THE BROOKINGS INSTITUTION

HELPING NEIGHBORHOODS REDUCE POVERTY WITHOUT DISPLACEMENT

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PARTICIPANTS:

Opening Remarks:

TRACY HADDEN LOH
Fellow, Anne T. and Robert M. Bass Center for Transformative Placemaking
Brookings Metro

Presentation:

ROHIT ACHARYA
Partner
Common Good Labs

RHETT MORRIS
Partner
Common Goods Labs

Moderator:

BRENTIN MOCK
Editor and Writer
Bloomberg CityLab

Panel Discussion:

ANDREA BRENNAN
Director, Community Planning and Economic Development
City of Minneapolis

BRANDON KELLY
Community Reinvestment Act Officer
Square Financial Services

WENDY LEWIS JACKSON
Managing Director, Detroit Program
Kresge Foundation

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P R O C E E D I N G S

MS. HADDEN LOH: Good afternoon to those of us joining from the East Coast, and good morning to our friends joining from the West Coast. My name is Tracy Hadden Loh, and I'm a fellow at the Bass Center for Transformation Placemaking at Brookings Metro.

Today I am extremely excited to be here with you to share new research published last week from our friends at Common Good Labs on how to reduce poverty without community displacement.

This gorgeous view is Powderhorn Park in Minneapolis, Minnesota. To look at this image it's difficult to imagine that just a few blocks away George Floyd was murdered in the summer of 2020. The Washington Post did a six-part investigative journalism series called "George Floyd's America." Following his life from the Houston, Texas public housing project where he was born through a lifetime of institutional and societal roadblocks that included spending nearly a quarter of his life in jail or prison, to his final day, on the street in front of Cox Foods near Powderhorn Park where police officer Derek Chauvin killed him only because COVID-19, which George Floyd had recently caught, did not.

This outcome was not the result of bad luck or a wild series of coincidences. Instead, at every step of the way the neighborhood that George Floyd lived in shaped his possibilities. Place matters. Where you live affects your income, your health, and your odds of incarceration.

In the U.S. we have a poverty paradox. While overall rates of poverty have declined in the past generation and rates of child poverty have declined even more in the past decade, rates of concentrated poverty in neighborhoods are getting worse.

As we've written about elsewhere, there are multiple macro trends, economic shifts and disruptions, climate change, and racial injustice that are colliding at the place level, and growing worse. This puts some places in the U.S. in a constant and worsening state of crisis. Increased bad outcomes for the people who live in these places, even if they aren't poor, and produces both unfair and inefficient outcomes at every scale as the potential of these places and the people who call them home are wasted.

But here's the thing. Our current systems are too siloed to address all these challenges. It's not working for economic development to disinvest in Black and brown neighborhoods. Just like it's not working for managed planning to continue to create inaccessible, isolated, auto-dependent communities. Or assume a static economic landscape in a world that is rapidly changing.

We need a new integrated and place centered approach. This is why the Bass Center for Transformative Placemaking was founded, and what motivates our work. We need authentic solutions that originate from a place of caring about George Floyd and where he lived and died. Because there are millions of other Americans living in places like that today.

The research we are sharing today builds on key findings from Myron Orfield and his colleagues at the University of Minnesota's Institute for Metropolitan Opportunity. In work published in 2016, they mapped the projector of every metro census tract in the United States into one of four outcomes.

Consistent with our own Elizabeth Neborn's research, they found that poverty concentration is by far the most common neighborhood trajectory and that it's a growing problem in the suburbs. And consistent with the findings that you will see presented today, they found that while gentrification and displacement is the second most common trajectory of change for U.S. neighborhoods, there is another group of neighborhoods experiencing a different dynamic, inclusive growth. The question that remains is, what can we learn from these neighborhoods?

What is exciting about the work that Rhett Morris will present today is that he and his colleague, Rohit Acharya, have brought innovative and rigorous new methods to this by now well-known problem and uncovered new evidence and ideas that intersect with the urgency of the current moment in the form of good news. There are new things we can try to do something about concentrated poverty and racial disinvestment. Including specific lessons about how to design better place base policies.

I first met Rhett and Rohit in the spring of 2021. I logged into yet another Zoom to see them present the results of a first draft of this analysis. And to be honest, when you do research as a career, after a while you exist in a personal paradox where you've become aware of just how little you really know, but you also rarely encounter something truly new. It can make you jaded and tired.

But I'd like everyone tuning in today to wake up because I am delighted to hand things now over to Rhett. He is going to show you something truly new. You will see new data sources, new methods, and from this fresh analysis, new ideas, insights, and recommendations for action.

His presentation will be followed by a fantastic reaction and discussion panel of leaders who are strategic innovators doing work every day to reduce poverty and promote inclusive prosperity. That discussion will be moderated by Brentin Mock from CityLab, and include Andrea Brennan from the Office of Community Planning and Economic Development in Minneapolis. Brandon Kelly from Square, joining us from Baton Rouge, and Wendy Lewis Jackson, from the Kresge Foundation in Detroit.

I do need to note that the Kresge Foundation is a valued partner of Brookings Metro and provides generous support that makes the work we do possible though no Kresge funds were used for this particular project.

I'd also like to remind viewers that they can submit questions via Twitter by using #NeighborhoodProsperity, or by emailing Events@Brookings.edu. And with that I'll hand it over to Rhett.

MR. MORRIS: Thank you so much, Tracy. We are very excited to be here today to share this research that we've spent a lot of time working on.

As Tracy mentioned, my colleague, Rohit Acharya and I, and my co-author, are partners at Common Good Labs. Common Good Labs, we're an organization that applies data science for the common good. And we use new data sources and new tools to help organizations that are mission driven find solutions that improve peoples' lives and improve communities.

Today we're going to share some research that is a project that we've worked on for a very long time that's been very important to us. And I think it's important to many of you here who joined remotely as well.

I'll start by sharing a couple of images. If we look across the country, most people live in neighborhoods that look like this. These are images drawn from the center point of census tracks which we'll use as kind of a representation of neighborhoods for this research. The center point of census tracks in middle- and upper-income neighborhoods in Washington, D.C., where I am today, as well as Detroit and Baton Rouge, Louisiana where some of our panelists are joining from.

And these places probably look pretty familiar to many of you who are here on the call. But they're just a few miles away from areas that look very different. We can see places just a couple of zip codes away that are clearly struggling. And these neighborhoods represented here on the right are all examples of what we call neighborhoods with concentrated poverty. They're defined as places where 30 percent or more of the residents are poor, are living in households below the federal poverty threshold.

And we want to draw attention to these places in part because they're very common. In fact, if we look across the United States as a whole and look at all the residential areas highlighted here in black, if we were to want to see where there are neighborhoods with concentrated poverty, it would look like this.

Neighborhoods with concentrated poverty, as you can see, are found in every major metropolitan area in the country. They are in places where, you know, cities that are relatively small, relatively large, in every region of the country. Places where the state and local government is led by Democrats, places where the state and local government is led by Republicans. The presence of these neighborhoods is universal. And that's incredibly a big problem because so many people live in these places.

In fact, about one in 15 U.S. residents lives in one of these neighborhoods. That's greater than the population of States like New York or Florida. In addition, that includes about one in eight Hispanic people in our country and one in five Black people. And the presence of so many people in neighborhoods of concentrated poverty is important to consider because these places, places of concentrated poverty are actually very harmful for residents.

We'll give just two examples that we draw from the report. The first is if we look at adults who grew up in these areas, we see that they earn less income and are incarcerated more often, even if their own families were not poor.

Children who live in these areas today are projected to die 5.7 years earlier than those in other residential areas. So think about that. Two babies born in the same hospital, one goes home to kind of a middle income neighborhood, one goes home to a neighborhood with concentrated poverty. And just because her parents take her to a neighborhood with concentrated poverty, her lifespan is now projected to be almost six years shorter.

There is some good news. And that is based in recent years we had some opportunities available to us that weren't even available five or 10 years before. And that comes in the form of new sources of data. So we now have data on thousands of characteristics across every single U.S. neighborhood that we didn't have access to. We also have access to new tools for conducting analysis, including some machine learning tools which we used in this project, as well as things that we can use to do geospatial analysis.

And we can use this new data and we can use these new tools to help us better understand why these neighborhoods are so harmful. And one of the things that we can see is that neighborhoods of concentrate poverty are different from other residential areas because they contain many more challenges. We can see that they have a much larger number of vacant businesses. They are more exposed to toxic emissions. The schools in these areas can be of lower quality, residents in these areas have less access to healthcare, less access to technology.

And if we look back in time, we can see that they have a social network that doesn't necessarily connect them to high value careers that we see in other neighborhoods. And then, if we look back in time, we see that they also are places that were more likely to be exposed to practices like redlining, which reflect historic patterns of segregation and discrimination.

What's potentially most interesting in this analysis of these challenges is that it's not any single one of these challenges that differentiates neighborhoods with concentrated poverty, it's actually the combination of so many challenges that makes them distinct from other areas. In fact, neighborhoods with concentrated poverty have four or more of the challenges we just talked about 7.6 times more often than other residential areas.

But the challenges found in these residential areas, these neighborhoods, are actually relatively unique. So we'll show you an example here from Pittsburgh where Rohit is based. Looking at three neighborhoods, East Hills, the Southern Part of Wilkinsburg, and then Central Duquesne. All three of these neighborhoods are located in the same county, they have very similar demographics, and they have similar rates of poverty.

But if you look at the challenges in these neighborhoods, we see something really interesting. So in East Hills we can see that there are a high percentage of kids who don't have health insurance, a high proportion of residents who are medically underserved. But those challenges don't exist in the average neighborhood.

If we look inside of Wilkinsburg, we see that there are a larger number of young children who are not in preschool. A lot of older children who don't have access to the Internet at home.

And then finally if we look at Central Duquesne, we can see that there's a great number of vacant and abandoned businesses and a high percentage of residents that live near highly toxic release centers. But those two challenges aren't shared by the other communities, by the other neighborhoods that it seems like they might be very similar.

So we can see here in this example that even neighborhoods that are relatively close together, they're in the same county, similar demographics, have very different challenges when it comes to neighborhoods with concentrated poverty.

And so the next thing we wanted to look at, you know, was thinking about the fact that leaders really need new solutions to help assist these places. And there's some good news in the research in that the same sources of new data and new tools that can help us better understand these communities can also point to potential answers for these places. And so I'm going to share two key lessons from our research.

The first is, is positive change possible? Almost 200 neighborhoods significantly reduced poverty without displacing the existing community. We want to kind of get a sense for what that means. Neighborhoods that had a large decrease in poverty without displacing the existing community are defined primarily by two criteria.

The first is that large decrease in poverty of 10 percentage points or more. So this would be if a neighborhood started with 40 percent poverty rate, they had to get down to at least a 30 percent poverty rate if not lower.

And the second is that we want to see that the local racial and ethnic groups are the same size or larger in terms of population over the 15-year period from 2000 to 2015 that we did our research on.

We can see on average the resulting communities is actually significantly larger than that. So poverty fell in these places from now to 41 percent in 2000 to 26 percent in 2015. The fact that this means that these neighborhoods would no longer be considered neighborhoods of concentrate poverty because less than 30 percent of their residents in poverty.

We can also look at some data about the community preservation. And we can see, even though these neighborhoods are actually now larger in population size, the proportion of people in the largest racial or ethnic group, predominately Black and Hispanic folks, is actually the same in 2000 and 2015.

What's also interesting is that as these neighborhoods moved out of concentrated poverty, they moved into something really special. We can see that they remained inclusive. And we can see that in resident retention. So the proportion of people who remained in the same house over this 15-year period is not just higher than all other neighborhoods with concentrated poverty, it's actually above the average for the entire nation compared to all neighborhoods.

In addition, as we mentioned, community preservation, very, very high. But when we look at a population, we can see the population numbers increased. And so what this tell us is if the largest racial or ethnic group remain the same size proportionately, but the population went up, that means two things. First off, the people in the largest racial or ethnic group, the population of that group increased. But it also means that the population of people outside that group increased. So these new trends are truly inclusive, making space for all different types of communities coming together in these places.

Not only are they inclusive but we also see signs of increased prosperity. We can see that in increases in household incomes, we can see that in increases in local property values more than doubling over this period of time. And we can see that in the number of small businesses loans, also increasing by more than double.

And so we get a sense of these numbers are moving out of concentrated poverty and into what we kind of see evidence for what we would call inclusive prosperity. It means it's a place for many different people to come in and many people to remain. And we're seeing multiple signs of prosperity across these different communities and neighborhoods.

These neighborhoods are found in every region of the country. We'll just show you a couple of maps of some cities in large places like Baltimore, smaller cities like Fresno, you know, in places, in West Lake, Phoenix or kind of here on the East Coast like Miami.

When we think about where these places are located and we look at these neighborhoods individually, the next and potentially the most important question of our research comes to mind. And that is, what made these neighborhoods that we can find all over the country, what made them different from other low-income areas?

And what we found was that eight indicators separate the neighborhoods that reduce poverty without displacing their existing communities from other low-income neighborhoods. These indicators are all much more common in neighborhoods that reduce poverty without displacement, and we can think of them as leader, as indicators in the same way that doctors use biological indicators. Like resting heartrate or cholesterol levels to provide information about peoples' physical health. In the same way these can give us a sense of a neighborhood's health.

The first couple of indicators relate to the environment around the neighborhood. These are external indicators. Neighborhoods are not islands, so the regions around them really do affect what's going on in each of them.

The first of them is positive economic growth. So as you might expect, during the time that these changes were occurring, we see communities where they're based, the metropolitan area to be more specific, saw positive economic growth. It wasn't necessarily, didn't have to be incredibly high, but it was positive over that 15-year period.

We also see that in the county around the neighborhoods, we see lower rates of homicide. And we also see that there was low risk of displacement from the surrounding region into that individual neighborhood.

The next indicators that we identified were related to kind of the internal environment within a neighborhood. And those five indicators were higher rates of home ownership, lower residential vacancy levels, increased housing density, greater self-employment, and the presence of community organizations.

And so we can look at data and examples from neighborhoods to see how these sorts of indicators interact. And one of the things that we've seen that's really, I think important to note is that these indicators are not individually enough by themselves to really move the needle it seems. It's rather in combination that they seem to become strong. And we can show you some examples of what that looks like.

So here are a couple of neighborhoods that reduced poverty without creating displacement that we identified in our research, drawn from a few cities. So drawn from Houston, Miami, and Philadelphia. Let's see. From Houston we have South Acres/Crestmont Park neighborhood. Miami we have the central part of Allapattah. And then in Philadelphia, East Kensington. And we can look and kind of see where each individual indicator kind of comes into play.

And so in South Acres in Houston we can see the external indicators are all present. And then if we go further, the internal indicators of higher home ownership rates, lower residential vacancy, and increased housing density are also there. But we don't see the final two. I iterate the self-employment and community organization.

If we go to central Allapattah, we can see again the external indicators are present and the internal indicators, the first high rates of home ownership is not present. But the other four are found in the community. Or were found in the community in 2000.

And then finally in East Kensington, we can see all three of the external indicators were in place. But in terms of the internal indicators, higher rates of home ownership, greater self-employment and the presence of community organizations were in place. But we don't see lower residential vacancy rates or increases in the housing we've seen from the previous decade.

So one of the things that this shows us is a couple of things, gives us an example that we can see we can do a kind of deeper analysis of these communities. And that is that the external indicators seem to be necessary but not sufficient. Whereas the internal indicators build on that foundation and become powerful when they're added together. But there are different combinations of those indicators that different neighborhoods can use in the same way that we see them having individual combinations of challenges, they also seem to have their own individual combinations of solutions as well.

So I'll quickly show you some data drawn not just from a couple examples but from all the neighborhoods that we examined from 2000 to 2015. It gives a sense of these sorts of changes in neighborhoods.

So if a neighborhood in 2000 was missing any single one of the external indicators what we see that is less than 2 percent of them went on 15 years later to have a large decrease in poverty without displacing the existing community. And over 20 percent of them have a large increase in poverty. So poverty went up by 10 percentage points or more.

If we examine other neighborhoods and look at those where all the external indicators were present, but all the internal indicators were missing, the outcomes don't get much better. We see only 3 percent have the sort of positive change that we would want to see. However, when all the indicators that are external are present and if one or more of the internal indicators are also in the neighborhood in 2000, 15 years later we start to see more positive change. So the proportion of neighborhoods that have a large decrease in poverty without community displacement goes up to about 6.5 percent.

And as we see kind of all three external indicators and two or more of the internal ones present, the outcomes improve again when all three of the external indicators and three or more of the internal indicators are there, we see even better outcomes. And then finally when all three of the external indicators are present and four or more of the internal indicators are there as well, we see really significant change in these communities.

And so with that I'm going to stop and just say if you'd like more information there's a great deal that you can find in the report, and if you have any specific questions after this and after checking out the report, please feel free to contact me. I'll be glad to answer those questions a bit more.

And with that I am excited to pass it over to my colleague, Rohit Acharya, who is going to talk a little bit about the implications of this research before we have our really exciting panel for you.

MR. ACHARYA: Thanks, Rhett. I'd like to take this opportunity and first say thank you to our partners on this research. At the Brookings Institution I'd like to thank Alan Berube, Jennifer Vey, Pamela, Andre Perry, Ian Hathaway, and a special thank you to Tracy Hadden Loh. I'd also like to thank the Heron Foundation for their support of this research over the years.

But I'll talk about some of the implications and to answer some of the questions, the common questions that we received. One of the questions was, why is this research important right now? In our minds, and local and state leaders have a tremendous opportunity to help and improve these indicators in neighborhoods because of the infusion of money that has coming from the recently passed American Rescue Plan.

Another question was, how can we put these indicators into use? The eight indicators are each important on their own, but they also touch on a couple of larger themes. First, efforts to support low-income neighborhoods should be individualized. Leaders cannot support neighborhoods without understanding the unique challenges and opportunities that each one contains.

For example neighborhoods in large cities may find it difficult to increase home ownership given the high cost of housing in high density neighborhoods. But the higher density may make it easier to establish new community building organizations. Similarly, tax incentives for private investment can be hugely helpful in areas of high self-employment. But on the flip side they could be potentially detrimental in low-income neighborhoods, neighbor in wealthier ones and trigger high rates of displacement.

Second, neighborhoods need support that is comprehensive. These eight indicators touch upon all the components of placemaking, better built environments, empowering economic ecosystems, stronger social environments, and robust civic structures.

This suggests that leaders should work to improve combinations of multiple indicators at the same time. There are often cases where a single initiative can improve multiple indicators, such as repairing street lighting which can reduce crime and increase home ownership. This is a good sign that it should be prioritized.

If a solution seems to improve one of the indicators at the detriment of another, then leaders should take pause and consider alternative approaches.

Finally, it is clear that efforts to assist low-income neighborhoods need to be data informed. In the last 10 years we've seen an amazing increase in the amount of information available on local communities. Leaders can now access data on hundreds of different characteristics for every neighborhood in the country. Unfortunately, many local governments and non-profits still operate the same way they did in the 1990s using little to no data on individual neighborhoods and their work.

Data can be useful to leaders to bring attention to the important problems and valuable opportunities. It can also offer context that can help leaders better tailor their programs to local needs and increase the likelihood of success.

In addition, data can help leaders to evaluate the impacts of local programs and better learn from these experiences. Greater access to data opens up new opportunities to use new analytical techniques that can reveal new insights such as the machine learning and geospatial analyses included in this report.

However, it is important to note that programs should be data informed and not purely data driven. Our experience suggests that data is best used as an input that compliments other sources of information, such as the knowledge of community leaders and local residents.

And speaking of leaders, many different types of leaders play important roles in addressing the challenges of low-income neighborhoods. From government officials to executives of financial institutions, to leaders of community or organizations of non-profit. Each one plays a role in influencing these eight indicators.

And in that spirit, I am excited about the following panel. We have three outstanding speakers from the public, private, and philanthropic sectors.

At this time I'd like to introduce our moderator and fellow Pittsburgher, Brentin Mock. Brentin is an outstanding writer for CityLab, whose work many of you know touches upon the very topics we've just discussed. Brentin, over to you.

MR. MOCK: Thanks so much, Rohit. Thanks for that great presentation from both you and Rhett. And thanks to the Brookings Institution for putting together this esteemed panel.

I'm going to introduce first Andrea Brennan, Director of Community Planning and Economic Development for the City of Minneapolis. And we also have Brandon Kelly, Community Reinvestment Act Officer for Square. And we have Wendy Lewis Jackson, Managing Director for the Detroit Program with the Kresge Foundation. Welcome to all of you.

Let's start with you, Wendy. You know, let's kind of unpack some of the things that we just learned from this presentation. But did any of this surprise you about the connection between home ownership rates and the level of decreasing poverty and low displacement, you know. And also if you can talk about the work that you've done around preserving home ownership there in Detroit.

MS. LEWIS JACKSON: Well thank you, Brentin. And greetings to everyone. And thank you so much for the kind introduction and the ability to participate with the panel today. It's a real pleasure to join you. And congratulations to Brookings Metro team and Common Good Labs on this influential report.

A little bit of background. The Kresge Foundation, we're based in Detroit, and we were founded in 1924 by Sebastian Kresge, who was the founder of the K-Mart Corporation. So today we're a private national foundation that works to expand opportunities in American cities through grant making and social investing.

Much of our place base work is concentrated in the City of Detroit but we also have deep focused work in collaboration in a number of other cities across the country, including New Orleans, Fresno, and Memphis.

I think what was really exciting about this report is that it's showing us a pathway for a tremendous economic and community transformation. Some things, you know, to answer your question, Brentin, were not necessarily new but what I think is really important about this report and why it is timely is it talks about the concentration of ingredients that are necessary to do this work and do it well without displacement and by reducing poverty.

And so how do you kind of take these internal factors and external factors and combine them in a way that is not just a set of one-off projects but a real comprehensive multi-disciplinary approach that is kind of crucial to the broad-based equitable development that we're all working and striving to accomplish in our communities.

So I think for us we learned, particularly as it relates to housing, the importance of kind of serving neighborhoods well and addressing economic equity without displacement. It's really important how you invest. So, yes, what we invest in is critical but how you do it is perhaps even more crucial, and why it has to be extremely intentional.

And as I think about this report in the context of our housing work and investments we've made, particularly in the City of Detroit, the report I think amplifies what we've been trying to accomplish by kind of having a multi-disciplinary comprehensive approach that focuses on many of the things the report lifted up, whether it's building in the built environment, economic ecosystems, ensuring that community voice and advocacy is a part of the strategy, and making sure that public/private partnership is brought to bear on this.

And some of that work has involved for us in Detroit partnering with the City on an affordable housing loan fund, investing in community development organizations that are at the forefront of ensuring equitable housing within the neighborhoods where we tend to invest and work. So it's just the combination of strategies that are really crucial and how again, it has to be comprehensive and multi-disciplinary.

MR. MOCK: Thanks for that, Wendy. And I'd like to remind all of our viewers that you can also submit questions to this panel via Twitter. Just use the #Neighborhood Prosperity. And you can also email us questions at Events@Brookings.edu.

I'm going to turn to you, Brandon. So we know that in addition to working in the private sector, that you're also an active organizer and volunteer with many grass roots organizations in your community there in Baton Rouge, correct?

MR. KELLY: That's correct.

MR. MOCK: All right. So what are your overall impressions of the report? What was surprising, what was not so surprising?

MR. KELLY: Well I'll say this. I think I was first actually presented with some of this research from Rohit and Rhett about a year ago. And for me the most striking callout was the presence of the indicators, of inclusive prosperity.

In particular is the positive indicator of greater rates of self-employment. And not that any of these indicators are a magic bullet to fighting poverty and displacement, but really having a collective framework for positive community development I think it's encouraging but it's also replicable as well.

I think we can all understand that the drought of financial access and financial resources has been a great burden on underserved communities. And I think what the report does is it provides a clearer understanding that when communities have thriving entrepreneurs and strong locally owned businesses, they have room to prosper.

And, you know, when we start looking at access to capital and enhancing entrepreneurial opportunities, that these are essential to building a thriving community entrepreneurial ecosystem.

So, you know, as I said, I work for Square Financial Services, we're the bank for Square. And I serve as a Community Reinvestment Act officer. And the fact is I've been in the banking world for about 16 years, and I understand that the banking community, the finance community, private sector community, we have an important role in the development of small businesses in these communities. And we haven't done enough. And there's a lot of work that we all need to do.

We have to bring more innovation to supporting these communities. We've got to bring more intentionality in supporting these communities, both from an engagement and a small business lending standpoint. Particularly to entrepreneurs of color and just entrepreneurs that are based in low-income communities.

So the fact is that we've just, the fact is I think we can do a greater job of leaning in and supporting these communities in a way that is supportive, that is encouraging, and that most importantly, will yield results.

I think again as we look at these communities that are in the report, I think there's just this great opportunity for us to focus on that and find ways that we can develop public and private partnerships so that they can even thrive even more. And especially for the communities that are not in this area, how we can replicate things so that they can be strengthened as well.

MR. MOCK: Great. Thanks, Brandon. I'm going to turn to you, Andrea. I know a large part of your role is supporting economic development from the Mayor's Office there in Minneapolis. What are some of the most important things that local governments can do to achieve this kind of inclusive economic growth?

MS. BRENNAN: Sure. Thank you, Brentin. And I wanted to thank also and congratulate Brookings and the Common Good Labs for this really important report. Thanks for inviting me on this panel. I'll try not to be repetitive of what my fellow panelists, Wendy and Brandon, have said because I agree with every single thing that they have said so far and I think it's really important.

What I wanted to just, you know, also just share there that some of the things that really resonated with me in reading this report are. Number one, just the use of the data here and the focus really on community-based solutions that really have to be specific to the individual communities. And just the idea of looking at indicators and looking specifically at challenges really drives us into a space of looking at the very specific characteristics of individual communities, and the resources that are there that can be leveraged. So that really resonated with me.

As well as something that's been talked about a lot already, which is the intersectionality of the different disciplines that are at play here. And that's one of the things that we have learned in Minneapolis, that to be effective we really need to take that multi-disciplinary approach.

And then finally, the other thing that really resonated with me is that, you know, the data used for this report is pre-pandemic. And it really struck me the indicator of having a strong community base or innovation present. And something we found to be really critical to resilience and making sure that like during the pandemic and during this, you know, as we recover from the economic impacts and other impacts of the pandemic, that, I mean we in Minneapolis, we are really focusing on identifying those community institutions and making sure that we're helping, doing what we can to strengthen and support them. Because we learned during the pandemic how critical they were really to supporting and ensuring the resilience of communities, especially communities with concentrated poverty.

So with that I will attempt to answer your question, Brentin, about some of the key things that we need to do, that local governments can do. And I'm going to just use some specific examples because a lot of them really relate to that intersectionality. And I think that local government, I think all forms of government has really been siloed in its approach. You know, we think about housing policy over here, we think about, you know, economic community development policy over here and employment and training being separate from both of them. And I think it's just finding ways where we can, those different strategies can really be aligned and intersect is really important.

So an example I'll use is that we, through a lot of community engagement, learned that one of the barriers to self-employment entrepreneurship in Minneapolis was really a lack of access to capital and a lack of access to technical assistance and that the importance of those two things being aligned. And what we learned is that they weren't necessarily aligned. So we had plenty of like technical assistance programs out there for businesses, but they weren't necessarily totally aligned with the need for capital.

And the need for capital, what we learned is really, really focused on the need for very low-cost or no-cost long-term patient capital that could then in turn be used for leverage the lending capital that is out there and other public and private and PRI and foundation kind of investments that could be made.

So we created what's called the Commercial Property Development Fund in Minneapolis. We provide zero percent interest loans, 40-year terms. We've now in the last two years we've made 21 of these loans totaling I think it's almost $17 million, so the average loan amount is about $500,000. And we truly are serving businesses that would not be in a position to purchase their real estate that they're operating out of and, you know, make sure that they can stay in the communities they're doing business in without this kind of assistance.

We've paired this capital funding; we've aligned with lending partners. We have a lot of really civic community minded lending institutions that need a product like this to bridge that gap so that their lending products can work.

We also paired this effort with business technical assistance programs, which we call BiPAP, and we deliver those BiPAP services through community based and culturally based non-profits and institutions. So that has been something that we, there's just been tremendous demand for in Minneapolis. And there wasn't a product like this before and it has been tremendously effective in serving the needs of our small business community.

MR. MOCK: Thanks for that. So I'm just going to put out another reminder for our viewers that if you have any questions for us that you can submit them via Twitter, you just have to use the #NeighborhoodProsperity. And then you can also email us at Events@Brookings.edu.

And thanks for that, Andrea. I mean I gotta say one of the more surprising things out of this report for me was that, you know, one of the positive indicators of this was, you know, higher rates of self-employment as you were just kind of speaking to. I was shocked to learn that bringing a huge Walmart is not as great as the indicator, you know, helping people set up their own businesses.

You know, what have you seen in Detroit, Wendy, along these lines? Are you seeing that same kind of entrepreneurialism with folks in these neighborhoods?

MS. LEWIS JACKSON: Yeah, very much so. And I saw all of our heads nod as Andrea was talking because I think in Detroit, and probably, Brandon, this is your experience as well, kind of building out that entrepreneurial ecosystem has been at the heart of much of this work in serving neighborhoods well and preventing displacement.

So similar experience in Detroit of building out that kind of robust ecosystem where we have several capital tools as well as technical assistance and business support organizations that are working to support entrepreneurship.

Several years ago philanthropy came together to partner to develop the new economy initiative, which was $100 million philanthropic fund designed to do just what we're talking about and foster entrepreneurship and build out this ecosystem in the City of Detroit. And so that has been really the foundational piece for a lot of what we've been able to establish in terms of growing entrepreneurship in these communities that are experiencing concentrative poverty. And we've been layering and building on that investment ever since.

So the City leads something called Motor City Match which matches businesses with real estate and provides technical assistance and grant support for those business to access and potentially start their business in neighborhoods across the City. We just launched at the Kresge foundation in partnership with Invest Detroit, which is a CDFI based here in the City, a new fund called EBERA which supports Black and brown developers, they're firms specifically so that they're able to have access to capital and grow in a way that allows them to do more development, and particularly housing development in the neighborhoods of concentrated poverty and poverty across the City.

So what Andrea lifted up and to your question, Brentin, the report I think really, again, reinforces what our experience has been in Detroit relative to entrepreneurship and why it's such a critical component of the work and building out a comprehensive approach to serve neighborhoods without displacement.

MR. MOCK: Great. I don't know, I mean another interesting indicator, that increase in housing density. There's also a positive internal indicator of, you know, a decrease in poverty and also less displacement. Very easy thing, right, no one disagrees with increasing house density anywhere, right? You know, have any of you, I'm going to put this open. Have any of you had the experience, you know, pushback or any, you know, any kind of uneasiness around policies concerning increasing housing density. And if so, you know, how did you get through it, you know, how did you circumvent that? Or, you know, if there was just very simple for you all to just say, hey, we need more housing density and they just did it, you know, you can also talk about how those policies helped in your work.

MR. KELLY: I'll jump in. You know, I don't have any specific examples from a density standpoint, but I think the fact is we can all agree that density in housing is critical. But I'll also say this, that oftentimes density is painful. Density is painful oftentimes for folks that are in power. Because there's not a specific financial benefit for them to increase density in the community, but it's the right thing to do.

So really focusing on inclusionary zoning and providing more opportunities for development, especially working with the development community to provide opportunities. Especially I would really love us to do more work in supporting small developers of color. I think that's a great way to really engage communities.

I've been doing some work with Housing NOLA and the Center of

Community Investment with their connecting communities with capital. And we've been really working a lot of work on the bare capital absorption framework. Which is how do we ensure that communities are ready for investment? And that can be through understanding what the sheer priorities are, that can be through developing a coordinated plan, as well as having supportive enabling environments for those communities.

I think the critical thing for me is it has to be a coordinated, comprehensive approach that pulls together multiple partners. Whether it's government officials, the private sector, but also the community itself. Because I think the critical piece in this is the community has to be the center of this approach. Because if this community's not involved, it will not thrive.

MS. LEWIS JACKSON: I would just add on the housing density piece, you know, one of the things that has been I think central to our experience is prioritizing residents that have been in these neighborhoods, have lived in these neighborhoods, making sure that we're not supporting in a disproportionate way housing that, new housing in particular, that can contribute to displacement. So how do we think about home repair and other kinds of supports for residents in housing to build that kind of density, but again with a focus and a priority on residents who have lived in the neighborhood, been there, stayed with it, stuck with it.

MS. BRENNAN: And I'll add to this conversation too. Minneapolis had received a lot of national attention when it adopted its Minneapolis 20/40 Comprehensive Plan and eliminated single family only zoning. Now this was not really, that piece of Minneapolis 20/40 eliminating the single family only zoning was not the most impactful part about the City's Comprehensive Plan when it came to allowing for more density.

But it was important, and the more important piece of allowing for this softer density within neighborhoods is really to remove barriers and provide for more choice and opportunity so that neighborhoods, you know, all neighborhoods can have a range of different housing options within them that meet different housing needs.

And just to put a little bit finer point on that. Since Minneapolis 20/40 has been in effect in the last two years, we have approved 64 duplexes and 21 triplexes. That is not exactly like major transformational neighborhood change but it is happening slowly. And people are taking advantage of the ability to have this softer type density.

And I love the focus in this conversation around, you know, the sort of intersectionality in the multiple strategies like tied into one because, you know, duplexes and triplexes can be a really great strategy for both home ownership and entrepreneurship in the form of people becoming small landlords. And, you know, the Kresge Foundation is actually funding some of this work in Minneapolis that we're really excited about.

But I would say too that, you know, density is essential for affordability but it's not sufficient. So we have to have that very intentional like investment. I loved Wendy's acknowledgement of making sure that we're serving people who, you know, have been here. And in Minneapolis we actually adopted what's called a Community Preference Policy so we can actually use data from the foreclosure crisis to look at neighborhoods that experience the highest rates of foreclosure and folks who lived in those neighborhoods were displaced from those neighborhoods or are currently in those neighborhoods, they basically get a preference when we're developing new home ownership opportunities in our City.

And the other thing I just want to touch on is also the, you know, multiple strategies of as we're producing more affordable housing, investing in more affordable housing and home ownership as well, we are using that as an opportunity to create career paths for emerging developers so that the investment dollars don't just go into producing affordability for people to live in but also create basically like business incubators and create career pathways for emerging developers that are community based, that are small business entrepreneurs to support that growth sector as well.

MR. MOCK: Great. Great. It looks like we have about five minutes left. How about we do a rapid fire, everyone just give your final thoughts about the presentation, about the report, and we can close it out that way. Who'd like to start?

MS. LEWIS JACKSON: I can - - oh, go ahead Brandon. You go ahead because I started.

MR. KELLY: Again, I just think that there's just so many opportunities for us to find ways to support these communities. And again, looking at this collective framework and then finding ways to replicate that into other communities I think is great. But, you know, I'll say this too, I really want us to find ways to support MDIs and CDFIs and using those organizations to support these communities. I think in looking at many of these communities they have a stronger relationship with an MDI or CFI as well as those community building organizations. I think those are critical pieces that if we really, again, very collective, coordinated, experiences, and approaches to development, I think really can make some magic happen. And not just these 200 communities, but communities across the country.

MS. LEWIS JACKSON: I would close, again with a thank you to Brookings Metro and Common Good Labs. You know the report, I think, really emphasized that it is a both way of working, not an either or. And we have to think about this in terms of an emphasis on people and place. And how we like layer these investments or stack and align them in ways that produce these multi-disciplinary and comprehensive approaches.

You know we didn't have time to talk about it but, you know, how does the housing strategy weave with the small business strategy in the open space planning that needs to occur in these neighborhoods. As well as making sure we have high quality early childhood and educational options. So all of that has to come to bear, and I think what is great about the report is that in many ways lifts up for the field why it's important to think about the both and in this work and not just a set of individual projects in neighborhoods.

MS. BRENNAN: I again completely agree with my fellow panelists here. And I mean like I said before, for so long we've been very siloed as an industry and this report I think will be very helpful in helping us continue to break down the silos and really think more comprehensively about our strategies.

And I'm very encouraged to see this report and this research because just the positivity. We can do this. We can actually, we can have a shared prosperity. We can lift communities out of poverty without displacing community members. We can do this work. And I think it's important for us just to be able to focus on that and focus on the use of new data, the use of new tools to help us develop better, more comprehensive, intentional, integrated strategies to do that.

MR. MOCK: Great. Well that is our panel. We would like to thank you, Tracy, for your opening remarks and putting all of this in the context with the example of George Floyd and Minneapolis. Thank you very much for that.

Obviously thank you to Rhett and Rohit for an excellent, excellent report, and for the continuing contribution to this discussion on how to grow prosperity without also facilitating displacement, especially for long-held residents in certain neighborhoods.

And also thank you to our panelists, Wendy, Brandon, and Andrea, thanks so much for, you know, kind of flushing out some of these details and letting us know what's happening in your neck of the woods, Detroit, Baton Rouge, New Orleans, Minneapolis.

And thanks to Brookings Metro for putting this entire thing together.

And thank you to all the viewers who came out to see this.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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