

COMMUNITY Pulse

Community Development Department
Federal Reserve Bank of Richmond

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The views expressed in this report are those of the survey respondents and do not necessarily reflect the views of the Federal Reserve Bank of Richmond or the Federal Reserve System.



Introduction

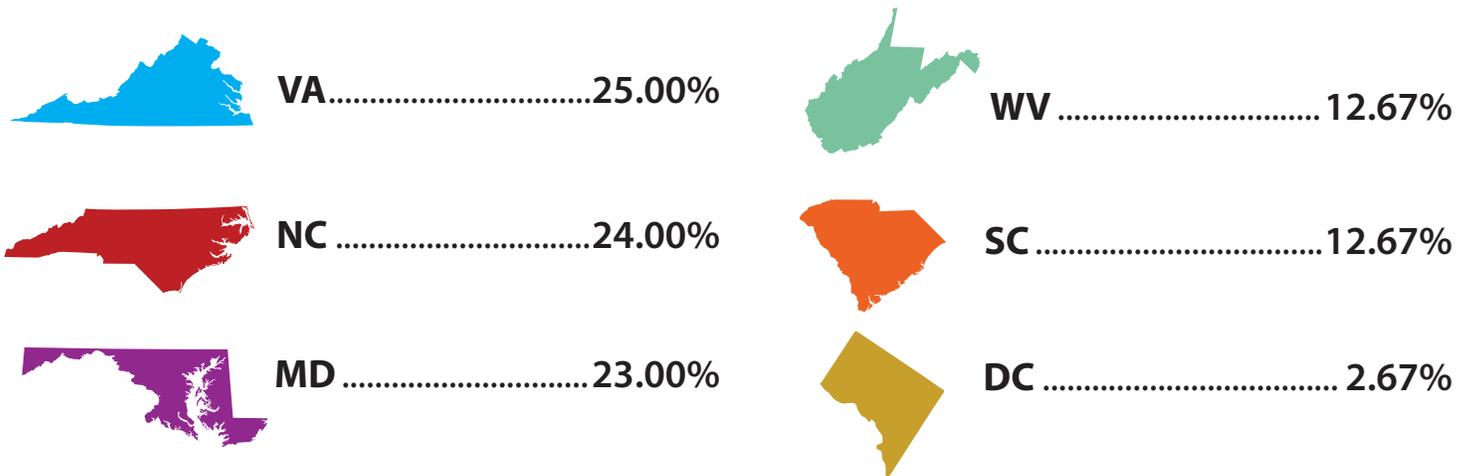
Every year, the Federal Reserve Bank of Richmond surveys experts who represent the Fifth District's numerous and highly diverse communities. The purpose of the survey is to identify the most significant current and emerging issues in our region.

This issue of Community Pulse presents the findings from our 2018 survey. We received 300 responses to the survey. The respondents represent a broad cross-section of community perspectives across Maryland, North Carolina, South Carolina, Virginia, West Virginia and the District of Columbia.

For the first time, we present survey results by client type. There is no break out of results for the District of Columbia because there were fewer than 10 responses from this geography.

Distribution of Respondents

Geography*



Client Type



* The respondent's geographic area is based on their answer to "Please select the jurisdiction in which your organization/business has its primary location."

Best description of your organization*

Non-profit Organization	20.33%
Local Governing Body	11.67%
Chamber of Commerce.....	10.00%
Local Economic Development Authority	8.33%
Other (please specify)	7.00%
Regional Government/Planning Organization	5.33%
Philanthropic Organization	5.00%
Academia or Policy Center.....	4.33%
Community Action Agency (CAA)	3.67%
Community Development Corporation (CDC)	3.33%
Small/medium established company	3.33%
Community Bank.....	2.67%
Local Housing Authority	2.67%
Community Development Financial Institution	2.00%

* Organization descriptions receiving at least two percent of the share of respondents are shown. Five categories (Federal Agency, Law Firm or Public Courts System, Metropolitan Planning Organization (MPO), Public Schools System and Urban/MSA Community Development Non-profit) were not selected by any respondents.

Primary issue area you focus on in your work

Economic development, agriculture, or small business.....	28.09%
Other (please specify)	16.05%
Housing	12.71%
Land use planning, zoning, or transportation	10.03%
Workforce development, job training, or placement.....	8.36%
Health, food insecurity, or child and family well-being	7.36%
Education	5.02%
Community development finance	4.35%
Capacity building	3.34%
Financial education, services, or assistance	3.01%
Arts and culture	1.00%
Community reentry, criminal justice, legal services, or public safety	0.33%
Emergency assistance	0.33%

Current Issues: Rankings

Amount of and/or access to affordable housing remains the top current issue among respondents.

More than 13 percent of the votes cast for the top current issue having the most significant impact on the welfare of their communities went to **amount of and/or access to affordable housing**. The second and third ranked issues were **skill level of local labor force (soft and/or technical)** and **generational poverty**. The top three issues in 2018 match the 2017 rankings.

Amount of and/or access to affordable housing	13.67%
Skill level of local labor force (soft and/or technical)	13.00%
Generational poverty	9.00%
Impact of income inequality in local communities	8.11%
Availability of local job options	7.78%
Improving the quality of K-12 education	7.44%
Health and social well-being of residents*	5.33%
Misuse of and addiction to opioids including prescription pain relievers, heroin, and synthetic opioids such as fentanyl	5.00%
Ability to connect to the Internet at broadband speeds	4.89%
Adequate infrastructure including funding, availability and reliability of sewer, water, roads, public transit options (bus, subway, light rail, etc.)	4.78%
Access to small business financing	3.67%
Structural and institutional racism in practices and policies*	3.22%
Absence of valid, reliable and sustained collaboration among public and private service organizations*	2.56%
Other	2.56%
Capacity and viability of local non-profits	2.44%
Effects of uncertainty in government funding on local communities	2.33%
Impact of crime in local communities*	1.89%
Capacity and viability of local governments*	1.67%
Immigration issues*	0.67%

Note: Based on 300 respondents answering the question – “Based on your experience, please rank the TOP THREE CURRENT issues having the most significant impact on the welfare of the communities you serve TODAY.” Issues with an asterisk (*) were new issues for 2018.

Current Issues: Top 5 Rankings by Fifth District State

Amount of and/or access to affordable housing is the top current issue in Maryland and North Carolina.

The top current issue at the state level varies across the states in the Fifth District. **Amount of and/or access to affordable housing** is the top vote getting issue in Maryland and North Carolina. For South Carolina and Virginia, **skill level of local labor force (soft and/or technical)** is the top issue. In West Virginia, there is a tie between **availability of local job options** and **misuse of and addiction to opioids including prescription pain relievers, heroin, and synthetic opioids such as fentanyl**. Even though the states do differ on their top overall current issue, we do see certain issues including **amount of and/or access to affordable housing**, **skill level of local labor force (soft and/or technical)**, **improving the quality of K-12 education** and **generational poverty** appear in the top five ranking for at least four out of the five states in the Fifth District.

Maryland

Amount of and/or access to affordable housing	14.98%
Impact of income inequality in local communities	11.59%
Skill level of local labor force (soft and/or technical)	9.18%
Generational poverty	8.70%
Improving the quality of K-12 education	7.25%
Impact of crime in local communities	7.25%

North Carolina

Amount of and/or access to affordable housing	15.74%
Skill level of local labor force (soft and/or technical)	15.28%
Availability of local job options	8.33%
Impact of income inequality in local communities	8.33%
Improving the quality of K-12 education	7.87%
Generational poverty	6.94%
Misuse of and addiction to opioids including prescription pain relievers, heroin, and synthetic opioids such as fentanyl	6.94%

South Carolina

Skill level of local labor force (soft and/or technical)	15.79%
Amount of and/or access to affordable housing	14.91%
Adequate infrastructure including funding, availability and reliability of sewer, water, roads, public transit options (bus, subway, light rail, etc.)	9.65%
Improving the quality of K-12 education	7.89%
Generational poverty	7.89%
Health and social well-being of residents	7.02%

Virginia

Skill level of local labor force (soft and/or technical)	15.56%
Amount of and/or access to affordable housing	12.00%
Generational poverty	11.11%
Improving the quality of K-12 education	8.44%
Impact of income inequality in local communities	8.00%

West Virginia

Availability of local job options	14.04%
Misuse of and addiction to opioids including prescription pain relievers, heroin, and synthetic opioids such as fentanyl	14.04%
Health and social well-being of residents	13.16%
Skill level of local labor force (soft and/or technical)	10.53%
Generational poverty	10.53%
Ability to connect to the Internet at broadband speeds	7.89%
Amount of and/or access to affordable housing	7.02%

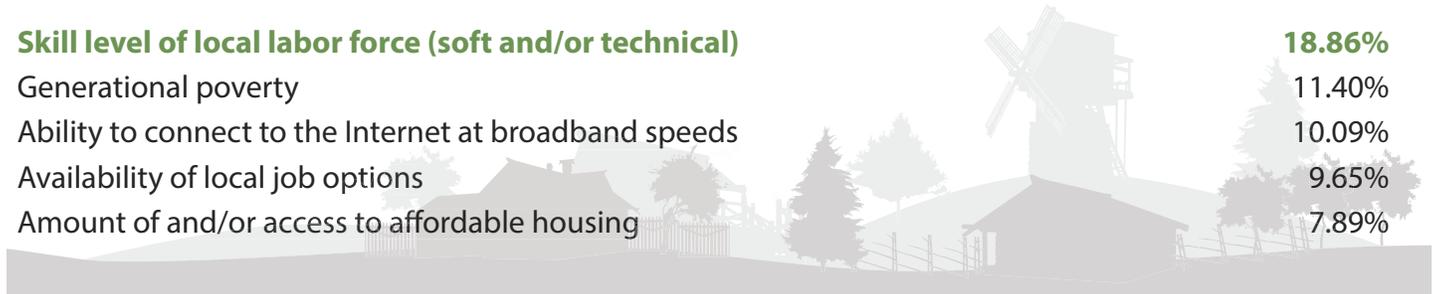
Note: The geographic distribution of respondents answering the question – “Based on your experience, please rank the TOP THREE CURRENT issues having the most significant impact on the welfare of the communities you serve TODAY.” is Maryland (69), North Carolina (72), South Carolina (38), Virginia (75) and West Virginia (38).

Current Issues: Top 5 Rankings by Client Type

Amount of and/or access to affordable housing is the top current issue in Urban and Urban/Rural Mix client types.

The top current issue at the client type-level varies across the Fifth District. **Amount of and/or access to affordable housing** is the top vote getting issue in Urban and Urban/Rural Mix client type settings. For Rural client type, **skill level of local labor force (soft and/or technical)** is the top issue. **Improving the quality of K-12 education** and **ability to connect to the Internet at broadband speeds** are the two issues not appearing in the top five ranking for more than one client type.

Rural



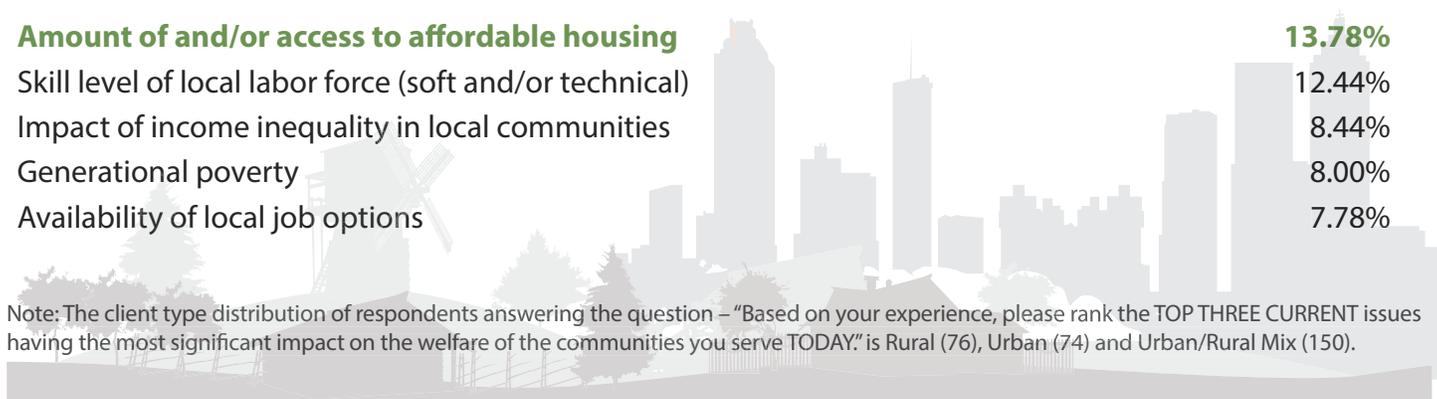
Skill level of local labor force (soft and/or technical)	18.86%
Generational poverty	11.40%
Ability to connect to the Internet at broadband speeds	10.09%
Availability of local job options	9.65%
Amount of and/or access to affordable housing	7.89%

Urban



Amount of and/or access to affordable housing	19.37%
Impact of income inequality in local communities	10.81%
Improving the quality of K-12 education	9.91%
Generational poverty	8.56%
Skill level of local labor force (soft and/or technical)	8.11%

Urban/Rural Mix



Amount of and/or access to affordable housing	13.78%
Skill level of local labor force (soft and/or technical)	12.44%
Impact of income inequality in local communities	8.44%
Generational poverty	8.00%
Availability of local job options	7.78%

Note: The client type distribution of respondents answering the question – “Based on your experience, please rank the TOP THREE CURRENT issues having the most significant impact on the welfare of the communities you serve TODAY.” is Rural (76), Urban (74) and Urban/Rural Mix (150).

Current Issues: Rationales – Amount of and/or access to affordable housing

If you have time, please provide a brief explanation for your rationale in selecting the issues that you ranked as TOP THREE in the question above. The selected quotes below represent explanations written verbatim by respondents.

“The resources and policies to support access and availability of affordable housing in South Carolina continues to be a challenge. These challenges have been exacerbated in the urban centers by rapid development and gentrification. The resources and the availability of land to develop affordable housing are becoming more scarce.” — Other (South Carolina)

“Lack of job options means lack of educated workforce which means insufficient affordable housing. As a public housing entity we do not have a strong waiting list but that is due to so many applicants ineligible due to criminal records. Thus there needs to be another mechanism for providing housing for reentry. Our housing stock is almost 50 years old facing functional obsolescence. Therefore, the uncertainty in government funding for our agency poses critical decision making in the near future for direction of sustainability as well as development of additional affordable housing.” — Local Housing Authority (North Carolina)

“Lack of safe and affordable housing is the second issue as the focus of the housing market is devoted to high income households. Low income housing units are declining while local markets expand to accommodate higher priced townhouses, loft apartments, and upscale homes.” — Community Action Agency (Virginia)

“When workforce is found, finding affordable housing is the next complaint. The rental properties are way too expensive for our salaries.” — Regional Government/Planning Organization (West Virginia)

“Due to the recent reductions in housing funding, developers are not able to produce affordable housing for existing neighborhoods as they were in previous years. Most developments without government subsidies are too expensive for existing residents thus contributing to gentrification.” — Local Governing Body (Maryland)

“The lack of affordable housing is causing major financial instability in the families that negatively affects all members of the family. Typically, in these type of situations, our non-profits are the first line of defense in assisting with recovery, sustainability and advocacy. However, due to the lack of funding, their capacity is very limited and the need is overwhelming.” — Community Development Corporation (North Carolina)

“Where someone lives, often determined by race, affects quality of housing and education, and level of local crime. These in turn affect jobs and generational poverty, etc., etc... But at the end of the day, (affordable) housing is the key element determining everything else for people.” — Academia or Policy Center (Maryland)

“Our area has such a lack of affordable housing that many individuals and families live in motels.” — Non-profit organization (Virginia)

“Affordable housing is an issue across the age spectrum, but it is especially acute among younger local government workers (teachers, emergency workers, etc.), self-employed trades, hospitality workers, and other lower-wage earners.” — Local Governing Body (North Carolina)

Current Issues: Rationales – Amount of and/or access to affordable housing

If you have time, please provide a brief explanation for your rationale in selecting the issues that you ranked as TOP THREE in the question above. The selected quotes below represent explanations written verbatim by respondents.

“Access to quality, affordable housing continues to be a major issue in Maryland. In all geographies across the State, rents and home sale prices are increasing at a pace that is greater than the income levels of low- and moderate-income households. Despite the State’s increased investment and resulting increased production of affordable rental homes and assistance for homebuyers, we aren’t keeping pace.” — State Housing Finance Agency (Maryland)

“Housing affordability results in financial crisis impacting everything else.....leading to displacement, poor health outcomes and homelessness.” — Non-profit organization (District of Columbia)

“The cost of land and construction coupled with the decrease in federal funding make it difficult to develop affordable housing.” — Local Governing Body (South Carolina)

“One of the impacts of inequality is access to affordable housing. The influx of 2nd home construction, wealthier retirees, and telecommuters from Northern VA are driving up the price of land/housing and threatening agricultural land.” — Local Governing Body (West Virginia)

“Affordable housing for low- and moderate-income families is not available in Lee, Harnett, Moore and Chatham Counties. Rental have increased in cost per month due to market forces. Particularly in Sanford many single-family homes are abandon[ed], due to being in probate, or lack of landlords desire to reinvest funds and rent again. These home[s] become lost to the community. Currently, there are many (I would hesitate to say over 100) homes that must be torn down, because of the derelict and dangerous conditions of the structure.” — Community Development Corporation (North Carolina)

“We are a suburban community that is split into the “Upper County” and “Lower County” by the Yorktown Naval Weapons Station and Colonial National Historical Park. The Upper County is more closely associated with Williamsburg. [M]ost of the affordable housing stock is in this portion of the county and has more of the undeveloped and under developed property and qualifies for funding under USDA’s Rural Development programs. The Lower County is more closely aligned with Newport News and is much more densely populated. The housing in this portion of the county is less affordable and has very little available developable land and is not USDA RD eligible. We have only two rent controlled multifamily housing communities within the county and the few other rental communities are not affordable to our low- and moderate income citizens.” — Local Governing Body (Virginia)

Current Issues: Rationales – Skill level of local labor force (soft and/or technical)

If you have time, please provide a brief explanation for your rationale in selecting the issues that you ranked as TOP THREE in the question above. The selected quotes below represent explanations written verbatim by respondents.

“A shortage of qualified workforce is the most common complaint that I hear as constraining our economic growth. We have jobs and create new jobs but cannot sustain an adequate workforce.” — Regional Government/ Planning Organization (West Virginia)

“At the same time that there is shared agreement generally that high-wage jobs are in short supply, there is less awareness outside the workforce and economic development circles that we have a skill-shortage that means higher-skill jobs go unfilled (quality control, testing, some manufacturing processes) and even lower-wage jobs go unfilled in the absence of perceived gaps in soft skills for a lot of our community members. Our local economic development office has been tracking the jobs that employers find hard to fill, and we are working on this topic in our community, but data supports my putting this topic second.” — Philanthropic Organization (Virginia)

“Need for middle skilled workers is critical in our community. We do not have the skilled workforce yet we continue to recruit new businesses.” — Non-profit organization (South Carolina)

“Quality available labor is becoming more and more of an issue for most localities, including this region of North Carolina. We as a nation, state and county must address this concern, from students and adults being guided away from technical and industrial employment opportunities, therefore a lack of training opportunities in the skilled sectors, to lack of preparation of employees in “soft skills”, etc.” — Local Economic Development Authority (North Carolina)

“Skill levels of the labor force in communities of extreme poverty continue to present a major barrier to securing employment that leads to self-sufficiency.” — State Housing Finance Agency (Maryland)



Current Issues: Rationales – Skill level of local labor force (soft and/or technical)

If you have time, please provide a brief explanation for your rationale in selecting the issues that you ranked as TOP THREE in the question above. The selected quotes below represent explanations written verbatim by respondents.

“Skill level of local labor force - The mind set of many West Virginians is to rely on the extractive industries for jobs. Our people are part of an “energy based blue collar” culture. The majority of our people expect high pay for work that requires little or no education because that is all we’ve known and that perpetuates generations of people that don’t value education driven industries and healthy lifestyles. ... “[T]here is not enough diversification in our economy.” — Other (West Virginia)

“Workforce training is not keeping up with demand as companies have large jobs availability options but can’t find the trained qualified workers to fill the jobs. Some of the issue deal[s] with soft skills and societal issues such as passing drug screening tests, showing up for work every day, as well as not having the technical skills needed.” — Local Economic Development Authority (Virginia)

“We need TECHNICAL skills in our workforce, work ethic, and for them to be able to get to work.” — Small Business Development Center (South Carolina)

“The pool of available labor in the area is not sufficient to keep up with growing demand related to new business locations and/or expansions. A serious focus on regional planning to align community resources to develop a regional talent pipeline is critical to our future prosperity.” — Regional Government/Planning Organization (North Carolina)

“Employers are unable to grow, or, in some cases, even sustain due to the lack of available workforce. That being said, the workforce itself is fragmented and under severe strain. More and more households are struggling to make ends meet as there are rising health care, housing, food, and transportation costs. Average wages do not support a healthy, balanced lifestyle. “Middle” class jobs, like teachers, are forced to work multiple jobs to make ends meet.” — Community Development Corporation (Maryland)

Current Issues: Rationales – Generational poverty

If you have time, please provide a brief explanation for your rationale in selecting the issues that you ranked as TOP THREE in the question above. The selected quotes below represent explanations written verbatim by respondents.

“Generational poverty is a cycle that must be ended. The lack of opportunity, hope, knowledge that a better life is possible (and what that could look like), combined with an ineffective and inadequate education system is a formula for generational poverty.” — Other (Maryland)

“Developing existing talent, and that of those people who move here, is critical to break the generational cycles of poverty which contribute to income inequality.” — Chamber of Commerce (North Carolina)

“One [in] 5 young children in SC is raised under the federal poverty line; the communities we serve face this dynamic as a microcosm of our state. Low or underemployed workers and disconnected youth is a troubling data point for us. As a post-textile, rural community, we face the ghost of generational reliance on the “mill” as one aspect of the community’s past. This dependence on one industry, combined with low educational attainment and experience, has been a factor in stymieing economic growth.” — Philanthropic Organization (South Carolina)

“Multi-generational, concentrated poverty is the central challenge in the Richmond region. Every other significant challenge - and they are in many instances, profound - remains a “downstream” problem. Creating meaningful educational opportunities for the 40% of Richmond’s children living in poverty and shortening pathways to living wage employment are the least costly, most quantifiably likely ways to reach anti-poverty “escape velocity.”” — Small/medium established company (Virginia)

“WV has counties that have suffered from high poverty for decades. These same counties are also economically challenged. If we are going to break this cycle, we have to do something that is both disruptive and innovative. What I think is holding back many of these communities, is that they are not livable. Main streets are boarded up, little community-wide activities, many are in the middle of food deserts, residents don’t have access to safe places to walk or exercise, parks are not maintained, limited community arts programming, etc. If we want small business owners and entrepreneurs to locate in these communities, we need to develop a comprehensive plan - not a bunch of siloed planning by different groups. Business owners also need access to a healthy, productive workforce - beyond just a drug-free workforce. So health is a thread that runs through all aspects of community development/revitalization. If we focus on creating conditions in communities where people have healthy choices, then we will also create livable, vibrant communities where people want to live. Yes there is personal responsibility for one’s health, but there is also collective responsibilities for all who live in a community to create a culture of health in our communities. And these are the communities where business owners want to locate their families and employees. If we don’t take disruptive action to break this cycle of generational poverty, the same counties will miss the economic transformation that I think is occurring throughout Appalachia.” — Non-profit Organization (West Virginia)

“Poverty is a significant issue in some part[s] of the region due to the systems/challenges that hold people back.” — Workforce Development Organization (Virginia)



Current Issues: Rationales – **Generational poverty**

If you have time, please provide a brief explanation for your rationale in selecting the issues that you ranked as TOP THREE in the question above. The selected quotes below represent explanations written verbatim by respondents.

*“Generational poverty comes from a lack of education and resources in my opinion. At social services the grandmother is 45, daughter 36 and granddaughter with a first child is 18. This is a real case for our population if we can educate and protect the family unit some of these issues would subside.” — **Social Services or Public Health Agency (Maryland)***

*“Most of our clients are in the cycle of generational poverty. Their children, whom we serve, frequently have no role models and come from families with few resources, either financial or skill. Many of the families from which our clients come have poor housing and limited paths to improvement. Housing prices in Raleigh are increasing rapidly, population growth exacerbates the issue, and gentrification is becoming rampant. Great for the owner, awful for a tenant. As a result, our families get squeezed, have to move with a resulting disruption to their children’s education and social structures, and have no resources to cushion the impact.” — **Non-profit Organization (North Carolina)***

*“Generational poverty leaves a substantial portion of our population at critical risk for being non-participating citizens, and as a result the entire population is at significant risk. This poverty increases the chasm between those with financial means and those who lack it. It also drives the adverse health and well-being outcomes for our citizens. This poverty under-girds why children of past, current and future generations will not have the tools for future economies that evolve in our communities. Yet those experiencing poverty have rich assets that could benefit the economic well-being of our community.” — **Non-profit Organization (Virginia)***

*“Each of these foundational issues impact[s] our region’s ability to create a skilled workforce, attract employers, or sustain homegrown businesses that foster unique communities with a high quality of place. Poor education exacerbates poor health outcomes, and poor health outcomes exacerbate generational poverty creating a terrible and costly cycle that further contributes to hopelessness in rural communities undergoing economic transition.” — **Local Governing Body (West Virginia)***

*“Lastly, our community has identified generational poverty as a primary issue we must overcome. Those born into poverty are statistically shown that they will likely remain in such an economic state, even to a greater degree of suffering than the previous generation. As a community, we are pursuing strategies to break this cycle, creating pathways to prosperity for future generation. We have a wonderful, diverse, and young community. Our leadership is focused on rapidly advancing our local economy and elevating the prosperity of our citizens. We recognize the scale of challenges we face, and that overcoming them will require a sustained and substantial investment of resources, energies and political will.” — **Local Economic Development Authority (North Carolina)***

*“Poverty impacts all of the jurisdictions in this planning district. It means property values are lower, people with less income negatively impacts the region’s ability to attract businesses, services. There are higher percentages of rental properties. People who place a high value on education for their children want to live in communities with excellent schools and where education is highly valued. Without a tax base, localities struggle to provide services. Without adequate funding for education, school divisions are unable to compete, cannot upgrade facilities, programs. Career & technical education programs/facilities are not current, relevant. There is an overwhelming acceptance of mediocrity (“pretty good is good enough”).” — **Planning District Commission (Virginia)***

Current Issues: Rationales – Ability to connect to the Internet at broadband speeds

If you have time, please provide a brief explanation for your rationale in selecting the issues that you ranked as TOP THREE in the question above. The selected quotes below represent explanations written verbatim by respondents.

“My first thought was broadband, because rural areas already challenged by transportation are now also challenged by school districts going away from traditional schoolbooks to online resources & assignments that have to be submitted by a certain time online, but with no neighborhood/at-home means to do so.” — Local Governing Body (North Carolina)

“Lack of broadband availability and affordability is a pervasive rural issue and one which results in multiple inequities in the district. Business development, entrepreneurship, education, human services and overall quality of life is negatively impacted by the lack of sufficient and affordable broadband.” — Philanthropic Organization (West Virginia)

“We’re in a rural community that has no access to high speed internet for business development.” — Chamber of Commerce (Virginia)

“Broadband is the new electricity. For citizens to be able to access services, medical treatment and educational opportunities they must have access to the internet through broadband.” — Non-profit Organization (South Carolina)

“...the lack of rural broadband severely limits the ability to attract and retain professionals living in the area. In addition, the lack of rural broadband restricts the ability of rural citizens to upgrade their skills via remote learning.” — Regional Government/Planning Organization (North Carolina)

“Broadband access is important to develop skills, gain credentials without having to travel far, education and completing school work and finding better-paying jobs.” — Other (Maryland)

“Improved broadband access would allow the possibility of telehealth/telemedicine, which also assists our patients that have transportation barriers.” — Medical Center/Health System (West Virginia)

“I put the third effect as internet connectivity at broadband speeds because we are seeing a significant migration to the cloud, but that’s required.” — Small/medium established company (Virginia)

“Broadband infrastructure is a not-so-distant second, for, like leadership, with it everything else becomes harder to impossible. Education, health delivery use of telehealth strategies, supporting small businesses connecting to global market, to name just a few.” — Rural Community Development Non-profit (North Carolina)

“We must have high speed broadband deployed throughout our community for the businesses to grow and develop, and offer the jobs these people are seeking. And all business are now dependent on high speed internet. Broadband is not a luxury; it is as necessary as water and electricity.” — Chamber of Commerce (Maryland)

“Broadband access prevents us from being able to digitally connect in meaningful ways; limits educational opportunities and impedes business expansion and development.” — Regional Government/Planning Organization (West Virginia)

Current Issues: Rationales – Ability to connect to the Internet at broadband speeds

If you have time, please provide a brief explanation for your rationale in selecting the issues that you ranked as TOP THREE in the question above. The selected quotes below represent explanations written verbatim by respondents.

“In a rural area, the high cost of satellite internet and the slow speeds keep impoverished people from taking advantage of the more lucrative work at home opportunities.” — Local Governing Body (Virginia)

“Portions of the County have adequate broadband and some choice of providers. Most of the County suffers from little to no broadband availability at affordable rates or a single provider with marginal service.” — Local Governing Body (North Carolina)

“[C]hildren having issues with learning due to bullying, conditions in the home (homelessness, lack of utilities, lack of internet access for education).” — Social Services or Public Health Agency (Maryland)

“Regulatory hurdles surpass funding hurdles to provide broadband to rural/low density areas.” — Local Governing Body (Virginia)

“Also the lack of effective, affordable and efficient broadband does not allow for business expansion, retention or attraction. It also does not allow for our children to have the education that is needed particularly with the schools doing away with hard textbooks and only having digital books. If a child doesn’t have internet at home, they are not able to do their homework.” — Regional Government/Planning Organization (North Carolina)

“Broadband Internet has begun to be solved based upon a Prince George County and Prince George Electrical Cooperative public - private partnership that have been given NACo and VACo Awards but more still needs to be done to increase internet access for all County business owners and residents.” — Local Governing Body (Virginia)



Current Issues: Rationales – Ability to connect to the Internet at broadband speeds

If you have time, please provide a brief explanation for your rationale in selecting the issues that you ranked as TOP THREE in the question above. The selected quotes below represent explanations written verbatim by respondents.

“The need for internet at broadband speeds is great in our area, especially the “last mile” in rural areas. In many areas that are deemed to have access, the speed is not actually sufficient and should not be classified as broadband. Broadband internet is essential for economic development, and also so rural citizens can compete by applying for jobs, and using the internet for educational purposes.” — Regional Government/Planning Organization (North Carolina)

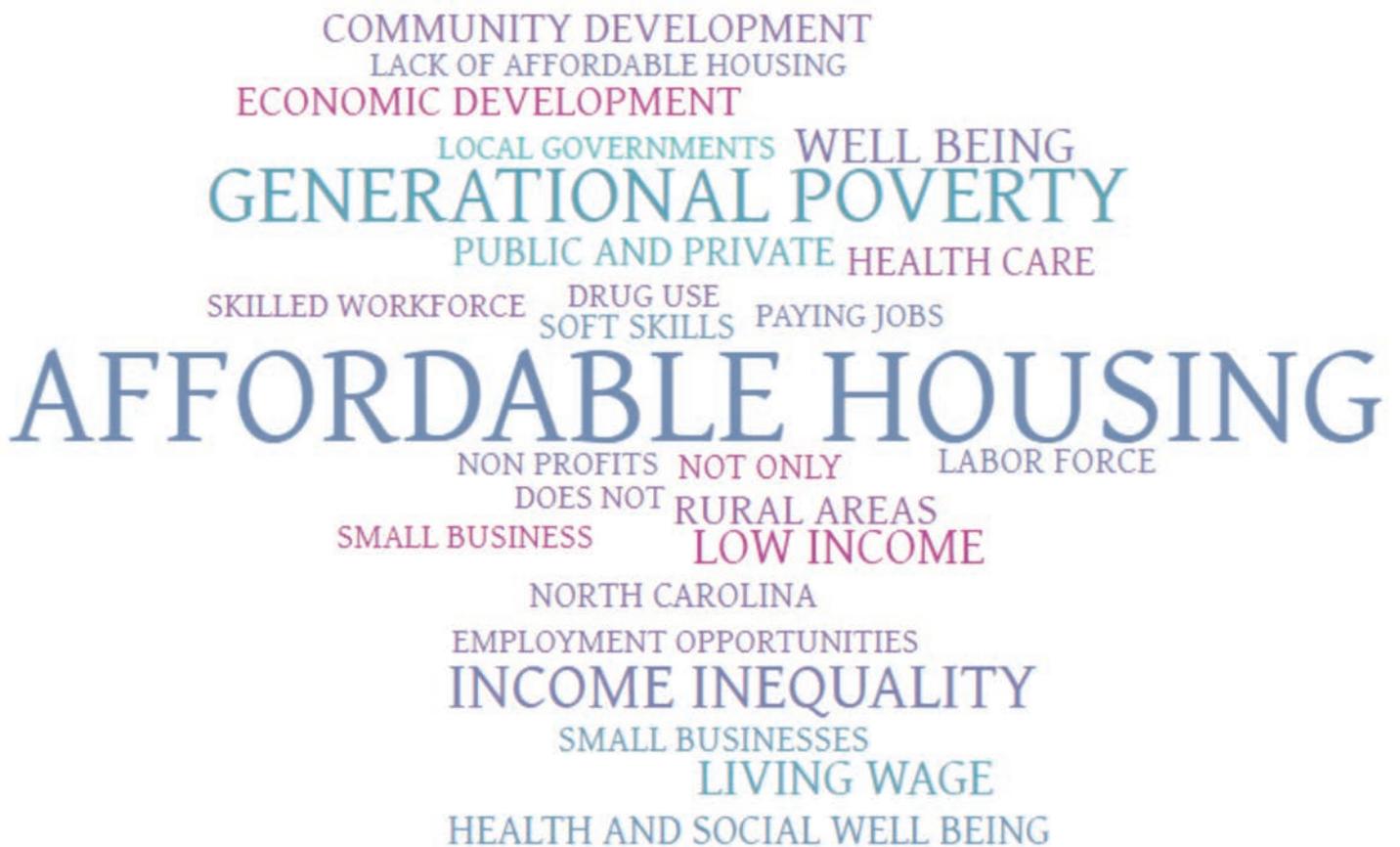
“Rural areas are also lacking real broadband access with dependable service at affordable rates. In fact, the Atlantic Coast Pipeline was originally proposed to be monitored with fiber - but that effort was dropped when Telcos complained. That could have meant more safety as well as a means to provide real broadband to areas no one wants to serve. The current environment where providers have no motivation to serve anywhere that they will not obtain the highest return on their investment, and where they are being allowed to actually jettison their rural service territories, is dangerous. Not only does it mean that there are haves and have nots in relation to effective broadband, but it means those unserved areas are unable to draw population and those already in the areas cannot effectively compete in today’s marketplace. New strategies are needed if currently unserved areas are to be brought up to standard. The areas left unserved are often widely distributed pockets which makes a solution like rural electric cooperatives also not economical.” — Academia or Policy Center (Virginia)

“The NC General Assembly prohibits local County governments from expanding broadband service to our rural areas, preferring to give that right to the Towns, which only partner with the major internet providers that only desire to serve the high density urban regions. This means that home based business and school children living in our rural areas don’t have access to quality internet service in which to do business, study or do homework, etc.” Local Economic Development Authority (North Carolina)



Phrases Word Cloud

The word cloud shows the phrases used by respondents in their response to the question that asked for their rationale in selecting the issues that they ranked as TOP THREE current issues in their communities. The text size corresponds to the number of respondents who used the same phrase. Due to word cloud size constraints, the visual is showing only those phrases that were mentioned by at least five respondents in their answers. For example, there were 21 instances of “generational poverty” among 20 respondents compared to five instances of “employment opportunities” among five respondents.



Significant Concern: Income and Financial Stability

What is the most significant concern you have around *income and financial stability* for low- and moderate-income individuals in your geographic service area?

Very low or no income	47%
Lack of financial savings	12%
Other (please specify)	12%
Significant household debt, including student loan debt	9%
Lack of access to financial mainstream or reliance on alternative financial services	7%
High effective marginal tax rates that make it harder for low-income households to transition out of government programs providing cash and in-kind benefits and into the middle class	7%
Low consumer credit score	3%
Low or no awareness of Earned Income Tax Credit (EITC) eligibility, free tax preparation services and financial education opportunities	2%
Absence of a financial institution branch in the immediate community (i.e. beyond a deposit taking ATM)	1%

Other:

"There are few to no holistic support programs to address the barriers to employment, jobs with very low wages, financial planning and management, etc. to allow an individual to move to self-sufficiency."

"Lack of emphasis on vocational and certificate programs to allow our youth to compete for the many jobs requiring only a one or two year vocational/industrial certificate of competency."

"Government support programs (SNAP, TANF etc.) need long-term sliding scale benefit eligibility to avoid fear of cut off when people go to work and start earning more income. Also need the same for healthcare."

"Lack of access to adequate housing, healthy food, and education to enable economic mobility in current and future generations."

"Lack of financial literacy skills which leads to debt, no savings, not being eligible for traditional financial institution services..."

"[R]ampant gentrification of our community and the out-migration of lower income residents, which has a high degree of minority representation."

Note: Based on 286 responses to the question – "What is the most significant concern you have around income and financial stability for low- and moderate-income individuals in your geographic service area?"



Significant Concern: Education

What is the most significant concern you have around education for low- and moderate-income individuals in your geographic service area?

Lack of quality K-12 education	19%
Other (please specify)	19%
Failure to attract and retain high quality teachers and other school staff	16%
Lack of access to vocational training or higher education opportunities	15%
Disparities in school funding	15%
Inadequate provision of quality public early childhood education	12%
Poor condition of school facilities	5%

Other:

"[L]ow to moderate income individuals are so busy trying to survive that they don't, or can't, participate in educational opportunities which might ultimately benefit them."

"Failure to provide career choices that align interests, in-demand careers with upward mobility potential and training."

"Absence of proven supplemental programs to provide these individuals with the help they need in K-12 schools."

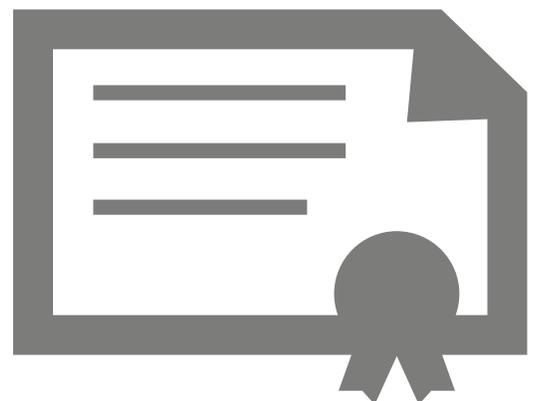
"[S]ufficient neighborhood schools that are safe walking distances from home."

"[S]tudents and parents are marketed and misinformed that college is the only real path to financial freedom."

"Lack of transportation and/or internet service to connect with educational programs."

"School segregation, i.e. still separate and unequal schools, manifested in these symptoms."

Note: Based on 286 responses to the question – "What is the most significant concern you have around education for low- and moderate-income individuals in your geographic service area?"



Significant Concern: Employment Opportunities

What is the most significant concern you have around employment opportunities for low- and moderate-income individuals in your geographic service area?

Available jobs do not match low- and moderate-income residents' skill sets	26%
Jobs tend to be low wage, part-time or seasonal	19%
Lack of support services such as job training, reliable transportation or child care	14%
Failure to pass drug tests required for employment	8%
Other (please specify)	8%
Too few employment opportunities	8%
Disparities in employment outcomes for specific populations (previously incarcerated, young adults (16-24 year olds), or people with disabilities)	6%
Lack of economic diversity in the region (jobs concentrated in just a few industries)	5%
A significant shift in the type of jobs available in recent years due to changes in local industries and employers	4%
Low or no utilization of apprenticeship programs, certifications, etc.	3%

Other:

"Local jobs do not pay enough for families to be self-sufficient due to raising housing and child care costs."

"Many small businesses are burdened with out of control healthcare costs that limit the number of positions and wage level employers can offer which then negatively impacts the community."

"Lack of American support of Apprenticeship type programs which are a proven methodology for fostering upward economic and social mobility."

"Insufficient coordination of transitional services to support those able to engage into a Living Wage Career pathway. (The resources are often available - just not connected.)"

"Lack of jobs in the immediate area. When construction happens in this area they do not hire the residents."

"Concentration of jobs in certain areas of state eviscerates many, many communities."

"[D]istance, or lack of adequate transportation, between workforce and available employment centers."

Note: Based on 286 responses to the question – "What is the most significant concern you have around employment opportunities for low- and moderate-income individuals in your geographic service area?"



Significant Concern: Housing Opportunities

What is the most significant concern you have around *housing opportunities* for low- and moderate-income individuals in your geographic service area?

Affordability of housing	37%
Shortage of housing stock or availability of rental units	17%
Renovation and maintenance of existing aging housing stock	14%
Location of available housing stock such as proximity to high performing schools, public transportation or employment centers	13%
Lack of opportunities for low- and moderate-income individuals to enter into home-ownership	10%
Other (please specify)	5%
Displacement of low- and moderate-income individuals due to neighborhood change	4%

Other:

“Lack of options for affordable housing outside of highly concentrated low income housing projects.”

“Regentrification is not only causing displacement of people from their neighborhoods, but it is being allowed to happen in multiple places at once so the displaced have no place to go. There is no affordable housing (outside of government housing) left in Charlotte. When you break apart a neighborhood, you are also displacing people from the support systems they built in those communities (like alternative financing, corner stores, etc) which then weakens those structures for the adjoining areas.”

“Exclusionary zoning, lack of affordable housing in areas of job growth and high performing schools, and other forms of residential segregation which lead to these outcomes.”

“Severe deterioration of affordable housing, renter or owner-occupied.”

Note: Based on 286 responses to the question – “What is the most significant concern you have around housing opportunities for low- and moderate-income individuals in your geographic service area?”



Significant Concern: Health

What is the most significant concern you have around *health* for low- and moderate-income individuals in your geographic service area?

Provision, coverage and affordability of health insurance	33%
Prevalence of chronic health conditions, such as diabetes or asthma, related to life-style factors and/or living and work environments	19%
Logistical barriers to accessing quality health care such as distance from providers, transportation availability or days/hours that care is provided	14%
Misuse of and addiction to opioids including prescription pain relievers, heroin, and synthetic opioids such as fentanyl	13%
Impact of crime and violence on health and well-being in low- and moderate-income communities	7%
Other (please specify)	6%
Lack of preventative health care	6%
Availability of services for seniors to age in their community	2%
Language or cultural barriers to health care access or provision	1%

Other:

“Reliance on emergency room services for non-emergency treatment of illnesses and the resulting drain on public resources.”

“Lack of education around healthy lifestyle; lack of quality food options; ratio of fast-food options vs. fresh food options.”

“Disparities in health and life expectancy based on unequal neighborhood conditions.”

“Lack of providers especially for mental health.”

“Uncontrolled cost of health care with no apparent improvement in health of population.”

Note: Based on 280 responses to the question – “What is the most significant concern you have around health for low- and moderate-income individuals in your geographic service area?”



Significant Concern: Small Business and Entrepreneurship

What is the most significant concern you have around small business and entrepreneurship for low- and moderate-income individuals in your geographic service area?

Lack of opportunities for low-income individuals or populations (minority, women, veteran) that are uniquely challenged to become entrepreneurs	27%
Lack of business acumen and/or lack of mentorship, training and support services to teach business skills	24%
Ability to attract and retain qualified employees	20%
Coordination issues across the array of small business technical assistance providers, lenders and other support organizations	10%
Reasonably qualified small business owners remain unable to gain loan approval	7%
Other (please specify)	7%
Absence of a financial institution branch in the immediate community (i.e. beyond a deposit taking ATM)	4%
Lack of awareness about the potential risks associated with non-traditional financial options	2%

Other:

"Our low income population are so stressed trying to get by and navigate a system that is not built with their needs in mind, they are not even thinking about entrepreneurship as an option."

"We have great local entrepreneurship programs, but lack of coordination between entities reduces potential of success."

"Services are available but there is insufficient resources to make the community aware of the services."

"It is increasingly difficult to find profit margins in most businesses."

"[B]ureaucracy, egregious timelines, and redundant paperwork associated with small business permits."

"Need for small business incubator."

"Lack of a safety net (healthcare, etc.) to allow risk taking and entrepreneurship."

Note: Based on 280 responses to the question – "What is the most significant concern you have around small business and entrepreneurship for low- and moderate-income individuals in your geographic service area?"



Significant Concern: Top Concern by Subject Area and State

What is the most significant concern you have around [insert subject area] for low- and moderate-income individuals in your geographic service area?

Maryland	North Carolina	South Carolina	Virginia	West Virginia
Income and financial stability				
Very low or no income	Very low or no income	Very low or no income	Very low or no income	Very low or no income
Education				
Lack of quality K–12 education	Other (please specify)	Disparities in school funding	Failure to attract and retain high quality teachers and other school staff	Failure to attract and retain high quality teachers and other school staff
Employment opportunities				
Available jobs do not match low- and moderate-income residents' skill sets	Available jobs do not match low- and moderate-income residents' skill sets	Available jobs do not match low- and moderate-income residents' skill sets	Available jobs do not match low- and moderate-income residents' skill sets	Failure to pass drug tests required for employment
Housing opportunities				
Affordability of housing	Affordability of housing	Shortage of housing stock or availability of rental units	Affordability of housing	Affordability of housing
Health				
Provision, coverage and affordability of health insurance	Provision, coverage and affordability of health insurance	Provision, coverage and affordability of health insurance	Provision, coverage and affordability of health insurance	Prevalence of chronic health conditions, such as diabetes or asthma, related to lifestyle factors and/or living and work environments; Provision, coverage and affordability of health insurance (tie)
Small business and entrepreneurship				
Lack of opportunities for low-income individuals or populations that are uniquely challenged to become entrepreneurs	Lack of business acumen and/or lack of mentorship, training and support services to teach business skills	Lack of opportunities for low-income individuals or populations that are uniquely challenged to become entrepreneurs	Lack of opportunities for low-income individuals or populations that are uniquely challenged to become entrepreneurs	Lack of business acumen and/or lack of mentorship, training and support services to teach business skills

Note: The geographic distribution of respondents answering the question – “What is the most significant concern you have around [insert subject area] for low- and moderate-income individuals in your geographic service area?” is Maryland (66 to 68), North Carolina (69), South Carolina (33 to 35), Virginia (68 to 69) and West Virginia (36 to 37).

Looking Ahead: Positive Impact

Looking ahead, what issue(s) do you see as having a positive impact on the welfare of the communities you serve and why? Be as specific as possible. The selected quotes below represent issues written verbatim by respondents.

"Access to opportunity through affordable housing accessible in all neighborhoods." — Non-profit Organization (District of Columbia)

"We are constructing a light-rail line (the Purple Line) that will connect wealthy communities (like Bethesda) with less wealthy, more ethnic communities (like Long Branch). The Purple Line will offer opportunities for small businesses along the line, but efforts must be made to avoid gentrification." — Regional Government/Planning Organization (Maryland)

"CRA Reform has the greatest potential for positive impacts given that many of the communities we serve have always been underserved." — Community Development Financial Institution (South Carolina)

"Shifts to population health strategies (e.g., accountable care organizations, shared savings, emergency room diversion) is causing many health systems to look to root causes of health utilization. This is pushing a shift to prevention and social determinants in some communities. For instance, Virginia Commonwealth University Health System's Coordinated Care's ED diversion program for the uninsured provides primary care health services for uninsured individuals." — Social Services or Public Health Agency (Virginia)

"Development of food distribution networks throughout Southern West Virginia that will increase food access and opportunities to enter the agricultural industry workforce." — Local Governing Body (West Virginia)

"Increased diversity in employment - jobs concentrated in different fields at companies focused on hiring a variety of staff with a wide range of skillsets. School settings with great resources, funding, and excellent teachers dedicated to the advancement of all children, particularly low income children of color." — Non-profit Organization (District of Columbia)

"In the Baltimore region we are starting to see fair housing strategies to expand affordable housing options in areas with high performing schools and job growth achieve critical mass and momentum, and barriers reduced one by one. Examples include housing mobility programs to unlock the potential of housing vouchers and a shift in priorities for siting LIHTC. There is also a greater awareness that continuing to concentrate affordable housing in disinvested areas is counterproductive for the people who live in the units and hasn't worked to revitalize neighborhoods. As a result, there is more focus on other types of investment in lower income neighborhoods, e.g. Baltimore's 21st Century School rebuilding initiative." — Non-profit Organization (Maryland)

"Growth in number of CDFI's and knowledge of their services as well as growing advocacy against payday lenders." — Philanthropic Organization (South Carolina)

"[C]ontinued collaboration with non-traditional organizations, including the faith based community. The faith based community is able to access the community at a different level because there is long founded level of trust." — Regional Government/Planning Organization (North Carolina)

Looking Ahead: Positive Impact

Looking ahead, what issue(s) do you see as having a positive impact on the welfare of the communities you serve and why? Be as specific as possible. The selected quotes below represent issues written verbatim by respondents.

“As transportation access improves into the county with the construction of Corridor H, the pristine environment makes it attractive both as a [get-away] location, (tourist industry) and for the development and expansion of small cottage industries with comparatively low labor force and overhead costs. These factors will provide opportunity as long as we are prepared to meet the demand as opposed to letting the demand pass us by.” — Regional Government/Planning Organization (West Virginia)

“The accessibility of broadband in all parts of the County would have a positive effect on the broader community, allowing for more home-based businesses, access to education (both higher education and basic schooling), in addition to providing for communication, internet, etc. The extent of the County without service (even wireless) is significant and providing broadband would improve the quality of life for all.” — Local Governing Body (Virginia)

“The fact that WV expanded access to the Medicaid health insurance program under the provisions of the Affordable Care Act has had a tremendous positive effect on access to healthcare, including mental and behavioral health and treatment for substance use disorders.” — Non-profit Organization (West Virginia)

“Providing contracting and procurement opportunities to minority owned businesses.” — Non-profit Organization (District of Columbia)

“Offering universal preschool as to better develop ‘soft’ skills.” — Local Economic Development Authority (Maryland)

“(1) New opportunities for mobility and access to jobs presented by the opening of Charlotte’s second light rail line and other plans to expand mass transit. (2) More attention being focused on the Urban-Rural divide issue (by both local and state officials), which will hopefully lead to new policy initiatives focusing on rural communities in North Carolina. (3) A greater focus on affordable housing solutions in Charlotte.” — Academia or Policy Center (North Carolina)

“Spartanburg County continues to address all of the area’s issues with the “One Spartanburg” initiatives. Money and manpower has flowed into the execution of the initiatives, and the uplift in the local economy has definitely impacted everyone in the County (positively).” — Small Business Development Center (South Carolina)

“Lynchburg Beacon of Hope has just committed to provide free college education for all graduating seniors in city high schools at Central Virginia Community College and \$2,000 per year for four years to any graduating senior who will attend a local college (University of Lynchburg, Randolph College, Sweet Briar College, Liberty, and the Centra College of Nursing). This program is good for the next five graduating classes. I believe it is unique in the state and possibly the region.” — Philanthropic Organization (Virginia)

“The major collaborative efforts of the main stakeholders of the community such as workforce boards, community colleges, state agencies, K-12 schools, certain non-profits such as Goodwill Career Centers, and Economic Development to remove the silos and attack the problems by breaking down the many components.” — Local Economic Development Authority (North Carolina)

Looking Ahead: **Negative** Impact

Looking ahead, what issue(s) do you see as having a negative impact on the welfare of the communities you serve and why? Be as specific as possible. The selected quotes below represent issues written verbatim by respondents.

"Gentrification in DC has greatly impacted families of color facing financial struggles. What was once multiple generations of middle income African-Americans who were native Washingtonian, i.e. the Chocolate City, has become completely gentrified and unaffordable for most individuals not within a certain income bracket or racial group." — **Non-profit Organization (District of Columbia)**

"Lack of East-West Transit access to job centers. Available apprenticeship programs that offers stipends while training. Quality Education with infusion of male teachers to maximize the 20th Century School improvements." — **Community Development Corporation (Maryland)**

"We are losing our naturally occurring affordable housing to investors who are aggressively purchasing modest-rent apartments and "repositioning" them with rehabs and then increasing rents 20-30%. It is estimated that Charlotte has lost 18,000 units of this type of housing in the last two years. Increases in population are leading to increases in the low-income population. Affordable housing development has not kept up with demand." — **Community Development Corporation (North Carolina)**

"Inadequate funding for sewer facilities. We cannot grow our industrial base or our housing stock without new capacity and the ability to extend collection lines. We will not grow without change in this area." — **Local Economic Development Authority (South Carolina)**

"Access to reliable transportation is the most critical issue that impacts: the low-income community, the elderly and mobility challenged population, and working class that view vehicle ownership as a poor investment option. The lack of licensed childcare has impacted and will continue to impact the region's working class families. The need is critical for more before and after school programs. The lack of home services to the elderly population including housing, health and medical, and nutritional programs." — **Community Action Agency (Virginia)**

"Lack of people ages 21-30. The whole state is becoming a retirement community. We need a next generation. We need jobs for young people and affordable rental housing." — **Non-profit Organization (West Virginia)**

"Further marginalization and the backlash of economic growth and prosperity on low and moderate income District residents." — **Non-profit Organization (District of Columbia)**

"Violence has severely impacted the mental health of community members. Mental health presents a barrier for members to access and maintain employment, thrive in school, manage personal business, i.e, finances, etc." — **Non-profit Organization (Maryland)**

"Static thinking. We are losing the young professionals in the community due to few organizations who have cultures respecting input of all. Combined with too few amenities/few rentals to attract this population, we worry about the community continuing to contract in population." — **Philanthropic Organization (South Carolina)**

"The continued need for affordable health care coverage for individuals, small business owners and entrepreneurs. Because health insurance is prohibitively expensive for this sector of the community, we find too often they are uninsured creating a dangerous financial situation." — **Community Bank (Virginia)**

"The opioid crisis has really affected the region. Those who could make a difference are discouraged from helping because of the lack of treatment for those affected." — **Small Business Development Center (Maryland)**

Looking Ahead: **Negative** Impact

Looking ahead, what issue(s) do you see as having a negative impact on the welfare of the communities you serve and why? Be as specific as possible. The selected quotes below represent issues written verbatim by respondents.

*"The area does not have a regional plan to coordinate the various job training program resources across a multi-county area, and employers do not care about city or county lines as their demand for talent increases. There are working adults and unemployed and/or under employed adults who may not have reliable access to transportation and/or childcare, and it significantly impacts their ability to complete any jobs training program. Resources need to be assigned at a regional level to look at issues like regional mobility management, childcare coordination, and job training cooperative planning." — **Regional Government/Planning Organization (North Carolina)***

*"There are five small municipalities in our Chamber area. There is a lot of wasted energy with all of these cities/towns pulling in different directions and trying to maintain their own identity." — **Chamber of Commerce (South Carolina)***

*"Opioid epidemic is affecting communities from the inside and outside. It is impeding workforce participation and the existing workforce wellness. Public attention and national attention is casting negative perceptions of the conditions in the region and making it difficult to recruit and retain talent and new business. While most elements of community life are positive, this epidemic and the negative impacts overshadow the good, unfortunately. There remains a pervasive and often exaggerated negative view of central Appalachia as a good place to live, work, invest and do business. The "Hillbilly Elegy" perceptions seem to be continuously reinforced, even though there are many positive elements to community [life]. This negative 'brand' is a challenge to overcome. Reinforcement of the negative and the real challenges involved in transitioning economies from a mono-industry to a more diverse, knowledge based economy takes a toll on the citizenry's collective well-being and impedes enthusiasm for the future. Communities need planning and investment. Negative impacts of empty downtowns and dilapidated structures as well as poor housing quality and inexperienced community leadership must be addressed to develop viable strategies for the future of both rural communities in the 5th district, but in all areas of the US facing economic transition and uncertainty." — **Philanthropic Organization (West Virginia)***

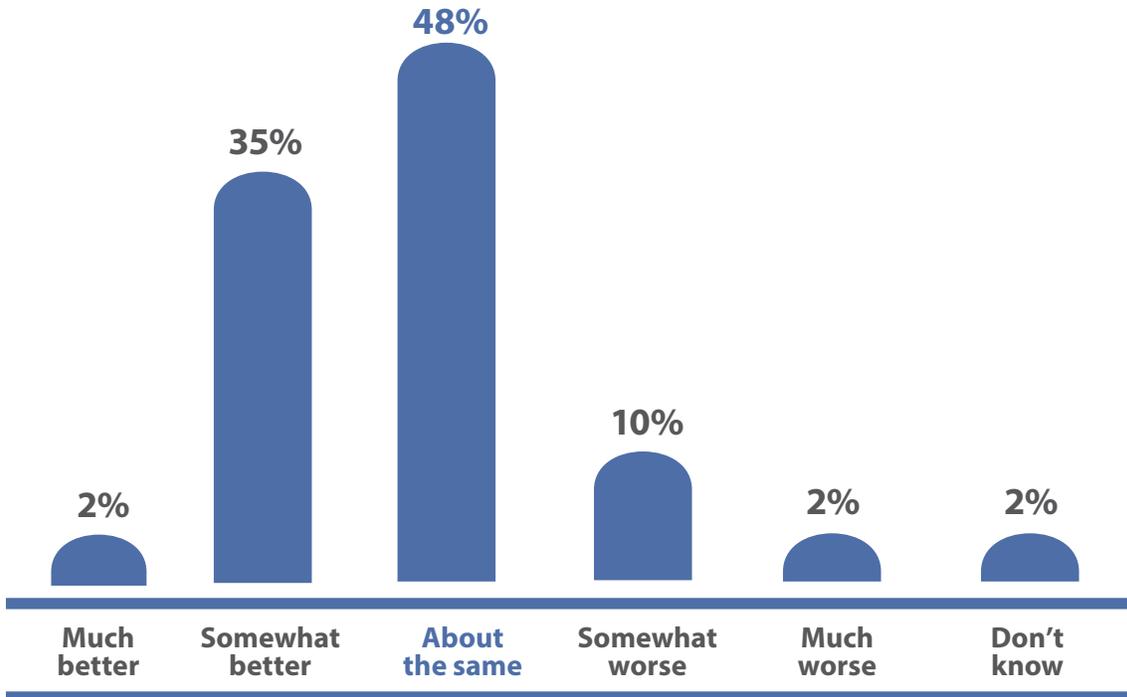
*"Rural places are distinct for being communities where change is slow and organic. The [pace] is slower. People know one another. But the pace of the global and national economies are now lightening fast. There are structural changes to global and national economies that play out very hard in rural places that have a hard time adapting. The U.S. has a national policy around supporting the ag[riculture] sector, including price supports for many crops to minimize the risk farmers face. We have no similar efforts for other economic sectors. This lack of clarity around rural distinctness and value has significant policy implications." — **Rural Community Development Non-profit (North Carolina)***

*"We need more people, especially skilled workers, to continue our region's growth and forward momentum. Unfortunately, our community is like virtually all others in Virginia and the nation who need more skilled workers. The opioid crisis plays into this along with other factors in and around our community. Companies have begun, in some cases, to no longer require drug tests. This presents yet another issue." — **Other (Virginia)***

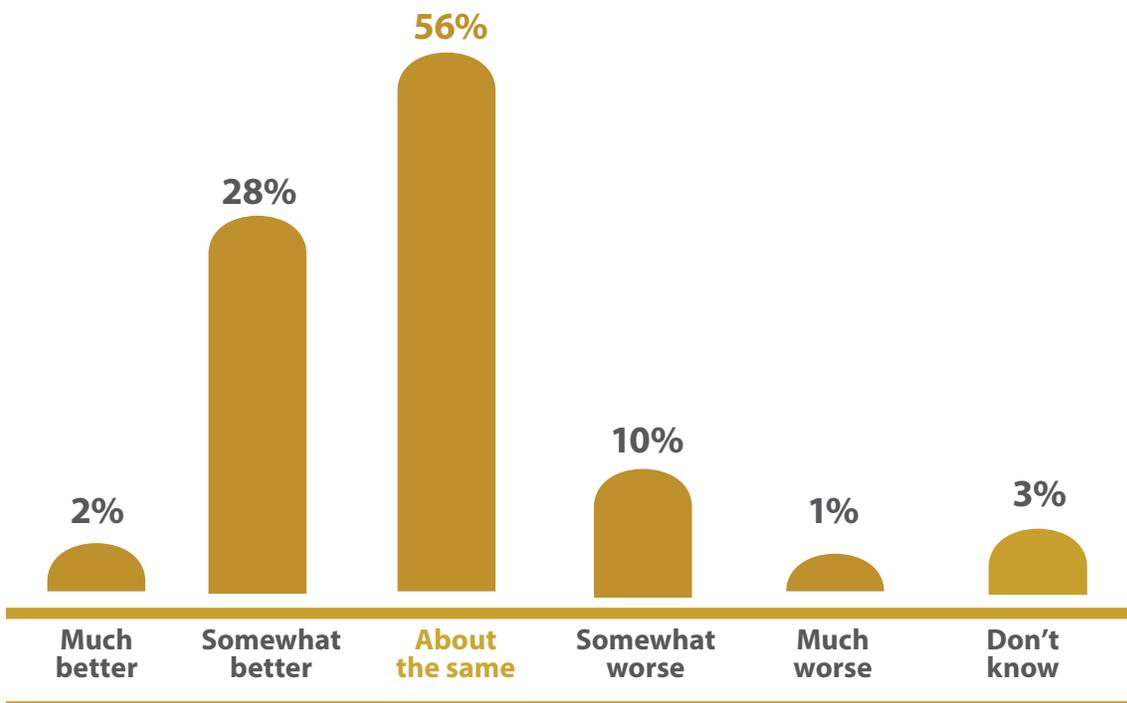
*"We have an economic development entity that primarily focuses on an old model based on attracting industry with many low level jobs when we do not have the workforce to fill those jobs that are vacant in the existing industry. This entity does not coordinate with other agencies or assist with small businesses, especially technology businesses which could be a new economic driver for us with our proximity to DC and good internet service. The lack of diversity in our economy is of concern, especially with the large corporate farming industry." — **Local Governing Body (West Virginia)***

Community Conditions

Do you think that A YEAR FROM NOW **general economic conditions** in your community will be better, about the same or worse than they are currently? (N=277)

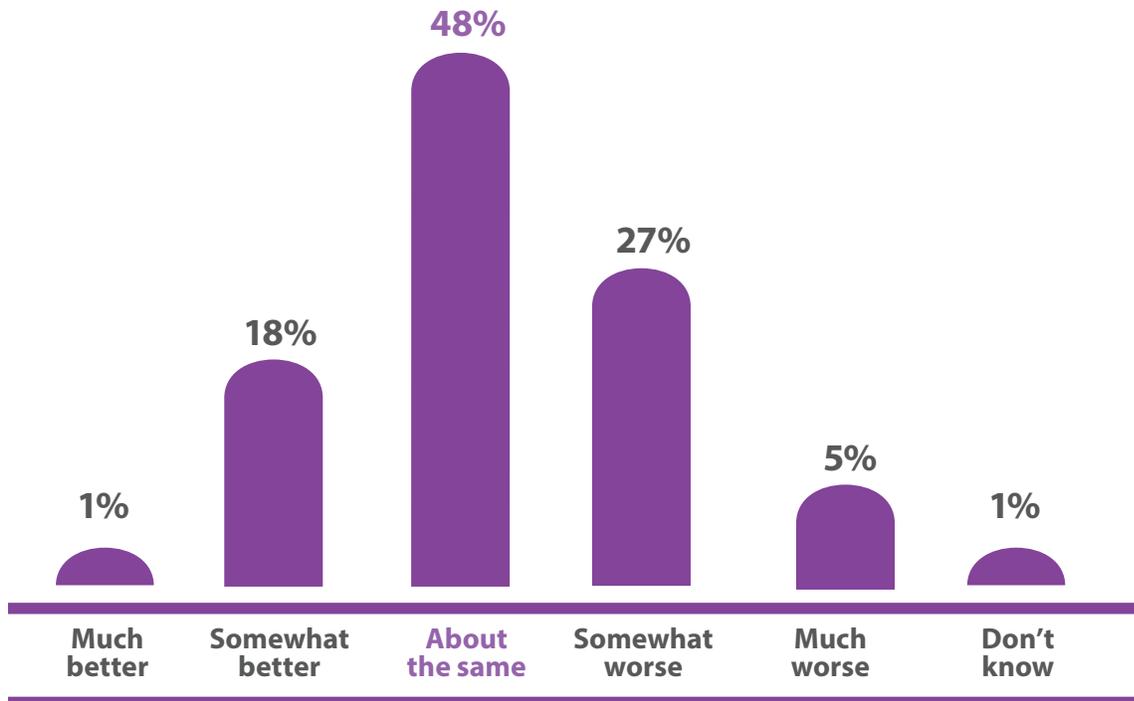


Do you think that A YEAR FROM NOW **local labor market conditions** in your community will be better, about the same or worse than they are currently? "Local labor market conditions" includes the degree of job loss or gain as well as changes to wages for low- and moderate-income earners. (N=277)

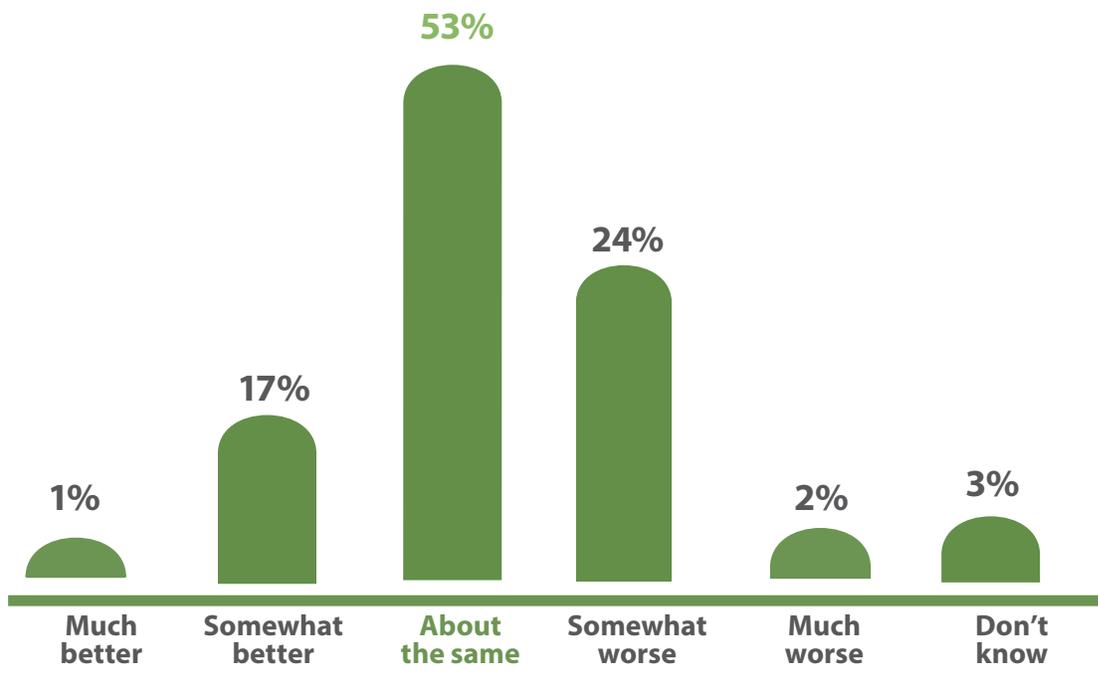


Community Conditions

Do you think that A YEAR FROM NOW **local housing market conditions** in your community will be better, about the same or worse than they are currently?" Local housing market conditions" includes changes in house prices and rental rates as well as any new developments in housing activity for low- and moderate-income communities. (N=277)



Do you think that A YEAR FROM NOW the **financial well-being of constituencies** in your community will be better, about the same or worse than they are current?" Financial well-being" is defined as the ability to fund basic needs, stay current on debt service, and save and invest for the future. (N=277)



Community Conditions by State

General Economic Conditions

	Much worse	Somewhat worse	About the same	Somewhat better	Much better	Don't know
Maryland	6	11	58	23	2	0
North Carolina	0	7	48	40	4	0
South Carolina	0	12	42	39	6	0
Virginia	0	15	44	37	0	4
West Virginia	3	6	47	44	0	0

Local Labor Market Conditions

	Much worse	Somewhat worse	About the same	Somewhat better	Much better	Don't know
Maryland	3	9	55	28	2	3
North Carolina	0	9	60	27	4	0
South Carolina	0	12	45	36	6	0
Virginia	1	9	65	21	0	4
West Virginia	3	14	47	36	0	0

Local Housing Market Conditions

	Much worse	Somewhat worse	About the same	Somewhat better	Much better	Don't know
Maryland	6	25	43	25	2	0
North Carolina	1	30	46	19	1	1
South Carolina	6	12	58	18	3	3
Virginia	6	34	44	15	0	1
West Virginia	3	25	61	11	0	0

Financial Well-Being of Constituencies

	Much worse	Somewhat worse	About the same	Somewhat better	Much better	Don't know
Maryland	5	29	49	14	2	2
North Carolina	0	21	52	22	1	3
South Carolina	0	21	64	12	3	0
Virginia	1	25	54	15	0	4
West Virginia	0	22	56	19	0	3

Policy Challenges and Regulations

Are there any **policy challenges or regulations** that are preventing you from meeting the needs of your constituencies/ clients or fulfilling your mission? (Select all that apply) (N=254)

Yes, Federal	44.88%
Yes, State	39.76%
Yes, Local	28.35%
No	37.40%

Note: Respondents could select multiple options.

The word cloud below shows the word phrases used by respondents when asked to discuss the specific policy challenges or regulations impacting their line of work. Size of the word corresponds to the number of respondents who used it in their response.

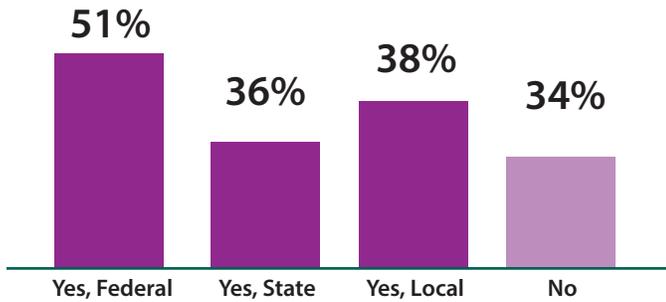


Note: The word cloud shows 78 out of the 107 word phrases used by respondents to answer this question.

Policy Challenges and Regulations by State

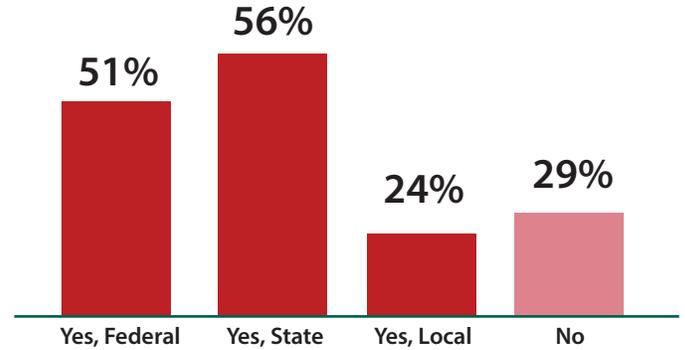
Maryland

(N=61)



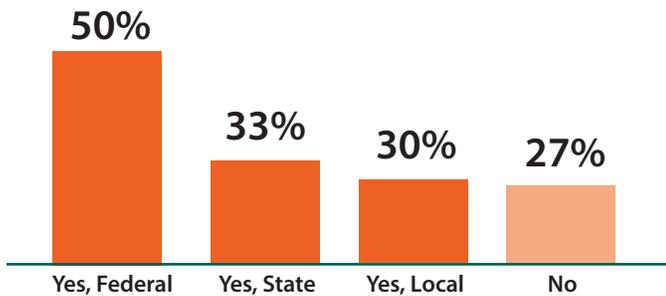
North Carolina

(N=63)



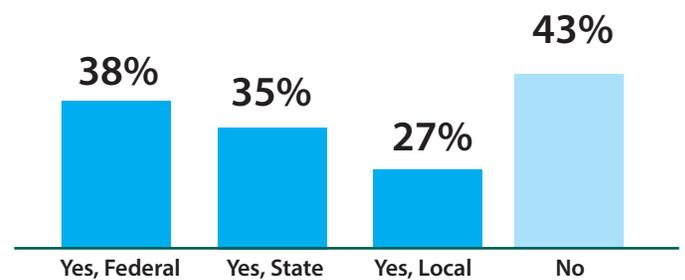
South Carolina

(N=30)



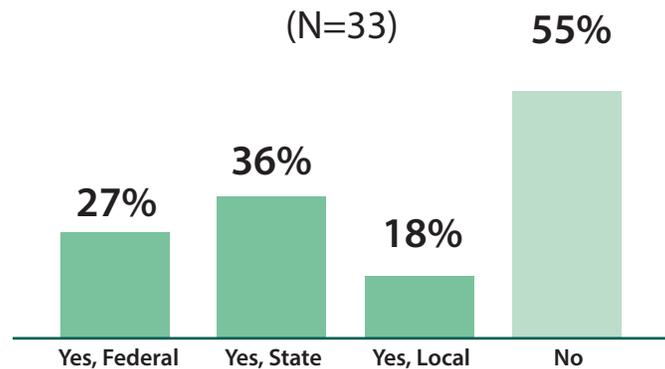
Virginia

(N=60)



West Virginia

(N=33)



Note: Respondents could select multiple options.

Policy Challenges and Regulations: In Their Own Words

The selected quotes below represent policy challenges and regulations written verbatim by respondents.

“The shortage of H21B visas has greatly impacted our seafood markets in Maryland.” — Other (Maryland)

“Tax Reform has resulted in lower pricing for the Low Income Housing Tax Credit. This has created new gaps in financing, exacerbating already larger gaps due to construction and land cost increases, labor shortages and increases in the interest rate. The new tariffs may be contributing to higher commodities pricing for lumber and steel, increasing construction costs overall.” — Community Development Corporation (North Carolina)

“Federal - Congress did not renew the Assets for Independence Act (AFI) and defunded the landmark Individual Development Account (IDA) program. This program incentivized the poor to save towards securing an accruing asset, i.e. homeownership, business start-up, education. The program provided federal funds to match (3:1) an individual's savings up to the first \$1,000 that they saved. The individual's savings, along with the federal match enabled millions of individuals to purchase their first home, start a business or further their education. This program also played a significant role in supporting local economies. State - the SC General Assembly has yet to extend a very successful Community Development Tax Credit that incentivized individuals and corporations to invest in local community development corporations and community development financial institutions. The state program provided an investor a 33% credit against their state tax liability if they invested in a state certified CDC or CDFI. The state legislature provided an initial \$5 million in Community Development Tax Credits. These credits were exhausted by investors, who invested over \$15 million in local under-resourced communities. The local CDCs and CDFIs leveraged these investments, which had an economic impact of \$100 million. We are trying to get the state legislature to extend and improve the program with a 50% tax credit, and an annual allocation of tax credits equaling \$5 million.” — Other (South Carolina)

“Federal/state policies need to continue their evolution towards extending their traditional focus in training and placement to more priority on post placement transition and retention. This involves more coordination of available support services for other aspects of a thriving household (e.g. housing, health support, financial literacy) as a person enters a career pathway that can realistically lead to a Living Wage Career.” — Other (Virginia)

“Local policy and capacity regarding removal and redevelopment of vacant and dilapidated structures which create negative impacts in neighborhoods, reduced property values and disinvestment. Current policy is being examined to streamline processes and provide resources to address this issue. State budget limitations result in lack of resources for vital economic development such as site preparation, local economic development organizational leadership, broadband and other infrastructure. Federal policy within departments which can result in imbalanced assessment of rural projects. Rural places have smaller scale and thus smaller ‘impact’ which does compete with urban projects. Also, the lack of private or state matching funds in rural areas reduces participation in some federal programs. The regulations could be assess[ed] for the inadvertent, but real, negative impact to rural projects.” — Philanthropic Organization (West Virginia)

Policy Challenges and Regulations: In Their Own Words

The selected quotes below represent policy challenges and regulations written verbatim by respondents.

"Purchasing of properties using HUD funding requires Army Corp of Engineering sign off [and] that takes a YEAR."
— **Non-profit Organization (South Carolina)**

"Regulations for the use of federal funds. It took 3 years to gain approval for a project using \$100,000 of federal funds. State funds for the same project were released within 6 months. State laws around tax sale redemption need radical reform and efforts are underway to do that. Spending 5 years to gain approval prevents the positive changes needed in our communities. Local policies need several changes. The biggest impact would be around land banking and the need to stimulate development by removing barriers. We need to begin viewing vacant properties as assets rather than liabilities. A lot of additional changes are needed at all 3 levels but these are some of the biggest current issues." — **Community Development Financial Institution (Maryland)**

"Federal policies that limit the ability of the various programs to work together, and matching fund requests for grants that are too high for entities without a way to raise new revenues. Some federal agencies, like the Federal Transit Administration, will allow other federal agency dollars to be utilized as match, and others don't make similar provisions. Policies at the state and federal level that don't require regional planning, analysis, and coordination continue to promote a silo effect. That effect is that there are too many people running around doing similar things, and the general public and business representatives get frustrated. This frustration can lead to apathy, and limit participation when opportunities for real collaboration take place. Councils of Governments (COG) were established to coordinate federal funds and programs within their regions, but few federal programs actually regulate regional delivery through a COG. Public and human services transportation is largely uncoordinated, and, outside of urban areas, should be planned, coordinated, and delivered regionally so that routes to workforce training, childcare, and jobs can be established on a more permanent basis." — **Regional Government/Planning Organization (North Carolina)**

"Virginia is attempting to solve the digital divide with a one size fits all solution, in particular by incentivizing existing carriers to do more of the same. At the same time they are limiting the ability of local governments to attempt to address these issues for their constituents." — **Local Governing Body (Virginia)**

"Inability to tax at county level on amusement venues. Yet the county is responsible for the provision of fire, safety and security at these events. Inability to tax at fair market values, the windmills and their power transmission lines which use our mountain tops to generate power which is shipped away from the local area yet only provide a few stable local jobs. The power produced is in excess of the power produced for local consumption from our local coal fired power plants." — **Regional Government/Planning Organization (West Virginia)**

"We provide leadership to address homelessness in our community and HUD has created very narrow paths for people to secure housing. While we understand the prioritization of vulnerable and hard to serve chronically homeless adults, the unintended consequence is that in a scarce housing market, people actually end up homeless longer to qualify for limited housing. Second, some of the most vulnerable are not a good fit for permanent supportive housing--they need much higher levels of care." — **Philanthropic Organization (South Carolina)**

"We would like to see more support for rural broadband initiatives and additional funding for workforce health related issues. Finding qualified employees is also an issue so loosening up immigration policies would also be beneficial." — **Community Development Financial Institution (West Virginia)**

Policy Challenges and Regulations: In Their Own Words

The selected quotes below represent policy challenges and regulations written verbatim by respondents.

“One policy change that links all three levels of government is the elimination/reduction of exclusionary zoning and other regulatory barriers in our system of land use regulation. The Federal government should implement, and strengthen HUD’s AFFH rule if it is serious about Secretary Carson’s interest in addressing these regulatory barriers. The States should exercise their authority and control over local government and land use to required local government to ameliorate identified barriers. The local governments have only the land use authority that is delegated to them by the states. Local governments should examine and reform their local zoning and development regulations.” — Non-profit Organization (Maryland)

“With the allowance of Association Health Plans at the federal level we are anticipating being able to address one of the biggest problems for small businesses (in this case, those under 50 employees), the cost of health insurance. We anticipate that we may have issues with the state of North Carolina that has previously passed legislation that doesn’t allow these types of plans. Originally, we think they did this out of concern for poorly designed and insolvent plans of the past. However, we think a well-designed AHP could be a huge boon to small businesses in our community. Many of the chambers surrounding Asheville are similarly interested in being able to provide relief to their small businesses by being able to pool together for better bargaining power on premiums.” — Chamber of Commerce (North Carolina)

“I really believe if the state had expanded Medicaid it would have allowed approx. 1/4 of the state population to have appropriate coverage because it would have cover[ed] the poor and the working poor. But by not expanding these families are forced to go without coverage.” — Other (South Carolina)

“An important hurdle to overcome is the inability or unwillingness of state or local government to serve as end-payers for Pay for Success projects. Among the most significant barriers to broad adoption of Pay for Success in Virginia are constitutional provisions that prohibit funding of projects beyond Virginia’s biennial budget cycle. Modifications to Federal law have to some degree helped lower some State level regulatory hurdles. The 2014 passage of the Federal Workforce Innovation and Opportunity Act opened the door to new PFS activities in Virginia as provisions in the law encouraged allocation of a percentage of federal workforce development dollars toward pay for performance initiatives. In 2015, Virginia’s General Assembly updated the State’s workforce development code to align with Federal law.” — Small/medium established company (Virginia)

“Complying with TRID and the new HMDA regulations have been costly and challenging.” — Community Bank (West Virginia)

“Community Reinvestment Act (CRA) investments appear to be diminishing in value and impact. Increased efforts to encourage CRA support for regional (or at least multi-jurisdictional), multi-disciplinary, evidence based initiatives would be helpful. Financing programs to support development of mixed income housing, reinvestment in existing affordable rental and owner occupied housing, incentives to support mixed income housing infill development, support for a regional workforce housing initiative would all be useful.” — Regional Government/ Planning Organization (North Carolina)

Leading Practices

Each respondent had the opportunity to share any new products, programs, partnerships, or strategies that their organization has adopted or developed since August 2017, which have been helpful in addressing community needs. The quotes below are a selection of these thoughts in their own words.

*“Our Anchor Institutions Partnership program proposes to use the spending power of Universities and hospitals to create more procurement opportunities for entrepreneurs of color.” — **Non-profit Organization (District of Columbia)***

*“We have made amendments to our inclusionary zoning law to require higher percentages of Moderately Priced Dwelling Units (MPDUs) in new development in certain neighborhoods that have higher than average AMIs (Area Median Incomes). The amendments also make the program more flexible with the goal of creating units with more bedrooms that will be useful for families. We have also increased the bonus densities that developers can get for providing above the minimum MPDUs.” — **Regional Government/Planning Organization (Maryland)***

*“Yes. We have bundled our community lending work into a financial institution spin-off called “Thread Capital.” We intend to secure CDFI status and believe it will be a great asset to rural NC.” — **Rural Community Development Non-profit (North Carolina)***

*“Since 2017, my organization has developed a strong partnership with the US Dept. of Agriculture to connect rural communities and under-resourced landowners to the financial programs of the department. In South Carolina we have many families who are land rich and cash poor. And the financial institutions in their communities do not have the products to help them convert their land into a productive asset. Many individuals and communities which operate at a smaller scale were not aware of the resources of USDA and could not access their resources. The USDA found itself disconnected from these constituents and requested our assistance in connecting with small rural landowners, minority landowners and communities, and marginalized communities. The result has been the flow of financial resources into the hands of this constituency and help then convert their unproductive land into an economic engine for their families and communities.” — **Other (South Carolina)***

*“We started a Behavioral Health clinic as part of our Free Specialty Clinics. As a result, over time, we had to increase the number of hours of operation of that clinic. These services include provisions for medications and medication management. Services are rendered by volunteer physicians. We also started a free dental screenings and exams clinic for individuals 65+ who did not have dental insurance. We have been unable to keep up with the need. Each clinic, held once every other month, has a waiting list equal to the number of available appoint[ments] (20). We conduct this clinic in partnership with Lucy Corr Foundation. They provide the restorative care and services needed by the individuals who are screened/examined at our dental clinic, all at no cost to the patient.” — **Non-profit Organization (Virginia)***

*“Yes. We have developed our own portfolio First Time Homebuyer program which basically shadows Fannie Mae’s Home Ready program with one difference. We do not require any PMI insurance and will finance up to 97% LTV for our customers. This program has been very helpful to our customers. We have also paired this loan type with the Federal Home Loan Banks First Front Door grant program and the local HAP grant program.” — **Community Bank (West Virginia)***

Leading Practices

Each respondent had the opportunity to share any new products, programs, partnerships, or strategies that their organization has adopted or developed since August 2017, which have been helpful in addressing community needs. The quotes below are a selection of these thoughts in their own words.

*“Yes, we now offer financial and career coaching to assist parents of small children in breaking the cycle of poverty for themselves and their children. We offer a year of one-on-one coaching services to address financial struggles and map out ways to debt freedom and savings, while also discussing viable career paths to build wealth and economic mobility.” — **Non-profit Organization (District of Columbia)***

*“We have started a public assistance to entrepreneurship program which gives training and consulting to people who want to start a business rather than rely on public assistance. It is over an 8 week period, giving aspiring entrepreneurs the knowledge and skills they need, and the confidence to actually start their business. It would be very helpful to offer them a grant or low cost loan to help them even more.” — **Small Business Development Center (Maryland)***

*“We have opened a computer connection center for the public in our administrative office to meet an unmet need in the community for access and the need to provide access to electronic banking since the only bank in town closed.” — **Community Action Agency (North Carolina)***

*“We opened a Cowork Center in our office so independent workers in our area have a place to work and meet peers. And we have monthly free small business workshops conducted by the Columbia SC Small Business Development Center in our Cowork Center.” — **Chamber of Commerce (South Carolina)***

*“Our bank has partnered with a local nonprofit organization to finance vehicles for individuals to travel to and from work. These individuals would not qualify under normal underwriting so the nonprofit screens the individuals, “approves” them and the bank does the financing. It has been a win-win for the bank being able to provide loans to individuals who would otherwise not qualify and the individuals are able to purchase a vehicle to assist with transportation to and from their job.” — **Community Bank (Virginia)***

*“We have revised our zoning ordinance to allow for permitted uses in agritourism including wineries, breweries & cideries.” — **Local Governing Body (West Virginia)***

*“We are working with health care and grocery stores to create incentives for food stamp recipients to buy fresh fruits and vegetables. There is a lot of interest among healthcare providers to improve nutrition to prevent future medical costs of treating diabetes, hypertension, and other related diseases.” — **Non-profit Organization (North Carolina)***

*“Development of an opioid task force and partnership of law enforcement with local churches to help address the issue. Partnership between the County and local service providers for the location of telecommunications facilities in the County. Grants have been provided to small providers to make the last mile connection to serve individuals with broadband.” — **Local Governing Body (Virginia)***

*“We are now permitting accessory dwelling units/ duplexes within a walkable distance of our downtown core. Over time, this is anticipated to help reduce the increasing pressure on rising rents in the vicinity.” — **Local Governing Body (North Carolina)***

Leading Practices

Each respondent had the opportunity to share any new products, programs, partnerships, or strategies that their organization has adopted or developed since August 2017, which have been helpful in addressing community needs. The quotes below are a selection of these thoughts in their own words.

“Work to better coordinate 16 local food pantries - rolling out one customer tracking software to be shared/ utilized by all partners in fall '18. Stronger, centralized customer referral system for those with additional needs.”
— **Non-profit Organization (West Virginia)**

“We have launched an organization called Communities At Work to address equitable workforce participation into Living Wage Career Pathways. We are piloting an innovative program with the Trade Associations and Employers in the commercial construction trades sector called RVA BUILDS. It is a 3 month rotational Work-Based Learning program to coordinate support systems as candidates explore where and how to commit to a career pathway in a specific skilled trades career.” — **Other (Virginia)**

“Expanded the Jump Start program to provide funding for rising seniors to have a summer job. Working with 5 of 9 school districts in the region to administer this program.” — **Regional Government/Planning Organization (South Carolina)**

“Yes -- through the Justice Reinvestment Act and West Virginia Housing Development Fund, we have and are creating Recovery Houses for those affected by the opioid epidemic that plagues WV. However, they are just a drop in the bucket and we need many more beds. We have collaborated with local governments to build new decent, affordable housing for the working low-income. We are collaborating with local day cares and Boards of Education to increase the quality of pre-school education. The funding for the day cares allows them to hire staff with better qualifications and maintain the Creative Curriculum in their classrooms. BOE has adopted our Creative Curriculum and we have some of their students located in our Head Start Classroom. This also gives them access to our Family Service Advocates and Home Visitors that work with the entire family to gain and maintain self-sufficiency.” — **Community Action Agency (West Virginia)**

“We have typically provided small grants of between \$5,000 and \$15,000 to local nonprofits and are now in a campaign to develop a new fund that will enable us to provide a \$100,000 each year to a transformative initiative or project.” — **Philanthropic Organization (Virginia)**

“We have started working with employers that have employees that are at risk for termination to provide soft skills training and case management in an effort to bring job stability to the employee and increased productivity to the employer. The company pays us on a fee for clients served.” — **Non-profit Organization (South Carolina)**

“Yes, we developed an overdraft “courtesy pay” program for checking accounts which is considerably more consumer friendly than the typical bank overdraft strategy. Banks typically charge something on the order of \$35 for overdrafts. Our courtesy pay program has a sliding scale beginning as low at \$5 per item and graduates to \$35 depending on the amount of the overdraft item(s).” — **Other Financial Institution (West Virginia)**

Opportunity Zones

Have any of the communities in your geographic service area received designation as an “Opportunity Zone” as part of the tax code under the Tax Cuts and Jobs Act of December 22, 2017? (N=259)

Yes,	53.28%
No	13.51%
Don’t Know	33.20%

Is your organization or you doing anything as part of the “Opportunity Zone” designation for these communities in your geographic service area? (N=261)

Yes,	29.12%
No	28.35%
Don’t Know	27.97%
Not applicable	14.56%



Opportunity Zones

In the space below, please tell us about your organization's efforts in regard to the "Opportunity Zone" communities in your geographic service area?

"Trying to understand it. Even our attorneys cannot explain it. We have had several "crackpot" projects trying to use Opportunity Zones. They are trying to scam by hitting up rural communities they consider unsophisticated."

— Local Economic Development Authority (South Carolina)

"We are attempting to be sure that development has 'guardrails' to make sure it actually benefits existing communities instead of displacing them."

— Non-profit Organization (Virginia)

"Our economic development team is using the opportunity zone designation for appropriate sites as an incentive for site selectors. In addition, we have worked collaboratively with the city and other creative sector non-profits to market a site in an opportunity zone in our River Arts District to developers as an affordable/workforce housing and live/work space for the creative sector."

— Chamber of Commerce (North Carolina)

"We have engaged with our statewide association of community development organizations to work with the State agencies on the designation of the zones. We have also talked to several groups about forming a "rural" opportunity fund and how to attract investments."

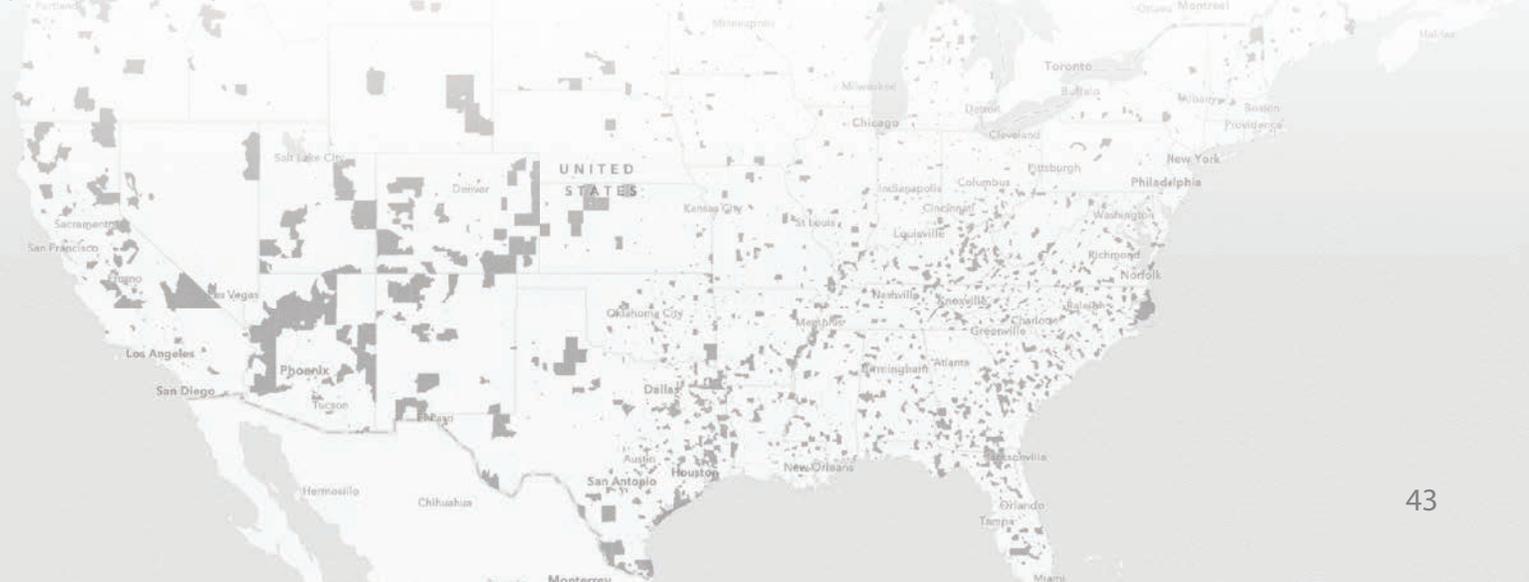
— Other (Maryland)

"My organization is pulling together stakeholders to assess the applicability of opportunity zone benefits and viability of opportunity fund development for communities within our geographic region, particularly West Virginia. Like many programs, the smaller scale of rural, small town and small city projects may be a mismatch for the capital gain taxed investor or institution. We have had the experience of working to attract and support development with New Markets Tax Credits which has had limited utilization, even though WV is a "new market" by definition. Our intention is to evaluate which conditions exist in the state which match the utilization of the OZ designation and funds. As of this writing, this determination has not been made."

— Philanthropic Organization (West Virginia)

"We are soliciting organizations that will benefit our community by utilizing the tax rebates offered by Opportunity Zone. The problem is that they we[re] chosen based on factors the local's had no control over. Only a small section of our community was selected as a Opportunity Zone."

— Local Economic Development Authority (North Carolina)



Survey Methodology

The purpose of the Federal Reserve Bank of Richmond's Community Pulse survey is to identify the most significant current and emerging issues in the Fifth District's numerous, highly diverse communities. The survey is administered once a year to a panel of participants representing the community development field in the Fifth District. The participants are chosen based on a predefined set of criteria that best represents the community development industry in the District. The 2018 survey was administered online in August through early October. Survey invitations were emailed to roughly 2,700 community stakeholders. Responses were received from 322 individuals, however, only 300 responses contained answers to noncontact information questions.

The 2018 survey instrument consists of 29 questions. When identifying the top current issues, respondents may select from a predefined list of issues or write in their own issues. The list of issues is revised for each round based on the results of the previous round and input from Community Development department staff members. All open-ended responses to survey questions included in this report are taken verbatim from respondents' written in answers. Any reported percentages have been rounded and may not equal 100 percent. To participate in future surveys or offer feedback, contact Shannon McKay at Shannon.McKay@rich.frb.org.

