



REVIVING

RURAL DOWNTOWNS: A RURAL CALIFORNIA DOWNTOWN PLAYBOOK

EXECUTIVE SUMMARY

ACKNOWLEDGEMENTS

Funded by Wells Fargo and led by the California Finance Consortium (CFC), the Reviving Rural Downtowns: A Rural California Downtown Playbook project worked with two communities from each organization's region (eight total), conducted downtown environment scans, and developed a replicable toolkit and training for local champions to move projects from vacancy to vitality.

California Finance Consortium

The California Finance Consortium (CFC) was formalized as a 501(c)(3) non-profit corporation in 2015 by a partnership of rural economic development organizations that had been informally collaborating for the previous 25 years. Two of the member organizations are also CDFIs, and three are designated Economic Development Administration (EDA) regional economic development districts. The four member organizations are:

- 3CORE Economic Development Corporation, headquartered in Chico, CA, and serving Butte, Glenn, and Tehama Counties
- North Edge Economic Development Corporation, headquartered in Arcata, CA, and serving Humboldt, Del Norte, Lake, and Mendocino Counties
- Superior California Economic Development, Inc., headquartered in Redding, CA, and serving Modoc, Shasta, Siskiyou, and Trinity Counties
- Yuba-Sutter Economic Development Corporation, headquartered in Yuba City, CA, and serving Yuba and Sutter Counties

The consortium helps its members deliver well-structured and reasonably priced capital to healthy, growing small and medium-sized businesses in underserved areas by purchasing participations in and assuming equal risk for loans underwritten and approved by member lenders that meet CFC participation guidelines. Consortium members also provide in-house technical assistance and/or connection to other business assistance providers in their communities.

An early grant from Wells Fargo helped founders execute the development phase of the CFC business plan.

Mission Statement

The mission of California Finance Consortium (CFC) is to advance local enterprises in underserved areas, expand the economic output in their communities by linking these enterprises to capital, expertise, education, and other entrepreneurial support services, and to carry on other charitable activities associated with these goals as allowed by law.

Community and Business Development Goals

Collectively, CFC members focus on identifying unmet credit and technical assistance needs in a complex rural geography with diverse populations, and on creating programs, products, and services to meet these needs.

With support from Wells Fargo, the Downtown Revitalization Playbook reflects a collaborative effort to help rural communities strengthen their downtowns, build local leadership capacity, and create opportunities for long-term economic growth and community vitality.

This project was led by the National Association of Development Organizations (NADO) with support from Morrison & Company Consulting, Inc.

The National Association of Development Organizations (NADO) is a 501c4 membership association that represents the interests of regional community and economic development practitioners. Established in 1967, NADO advocates for federal policies and programs that promote equitable community development, economic competitiveness, rural development, economic mobility, and quality of place. NADO represents a national network of more than 500 Regional Development Organizations (RDOs) across the country.



The NADO Research Foundation (NADO RF) is a 501c3 non-profit organization that provides technical assistance, education, research, and training to support and strengthen the national network of Regional Development Organizations (RDOs). Established in 1988, the NADO RF provides thought leadership, conducts research, and produces publications focused on promising practices and innovative approaches that promote regional community development.



Morrison & Company Consulting, Inc. was founded in 2002 and nearly 25 years later, serves a broad range of clients, including for-profit businesses, nonprofit organizations, public agencies, industry associations, and city and county jurisdictions nationwide. Morrison provides services across three primary practice areas: Business & Accounting Advisory, Grants, and People Solutions. Key aspects of Morrison's services include feasibility studies; business and strategic planning; outsourced accounting and finance; financial modeling; competitive grant strategy, writing and administration; executive recruitment, organizational development, and strategic facilitation.



INTRODUCTION

THE PROBLEM - NATIONALLY AND IN NORTHERN CALIFORNIA

Downtowns bring vitality to rural, suburban, and urban communities alike. They serve as central places where people can shop, gather, and connect, fostering a strong sense of community for residents while also creating a welcoming atmosphere for visitors. Beyond their economic role, downtowns are typically the social and cultural heart of a community. They provide spaces for interaction and connection, while also reflecting local history and identity, often holding important historical and cultural significance.

However, maintaining a vibrant downtown can be difficult, especially in rural regions facing challenges such as youth outmigration; the growth of big-box and dollar stores and online shopping; and the need to sustain essential services. Consumers have expectations of being able to buy everything they need in one place. What this looks like in some rural downtowns is vacant storefronts, inadequate signage and wayfinding, lack of activity, and lack of options.

Quality of life in rural communities, however, directly influences business success and overall economic growth. A vibrant downtown or commercial district plays a vital role in this, serving as a hub for entertainment, civic activity, and commerce. It strengthens community identity and pride, fosters connection and cohesion among residents, and creates a strong sense of place. In addition, thriving downtowns can attract visitors, project a positive image that helps draw in investment, and support local economies by creating jobs, encouraging small businesses, generating retail activity, and contributing to property and sales tax revenue.

The Region

This region of northern California, north of Sacramento and bounded by the state of Oregon to the north and the state of Nevada to the east, encompasses 13 counties: Del Norte, Siskiyou, Modoc, Shasta, Trinity, Humboldt, Mendocino, Lake, Glenn, Butte, Sutter, Yuba, and Tehama.

Eight communities were chosen to participate in the project. These included:

1. Corning - Tehama County - pop. 8,260
2. Oroville - Butte County - pop. 20,451
3. Live Oak - Sutter County - pop. 9,558
4. Wheatland - Yuba County - pop. 4,369
5. Garberville - Humboldt County - pop. 1,719
6. Eureka - Humboldt County - pop. 25,304



7. Alturas - Modoc County - pop. 2,626
8. Weaverville - Trinity County - pop. 3,105

The communities vary in population from just under 2,000 to over 25,000. Not all solutions will be appropriate for all these communities.

Process

The National Association of Development Organizations (NADO) began this work by creating datasheets for properties located in 'focus areas' in the eight communities and filling them with available information, while also offering guidance on how to keep them updated.



NADO team members also conducted interviews with key participants identified by the California Finance Consortium (CFC) members. In addition, NADO team members conducted focus groups in each community with key partners and stakeholders. The results of these focus groups helped to identify the assets as well as the key challenges across the eight communities. These challenges guided the remaining research toward identifying strategies that could effectively address and overcome these barriers. Morrison conducted in-person walking tours of each community; the data that came out of those visits informed specific recommendations for each community.

Key Principles

This research and the recommendations that emerge from it depend on a few key principles for rural downtown revitalization.

1. **Assessment Process.** The first step is assessing not only what the community has but to look critically at what they're currently doing and what those activities and strategies are producing. The process should repeat on a regular basis, by assessing weaknesses, identifying opportunities, and planning for improvements.
2. **Asset-based approach.** Every place has assets and special characteristics that set it apart from others. The wealth creation approach is a useful framing for what constitutes an asset and acknowledges both tangible and intangible assets.
3. **Keeping wealth local.** Communities should consider how their downtown revitalization work supports local wealth of all kinds, building on existing assets, supporting local entrepreneurs, etc. When individuals and businesses spend money locally, it increases the multiplier effect, generating additional economic activity within the community.

4. **Collaboration is key.** Successful downtown revitalization depends on relationships and collaboration. Partners, leadership, and networks are key to planning and achieving shared priorities.

5. **Start small with quick wins.** Incremental downtown revitalization focuses on bottom-up, small-scale investments rather than massive, expensive master plans. It may consider improving walkability, fostering local entrepreneurship, and creating resilient community spaces layer by layer, building momentum through “quick wins.” Starting small is also a way to practice collaborating, so networks and partnerships are built for the larger changes.

6. **Focus on a growth mindset.** Communities can be stuck in a fixed mindset, in which they learn to view their identity as a static situation – “we’ve always been this way.” This keeps them from making progress. It is important for communities to cultivate a growth mindset, treating its potential as something that can be developed through shared effort and collaboration.



Key Assets in the Region: What Makes this Region Special?

Despite differing sizes and geographies, the eight communities share a strong and consistent set of foundational assets. These strengths form the building blocks for revitalization and indicate real potential for long term downtown vitality.

1. Historic Character & Authentic “Bones”
2. Compact, Walkable Downtown Cores
3. Strong Sense of Place & Local Identity
4. Arts, Culture, and Creative Energy
5. Strong Natural & Recreational Assets
6. Existing Events, Festivals & Community Traditions
7. Dedicated Local Leadership & Champions
8. Strategic Regional Location & Access
9. Untapped Buildings & Opportunity Sites

The challenge is not a lack of assets, but rather aligning policy, investment, and activation strategies to unlock them.

Shared Downtown Challenges and Barriers

While each downtown has a unique context, the focus groups revealed remarkably consistent structural challenges. These barriers fall into a small number of recurring themes that shape why revitalization is difficult and what strategies are most likely to work.

1

Vacant, Deteriorating, and Underutilized Buildings

This was the most universal challenge across all communities. Common conditions include:

- Older buildings needing major upgrades (HVAC, roofs, ADA, seismic).
- High rehabilitation costs that far exceed what small businesses can support through rent.
- Buildings used for storage, closed “hobby” uses, or social or institutional functions that generate no foot traffic.
- Passive or absentee ownership, often inherited, held in trusts, or owned by people with no financial pressure to reinvest.

Key barrier: Downtown revitalization is stalled not by lack of ideas, but by lack of site ready space, unwilling owners, and lack of activation.

Step by Step Strategies:

1. Assess Vacant and Underutilized Properties
2. Create Supportive Programming and Assistance
3. Bolster Enforcement and Compliance Processes
4. Pursue Creative Methods for Property Activation

2

Misalignment Between Zoning, Policy, and Desired Downtown Use

Many downtowns allow uses that are technically legal but undermine vitality, such as ground floor spaces that are closed to the public, offices (lawyers, government), low traffic uses, social services concentrated in retail cores without complementary activity, or residential or storage uses on prime storefront blocks. What is missing is food, gathering places, and experiences.

At the same time, few communities require or strongly encourage active ground floor uses, regular operating hours, or mixed-use activation (retail + residential above). The result is that downtowns “look like downtowns,” but do not function like them day to day.

Step by Step Strategies:

1. Assess the challenges identified by property owners, developers, municipal staff, and other downtown stakeholders.



2. Examine requests for variances, special use permits, and other variations from standard zoning or permitting policy and procedures.
3. Examine the status of connections between local planning efforts and zoning policies.
4. Perform a periodic zoning code audit for timely updates that might reflect changes in the local environment.
5. Maximize the use of enacted enforcement policies and available enforcement actions.

3

Cost and Risk Barriers for Small Businesses

Across all eight communities, key barriers to thriving small business environments include:

- Startup risk is too high for local entrepreneurs.
- Tenant improvement costs are unaffordable without subsidies.
- Rising costs include insurance (especially for older historic buildings), utilities, labor and minimum wage, and/or permitting and compliance.

Additional challenges concern online shopping and informal competition undercutting brick and mortar businesses. Outside of business costs and competition concerns, the communities also highlighted the need for building repairs as the first step for improving small business success. Revitalization cannot be tenant led alone; buildings must be fixed first.

Step by Step Strategies:

1. Pop-up Retail
2. Micro-Grants and facade grants
3. Community Benefit District or Business Improvement District Models
4. One-Stop Permitting Centers
5. Fee Waivers or Deferrals
6. Experiential Retail and Community Events

4

Weak Year-Round Demand or Weak Evening and Everyday Activity

All communities struggle with limited local spending capacity and leakage to larger nearby cities. There is strong seasonality in different places. Downtowns feel empty in the evenings. There is a need for activation, especially in the evenings.

Step by Step Strategies:

1. Form a Downtown Activation Team
2. Secure Commitments from Businesses
3. Business Integration



5

Overreliance on Events Without Spillover

Events are a strength, but also a limitation. Some events and festivals mentioned by focus group members draw thousands of people. However, vendors are often temporary or external, and visitors often attend the event without entering local shops. Events create visibility, not sustainability, especially when stores are closed outside event days.

Step by Step Strategies:

1. Passport Program
2. Extend business hours beyond event days
3. Redesign event layouts to drive movement

6

Limited Visitor Orientation and Marketing

Across multiple towns, visitors are already coming (events, recreation, sports, tourism), but they do not know where to go and what is offered, cannot find businesses easily online, or arrive when downtown is closed. Recreation users may not enter downtown. Highway traffic does not convert to stops. And event attendees do not spend money in downtown stores. Gaps include poor wayfinding, limited online presence, no central “what’s open now” information, and weak storytelling around identity and assets.

Step by Step Strategies:

1. Make downtown more accessible
2. Create a strong downtown identity

7

Transportation, Highway, and Infrastructure Barriers

Many communities are bisected by highways or rail lines or both, creating safety issues, poor walkability, and psychological barriers to stopping or crossing. Many communities are also located on major corridors where traffic moves too fast to notice downtown or where people stop only at gas stations or chains near interchanges. There are sidewalk and roadway issues. Parking may be available, but not visible. Even where traffic is heavy, passing through does not equal stopping; downtowns lack compelling reasons to pull people off the road. Signage and wayfinding may be helpful with this.

Step by Step Strategies:

1. Assess conditions and areas of greatest concern
2. Evaluate potential solutions of all sizes
3. Experiment with temporary or short-term implementations
4. Build support for larger or longer-term efforts

8

Fragmented Leadership, Capacity, and Ownership

Most communities rely on volunteers, overextended city staff, and small nonprofits or chambers stretched thin with limited activity or authority. There is often no single entity with authority over downtown buildings and the capacity to acquire, rehab, and lease property. There are also failed or incomplete tools, like the Business Improvement District in Garberville. This means there is difficulty coordinating property owners, businesses, city enforcement, programming and marketing. Revitalization efforts are episodic rather than structural.

Step by Step Strategies:

1. Assess the network of partners
2. Assess the status of current or past efforts
3. Examine alignment with current needs and goals
4. Initiate or re-initiate efforts based on learnings
5. For a regional hub:
 - a. Identify the host or lead organization of the hub
 - b. Identify large anchors as regional leaders
 - c. Identify mid-size communities as operational hubs
 - d. Identify small communities as tactical strategy hubs

9

Economic Leakage to Nearby Cities

In each community, residents leave town for dining, shopping, entertainment, and services. Nearby larger towns have more options, later hours, and greater critical mass of things to do and see. Small downtowns struggle unless they offer something distinct, not just convenient.

Step by Step Strategies:

1. Assess local market conditions and competing locations
2. Survey consumers and visitors
3. Fill retail and service gaps by supporting existing businesses (retention), working with entrepreneurs, and fostering the local business ecosystem.
4. Strengthen the downtown experience as a community's primary gathering place.
5. Support "Buy Local" campaigns and other efforts to prioritize local institutions
6. Cultivate a unique local identity

WHERE TO START

THE OVERARCHING PROCESS

1



Assess what you have.

In this initial phase, not only should stakeholders be identifying tangible and physical resources like buildings, businesses, infrastructure, and other facilities in the built environment; available equipment, collateral materials, and financial resources; but also, intangible assets, such as human and social capital.

2



Assemble information, documents, and networks.

Needed information may exist in many offices and locations and could require interaction with multiple individuals and groups. Once core information is gathered and disseminated, follow-on support activities can be completed, for example evaluating enforcement policies and outcomes, reviewing zoning ordinances, visually inspecting non-compliant properties, interviewing property owners and business operators, observing activity, analyzing events, conducting surveys, interviewing officials and staff, and reviewing available data.

3



Activate and understand strategies that require low, medium, and high energy.

Once information has been assembled and evaluated, strategies can be formulated for action. Targeted efforts can be organized by the level of effort required from low to medium and high levels of energy needed. The general goal is to begin making incremental changes based on what has been learned to date.

4



Evaluate progress and determine next steps.

As programming is implemented, stakeholders can immediately begin observing the effectiveness and determine whether a scaling up or down of effort is needed, if additional resources are required, if additional partners should be engaged, or if any other noted adjustment would improve performance. Changes to programming can be deployed as soon as possible.

5



Repeat from the beginning to tackle the next challenge.

At this point, the stakeholders will return to a state of assessment and work through the steps again. This is an ongoing and iterative process and maintaining a state of constant gradual improvement is key. Success will depend on the ability of a community to perpetually be in a state of seeking improvement with the will to persist.

NEXT STEPS

Each community has clear next steps. However, there are more communities in these four regions that can benefit from these findings. The tools that are part of this playbook will be useful as other communities start from square one. A reminder of the guiding principles of this work:

- a. **All communities have assets to work with.** The asset inventory allows communities to gauge what types of assets they have to work with. Not all assets are tangible. The eight capitals provide a way to inventory tangible and intangible assets. ("WealthWorks: A Powerful Tool for Thriving Rural Places") Some of those intangible assets are the people who will help move your downtown forward.
- b. **Partnership is crucial.** While it helps to have a community champion, even an enthusiastic champion, no one can do this alone. Part of inventorying assets is understanding the people, organizations, institutions, and businesses that can help make things happen.
- c. **This is long-term work.** Some strategies are long-term strategies, and some are short and medium-term strategies. Understanding the timeframe of each is critical to managing expectations. A successful downtown plan will have short, medium, and long-term strategies, so that the community can see some progress while it lays the groundwork for the long-term strategies. It can take years to see outcomes on some of the bigger items.
- d. **Start small with quick wins.** Downtown redevelopment is like a marathon. To prepare for the marathon, you need to train with shorter runs. Just like that, downtown development, while putting things in motion for the longer-term strategies, needs to make things happen on smaller strategies, so that the community sees some early wins, building support for the long term. Also, those early quick wins are making downtown more livable one small piece at a time.

These communities have a variety of assets to work with, including proximity to outdoor recreation, historic character, arts and culture, walkable downtown cores, and traditions. The first step is to understand what those assets are and build on them.



THE ROLE OF REGIONAL ORGANIZATIONS

Not every community has the leadership capacity, expertise, or local champions needed to move this work forward. In those cases, what responsibilities should regional organizations take on, and where can they add the most value? It should be reasonably expected that regional organizations could play a stabilizing role that can withstand the turnover of local political leadership and representatives in stakeholder and non-profit organizations. This continuity can be a critical asset to revitalization efforts.

Regional organizations need to be viewed as part of the equation. Regardless of what individual communities choose to pursue, there is a meaningful role for each organization to play in enabling success. The key is to move beyond general support and define that role with greater specificity and intention.

Potential functions include convening stakeholders, helping communities identify and secure funding, providing training and coaching, building local leadership capacity, facilitating peer-to-peer learning, identifying best practices, coordinating technical assistance, and connecting communities to resources and expertise. In some communities, the role may be to catalyze action; in others, it may be to strengthen existing efforts or temporarily fill capacity gaps. The goal should be to become more deliberate and targeted in these functions, clearly identifying what support communities need and how the regional organizations could provide it. The focus should be on building local capacity, developing leaders, and creating the conditions for communities to sustain progress over time.

MANAGING EXPECTATIONS

Successful downtown revitalization is a journey that requires patience, persistence, and a shared commitment to a long-term vision. Meaningful change rarely happens overnight. Instead, it grows through sustained effort, strong partnerships, and a series of intentional actions that create visible progress and build community excitement. Starting with achievable wins helps generate momentum, strengthen confidence, and encourage broader engagement. By identifying, empowering, and supporting local leaders, organizations, and community champions, communities can build the foundation for lasting success.

As a next step, each community should define what success looks like and develop a realistic path toward achieving that vision. This includes assessing existing strengths, resources, and readiness while identifying opportunities to expand collaboration. Where additional capacity or expertise is needed, communities can engage new partners who bring fresh energy, resources, and perspectives. By building on current assets and fostering strong partnerships, communities can create the momentum needed to achieve meaningful and sustainable downtown revitalization.

