Equitable Growth in Grand Rapids

Bloomberg-Harvard City Leadership Initiative, Summer Fellowship 2018

Alyssa Davis
## CONTENTS

GOALS .................................................................................................................................................................... 3

BACKGROUND: WHAT GRAND RAPIDS HAS DONE ................................................................................................. 3

LEARNING FROM OTHER CITIES ................................................................................................................................... 7

### DEVELOPMENT

- **Twin Cities: Development Scorecard** .............................................................................................................. 7
- **Portland: Prosper Portland** ............................................................................................................................. 7
- **Seattle: Equitable Development Initiative** ........................................................................................................ 7
- **Austin: Chapter 380 Agreements, Equitable Economic Development Fellowship and Einstein Challenge** ........................................................................................................................................... 7
- **Sacramento: Project Prosper and Equitable Economic Development Fellowship** ........................................... 8
- **Nashville: Equitable Economic Development Fellowship** ...................................................................................... 8
- **Houston: Complete Communities** ...................................................................................................................... 8
- **Others: Cincinnati Department of Inclusion; Milwaukee CROP: Community Revitalization Ownership Project; Louisville Equitable Economic Development Fellowship; Minneapolis: Access to Capital** ................................................................. 9

### COMMUNITY ENGAGEMENT

- **Madison: Neighborhood Resource Teams** .......................................................................................................... 9
- **Cincinnati: Community Feedback on Downtown Redevelopment** ....................................................................... 9
- **Boston: New Urban Mechanics Engagement Experiments** ......................................................................................... 9

### WORKFORCE, ENTREPRENEURSHIP, AND CONTRACTING

- **Detroit: Motor City Match** ....................................................................................................................................... 9
- **San Antonio: Small Business Team and Disadvantaged Business Enterprise Program** .............................................. 9
- **Muskegon: Employment Requirements for Industrial Facilities Exemption** .............................................................. 10
- **New Orleans: The Network for Economic Opportunity** ............................................................................................... 10
- **Charlotte: Project PIECE (Partnership for Inclusive Employment and Career Excellence)** .................................................. 10
- **Houston: CREST (Creating Reliable Employment for Sustainable Tomorrows)** ............................................................. 10
- **Louisville: Cradle to Career** ...................................................................................................................................... 10

### MOVING FORWARD: POSSIBLE POLICY TOOLS AND PARTNERS

### RECOMMENDATIONS ............................................................................................................................................. 11

1. Use the Equity Dashboard and formulate a data-driven decision-making process for development projects 11
2. Empower community in the development process 11
3. Create more robust city support for employment-related equity goals 11
4. Miscellaneous 12

---

**NOTE:** This report is accompanied by a data dashboard, which can be seen at [this link](#).
GOALS

Racial equity is the condition that would be achieved if one’s racial identity no longer predicted, in a statistical sense, how one fares. – Grand Rapids Racial Equity Plan

Grand Rapids wants to understand and work to close the opportunity gap for people of color in the city, specifically in Neighborhoods of Focus. To that end, my goals as a summer fellow are to:

- Create an economic opportunity dashboard for the city’s economic development team that answers the key question: “Who is benefitting?”
- Issue recommendations of performance indicators and monitoring structure the city should adopt to clearly track progress and improve accountability.
- Issue policy recommendations to achieve racial equity goals as related to economic inclusivity.

BACKGROUND: WHAT GRAND RAPIDS HAS DONE

On the macro-level, Grand Rapids continues to see strong economic growth across the majority of the city. However, a closer look at the data shows that two communities in the near-south and near-west side – home to 32% of Grand Rapids’ population – are excluded from this economic growth, as evidenced by lower rates of educational attainment and higher rates of unemployment and poverty.

Grand Rapids has pursued a number of avenues to understand and address this opportunity gap:

Addressing Economic Inclusion in Grand Rapids (July 2016)

Summary report describing disparities in Grand Rapids. Specifically, the report details how the near-south and near-west neighborhoods in Grand Rapids have been largely left behind as the rest of the city has experienced a resurgence. These neighborhoods are characterized by higher populations of people of color and higher rates of unemployment, lower rates of educational attainment, and lower incomes. The authors stress that there are several opportunities to prioritize these neighborhoods in city contracting and employment. The report includes case studies of other cities who have worked to improve equity along four major themes:

1. City leadership prioritizing diversity and inclusion- Seattle and Cincinnati
2. Undertaking extensive and systematic outreach and communication- Kansas City
3. Leveraging partnerships to expand programmatic support
4. Tracking and evaluating progress- Cincinnati, San Antonio, Austin.

Government Alliance on Race & Equity / Living Cities Racial Equity Here (2016-2017)

Grand Rapids joined this initiative in 2016 to understand how to use a racial equity framework to analyze city policy and operations, as well as develop clear goals for creating more equity. To that end, the city has created a Racial Equity Plan focused on six major areas:

1. City infrastructure: City services are equitably delivered
2. Budget: City budget process is completed using a racial equity lens
3. Inclusive engagement: City is viewed as an effective and inclusive government that engages the community
4. Racial equity in workforce, business development, and supplier diversity: City’s communities of color equitably benefit from the economic, hiring, and procurement activities of the city
5. Neighborhoods: City’s communities of color equitably benefit in the economic prosperity of the city
6. Youth engagement: The City supports and engages in youth-centric programs that provide meaning and sustainable opportunities for students and young adults

Currently, the Racial Equity Plan is technically still in its draft stages, with specific goals defined under each priority area. In February 2018, the REH team presented an update to the City Commission on progress on the Racial Equity Plan which focused on the first two sections of the REH Plan – City Infrastructure and Budget. This update discussed the citywide training that has occurred in the past 12 months as well highlighting the Interim City Manager’s requirement that each department identify at least 1 project to evaluate and address utilizing the GARE Racial Equity Tool. A total of 36 projects were identified by departments. Projects ranged from identifying racial equity benchmarks to evaluating employment processes and civil service tests to finding innovative methods of incorporating small, local minority- and women-owned businesses into the procurement process. Each department wrestled with the question of whether the service being examined could have an unintended racial equity result and then provided recommended countermeasures to produce an equitable result. These projects will give the City an excellent foundation upon which to build and continue our work in eliminating disparate impacts in our community.

Elements of the Racial Equity Plan have been incorporated into Phase IV of the City’s Transformation Plan that includes increasing the number of REH projects by department, incorporating racial equity into departmental strategic plans and increasing the training and competencies of city employees related to equity. A number of departmental projects have begun to incorporate the REH Plan and the Transformation Plan including but not limited to:

- Diversity & Inclusion and Training: incorporating racial equity departmental training and customer service training
- City Clerk and Diversity & Inclusion: incorporating Racial Equity Training in Boards and Commission orientation and annual training.
- Human Resources and Diversity & Inclusion: evaluation of employment policies through a racial equity lens.
- Human Resources: Completion of Classification/Compensation analysis
- Labor Relations and Diversity & Inclusion: Evaluation of labor contracts through the lens of racial equity is occurring as contracts negotiations begin.
- Human Resources and Diversity & Inclusion: Evaluation of and creation of succession planning data and plans began and will be completed in this fiscal year.
- Diversity & Inclusion: Engagement activities with Micro-LBEs including: How to Do Business with The City and Women Leading Business. Continued engagement with the Monday Group and the West Michigan Minority Contractors Association has increased the number of Micro-LBE businesses Ready, Willing and Able to do business with the City.
- Economic Development and Diversity & Inclusion: incorporated data analytic tool into the VEDA program and NEZ program. Present to the EDC in May, 2018
- Executive Office (Neighborhoods): Staff have engaged with the Neighborhood Economic Connector grant to work with neighborhood and residents.
- Executive Office (Neighborhoods) launched the Neighborhood Leadership Academy in January 2018 including 8 training modules. Modules all intersect with financial sustainability from branding, communication, racial equity, and donor relations.
- Executive Office (Neighborhoods) and Our Community’s Children launched Our City Academy which includes a module specific to racial equity.
- Our Community’s Children created landscaping mapping of youth development programs and initiatives to identify baseline data on departments providing youth programs.
- Our Community’s Children LEAD program was expanded to incorporate encouraging full-time employment as well as internship(s).
Rose Fellowship (2016-2017)

Grand Rapids was selected in 2016 for the Rose Fellowship to receive technical assistance on local land use challenges. The city primarily sought guidance to “refine how it evaluates and participates in private development to ensure that public investment is used to further public policy goals, such as increasing access to opportunity for communities that are increasingly disconnected from economic growth, and to clearly communicate with the development community about where and how it plans to partner on projects.” Ultimately, the Fellowship resulted in 10 major recommendations:

1. Establish a geographic focus for using incentives/development tools
2. Use the public land disposition process to provide more financial resources to support affordable housing.
3. Prioritize eligible activities for public financial incentives
4. When using public incentives, require micro-local business enterprise contracting and consider additional requirements for the purchase of local goods and services.
6. Develop a comprehensive transportation vision to support equitable development.
7. Update Qualified Action Plan
8. Align local and state economic incentives
9. Establish a Chief Participation Officer
10. Invest in a Citizen Learning Institute

Neighborhoods of Focus / Kellogg Foundation

Via the Mark White report, Grand Rapids identified 17 Census tracts in the west (15, 16, 19, 27) and southeast (26, 28-33, 35-40) parts of the city that are behind, on several metrics, that other parts of the city. GR hired Stacy Stout to cultivate strong, authentic neighborhood associations in these areas and has a grant from the Kellogg foundation related to employment connections in these neighborhoods. These neighborhoods are a priority area for city staff, but no official city policy has been issued designating them or related to them.

Equal Business Opportunity Program (Most recent annual report: 2016)

The Supplier Diversity division of the office of Diversity and Inclusion strives for the inclusion of all types of businesses in City contracts. This division administers the award-winning Equal Business Opportunity (EBO) programs in goods and services, professional services, construction, and the certification of Micro-Local Business Enterprises (Micro-LBEs).

Portions of this program include:

- Act as liaison with MWBE/VOSB and SBE organizations; balance memberships and collaborating with business development and diversity business development organizations:
  - MMSDC,
  - SBDC-GVSU,
  - GROW,
  - Hispanic Chamber,
  - Asian Business Association,
  - GR Black Chamber,
  - GRAAB

- Plan, develop and implement policies and programs designed to maximize opportunities to achieve supplier diversity. Develop, implement and monitor internal operating policies and procedures to ensure consistent application of supplier diversity policies.

- Champion supplier diversity and promote strong relationships between the City, small businesses, and community organizations. Act as Liaison with small minority, veteran, and women-owned businesses, organizations and/or community groups.
• Recruits, directs, and assist new and evolving small businesses and Micro-LBEs, including but not limited to MBEs, WBEs, and VOSBs.
  o Attend small business advocacy events after working hours
  o Attend and participate in minority chamber events
  o Organize, arrange, implement and invite MWBE/Micro-LBE’s/VOSBs and small businesses to participate in activities for matchmaking.
  o Provide instruction and information on how to do business with the City of Grand Rapids

The most recent EBO Construction Report (2016) details the history of the Micro-Local Business Enterprise and bid discount programs. It concludes with four recommendations: (1) Increase and expand recruitment efforts directed to local small businesses, including MBEs, WBEs, and VOSBs to participate in the EBO bid discount program and as Micro-LBEs. (2) Establish an inclusive marketing plan that prioritizes the EBO program to construction contractors and the general public. (3) Update Administrative Policy 04-01 to include a new designation Local Business Enterprise (“LBE”) for Micro-LBEs who will graduate from the initial program in 2018. (4) Explore the creation of a Supplier Diversity Council of contractors to increase the number of contractors (Sub and Prime) Ready, Willing, and Able to participate in the EBO program.

**Advancing Equity Through Inclusive Contracting and Procurement (December 2016)**

This report analyzes how “equitable access to jobs created by the economic impact of the City’s Vital Streets and Sidewalk Tax and the Parks Millage could be catalyzed through the City’s contracting programs, policies, and procedures related to awarding infrastructure projects.” Inclusive Performance Strategies provides the city with 12 major recommendations to make the contracting and procurement process more equity-driven, highlighting examples in Seattle, Kansas City, and San Antonio.

**An Equity Profile of Grand Rapids (2017)**

Conducted by PolicyLink and PERE, this profile has over 50 indicators detailing the demographics, economic vitality, readiness, connectedness, and economic benefits among populations in Grand Rapids.

**City Health Dashboard (2017)**

A [helpful resource](#) for understanding disparate health outcomes across the city.
LEARNING FROM OTHER CITIES

Development

Twin Cities: Development Scorecard
• Born out of an initiative of the St. Paul’s West Side Community Organization, this scorecard helps government leaders, planners, and developers better understand and rate the impact of development projects on equity. There are 5 major categories:
  1. Equitable Community Engagement
  2. Equitable Land Use
  3. Equitable Economic Development
  4. Equitable Housing practices
  5. Equitable transportation

Portland: Prosper Portland
• Economic development agency in Portland focusing explicitly on building an equitable economy.
• Strategic plan devoted to specifically reducing disparities and creating inclusive growth. Includes 5 objectives:
  1. Create healthy, complete neighborhoods throughout Portland
  2. Access to high quality employment for Portland residents
  3. Foster wealth creation within communities of color and low-income neighborhoods
  4. Form 21st Century civic networks, institutions, and partnerships
  5. Operate an equitable, innovative, and financially sustainable agency
• Includes specific metrics to track progress and indicate success.

Seattle: Equitable Development Initiative
• Initiative within the Office of Planning and Community Development
• Uses an equity framework to make public and private investments in neighborhoods that “support those most in need and considers past history and current conditions so that future outcomes are equitably distributed.”
• Decision-making framework uses six equity drivers:
  1. Advance economic opportunity
  2. Prevent residential, commercial, and cultural displacement
  3. Build on local cultural assets
  4. Promote transportation mobility and connectivity
  5. Develop healthy and safe neighborhoods
  6. Enable equitable access to all neighborhoods
• Created Equitable Development Fund (and advisory board) with $16 million and released RFP for projects that met equity qualifications. Currently building five community-driven projects.
• Also see: Equitable Development Implementation Plan and Financial Investment Strategy.

Austin: Chapter 380 Agreements, Equitable Economic Development Fellowship and Einstein Challenge
• Austin’s economic development incentives, called Chapter 380 Agreements, are granted based on alignment with overall economic strategy. They use several criteria to evaluate each agreement, such as:
  o Overall economic and fiscal impact
  o Linkages to the local economy
  o Infrastructure impact
  o Character of jobs and labor force practices
  o Quality of life/cultural vitality.
• See more: Annual report on economic development/380 agreements.
• Currently, Austin is re-thinking these agreements to shift away from large companies to small, minority-owned, and local companies, the creative and non-profit industries, businesses that help foster development in underserved and neglected areas, and businesses that provide good paying, safe jobs, and jobs that have a path to a good-paying career.
• Einstein Challenge: Public-private partnership that incentivizes the expansion of economic service from high-tech companies. Gives property tax breaks to companies in exchange for tutoring 40,000 children out of poverty and into high-paying jobs. Expect moderate ROI after system is in operation due to expanded tax base and a drop in local health and human service subsidies.

Sacramento: Project Prosper and Equitable Economic Development Fellowship
• Focusing on growing a more diverse economy by developing strategies along distressed corridors in order to benefit neighborhoods as a whole.
• Project Prosper is a series of public meetings to obtain feedback from the public on their community’s economic prosperity.
• Established an inter-departmental working group to define an equitable economic development strategy and key objectives
• City grant opportunities now include equity criteria and requirements.
• Awarded grant to neighborhood business association to develop a playbook of strategies that focus on building economic opportunity and environmental sustainability on corridor. Gave ideas for prototype projects they are testing, such as a mural branding, collaborative training and recruitment center, and the opportunity to incorporate equity into public improvement projects.

Nashville: Equitable Economic Development Fellowship
• Under Mayor Berry, the Office of Economic Opportunity and Empowerment worked to address the needs of people of color, people in poverty, and displaced people.
  • One of the results of that office’s work and 100 Resilient Cities was recommendations to bolster financial literacy and empowerment among citizens, including the founding of a Financial Empowerment Center.
• Now under Mayor Briley, the Chief Diversity, Equity, and Inclusion Officer and the Office of Economic and Community Development are working on three key areas:
  1. Growth and development of minority businesses
  2. Building business-led talent pipelines
     • Connecting community to high-paying jobs: Working to advance urban manufacturing opportunities and workforce development training in the Promise Zone. Selected target area. Identified local manufacturers, convened them through the Nashville Made program. Still looking for funding to help get off the ground.
  3. North Nashville-based equity strategy (the historically American-American area of the city).
     • Working with three area HBCUs, community partners, and non-profits
     • Turning the McGruder Family Resource Center into a single center that has all the necessary resources to enhance quality of life for residents, such as workforce development, business development, business incubation, and support services.

Houston: Complete Communities
• Identified five neighborhoods with diversity and challenges.
• Each community has team of dedicated staff across several departments to help identify priority projects and develop implementation strategies
• Developing a Neighborhoods Toolbox. Identifies all the city programs that neighborhoods and the city can use.
• Authentic community engagement.
Community Engagement

Madison: Neighborhood Resource Teams
- Small teams comprised of 2-3 city staff members from different departments are assigned to each neighborhood with population range of 500-2,000. These staff members are the community’s point people for getting what they need in development and planning process.
- NRTs help engage other government agencies and non-profits to ensure services are being adequately delivered in regards to transportation, health, housing, childcare, education, and job training.
- Madison has put together NRTs to coordinate local government services and promote equity. The NRTs encourage and enhance communication, coordination, and relationship-building among city staff and residents.

Cincinnati: Community Feedback on Downtown Redevelopment
- Cincinnati’s Department of Community and Economic Development has hosted public engagement workshops to get community’s ideas about redevelopment opportunities.
- City staff facilitated working groups and solicited feedback on RFPs.

Boston: New Urban Mechanics Engagement Experiments
- Community PlanIT is an online game with in-person meetings where participants engage in talks with fellow players to communicate what they want to see from the city.
- Community Made uses a civic crowdfunding platform to create “third spaces” around Boston based on ideas from residents.

Workforce, Entrepreneurship, and Contracting

Detroit: Motor City Match
- Program that connects new and expanding small businesses to building owners in Detroit who need tenants.
- Gives out $500,000 each quarter in grants to businesses and building owners.
- Has served 957 businesses, filled 342 spaces, and given out $5 million in grants.
- Memphis is also starting a similar program called the Bluff City Challenge, which will support establishment of businesses in neighborhoods with high vacancy rates to provide services and create jobs for underserved populations.

San Antonio: Small Business Team and Disadvantaged Business Enterprise Program
- Provides assistance to small, minority and women-owned businesses and distributes bid information to them.
- Participation of firms in city contracting is tracked/reported to ensure compliance.
- Pilot Loan Program helps S/M/WBEs obtain lines of credit.
Muskegon: Employment Requirements for Industrial Facilities Exemption

- Encourages abatement applicants to have employees representative of labor force.
- “All tax abatement applicants are encouraged to have a labor force consisting of a representative percentage of minorities and females. All applicants will be required to submit a workforce breakdown to include the total number of employees along with the number of minority and female personnel. If, at the time of application, the company does not meet the above requirement, the company shall endeavor to create a workforce that is representative of the community’s labor force.”

New Orleans: The Network for Economic Opportunity

- Investing in workforce pipelines and building skills in order to create better conditions for local hiring.
- Convenes anchor institutions, employers, and community-based organizations
- Helped implement HireNOLA local hiring policy, which links employment opportunities created by city contracts to local workforce. Uses to key strategies: setting local participation goals and establishing a first source requirement.
- Also see: Equity New Orleans report.

Charlotte: Project PIECE (Partnership for Inclusive Employment and Career Excellence)

- Training program for adults with multiple barriers to employment in partnership with Goodwill and Urban League.
- Convened corporate advisory councils to design curriculum.
- Held community outreach sessions for application. Now have 200 community contacts with 46 individuals enrolled.

Houston: CREST (Creating Reliable Employment for Sustainable Tomorrows)

- Exploring a targeted hiring program that will help to ease the cost to employers associated with hiring employees within specific communities that may require some job training.
- Partners with workforce agencies, employers, and community nonprofits to provide needed resources and connectivity for residents.

Louisville: Cradle to Career

- Mayor’s initiative focused on education throughout one’s life, focused on early childhood, K-12, college, and 21st century workforce.
- Convenes multiple organizations, such as United Way to assist and has set of metrics and goals.

MOVING FORWARD: POSSIBLE POLICY TOOLS AND PARTNERS

- Grand Rapids Racial Equity Initiative
- Tax abatements and incentives: Brownfield, NEZ, etc.
- Development applications, post-surveys, and hiring commitments
- Corridor Improvement Districts
- Neighborhood Associations
- Opportunity Zones/Opportunity Funds
- Affordable Housing Fund
- Mayor’s 100 businesses
- Business associations/chambers of commerce
- Voluntary Equitable Development Agreements
- Micro-Local Business Enterprise Program, bid discounts
- GRPS/GRCC partnerships
- Mobile GR/The Rapid
- Michigan Small Business Development Center
RECOMMENDATIONS

1. **Use the equity dashboard and formulate a data-driven decision-making process for development projects**
   - Make the dashboard publicly available on the Economic Development Office website. Review regularly at staff meetings, EDC, and EDPT meetings. Update the dashboard data annually to reflect new investments (instructions provided).
   - Use the dashboard data to determine strategic direction for future investment, including in the new ED Strategic Plan process. Decide priorities for the city investments: geographic priority focus, reducing demonstrated disparities, etc.
   - Create a Development Scorecard to more strategically assess the benefits of a given development project. Use scorecard metrics to make more rigorous decisions about approving individual projects, possibly setting a minimum score or qualification for investment qualification. Track scores and make publicly available. Possible metrics could include:
     - Geographic priorities
     - Impact on disparities
     - Wage level or quality of jobs
     - Transit-oriented development
     - Service by existing infrastructure such as water and sewer
     - Sustainability
     - Creation of affordable housing

2. **Empower community in the development process**
   - Use the equity dashboard to do community engagement. Hold public forums and education sessions on how to use this and other city data. Show a strong city commitment to fixing the problem.
   - Educate and empower the community to engage in the development process.
     - Formal area-specific plan processes
     - Hold educational workshops on engaging with developers and facilitate relationship-building.
     - Have creative community envisioning days for abandoned/Brownfield properties
   - Ask CIDs, BIDs, ad Neighborhood Associations to develop ideas or strategies to create more equity in their corridors. Facilitate workshops or equity training with these bodies.
   - Create Neighborhood Toolbox or Neighborhood Resource Teams that identifies all of the programs and staff available to help develop neighborhoods.

3. **Create more robust city support for employment-related equity goals**
   - Recommit to diversifying the city’s workforce to better represent the community at all levels of leadership. Use Neighborhoods of Focus as a geographic hiring priority area for city employees.
   - Create new city position of Workforce Development Director to be the convener of the many community partners in this space. Focus on creating relationships between community partners, resources, and employers, with emphasis on Neighborhoods of Focus.
   - Make workshops/training with racial equity lens part of the pre-approval for contractors for city bids.
   - With contractor input and GRCC support, create training programs and career pipelines with target centered on Neighborhoods of Focus
• Utilize GRPS and GRCC for employment fairs (for students and parents) to connect community to jobs
• Develop deeper relationships with Mayor’s 100 businesses to expand into adult employment

4. **Miscellaneous**

- Apply for the [Equitable Economic Development Fellowship](#) (National League of Cities & PolicyLink) to help support equity goals.
- Formally define and formalize geographic priorities areas, such as Neighborhoods of Focus, 49507, Opportunity Zones, etc. Create plan for updating boundaries in periodic set x number of years. Make sure everyone across the city is speaking the “same language.”
- Capitalize on Opportunity Zone program: Create streamlined city talking points, hold educational sessions with the community, and create city Opportunity Fund or Opportunity Zones funding matches in specific community-driven projects
- Implement the Rose Center Recommendations
- Hold racial equity or implicit bias training with all city staff