 students who entered ninth grade during the 2007-08

³⁷ This type of scholarship fund would assure academically qualified RPS graduates funding to college, whether at a two-year or four-year institution. This initiative could help fill a real need to offset the cost of college for low-income students. More important for poverty reduction, the initiative might help raise the culture of expectations for students, parents, teachers and administrators, by making matriculation in college normal and expected for most students. That change in expectations in turn might help generate a stronger culture of academic success at the city’s middle schools and high schools. This initiative alone certainly cannot be a cure-all, but it would be an important step. It also would provide hundreds and potentially thousands of RPS graduates an opportunity to improve lifetime economic prospects dramatically by earning a college degree, and would boost the overall skill and educational level of the city, making it more attractive to potential employers. See: <http://www.kalamazoopublicschools.com/initiatives-and-supporters/kalamazoo-promise>

³⁸ Based on 2011-12 and 2010-2011 Richmond report cards available at doe.virginia.gov. Hispanic 5th graders in Richmond also achieved “advanced proficiency” scores at a higher rate than the statewide average for Hispanics in writing and math, and at the same rate in reading, in 2010-11, and exceeded the statewide average in all three subjects for 2011-12.

school year graduated in June 2011; this was an increase from 85.5 percent the previous year. However, on-time graduation rates in Richmond were more than 16 percentage points below the state average. As a system, Richmond had 70.2 percent of its Class of 2011 graduate on time, the fourth-lowest rate in the state. According to the Department of Education, Richmond's graduation rate is 70 percent, down from 72 percent in 2010. The city also had the highest dropout rate in the metro area, 14.5 percent, compared to Henrico's 9.6 percent, Chesterfield's 7.9 percent and Hanover's 2.7 percent.³⁹ With the recent economic crisis, and higher level of unemployment, the employment climate confronting high school dropouts is even more daunting because many older workers are delaying retirement. These challenges are exacerbated for youth and adults who have had experiences of incarceration and early parenting, or who face linguistic barriers. In addition, many of these youth are ill-prepared for post-secondary education but, because of historical shifts in secondary educational focus to college preparation, have had limited access to options that support quality vocational training.

To address these issues, the committee recommends:

- Establishing pathways that capture youth and adults who lack the basic literacy required for existing educational programs (e.g., Performance Learning Centers and Middle College) and track their access to adult literacy programming; explore opportunities to expand capacity and quality of relevant core literacy supports (e.g., using local college students to staff expanded tutoring resources).
- Expanding youth access to the most current, up-to-date, and emergent technical and vocational training based on explicit linkages between regional industry and vocational training resources.
- Expanding the capacity, curriculum and year-round nature of the Mayor's Youth Academy to create explicit employment pipelines (e.g., summer jobs, internships that lead to specific training opportunities and future employment).
- Supporting exploration and pursuit of proven and innovative job training opportunities in Richmond (e.g., Youth Job Corps and Manchester/Bidwell) in collaboration with City Council's Career and Technical Education Commission.

³⁹ 2011 Cohort graduation data for Virginia school systems available at https://p1pe.doe.virginia.gov/reportcard/ogr_report.do?link=division&year=2011&rate=4

Recommendation Three: Reaching Unemployed Adults

Some national studies suggest that future employment opportunities will continue to bifurcate into either low-skill opportunities (e.g., lower-level health services supports positions) or higher skilled opportunities (e.g., specialized advanced manufacturing positions). In this latter category, employers are reporting difficulties in finding workers who possess the skills, education, training or experience to fill available employment opportunities. In addition, the landscape for employment opportunities continues to change and evolve. The workforce opportunities and needs of today may be antiquated within a few years; education and workforce programs and strategies must anticipate the workforce needs of today *and* tomorrow.

The employment environment can be especially challenging for adults who have been historically disconnected from the workplace. These adults may have deficits in basic literacy skills that require remediation, but in addition they may not currently possess the soft skills (e.g., social skills, motivation) that undergird success not only in the workplace, but also in employment training programs. Some of these individuals may not only face limited educational backgrounds, but other personal and family difficulties, sometimes tied to their limited financial resources (e.g., homelessness and residential mobility, substance abuse or mental health challenges, access to child care, food insecurity). These associated difficulties may undermine success in job training programs that do not provide ancillary supports. It is notable that these programs (e.g., remediation) are costly. To address these issues, the committee recommends:

- Establishing ongoing infrastructure that links education and workforce training resources with business leaders to support the “agility” of training to meet workforce demands. This body would assist in identifying time specific workforce needs (e.g., what type and how many low-skilled jobs do they anticipate? When, relative to the economic recovery do they anticipate these jobs being available?) This might be accomplished or supported by the creation of an ongoing commission comprised of industry leaders – those who have vacant positions and in-need of employees with a bridge-able skill deficiency – and leaders of skills-gap programs. The members of the committee would be charged with creating a Richmond-specific definition of the skills gap and work toward fine-tuning existing programs aimed at addressing the skills gap in Richmond.

- Establish a centralized inventory or database of available local and regional education and workforce development resources, including an examination of the relevant program capacity and indices of success.
- Strengthen awareness of, access to and capacity of effective education and workforce development resources. This might be supported through the creation of a one-stop workforce development center for the City coordinated by the Mayor’s office. Currently, there are multiple entry points to the different services, requiring citizens to know where to find and access various services and then go to each of them. Under this proposal, access to the services would be provided through a single location so that citizens may go to one place and have access to multiple programs and information.
- Examine opportunities, via collaboration and reallocation, to use existing (e.g., social service, public education, housing authority) to develop and implement comprehensive and integrated ‘self-sufficiency’ models of workforce education training and service coordination.
- Consider the development of “interim strategies” that may engage unemployed workers in productive activity until there is a recovery in available jobs. This might be based on a “Time Bank” model or the development of a Richmond Volunteer or Conservation Corps.

Job Creation

(James [Jim] Eck [chair], Peter Chapman, Matt Conrad, Annette Cousins, Matthew Grossman, Clovia Lawrence, Charles Layman, Jim Schuyler, Jamison Manion)

This committee was charged with identifying areas of projected industry growth and expansion in the region and the country, and their implications for the City of Richmond's current and future workforce. Efforts included the identification of areas for creating and cultivating meaningful jobs and healthy working conditions for the City's current unemployed and underemployed workforce.

Background: This committee talked with dozens of stakeholders and reviewed and evaluated over thirty policy options for increasing the number of good jobs accessible to Richmond residents below or near the poverty line. Historically, economic development policy in Richmond has generally not been closely connected to poverty reduction initiatives—that is, the City has not thought strategically about how to develop and/or recruit industries providing employment suitable for low-income Richmond residents. It also, until recently, has not developed a workforce development plan premised on working closely with employers so that training is linked to the actual needs of employers and trainees are in position to move immediately into identified full-time jobs. The development of the city's Workforce Pipeline program over the past two years is a major step to address that need.

Foundational to this committee's work was an analysis of industries that would be desirable to target given the city's workforce profile, as well as an analysis of economic development opportunities within the city. Compared to other recent analyses such as the city's 2010 Comprehensive Economic Development Study, this committee focused more tightly on identifying jobs that could be filled by the target poverty population. The committee also evaluated which low-skill jobs are in high demand in the regional economy, and hence if filled could pay relatively high wages.

Proposals considered by the committee were evaluated based on a weighted matrix considering implementation time, size of impact on target population, quality of jobs created, implementation support needed, implementation resource need, likelihood of success, and sustainability. The primary recommendations below are those which received the highest overall evaluation from the

committee. A complete list of the recommendations considered is listed in the next section. Details of the committee's weighting procedure and the scores assigned in each category to each proposal are included in Appendix C.

Recommendation One: Targeted and Coordinated Recruitment of Businesses Using City Resources and Real Estate

- Recruit primary businesses in industries that can provide good jobs accessible to low-income Richmond residents: Logistics, fulfillment & distribution companies; advanced manufacturing companies; health services, and call centers. These industries were highlighted by the committee because they met two essential criteria:
 - The industry must be in a growth sector that capitalizes on global economic trends and Richmond's potential to provide a competitive advantage such that companies would be attracted to locate jobs in the city.
 - The industry must provide substantive job opportunities for the target population. Substantive opportunities are defined as those that provide jobs requiring relatively short-term training or certification, provide wages that do not further exacerbate the condition of the working poor, and provide the opportunity for career growth and advancement.

The city should provide competitive incentives and targeted training to secure businesses in these sectors; success in doing so will lead to creation of additional support businesses and jobs.

- Redevelopment (mixed use) of Commerce Road Corridor, including Port area targeted business recruitment. The City should deploy the Port Strategic Plan, involving coordinated recruitment of targeted tenants, space development, and addressing infrastructure needs for successful development.

Redevelopment of the Richmond Port is a priority because it intersects with two of the key tenets of the anti-poverty initiative:

- Creation of jobs in targeted industries. Revitalization of the port provides a platform for growth in the logistics and transportation industry capitalizing on Richmond's strategic logistical location in the Mid-Atlantic region within one day's drive of 50% of the U.S. Population at the crossroads of I-95 & I-64. In addition to the interstate, the Richmond Port is in relatively close proximity to the airport and has existing rail service that can be expanded to make it even more attractive.
- The Richmond Port is located in the Southside of Richmond in close proximity to major concentrations of poverty on the South and to the East of downtown, including most immediately Hillside Court. Building up this corridor will provide good jobs and reduce the blight in this area.
- Successful development of the Port to its full potential could lead to creation of hundreds and perhaps thousands of jobs, many of which could be accessed by low-income city residents (using the Workforce Pipeline to prepare potential workers)
- Establish a City/Business Economic Development Opportunity Fund. This Fund can be used to recruit new businesses in targeted industries to the city, and would allow the City to be more competitive in "closing the deal." We propose the Fund be capitalized annually at \$500,000; unspent funds should carry over into the next year.

Recommendation Two: Create Transitional Employment Opportunities

- Market and Implement Expanded Career Pathways through the "Richmond Pipeline," partnering the City Workforce Development and specific employers with specific job needs. This full cycle initiative provides pre-employment training, skill building, applicant screening, on-ramp transitional support and post-employment support systems.

Background: In 2010 the City established the Workforce Pipeline Initiative to train workers for specific jobs, in close connection with employers. In fiscal year 2012, some 70 businesses were served by the program, including three construction projects, three medical training programs, and multiple small businesses. The city has obtained commitments from multiple employers to use Pipeline participants to meet employee needs. Of 270 participants entering the program in fiscal 2012, 151 (56%) are now employed, and 96 (35%) were trained—a success rate of over 90%. This successful initiative can and should be scaled up in the years to come. The Richmond Workforce Pipeline’s capacity and effectiveness will be enhanced through alignment and partnering with other local and regional workforce initiatives including the Workforce Investment Board, the Virginia Employment Commission, and community based organizations that have both the motivation and volition to work collaboratively to serve those seeking to improve their economic conditions and advance towards self-sufficiency.

Recommendation Three: Make it Easier to Conduct Business or Hire Those in Poverty

- Establish Business Support Service Center of city government (permitting, zoning, licenses, economic development) all at a single location; including Hotline and Website that connects employers that have job opportunities with available workers (specifically those in poverty)

Background: Conversations with business leaders and other stakeholders identified a number of concerns about the difficulty of conducting business in Richmond, ranging from higher taxes and fees compared to the counties to concerns about the consistency of building code enforcement, onerous and unneeded parking requirements, and the unnecessary difficulty of negotiating City Hall. Some of those concerns reflect structural disadvantages faced by the City that will be difficult to address in the short term. One unnecessary barrier to business development that could be corrected in the short term is making it much easier and more convenient for businesses to obtain needed permits and licenses in a timely fashion.

As early as the mid-1990s, Councilman and later Mayor Tim Kaine proposed establishing a one-stop center to support business services.⁴⁰ This proposal revives that idea with an additional

⁴⁰ “Kaine Idea: One-Stop Service for Businesses.” *Richmond Free Press*, May 2-4, 1996.

emphasis on making it easier for employers to connect to and offer job opportunities to unemployed and underemployed Richmond residents living in poverty.

Additional Policy Options Considered

The committee also reviewed a number of other policy options beyond those emerging as top priorities. These policies, which might be considered as supplemental policy steps, are listed here in order of merit as judged by the committee. For complete report of how the committee assessed each of these options, see Appendix C.

1. Establish programs with Universities (located in the City) offering training that leads to financial stipend and a job working for that university. (This could be viewed as a Transitional Employment Initiative.)
2. Promote transitional employment by providing reimbursement to employers for a portion (i.e. 50%) of on-the-job training costs necessary for workers to become fully proficient.
3. Establish City Tax incentives (can include Business, Professional and Occupational License tax grace periods or abatements) for employers hiring individuals in poverty.
4. Create and expand existing Public/Private training programs; consortium includes business to business, community colleges. Market these training programs to attract employers with jobs aligned with delivered training programs.
5. Develop targeted unemployed veterans program (match to employers like McGuire Veterans Hospital).
6. Revamp bus schedules and private transportation solutions by working with employers, provide a workforce with means to get to jobs.
7. Establish a Program that specifically promotes start-ups and really fast growing "Gazelle" businesses, by providing incentives and grants. Example: Entrepreneurial Accelerator (Minneapolis – St Paul).
8. City incentives to locate businesses that have jobs that those in poverty are capable of performing (with training) within city-designated high poverty areas; Gilpin Court/North Jackson Ward, for example.

9. Market small city-owned land tracts with incentives or at no purchase cost, provided new owner commits to establish a business that will have with jobs that aligned with target population.
10. City Provided Bonding program to Employers when hiring ex-offenders, provided by city purchased insurance policy.
11. Establish Richmond New Jobs Collaboration Council – Partnership connecting employers and existing workforce pipeline agencies (e.g. WIB) to enhance effectiveness in creating and filling jobs with in-poverty population. (Note: this proposal overlaps with a proposal of the Education and Workforce Development committee.)
12. Deploy/promote policy that encourages local labor participation in awarded city contracts.
13. Provide incentives for real estate development in high poverty concentration areas.
14. Build capacity of Community Based Organizations to align their capabilities and philosophies with the Richmond Workforce Pipeline to meet businesses' needs thereby creating more opportunities for job seekers to gain and maintain viable employment.
15. Expanded micro lending and overall lending targeted at those with greatest possibilities to impact targeted (in poverty) population.
16. Establish a city-owned certified communal commercial kitchen, for people to come and use for food service businesses.
17. Examine the RRHA/Bon Secours/Economic Development East End job creation proposals (geographic targeted public/private development) as a possible model.
18. Develop Department Corrections, VoTech & Employer partnership that prepares and skills individual for re-entry into the workforce.
19. Invest in focused redevelopment of Shockoe Bottom Retail.
20. Develop and deploy childcare initiative that includes childcare training, apprenticeship programs, childcare for those in poverty; include possibility of partnering with local larger employers.
21. Establishing Virginia Employment Commission locations in city on public transit routes.

Transportation and Regionalism

(Councilwoman Ellen Robertson [chair], Supervisor Dan Gecker, Benjamin P. Campbell, Betsy B. Carr, Melvin D. Law, James Holland, John Moeser, Frank Thornton, Thomas Wagstaff)

This committee was charged with identifying and proposing strategies that might be deployed in effecting greater regional cooperation so as to impact poverty. Recommendations should include the following:

- An analysis of the City’s public transportation system, and the feasibility of linking the current system to neighboring jurisdictions
- An analysis of the development of a regional economic development strategy that will engage the surrounding metropolitan counties with the City of Richmond
- Identification of additional opportunities where regional cooperation might be beneficial to both the City and neighboring jurisdictions
- Alignment of these strategies with efforts to create a green, sustainable economy

Background: For decades, scholars have identified the “spatial mismatch” between where jobs are and where low-income populations live as a major cause of concentrated urban poverty. Acquiring a decent vehicle requires assets, and operating a private vehicle in an urban area is a substantial, ongoing expense. Consequently, many low-income residents—including 18.1% of all households in the city--do not have a car. These residents are reliant on mass transit options to reach jobs not within walking distance. But if job growth takes place in locations not accessible by mass transit, those jobs simply cannot be accessed. In addition, 42.1% of households in the city have only one car (including 27.1% of households with two or more adults), making it unlikely that a second adult or young person living in the house will have access to jobs not served by public transportation.⁴¹ Likewise, if service to locations where jobs are located is erratic or requires long waits and transfers, few residents will consider such jobs a viable long-term option.

⁴¹ In contrast, just 3.8% of households in Henrico, Hanover, and Chesterfield Counties (combined) do not have access to at least one vehicle; 28.2% of households in these counties (combined) have access to one vehicle, including 14.6% of households with two or more adults. American Community Survey, 2006-10 Five Year Estimate, Table B-08201.

For a variety of historical and political reasons, the spatial mismatch problem in Richmond is particularly severe. GRTC provides strong transit coverage via bus within the city limits of Richmond, but most two-way bus service stops at the county lines. (Henrico County maintains limited daytime service several miles beyond Willow Lawn on Broad Street, and to the new White Oak Mall on Laburnum Avenue.) Consequently, carless Richmond residents are excluded from access to employment opportunities at most of the major job centers in the region located beyond the city limits on the four major trunk highways that serve metropolitan Richmond.

Regional officials have discussed creating a truly regional transit system on and off since at least the 1990s. In 1998, the county managers of both Henrico County and Chesterfield County agreed in principle to Sen. Henry Marsh's initiative to create a regional bus system so long as the state provided funding to cover additional costs.⁴² The state at that time declined to fund the expansion, and the prospect of a regional transit system remained in limbo over the next decade. In recent years, however, business and community leaders have shown renewed interest in expanding transit; in 2008, the Richmond Regional Planning District Commission produced a study report outlining the scope and cost of a genuinely regional transit system.⁴³

A regional system would have many potential benefits for the city and region beyond just poverty reduction, as described below. But for the purpose of this report, we first emphasize the negative consequences of the existing truncated transit system and the potential benefits for impoverished Richmonders from the development of a regional transit system.

Two studies of transit coverage and access to employment opportunities in the nation's metropolitan areas conducted by the Metropolitan Policy Program of the Brookings Institution confirmed that Richmond has one of the most severe spatial mismatch problems in the nation. In 2010, just 30.8% of working-age Richmond metropolitan residents lived in a neighborhood within three-quarters of a mile of mass transit stop; by this measure of *transit coverage*, the Richmond

⁴² "Marsh leading drive for buses to jobs in counties," *Richmond Free Press*, Dec. 31, 1997-Jan. 3, 1998; "Marsh: Groundwork laid for buses-to-jobs plan," *Richmond Free Press*, March 26-28, 1998.

⁴³ The "Richmond Regional Mass Transit Study" (May 2008) Executive Summary is available at http://www.richmondregional.org/Publications/Reports_and_Documents/MPO/Richmond_Mass_Transit_Final_Exec_Summary_05_08.pdf

region ranks 95th out of the nation's top 100 metropolitan areas. The picture improves only slightly when we consider *job access*—the proportion of jobs that a typical metropolitan resident can reach by transit within 90 minutes. Just 26.5% of jobs metropolitan-wide are accessible to residents living in transit-served neighborhoods, giving Richmond a ranking of 67th out of the top 100 metropolitan areas.⁴⁴ When the two criteria for public transportation access are put together, Richmond is 92nd among the 100 largest metropolitan cities in America in the combined ranking of access to transit and employment.

The lack of bus transit in the counties is the clear-cut cause of these dismal rankings. Consider that the proportion of *jobs* in the city covered by transit is actually quite high—nearly 98%, compared to 29% in suburban Richmond. But the typical transit-covered job in the City of Richmond is reachable by just 22.5% of the region's working-age population within 90 minutes by transit. This is plainly because suburban residents do not have access to transit lines that would allow them to commute to the city without a car.⁴⁵

Put another way, Richmond is very weak on two distinct measures of job access: the proportion of jobs that are covered by transit in the first place, and the proportion of the working-age population that can access those jobs that are covered by transit. Richmond is 94th out of 100 in the proportion of regional jobs (48.9%) located near a transit stop. Richmond is also 82nd out of 100 in the proportion of working-age residents (16.2%) able to access a typical *transit-covered* job within a 90 minute travel period.⁴⁶ Relatively few jobs in metro Richmond are reachable by transit at all, and those that are can only be effectively reached by a small minority of the population. Suburban jobs in particular are almost totally out of reach by transit (not just for city residents, but for all residents of the region).⁴⁷

⁴⁴ Alan Berube, Elizabeth Kneebone, Robert Puentes and Adie Tomer, "Missed Opportunity: Transit and Jobs in Metropolitan America." Brookings Institution, May 2011. See p. 5 (definition of transit coverage and employment access) and Appendix 2 (Richmond figures).

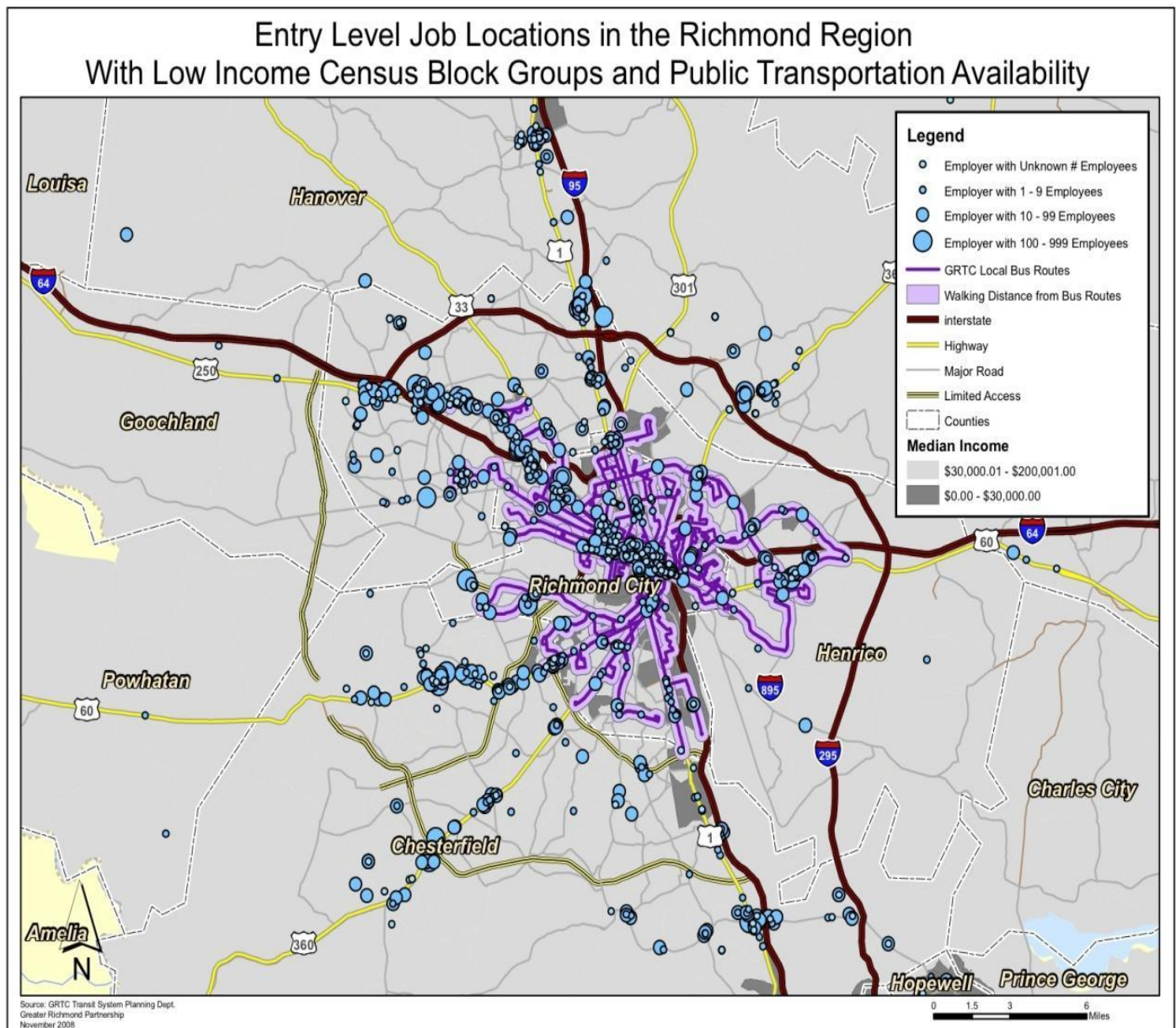
⁴⁵ Adie Tomer, "Where the Jobs Are: Employer Access to Labor by Transit." Brookings Institution, July 2012. See Appendix A.

⁴⁶ Adie Tomer, "Where the Jobs Are: Employer Access to Labor by Transit." Brookings Institution, July 2012. See Appendix A. Tomer's 2012 study is distinctive in that he considers not only whether jobs are located near a transit line, but how many potential employees live near transit lines and hence are in position to access those jobs.

⁴⁷ The typical transit-covered suburban job in Richmond (just 29% of all suburban jobs) is accessible via transit within 90 minutes by just 7.5% of the region's working-age population. See Tomer, "Where the Jobs Are," Appendix A.

Figure 2 below visually depicts the spatial location of entry-level jobs in the vicinity of the city in relation to the extent of GRTC coverage areas. The many blue dots located outside the purple zone of GRTC coverage represent entry-level jobs that low-income city residents cannot access via public transit.

Figure 2. Spatial Location of Entry-Level Jobs in Richmond in Relation to Transit Coverage



Source: Richmond Regional Planning District Commission and Richmond Area MPO

It is sometimes claimed or assumed that only very large metropolitan areas have viable transit systems capable of connecting central city residents to suburban jobs. While very large metropolitan areas such as New York and Chicago do generally have higher job accessibility than seen in Richmond, numerous other metropolitan areas of comparable size do much better than Richmond. The most striking example is Salt Lake City, Utah, which in terms of metropolitan employment is almost exactly the same size as Richmond (665,000 compared to 671,000 jobs) but in which 80% of jobs are covered by transit, and the typical transit-covered job can reach 64% of working-age residents.

It is also sometimes assumed that successful transit systems require high population densities. As detailed below, however, the Transportation and Regionalism Committee focused its work not on expanding transit to every suburban neighborhood, but on expanding coverage to the region's heavily-traveled, job-rich major corridors. This focus sharply increases the likelihood of long-term viability, and also offers promise of increasing transit access to jobs for both central city and suburban residents as quickly as possible.⁴⁸

Besides poverty reduction, moving towards a regional transit system would have many other benefits for the entire Richmond region.

- First, it would expand employers' access to labor pools as well as (for retailers) to consumers.
- Second, it would increase the attractiveness of the entire region to potential employers who want to be able to attract employees with a variety of skill levels and lifestyle preferences.
- Third, not only low-income residents in the city but also low-income residents in the counties stand to benefit from expanded service—lack of bus service to Short Pump, for instance, affects residents in eastern Henrico as severely as residents of the East End of Richmond.

⁴⁸ It should be acknowledged that because almost all City of Richmond residents are already located near a transit stop, they will likely see access to suburban jobs increase more rapidly than suburban residents who do not live near a transit stop under the committee's proposal.

- Fourth, it would relieve congestion on major routes and help assure that the region as a whole does not develop the severe congestion problems characteristic of many growing metropolitan areas nationwide; Richmond has the opportunity to plan to avoid such problems.
- Fifth, expanded transit would strengthen Richmond's case for becoming a destination for intercity high-speed rail, a widely shared goal amongst business leaders throughout the region. Business travelers and tourists coming via high speed rail to Richmond will expect to be able to get around effectively without a car.
- Sixth, effective transit will increase the livability and quality-of-life for both central city and suburban residents by making non-work trips to access destinations in different jurisdictions feasible without using a car, and by making car ownership less critical for residents who would prefer transit and to avoid the costs of car ownership. (As seen above, car ownership is nearly mandatory for suburban residents who work in the city.) Put another way, effective transit will not only increase access to suburban employment opportunities for city residents, it will increase access to work and entertainment destinations in the city for suburban residents.
- Seventh, expanded transit would increase the ecological sustainability of the region and begin to move the region on track towards long-term decreases in the metropolitan carbon footprint, and make the cost of complying with future climate mitigation policies less severe.

Cumulatively, these benefits amount to a powerful, practical case for transit expansion. Another, equally important benefit of expanded transit is more intangible: it would help tie the region and its residents together, making a significant contribution to the community's economic integration, and contributing to a shared, RVA regional identity. Again for historical and political reasons, the city and the counties have often had a difficult relationship hampered by a perceived clash of interests. Analysts of Richmond from both within and outside the region for decades have decried the dearth of effective regional cooperation, and pointed out the ways this lack of cooperation costs the region and each jurisdiction, from missed economic development opportunities to inability to successfully land federal grants that require strong regional collaboration. Expanding regional

transit *now* is an opportunity to turn the page on this history of missed opportunities and embrace a future premised on the idea that the city and the counties share a common fate.

Recommendation One: Extend Public Transportation Service in the Region In Order to Connect Low-Income People Needing Jobs to Major Employers:

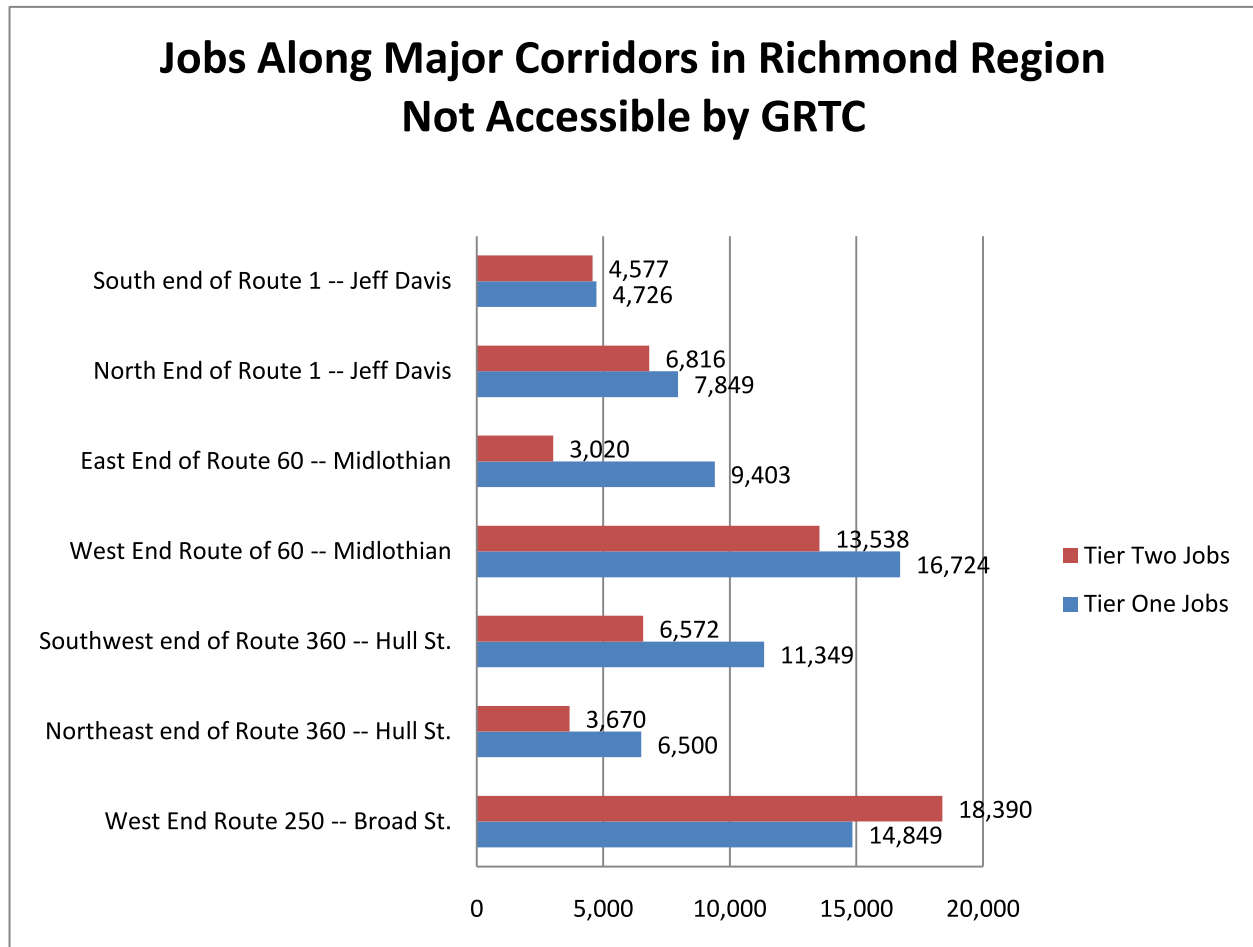
- Trunk line service along Routes 1, 60, 360 and 250 to 288/295 Beltways
- Airport Express
- Rapid, frequent Bus Rapid Transit (BRT), light rail, or BRT-style trunk line service
- Feeder and cross-county lines connecting to trunk line service
- After hours buses for midnight transportation (San Antonio model)
- Shuttles to major employers more than ¼ mile from trunk line

Background: To corroborate the Brookings Institution research and to further specify the impact of transit expansion on employment access in Richmond, the Transportation and Regionalism Committee collaborated with Robert Crum and the Richmond Regional Planning District Commission to conduct an in-depth study of job location along the major transportation corridors in the region.

The committee employed a distinction between Tier One and Tier Two jobs. Tier One jobs include jobs in construction, manufacturing, wholesale trade, retail, transportation and warehousing. Tier Two jobs include employment in finance and insurance, real estate, entertainment, professional services, education, health care, administration, management, and public administration. Generally speaking, Richmond's poverty population is most likely to be competitive in seeking Tier One jobs, but both types of jobs are relevant to poverty and overall economic health.

This investigation produced the following estimates for jobs *currently existing* in major corridors that are *not* accessible by transit.

Table 9. Jobs Along Major Corridors in Richmond Region Not Accessible by GRTC



Source: Analysis of data contained in the Richmond Regional Planning District Commission and Richmond Area Metropolitan Planning Organization's *Socioeconomic Data Report (2008 and 2035)*.
Includes all jobs located more than 1/4 mile from the final stop of existing GRTC service along specified routes.

Total Jobs along Major Corridors not Accessible by GRTC

Tier One Jobs	71,400
Tier Two Jobs	56,583
Total	127,983

Currently just under one-third of metropolitan Richmond's jobs are accessible to city residents within a 90 minute period by public transportation. By simply extending the trunk lines to the present boundary of the metropolitan city, this proposal would make some 128,000 jobs effectively accessible by transit, dramatically expanding the number and range of jobs carless Richmond residents can consider applying for. The number of jobs city residents could potentially access by transit would increase from approximately 216,700 (32.3% of metropolitan jobs) to as many as 344,700 (51.4%).⁴⁹ Such an increase would move Richmond's ranking amongst the largest 100 metropolitan areas from 70th to 18th in the share of jobs accessible by transit to central city residents. This proposal thus offers the promise of taking a major step towards overcoming the physical isolation of Richmond's large pockets of concentrated poverty and correcting the "spatial mismatch" problem. It also offers significant additional benefits for city and suburban residents alike, as enumerated above. In particular, it would make Richmond's labor market significantly more efficient, benefitting employers and employees alike.

⁴⁹ Calculation based on RRPDC analysis presented above as well as data in Alan Berube, Elizabeth Kneebone, Robert Puentes and Adie Tomer, "Missed Opportunity: Transit and Jobs in Metropolitan America." *Brookings Institution*, May 2011, Appendix 3 (job access in the City of Richmond) and Appendix 5 (number of jobs now covered by access.). This calculation is based on the assumption that extended service would allow all jobs newly accessible by transit to be accessed within 90 minutes by all city residents. It is possible that gaps in service or waiting times involved in transfers would lead to fewer jobs being accessible by all residents, if not addressed by other service changes within the city. Conversely, it is also highly likely that the proportion of jobs in Richmond (both within the city and metropolitan-wide) that could be on average accessed in less than 45 minutes (now 8.5% metropolitan-wide) or 60 minutes (now 13.8% metropolitan-wide) would sharply increase with enactment of the proposal. Note also that the RRPDC analysis uses the standard of counting locations as transit-accessible if they are located within 1/4 mile of a transit stop, compared to the standard of 3/4 mile used by the Brookings study. The direction of the net effect of this methodological difference on the estimate of the number of jobs that would become newly accessible with expanded transit service is uncertain, but the size of the effect is likely small. The estimates reported here assume a net effect of zero.

Finally, because many areas in suburban Richmond are not now transit-covered, it is not possible on the basis of available published data to provide an estimate of the expected increase in the share of metropolitan jobs the typical suburban resident would be able to reach via transit under this proposal. More detailed study could provide such an estimate, however. Clearly, suburban residents who already are transit-covered, along with those living in the newly covered areas, would benefit most immediately from expansion of transit lines to employment centers.

The proposed service expansion utilizes a Bus Rapid Transit (BRT) concept permitting frequent, comfortable, and timely service along major job corridors in the Richmond region (see photo illustration below). BRT is able to provide many of the benefits of a light rail system in a much more affordable manner. Importantly, a BRT will be attractive to persons of all income levels traveling throughout the metropolitan area. BRT services have been successfully established or adopted in dozens of cities as varied as Cleveland (pictured below), Nashville, and Salt Lake City.



Richmond has completed a full study and is ready to build and launch BRT service from Willow Lawn to Rocketts Landing, as soon as federal and state funding can be identified. Upon adoption of a regional transit model, it should be possible to begin offering BRT-style interim service along key job corridors even before all capital investments for the fully developed system are completed.

Recommendation Two: Enhance Existing Car Ownership Programs

- Currently two programs within the City Department of Social Services provide low-income individuals with vehicles
- To qualify, individuals must be participating in the Virginia Initiative for Employment not Welfare (VIEW)
- Since 1998 a total of 644 vehicles have been donated to be refurbished for use in these programs

Background: Occasionally commentators, reflecting on the difficulty of expanding transit, forward simplistic proposals to provide the poor with cars in order to solve the spatial mismatch problem. Recent data show that the cost of *operating* a car is nearly \$9,000 a year for a vehicle driven 15,000 miles a year—equivalent to nearly 40% of the federal poverty line for a family of four.⁵⁰ Consequently, widespread car ownership is not a plausible general solution: if poor households could afford to maintain a car, most would already have them. In specific circumstances, however, the cost of acquiring a car might be a barrier that ownership programs can help address: for instance, the case of a person who wants to attend job training for a promising, living-wage position that would allow him or her to escape poverty at a location not accessible by transit. In this case, ownership (or leasing) programs can provide short-term assistance. In the long term, however, expanding transit is a far more efficient and effective way to meet the transportation needs of low-income residents. It would be better if low-income residents were simply able to use affordable transit rather than go through the process of acquiring a car they may have difficulty maintaining just to get to a location a few miles away from their home.

⁵⁰ AAA, “Your Driving Costs 2012,” <http://newsroom.aaa.com/tag/your-driving-costs/>

Policy & Legislation

(Thad Williamson [chair], Michael Cassidy, Paul McWhinney, Doris Moseley, Donald Stern, Candice Street)

This committee was charged with undertaking an analysis of the state’s current standards used to determine eligibility for certain federal benefits such as Medicaid, SNAP, Workforce Development (WIB), Earned Income Tax Credit (EITC), etc.

- This committee will undertake a review of strategies that other states have pursued to build family assets. These may include federal revenue, entrepreneurial options, etc., to arrive at a set of recommendations to be pursued in the City of Richmond.
- Some strategies may require changes in federal, state, and local policies to ensure access to such resources.

Background: As noted in Section One, the most fundamental policies impacting the overall poverty rate both nationally and in localities are federal policies. But states often have considerable leeway in the implementation of federal policies, and both cities and states are capable of launching innovative policy efforts designed to help alleviate poverty. This committee focused primarily on three policy “buckets”: policies to make work more remunerative, policies to strengthen the safety net, and policies aimed at reducing or removing barriers individuals and households confront in seeking to escape poverty. The resulting recommendations include both actions that City Council might take and proposals for legislative action at the state level.

Recommendation One: Make Work Pay

Steady and remunerative work is the most secure route out of poverty. But many working households in Richmond and nationwide struggle to lift their income above the poverty line, let alone establish a measure of security and a cushion against adverse events, because of the low wages their jobs pay. Some workers offset low wages by working multiple jobs—at a cost to time with family and often long-term personal health and well-being. Further, many analysts note that the federally-defined poverty measure is not adequate to meet the full needs of households, including health, child care and transportation costs. An analysis by the Economic Policy Institute

in Washington found that a family of four (two adults, two children) in the Richmond metropolitan area needs \$3,970 month to adequately meet its needs, including these monthly expenses:⁵¹

- Housing + essential utilities: \$870
- Food: \$643
- Childcare: \$897
- Transportation: \$447
- Health care: \$367
- Other necessities: \$364
- Taxes: \$383

To meet this standard, equivalent to roughly 200% of the federal poverty line for a household of four, a household must have one full-time earner making approximately \$24/hr, or two full-time earners making an average of \$12/hr. To exceed the federal poverty guideline of \$23,050 for a family of four, the household would need one full-time earner making approximately \$11.50/hr; for a family of three headed by a single parent, the parent would need to work full time and earn approximately \$9.50/hr (sufficient to earn \$19,090 annually).⁵²

The current federal minimum wage is \$7.25/hr, well below any of these requirements. Indeed, in the Richmond metropolitan labor market, 25% of all jobs pay less than \$11.72/hr—the approximate wage rate needed to lift a family of four out of poverty. 10% of jobs pay less than \$8.50/hr—well under the wage rate needed to lift a single-parent family of three out of poverty. Fully 75% of all jobs in Richmond pay under \$24.30/hour—the approximate wage a single earner needs to allow a family of four to meet all its needs adequately, according to the Economic Policy Institute.⁵³

⁵¹ Economic Policy Institute, Family Budget Calculator, available at <http://www.epi.org/resources/budget/>. For technical explanation of the budget calculator, see http://www.epi.org/page/-/old/datazone/fambud/2008_epi_family_budgets_tech_doc.pdf

⁵² These calculations are based on a 2,000 hour work year (50 weeks at 40 hours/week, with two weeks unpaid vacation).

⁵³ Wage estimates based on 2009 figures published by the U.S. Bureau of Labor Statistics. “Richmond, VA National Compensation Survey, October 2009.” June 2010. See Table 6.

In short, depending on household size, approximately 15-25% of jobs in the region pay wages that are inadequate to lift a family out of poverty, and a larger percentage still pay wages inadequate to allow families to achieve both a decent standard of living and a measure of economic security. Wage rates are influenced by many factors, including the overall unemployment rate (as unemployment goes down, wages are expected to gradually rise) and the health of the national economy. Note however that nationally, even in economically healthy times, wage and compensation rates for workers in the bottom half of the wage distribution have grown very slowly since the 1970s, compared to the previous generation of rapid growth of incomes and living standards.⁵⁴ Consequently, many scholars and observers have concluded that the existence of large numbers of “the working poor” is a relatively permanent structural feature of the American economy.

In response, many localities and states have undertaken policy initiatives aimed at both lifting overall wage rates and at supplementing the incomes of low-wage workers. A variety of policy tools have been tried nationwide; this committee calls particular attention to these three concrete options for Richmond and Virginia. Specific recommendations include:

- **Make the State Earned Income Tax Credit refundable**

Background: Virginia is one of 23 states that, in addition to the federal Earned Income Tax Credit (EITC), offers a state Earned Income Tax Credit for low-income workers.⁵⁵ The EITC offers a rebate on taxes that increases as paid work increases, before gradually decreasing at higher income levels. This policy is a sound way to increase the effective incomes of low-wage workers without disrupting labor markets and while maintaining an incentive to low-income persons to increase their work hours. It is estimated that 500,000 Virginia households benefit from the federal EITC, with average benefits of \$2,000.⁵⁶

⁵⁴ See data chart “Low, Middle, and High-Income Growth, 1973-2010,” from the *State of Working America* website available at <http://stateofworkingamerica.org/charts/real-income-growth-for-different-income-percentiles-diverged-in-the-1970s-with-real-incomes-flattening-in-the-20th-percentile-and-the-median-and-increasing-in-the-95th-percentile/>

⁵⁵ See the IRS’s dedicated EITC page for list of state programs:

<http://www.eitc.irs.gov/central/press/overview/stateeitc/>

⁵⁶ “Poverty in Virginia,” (Report of the Virginia Poverty Reduction Task Force), 2010, http://www.dss.virginia.gov/geninfo/reports/agency_wide/poverty_long.pdf, p. 21

The value of the state credit is 20% of the federal EITC, and is available to workers with adjusted gross income at the federal poverty level or below in Virginia. This definition of eligibility is considerably more restrictive than the federal definition. Importantly, the state earned income credit is *not* refundable. At the federal level, if the value of the EITC due a worker exceeds owed federal income tax, then workers receive a cash rebate equivalent to the value of the credit subtracting taxes owed. In Virginia, unlike in most states offering an earned income credit, the state refund is *not* refundable. This means that if the value of the credit due a worker exceeds owed state income tax, then workers simply have their owed tax reduced to zero and receive no cash credit.⁵⁷ Changing this policy would directly increase the incomes of poverty-level working households in Virginia, promising significant benefits for Richmond residents and the local economy. The state, the city, and partner organizations should also continue and expand proactive efforts to expand the enrollment of eligible workers in both the federal and state earned income tax credit programs.

- **Reform Unemployment Insurance to Expand Access**

Background: Virginia ranks 46th among the states in the accessibility of its unemployment insurance program. The program covers just 26% of unemployed workers. It is estimated that if participation rates in Virginia matched the national average, roughly 850 additional persons in Richmond would now be receiving unemployment benefits—helping those households from slipping permanently into poverty and boosting the health of the local economy.⁵⁸ Specific reforms the state should implement to its program include classifying all workers correctly (it is estimated that as many as 214,000 workers in Virginia are wrongly classified as “independent contractors,” making them ineligible for benefits)⁵⁹; increasing the maximum employer contribution rate (currently just over one-third of the national average) to assure the system is properly funded; extending eligibility to part-time workers; expanding the definition of “compelling family reasons” for leaving a job to include domestic violence, spousal relocation, and illness & disability; and

⁵⁷ For precise legal description of the Virginia Earned Income Credit program, see <http://lis.virginia.gov/cgi-bin/legp604.exe?000+cod+58.1-339.8>

⁵⁸ Estimate provided by the Commonwealth Institute for Fiscal Analysis.

⁵⁹ JLARC, “Review of Employee Misclassification in Virginia,” July 2012, available at <http://jlarc.virginia.gov/reports/Rpt427.pdf>

allowing telephone contacts with employers to count as meeting adequate work search requirements.

- **Enact Living Wage Ordinance in the City of Richmond Covering Municipal Employees and Contractor Employees**

Background: Nationwide, over 120 municipalities and counties have established living wage ordinances designed to assure that government employees and/or employees of government contractors are able to not only escape poverty but meet their full basic needs in an adequate manner. Academic studies of these programs have concluded that “living wage ordinances can exert a modest but significant impact on the living standards of low wage workers, without causing layoffs or reducing workers’ hours among covered firms.” This research also indicates that such ordinances do not generally increase the costs of contracts and in some cases may improve the bidding process and/or lead to reducing overall costs.⁶⁰

Living wage ordinances—which originated in Baltimore in 1994—are in force in every region in the country, including some of Richmond’s near neighbors, as well as other southern cities to which Richmond is often compared. Durham County, NC, for instance has since 2004 required county employees and contractor employees to be paid \$10.34/hr; the city of Durham has a similar policy with the required wage set at \$11.40/hr. Memphis, TN requires that workers on public contracts be paid \$12.32 (without health benefits) or \$10.27 (with health benefits). Two cities in Virginia—Alexandria and Charlottesville—have living wage policies in effect. Alexandria requires public contract employees to be paid \$13.13/hr, and Charlottesville requires public contract employees to be paid \$10.52/hr.⁶¹ These policies have withstood challenges at the General Assembly and been allowed to stand.

The question of who benefits from public contracts has long been a politically charged question in Richmond, with public attention primarily focused on assuring that minority and women-owned

⁶⁰ See Mark Brenner and Stephanie Luce. “Living Wage Laws in Practice: The Boston, New Haven, and Hartford Experiences.” Political Economic Research Institute, University of Massachusetts—Amherst, 2005, p. 69. Available at http://www.peri.umass.edu/fileadmin/pdf/research_brief/RR8.pdf

⁶¹ Based on list of ordinances compiled by the National Employment Law Project, current as of December 2010. Available at <http://www.nelp.org/page/-/Justice/2011/LocalLivingWageOrdinancesandCoverage.pdf?nocdn=1>

firms receive a fair share of city contracts. Adopting a living wage in Richmond would focus attention not only on the identity of business owners, but on how workers in these firms are treated, and would assure that *all* workers on public contracts are justly treated. The city's public work should be part of the solution to the problem of workers who despite full-time employment remain in poverty, not part of the problem.

The Mayor's Office also should consider engaging other large employers with permanent roots in the city (such as the city's three universities) to encourage voluntary adoption of living wage standards by these institutions.

Recommendation Two: Strengthen and Make More Effective the Safety Net

Background: The safety net is not a solution to poverty, but it plays a critical role in making poverty less debilitating for adults and especially children. Federal and state benefits play a crucial role in preventing hunger, homelessness, and destitution. In addition to helping households survive periods of severe need, these programs can also help individuals train for or transition to employment.

Virginia is one of the least generous states in the nation in determining eligibility for federal benefit programs, as well in the level of benefits provided. More reasonable eligibility requirements, greater flexibility in applying rules, and greater benefits level would allow the safety net in Virginia to better function as it is intended: a fallback for Virginia households in severe need that allows them to meet current basic needs and increase the likelihood of being able to achieve long-term economic independence. Confirmation by the Supreme Court of the Affordable Care Act passed by Congress in 2010 also presents a major opportunity to expand health care coverage to thousands of Richmond residents in need. It is critical to thousands of poor households in the city that Virginia implement the Act as intended in 2013 and 2014.

Specific committee recommendations include:

- **Expand Access to the Supplementary Nutrition Assistance Program (Food Stamps)**

Background: During the Great Recession, the SNAP (Food Stamp) program has been the most reliable and effective piece of the federal safety net. Nationwide, it has been estimated that for 6 million Americans (2% of the population), SNAP is currently their *only* source of income.⁶² At the height of the recession in late 2009, over one in ten Virginians, including one in six children, received food stamps. Nonetheless, Virginia continues to utilize unnecessarily restrictive eligibility rules, depriving thousands of Virginians of this vital in-kind support. There would be no cost to the state from altering these rules, since the full costs of SNAP are covered by the federal government. Eligibility rules that should be changed include raising the gross income threshold test, raising the net asset threshold test, and allowing or expanding income deductions for utilities and use of unlicensed child care.⁶³

In 2011, over Richmond 26,500 households were enrolled in the SNAP program, a 58% increase from 2008 levels.⁶⁴ Expanding eligibility would almost certainly allow thousands more households in the city to access vital food assistance, at little or no cost to the state.⁶⁵

- **Increase Temporary Assistance to Needy Families (TANF) benefit levels**

TANF benefits in Virginia for a single parent family of three now total \$389/month. This level is unchanged since 2001; accounting for inflation the real value of TANF benefits have fallen by 23% since 2001.⁶⁶ TANF benefits are now equivalent to just 25% of the federal poverty line, compared to 33% in 1996.⁶⁷

⁶² Based on estimates by *New York Times* poverty beat reporter Jason DeParle. For discussion, see Peter Edelman, *So Rich, So Poor: Why It's So Hard to End Poverty in America*. The New Press (2012): pp. 1-5.

⁶³ See "Poverty in Virginia," (Report of the Virginia Poverty Reduction Task Force), 2010, http://www.dss.virginia.gov/geninfo/reports/agency_wide/poverty_long.pdf, p. 25.

⁶⁴ City of Richmond Department of Social Services, Fiscal Year 2011 Annual Report.

⁶⁵ If eligibility rules were altered *and* the state aggressively marketed the new rules, it could produce a slight increase in administrative costs due to increased application load. This increase is likely to be slight, since many households who would be covered under the changes already are applying for the program and being denied. See "Poverty in Virginia," op. cit. p. 25.

⁶⁶ Ife Finch and Liz Schott. "TANF Benefits Fell Further in 2011 and Are Worth Much Less Than in 1996 in Most States." Center on Budget & Policy Priorities, Washington, DC, November 2011. Available at <http://www.cbpp.org/files/11-21-11pov.pdf>

⁶⁷ Taken together, TANF and SNAP benefits total just 59% of the federal poverty line in Virginia. Finch and Schott, op. cit.

This decline directly harms families in severe need. It is also unjustifiable, given that under the federal welfare reform of 1996, there is now a five-year limit on lifetime benefits. Working-age recipients are generally required to participate in the Virginia Initiative for Employment not Welfare (VIEW) program at least 20 hours a week as a condition of receiving benefits.⁶⁸ This means that TANF recipients are under pressure when receiving benefits to develop, through work experience, the training and skills needed to attain future economic independence—while at the same time exercising responsibility for raising children. During this stressful time, the state should be aiming to maximize support for needy families, not make the lives of TANF recipients as difficult as possible. Holding TANF benefits to an extremely low level while also requiring recipients to work is a self-defeating policy: it reduces the likelihood TANF recipients will overcome day-to-day financial pressures and achieve success, and it discourages women who might benefit from the program from enrolling in it.

- **Effectively implementation of the Affordable Care Act**

Background: The Affordable Care Act (ACA), passed by Congress in 2010, offers long-overdue national health care reform with the promise of dramatically expanding coverage for uninsured Americans. One major aspect of the reform is expansion of Medicaid eligibility, which will cover all eligible citizens with income below 138% of the federal poverty line. Currently, Medicaid in Virginia covers only persons earning less than 30% of the federal poverty line. Other uninsured persons above the poverty line will have the opportunity to obtain access to insurance through either a national or state exchange, an expense offset by subsidies on a sliding scale up to 400% of the federal poverty line. Persons declining to acquire insurance will be subject to a modest penalty or tax. Of the estimated 500,000 Virginians who stand to gain coverage under the Act, over 80% will do so through Medicaid expansion. An estimated 23,600 Richmond residents are expected to gain coverage upon implementation of ACA.⁶⁹

The Supreme Court of the United States ruling in June 2012 upholding the constitutionality of the Affordable Care Act raised a new policy issue, by striking down a provision of the Act allowing

⁶⁸ See the Virginia Department of Social Services TANF website for further program details.
<http://www.dss.virginia.gov/benefit/tanf/>

⁶⁹ Estimates in this paragraph based on analyses conducted by the Commonwealth Institute for Fiscal Analysis.

the federal government to withhold all Medicaid assistance from states that decline to increase Medicaid eligibility as envisioned by the Act.

This has led some commentators and political leaders to suggest that Virginia or other states might decline to expand Medicaid, in order to avoid future costs. But declining to expand Medicaid would be both devastating to low-income residents in Richmond and statewide and extraordinarily irresponsible. The federal government will pay the full costs of Medicaid expansion the first three years (2014-2016); thereafter, the state will pay no more than 10% of the costs of expansion (compared to 50% of the current program). The costs to Virginian residents of covering over 400,000 uninsured persons via Medicaid expansion is dramatically lower than the cost of even a fraction of these persons acquiring coverage on the private market. Further, under ACA Virginia and other states will gradually lose federal funds that now help cover the costs to hospitals of treating the uninsured, on the assumption that henceforth there will be nearly-full coverage of all residents. Refusing Medicaid expansion would place a severe financial strain on Virginia hospitals. Finally, refusing Medicaid expansion would both perpetuate perverse incentives by which low-income residents *lose* access to health care as their income rises, *and* make the cost of falling into poverty even harsher since Virginians below 138% of the poverty line would, unlike residents just above it, be ineligible for subsidies to purchase insurance through an exchange.⁷⁰

Full implementation of ACA in Virginia thus must be a major priority of anti-poverty advocates, for both moral and practical reasons. Effective implementation of ACA is, in absolute terms, the largest single policy issue impacting the lives of poor people in Richmond considered in this report, with direct and immediate impact on roughly 12% of the city's population. Effective expansion of coverage would relieve low-income citizens of the highly damaging cluster of burdens associated with lack of secure insurance: fear of (and for some, the reality of) financial catastrophe due to lack of health insurance; health problems and reduced life expectancy due to untreated conditions and lack of regular medical care; inability to change jobs for fear of losing insurance coverage.

⁷⁰ For further analysis and discussion of these points, see John McInerney, Sookyoung Oh, and Michael J. Cassidy, "Saving Money, Saving Lives: Why Virginia Should Expand Medicaid." Commonwealth Institute for Fiscal Analysis brief, available at http://www.thecommonwealthinstitute.org/wp-content/uploads/2012/08/120808_saving_money_saving_lives.pdf

The state also should move proactively to establish an insurance exchange that is consumer-friendly, allows citizens transitioning between Medicaid and private insurance to avoid gaps in coverage, and that avoids conflicts of interest with private insurers.

- **Expand enrollment of eligible city residents in existing programs through improved outreach**

Background: The process of applying and receiving federal benefits is often experienced as onerous, intimidating and at times demeaning. Consequently, many low-income residents nationally and in Richmond simply are not getting benefits for which they are eligible. To counteract this fact, the Department of Social Services in Richmond has already engaged in innovative enrollment strategies. We recommend strengthened efforts in this area, through the expansion of mobile enrollment teams in which DSS workers directly travel to poor communities throughout the city, rather than simply waiting for residents to travel downtown to enroll in programs.

Recommendation Three: Remove Barriers to Escaping Poverty and Strengthening Low-Income Households and Families

Background: Low-income individuals face a variety of barriers in their efforts to make ends meet and achieve upward mobility. These include the effects of crime, social exclusion, social stigmatization, unstable or unhealthy family situations, and loss of a sense of efficacy and possibility, among others. These barriers and difficulties are often overlapping. Other committees in the Anti-Poverty commission are focused on some of these barriers, such as lack of transportation access to job opportunities.

Of particular concern to the City of Richmond is the devastating impact of the cycle of crime, incarceration, and recidivism. Legal scholar Michelle Alexander increased public awareness of this problem nationally with her 2010 book *The New Jim Crow*, which argues that the incarceration cycle and the debilitating barriers faced by convicted felons once they re-enter society operates in effect as a new caste system. Many other scholars have documented the costs to low-income communities of both high levels of incarceration and the barriers ex-offenders face upon re-entry.

While some such restrictions may be reasonable—few would question the wisdom of blocking convicted large-scale drug dealers from moving into public housing—blanket penalties unnecessarily cripple the life prospects of thousands of former offenders. Offenses whose official penalties are a short prison term or a period of probation turn in effect into a lifelong sentence of poverty. These restrictions in turn contribute to higher recidivism rates, weakened family attachments and the perpetuation of the social conditions that drive high crime and incarceration in the first place. Some of these restrictions are set at the federal level, but states and local authorities have discretion in other areas. This committee examined the possibility of developing more nuanced policies that would provide ex-offenders a legitimate chance of accessing employment, benefits, and community support.

This committee also considered the related problems of “disconnected youth”—teenagers and young adults who are neither employed nor enrolled in school, and hence at high risk of failing to enter the economic mainstream and of being caught up in the legal system (with possibly devastating lifetime consequences)—and of frayed family structures in low-income communities that have disconnected too many parents (especially fathers) from their children, exacerbating the challenges those children face in growing up in poverty.

Some further comment on the family structure issue is warranted. This committee spent considerable time discussing the question of family structure as it relates to the perpetuation of poverty in the City of Richmond. There is a long-standing debate among scholars of poverty concerning the “culture of poverty” thesis, which holds that low-income persons, especially those living in pockets of concentrated poverty in urban areas, tend to develop distinctive patterns of behavior and distinct cultural logics which in turn become further obstacles to achieving social and economic success in the mainstream. Scholars who challenge this thesis often argue that these cultural obstacles are overrated compared to tangible structural factors such as lack of adequate well-paying jobs in poor urban communities, or alternatively argue that these cultural obstacles, while significant, are the long-term *product* of structural unemployment and under-employment in inner city areas.

Closely related to this debate, some scholars, advocates and policymakers point to the rise of single motherhood (measured as children born outside of marriage) and the decline of the traditional two-parent nuclear family as major aggravating factors in perpetuating poverty. As a descriptive matter, just 10.8% of children in married couple households in Richmond are in poverty, compared to 54% of children in single-parent households; 63.2% of children in the city live in a single-parent household (American Community Survey 2006-10, Table-S0901). Indeed, the desire to strengthen marriage and stable family life was one of the major goals of the 1996 federal welfare reform. Other scholars believe this phenomenon is fundamentally a result of the decline in “marriageable men,” that is, men with stable employment histories and prospects, and that observed cultural shifts have been driven by long-term underemployment. Other scholars and observers have argued that welfare reform (TANF) has done little to strengthen stable and healthy family life in low-income communities, largely because it did not address the under-supply of marriageable men with good employment prospects in low-income communities. And still other scholars and advocates worry about public policies that may encourage women to stay in relationships with abusive or parasitic men.

These ongoing debates are reflected in the divergent views on these questions amongst members of this committee. Some members of the committee favor making a public campaign on behalf of fatherhood and strengthening traditional two-parent families a prominent part of Richmond’s anti-poverty strategy. Other members of the committee have reservations about the wisdom and effectiveness of such an approach, and believe our focus should remain on improving the economic prospects of *all* types of households and families, and that public policy should generally respect the choices made by individuals under conditions of duress. The committee does strongly agree that increasing the economic security of households will lead to more stable family units, which in turn should have positive impacts on children. The committee also agrees that we should seek to correct policies that perversely discourage family stability and in particular the involvement of fathers in their children’s lives. These policies include the felon label and the manner in which some of Virginia’s welfare benefit laws are implemented.

- **Make it easier for ex-offenders to expunge the “felon” label; take related steps to mitigate lifetime consequences of incarceration that inhibit successful employment and family formation**

Background: As of June 2012, there are nearly 29,700 Virginia-responsible offenders incarcerated in the state prison system, and another 57,000 persons on probation or parole.⁷¹ Just over 5,000 additional persons are in federal prisons located in Virginia (in Petersburg and in Lee County).⁷² Over 700 prisoners a year are released by the state back to Richmond City each year.⁷³ The total number of ex-felons (including those no longer under supervision) in the city is unknown, but is likely at least 9,000 and perhaps as high as 18,000 people—between roughly 5.5 and 11% of the city’s adult population.⁷⁴

Much public attention has been focused on the question of restoring voting rights for ex-felons; Virginia is one of only four states nationally that does not automatically restore voting rights to ex-felons. Instead, ex-felons are required to appeal to the governor for a restoral of rights, a time-consuming procedure. Loss of voting rights affects the ability of ex-felons (and their communities) to achieve effective representation, and it may also contribute to broader problems of re-entry. A 2011 study by the Florida Parole Board found that recidivism rates in that state for ex-offenders

⁷¹ Virginia Department of Corrections, Monthly Population Summary, July 2012, available at <http://www.vadoc.state.va.us/about/facts/research/new-popsum/2012/july12popsummary.pdf>

⁷² Weekly population updates available from the Federal Bureaus of Prisons at http://www.bop.gov/locations/weekly_report.jsp

⁷³ Urban Institute Justice Policy Center, “Prison Re-entry in Virginia,” April 2004. Data from 2002. Available at http://www.dss.virginia.gov/files/division/cvs/prisoner_reentry/intro_page/vcpr_programs/general_information/va_reentry.pdf

⁷⁴ This is based on the estimate of 360,000 ex-felons statewide. If such felons are located in Richmond at the same rate as the state population (about 2.5% of the total) , about 9,000 live in the city. If such ex-felons are located in Richmond at the same rate as the (non-prison) population currently under correctional supervision of the Richmond Probation and Parole District (nearly 5.0% of the state total), then about 18,000 ex-felons live in the city. All ex-felons in the Richmond District, of course, do not actually live in the city, and the probable total is in between these two figures. (Source for estimate of ex-felons in Virginia: The Sentencing Project, “State-Level Estimates of Felon Disenfranchisement in the United States, 2010,” Table 2, available at http://www.sentencingproject.org/doc/publications/fd_State_Level_Estimates_of_Felon_Disen_2010.pdf; source for 5.0% estimate of population currently under correctional supervision, estimate derived from Virginia Department of Corrections, “State Responsible Offender Demographic Profile 2011,” available at <http://www.vadoc.state.va.us/about/facts/research/VADOCDemographicReportFY2011.pdf>.)

whose right to vote had been restored in 2009 and 2010 was two-thirds lower (11% to 33%) than the statewide recidivism rate.⁷⁵

Persons entangled in the legal system either as former prisoners or as persons now serving probation are clearly a substantial demographic within the City of Richmond. Many ex-offenders are making a reasonable effort to turn their lives around and stay out of trouble with the law. It would seem sound public policy to encourage them to do so. Where they encounter unreasonable legal barriers to their rehabilitative efforts, the law should also provide a way to overcome or mitigate the effect of these barriers. Many non-violent offenders are compelled to accept a felony label after a plea bargain, to get out of jail sooner. Yet, they subsequently find themselves unemployable, in part, because of the "felon" label. A felony conviction blocks their path towards an education, professional and vocational licenses, and even minimum wage jobs. Because all felony convictions must be disclosed on job applications and legally bar the offender from obtaining educational loans or participating in work study programs for college, those who are branded with the "felon" label frequently return to crime. This gives rise to a cycle of depression, anger and resentment, and may contribute to ongoing drug and alcohol use and sale as well as escalating criminal behavior. It also contributes to the reproduction of concentrated poverty in cities like Richmond.

Re-integrating offenders back into society after they are branded with the "felon" label is very difficult; the label itself may contribute to recidivism and crime. (Currently over half all offenders in Virginia are arrested again within three years after their release.)⁷⁶ Removing the label would remove substantial barriers ex-offenders face in re-entering the mainstream, and would increase the likelihood of ex-offenders having a productive future and contributing to society. A more preventive strategy would be to focus on reforming non-violent and non-serious offenders before

⁷⁵Florida Parole Commission report, "STATUS UPDATE: Restoration of Civil Rights' (RCR) Cases Granted 2009 and 2010," July 2011, available at

http://thecrimereport.s3.amazonaws.com/2/4a/4/1150/blog_mansfield_florida_parole_commission_report.pdf

⁷⁶ Virginia Department of Corrections Research and Forecast Unit. "Recidivism at a Glance." July 2012. Available at <http://www.vadoc.state.va.us/about/facts/research/recidivism/recidivism-at-a-glance-2007-2011.pdf>

they are labeled felons. Virginia has some of the most punitive practices regarding ex-offenders in the nation. Realistic reform measures should be multipronged, including these steps:

- Assure consistent ongoing use in Virginia of the Pardon.
 - Protect the pardon power from the political process through exercise or administration by an independent appointed board.
 - Provide judicial restoration remedies like expungement and sealing to adult felony offenders.
 - Provide for deferred adjudication or deferred sentencing, whereby minor offenders or persons without a prior criminal record can avoid a criminal record entirely if they successfully complete a term of community supervision that may include alternatives to sentencing and incarceration.
 - Establish a state statute that forbids denial or termination of employment and/or licensure “solely” because of a conviction, and/or require that a conviction be “substantially related” to the license or employment at issue.
 - Give youthful and non-violent offenders an opportunity to avoid extended incarceration and the “felon” label by completing a structured, multi-year and closely monitored program.
 - Establish state statutes to allow offenders to regain the vote upon completion of sentence.
 - Mitigate the effects of provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 that bar states from providing cash assistance and food stamps to anyone who is convicted of a drug-related felony, including drug use, possession, or distribution.
 - Examine employment requirements for jobs with the City of Richmond to assure that ex-felons are not inappropriately excluded from consideration for employment and that identified ex-felons are treated fairly and appropriately in applying for eligible positions.
- **Develop and implement to the degree feasible alternatives to incarceration, particularly for nonviolent offenders**

Background: In addition to challenging the impact of the felon label, policy should aim to sharply reduce the number of low-income men who become incarcerated, with devastating effects on family and community stability. Specifically, the city should

- Support the Richmond Regional Reentry Council
 - Support the Community Criminal Justice Board’s recommendations for alternatives to incarceration
 - Provide training and mentoring for inmates prior to and after release from incarceration and the facilitation of family connections through the National Fatherhood Initiatives, Inside Out Dads curriculum and model programs such as the Henrico County Department of Social Services Fatherhood Program
 - Partner and support existing reentry efforts such as Prison Fellowship, the Discover Life Center, the Believe Program, New Jubilee Educational & Family Life Center, Boaz and Ruth and other model programs with increased emphasis on individualized reentry plans, counseling and case management support for fathers, mothers and children.
-
- **Engage in Proactive Outreach to “disconnected youth” (young people not in school and not employed) in the city**

Background: It is conservatively estimated that at least 1,200 youths age 16-24 in Richmond are neither enrolled in school nor in the workforce, and that thousands more youth are seeking work but are unemployed (see above). These youth are at risk of both failing to find a path to productive employment and a stable economic future, and of encountering pitfalls that may perpetuate poverty for themselves and for the next generation. Targeted training, employment, and educational opportunities need to be extended to this critical group. The idea of a “workforce development pipeline” is critical in this regard, but special attention will need to be given to many young people with low skills and experience. Part of this initiative might involve increased access to resources pertaining to conflict resolution, relationship counseling, parenting and child care techniques, and related life skills.

There are numerous national models of successful outreach to disconnected youth, such as Youthbuild, a residential training program preparing participants for work in the construction industry (see Appendix D for a survey). To implement a successful disconnected youth strategy in Richmond, the city should:

- Conduct in-depth research on the problems of disadvantaged youth in Richmond, based on qualitative interview with youth themselves, employers, schoolteachers and principals, social service workers and program officials, nonprofit officials and others who directly observe and work with disaffected youth in the community. In-depth interviews with disconnected youth can help identify specific localized problems as well as weigh the relative importance of the many factors noted above, and provide insights into what kinds of initiatives and programs are likely to be most successful
- Inventory existing programs (nonprofit, private, public) that engage disconnected youth in Richmond and draw lessons about what works and what doesn't, and about what obstacles such programs face in being more successful and having greater impact.
- Recruit and develop youth peer leaders who might take a lead role in publicizing and advocating for participation in new initiatives and in connecting other youth to existing resources and opportunities.
- Develop a comprehensive action plan addressing the multiple obstacles disconnected youth face and expanding the number of concrete opportunities available to youth.

- **Making (where feasible) means-tested benefits available to two parent families**

A persistent critique of many state and federal benefit programs is that they are often structured so as to “penalize” women who wish to get married, since the income increase associated with marriage or the mere fact of marriage itself has often made low-income women ineligible to keep their benefits. Since 1997, states have been free to structure TANF so as not to penalize two-parent families. A majority of states, including Virginia, now make both TANF benefits and Medicaid available solely on the basis of income, not whether a household contains a married couple or not. There are other possible policy steps Virginia could take, however. Two states, for

instance, forgive child support owed to the state when a couple re-marries and/or when biological parents are reunited. Like four other states, Virginia could also “hold harmless” for a given time period households who are no longer eligible for benefits due to an increase in income resulting from marriage.⁷⁷

- **Encourage community-based and faith-based efforts to strengthen fatherhood and promote healthy, strong relationships between parents and children**

Background: A variety of organizations in Richmond and Virginia have expressed interest in connecting, equipping and empowering a grassroots network of stakeholders to create a community culture connecting fathers with their families. The aim of such initiatives is to re-establish the normative standard that men should think carefully before fathering children and should take responsibility—not just financial responsibility, but parenting responsibility—for those children they do father. Some members of the committee believe the city ought to play a lead role in such an initiative, and other feel that leadership on this issue more appropriately belongs with the faith community or other actors. All agree that programs and initiatives aimed at altering the behavior and norms surrounding men is a more promising route than traditional child support enforcement strategies or strategies which punish women who are not married. Such initiatives are most likely to be successful, of course, in the context of effective programs to increase jobs and long-term economic opportunities for low-income men.

Supplementary Policy and Legislation Recommendations:

- Pursue implementation of other recommendations of the Virginia Poverty Reduction Task Force (in addition to those noted above); see Appendix A for details.
- Tax reform in Virginia to correct regressive tax structures and strengthen stability of at-risk working families.
- Reform of the statewide Local Composite Index, the formula used to determine school funding levels. The current formula severely disadvantages the City of Richmond and does not reflect the high level of poverty in the city, placing an additional strain on the city and ultimately the school budget.

⁷⁷ Information about state initiatives with respect to marriage and TANF drawn from a 2002 analysis by The Lewin Group, “State Policies to Promote Marriage,” (Report to U.S. Department of Health and Human Services), available at <http://aspe.hhs.gov/hsp/marriage02f/index.htm>.

- Development of an anti-poverty plan implementation staff position(s) within City Hall as well as a rigorous monitoring and assessment function: monitoring the progress of implementation and assessing and documenting the effectiveness of initiatives.

Unique, Healthy & Inclusive Communities

(Elizabeth Blue [chair], Kim Bridges, Lillie A. Estes, Elizabeth Greenfield, Kelly King Horne)

This committee was charged with developing strategies that support the redesign of high-poverty communities and the inclusion of social supports and outlets for children, youth, families, and elders. Options may be cross-cutting and address neighborhood configuration as well as public policies that preclude family stability and diversity.

Background: As noted above, Richmond has an exceptionally high geographic concentration of poverty, even compared to other central cities nationwide. The highest concentrations of poverty are often found in or in close proximity to the city's major public housing communities. Major public housing communities include Gilpin Court (783 units) and adjoining Fay Towers (200 senior units); Mosby Court (458 units); Creighton Court (504 units); Fairfield Court (447 units); Whitcomb Court (447 units); and Hillside Court (402 units). Mosby, Creighton, Fairfield, and Whitcomb Courts are clustered closely together in a small area in the 6th and 7th Council districts, with Gilpin Court located a short distance to the west. Hillside Court is in a geographically isolated area of the city near Commerce Road, south of the James River and near the city's eastern border. For decades these communities have had very high poverty rates, as well as high crime rates. Residents often experience a social stigma attached to living in a public housing community, and the communities are generally perceived in negative terms by more affluent Richmond residents. Altogether nearly 10,000 city residents live in some 4100 RRHA owned-and-operated units; the average household income of RRHA residents is under \$8,000.

The substandard condition of many RRHA units has been publicly acknowledged by the City. The City's Choice Neighborhood application makes the following observations about Creighton Court, finding "significant structural deficiencies."

A review of Creighton Court was undertaken by EMG, a professional engineering firm, in April 2005; it documented several short-term, midrange, and long-term items to be addressed. A follow-up review was conducted in October 2010 that further documented distress... In addition to the documented visible deficiencies, significant and concerning deficiencies are associated with the underground systems that serve Creighton Court. The

report notes significant deficiencies with building elements; particularly urgent, the underground copper domestic hot water lines and heating lines are worn-out and leaking extensively. Finding and fixing individual leaks is difficult and time-consuming; therefore, replacement of the entire underground piping systems is warranted.⁷⁸

The Choice Neighborhood application also acknowledges “Major design deficiencies.”

There are severe design deficiencies associated with inappropriate site layout, community isolation, lack of defensible space, and inadequately sized accessible units. First, Creighton Court has a substantially inappropriate superblock layout and does not connect to the existing neighborhood’s street grid. Some units front on two public streets, Nine Mile Road and Creighton Court, but most of the 504 units are invisible to the public. Some units do not abut any street, public or private, but instead face a wooded area adjacent to the interstate. These factors contribute to Creighton’s isolation from the larger neighborhood. Second, as a result of above described building layout, and due to a large open area in the interior with limited lighting at night and no facing front doors, Creighton Court lacks defensible space. As a result of building layout and the large, indefensible space, Creighton Court is designed in a manner contrary to the principles of crime prevention through environmental design (CPTED). Finally, although 5% of Creighton Court’s units are handicap accessible, those units are largely two-bedroom units. Because the greatest need for accessible units is among single individuals, an eligible one-person household must wait an extended period to gain access to an accessible unit.⁷⁹

The City’s official 2008 Master Plan makes this further observation: “The social and physical conditions within public housing projects often have negative impacts for public housing residents and for residents in the surrounding neighborhoods.” Importantly, however the Master Plan stresses that housing problems are not limited to RRHA properties; it also cites “high levels of vacant, abandoned, deteriorated and poorly maintained housing.”⁸⁰ The City’s Choice Neighborhood application reports that in the East End, in addition to the 504 distressed public housing units in Creighton Court, some 44% of the 1,164 residential properties in the defined area

⁷⁸ City of Richmond Choice Neighborhoods Planning Grant Proposal, p. 8, available at <http://www.richmondgov.com/EconomicCommunityDevelopment/documents/ChoiceNeighborhoodsProposal.pdf>

⁷⁹ Choice Neighborhoods Planning Grant, pp. 8-9.

⁸⁰ City of Richmond Master Plan, 2008, pp. 98-99, available at <http://www.richmondgov.com/planninganddevelopmentreview/documents/masterplan/08NhoodHousing.pdf>

were either blighted or showed “intermediate” signs of decay; only 20% of properties were designated as “sound.”⁸¹

The city has some experience in attempting redevelopment of traditional public housing units, with the demolition of the former Blackwell community in the Southside with federal Hope VI funds in the late 1990s and the more recent development of Dove Court. Prior to the financial collapse, the city Master Plan called for converting 25% of the city’s units to private housing via transferring ownership to residents. Unfortunately these efforts have contributed to ongoing distrust between public housing residents and the RRHA, since units were removed and residents compelled to leave without replacement units being provided for the displaced in a timely fashion. RRHA’s efforts to convert existing “scatter site” units into private homes owned by residents also have proven unsuccessful, in part because of the economic downturn.

In short, the city faces multiple severe problems with its housing stock: insufficient good quality affordable housing; substantial deterioration of its existing stock, including a substantial number of dilapidated and vacant units; a public housing stock that has serious design flaws and also has many structural deficiencies and unmet maintenance needs. In addition, there is a legacy of distrust which hampers the capacity of RRHA and other public agencies to work effectively and cooperatively with public housing residents towards genuine community improvement. These problems in turn undercut the goal of building *healthy* communities, even in places—especially in places—with a substantial low-income population. The recommendations of the committee are aimed at coming to terms in an honest way with these severe problems.

Recommendation One: Development of a Comprehensive Citywide Housing Plan

Having a safe, decent, and affordable place to live is among the first and most important steps in building and sustaining a healthy life. Expanding the supply of affordable and decent housing must be a major element of any anti-poverty initiative; so too should be increasing the safety and quality of life of existing low-income housing units. The City should undertake the development of

⁸¹ Choice Neighborhoods Planning Grant, p. 34; “A Blight Study of the Residential Buildings in the North Church Hill Community,” 2010, available at: <http://www.richmondgov.com/EconomicCommunityDevelopment/documents/reportChoiceNeighborhoodBlightStudy201010.pdf>

a comprehensive housing plan with private and public partners. This plan is distinct from RRHA's own internal plans; it should *comprehensively* plan for the preservation, rehabilitation and development of an adequate supply of affordable, good quality housing stock, and provide a framework for coordinating action amongst public and private actors. Planners should consider the following as critical elements:

- Critical to successful planning for vibrant healthy and inclusive communities is that the planning process itself be “inclusive.” Top-down only strategies do not work. The city should work to ensure that all projects and any housing plan includes in depth community engagement through proven strategies for community based participation, such as community visioning.
- **Trust** is in bold here because successful planning and engagement will also require that the planners, the city, developers, and residents develop and create trust with one another.
- Any housing strategy should work with Richmond Redevelopment Housing Authority (RRHA) and other partners to adopt an eviction prevention plan to reduce evictions from subsidized housing by bringing together public and non-profit partners to develop processes to identify households at risk of eviction and interventions to assist those households. Where eviction cannot be avoided, plans to rapidly re-house evicted families are necessary.
- A housing plan should also evaluate and implement creative strategies to create civic engagement and a sense of neighborhood within communities and publicly-assisted housing. The City should encourage and work with the RRHA to develop strategies for building rapport with residents of publicly assisted housing. Through such engagement the City and RRHA should attempt to develop and encourage civic engagement amongst public housing residents.

Recommendation Two: Redevelopment of Current Public Housing Stock Utilizing a Public Policy Strategy That Does Not Displace Low-Income Residents

There has been considerable interest within Richmond in recent years in pursuing redevelopment of one or more of the city's larger public housing communities. In 2009, for instance, the RRHA developed a plan to redevelop Gilpin Court into a mixed-income community to be called “North

Jackson Ward.” The City’s 2010 Choice Neighborhood Grant application refers to pursuing a “comprehensive neighborhood transformation” in the vicinity of Creighton Court. In August 2012 RRHA and the Mayor’s Office held the first of a series of community meetings on the topic of pursuing redevelopment in Creighton and Whitcomb Courts over the next two years.

This committee makes no recommendation on whether redevelopment for the sake of achieving mixed-income neighborhoods is desirable public policy. The committee does recognize that redesign and redevelopment of aging public housing stock has the potential to yield benefits for existing residents, whether or not it involves an effort to create mixed-income areas. However, to realize the benefits, such redevelopment must honor these firm principles:

- Redevelopment of current housing stock should be careful to include and not eliminate housing for low-income residents. Specifically, redevelopment should not lead to a net loss of public housing units. Offering Section VIII vouchers to displaced residents while reducing the net number of housing units is not acceptable, because it decreases the supply of affordable housing in the city. It is also unlikely to produce deconcentration of poverty as vouchers are generally only accepted by landlords in high-poverty areas.
- Crucial to the success of redevelopment is that it *not* simply displace and disperse current residents. Successful redevelopment requires comprehensive holistic human services that enable residents to create the capabilities they need to thrive in the new communities. Residents should be involved from the outset in shaping redevelopment plans and treated as equal partners, and a strong emphasis should be placed on leveraging redevelopment to create expanded job opportunities for residents.
- The work of building trust and collaboration with residents needs to begin *before* redevelopment plans are launched. A focus on redevelopment should not come at the expense of attention to the needs of the remaining public housing communities. Specifically, RRHA and the City must continue to pursue improvements to recreational areas, public spaces, customer service, access to employment services, and other matters impacting the everyday quality-of-life in public housing communities. The city and the housing authority cannot wait for redevelopment to magically solve problems that are neglected day to day, year in and year out.

Recommendation Three: Train and Employ Community Navigators and Service Coordinators as Part of a Supportive Housing Strategy

Public housing residents and observers often note that there are information gaps leading to failures to connect residents to needed and available services. The City should consider developing a response to bridge those gaps. A variety of models are possible. The City of Charlottesville, Virginia has applied for and received a U.S. Department of Housing and Urban Development Resident Opportunity and Self Sufficiency (ROSS) grant to fund service coordinators to help public housing residents gain access to services they need to reach self-sufficiency. Fairfax County in Northern Virginia has implemented a Coordinated Services Planning Model (CSP), which is a “best practices” model for linking those in need with services available. Also possible are models that would imitate community health navigator programs being implemented to address health disparities. Whichever model is selected should include the empowerment of residents to reach self-sufficiency as a fundamental value.

There are numerous initiatives underway to create healthy and vibrant communities within poverty-stricken neighborhoods in the Greater Richmond area. Examples include the Promise Neighborhood Initiative (East End) and the Choice Neighborhood planning grant application. The City should consider tasking a staff person to facilitate initiatives and help create synergies and prevent wasteful duplicative efforts.

Asset Building

(Alice Tousignant [chair], D. Wallace Adams-Riley, Shay Auerbach, Heather Turbyne-Pollard, Reginald E. Gordon, Meghan Gough)

This committee was charged with exploring successful strategies employed by other communities including:

- The examination of federal and foundation grant opportunities to support the development of a strong financial literacy program in the City of Richmond
- The examination of micro-lending programs to support entrepreneurial efforts specifically designed for low income residents
- A review of predatory lending rules enacted by other jurisdictions as models that might be adapted for the City of Richmond

Background: One of the tragic truths of poverty in America is the fact that it's expensive to be poor. Low-income households often lack adequate banking services. To survive month to month, many households resort to use of payday lenders charging exorbitant interest rates, initiating a spiral of debt that may take years or even decades to escape. Conversely, lack of savings and assets for investment is often a major barrier to escaping poverty. Without assets, households will struggle to acquire a vehicle, place a down payment on a home, pay advance rent on an apartment, pay tuition for college courses or for job training. Likewise, without savings, households have no safety net to help withstand the impact of adverse events such as job loss, health problems, accidents, and unexpected expenses.

In recent years, cities and states across the country have developed a variety of innovative policy responses intended to help low-income households better manage their finances, accumulate assets over time, and avoid being caught in the grip of predatory lenders. Some of these policy tools can be effectively replicated here in Richmond. One statewide tool already available to Richmond residents is the Virginia Individual Development Account program operated by the Virginia Department of Housing and Community Development, which provides matching funds towards an asset purchase by low-income savers.

Recommendation One: Financial Literacy Education

- Provide Financial Literacy Education at public housing projects as an alternative to evictions for non-payment of rent and provide incentives to participate
- Provide Financial Literacy Education to the Hispanic Community through the Office of Multicultural Affairs, financial institutions, private entities, and private nonprofit organizations

Background: In 2010, RRHA issued 1,657 unlawful detainers (notice of intent to evict) in the six largest public housing communities. There were 228 total evictions that year in Creighton, Fairfield, Gilpin, Hillside, Mosby, and Whitcomb Courts.⁸² Provision of financial literacy education could help prevent payment-related evictions and also reduce the number of unlawful detainers issued, saving the housing authority resources. A front-end investment in financial literacy could reduce the need for back-end expenses in threatening and carrying out evictions for non-payment.

Note that recommendations One and Two are linked, since participation in financial training and preparation of a personal financial plan is a prerequisite for participation in the Virginia Individual Development Accounts plan (see below).

Recommendation Two: Promote Use of Individual Development Accounts

- Increase IDA participation by residents of public housing (via RRHA and existing IDA intermediaries)
- Create an Alternative to the IDA for the Hispanic Community (via Office of Multicultural Affairs, financial institutions, private entities)

Background: Individual Development Accounts are programs intended to encourage savings among low-income households by providing matching funds. The Virginia Individual Development Account operated by the Virginia Department of Housing and Community Development offers up to \$4,000 in matching funds (lifetime) to adults who commit to saving at

⁸² Data provided to Alice Tousignant by RRHA.

least \$25 a week. These funds can go towards major asset purchases such a home down payment, postsecondary education, and startup business development. Two adults per household are eligible. Participants go through both general and asset-specific financial training. Intermediaries are used to recruit, screen, train and monitor program participants.⁸³

All Virginians with total household income of less than 200% of the poverty line and net assets (apart from the value of a home and one vehicle) less than \$10,000 are eligible to participate. This program thus is of high potential value not only to Richmonders below the federal poverty line but also to many city residents who are above the poverty line but still not economically secure. Increased enrollment in IDA programs can thus be seen as part of a poverty *prevention* strategy.

To date some 140 persons have enrolled in VIDA from Richmond area intermediaries. 60 participants graduated (completed the program and received VIDA funds as part of an asset purchase), while 74 withdrew for various reasons. The remaining 6 have not withdrawn or graduated yet. This means that the Richmond savers have had a 43% graduation rate and a 53% withdrawal rate.

Over the 13 month period of March 2011 to March 2012, Richmond area savers deposited an average \$65 per month in their VIDA accounts. Deposits increased to an average of \$127 in March 2011 and \$237 in February 2012. VIDA personnel attribute this spike to encouragement for savers to deposit a portion of their tax return into their VIDA account. Statewide, VIDA savers who make an asset purchase withdrawal save an average of \$1,023.02 and receive an additional \$1,970.71 in match funds.⁸⁴

We recommend continued effort to increase enrollment in VIDA among low-income city residents and also to provide support for those who do enroll, to increase the effective success rate.

⁸³ Virginia Department of Housing and Community Development, Virginia Individual Development Accounts Program Program Design, June 2012, available at <http://www.dhcd.virginia.gov/images/VIDA/VIDA-Program-Design.pdf>

⁸⁴ Data provided by VDHCD to Alice Tousignant, August 2012.

Recommendation Three: Bank On Program

- Create a Bank On program targeted to Richmond households who are under-banked (via the Mayor's Office, National League of Cities, Federal Reserve Bank, United Way, financial institutions). Nearly 28% of households in the Richmond metropolitan area are under-banked, including 6% of households with no bank account at all, and it is virtually certain that these percentages are significantly higher within the City itself.⁸⁵

Explanation: Bank On Programs are municipal initiatives designed to increase the access of low-income households to mainstream banking services. Households are able to start no-cost, low-cost, and "second chance" accounts allowing more secure deposit of funds, a mechanism for building savings over time, access to other financial products, and improved credit scores among other outcomes. Program participation is typically combined with financial literacy education.⁸⁶

There are currently 68 Bank On Programs nationwide. Bank On programs are not in themselves banks; rather they are public-private partnerships involving voluntary agreements between local banks, local government, and community organizations to secure greater access to banking services. Richmond can learn from the experiences of other cities in launching Bank On Programs; the National League of Cities has published a detailed how-to guide to assist establishing and managing a successful program.⁸⁷

⁸⁵ 2011 FDIC National Survey of Unbanked and Underbanked Households. Table I-1, available at http://www.fdic.gov/householdsurvey/2012_unbankedreport_app_h-i.pdf

⁸⁶ See http://joinbankon.org/assets/Bank_On_Conceptual_Framework.pdf

⁸⁷ National League of Cities, "Bank on Cities--Connecting Residents to the Financial Mainstream: A Toolkit for Municipal Leaders." Available at http://joinbankon.org/resources/bank_on_cities_toolkit

SECTION THREE: Public Comment on Top Priorities

The Anti-Poverty Commission held five public forums in May and June 2012 to solicit public feedback on the committee policy recommendations. Forum attendees were given the opportunity to electronically register their top priority in each policy area. In addition, audience members were able to ask questions of Commission members and make additional comments and suggestions.

Table 10. List of Anti-Poverty Commission Public Forums

May 21, 2012—Calhoun Center (48 attended)
May 23, 2012—Southside Plaza (36 attended)
June 6, 2012—City Hall, MPACT Coordinators (11 attended)
June 14, 2012—Family Resource Center (20 attended)
June 28, 2012—Hillside Community Center (16 attended)

In addition, a presentation of the policy recommendations was made to City Council at Council's informal meeting on May 29, 2012.

In July 2012, citizens had the opportunity to view a PowerPoint of the committee recommendations as well as a video of the Calhoun Center presentation, and to submit their own priority rankings along with additional comments. 63 persons submitted rankings through this method.

The following table shows the aggregated support for prioritizing each proposal. In general, support for different proposals remained quite consistent from one meeting to the next; online responses also generally aligned with priorities identified by meeting attendees, with some exceptions noted below.

Table 11. Public Identification of Top Priorities (Public Meeting Attendees), by Issue Area

Top Priorities in Each Area Marked in Bold. Percentages may not add to 100% due to rounding. The overall priorities tabulating all votes equally are listed in bold. The first figure in parentheses in each case is based on responses from 131 public meeting attendees; second figure is based on 63 online responses received.

Asset Building Committee

1. Provide Financial Literacy Education **44%** (51%; 30%)
2. Increase IDA Participation **25%** (28%; 19%)
3. Implement a Bank On Program in Richmond **31%** (21%; 51%)

Education and Workforce Development Committee

1. Invest in a Birth/PreK-12 Educational & Developmental Pipeline **33%** (37%; 24%)
2. Create Access to technical and vocational training for Youth, Disconnected Youth, and Young Adults **35%** (34%; 38%)
3. Expand public-private partnerships to develop employment/training opportunities for unemployed adults **32%** (29%; 38%)

Job Creation Committee

1. Targeted and coordinated recruitment of businesses using city resources and real estate **25%** (19%; 39%)
2. Creating Transitional Employment Opportunities **46%** (52%; 32%)
3. Establish a one stop Business Support Service Center **29%** (29%; 29%)

Policy and Legislation Committee

1. Make Work Pay **19%** (16%; 24%)
2. Strengthen and Make the Safety Net More Effective **9%** (8%; 10%)
3. Remove Barriers to Escape Poverty and Strengthen Low-Income Households and Families **73%** (75%; 67%)

Unique, Healthy and Inclusive Communities Committee

1. Development of a Housing Plan **33%** (27%; 46%)
2. Redevelopment of current public housing stock utilizing a policy strategy that does not displace low income residents **44%** (46%; 39%)
3. Community Navigators and Service Coordinators as part of a Supportive Housing Strategy **23%** (27%; 15%)

Transportation and Regionalism Committee

1. Extend transportation service in the region in order to connect low-income people needing jobs to major employers **91%** (96%; 82%)
2. Enhance existing car ownership program **9%** (4%; 18%)

Among meeting attendees, in four of the policy areas, there was consensus support (greater than 50%) for one particular priority: extending public transit (Transportation and Regionalism), removing barriers to poverty (Policy & Legislation); creating transitional employment opportunities (Job Creation); and providing financial literacy education (Asset Building). There was also strong (46%) support for redevelopment of current housing stock without displacing residents, but the other two proposals in the Unique, Healthy and Inclusive Communities area also had significant support. Finally, in the case of Education and Workforce Development, there was roughly equal public support for all three proposals, with a slight preference for favoring investments in early childhood and pre-K – 12 Education.

Online voters had similar priorities to public meeting attendees with respect to Transportation and Regionalism (strong support for transit expansion), Policy & Legislation (strong support for removing barriers to escaping poverty), and Education and Workforce Development (balanced support for all three proposals). With respect to Job Creation and Economic Development, online respondents were twice as likely as meeting attendees to identify job creation using city resources as the top priority; with respect to Healthy, Unique and Inclusive Communities, 46% of online voters identified formation of a citywide housing plan as the top overall priority, compared to 27% of meeting attendees. The biggest difference between online voters and meeting attendees was with respect to Asset Building, with online voters as a group identifying the Bank On Program rather than financial education as the top priority.

One limitation of this feedback is that in some cases, proposals had multiple components and there may be stronger support for particular components not registered here. For instance, the Policy & Legislation committee's proposal to remove barriers to poverty included several items; verbal feedback received from the audience during the forums indicated there was greatest enthusiasm about tackling the "felon" label issue, but we cannot be certain on this point with the available data. A second limitation is that respondents might have believed multiple proposals in a given

policy area deserved very high priority, relative to proposals in other areas. For instance, in the Education and Workforce Development area, the results could be interpreted to say that there is strong support for all aspects of that committee's proposals but the public had difficulty in settling on just one priority. But this interpretation too is somewhat speculative given the limitations of the data.

Another limitation of the data is lack of information about how policy priorities may have varied across different demographic groups. It is worth noting however that the public meetings were deliberately held in locations likely to be more accessible to low-income city residents; conversely, word about the online survey was spread through social networks and other media more likely to be accessed by middle and high-income residents. Hence it is probably the case that the results from the public meeting voting reflect the views of a higher proportion of low-income individuals than do the online voting results.

The public also made additional comments in the public forum and online. Notable comments included a proposal to reconfigure the city's water rate charge schedule to move to a lower flat fee with heavy users facing higher charges, in order to reduce the fixed cost of water and promote conservation.

Selected online comments included these observations:⁸⁸

"The City of Richmond could be a great city if it invests in its people. Particularly the youth by offering programs that encourage education and life beyond school. Richmond also has a huge ex-felon population that suffers from lifetime disenfranchisement and struggles to find jobs. This is counterproductive to building a strong community."

"... There needs to be sources of employment brought back to the city, for example an affordable grocery store in Church Hill, processing plants, or even easier access to resources to find jobs and to find an affordable way to get to the job. The way the city is it makes it easier to sell drugs and do illegal activity for an income, instead of having jobs to work at and make honest money."

"Dividing lines between the city and the county only work to further cut low-income citizens off from job opportunities and training. While the GRTC is successful in that it stops in many places throughout the city, it is extremely unsuccessful in its ability to provide transportation to the counties for those who need work....Richmond is already great, and I hope that our leaders realize

⁸⁸ Responses have been edited to correct spelling and grammar errors.

the importance of removing the barriers that have existed here for hundreds of years, so that our city can continue to improve and be a place where citizens of all backgrounds can work, be educated, provide for their families and prosper.”

“Engage people living in poverty in all aspects of the process.”

“Thank you for doing this, I know much of the impoverished community is in need of transportation to job solutions. Right now, it could take up to an hour just to get to a decent employer by bus. Ideally the car solution would be great, but my guess is that it would be far too expensive including gas.”

“Empowering people to be self-sufficient in providing for themselves & their families is always a good thing.”

“I feel that this commission is doing good work, but that much more should be publicized about it. The issue of poverty in the city is very real and not many elected officials are addressing this head-on.”

“The city must re-think its war on drugs. Locking up so many people for non-violent crimes and then labeling them felons continues to be disastrous for Richmond.”

“Richmond is an incredibly attractive city to young professionals when Poverty is removed. For those of us who have already taken the leap and moved here, Richmond is a gem, with poverty as a black eye on the landscape. For those who drive through and view our city from the passenger window of a car on 64/95, we don't provide an impression that garners a desire to visit.”

“I think massively increased transportation is a tremendously important issue. Specifically GRTC busing. There are entry level jobs in Western Henrico and a lot of people in the East End of Richmond who could sure use them if they had a way to get there.”

“Housing and employment are key priorities which will enable individuals and families to get and sustain a job. Job training and enhancing employees’ skills will enable new workforce to compete within their industry.”

“Transportation service from downtown to job centers like Short Pump seems essential.”

“Good luck! These are very challenging recommendations to implement and see results from.”

SECTION FOUR: Categorizing the Recommendation

The aim of this section is to categorize the different recommendations with the aim of assisting the Mayor and his staff in identifying short and long-term priorities for implementation actions.

Recall in Section One the distinction made between actions intended to directly *reduce* poverty and actions intended to make poverty less debilitating. This distinction offers one helpful way to categorize the recommendations offered by the Commission.

A second helpful distinction is between high-impact, high-visibility actions and actions which offer more incremental improvements.

A third helpful distinction is between actions that can be implemented fairly quickly, and those which will take time to bring to full fruition.

A fourth helpful distinction is between proposals that are costly financially or would require financing from higher levels of government, and those which are no cost or low cost.

A fifth helpful distinction is between proposals that can be adopted with little or no political controversy by the city, and those which may stimulate more public debate and/or require collaboration and likely negotiation with other local governments or the state government to implement successfully.

A sixth helpful distinction is between proposals the city government *currently* has the capacity, personnel and experience to carry out successfully, and those proposals that will require a further evolution, development, or addition to the city's capacity.

Each of these distinctions reflects competing considerations that policymakers must consider. The perfect policy proposal would be one that would be high impact, could be implemented quickly, falls well within the capacity of the existing City Hall staff, has little or no cost, is politically uncontroversial, and would simultaneously reduce poverty and make it less debilitating. Unfortunately, none of the Commission's proposals fits that bill exactly. Instead, each proposal involves tradeoffs, and difficult choices will need to be made in terms of prioritization.

One additional consideration should be raised as well: the question of how to build and sustain momentum for a long-term anti-poverty agenda in the city, given that not all of the Commission recommendations can be implemented simultaneously. Building and sustaining momentum will likely necessitate having at least some short-term, visible and tangible actions so as to build up confidence, interest, and trust in the agenda. Having maximum impact, however, will require that the city simultaneously invest effort and resources into longer-term, higher impact policies.

Considering the recommendations as a whole, there are five potential *game changers* in terms of impacting poverty in Richmond:

1. Creating a regional rapid transit system, so as to make thousands more jobs accessible to metro Richmond residents by effective public transportation and better link the regional economy together.
2. Achieving the redevelopment of much of the city's public housing stock without involuntarily displacing residents, with the aim of weakening the concentration of poverty and improving the physical and social environment of public housing residents.
3. Developing an effective educational pipeline that prepares RPS graduates for either college or the work force.
4. Investing in workforce development targeted towards low-skilled and long-term unemployed and underemployed residents and integrating workforce development with economic development strategies.
5. Actually landing (or developing) one or more major employers capable of creating hundreds of jobs accessible by underemployed Richmond residents. This is the ultimate aim of the job creation strategies discussed in the report.

We recommend that the mayor endorse all five of these goals. In terms of implementation, however, note that goal #5 is to a considerable degree dependent on success in goal #4. Further, uniquely on this list, goal #4 can be largely implemented by city government acting alone, building on existing capacity. In many ways, investing in goal #4 now—workforce development and job training tied to concrete employment opportunities—makes sense as a leading edge strategy in the city's anti-poverty effort. It is reasonable to think that moderate-scale, near-term success could be

achieved in this domain, success which in turn would greatly enhance the city's prospect for securing major additional investment in industries with appropriate jobs for city residents.

Conversely, goals #1, #2, and #3 all involve significant collaboration with other entities, and in some cases stretch the city's existing capacities. Creating a regional rapid transit system necessarily would involve collaboration with the counties and likely the Commonwealth. Achieving redevelopment without displacement will require collaboration with RRHA and an integrated plan to assure a seamless transition for affected residents. Developing the educational pipeline will require collaboration with RPS, and will require sustained effort over many years.

These difficulties are noted not to discourage their pursuit, but to underscore the challenges involved. Achieving success in any one of these goals would be a major accomplishment. Achieving success in all three areas over the next several years would be truly remarkable. Yet all three could potentially have a high impact on both the scale and nature of poverty in the city—impact that will be maximized if all three initiatives proceed successfully. In terms of implementation time, however, it seems clear that creating a regional rapid transit system would require the least lead time of the three initiatives, if a political and funding agreement can be reached. While a fully developed regional rapid transit system will likely take six to ten years to complete, it is reasonable to expect that approval of the regional transit concept, inauguration of the first BRT line on Broad and Main Streets, and implementation of BRT-style interim service on major job corridors could be achieved by the next mayoral and Council elections.

In terms of public housing redevelopment, full redevelopment of all the major public housing communities clearly cannot be achieved within a 3-5 year horizon. A more realistic goal is to start one major redevelopment effort, with a focus on proceeding deliberately so as to be sure to handle all the details of a redevelopment effort well and to build and maintain trust with affected residents. The way the first major redevelopment effort is carried out will have a major impact on the relationship between RRHA, the city, and public housing residents, and it's critical that a positive example of successful, competent action be established. Once that positive example is set, it may be possible to proceed more rapidly on additional redevelopment projects in subsequent years.

Analytical Matrix for Anti-Poverty Policy Options

Table 12. Analytical Matrix for Anti-Poverty Policy Options

	Reduction/ Amelioration	High Impact/ Incremental Implementation	Faster /Slower Implementation	No/Low\$/ High \$ Required	Political Difficulty	Existing/ New Capacity/Collaboration
Financial Educ.	Ameliorate	Incremental	Faster	Low \$	Easy	Collaboration Required
IDA Expansion	Ameliorate	Incremental	Faster	Low \$	Easy	Collaboration Required
Educ. Pipeline	Both	Incremental Short Run, High Impact Long Run	Slower	Low \$	Easy	Collaboration w/RPS
Disconnected Youth	Reduction	Incremental	Faster	Med-High \$	Medium	Collaborate w/ RPS
Skills Gap Commission	Reduction	Incremental	Faster	Low-Med \$	Easy	Collaboration Required
Business Recruitment	Reduction	High Impact ⁸⁹	Faster	Low-Med \$	Easy	Capacity in place
Workforce Pipeline	Reduction	High Impact	Medium-Fast	Low-Med \$	Easy	Capacity in place
Business Services	Reduction	Incremental	Faster	Low \$	Easy	Reorganization Required
Making Work Pay	Reduction	Incremental	2014 Earliest ⁹⁰	No \$	Medium-Hard	N/A
Strong Safety Net	Amelioration	High Impact ⁹¹	ACA 2013/2014 ⁹²	Low \$	Medium-Hard	N/A ⁹³
Removing Barriers	Both	High Impact	Varies	Low \$	Medium-Hard	N/A ⁹⁴
Housing Plan	Ameliorate	Incremental	Faster	Low \$	Easy	Collaborate w/ RRHA
Redevelopment	Ameliorate	High Impact	Slower	High \$	Medium	Collaborate w/ RRHA
Comm. Navigators	Ameliorate	Incremental	Faster	Low \$	Easy	Collaborate w/ RRHA
Regional Transit	Reduction	High Impact	Medium-Fast (once adopted)	Med- High \$*	Hard	Collaborate w/ Counties, State
Car Programs	Ameliorate	Incremental	Faster	Low \$	Easy	Capacity in Place

⁸⁹ Landing a major employer capable of providing many jobs accessible to impoverished city residents would have a high impact. Recruitment activities may also however lead to smaller businesses providing a more limited number of jobs, leading to incremental gains.

⁹⁰ Most proposed policies not politically feasible at least until after 2013 legislative elections; exception is Council action on local living wage ordinance.

⁹¹ Implementation of the Affordable Care Act would have a major impact. Many of the other proposals noted to strengthen the safety net would have a more modest, incremental impact.

⁹² Implementation of ACA of immediate relevance starting in 2013; other proposals likely not actionable until after 2013 legislative elections.

⁹³ Most relevant proposals require state legislative action, but some can be achieved at local level (i.e. improved program outreach).

⁹⁴ Most relevant proposals require state legislative action, but some can be achieved at local level (i.e. promoting alternatives to incarceration).

Overall Tier One Recommendations for Action: High Investment, High Impact

- 1. Expand Existing Workforce Pipeline Program**
- 2. Move Forward with Plans to Establish Regional Rapid Transit System**
- 3. Begin Identifying and Recruiting/Supporting Employers Capable of and Interested in Employing Significant Numbers of Low-Income Richmond Residents**
- 4. Pursue Deliberate Plan for Best Practice, Model Example of Public Housing Redevelopment Without Displacement**
- 5. Strengthen the Pre-K-12 Educational Pipeline: Early Childhood Investments, Richmond Promise Scholarships, Greater Vocational Training**

Above we list the Commission's top five overall policy priorities for addressing poverty in the city. Each of these initiatives is critical, and work should proceed on each of these simultaneously, beginning as soon as feasible.

What separates these five recommendations from other valuable proposals offered by the committees is a) their high potential impact and b) they fall squarely within the capacity of the City to initiate. We also believe it is feasible that serious progress can be made towards implementation of these proposals within the current fiscal and political climate in Virginia and in the region.

The five proposals above are listed in order of how quickly demonstrable results can be achieved upon implementation. For instance, the city already has a very promising Workforce Pipeline program that can be used as the basis for a larger-scale effort that collaborates with many more employers and helps train and employ many more city residents. The infrastructure and expertise for an expanded effort is already largely in place.

With respect to regional rapid transit, the Jones Administration has an opportunity as it begins a new term to play a lead role in building support for expansion along the four major corridors identified. There is growing interest among business leaders in the region in supporting such an effort, as well as among public officials and supervisors in Chesterfield and Henrico Counties. The

challenge to implementation is less to do with objections to the concept itself than to concerns about finding funding for required capital investments and identifying a dedicated revenue source for ongoing operating expenses. Clearly, determining funding sources and setting a firm timetable for implementation will require negotiations among regional leaders and state officials, and will require time and patience on all sides. This underscores the importance of beginning these conversations and eventually serious negotiations sooner rather than later. Once agreement on a plan is reached and funding identified, implementation should proceed relatively quickly. By the end of this mayoral term, thousands of employment opportunities in the region could be accessible to Richmond residents by BRT-style service—a game changing development for the entire region.

The third goal, recruiting and/or developing one or major employers in targeted clusters with the aim of creating hundreds of new jobs accessible by underemployed Richmond residents, is an achievable medium-term project. The continued success and development of the Workforce Pipeline effort can help increase the attractiveness of the city. The crucial step here is to focus economic development efforts on the identified clusters that A) can provide good employment opportunities claimed by existing city residents B) are in sectors with good-to-excellent long term prospects and C) are a good fit with existing opportunities in the city in terms of available land and underutilized sites, such as the Port. The City needs to send the message that it has available land, is willing to help with workforce training, and has the capacity to provide additional targeted incentives to the right kind of employer. This proactive approach reflects economic development by design, rather than by reaction. Again, it is important to begin this process now in order to have a realistic likelihood of achieving success in the next mayoral and council term.

In addition to accessible jobs created directly by targeted employers, the city should be attentive to the opportunities for entry-level employment that will arise in other firms in response to increased economic activity from new major employers, via the “multiplier effect.” Many opportunities for full-time employment accessible to low-skilled city residents are likely to arise in such firms, and the city should proactively help residents link to and prepare for those opportunities. Likewise, it should be noted that targeting major employers does not preclude continued activity to support and nurture smaller local firms interested in hiring local residents, or working proactively with major

local economic anchors such as Virginia Commonwealth University to maximize the local employment impact of existing development and purchasing activities. This is not a recommendation to bet the store on landing any single employer.

The fourth goal, developing a positive model of housing redevelopment, is also a longer term aim. The Unique, Healthy and Inclusive Communities Committee has strongly emphasized the importance of building a good process for redevelopment that includes residents as equal and respected partners from the start, building trust, and a commitment to no net displacement of public housing residents. The arrival of new RRHA CEO Adrienne Goolsby provides an opportunity for the city and the housing authority to make a fresh start and build a positive model of effective redevelopment that effectively improves the lives and opportunities of public housing residents. Richmond has the opportunity to learn from its own experiences and the positive and negative experiences of other cities in moving forward with efforts to improve the physical and social conditions of public housing communities while respecting the interests and concerns of residents. This effort will be most successful in facilitating poverty reduction if pursued as part of a comprehensive neighborhood development plan, as envisioned in the Choice Neighborhoods grant proposal for the city's East End. In this challenging process, it is more critical to develop a template for doing redevelopment the right way rather than plunging in too fast and possibly causing harm to residents.

Finally, the benefits of developing an effective early childhood to workforce talent pipeline will not be fully realized for at least a decade. Investments in early childhood education by their nature take time to pay off. Recall however the observation in Section One that the city's extraordinarily high child poverty rate of 39% is a ticking time bomb; child poverty and its consequences must be treated as a *crisis* and dealt with head on. Otherwise, the cycle is destined to perpetuate itself for another generation and likely worsen, placing the city as a whole and its poorest residents in an even deeper bind in the future. Investments in improved secondary education and vocational training, and attempting to dramatically raise expectations via the Richmond Promise scholarship idea, could, however, lead to improvements in the medium-term future. These improvements are urgently needed in their own right, and also would assure that gains from early childhood and

primary education investments are not undone by problems at the middle and high school level. Evidence of continued improvement in the public schools will further increase the attractiveness of the city to potential new residents and businesses.

It may be more helpful, however, to list these recommendations by cluster. Recommendations #1, 3, and 5 form a single cluster: targeted economic development, workforce training, and education. Together, they form a logical sequence:

1. Prepare employees for specific existing jobs working with employers.
2. Developing new jobs in substantial quantity that can be filled by underemployed City residents (possibly partnering with new employers on job-specific training using the expanded Workforce Pipeline concept).
3. Over the long term, increasing the educational level and workplace preparation of city residents through investments in early childhood education, developing a culture and expectation of academic success in the city's secondary schools, and expanding vocational educational opportunities.

Likewise, recommendations #2 and 4 also form a coherent cluster, aimed at tackling the city's concentrated poverty and facilitating long-term poverty reduction:

1. Reduce the spatial isolation of high-poverty neighborhoods in Richmond by expanding transit access to major employment centers region-wide.
2. Improve the living conditions and reduce the isolation of public housing residents by redevelopment, pursued in collaboration with residents and as part of a comprehensive neighborhood transformation plan.

Second Tier Recommendations

The following recommendations for action generally have (with one prominent exception) lower potential impact on poverty reduction and amelioration than the key items noted above. In many cases, however, they will be easier to implement and could have a positive impact relatively quickly. In other cases, there is strong community interest in pursuing the recommendation. As noted above, it is important to have demonstrable short-term successes to point to while also pursuing higher impact, longer-term goals. If most or all of these recommendations are successfully implemented over the next two to three years, they will have a positive cumulative impact on Richmond's low-income residents.

We further divide the list of recommendations into *action steps*, *planning and administrative steps*, and *advocacy steps*. For each recommendation below, we identify the primary parties to be involved in implementing the recommendation.

Action Steps

1. Implement a Bank On program (Mayor's Office; local financial institutions)
2. Launch a targeted program to reach disconnected youth (Mayor's Office; Human Services)
3. Promote financial literacy and use of Virginia IDA program (Human Services, RRHA, local intermediaries)
4. Invest in "community navigators" to help citizens negotiate services (Human Services, RRHA)
5. Proactively promote and implement alternatives to incarceration for low risk, non-violent offenders (Justice Services)
6. Initiate and enact a living wage ordinance covering city employees and contractors on city contracts (City Council)
7. Re-assess existing City employment practices to assure ex-felons are not wrongly excluded from consideration for appropriate positions, also re-assess rules banning involvement by

ex-felons in volunteer activity; develop more nuanced and appropriate policies (City Council)

8. Expand car ownership/leasing programs for low-income residents (Human Services/VIEW)

Planning and Administrative Steps

1. Develop a comprehensive citywide housing plan aimed at preserving and expanding the city's stock of good quality, safe and affordable housing (City Hall, RRHA, private and community-based housing groups)
2. Create one-stop business service center to make city easier to do business with (City Hall; Chief Administrative Officer)
3. Create one-stop accessible employment services for the unemployed (City Hall)
4. Create ongoing commission or other institutional infrastructure to inventory and monitor employment skills gap, consisting of employers and leaders of employment and other training programs that target the skills gap (City Hall, local employers, employment training providers)
5. Proactively partner, consult with, and support neighborhood and community groups working on poverty and its symptoms, such as affordable housing groups, groups promoting parenthood and family stability, low-income advocacy groups, and other community partners.(City Hall; Mayor's Office)

Advocacy Steps (General Assembly)

1. Advocate for full and effective implementation of the Affordable Care Act (ACA) in Virginia, including Medicaid expansion and establishment of consumer-friendly state exchange; City Council resolution in support of implementation as well as lobbying. *Implementation of ACA would have a major impact on the lives of low-income Richmonders.*
2. Advocate for statewide measures to reduce impact of "felon" label on ex-offenders and to facilitate successful re-entry

3. Advocate for revisions to eligibility rules in Virginia to expand access to unemployment insurance and SNAP (Food Stamps)
4. Advocate for making state Earned Income Credit refundable, increases in TANF benefit size
5. Advocate reform of statewide Local Composite Index so that Richmond schools are funded by the state at a rate commensurate with the city's poverty level

SECTION FIVE: Conclusion

This report has presented an ambitious and far-reaching agenda for reducing and ameliorating poverty in the City of Richmond. Implementing this agenda in full will be a major challenge, but one that we believe to be within the capacity of the city, working in partnership with concerned citizens and organizations. We hope that city officials and concerned readers will recognize that maintenance of the status quo in the city is unacceptable, and that the costs of inaction or ineffective action for the city's residents and the city's future are devastatingly high. Richmond as a community cannot stand back and do too little while nearly two of every five city children grow up in poverty and, often, severe deprivation.

We close this report and the Commission's work with some brief comments on how to assure these recommendations translate into effective action.

The Mayor, in conjunction with City Council, should take these steps:

1. Develop a strategic action plan, including specific budgetary requests, to begin implementation of the five major policy recommendations noted in the report and as many of the secondary recommendations as feasible. This plan should be completed by February 15, 2013, so that commitment to this policy agenda is reflected in the budget for Fiscal Year 2014.
2. As part of that strategic action plan, the Mayor should designate or create one or more staff positions, including one senior-level position, devoted specifically to monitoring and coordinating the progress of the city's anti-poverty policy agenda. The mayor should also send a clear message to all units of city government that poverty amelioration and reduction are over-arching strategic priorities; administrative and staffing decisions should include the need to build and sustain effective capacity to implement effective anti-poverty initiatives.
3. Establish clearer, more open communications across different branches of City Hall and city government concerning poverty-related policies, using as appropriate the designated anti-poverty staffer as a point person.

4. Share this report and the resultant action plan with elected and appointed officials in the region and at the state and federal levels, so that specific requests for regional cooperation and state or federal funding can be seen in the context of the city's overall effort.
5. Appoint a permanent citizen commission charged with ongoing monitoring and evaluation of the city's anti-poverty initiatives. This commission would have the authority to issue periodic evaluations of the city's overall progress, rigorously evaluate specific initiatives, and provide research, advice and consultation on future policy questions, including budgetary recommendations to City Council and the mayoral administration. Commission members should reflect a cross-section of the community, including representation from poverty populations, and bring diverse expertise and experiences to this work. Appointment of this commission would be a critical step in holding city government as a whole accountable and assuring that poverty does not fall off the political radar in the years to come. There is too much work to be done to allow time to be wasted, and a permanent independent citizen Commission can help assure that the City's efforts do not lag in the years ahead.

Appendices

Appendix A. Detailed Recommendations of Virginia Taskforce on Poverty Reduction (2010)

Goal 1. Increase Opportunities for Future Economic Security by Investing in Children and Their Education

Primary Recommendations:

- Expansion of Early Childhood Education
- Increase Support for At-Risk Students

Second Tier Recommendations:

- Expand Smart Beginnings (integrated early childhood services)
- Increase High School Graduation Rates

Goal 2. Enhance Workforce Readiness by Expanding Access to Career Development Programs and Employment Supports

Primary Recommendations:

- Expand Educational Credentialing Programs
- Increase Support for Subsidized Child Care
- Allow More Post-Secondary Education to Satisfy VIEW Work Activity Requirements

Second Tier Recommendations:

- Ensure That There is a Continued Focus on Coordination of Workforce Development and Role of Community College System
- Expand English as a Second Language (ESL) Services for New Americans to Support Their Employability
- Enhance Prisoner Re-Entry Programs

Goal 3. Enhance Family Financial Resources By Increasing the Returns on Work, and Promoting Family Services and Diversified Asset Accumulation

Primary Recommendations:

- Make the Virginia Earned Income Tax Credit (EITC) Refundable
- Conform Virginia's Exceptions to the Definition of Employee in the State's Minimum Wage Act to the Federal Minimum Wage Exemptions
- Promote Workplace Financial Education

- Improve Virginia’s Individual Development Account Program
- Expand and Enhance the Virginia CASH Campaign (Creating Assets, Savings, and Hope)
- Develop a Dedicated Revenue Stream for the Virginia Housing Trust Fund

Second Tier Recommendations:

- Make the Dependent Tax Care Credit Refundable
- Address Other Additional Protections for Homeowners (against foreclosure)
- Continue to Improve Personal Loan Practices
- Evaluate the Availability and Affordability of Quality Insurance Products to Buffer Low-Income Households from Financial Emergencies

Goal 4. Expand Safety-Net Opportunities for Families in Crisis:

Primary Recommendations:

- Improve Virginia’s Unemployment Insurance Program
- Provide Unemployment Insurance Coverage to Part-Time Workers
- Modify Assets Tests in Basic Public Assistance Programs
- Increase Medicaid Parent Eligibility
- Expand Access to Nutrition Programs

Second Tier Recommendations:

- Eliminate Medicaid Restrictions on Legal Immigrants Who Have Already Been in the United States for Five Years
- Implement Children’s Health Insurance Program and Reauthorization Act (CHIPRA) Option to Provide Coverage for Legal Immigrant Children and Pregnant Women During Their First Five Years They Are in the United States
- Increase TANF Grant Levels
- Increase FAMIS Eligibility to 300 Percent of the Federal Poverty Level
- Increase Public Awareness of Assistance Program Availability by Promoting Virginia’s 211 Information and Referral System

Appendix B: Demographic Profile of RRHA Residents.

Source: RRHA "Resident Characteristics Report," covering May 1-August 31, 2012, published September 17, 2012 at <http://www.rrha.org/html/public/demo.pdf>.

- 9916 persons in 3907 households (64 households non-responsive), located in following RRHA properties: Gilpin Court, Gilpin Court Ext 7-2, Hillside Court, Creighton Court, Gilpin N of Calhoun, Afton Avenue, Stovall Place, Fairfield Court, Mosby Court, Mosby 9, Fulton Community, Whitcomb Court, Randolph Housing, Greenwalk, Stonewall, Fay Towers, Eighth AMP, Eighth AMP, 2700 Idlewood, Fourth Avenue, Lombardy, Old Brook Circle, Decatur, Fox Manor, Eighth AMP, Eighth AMP, Dove Court - AMP1, Eighth AMP - Hillside, Eighth AMP, Eighth AMP, Eighth AMP, Development List for Rachel
- 94% of residents in RRHA housing are "Extremely Low Income," less than 30% of Median
- Average annual income: \$7,782
- Female head of household, with children--59% of households
- 2% White, 98% African-American only (heads of household)
- 1% Hispanic, 99% non-Hispanic (heads of household)

Table B-1. Income Levels of RRHA Residents

Zero Income	6%
\$1 - \$5,000	38%
\$5001 - \$10,000	29%
\$10,001-\$15,000	14%
\$15,001-\$20,000	7%
\$20,001-\$25,000	2%
Above \$25,000	3%

Table B-2. Income Sources of RRHA Residents

27% with wages
26% with any welfare
43% with any SSI/SS/Pension
36% with any other income
0% with no income

Table B-3. Monthly Rent Paid by RRHA Tenants

Zero:	5%
\$1-\$25:	0%
\$26-\$50:	21%
\$51-\$100:	19%
\$101-\$200:	21%
\$201-\$350:	22%
\$351-\$500:	7%
\$501 and Above:	5%

Table B-4. Family Type of RRHA Residents

Elderly (total):	17%
With children (total):	61%
Disabled (total):	24%

Table B-5. Age Distribution of RRHA Residents (total household members)

0-5:	21%
6-17:	31%
18-50:	34%
51-61:	6%
62 +:	7%

Table B-6. Size of RRHA Households

1 person:	31%
2 persons:	25%
3 persons:	20%
4 persons:	13%
5 or more persons:	10%

Table B-7. Length of stay of RRHA Families

Less than 1 year:	18%
1 - 2 years:	10%
2 - 5 years:	24%
5 - 10 years:	19%
10-20 years	15%
20 + years:	9%

Appendix C. Details of Job Creation Committee Evaluation Procedure

Decision Matrix Criteria Employed by Job Creation Committee

- Essential Requirements for all viable proposals
 - Some control or influence of stakeholders to achieve outcome
 - Direct impact on ‘Filling’ or ‘Creating’ Jobs
- Weighted Evaluation Criteria
 - 20% each: Impact on Target Population, Types of Jobs Created, Probability of Success
 - 10% each: Time to achieve Results, Implementation Support Needed, Implementation Resources Required, Sustainability
- Bonus Points
 - Upward Mobility jobs, High Need Location, Hiring Most Difficult to Place Workers

Final Weighted Evaluation Scores for Policy Options Considered by Committee

Job Creation Idea Category	Overall Score:	Options
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	3.57	Targeted focus to recruit logistics, fulfillment, and distribution companies: providing competitive incentives and training; by securing this type of business to locate in the city, so that additional support businesses and jobs will also be created.
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	3.33	Deploy Port Strategic Plan >coordinated with recruitment of targeted tenants >space development >infrastructure needs identified
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	3.30	Implement Regional Redevelopment Initiative with Mixed Use Zoning, selecting top site from list below: >Commerce Road (buy property there) - Blend with Port Strategy and Logistics
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	3.30	Targeted focus to recruit manufacturing companies: providing competitive incentives and training; by securing this type of business to locate in the city, so that additional support businesses and jobs will also be created.
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	3.27	Establish City Business Opportunity Fund to recruit businesses looking to establish themselves in the city

Job Creation Idea Category	Overall Score:	Options
Easier to conduct business or hire those in poverty	3.23	Establish Business Support Service Center of City Govt (permitting, zoning, licenses, economic development) all at a single stop (at one location); promoting Business Friendly Richmond (Large, mid-size and small (including in-home and communal businesses).
Creation of Transitional Employment Opportunities	3.22	Develop and deploy "Richmond Works", a targeted Transitional Employment Initiative that partners the City Workforce Development and specific (identified/recruited/selected) employers with specific job needs. Full cycle provides pre-employment training and skill building, applicant screening, on-ramp transitional support and post-employment support systems.
Creation of Transitional Employment Opportunities	3.22	Establish programs with Universities (located in City) that has training that leads to financial stipend and a job working for that university. NOTE: This could be viewed as a Transitional Employment Initiative.
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	3.17	Targeted focus to recruit call center businesses: providing competitive incentives and training; by securing this type of business to locate in the city, so that additional support businesses and jobs will also be created.
Creation of Transitional Employment Opportunities	3.08	City provides [50% - illustrative figure] reimbursement to employer for on-the-job training costs necessary to worker to become fully proficient.
Incentives to existing and new employers	3.03	Establish City Tax incentives(can include B-POL grace periods or abatements) for employers hiring individuals in poverty
Creation of Transitional Employment Opportunities	3.02	Create and expand existing Public/Private training programs; consortium includes business to business, community colleges. Market these training programs to attract employers with jobs aligned with delivered training programs --- this is part of Job Creation recommendation/ Shared goal with workforce development Committee.
Creation of Transitional Employment Opportunities	3.02	Develop targeted unemployed veterans program (match to employers like McGuire Veterans Hospital)
Easier to conduct business or hire those in poverty	2.95	Create City Hotline and Website connecting employers that have job opportunities with available workers (specifically for those in poverty), includes jobs, requirements and where to get skills/training.
Increased access to jobs for those in poverty	2.95	Revamp bus schedules and private transportation solutions by working with employers, provide a workforce with means to get to jobs

Job Creation Idea Category	Overall Score:	Options
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	2.88	Promote decentralized virtual manufacturing, assist development of these businesses by matching with purchaser of these services. Where services needed but not currently available, provide incubator support (training, funding, equipment, etc.) to interested, credible individuals.
Incentives to existing and new employers	2.80	Establish a Program that specifically promotes start-ups and really fast growing "Gazelle" businesses, by providing incentives and grants. Example: Entrepreneurial Accelerator (Minneapolis – St Paul)
Incentives to existing and new employers	2.78	City incentives to locate businesses [that have jobs that those in poverty are capable of performing (with training)] within city designated high poverty areas; Gilpin Court for example
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	2.77	Market small city-owned land tracts with incentives or at no purchase cost, provided new owner commits to establish a business that will have with jobs that aligned with target population.
Easier to conduct business or hire those in poverty	2.68	City Provided Bonding program to Employers when hiring ex-offenders, provided by city purchased insurance policy
Creation of Transitional Employment Opportunities	2.68	Establish Richmond New Jobs Collaboration Council - Corporate partnership and existing workforce pipeline agencies (e.g. WIB) to enhance effectiveness in creating and filling jobs with in-poverty population. Open: need to identify structure, agencies, and organizations.
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	2.67	Implement Regional Redevelopment Initiative with Mixed Use Zoning, selecting top site from list below: >Commerce Road (buy property there) - Blend with Port Strategy and Logistics
Increased access to jobs for those in poverty	2.63	Deploy/promote policy that encourages local labor participation in awarded city contracts
Incentives to existing and new employers	2.63	Provide incentives for real estate development in high poverty concentration areas
Creation of Transitional Employment Opportunities	2.60	Promote FIRST Contractors programs (recycling and others). Performing productive work while providing valuable service for City and employers.
Incentives to existing and new employers	2.55	Expanded micro lending and overall lending targeted @ those with greatest possibilities to impact targeted (in poverty) population.
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	2.54	Implement Regional Redevelopment Initiative with Mixed Use Zoning, selecting top site from list below: >Fulton Gas Works

Job Creation Idea Category	Overall Score:	Options
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	2.53	Establish city-owned certified communal commercial kitchen, for people come and use for food service businesses.
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	2.40	Replicate RRHA/Bon Secours/Economic Development East End job creation initiative (geographic targeted public/private development)
Creation of Transitional Employment Opportunities	2.38	Develop Dept Corrections, VoTech & Employer partnership that prepares and skills individual for re-entry into the workforce.
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	2.20	Invest in focused redevelop of Shockoe Bottom Retail
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	2.15	Develop and deploy childcare initiative that includes childcare training, apprenticeship programs, childcare for those in poverty; include possibility of partnering with local larger employers.
Targeted Recruiting of Businesses (with jobs that can be filled by targeted population) & Utilization of City Real Estate (owned or available), new business or redevelopment	2.10	Implement Regional Redevelopment Initiative with Mixed Use Zoning, selecting top site from list below: >Whitcomb Court - Being contemplated as Green Space - No Jobs
Increased access to jobs for those in poverty	2.10	Establishing VEC locations in city on public transit routes

Appendix D. Outreach to “Disconnected Youth”: What Works? Evidence from the Field

(Adapted from 2011 policy memo written by Commission members: Thad Williamson, University of Richmond, and Kevin Allison, Virginia Commonwealth University.)

The issue of how to re-connect disconnected youth has been widely studied by social scientists and policy scholars. Here it is important to note that for many youth, we are really considering youth who are “connected” to *economically isolated networks*. That is, they generally have networks of peers and family members as opposed to being totally socially isolated. Recognizing this fact can alert us to the possibility of providing opportunities for social reinforcement of connections to new resources and opportunities. At the same time, care must be taken not to form concentrated networks with high levels of behavioral difficulty, which could prove problematic for the successful functioning of programs and initiatives.

While it is generally accepted that interventions into the lives of young adults face longer odds of success than programs focused on early childhood, there are some notable models of success pointed to by scholars. Important commonalities across successful programs include a) good organization and high-quality program staff and b) ability to induce sustained engagement over a substantial period of time among participants.

Some programs are aimed at children and teenagers still in school, with hopes of decreasing likelihood they will become “disconnected” youth later on. These include mentoring programs, culture and art programs, athletics, after-school tutoring and activities, provision of job training, internships, transition-to-work, transition-to-independent living, counseling, scholarship support, college-readiness counseling, and similar programs aimed at steering students towards work or college and at identifying high-risk youth.

For the purpose of this memo, we will focus greater attention on programs that work specifically with disconnected youth once they are no longer in school. Established efforts nationwide include: The Job Corps; American Conservation and Youth Service Corps; National Guard ChalleNge, Center for Employment Training (San Jose, CA), and YouthBuild.

Each of these programs are focused on preparation for employment, and in some cases actual experience in working. Each also take a holistic approach to the challenges facing disconnected

youth. An assessment by Carolyn Heinrich and Harry Holzer (2011) provides the following description of each program.⁹⁵

Job Corps: “Intensive vocational/job and life skills training through residential component, vocational curricular with business and labor organization input to prepare youth for work in a specific trade; basic skills training to earn a GED, assistance with housing, referrals for substance abuse treatment and other health/mental health issues.”

American Conservation and Youth Service Corps: “Full-time, team-based residential program for men and women ages 18-24; team-based national and community service in partnership with nonprofit, state and local, faith-based, and other community organizations; training in CPR; first aid, public safety, and other skills.”

National Guard ChalleNGe: “Seventeen-month program: two-week Pre-ChalleNGe orientation and assessment, 20-week Residential Phase, one-year Post-Residential Phase; Residential Phase curriculum with core components on leadership, citizenship, community service, life-coping skills, fitness/health/hygiene, job skills, and academic excellence; post-residential placements in employment, education and military service.”

Center for Employment Training: “Employment and training services that mirror the workplace (trainings include occupational, basic skills, full-time, self-paced, and competency-based, and operated on an open-entry, open-exit basis); close involvement of industry in program design and operation.”

YouthBuild: “Alternative school with small classes for work toward GED or high school diplomas; job training and preapprenticeship program, including training in construction skills; leadership development and civic engagement; community service through construction of affordable housing; personal counseling; peer support groups, life planning processes and YouthBuild Alumni Association.”

⁹⁵ Heinrich, Carolyn, J. and Harry J. Holzer. 2011. “Improving Education and Employment for Disadvantaged Young Men: Proven and Promising Strategies.” *The Annals of The American Academy of Political and Social Science*, Volume 635 (May): 163-191.

Each of these programs has demonstrated successes, according to scholarly evaluations, although researchers are generally cautious about the available evidence. Lack of follow-up evidence, and worries about whether effects are limited to a specific program rather than generalizable, are persistent problems for researchers in this field; generally speaking, it is not possible to *guarantee* that any particular kind of program will work. But these programs at least represent the *kinds* of initiative that have reasonable prospects for success in a city like Richmond, defining success as reaching and altering the lives of at least some youth compared to what might have happened otherwise.

There are other possible approaches to this question as well, such as direct government employment of youth—government as an “employer of last resort”—which could have direct impact on disadvantaged youth. Generally speaking such programs are very expensive however and likely could only be implemented in the context of a major federal effort.

Appendix E. Concentration of Poverty by Census Tract

Source: American Community Survey, 2006-10 Five Year Estimates; 2010 Census Tract Definitions

Key: Tract Number (Poverty Rate) Poverty Population (College Students) Council District Median Household Income

Tracts in which over one-half of the poverty population consists of college students are marked in italics.

Total City Population:

Total Population for Which Poverty Status is calculated:

Total Poverty Population: 48,452

Extreme Poverty (50% or Greater)

Tract 201 (73.6%) 1287 (28) 6th District \$13,864

Tract 202 (57.6%) 2227 (127) 7th District \$11,791

Tract 204 (53.5%) 2299 (16) 6th District (part in 7th) \$14,318

Tract 301 (68.1%) 1808 (62) 2nd and 6th District \$10,641

Tract 403 (66.5%) 344 (305) 2nd and 5th District \$11,458

Tract 404 (51.9%) 1855 (1414) 2nd District \$16,339

Very High Poverty (35-50%)

Tract 203 (36.8%) 600 (0) 7th District \$27,431

Tract 207 (37.6%) 397 (0) 7th District \$14,891

Tract 210 (41.2%) 743 (77) 7th District \$23,425

Tract 305 (49.8%) 1628 (1129) 6th District (part in 2nd) \$21,134

Tract 402 (45.1%) 1166 (829) 2nd District \$26,914

Tract 412 (40.2%) 477 (398) 5th District \$34,904

Tract 413 (40.2%) 1297 (483) 5th District \$25,361

Tract 604 (42.0%) 2147 (19) 8th and 5th District \$26,036

Tract 607 (48.9%) 2356 (118) 6th District \$21,347

Tract 609 (39.6%) 557 (0) 8th District \$27,380

Tract 610 (41.6%) 1344 (122) 6th District (parts in 5th, 8th) \$24,472

Tract 706.01(38.4%) 2329 (0) 8th District (part in 9th) \$28,624

High Poverty (20-35%)

Tract 102 (20.9%) 855 (15) 3rd District (part in 2nd) \$37,308

Tract 109 (26.0%) 783 (26) 6th District \$30,113

Tract 111 (20.8%) 488 (48) 3rd District \$34,087

Tract 205 (20.9%) 667 (66) 7th District (part in 6th) \$50,258

Tract 212 (26.6%) 319 (37) 7th District \$31,008
Tract 302 (24.0%) 334 (203) 6th and 2nd District \$39,722
 Tract 408 (21.8%) 307 (29) 1st and 5th District \$42,500
Tract 411 (34.7%) 1361 (849) 5th District \$39,226
 Tract 414 (29.9%) 645 (104) 5th District \$29,094
 Tract 602 (29.5%) 595 (11) 6th and 8th District \$30,385
 Tract 608 (31.3%) 1187 (109) 8th District \$33,480
 Tract 708.01 (22.8%) 1736 (36) 9th District (part in 8th) \$42,773
 Tract 709 (26.9%) 1748 (68) 8th District \$33,147
 Tract 710.01 (22.7%) 1339 (177) 9th District (part in 4th) \$30,959

Moderate Poverty (10-20%)

Tract 103 (17.0%) 281 (0) 3rd District \$28,913
 Tract 104.02 (13.6%) 363 (0) 3rd District (part in 2nd) \$38,359
 Tract 105 (19.8%) 289 (5) 3rd District \$42,644
 Tract 106 (15.2%) 350 (52) 3rd District \$59,514
 Tract 107 (18.2%) 528 (0) 3rd District \$35,417
 Tract 108 (16.2%) 660 (0) 6th District (part in 3rd) \$33,603
 Tract 110 (18.6%) 388 (0) 6th District \$45,282
 Tract 206 (15.1%) 217 (16) 7th District \$50,116
 Tract 208 (15.0%) 180 (23) 7th District \$54,706
 Tract 209 (14.6%) 295 (0) 7th District \$29,744
 Tract 211 (14.7%) 234 (0) 7th District \$38,947
 Tract 405 (18.2%) 592 (287) 2nd District \$44,125
 Tract 406 (17.9%) 282 (135) 1st and 2nd District \$49,640
 Tract 409 (18.1%) 417 (180) 1st and 5th District \$45,509
Tract 410 (17.1%) 460 (275) 2nd District \$71,354
 Tract 416 (11.5%) 178 (0) 5th District \$46,959
 Tract 501 (11.3%) 298 (79) 1st District \$55,000
Tract 503 (18.4%) 217 (122) 1st District \$66,875
 Tract 605 (19.9%) 1218 (129) 4th and 5th District \$32,271
 Tract 706.02 (14.3%) 324 (0) 8th and 9th District \$43,173
 Tract 708.02 (12.6%) 313 (0) 8th District \$39,885
 Tract 710.02 (15.4%) 497 (22) 9th District (part in 4th) \$38,941
 Tract 711 (12.2%) 582 (196) 4th District \$48,211

Low Poverty (5-10%)

Tract 104.01 (8.0%) 212 (12) 3rd District \$50,719
Tract 407 (9.3%) 211 (52) 1st District \$49,809
Tract 504 (5.9%) 169 (0) 1st District \$99,702
Tract 505 (7.9%) 224 (0) 1st District \$80,598
Tract 701 (5.5%) 253 (13) 4th District \$77,674
Tract 703 (5.7%) 162 (25) 4th District \$53,202
Tract 707 (9.3%) 437 (0) 9th District \$42,237

Very Low Poverty (0-5%)

Tract 502 (4.1%) 113 (8) 1st District \$85,132
Tract 506 (1.3%) 30 (0) 1st District \$183,177
Tract 606 (4.5%) 98 (0) 4th District \$85,938
Tract 704 (4.2%) 155 (0) 4th District \$70,435

Appendix F. Relevant Poverty Research

Mayor's Anti-Poverty Commission Documents

- Mayor's Anti-Poverty Commission established
- Mayor's Redistricting Advisory Committee Final Report

Relevant Poverty Research

- Rethinking Poverty In Virginia - Recommendations from Virginia's Poverty Reduction Task Force
- City Views on Poverty – National League of Cities
- Improving Work-Life Fit – The Center for Work Life Law
- The Supplemental Poverty Measure and Communities of Color – Women of Color Policy Network Policy Brief
- From Poverty to Opportunity – The Brookings Institute
- Child Poverty in Upper Income Countries - Lessons from the Luxembourg Income Study
- Supplemental Poverty Measures - The Working Group Observations
- A Sound Fiscal Footing for the Nation's Capital - The Brookings Institute

Models from Other Cities

- NYC, NY – Center for Economic Opportunity: Early Achievement and Lessons Learned
- Athens, GA – Partners for a Prosperous Athens: From Recommendations to Implementation
- Poverty in Athens; What We Have Learned
- Savannah, GA – Step Up Savannah: A Report to the Community 2010

Mayor's Anti-Poverty Commission Documents

- Nashville, TN – Nashville's Poverty Reduction Initiative Plan
- San Francisco, CA – Communities of Opportunity: Making Opportunity Knock; A Strategy for Transforming San Francisco's Southeastern Neighborhoods

For information on the Mayor's Anti-Poverty Commission visit
<http://www.richmondgov.com/content/CommissionAntiPoverty/index.aspx>



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