

KANSAS CITY ADVISORY COUNCIL MEETING

October 23, 2023

Accelerating Economic Mobility in Kansas City

Since early 2022, Accelerator for America (AFA), the Ewing Marion Kauffman Foundation (EMKF), and the Office of Kansas City (MO) Mayor Quinton Lucas have partnered to create and support a Policy Director position at AFA focused on helping the bi-state Kansas City region improve its economic competitiveness and increase economic mobility for its residents.

The goals for this partnership and the position include:

- Assisting with grant applications (primarily federal) to bring new funding to promote equitable economic and/or workforce development;
- Improving coordination across and between local governments and relevant local intermediaries involved in economic and workforce development; and
- Assessing and developing longer term strategies for supporting strategic economic development work.

AFA's work is uniquely driven by its network of Mayors who lead on the frontlines of our communities every day. AFA was founded in 2017 by the Mayor of Los Angeles and other public, private and non-profit sector leaders when it was clear that local communities were facing an extended period of federal retrenchment. AFA is not a "think tank" – it's a "do tank" that quickly and nimbly deploys solutions to meet evolving needs of cities.

AFA's early work focused on promising practices for redevelopment and capital access in historically disinvested communities. AFA pivoted in 2020 to help localities adapt and launch initiatives to overcome COVID-19 and foster a more inclusive recovery. Today, AFA builds capacity for localities to leverage this moment of unprecedented federal investment through the American Rescue Plan Act, Bipartisan Infrastructure Law, Inflation Reduction Act, and CHIPS + Science Act.

AFA uniquely brings mayors and local leaders together with each other and connects them with business leaders, funders and investors, and subject matter experts to advance economic mobility by helping cities leverage public and private investment, fund infrastructure, and drive equitable workforce, small business and housing development. AFA works to share, scale, and replicate these solutions to create national change from the ground up.

The Kansas City partnership among philanthropy, City Hall and AFA and described in this document is a case study for localities pursuing results-oriented collaboration that rapidly delivers results.

\$12 Million and Counting

As of October 2023, the regionally focused AFA Policy Director, together with the AFA organization's national reach, has led or supported eleven (11) grant applications to federal, state, and philanthropic funding opportunities, with nearly \$12 million in successful awards to date. His work includes:

- The successful application for a \$5 million RAISE planning grant from the U.S. Department of Transportation for the U.S. Highway 71 corridor. The construction of U.S. 71 in the latter part of the 20th century displaced thousands of residents and cut off predominantly Black neighborhoods from grocery stores, health care and jobs.¹ The RAISE grant will help study options for reconnecting these neighborhoods and could pave the way for billions of dollars in investment to help revitalize the corridor.
- The successful application for a \$1 million grant from USDOT's Reconnecting Communities Initiative to fund an effort to study options for reconnecting Kansas City's Westside, the historic center of the city's Latino community, which is adjacent to Downtown but was separated from it by the construction of I-35 in the late 1960s.
- Co-authoring and coordinating proposals from regional consortia for millions of dollars in place-based federal economic development funding for the KC region through EDA's Technology Hubs ("Tech Hubs") and Recompete programs.
 - The Tech Hubs application focused on developing the region's biotechnology industry, with a focus on vaccine manufacturing and development. The bi-state consortium included commitments from more than 50 partners, including the cities of Kansas City, MO and Kansas City, KS, both regional Workforce Investment Boards, all four (4) major regional research universities, state economic development agencies, and private sector firms representing more than 5,000 employees. If successful, this application could provide up to \$50 million in funding for the region.
 - The Recompete application focused on neighborhoods where unemployment rates were dramatically above national and regional averages. The regional consortium was led by the Full Employment Council, the Kansas City, MO-based Workforce Investment Board, and included participation from a number of entrepreneurship support organizations and educational and training institutions on both sides of the state line. If successful, this application could provide up to \$50 million in funding for the region.
- Leading a series of focus groups and interviews with workforce development stakeholders in the Kansas City region to develop recommendations for improving collaboration and coordination across the workforce system more broadly. This culminated in a forum that featured representatives from local government, education, the business community, philanthropic organizations, and leaders of both regional WIBs to discuss opportunities to collaborate more effectively and to share a pilot workforce data dashboard developed in collaboration with local workforce stakeholders.

¹ <https://www.nytimes.com/2023/05/25/us/politics/biden-removing-highways.html>

- Incorporating local government into national technical assistance (TA) programs:
 - Facilitating the participation of Kansas City, MO and Johnson County, KS in AFA's Innovative Infrastructure Initiative (i3), which provides technical support and guidance to local entities pursuing transformational major infrastructure programs. Kansas City, MO is focusing its efforts on the Highway 71 Corridor to ensure projects planned for through the RAISE grant can receive the funding and financing needed. Johnson County, KS is working on innovative mobility and transit expansion.
 - Facilitating Kansas City becoming one of five cities participating in AFA's Smart City Accelerator initiative with Honeywell, receiving \$250,000 of in-kind technical support, the development of a Smart City Strategic plan, and focused support to help improve emergency response times through the city's 911 system.² The city just submitted a grant application to USDOT's SMART program through this initiative.
 - Facilitating Kansas City's participation in AFA's partnership with Tolemi, which is providing cities with free analytics and software tools, alongside a peer learning cohort, to tackle housing affordability, ownership, eviction and broader vacant and abandoned property challenges.
 - Preparing applications for technical assistance through IEDC/EDA's Economic Recovery Corps and the Bloomberg American Sustainable Cities program, both of which could provide dedicated full-time staff to work on equitable economic development programs (both applications are pending as of October 2023).

Lessons Learned

- The Policy Director position was filled with a former high-level Mayoral staff member. This allowed him to bring existing relationships and a strong understanding of local political dynamics into the role. Similar collaborations in other cities will require locally based staff with a strong understanding of the local policy landscape.
- Because of its national scope and focus, AFA is best suited to work collaboratively with local government and locally based intermediaries to help them lead regional economic and workforce development initiatives. In Kansas City, in addition to close collaboration with Mayor Lucas, AFA has worked closely with the local metropolitan planning organization (MARC), local civic and business groups such as the Civic Council of Greater KC and Greater KC Chamber of Commerce, and a number of local non-profits. Any similar effort should consider involving and engaging similar civic and regional groups.
- This work has been funded through two short-term (one year) grants. The work of building more effective structures and strategies for funding economic development intermediaries and associated work to accelerate economic mobility is a long-term effort that requires planning and convening across many years. It is difficult to commit to the necessary coordination work required to stand-up new collaborative models and long-term economic development strategies in a limited time-frame. Cities and funders

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<https://www.governing.com/infrastructure/solving-kansas-citys-overwhelmed-911-system-will-take-months>

interested in pursuing similar goals may want to consider an upfront multi-year commitment to allow for a longer runway.

In this new era of federal abundance, AFA has built an effective and high performing partnership between local government and place-based philanthropy with Mayor Lucas and the Kauffman Foundation. Despite all the new federally funded opportunities, access and opportunity are not distributed equitably to communities across the country. City leaders need additional capacity to maximize this moment and ensure that these funds flow to those places who have suffered most disproportionately from deliberate discrimination and disinvestment. Philanthropy can play a critical role to increase capacity and produce an incredible return on community investment.

Testimonials from Local Partners

"As national co-chair of AFA's Advisory Council, I witness the outstanding work the organization does every day to help Mayors and cities succeed. AFA's KC based Director of Policy and Program Innovation, A.J. Herrmann, has helped Kansas City secure millions of dollars in federal funding, establish strategic partnerships with national and local philanthropies, and serves as a key advisor as my administration implements policies to advance affordable housing, economic development, and transit access."

- ***Mayor Quinton Lucas***

"Our partnership with AFA has been a force multiplier - adding direct capacity to our core office team as we work to implement policies that make Kansas City a stronger and more equitable city. AFA's national perspective and network have benefited Kansas City in countless ways, including by providing direct access to national experts, elevating best practices in economic development, workforce, and infrastructure policies, and receiving support through comprehensive technical assistance programs such as the Smart City Accelerator and I3 Initiative. AFA's local Director of Policy and Program Innovation, A.J. Herrmann, has directly helped the Mayor's Office secure millions of dollars in federal funding to advance key priorities in economic mobility, transit access, and workforce development."

- ***Morgan Said, Chief of Staff, Mayor Quinton Lucas***

"AFA has made it possible to accelerate our foundation's investments in our region with an eye on system-level impact. Not only are they supporting a coordinated effort to effectively provide more funding into the Kansas City metro area, but the analysis they bring from other regions has helped key stakeholders learn and position ourselves stronger as a region. At the Kauffman Foundation, we are always seeking ways to multiply our funding to have a deeper and longer lasting impact. AFA represents an organization that does that well, taking our support and leveraging it to make our region a more competitive force to ultimately improve the lives of our Kansas City neighbors"

- ***Miles Sandler, Director, Ewing Marion Kauffman Foundation***

"AFA helped FEC develop a strong application to EDA's Recompete program in a very short period of time. Our plan focuses on closing the unemployment gap in the most economically distressed neighborhoods in our region through targeted workforce and entrepreneurship programs. Our consortium includes strong participation from workforce and training providers on

both sides of the State Line, as well as a coalition of grassroots organizations that are actively working in the community to support emerging entrepreneurs. If successful, the grant could provide up to \$50 million in funding for economic and workforce development programs to the greater KC region. FEC greatly appreciates the expertise in federal grant writing and economic development that AFA brought to our Recompete proposal."

- ***Clyde McQueen, President and CEO, Full Employment Council***

"AFA and A.J. Herrmann, their local Director of Policy and Program Innovation, was a critical part of the core team that helped develop the proposal for Kansas City to be designated as an EDA Tech Hub. His federal grant writing and policy experience helped us identify critical themes to emphasize in our application and position our work most competitively, and his knowledge of local political conditions and actors helped us assemble a strong bi-state coalition that included major local political, philanthropic, corporate, and educational institutions. If successful, this grant has the potential to transform the KC regional economy and create equitable pathways to high-paying jobs in the growing biotechnology industry."

- ***Melissa Roberts Chapman, Director of Regional Entrepreneurship, Federation of American Scientists (Proposal Lead for KC Tech Hubs)***

"A.J. and Accelerator For America were engaged very early on in the planning phase for the KC BioHub grant application. He and AFA were both instrumental in helping BioNexus KC assemble a bi-state consortium to prepare a strong application for EDA's Tech Hubs grant program. With so many areas of expertise across the region, even deciding on a subject matter on which to focus was a difficult process. Additionally, the application process required BioNexus KC to secure commitments from key public, private, and educational institutions from both Kansas and Missouri in an extremely short period of time. A.J.'s knowledge of local politics helped ensure our application included strong partners from across the region. In particular, A.J. was able to expand the committed political support letters with the haste required to complete the proposal on time.

His expertise in federal grant writing helped the consortium make a compelling case for how a large federal investment through a Tech Hubs award could advance shared regional goals and promote inclusive economic development. As a result of the grant writing and planning process, BioNexus and its partners are well positioned to lead inclusive growth of the vaccine development and manufacturing industry in KC, regardless of the ultimate success of the Tech Hubs application. I believe that the application will ultimately yield a winning outcome from the EDA, and we stand on such solid ground because of the efforts from people like A.J. "

- ***Daniel Kennedy, Vice President, BioNexus KC (Consortium lead for KC Regional Tech Hubs Proposal).***