



Rural Policy Plan

for the Commonwealth of
Massachusetts

Prepared by the
Rural Policy Advisory Commission

October 2019

Introduction to the Rural Policy Plan

for the Commonwealth of Massachusetts



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2019



This Presentation:

- Overviews of:
 - Rural Policy Advisory Commission function and composition
 - Demographic and socio-economic trends in MA
 - Rural Policy Plan goals, process and timeline
- Highlights of the Rural Policy Plan
- Top Priorities

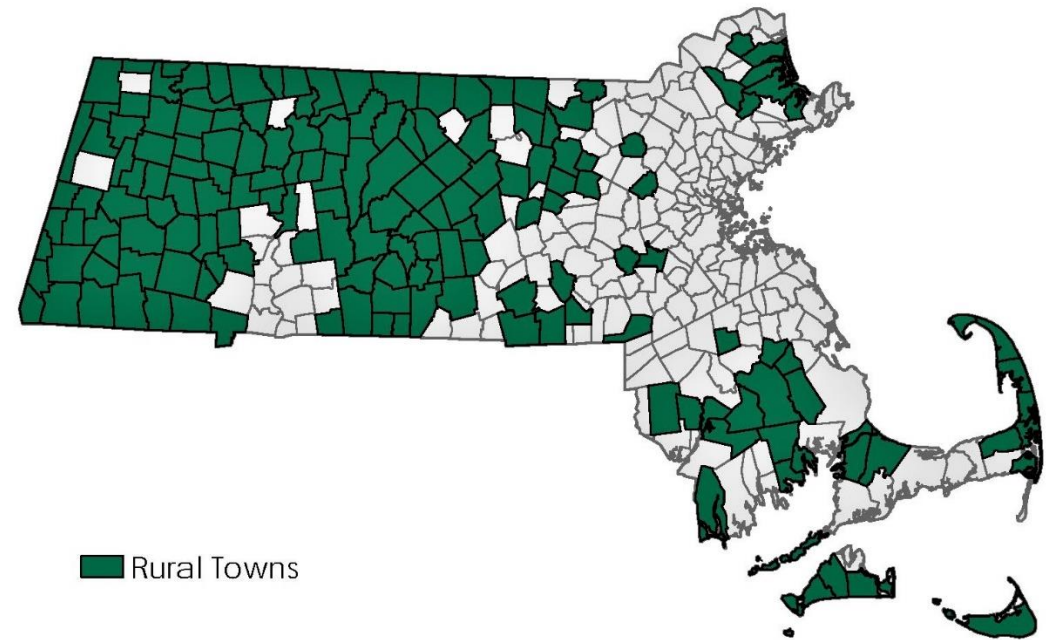
Rural Policy Advisory Commission

- Created by the Legislature in 2015
- Membership of the Commission is:
 - A representative from the House and a representative from the Senate
 - Secretary of EOHED
 - 12 gubernatorial appointments including from RPAs serving rural communities – BRPC, CCC, CMRPC, FRCOG, MVC, MRPC, NPEDD, PVPC and SRPEDD



Rural Towns in Massachusetts

- The definition of “rural” is a municipality with a population density of less than 500 people per sq. mile
- Nearly half of all municipalities are Rural Towns
- Population of Rural Towns is 830,000 (13% of state)
 - *Equivalent to the population of Boston + Worcester + Lexington*
- 59% of the State's total land area



170 Rural Towns

Of these 170, 84 are in four western counties, and 86 are in nine eastern counties

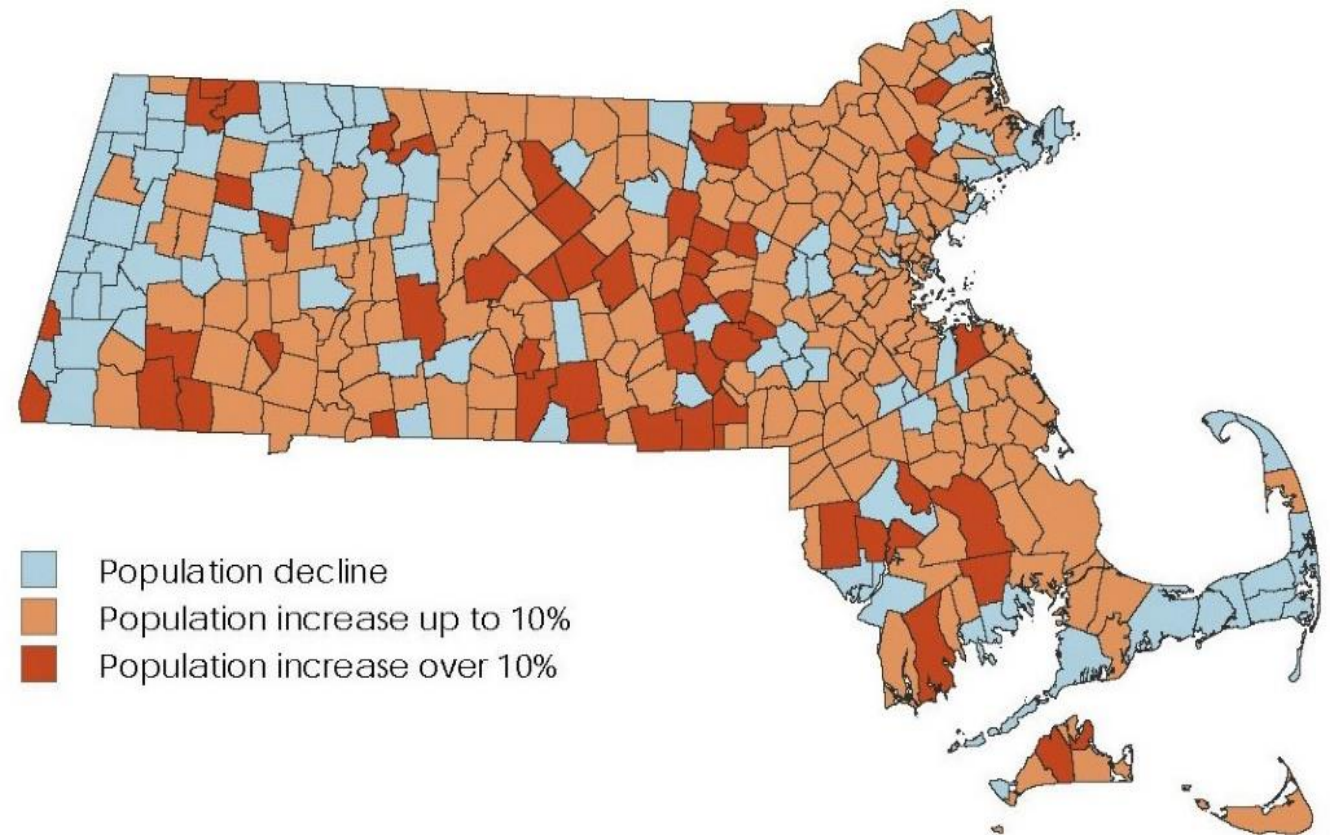


Economic & Demographic Trends in Rural Massachusetts

Population is Declining in the Most Rural Areas

2000-2010% Population Change:

- 3% growth Statewide
- 5% growth in Rural Towns only
- More Rural Towns with population decline in west, than in east

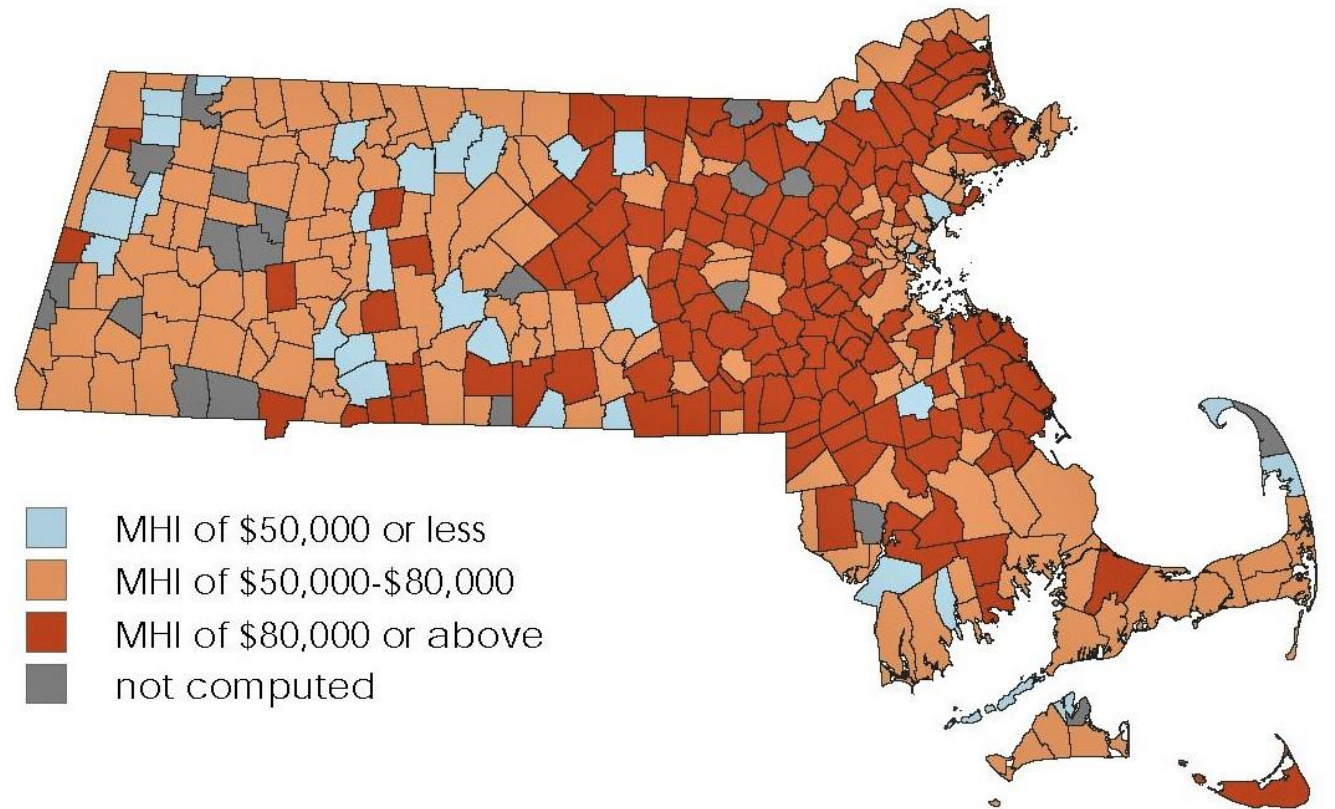


Source: US Census Bureau, Decennial Census Program

Median Income is Higher in Urban, Eastern MA

Median Household Income (MHI):

- \$68,653 for Massachusetts
- Data not available for aggregate of Rural Towns only
- More Rural Towns above statewide MHI in east, than in west

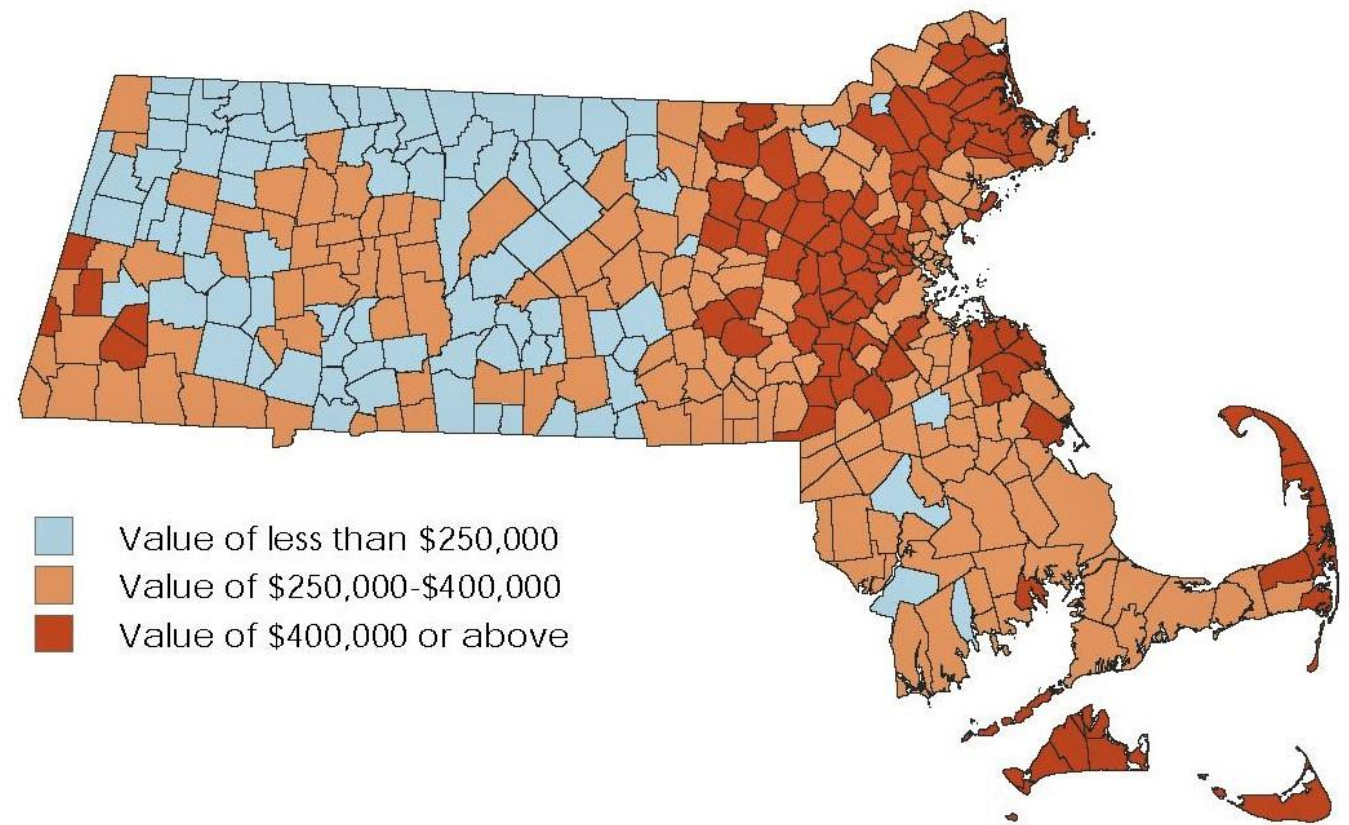


Source: US Census Bureau, American Community Survey (2011-2015)

Housing Costs Are Lower in Most Areas of Rural MA

Average Single Family Home Value:

- Statewide average not available
- Median of the municipalities' average is about \$306,000
- More Rural Towns above municipalities' median in east, than in west

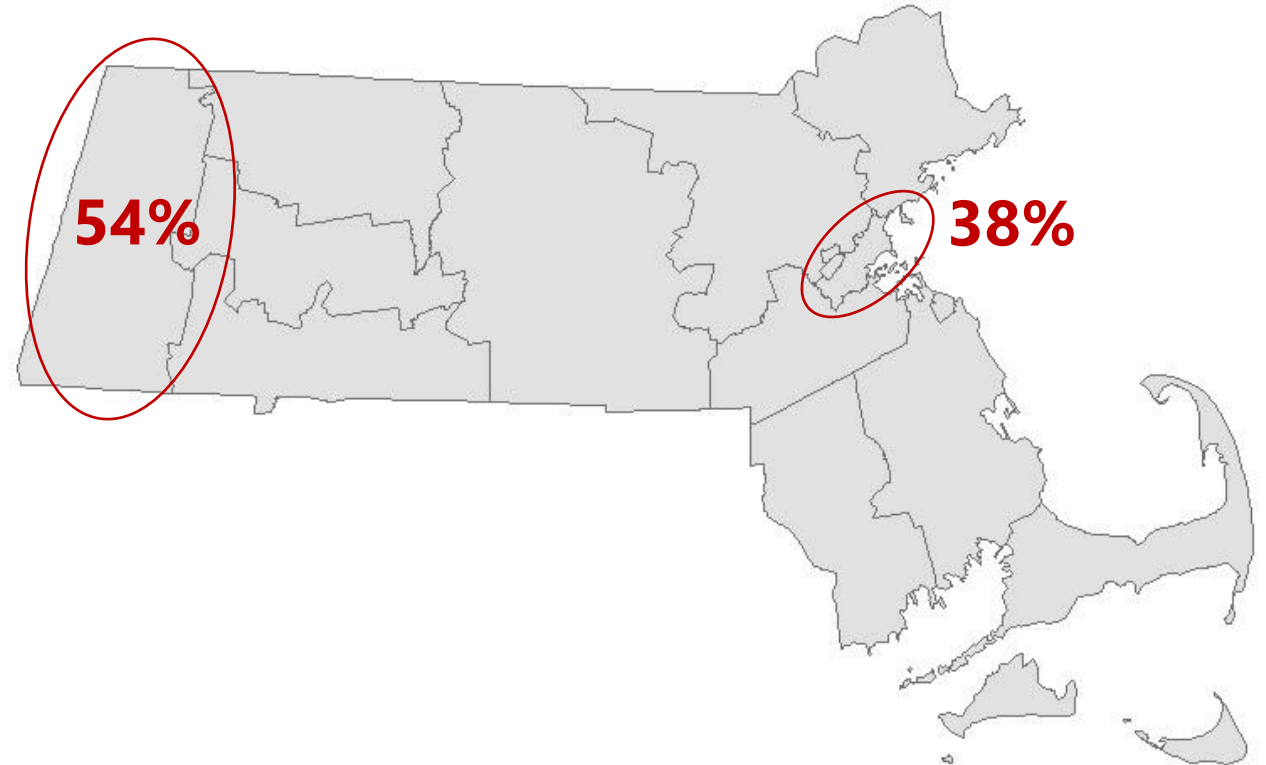


Source: US Census Bureau, American Community Survey (2011-2015)

But the Combination of Housing and Transportation is Often Higher for Rural Households

Percent of income spent on housing and transportation for a median income household in **Berkshire County: 54%**

Percent of income spent on housing and transportation for a median income household in **Suffolk County: 38%**

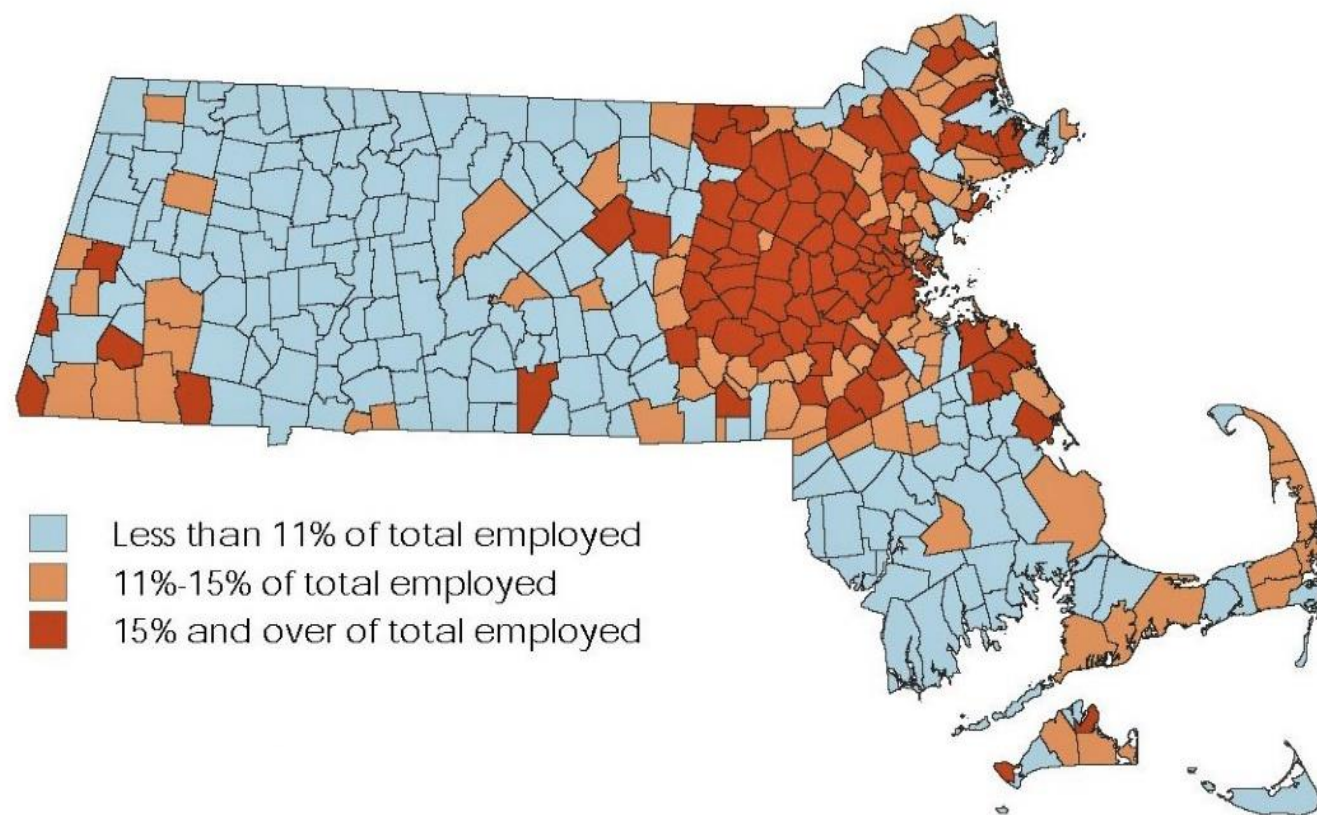


Share of Employment in Professional, Scientific, Management Services

Employment by Industry:

Employed in Professional, Scientific, & Management Services

- 13% Statewide
- 11% in Rural Towns only
- More Rural Towns in east with a high percentage, than in west



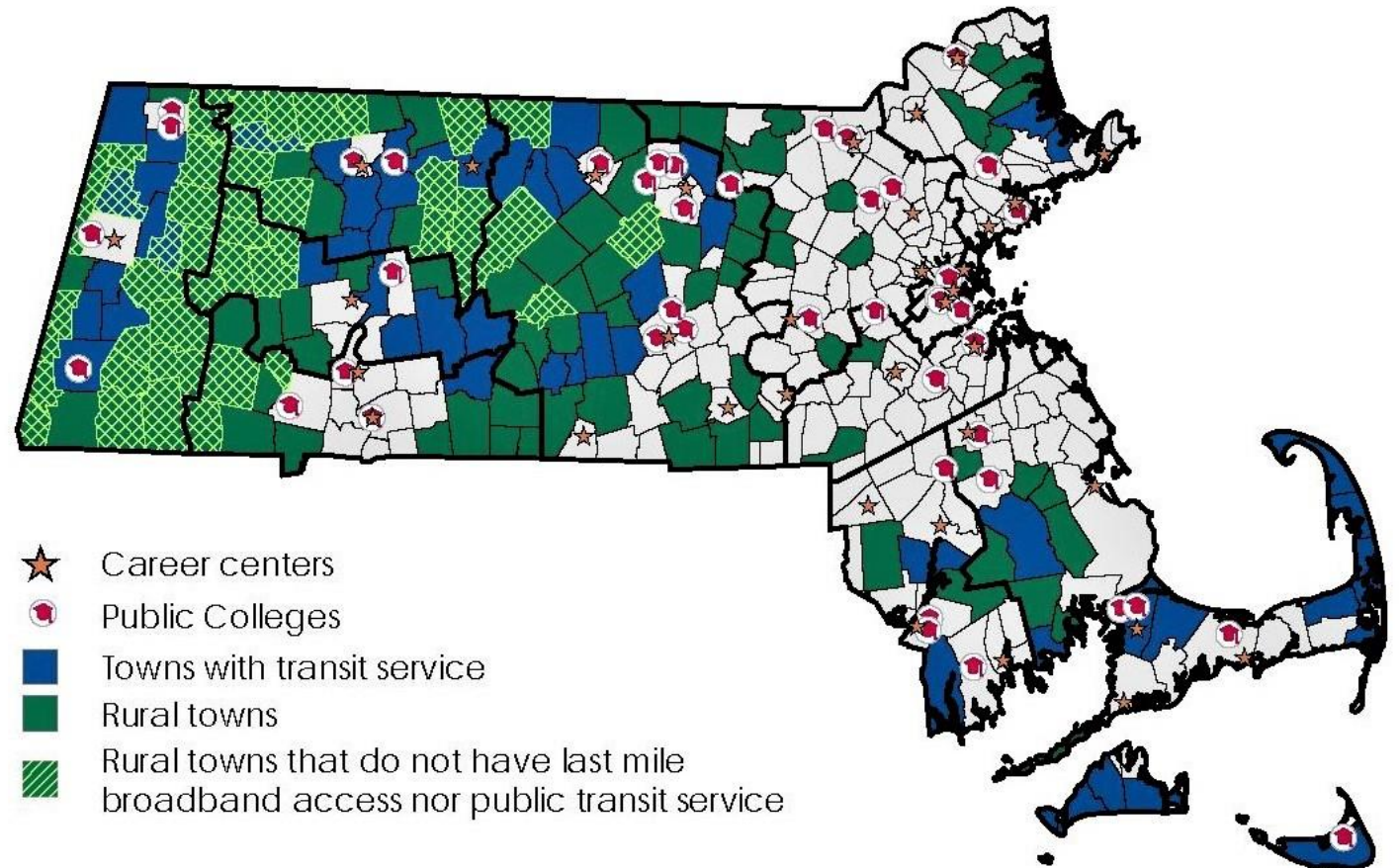
Source: US Census Bureau, American Community Survey (2011-2015)

Workforce Support Services

There are **only two full-time career centers serving** the 2,315 square mile geographic area encompassing **Franklin, Hampshire and Berkshire counties**. That equals **30% of the state's total land area**.

Workforce support systems are lacking in rural Massachusetts

- Limited public transportation
- Few career centers, technical high schools, public colleges and universities





Rural Policy Plan Goals, Process and Timeline

Plan Goals

- Identify rural **assets and challenges**
- Describe how **rural areas differ** within the state
- Highlight **best practices** underway in Massachusetts and beyond
- Identify a series of action-oriented **policy, investment and regulatory recommendations** prioritized for implementation



Process and Timeline

Timeframe	Milestone
Nov. – Dec. 2018	Statewide Listening Sessions to confirm Focus Areas
Jan. – Mar. 2019	Plan Format Development Consultant Secured Focus Area lead developers identified
April – June 2019	Focus Area stakeholder meetings to develop policy recommendations and draft Focus Area content for plan
July 2019	Prioritization of Recommendations
September 2019	Plan completed
October 2019	Public Rollout





Rural Policy Plan Highlights

Rural Areas Have Strong Assets

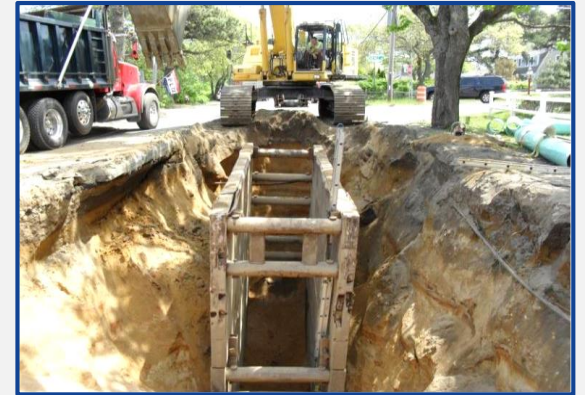
- Natural beauty and physical landscapes that are conducive for **outdoor recreation and tourism**
- Full participation in the movement towards **small-scale farming**, and **locally made food and beverage products**
- Strong **small businesses and economic sectors**, albeit different than those inside 128
- Smaller scale that is focused on **problem-solving, innovation and collaboration**
- **Land and housing stock** that could ease the Massachusetts housing crisis
- A **quality of life** that still attracts new residents and visitors



With more dedicated and focused support, rural Massachusetts can be a much stronger contributor to the Massachusetts economy.

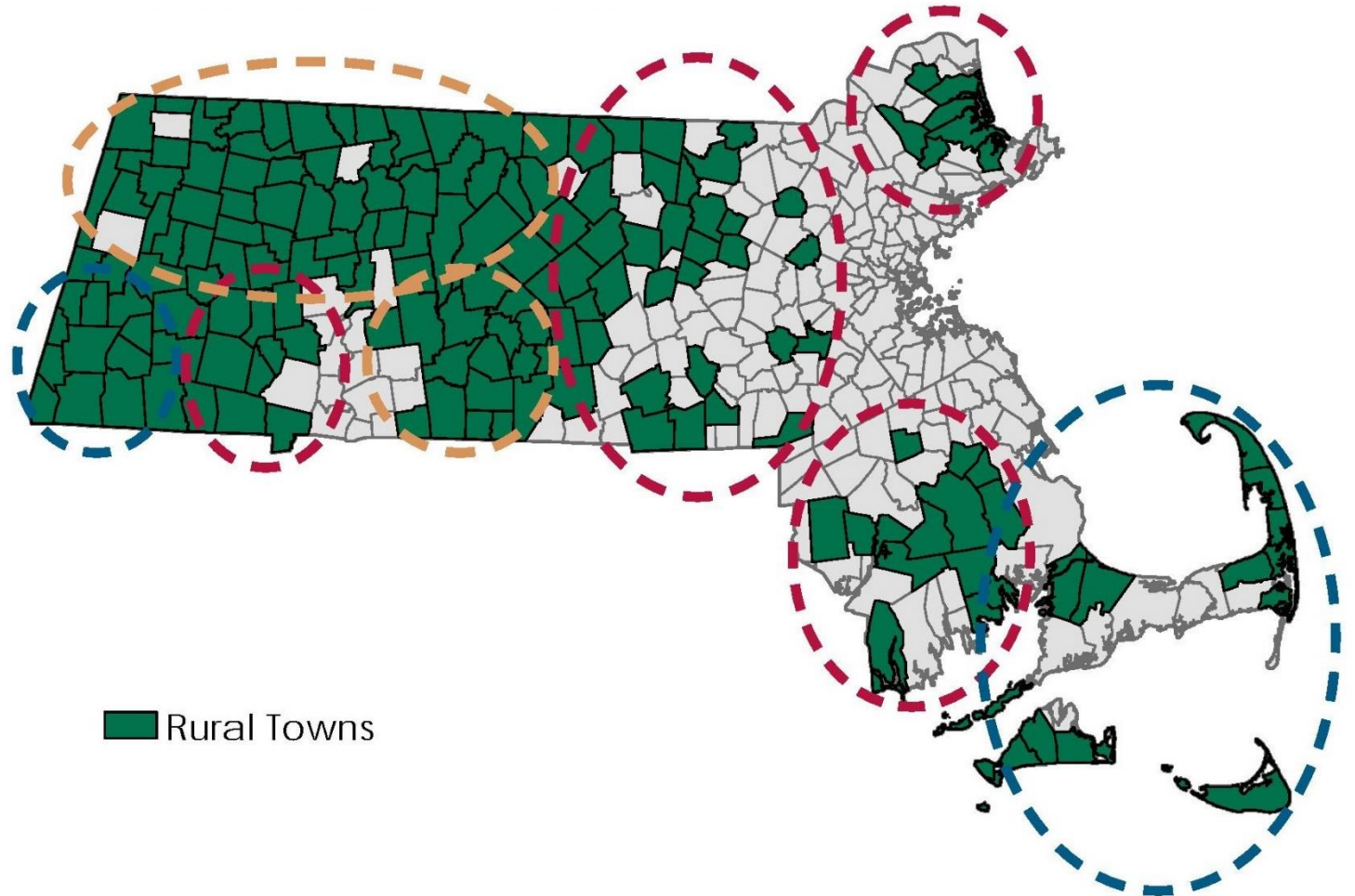
But Rural Areas Also Have Serious Challenges

- **Demographic trends** are the single biggest overall challenge for rural areas
- Rural competitiveness depends on upgrading the **infrastructure**
- **Economic opportunities and workforce needs** are different in rural areas
- Rural areas have unique **housing** needs which are not being met
- **Education and healthcare** – known as strengths statewide – can be challenges in rural areas
- Municipalities lack the **financial resources and staff capacity** to invest in rural areas



And Rural Areas Are Not All the Same

- **Rural areas vary across the state**; three typologies identified:
 - Suburbs / Bedroom Communities
 - Areas of Economic Distress
 - Concentrations of Second Homes



Focus Area Categories



Broadband & Cell
Service

Transportation
Mobility

Transportation
Infrastructure

Water & Sewer



Economic
Development

Land Use &
Working Lands

Population Trends

Workforce



Education

Housing

Public Health &
Healthcare



Boards & Staffing

Finance

Shared Services



Climate Change
& Resiliency

Focus Area Content

Each focus area is given four pages. The first two pages provide:

- Issue **context** with local examples including how issues vary across rural areas within Massachusetts;
- An **overarching goal** for the focus area;
- Regional/national **best practices**;
- Existing **policies and programs** that address the focus area.



ECONOMIC DEVELOPMENT

The Economic Development Challenge in Rural Towns

The Massachusetts rural economy is different than the economies of the greater Boston area and other urban areas. Economic sectors important to rural Massachusetts include agriculture, aquaculture, forestry, sustainable energy generation, outdoor recreation and the creative economy. Manufacturing makes up a larger percentage of the rural Massachusetts employment base than compared to the state and nation. Rural regions have slower job growth and benefit less during economic booms than urban and suburban areas. Most rural businesses are small or very small, with less than 5 employees or are self-employed operations. Often rural businesses are locally or family-owned. A recent study notes that state and federal economic policy and investment often focus on innovation, which is narrowly defined and measured by number of patents, and research and development activity, which are less prevalent in rural areas.

Rural municipalities are challenged in their ability to foster economic development because of limited professional capacity, lack of infrastructure, and an inability to be competitive for discretionary, competitive grants. The rural economy is fragile and is greatly impacted by climate change, stagnant population trends, a shortage of available workers, and limited investment in small business support and municipal infrastructure.

The RPAC surveyed the 170 rural communities in 2017. Respondents noted that lack of basic infrastructure – broadband, sewer and water – were the largest constraint to business expansion in their communities.

Rural areas of Massachusetts often rely on small, locally owned businesses that are more fragile than their urban counterparts that are supported by national or international corporations. Using coffee houses as an example, rural Massachusetts depend on locally-owned (not Starbucks) which has its benefits but is also an indicator of the market challenges in rural areas.



0 (Franklin County)
3 (Berkshire County)
4 (Hampshire County)
10 (Bristol County)
41 (Boston)

■ Rural Towns
■ # of Starbucks

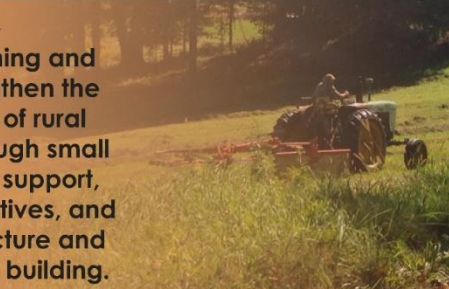
The loss or closure of a business can have a significant impact on a rural community, so it is particularly important in rural Massachusetts to help local businesses transition to a younger generation of workers or to adopt a co-op model of employee ownership for business sustainability.

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Economy Focus Areas: Economic Development

OUR GOAL

Expand programming and resources to strengthen the economic vitality of rural Massachusetts through small business technical support, sector-specific initiatives, and municipal infrastructure and long-term capacity building.



BEST PRACTICES

- The 2012 study, **Strategies for Economic Improvement in Appalachia's Distressed Counties**, examined rural counties throughout the country, identifying the following steps a distressed region can take to enhance economic vitality: encourage dialog and partnership between towns and regions; form strong partnerships with regional academic institutions; secure broadband; develop youth leadership programs; share government services; redevelop and reuse vacant industrial sites; grow local jobs and leverage local assets; devote more money to education; develop tourism and hospitality services; and promote racial diversity.
- The **Western MA Food Processing Center**, owned and operated by the Franklin County Community Development Corporation (CDC) is a regional asset that has incubated over 400 food businesses since opening in 2001. Recently, 14 businesses have added jobs and seven have outgrown the Center's shared commercial kitchen and moved into their own facilities. Many businesses receive food industry-specific technical assistance and financing from the PV Grows Investment Fund, which focuses on farm and food system ventures.
- **Wisconsin: Farm/Art D'Tour** is a self-guided driving tour through farm land of Sauk County.

EXISTING POLICIES & PROGRAMS

- **Opportunity Zone Program.** A new federal tax incentive program designed to attract private investment in economically distressed areas.
- **Small Business Technical Assistance Program (SBTA).** Administered by the Mass Growth Capital Corporation.
- **MA Small Business Development Center (MSBDC) Network.** A partnership program with the U.S. Small Business Administration and the Massachusetts Office of Business Development.
- **Community Development Finance Institutions (CDFI).** Federally and state funded non-profit small business lending organizations.
- **Opportunities for All.** The EOHED statewide economic development plan.
- **Community Investment Tax Credit (CITC).** Massachusetts tax credit program.
- **Collaborative Workspaces program.** Administered by MassDevelopment.

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Focus Area Content

The final two pages provide specific **policy, investment & regulatory recommendations** for state, regional and local leaders to implement in the near-term and longer-term to address issues and realize opportunities in rural areas.

ECONOMIC DEVELOPMENT RECOMMENDATIONS



1. **Replicate MassDevelopment's Transformative Development Initiative (TDI) in rural areas.** The TDI was developed to support designated Gateway Cities and is a proven model to develop new and innovative approaches to economic revitalization. The program provides a 2-year state-funded Fellow whose job is to bring economic visions to life while also developing partnerships, collaboration and focused leadership. Re-creating this model for a rural sub-region of communities, such as the North Quabbin area, or for focused sector-specific initiatives could be similarly transformative in rural regions.
2. **Create an Office of Outdoor Recreation.** Bill S.484 filed by Senator Adam Hinds and others would create an Office of Outdoor Recreation to promote the economic and health benefits of outdoor recreation in Massachusetts with tangible economic vitality impacts in rural areas of the state that depend heavily on outdoor recreation.
3. **Sustain increased funding to the Massachusetts Growth Capital Corporation's Small Business Technical Assistance (SBTA) budget and consider even higher increases.** SBTA, through CDCs, directly assists small businesses with business planning and development, other technical assistance and loans, and is a critically important funding source in rural areas. The Rural Jobs Act filed by Senator Hinds and other Senate Rural Caucus members would be another strong tool to provide capital and other resources to small, rural businesses.
4. **Ensure that the statewide economic development plan, Opportunities for All, recognizes and plans for the unique economic development needs and issues of rural MA.**
5. **Increase funding to assist farmers with aggregation, marketing and delivery of products** by setting aside small business funds exclusively for farmers/ agriculture/ aquaculture.

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Economy Focus Areas: Economic Development

6. **Enact the Rural Jobs Act (S. 1673).** The Rural Jobs Act filed by Senator Hinds and other Senate Rural Caucus members would be another strong tool to provide capital and other resources to small, rural businesses. Based on USDA Rural Business Investment Program and the SBA's Small Business Investment Company, it is intended to enable rural small businesses to expand and create private sector jobs by providing access to affordable, growth capital.
7. **Review application, selection and funding protocols for state-funded municipal infrastructure and capacity grants to remove barriers to access for small towns.** This could include allowing 501c3 non-profits and regional planning agencies (RPAs) to legally partner with towns to apply for municipal grants.
8. **Provide resources to plan and implement creative economy and natural resource based tourism events in rural Massachusetts.** Like the Farm/Art tour model, these resources could be provided by securing and increasing state funding for the Mass Cultural Council, which funds local cultural councils and small grant programs like the Festivals Program (which provides grants of up to \$500 for organizers of new festival events).
9. **Create an infrastructure fund for safe drinking water and septic installation in rural areas.** See Sewer and Water for additional details.



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Focus Area Recommendations

- **Specific** to address the Focus Area challenges
- **Action Oriented**
- **Varying Scale/Scope** – some large, some small; some low hanging fruit, some more ambitious
- Sometimes **funding** (*but not always!*), sometimes **policy**, sometimes an **administrative** fix





Examples of Infrastructure Recommendations

*Broadband and Cell Service / Transportation Mobility
Transportation Infrastructure / Water and Sewer*

- Perform an equity assessment of Chapter 90 apportionments
- Utilize broadband to accelerate economic activity and growth in rural areas





Examples of Economy Recommendations

*Economic Development / Land Use & Working Lands
Population Trends / Workforce Development*

- Expand PILOT for ecosystem value of land
- Target economic development strategies to rural sub-regions and sectors, similar to the Transformative Development Initiative





Examples of Community Recommendations

Education / Housing / Public Health and Healthcare

- Revise the Community Scale Housing Initiative to be more useable in small towns
- Revise chapter 70 formula to achieve better equity for rural school districts





Examples of Governance Recommendations

Municipal Boards and Staffing / Finance / Shared Services

- Invest in training programs for municipal roles
- Enact legislation that increases revenue and improves equity for rural municipalities





Examples of Climate Recommendations

Climate Change and Resiliency

- Expand watershed-based resiliency planning
- Streamline permitting for sea level rise mitigation





RECOMMENDATIONS & ACTION PLAN

- Top Priorities
- Core Strategies
- Sustained Implementation
- Action Plan

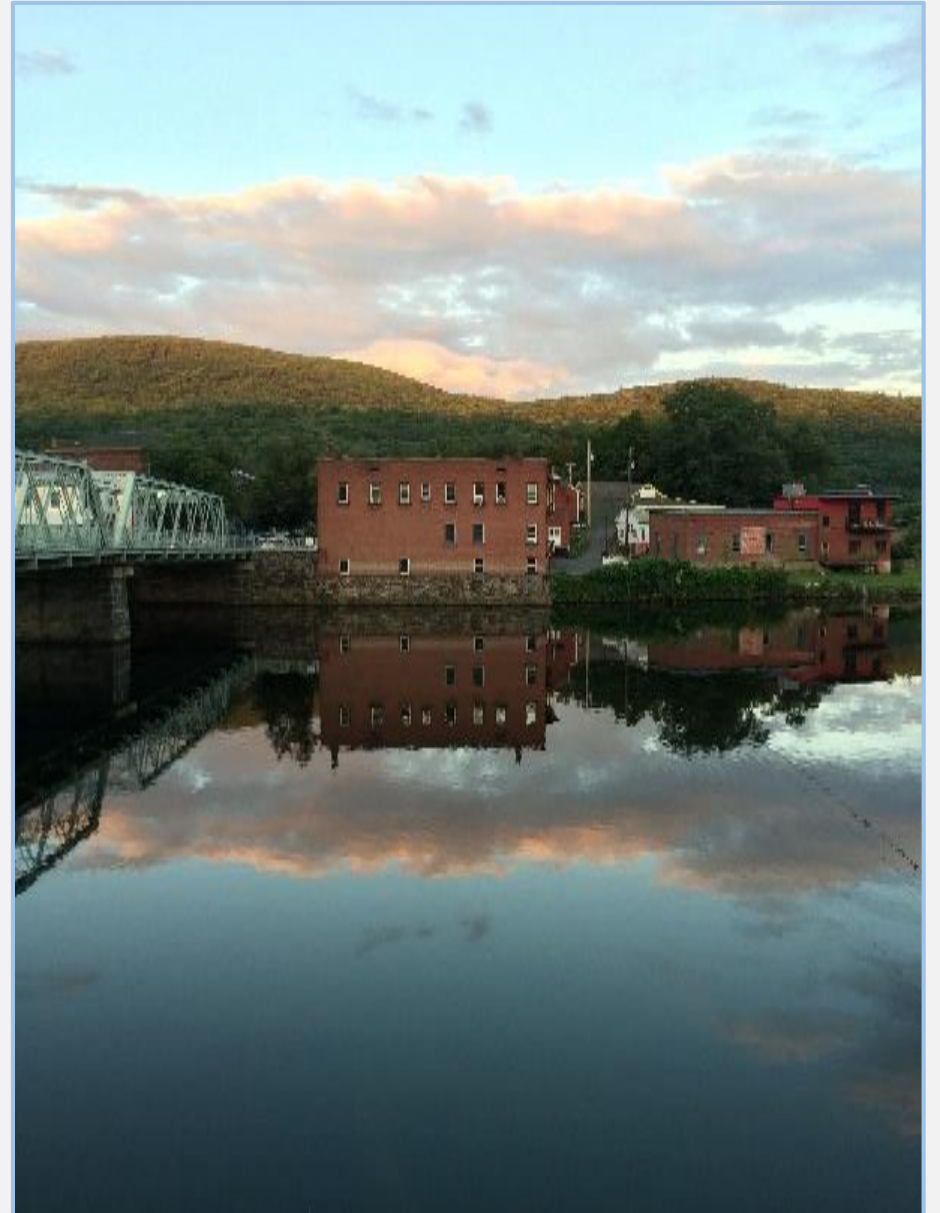
Top Priorities

- **Expand diversity and implement relocation strategies** to boost population in rural Massachusetts
- Develop a statewide **land use plan/growth management strategy**
- Determine and create a **rural factor** to **adjust state funding formulas**



Core Strategies

- Develop municipal **capacity and incentives for service sharing**
- Create a **dedicated funding stream for water and sewer infrastructure**
- **Redesign public transportation provision** in rural Massachusetts



Core Strategies

- Develop **targeted economic development strategies** for rural sectors
- Ensure **equitable and quality education** to children in rural Massachusetts
- Address the impacts of **climate change** in rural Massachusetts by enhancing capacity of rural lands to provide mitigative solutions



Sustained Implementation

- Create an **Office of Rural Policy** with permanent staff capacity to:
 - provide a consistent, productive focus on rural issues in the Commonwealth
 - help implement the recommendations of this rural policy plan



Action Plan

- Establish an **Office of Rural Policy**
- **Pass current legislative proposals** in support of rural areas
- **Continue the Rural Policy Advisory Commission** with a focus on implementation and progress monitoring
- **Approve and fund key studies and research** to help advance rural issues



Comments/Questions?

Thank You!

