Metropolitan Policy Program at BROOKINGS

OHIO'S CITIES AT A TURNING POINT: FINDING THE WAY FORWARD

Alan Mallach and Lavea Brachman

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EXECUTIVE SUMMARY

For over 100 years, the driving force of Ohio's economy has been the state's so-called Big Eight cities—Columbus, Cleveland, Cincinnati, Toledo, Akron, Dayton, Canton, and Youngstown. Today, though, the driving reality of these cities is sustained, long-term population loss. The central issue confronting these cities—and the state and surrounding metropolitan area—is not *whether* these cities will have different physical footprints and more green space than they do now, but *how* it will happen. Large parts of Ohio's cities are already being abandoned. Economic activity is increasingly located in a few core areas, but it is scattered, with vacant office buildings and storefronts interspersed with viable businesses and institutions. Sound neighborhoods are being eroded by disinvestment, foreclosures, and a lack of confidence. Without strategies that recognize the reality of change and build upon that reality for a stronger city, Ohio's shrinking cities—or many parts of them—are hollowing out.

The state must adopt a different way of thinking and a different vision of its cities' future—and so must the myriad local, civic, philanthropic, and business leaders who will also play a role in reshaping Ohio's cities. The following seven basic premises should inform any vision for a smaller, stronger future and subsequent strategies for change in these places:

- ***These cities contain significant assets for future rebuilding***
- ***These cities will not regain their peak population***
- ***These cities have a surplus of housing***
- ***These cities have far more vacant land than can be absorbed by redevelopment***
- ***Impoverishment threatens the viability of these cities more than population loss as such***
- ***Local resources are severely limited***
- ***The fate of cities and their metropolitan areas are inextricably inter-connected***

These premises have significant implications for the strategies that state and local governments should pursue to address the issues of shrinking cities. State and local policymakers must pursue the following policies:

1. Prioritize state funding to cities that adopt comprehensive plans that address the realities of population loss and the need for land reconfiguration.

2. Pass comprehensive land bank reform that provides strong tools for local, multi-jurisdictional, countywide, and regional land banks throughout the state.

3. Modernize state planning statutes to allow for more appropriate and flexible planning and zoning tools at the state, local, and multi-jurisdictional level.

4. Create a data clearinghouse to support both state resource allocation and local planning decisions.

> Long-term land reconfiguration requires the ability and will to distinguish between those parts of the city which are appropriate for stabilizing and building market strength; areas that may offer, now or in the future, other economic development opportunities; and finally, areas that have no realistic development potential in the foreseeable future. By linking state resources to effective local strategies, the state can encourage strategic redevelopment linked to larger community and economic development planning.

5. Create an Anchor Institution Transformation Zone program to replace the expiring urban enterprise zone program.

6. Support local efforts to utilize urban waterfronts as significant economic and quality of life assets, linking transportation, open space and economic development into integrated investment strategies.

> Ohio's cities have great assets, including both major institutions and natural resources, which can trigger revitalization, particularly if they are approached in an integrated fashion, and their impact leveraged through strategic approaches. State policy should give high priority to helping older cities reap the greatest benefits from their assets.

7. Utilize DOD and OHFA resources to support targeted neighborhood initiatives focusing on rehabilitation and reuse of existing structures and provide technical assistance to support cities' efforts to implement creative revitalization strategies.

8. Establish a targeted neighborhood revitalization strategy program to direct state investments in housing, school construction, transportation, and other areas to designated neighborhoods to further local revitalization strategies.

> Many of the strongest neighborhoods in Ohio's cities are under threat, and in need of strategies to reverse the effects of declining property values, foreclosures and vacant properties. Long-term strategies designed to strengthen each neighborhood cluster are equally critical, including transit improvements; infill housing; and strengthening neighborhood business and commercial activity.

9. Create an Urban Agriculture and Greening Extension Program within the Ohio State University Extension, to build the infrastructure and support system needed to foster large-scale urban agriculture and greening in Ohio's cities.

Areas where housing market demand no longer exists can become green areas, from community gardens and mini-parks to urban farms or natural stream corridors. Carrying out strategies that lay the groundwork for reconfiguration of these areas is a complex issue, not only in terms of planning, but also politically and socially. Many homeowners in these areas may be attached to their homes. Many other owners would like to leave, but are trapped by their low incomes and the fact that their homes have literally no market value. Cities must explore how to help those who want to move do so without pressing those who want to remain. Turning these areas into productive, sustainable green areas will take many years, and they are not ever likely to return entirely to a pristine state of nature. The basic principles of reconfiguration must be adopted early, however, and pursued consistently over time, avoiding unproductive, inefficient scattered development.

10. Encourage shared services, inter-municipal and regional planning, joint taxation districts, and under some circumstances, where appropriate, local government consolidation.

Ohio's older cities are so closely interwoven with their surrounding cities, villages, and townships that municipal boundaries seem little more than a historical artifact. The same problems that are confronting the central cities spill over to many of their suburbs. Despite this, regional cooperation in Ohio is rare. The proliferation of governmental jurisdictions has contributed to sprawl and the draining of resources from its cities, both in terms of population and the shrinking of the tax base needed to maintain basic services. Fragmentation also often results in duplication of services, increasing government costs, and reducing government's accountability to the public.

Successful strategies to create stronger cities will require inter-municipal cooperation, in the sense of joint planning and activities by cities and their adjacent communities; and city-county cooperation around key issues such as land banking.

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Ohio lacks a single dominant city that can demand a significant share of the state's attention. Few, if any, other states have as many cities that have lost population and jobs as Ohio, or as many cities in need of finding new economic engines and framing a new vision around the reality of being smaller cities. The distribution of these cities around the state, their diversity in terms of size, assets, and economic conditions, and the sheer magnitude of both their needs and the opportunities they offer, places a massive burden on the state to demonstrate its leadership and its capacity to act. The future prosperity of the state may well depend on how well its leaders rise to that challenge.

I. Introduction

For over a hundred years, the driving force of Ohio's economy has been the state's so-called Big Eight cities—Columbus, Cleveland, Cincinnati, Toledo, Akron, Dayton, Canton and Youngstown. Today, these cities are at a turning point. They are faced with population and job loss—in some cases of devastating proportions—increasing poverty, stagnant or declining property values, and increasing numbers of vacant and abandoned properties. While these problems are widely acknowledged, their dynamics and the relationships between them are not always well understood; moreover, there has been far too little realistic, forthright discussion of how these cities might find a path to recovery.

The problem is compounded by decades of plans, proposals, and strategies that have been put forward and carried out to varying degrees, but have failed to reverse the downward spiral. In retrospect, it is clear that few of the activities pursued by Ohio's cities over the past decades have been grounded in a coherent strategy designed to lay the groundwork for a stronger future city. Investments in new housing, schools and public facilities have been scattered, and not woven into larger strategies or targeted to neighborhoods with strong assets for future revitalization. Redevelopment efforts such as arenas and convention centers have offered only limited returns in terms of sustainable economic growth, while small-scale, incremental efforts to sustain or revitalize neighborhoods have been starved for resources. A new direction is needed. This paper suggests a direction, based on five overarching strategies that reflect the realities—both the problems and the opportunities—of Ohio's cities.

Although as much a symptom of these cities' decline as a cause, the central, driving reality of these cities is population loss.[*] Seven of the Big Eight have lost significant shares of their peak population, ranging from 20 percent in Toledo to over 50 percent in Cleveland and Youngstown. This is a long-term trend, unlikely to reverse itself in the foreseeable future. In fact, the trend is accelerating, with most cities showing greater loss between 2000 and 2007 than in the preceding decade. In most cases, not only the cities themselves, but their surrounding counties have also lost population.

Sustained population loss has had powerful consequences, above all in a significant excess of supply—of land, houses, and commercial buildings—over demand. That reality demands a new approach to planning for the future of these cities, based on a recognition that a return to historic population levels is

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[*] Columbus is an exception, as it gained population significantly between 1950 and the present, largely as a result of its ability to annex surrounding lands, unique among the state's large cities. Its population gain is attributable not only to annexation, but to the fact that annexation allowed it to incorporate vacant areas that have subsequently grown. In addition, it has a strong economic base—fueled by state government, Ohio State University, and major private sector employers such as Nationwide Insurance. At the same time, although its population and job base continues to grow, the '1950 Columbus,' or that part of the city that falls within its 1950 municipal boundaries, has lost a significant part of its population and shares much of the disinvestment, poverty and abandonment dynamics of Ohio's other shrinking cities.

unrealistic, and which aims ultimately to stabilize populations, in many cases around or below current levels. That in turn suggests a radically new vision of urban land in shrinking cities, where the classic model of a city as a continuous urban place is replaced by a vision of a 21st century city as a mixture of populated and green areas around a central core, a mixture which can take many forms. In some cases green fingers and pockets may be interwoven with residential or commercial areas, in others neighborhood clusters may become hubs, rings and spokes separated by lower density residential areas and green spaces. As the shape of the city changes, new ways of using currently derelict urban land will be needed that will not involve redevelopment, but allow land to be converted to non-traditional uses such as greenways, forests, farms, energy generation and green infrastructure, not only as temporary but as permanent uses. It will also involve tough decisions about where and how to allocate limited public resources among a multitude of competing interests and priorities.

Some commentators have suggested that acknowledging and confronting shrinkage directly is tantamount to giving up on a city. In reality, the opposite is true. Only by confronting the reality of our cities, and framing strategies that acknowledge and address that reality, can a realistic vision of hope for the cities' future emerge. Despite the downward spiral experienced by Ohio's older places and the devastating conditions in which they find themselves today, new state tools joined with strong local leadership and constructive action can offer an unprecedented opportunity to craft innovative strategies for change. This paper begins by examining the troubling trends and conditions in Ohio's older cities, to illustrate the realities that must frame any future approaches to revitalization. After a discussion of the importance of these cities for the future of the state as a whole, and the role that state government must play, the bulk of the paper outlines principles, strategies, and specific policies that state lawmakers should follow to enable Ohio's older cities to become stronger although smaller cities in the future, cities in which residents, workers and visitors can flourish.

II. The State of Ohio's Older Cities

This section presents a picture of Ohio's Big Eight cities, by describing their features that are most important from a policy perspective. The central reality of population and job loss in these cities has triggered many consequences, including a surplus of housing, which has led to low property values and growing numbers of abandoned properties; and demographic changes, including the increasing impoverishment and reduced labor force attachment of the cities' residents. These problems are not confined to central cities, but are spreading to older suburbs and throughout metropolitan areas. While much of the discussion in this section reflects the difficulties these cities and their regions are facing, these cities have assets as well, which offer important opportunities for their future.

Population and job loss

The dominant reality of Ohio's older cities is that they are steadily losing both population and jobs. Youngstown's population today is only 41 percent of what it was in 1950, while Cleveland's is only 45 percent. Rather than leveling off, population losses are continuing, and in many cases accelerating. According to the 2008 American Community Survey (ACS), Cleveland lost 70,000 people between 2000 and 2008, while Cincinnati and Toledo each lost 30,000 or more. While Dayton lost roughly 16,000 people in the 1990's, it is poised to lose nearly 30,000 during the current decade, a rate of loss that may well be accelerated by the loss of the NCR Corporation, one of the city's major employers. Of the state's large cities, only Columbus gained population, but its urban core, the older 1950 Columbus area, continued to lose population. Barring major changes in economic conditions, few of Ohio's older cities are likely to have "bottomed out" in terms of their population and continued population loss beyond 2010 is highly likely.

TABLE 1. 1980–2008 Population Trends for Selected Cities

CITY	1950 Census	1980 Census	2000 Census	2008 ACS	%△1950-1980	%△1980-2007
Akron	274,605	237,177	217,094	201,807	- 13.6%	- 14.9%
Canton	116,912	93,077	80,937	68,507	- 20.4	- 26,4%
Cincinnati	503,998	385,409	331,283	294,771	- 23.5	- 23.5%
Cleveland	914,808	573,822	477,472	408,101	- 37.3	- 28.9%
Columbus*	375,901	565,021	712,104	740,086	+ 50.3	+ 29.0%
1950 Columbus*	375,901	287,723	243,837	233,558	- 23.5	- 18.8%
Dayton	243,872	193,536	166,197	143,974	- 20.4	- 25.6%
Toledo	303,616	354,635	313,782	283,772	+ 16.8	- 20.0%
Youngstown	168,330	115,511	82,026	69,005	- 31.4	- 40.3%

Source: US Census of population and American Community Survey; Data for 1950 Columbus courtesy of Community Research Partners

** Columbus' municipal boundaries changed significantly subsequent to 1950. The second row shows the population trend for the area within the original 1950 municipal boundaries.*

Although this paper focuses on the plight of Ohio's Big Eight cities and metropolitan areas, many of Ohio's smaller cities are experiencing similar patterns of population loss and economic decline, as shown for a cluster of those cities in Table 2. Many of the principles and policies presented in this paper apply equally to helping these smaller cities grapple with their own challenges. Nevertheless, the policy fixes discussed in this paper must be fashioned to reflect unique local needs and support local decisions. "One size does not fit all" across the state -- neither among the Big Eight cities nor between Ohio's larger and smaller places.

TABLE 2. 1980–2000 Population Loss in Selected Smaller Ohio Cities

CITY	POPULATION 2000	△ 1980-2000		CITY	POPULATION 2000	△1980-2000
Steubenville	19,893	- 24.6		Sandusky	27,844	- 11.2
East Liverpool	13,089	- 21.6		Zanesville	25,587	- 10.7
Ironton	11,211	- 21.5		Lorain	68,652	- 9.0
Portsmouth	20,909	- 19.4		Springfield	66,027	- 8.9
Warren	48,244	- 14.8		Tiffin	18,165	- 7.1
Ashtabula	20,177	- 14.0		Chillicothe	22,152	- 5.4
Lima	41,581	- 13.1		Mansfield	51,745	- 4.0
Marietta	14,515	- 11.9		Hamilton	60,843	- 3.7

Source: United States Census

It is much harder to obtain reliable data on job trends by city, or to compare trends over time, but selected data makes clear that Ohio's major cities have suffered dramatic employment losses in recent years as the manufacturing sector that was their economic base has collapsed.

Table 3 shows employment trends from 1992 to 2002 for the six largest cities and their suburbs. Not all cities suffered equally. Cleveland and Cincinnati were hit hardest, with each city losing roughly 20,000 jobs during the decade, while Columbus gained over 80,000 jobs. During the same period, all of these cities' suburban neighbors gained

TABLE #. Employment Trends In Six Cities and their Suburbs 1992–2002

CITY	CITY EMPLOYMENT			SUBURBAN EMPLOYMENT		
	1992	2002	△ 1992-2002	1992	2002	△ 1992-2002
Akron	99065	98675	- 0.4%	150572	190476	+26.5%
Cincinnati	279001	259366	- 7.0	412241	529435	+28.4
Cleveland	278379	259954	- 6.6	655744	739305	+12.7
Columbus	335028	417707	+ 24.7	266430	340071	+27.6
Dayton	107501	104044	- 3.2	263464	291635	+10.7
Toledo	137783	140248	+ 1.8	108726	140393	+29.1

Source: State of the Cities Data System (SOCDS), Department of Housing and Urban Development

employment, although regional growth was notably weaker in the Cleveland and Dayton areas. The period shown in the table, however, represents a decade of sustained national economic and job growth coming off a major recession that bottomed out in mid-1991. During the same period, the state of Ohio gained roughly 800,000 jobs.

Job loss in these cities other than Cincinnati and Cleveland was modest, while Columbus showed significant job gains. Manufacturing employment, however, declined sharply—again, except for Columbus—as shown in Table 4. These trends are most likely further exacerbated in several cities, including Dayton, Toledo, and Mansfield, with the recent national restructuring of the automobile industry and the widespread closures of automobile plants and their suppliers throughout Ohio.

Table 4. Manufacturing Employment Trends in Six Cities

CITY	MANUFACTURING EMPLOYMENT		
	1992	2002	△ 1992-2002
Akron	23033	12440	- 46.0
Cincinnati	62233	26934	- 56.7
Cleveland	60483	35591	- 41.5
Columbus	38963	43893	+ 12.7
Dayton	30542	16566	- 45.8
Toledo	29150	21027	- 27.9

Cities and their Metros: Sprawl Without Growth

The collapse of manufacturing and the lack of a diversified economic base to support strong, sustained regional growth within the larger areas surrounding the industrial cities meant that a disproportionate share of suburban growth was generated by drawing the middle class population and the firms in which they worked and shopped out from the cities. Although metropolitan populations are growing little if at all, the amount of land being developed at the fringes of metropolitan areas increases as households that once lived in central cities or inner-ring suburbs relocate outward, and are not replaced by new residents in cities and older suburbs. This pattern has come to be known as "sprawl without growth."[1] In Ohio, this pattern has been further exacerbated by the substantial disparity in tax burden between cities and townships, to the disadvantage of the cities.

Cleveland's metro is a clear example of sprawl without growth. Between 1970 and 1990, as the area's population declined by 6 percent, its developed land area increased by 31 percent.[2] During the past nearly forty years, all of the growth in the Cleveland metropolitan area has taken place at the fringes. Between 1970 and 2007, while Cuyahoga County has lost nearly 25 percent of its population, the population of neighboring Geauga County has grown by 50 percent, and that of Medina County has doubled. The metropolitan area as a whole has not grown at all, and Cuyahoga's share of the total metro population has dropped from 74 percent to 62 percent.[3]

During the same period, many of Cleveland's inner-ring suburbs began to show patterns of decline paralleling, although usually less pronounced, their central city.[4] Seven of those communities have lost more than 20 percent of their population since 1970, as shown in Table 5. Many of these cities and villages, which were seen as destinations for upwardly mobile families, particularly African-American families, during the past decade, are being particularly heavily impacted by the foreclosure crisis.

Table 5. Population Loss in Cuyahoga County Inner-Ring Suburbs

Municipality	1970 population	2000 population	Δ1970-2000
East Cleveland	39600	27217	- 31%
Brook Park	30774	21218	- 31%
Euclid	71552	52717	- 26%
Garfield Heights	41417	30621	- 26%
Maple Heights	34093	26156	- 23%
Lyndhurst	19749	15279	- 23%
South Euclid	29579	23537	- 20%

Source: U.S. Census

Although for historical reasons there are more inner-ring suburbs showing significant population loss in Cuyahoga County than in other urbanized counties around the state, there are many such communities elsewhere in Ohio, including Norwood, outside Cincinnati; Kettering, outside Dayton; and Struthers, outside Youngstown.

These numbers show that the deleterious effects of sprawl without growth are not confined within city borders. Across the state, the counties in which Ohio's large cities are located have also been losing population. As Table 6 illustrates, by 2000, five of the counties in which the Big Eight cities are located had lost at least 5% of their peak population. While the population loss has been modest in some, in others, particularly Cuyahoga and Mahoning Counties, it has been substantial.

Table 6. County-Level Population Loss

County	Central City	Central city peak year	County peak year	% county population decline from peak year to 2000
Cuyahoga	Cleveland	1950	1970	- 19.0
Hamilton	Cincinnati	1950	1970	- 8.5
Lucas	Toledo	1970	1970	- 6.1
Mahoning	Youngstown	1950	1970	- 15.1
Montgomery	Dayton	1960	1970	- 7.8

Source: U.S. Census

Countywide population loss almost always *lags* central city population loss. During the first decade or two of urban population loss, county populations kept growing by combining the growth generated by urban flight with some in-migration from outside the county. After a decade or two, however, urban decline begins to "catch up" with the county; either the out-migration from the cities or the in-migration from outside declines, or both, and the county begins to lose population.

Jobs tend to follow people. A study of recent job trends found that in all of Ohio's metropolitan areas, the share of jobs within three miles of the central city's downtown fell between 1998 and 2006. In Cincinnati, Cleveland, and Columbus, the share of jobs between 3 and 10 miles from downtown also dropped, with job growth taking place only in the region’s outer ring. In Akron and Toledo, job growth in the outer ring far outpaced that of the middle ring.[5]

The “hollowing out” of the core, and the displacement of population and jobs to the perimeter of the metropolitan area exemplify the costs of sprawl, perpetuating a development pattern that has come to be widely recognized as wasteful and ultimately not conducive to economic success in an era of steadily rising energy costs and increasing environmental regulation. [6]

These issues will be addressed further below. It is important to remember, however, that even if all future metropolitan growth in Ohio was directed into each metro’s central city, the rate of metropolitan growth is too slow to restore historic populations. These cities would still have vast swaths of land that would have no market-based use for the foreseeable future.

Housing supply, vacancies, and abandoned properties
The most visible symptom of sustained population loss is the pervasive presence of boarded houses and apartment buildings, empty office buildings and storefronts, and idle industrial buildings, along with the vacant lots where buildings once stood. The presence of these vacant buildings and lots, blighting their surroundings, reflects the loss of demand for housing or business activity in cities that are losing both jobs and population. With more households leaving the city than coming in, the supply of housing exceeds the demand. The same is true of commercial uses, as retail establishments and other firms either follow the migrants to the suburbs or go out of business entirely. More and more homes and other buildings cannot find either buyers or tenants, and are abandoned.

Cleveland has removed over 50,000 housing units since 1970, while far smaller Youngstown has removed nearly 10,000. Despite this activity, more than 1 out of every 5 housing units in Cincinnati, Cleveland, and Dayton were vacant in 2008 (Table 7), and close to half of the vacant units in those four cities can be considered to be abandoned.[7] Even Columbus, for all its relative prosperity, may contain over 10,000 vacant and abandoned housing units.[8] No reliable data is available on the number of vacant non-residential properties in these cities, but their vacancy levels are likely to be even greater than residential vacancy rates.

Table 7. Vacant Housing in Selected Cities 2008

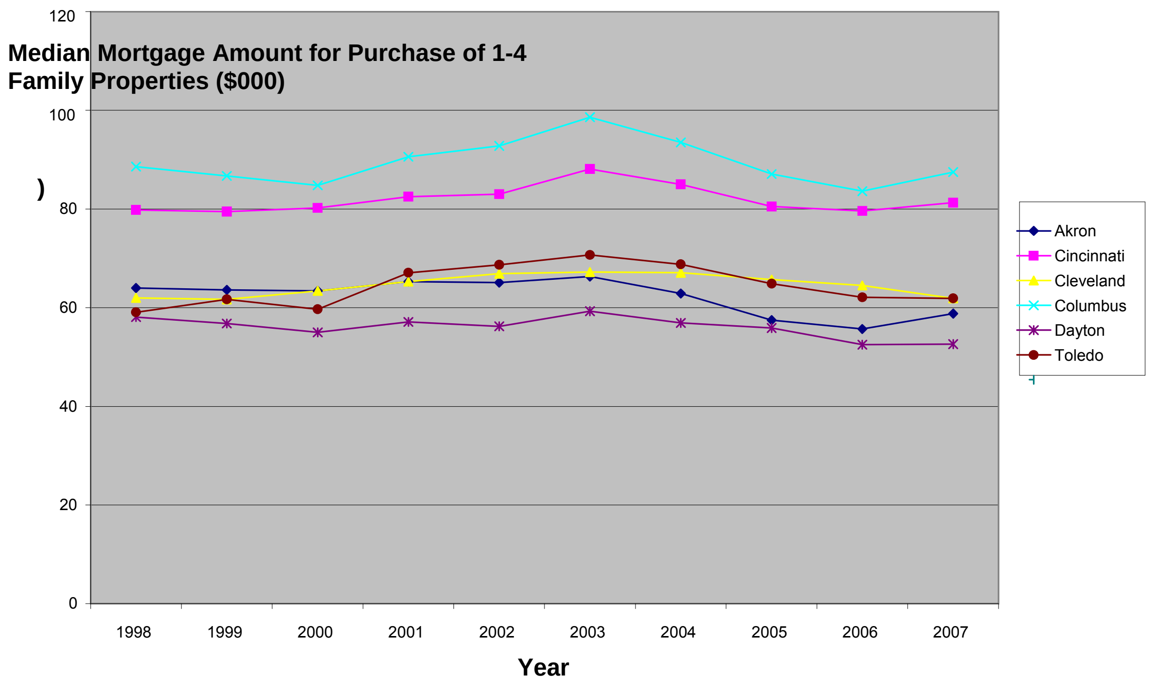
CITY	TOTAL DUs	VACANT DUs	"OTHER VACANT" DUs	% VACANT/ OTHER VACANT DUs	
Akron	95,336	11,984	4,505	12.6	4.7
Canton	33,699	4,993	3,078*	14.8	9.1
Cincinnati	164,363	38,260	16,266	23.3	9.9
Cleveland	215,413	46,785	22,804	21.7	10.6
Columbus	363,589	54,334	17,890	14.9	4.9
Dayton	78,581	19,086	8,476	24.3	10.8
Toledo	137,410	18,424	8,689	13.4	6.3
Youngstown	36,086	6,850	2,809	19.0	7.8

Note: 'Other vacant' units are a surrogate for abandoned units. For a further explanation, see Endnote 6.
Source: 2008 American Community Survey
**includes a small number of seasonal units*

Low demand also means low house prices. While some may see low house prices as an asset, by making home ownership affordable to a larger spectrum of potential buyers, they actually create more problems than they solve. House prices in the state's larger cities are not only low, moreover, but are going nowhere (Figure 1). Between 1998 and 2007, an era of strong house price appreciation in most of the nation, a home owner would have seen her house lose value in constant 1998 dollars in four of the six cities, and gain only an insignificant amount in the other two.[9] In Akron and Dayton, her house would have lost nearly 10 percent of its value. In no older Ohio city would a typical house have appreciated as much as a bank CD for those years.

When existing houses sell for less than their replacement cost and do not appreciate over time, developers have no incentive to build new houses on vacant land, and home buyers have no incentive to fix up houses that have fallen into disrepair. Except for housing built or rehabilitated with public subsidies, which raises other public policy issues that will be discussed later, little replacement housing is being built in most of Ohio's older cities.

Figure 1. House Price Trends in Selected Ohio Cities 1998-2007



The small amount of market-driven housing that is being constructed is happening in a handful of prime locations such as downtown Columbus and Cleveland's Warehouse District. Two Cincinnati neighborhoods—Over-the-Rhine and Northside—have been the focus of investment and varying levels of market activity. Existing housing in many other parts of these cities—with owners having little incentive to upgrade it—continues to deteriorate.

Moreover, despite low prices, many prospective homeowners hesitate to buy for fear that they will lose their money over time as a result. Many homeowners prefer to buy in suburban communities—where the prices are often only modestly higher and still highly affordable—because of the greater likelihood of appreciation. That, in turn, further depresses the demand for houses in urban neighborhoods, and reduces homeownership rates as more purchases are by investors or speculators rather than individuals planning to occupy the home they buy. Between 1970 and 2006, Youngstown's homeownership rate dropped from 68 percent to 60 percent.

As a result, few homes sell relative to the supply of available homes, and those are largely bought by low income buyers, who cannot afford to buy homes elsewhere. In six out of eight of the cities shown in Table 8, 60 percent or more of all recent homebuyers are low income families, earning 80 percent or less of the area median income, compared to only one-quarter of homebuyers nationally. Even more worrisome is the right-hand column, which shows the ratio between the incomes of the new buyers, and those of

Table 8. 2007 Home Buyer Income Distribution in Selected Cities

City	DISTRIBUTION OF BUYERS BY INCOME RANGE				Ratio of new buyer income to existing homeowner incomes
	0-50% AMI	50-80% AMI	80-120% AMI	>120% AMI	
Akron	24.6%	37.7%	21.7%	16.0%	0.79:1
Canton	27.6	38.5	22.1	11.8	0.75:1
Cincinnati	13.7	29.2	25.4	31.7	0.91:1
Cleveland	25.4	39.5	20.2	14.8	0.91:1
Columbus	14.5	33.9	27.7	23.9	0.81:1
Dayton	24.0	36.1	24.0	15.1	0.85:1
Toledo	21.7	41.0	25.2	12.1	0.76:1
Youngstown	33.4	36.3	19.9	10.3	0.84:1
United States	**5.7%**	**19.2%**	**25.8%**	**49.3%**	**1.13:1**

Source: Home Mortgage Disclosure Act (HMDA). This data includes only those buyers who took out mortgages to purchase their home.

existing home owners in the same city. A ratio below 1:1 indicates that new buyers have lower incomes than existing owners, in contrast to the national pattern, in which new buyers on the average have *higher* incomes than the existing homeowner base. This is true for all eight of the cities in the table, reinforcing the point that the cities are getting poorer, as well as smaller.

While some might argue that the low income families who are able to buy homes in these cities are being offered a valuable opportunity to become homeowners, one must ask—opportunity to what end? If the homes they are buying are old and often in poor repair, unlikely to appreciate over time, and in areas with poor public services and amenities, it is unclear what lasting benefit these families gain by becoming homeowners. They may well be harmed, as is happening at present to so many lower income homeowners facing foreclosure. Moreover, any policy that renders distressed central cities the principal repository for the region's lower-income homebuyers is likely even further to exacerbate the already sharp urban-suburban divide.

Demographic Change

While a decline in population does not in itself mean that a city will become poorer, the dynamics of the decline in older industrial cities has inexorably led to this outcome. Today, the residents of Ohio's older cities are much more likely to be poor or near-poor. As Table 9 shows, nearly 30 percent of the residents of Cleveland, Youngstown, and Dayton live below the poverty level, compared to 13 percent in the state and nation. Roughly 25 percent more are near-poor, with incomes less than two times the poverty level.

Residents of these cities are less likely to be employed or to participate in the labor force, and their children are significantly more likely to be raised by single parents rather than by married couples, than in Ohio or nationally. In most of the cities, far fewer of their residents are foreign born, and far fewer are likely to have a college education. These demographic factors have powerful implications for the future of older cities. Adults with

Table 9. Poverty in Selected Cities

CITY	% of households with income below poverty level	% of households with income between 1 and 1.99 times the poverty level	% of households with income 2X the poverty level or more
Akron	21.47%	23.1%	55.8%
Canton	25,4	25.7	48.9
Cincinnati	25.6	23.5	54.4
Cleveland	29.7	25.2	45.1
Columbus	20.3	18.5	61.3
Dayton	29.6	24.8	45.6
Toledo	22.6	20.5	56.9
Youngstown	29.6	25.6	44.8
OHIO	**13.2%**	**16.9%**	**69.8%**
US	**13.2**	**17.9**	**68.8**

Source: American Community Survey 2005-2007 Three Year Estimate

weak labor force attachment and little education are less likely to be able to compete for the new job opportunities that may emerge through new technologies and new markets, while children raised in poverty and in single-parent households may enter adulthood significantly disadvantaged relative to their age peers elsewhere in terms of potential earning capacity. The number of foreign-born residents reflects the extent to which the community is an immigrant destination, a source of potential future economic growth.

These patterns are not universal. The population of Columbus, among the cities shown above, is not as poor as the other cities; moreover, the residents of that city are more likely to be foreign-born, and more likely to be college graduates, than the state average. This is not surprising, since Columbus is the one city on the table that is still growing, drawing new residents from outside the city and its region. Cincinnati, although losing population, also continues to attract a significant number of middle class home buyers, and, as shown in Table 10, retains a large pool of well-educated adults.

Table 10. Demographic Characteristics for Selected Cities

	Foreign-Born	Family status for children <18*		% with BA degree or higher	
		Married-couple	Single parent	Men	Women
Akron	3.4%	48.6%	51.0%	13.3%	18.8%
Canton	1.9	42.0	58.0	13.6	12.4
Cincinnati	4.5	37.0	61.7	29.2	26.4
Cleveland	4.6	34.9	64.2	13.1	12.0
Columbus	9.3	53.8	45.1	33.0	29.2
Dayton	2.1	38.9	60.3	14.7	14.6
Toledo	3.3	49.2	49.4	16.4	18.1
Youngstown	3.0	28.7	70.5	11.3	9.6
OHIO	**5.3**	**66.9**	**32.2**	**24.4**	**22.3**
USA	**12.5**	**68.1**	**31.2**	**27.9**	**28.2**

Source: American Community Survey 2005-2007 three year estimate
**Numbers do not total 100% because a small number of children live in non-family households.*

The demographic picture of the older cities is important, since cities are not just places, but are also people. Making physical changes to places called Cleveland or Toledo, whatever that might mean, without addressing the needs of those cities' residents and creating opportunities for their future, will be at best an equivocal achievement. Social equity, and the creation of opportunities for the state's lower income residents and people of color, cannot be separated from the process of revitalizing older cities. Any strategy for the future of Ohio's older cities must take this reality into consideration, and address it head on.

3. Cities and Markets: Variations Within and Between Ohio's Older Cities

Although all of Ohio's older cities share these conditions to varying degrees, it would be wrong to suggest either that they share them equally, or that all of the different sections of each city are equally subject to those conditions. Indeed, there is enormous variation both from one city to the next, and within each city, from one neighborhood to the next. Understanding these variations is critically important to policymakers, as they figure out how to adopt more effective strategies that will make it possible to target investments, build on assets, and find new futures for areas where a property market no longer exists.

Markets Matter: Differences Inside Cities

Citywide trends mask significant variations within each city. Each of Ohio's older cities contains neighborhoods that are stable or gaining population, as well as areas that are shrinking at faster rates than the city as a whole. Healthy markets, measured by sustained home buying, are typically concentrated in a small number of distinct areas within the city.[10] In other parts of each city, home buying has declined to such an extent that a housing market has effectively ceased to exist.

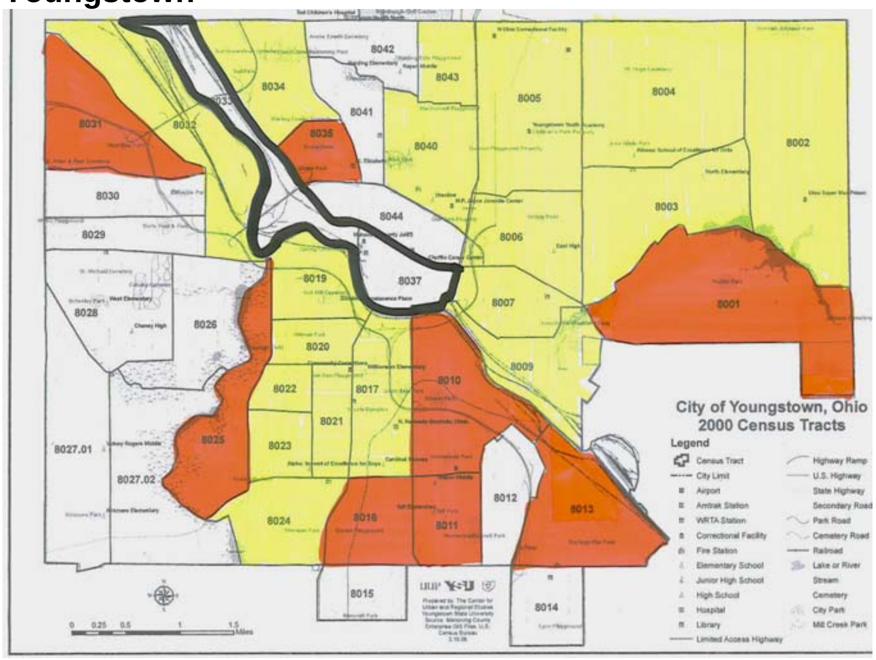
Where homes for sale significantly outnumber buyers, prices fall, and a growing number of houses end up vacant and abandoned. At some point, owners may not even go through the motions of putting their homes on the market, and simply walk away from them. Areas in which this pattern has emerged are sometimes known as "non-market" areas, because in them the housing market has effectively ceased to function.

Non-market areas tend to fit a consistent pattern. They typically have large numbers of vacant houses and vacant lots. Even at low prices, few houses are sold, often to absentee buyers rather than prospective owner-occupants. Occupied homes tend to be scattered between vacant lots and vacant, boarded houses, many of which will eventually be demolished. The area's homeowners are disproportionately likely to be elderly, while rental properties are often poorly maintained and deteriorating, owned by individuals with short-term speculative goals and occupied by highly transient tenants.

One such area is in south-central Youngstown. The Erie, Warren, and Oak Hill sections of the city contained over 3,600 one-to-four family residential buildings and 3,100 homeowners in 2000. During 2007, only four home purchase mortgages were made in that entire area, of which only two went to buyers who indicated that they planned to occupy the house themselves. With so few buyers in the market, there is little chance that any given house, once put on the market, will find a buyer. With little replacement, the age of home owners in this area has steadily risen. In 2000, nearly half of the area's home owners were 65 or over, nearly double the national average.

Map 1 shows the extent of non-market (less than one home purchase mortgage per 100 one-to-four unit structures) and weak-market (between one and two home purchase mortgages per 100 one-to-four unit structures) areas by census tract in Youngstown. The remaining tracts, less than a third of the city's total area, accounted for 72 percent of all home buying in the city in 2007.

Map 1. Non-Market (yellow) and Weak-Market (orange) Areas in Youngstown



Source: DataPlace (HMDA data)
Note: Area in heavy outline does not contain any residential areas

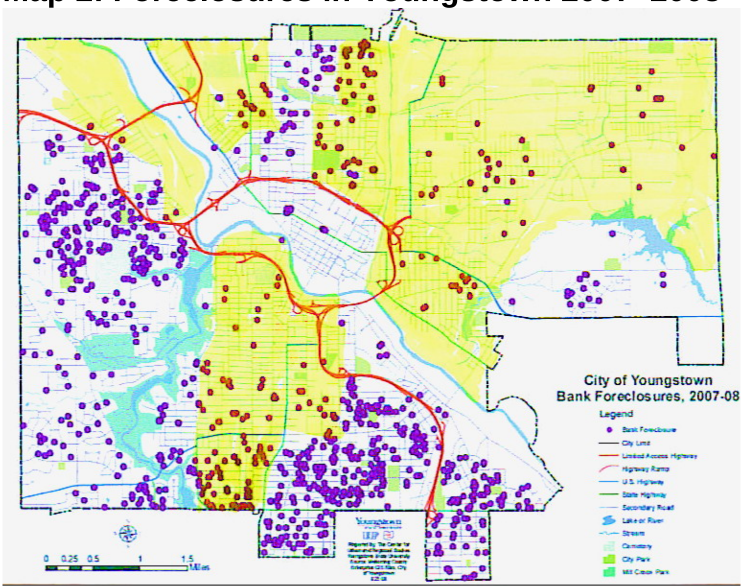
Although Youngstown may be an extreme case, the basic picture is not that different elsewhere. Each city has an "economic city," in which most of its property value is located and most of its economic activity takes place, and a "political city" defined by its political boundaries. In a shrinking city, the boundaries of the "economic city" are far smaller than the official municipal boundaries of the "political city."[11] While all cities have a mix of strong and weak market areas, the key difference between cities lies in the ratio between the two. While in Youngstown, weaker areas predominate; in Columbus it may be more balanced.[12]

Strong market neighborhoods, although they contain only a small part of each city's land area, contain the bulk of the city's middle-income population, its aggregate property value, and its real estate activity. In 2006, 77 percent of all of the home purchases in Dayton, representing 93 percent of the aggregate dollar value of home purchases in the city, took place in 17 census tracts, less than 30 percent of the city's 58 tracts. One census tract accounted for 10 percent of the city's home purchases, and nearly 20 percent of aggregate dollar value. It is these areas, along with the still-vital non-residential and institutional areas, that make up a city's "economic city." Preserving these areas' vitality is critical if cities are to maintain their economic vitality and property and income tax bases.

Strong market neighborhoods in older cities tend to fall into two broad categories. Most are older, well-established upscale neighborhoods, such as Mt. Adams in Cincinnati or Kirkmere in Youngstown's southwest corner, while others—

including areas in or near city downtowns—have emerged only recently as vital residential communities. Although Cleveland is losing population rapidly, observers agree that neighborhoods such as Tremont or Ohio City are relatively stable, while the downtown Warehouse District is gaining population.

Map 2: Foreclosures in Youngstown 2007–2008



Source: City of Youngstown

Even those parts of cities with a viable housing market, however, are potentially at risk of decline. Indeed, an important aspect of the current foreclosure crisis is that it has *not* hit the most distressed neighborhoods, but rather those that were strong enough to generate home buying activity in recent years. Map 2 shows where foreclosures took place in Youngstown in 2007 and 2008, overlaid on the non-market areas from Map 1, shown in yellow. Foreclosures are most heavily concentrated in those parts of the city where home buying activity took place, such as Pleasant Grove at the city's southern edge.

Healthy market activity[13] is not the only relevant measure of neighborhood health, but is an important one, because it drives many critical decisions, including people's readiness to invest in their homes or their willingness to stay in an area when they have the means to move elsewhere. As will be discussed later, preserving urban neighborhoods where market activity is still strong and ensuring that they continue to offer the amenities that will hold a diverse population, while developing new uses for land in areas where the market has ceased to function, are at the heart of an effective strategy for Ohio's older cities. Sensitivity to the differences between the many parts of a city, non-residential as well as residential, with respect not only to market activity, but to physical conditions, assets and other features, is critical part of being able to plan for the city's revival.

One Size Does Not Fit All: Differences Between Cities

If differences within cities are significant, differences between cities are even more so. As was noted earlier, Ohio's eight largest cities vary widely with respect to their current economic condition. Columbus, which is still growing in population, is by far the strongest, with a diverse population and an economy anchored by state government, Ohio State University, and Nationwide Insurance. The other cities can be grouped into three levels of distress. Table 11 illustrates these distinctions by assigning a "distress rank" for each of a number of the factors previously discussed. A "1" reflects the least distress and an "8" the most distress on each measure. As the table shows, Akron and Toledo, while severely impacted by population loss and economic decline, are comparatively strong; Cleveland and Youngstown are the most distressed, with Dayton and Canton not far ahead.

Table 11: Distress Rankings for Eight Cities

CITY	Population Loss 1980–2007	% "other vacant" houses	% with BA or higher degree	% of home buyers under 80% AMI	% of residents under poverty level	Average of scores
Akron	2	1	4	4	2	2.6
Canton	6	5	6	7	4	5.6
Cincinnati	4	6	2	1	5	3.6
Cleveland	7	7	7	6	8	7.0
Columbus	1	2	1	2	1	1.4
Dayton	5	8	5	3	6.5*	5.5
Toledo	3	3	3	5	3	3.4
Youngstown	8	4	8	8	6.5*	6.9

**two cities tied for same rank*

The relative economic health of a city can be the result of many factors, but the economic health of its region is particularly important. The relative health of Cincinnati compared to many of its counterparts around the state may have less to do with anything the city has or has not done than with the fact that the Cincinnati metropolitan area, a region encompassing parts of Ohio, Kentucky, and Indiana, has shown stronger economic growth and more in-migration in recent decades than many of Ohio's other metropolitan areas.

Major systemic differences between cities also flow from city size. Size matters. Larger cities are not just larger, but are *qualitatively* different from smaller ones in important respects, including their asset base and their relationship to their region. In Ohio, this is particularly true in Cleveland and Cincinnati, which were both among America's most important cities from the mid-19th through the mid-20th century.[14]

The historic significance of these cities meant that they developed both a business and civic infrastructure of a scale and importance far beyond the presence of the industrial plants that gave them their economic base. Large corporations were headquartered in each city, which led to the growth of major financial institutions such as Fifth Third Bank in Cincinnati and National City Bank (now PNC Bank) in Cleveland as well as major law firms and other ancillary businesses; the creation of educational and health facilities of national significance such as the University of Cincinnati, Case Western Reserve University, and the Cleveland Clinic; and the endowment of internationally renowned cultural institutions such as the Cleveland Art Museum and the Cleveland Orchestra. Even today, those institutions contribute significantly to these cities' economic bases.

Although many of the banks and corporations are gone or have been acquired by companies headquartered elsewhere, the infrastructure that was created during these cities' stronger days represents an asset on which to build for the future.[15] Reflecting their dominant regional roles, Cleveland and Cincinnati also have Ohio's two most heavily utilized commercial airports, substantially outstripping third-place Columbus in the number of scheduled airline flights serving each.

The next tier of medium-sized cities, such as Akron, Youngstown, and Dayton possess fewer of these legacies of a more prosperous era; moreover, their economic bases were less diversified: Akron was known as the "rubber city", Youngstown as the "steel town"; and Dayton as a center of auto supply companies. Even in their heyday, they had a smaller corporate presence and fewer major financial or other institutions, and typically lost local ownership of their industries earlier than larger cities. Their professional classes tend to be smaller, and more likely to have decamped early for the suburbs. While they also have important anchor institutions, such as the University of Akron, Youngstown State University, and the University of Dayton, these institutions tend to be regional rather than national in scale and significance, while their philanthropic resources tend to be modest. The talent pool from which they draw their political and civic leadership is smaller, and their ability to recruit talented professionals from outside the area for key public sector positions more limited.

Perhaps even more significantly, smaller and medium-sized cities may have difficulty finding the critical mass needed to make important redevelopment strategies feasible. The synergies that are created when enough demand for loft living emerges, as in Cleveland's Warehouse District, require a large pool of young adults and/or empty nesters with shared tastes and adequate income.[16] Where that pool is too small, the likelihood of enough demand coming together to support the revitalization of an area diminishes significantly. As Richard Florida and others have pointed out, the ability of a city to offer the amenities sought by younger, creative people has become a major factor in urban competitiveness. The issue of critical mass, while difficult to pin down and most probably impossible to quantify, places major roadblocks in the path not only of Canton or Youngstown, but even more so the still smaller older cities of the state such as Lima or Steubenville.

When one descends the size ladder to even smaller older industrial towns like Ironton or East Liverpool, the problems of framing effective strategies for grappling with population loss and improving the quality of life become increasingly acute. While some of the intermediate cities like Springfield still play an important regional role, these smaller communities have little regional function, and are largely dependent either on hopes for regional growth that may take place around and independent of them, or on finding new economic engines. State policies that promote regional solutions are especially critical for these smaller places, as they are likely to have little ability to regenerate with the limited resources—financial and otherwise—available within their municipal boundaries.

In the final analysis, one overriding principle emerges from this picture. There is no single pattern or feature—being social, economic or physical—that characterizes all of Ohio's older cities, or all of the neighborhoods in any one city. These cities vary widely not only in size and economic opportunities, but in terms of the amount of vacant land and buildings, and in critical ratios, such as the ratio of market to non-market areas, or the ratio of poor to non-poor population. These differences, in turn, have significant implications for public policy. State and local policymakers need to be sensitive to these variations, recognizing that "no one size fits all," and framing programs and policies so that they can be adapted locally to the particular problems and opportunities of each community.

4. Why this matters

Any discussion of state policy towards these distressed older cities must begin by answering two closely related threshold questions: why does the future of these cities matter, and why is it a critical policy issue for state government? There are many reasons why these cities matter, and why the state should play a strong, creative role in addressing their future.

First, Ohio's state government needs to address the future of the state's older cities because their health is critical to the state's future growth. The state has a powerful interest in helping these cities re-think their land uses and physical footprint, and make the most of the assets that remain within their borders. Ohio's economy is driven by its major metropolitan areas, made up of a large central city and its surrounding suburban and exurban villages and townships, and the rural areas that are home to people who commute to work in an urban setting. Ohio's seven largest metro areas are home to 71 percent of its population, 76 percent of its jobs, and 80 percent of the state's gross domestic product.

While the core cities make up only a portion of that economic and population base, overall metropolitan prosperity closely tracks the health of the central city. A 2007 Brookings Institution study reviewed changes in metropolitan area employment, wages, and gross metropolitan product from 1990 to 2000 and found that central city weakness and metropolitan area weakness went hand in hand. Of 64 weak central cities in the study, 46 were in weak metros; only three were in strong metros. Not surprisingly, city strength and metropolitan strength also correlate: of 57 strong cities, 42 were in strong metros and only two were in weak metros.[17]

Other studies have also found a correlation between central city strength and broader metropolitan prosperity, including a close relationship between city and suburban job growth.[18] Three different studies have shown that central city decline and wide gaps between the economic health of cities and suburbs are associated with slow income growth in metro areas.[19]

Second, a legacy of these cities' days as major population centers is that they contain the lion's share of the institutions—particularly universities and medical centers—likely to play an important role in the state's future economic growth. Indeed, state and local ability to capitalize on urban assets may be the single most important factor determining whether it will be possible to restore prosperity to Ohio.

Ohio's older cities are still important economic engines. Cleveland alone contains the headquarters of 11 of the nation's Fortune 500 companies, while manufacturing, despite recent declines, still provides a significant share of the jobs in Cleveland, Toledo, Akron and elsewhere. These cities' major anchor institutions serve as both economic engines and invaluable financial, intellectual and creative resources. Six of the eight cities house major state universities, while many of these cities also contain major private universities as well as important medical care, education and research facilities. Other institutions, such as churches, museums and arts centers, libraries and the like, also play a role, at a more modest but still significant scale.[20]

These anchor institutions are likely to be the drivers of Ohio's emerging economy. The Cleveland Clinic has spun off 24 companies over the course of the last ten years. That institution, along with other anchor institutions such as University Hospitals and Case Western Reserve University, is a partner in BioEnterprise, a business formation initiative aimed at strengthening Cleveland's bioscience sector. The University of Cincinnati Medical Center accounts for more than 50,000 jobs and generates approximately $4 billion in economic activity in its region every year.[21]

Anchor institutions can contribute greatly to the quality of life in a city. But cities also must be attractive and compelling places to live and do business in order to attract the most talented professors, physicians, and entrepreneurs to work in and around the anchor institutions. In contrast to past eras, when economic development was driven by features like extractive resources or natural harbors, today the quality of life that cities offer their present and prospective residents has become a critical factor in defining the economic development potential of the city and the region.[22]

Third, the state is *already* deeply involved in the future of older cities. Through its investment in its state universities and medical centers, the state has positioned itself inevitably to have a critical impact on the future of the cities where those facilities are located. The state's decisions can determine whether and how those institutions contribute to revitalization and economic growth in the cities, or sit on the sidelines. The state also pumps billions of dollars each year into these cities in the form of school aid, municipal aid, public assistance, and workforce development funds. These costs are multiplied by the impoverishment of these cities and their residents.

The state needs to maximize its return on the investments it already makes in infrastructure, institutions, and individuals in central cities. At present, however, the state's investments in cities are scatter-shot and often at cross-purposes. As the Restoring Prosperity to Ohio preliminary report noted, the state has invested $27 million of Clean Ohio funds in 22 sites as well as $12.8 million in Third Frontier projects in Cleveland, yet at the same time, by failing to support key inner city transportation and infrastructure repairs, it has undermined its overall investment strategy.[23]

The state should spend its money to lay the groundwork for economic recovery, not to enable continued decline. Ohio cannot afford to waste scarce taxpayer dollars without a meaningful return. At the same time, it cannot stand by and allow its older cities to continue on their path of decline, and allow its lower income and minority residents to remain disproportionately concentrated in declining communities with poor services, few opportunities and little hope.

Fourth, the state has historically tilted the playing field against central cities. It is not unreasonable to ask the state to restore the balance. Cities are creatures of the state. State laws, regulations, and policies establish the ground rules for what cities can and cannot do. State laws, regulations and policies set the stage for how and where development occurs. State tax laws determine whether cities and townships compete or collaborate. Creative, far-sighted state laws can give them the tools to address their problems, while narrow, restrictive rules can hamstring their efforts.

Beyond the structural disabilities Ohio has imposed on its central cities, the state has invested its resources in ways that have weakened their ability to compete. State spending programs skew funding to incentivize greenfield development; and state transportation funding has been directed to highway construction, reducing funding for transit options needed within cities. The Brookings/Greater Ohio preliminary report on Restoring Prosperity to Ohio highlighted several specific examples of state policies that disadvantage cities, including: the minimum acreage requirements in the original design of the state's Job Ready Sites program; the scattershot nature of the state's urban enterprise zone program; and the fact that the number of low-income, dislocated, and hard-toemploy residents served by Ohio's workforce system is low compared to other states, and has declined in recent years.[24]

While the state has made some investments in smart, focused metropolitan transportation projects, such as the $20 million in recovery funds allocated to the Opportunity Corridor in Cleveland, and $25 million for a streets project near Nationwide Children's Hospital in Columbus—a good example of linking transportation funds to a major urban asset—the systemic slighting of Ohio's cities continues even today, as evidenced by the distribution of stimulus funds provided by the American Recovery and Reinvestment Act funds. The state distributed its ARRA transportation funds to almost every county in the state, rather than targeting its economic engines. Despite their much greater contribution to the state's economy, Ohio's seven largest metro areas received only 40 percent of the projects and slightly less than half of the dollars spent.

This does not absolve city governments and institutions from their share of responsibility for their current condition. The fact remains, however, that they are operating on a playing field tilted against them by the state.

Fifth, fragmentation of local government in Ohio puts cities at a disadvantage, causing systemic fiscal imbalances that promote decentralization and sprawl. The state can provide the leadership, incentives, and policy changes to undo this fragmentation.

Research shows that more fragmented regions tend to have greater inequities in local tax bases: the Cleveland area is high in both fiscal inequality as well as governmental fragmentation.[25] The disparities are made worse by the fact that residents of incorporated Ohio cities pay a disproportionate share of the cost of the services county governments provide to townships. A 2002 study of Lucas County, home of Toledo, found that residents of incorporated areas paid up to $14 million per year to subsidize services to unincorporated townships.[26] Thus, with high service demands but lower tax bases, Ohio cities must constantly struggle to provide good schools, adequate infrastructure, and quality services without overburdening their taxpayers, putting them at a competitive disadvantage with outer jurisdictions in attracting and retaining residents and businesses.

Yet, as noted above, the cities and their metros are interdependent, and their futures are closely linked. The state needs to step in to level the playing field between cities and townships and foster inter-municipal and regional cooperation to benefit both cities and their surrounding metro areas.

Finally, Ohio's cities simply lack the resources to solve their problems. Their loss of population and jobs has rendered them disproportionately poor, starved of the fiscal resources they need to provide decent public services, let alone invest for future growth.

In theory, population loss in itself should not mean impoverishment, but the particular dynamics of population loss in older industrial cities mean that it all but inevitably does. As manufacturing jobs have left, people with limited formal education have found it increasingly difficult to find work that paid a living wage, while young people and those with competitive skills and education increasingly have left the cities, moving to areas offering greater opportunities on the coasts or in the Sunbelt. This has led to a vicious cycle. As cities lose population, the people who remain behind are poorer, less likely to be part of the work force, and more dependent on services provided by municipal and county government.

The proliferation of vacant properties increases the municipal cost burden for police, fire and other services. Boarding up and maintaining properties in just three neighborhoods cost Cleveland more than $35 million in lost taxes and extra services in 2006. Dayton lost or spent $12 million in dealing with vacancy and abandonment.[27]

It is a sad paradox, but it is very expensive to be a poor, distressed city. As the real estate market becomes steadily weaker, cities must provide ever-larger subsidies, through direct financial support or tax concessions, to attract development that they hope will reverse the tide. At the same time, the income and property tax bases available to finance services or offer incentives are steadily diminishing, and the ability of the city to provide even a minimum threshold level of services is impaired. Even though the state is also in a dire fiscal situation, it has more resources on hand than its distressed cities, while many constructive changes can be implemented at little or no additional cost.

5. Rethinking Public Policies: Forging Smaller, Stronger Cities in Ohio

Starting points for thinking about Ohio's older cities

The state must adopt a different way of thinking and a different vision of those cities' future—and so must the myriad local, civic, philanthropic, and business leaders who will also play a role in reshaping Ohio's cities. The steady decline in population and resources in Ohio's older cities should inform any vision for a smaller, stronger future and subsequent strategies for change in these places. The principles below summarize what has been laid out in the paper thus far about the condition of Ohio's older industrial cities, and at the same time serve as starting points for rethinking these cities' future:

- ***These cities contain significant assets for future rebuilding.*** Although the problems faced by Ohio's big eight cities may seem overwhelming, these cities are not defined solely by their problems. Each one contains strong assets, including important educational and medical institutions, vital, thriving neighborhoods, creative entrepreneurs, and engaged citizens. These are not only grounds for hope, but concrete realities around which strategies for creating a better city can be developed.

- ***These cities will not regain their peak population.*** For all its assets, Cleveland will not regain the more than 500,000 residents it has lost since 1950, nor will other cities return to their peak population levels any time soon, if ever. Recognizing this reality is a critical step in beginning to plan realistically for the future of these cities. It has significant implications in terms of the use of land in these cities, as well as the continued maintenance of infrastructure and delivery of community services.

- ***These cities have a surplus of housing.*** Population decline has led to a substantial excess of housing supply over demand, with thousands of homes and apartments—including many of good quality—going begging. The implications of this premise for housing strategies are profound; in particular, it means that construction of new housing, *except where it furthers some clear revitalization purpose over and above simply adding units to the stock*, exists in a zero sum relationship with the preservation of the existing housing stock.

- ***These cities have far more vacant land than can be absorbed by redevelopment.***

  Given the oversupply of housing and weak market demand, there is no development-related demand for most of these cities' vacant land parcels, particularly in weak demand areas. Proposals to redevelop such areas cannot be sustained by market demand, and can only take place through the wasteful use of public sector resources that would better be deployed elsewhere. Cities must learn how to manage their land resources and find new ways of using vacant land, temporarily or permanently, that do not rely on traditional redevelopment models, but look to new models of non-traditional green land uses to enhance regional ecosystems and enhance citizens' quality of life.

- ***Impoverishment threatens the viability of these cities more than population loss as such***. If a hypothetical city lost population, but its remaining residents were prosperous, highly-skilled and ready to invest in their city's future, that city's future would be far brighter than that of Ohio's shrinking cities. The poverty, limited education and skill deficits of so many of the residents of Ohio's older cities is a critical problem in itself. They must break the vicious cycle in which population loss, impoverishment of the remaining population, diminished local government resources, and declining public services and quality of life all feed on one another.

- ***Local resources are severely limited.*** With local resources for both basic service delivery and for implementing revitalization strategies in short supply, the state and its cities simply cannot afford to spend money on activities that do not return proportionate benefits either in terms of city residents' quality of life or the community's regeneration. Resources

- ***The fate of cities and their metropolitan areas are inextricably inter-connected.*** Cities, villages, and townships may be distinct political entities, but economically and socially they are closely linked. In an increasingly competitive economic environment, those linkages become increasingly important. In that environment, the traditional Ohio model of bare-knuckled inter-municipal competition becomes progressively less viable as a basis for sustainable economic vitality.

Within this framework, any process of reshaping cities should be done through broad public, organizational and institutional engagement. Cities lack the resources to go it alone. Only by pooling the resources and capacity of government, institutions, business, and civic and neighborhood organizations can cities frame effective strategies for change.

Even if a city government had the ability and resources to plan and execute physical changes and broader strategies without involving anyone else, however, the accumulated residue of conflict and distrust that are pervasive in many older cities means that any strategy imposed on a community from the top down—either by city government on its neighborhoods, or by state government on its cities —however well conceived, is likely to fail. Unless the people who live in and around these cities are able to coalesce around a new vision for a smaller, stronger future, the vision cannot be realized.

The shape of smaller, stronger cities

The issue is not *whether* these cities will have different physical footprints and much more green space in the future than they do now, but *how* this transformation will happen. It is already under way. As areas are being disinvested and abandoned in Ohio's cities today, some are turning brown while others are turning green by default, but in ways that continue to pose threats to residents' public safety and property values, and with no systematic effort to use the growing amounts of vacant land in the cities in ways that are either environmentally sustainable or contribute to a better quality of life for the city's remaining residents. Meanwhile, with fewer and fewer homes and businesses to serve, an increasingly inefficient infrastructure must be maintained at great cost. Economic activity is increasingly concentrated in a few core areas, but without strategies to make the most of that activity and leverage the city's assets, it is scattered and fragmented, with vacant office buildings and storefronts interspersed with viable businesses and institutions. Neighborhoods exist where housing markets still function, but they are being eroded by disinvestment, foreclosure, declining public services and lack of confidence. Without effective strategies that recognize the reality of change and build on it for a stronger city, Ohio's shrinking cities—or parts of them—are becoming a dystopian version of what could be a stronger, healthier city, superficially similar in outward shape, yet hollow inside.

Having raised this specter, it is worth describing what these cities might look like in the future if the policies described below are implemented. The smaller, stronger Ohio city of the future will probably look very different from the model that most people have of the "city" as a continuous built-up urban texture of streets, houses, shopping districts and industrial areas, stretching from a central core, only occasionally broken by manicured parks or greenways, serving as the city's "green lungs." Too many of those houses, storefronts and factories have already disappeared, and too many of those that remain are not needed by the city's smaller population, for that urban texture to continue to exist.

As cities lose population, and parts of the city become under-populated or vacant, it begins to look less like the traditional city, and more like a mixture of urban, suburban and rural elements. Within such a city, however, three distinct elements are likely to be present—the core (or cores), neighborhood clusters, and green or dispersed population areas, forming an interconnected network within the city. By building on these elements, a framework for stronger, healthier cities can emerge.

The core is the heart of the economic city, the mixed-use area that contains the central functions and most important assets of the city, such as government offices, universities and medical centers. In Youngstown, for example, the city's core might include its downtown, the Youngstown State University campus, and areas such as Smoky Hollow sandwiched in between. Some cities, like Cleveland, have multiple cores, non-contiguous concentrations of major economic growth assets. Building on these assets to create strong centers of activity in each city's core or cores is critical to enabling cities to capture their economic potential.

Neighborhood clusters are the city's predominately residential neighborhoods where the fabric and intensity that can sustain them as vital, economically-diverse communities still exists. In addition to housing, they typically contain neighborhood shopping and public facilities, such as elementary schools and pre-school education centers. Preserving these neighborhoods, and making them the places where a diverse population will actively want to live, is critical to the future of Ohio's older cities. Many, however, are showing disinvestment, and all are in need of public and private investment to build greater market demand and a stronger quality of life.

Green areas are those remaining areas where the greater part of each city's population loss and property abandonment has taken, and continues to take, place. Over time, some may reconstitute as viable lower density neighborhoods, while others will become increasingly depopulated. As these areas continue to lose population, their vacant land is no longer needed for development purposes, since vacant and underutilized land in the core and neighborhood clusters is more than able to accommodate the city's future need for housing or non-residential development. They will continue to house some people, but at much lower densities than in the past, while their surplus land can be used for a variety of purposes, including greenways, forests, meadows, green infrastructure and allotment gardens and farms at different scales, all of which can enhance the quality of life for the people of the city and the region.

It is easy to oversimplify and misrepresent this image. The lines between neighborhood clusters and green areas are not, and will never be hard and fast. Green areas will rarely be large expanses of open land reused for agriculture, park or woodland. They will not be devoid of people. Green uses will be interspersed with existing homes and neighborhoods in a more complex, interwoven pattern. Many people still live in the most disinvested sections of the most distressed cities, although far fewer than only a couple of decades ago. Some people will want to remain in those areas, either because of their ties to the area or to their home, or because they prize the relatively "rural" quality that the area has taken on. At the same time, many other people living in these areas feel trapped in their homes, and would prefer to move to a more densely populated neighborhood with better facilities and services. Cities should respect, and do their best to accommodate, both desires. Each city must ensure that change is not pursued at the expense of the city's lower income and minority residents, wherever they live, and that the relationship between their needs and the city's strategies does not become a zero-sum proposition, either in reality or perception.

The greater the population loss, the greater the reconfiguration of the city's land mass that may be needed to sustain the city's remaining viable neighborhoods and enable the city to take advantage of its assets. In cities with massive population loss, such as Youngstown, large amounts of vacant land are likely to become available, making possible large-scale transformative land use changes. As Map 1 showed, little or no housing market activity takes place across as much as three-quarters of Youngstown's land area.

By contrast, in cities such as Toledo, where population loss has been much less severe, the transformation of the urban fabric will be far less dramatic. Those cities will not see a network of large, often continuous green areas emerge, but instead can create ribbons or pockets of green space amid a still largely built-up urban fabric. While such cities may require different approaches than the most severely disinvested cities, they too will need to put in place deliberate, targeted strategies to ensure that their future is a healthy one.

Reconfiguring shrinking cities: strategies for change

While communities have traditionally planned for growth, Ohio's cities need to pursue a different approach, recognizing the sustained shrinkage of recent decades, and looking closely at their economic and demographic trends to determine the extent to which the future is likely to be one of continued shrinkage or gradual stabilization, in order to plan for a realistic, achievable future as a smaller city.[28] The first policy recommendations speak to building the robust planning capacity needed to do so, to determine how to build on assets, how to determine where real estate markets are viable and where they are not, and how to select new uses for non-market areas. Other recommendations address the difficult and painstaking tasks of implementing strategies for reconfiguring cities, and connecting them more closely to the larger metropolitan area.

In the course of this discussion, it is important always to keep in mind that cities are not just places but are also people. Ohio's cities will not recover unless state and local governments, institutions and organizations address the continuing and pressing problems of poverty, inadequate education and skills development, and limiting, constraining opportunity structures. While this paper focuses on the physical changes needed to build a stronger future for Ohio's older cities, and while a menu of urban anti-poverty strategies focusing on education and workforce development is beyond the scope of this paper, the need for those strategies should form a running counterpart to the policies offered in this section.[29]

(1) Give cities the tools to become smaller but stronger cities.

This report proposes a new way of thinking about urban land. Long-term land reconfiguration requires the ability and will to distinguish between those parts of the city which are appropriate for stabilizing and building market strength; areas that may offer, now or in the future, other economic development opportunities, such as the industrial parks that Youngstown has developed on former mill sites; and finally, areas that have no realistic development potential in the foreseeable future. This last category may be a relatively small area in some cities, but may represent one-third or more of the total land area of others.

Without a citywide strategic plan explicitly addressing these basic principles, cities cannot establish either the long-term goals or the concrete strategies through which they can pursue those goals. To that end, the state should:

1. Prioritize state funding to jurisdictions adopting comprehensive plans incorporating creative, explicit strategies reflecting the realities of population loss and the need for land reconfiguration.

2. Support local jurisdictions in implementing recent statewide land bank legislation that provides strong tools for local, multi-jurisdictional, countywide and regional land banks throughout the state.

3. Modernize state planning statutes to allow for more appropriate and flexible planning and zoning tools at state, local and multi-jurisdictional levels.

4. Create a data clearinghouse to support both state resource allocation and local planning decisions.

Two of Ohio's cities have begun to plan for land reconfiguration. The Youngstown 2010 Plan calls for razing derelict buildings, cutting off public infrastructure in abandoned parts of the city, and transforming vacant lots into pocket parks. "Re-Imagining a More Sustainable Cleveland," developed by the Kent State University Cleveland Urban Design Collaborative in partnership with Neighborhood Progress, Inc. and the Cleveland City Planning Commission offers a vision for reconfiguring that city's vacant lands. Endorsed by a local coalition, the strategy was adopted by the city planning commission in December 2008, while in 2009, Cleveland City Council allocated $500,000 of their federal Neighborhood Stabilization Program funds for a pilot land reuse demonstration project in the city.

To help other cities develop similar plans, **the state should prioritize state funding to jurisdictions that adopt comprehensive plans incorporating creative strategies that explicitly reflect the realities of population loss and the need for land reconfiguration.** By linking state resources to effective local strategies, the state can incentivize collaboration between older cities and neighboring jurisdictions that share the same problems of too much land for too few people, or encourage strategic property redevelopment approaches that stress outcomes linked to larger community and economic development planning, rather than simply support distinct, unrelated transactions. The state can promote conversion of vacant and abandoned properties to open and green space by developing an urban extension program to provide municipalities, community groups, urban farmers and environmental planners with technical support for greening activities such as urban agriculture, stormwater management and ecosystem restoration.

If cities are to be able to implement their plans, they must maximize their control of vacant and underutilized property, to ensure that future land uses are consistent with the city's plan and the community's interests. *A city can only determine its future if it can first exercise control over its land.* The city must first make a commitment to take property, particularly tax foreclosed property, into public control; and second, build the capacity to hold, manage and dispose of that inventory in ways that are consistent with the public welfare, sensitive to variations in market conditions, and address the city's long-term goals. At the beginning of April 2010, Governor Strickland signed land bank legislation authorizing land banks in 41 of Ohio's 88 counties (those with populations of 60,000 or more). T**he state should now make a systematic effort to help Ohio's metropolitan counties implement the land bank legislation, and build their capacity to exercise public control over their land.**

The Genesee County Land Bank Authority in Flint, Michigan, has demonstrated that a well-run land bank entity can not only improve the community's quality of life, but add fiscal benefits to the city and county compared to the laissez-faire practice of allowing land and buildings to be held indefinitely by speculators. The Cuyahoga County land bank, which was organized under legislation enacted by the Ohio General Assembly in 2008, is closely modeled after the Genesee County initiative.

GENESEE COUNTY, MICHIGAN: A HIGHLY EFFECTIVE LAND BANK

The Genesee County Land Bank Authority was made possible by state legislation which gave counties the ability to gain control of tax-reverted properties, and put them back to productive use. The Land Bank, which is a public authority under Michigan law[30] with broad powers of land acquisition and disposition, takes title to over 1100 properties per year and offers a broad array of services, including brownfield remediation and development, demolition, and housing renovation. Focusing principally on properties taken through tax foreclosure, it also has the ability to purchase catalytic properties on the market. The Land Bank has also spawned an affiliate organization, the Genesee Institute, dedicated to long term planning, strategy and research on vacant properties, sustainable neighborhoods, urban sprawl, and growth management.

Two key features of the Genesee land bank have improved its prospects for success: 1) the sheer volume of properties it takes and holds and 2) the county treasurer's dual role as both treasurer and land bank chair. By operating on a large scale, the land bank can more easily finance its operations, while the dual roles of the County Treasurer furthers a healthy balance between short-term tax revenue considerations and long-term planning and land reutilization.

A land bank provides communities with significant advantages over the current status quo in dealing with vacant properties and non-market areas:

- Land can be managed to minimize negative impacts on the remaining owners and tenants in the area;
- Land can be made available for beneficial uses, either short-term or long-term, such as open space or community agriculture;
- Land can be assembled in ways that maximize future redevelopment opportunities, as well as sold where appropriate for community benefit;
- Properties that hold significant market value can be sold to raise funds to support the land bank operation and returned to the tax rolls, rather than benefiting speculators.[31]
- Properties in viable neighborhoods, depending on condition, can be sold 'as-is', rehabilitated, used for house swaps, or demolished and sold to existing home owners through side yard programs.

Under Ohio law, cities depend on county government to carry out functions that are critical to many of the strategies suggested in this paper, in particular the responsibility for both mortgage and tax foreclosure. The new legislation houses land banks in county government. At the same time, each county's land banking strategy must be grounded on a solid framework of cooperation between city and county. Without such cooperation, no strategy for the assembly and rational reuse of vacant land can possibly succeed. As the new land bank law takes effect, the state should move beyond it and explore allowing multi-county land banks. These could be particularly useful in less-densely populated parts of the state, and as a vehicle for addressing vacancy, abandonment and foreclosure challenges on a regional basis.

The state should modernize its planning statutes to offer more flexible planning and zoning tools at local and multi-jurisdictional levels. The state should create a taskforce to review Ohio's antiquated planning and zoning laws, reframe state land-use policies to meet the changing demands of city and regional planning in older cities and their metros, more closely link land use regulation to comprehensive planning, and encourage inter-municipal and regional cooperation and coordination in planning and land use. Ohio could lead the way in this area for its Midwestern neighbors and establish a "Midwestern version" of comprehensive planning and zoning laws, learning from those in place on the East and West Coasts, where they have both stimulated and guided growth and development successfully.

Plans need to help each city strategically allocate its resources and investments in key areas, a point explained in more detail below. To help local governments make sound allocation decisions, the state should help local governments and their partners have access to the best realistically available data for planning and decision-making, including up-to-date economic and housing market data at the neighborhood or census tract level.

Specifically, **the state should create a data clearinghouse to support both state resource allocation and local planning decisions**. In partnership with county and local government as well as universities (particularly through the Ohio Urban University Program), the state should become the central clearinghouse for data that can be used to ensure that state resources are spent wisely and effectively, and that municipalities have the tools they need for planning.[32] Within this framework, the state should provide local governments with technical assistance to develop local data resources, including tracking the number and location of vacant properties or mapping properties in foreclosure, so that cities have the information they need to design effective revitalization strategies. Case Western Reserve University's NEO-CANDO (Northeast Ohio Community and Neighborhood Data for Organizing) data system, which has been recognized as a national model, developed an "early warning system" for targeted foreclosure outreach and helped improve planning and targeting of community development resources. With help from the state, other Ohio cities could replicate Cleveland's tracking system, tailored to their particular conditions.[33]

While local governments need to have a minimum core capacity to plan and coordinate their revitalization efforts, their resources will inevitably be limited. Fortunately, there are many potential partners available. Faculty and students at Youngstown State University played a key role in developing the Youngstown 2010 Plan, Cleveland's Levin College of Urban Affairs has been a major source of urban research and innovative practices for the city as well as the state, while Cleveland-Marshall Law School's community development clinic has been a mainstay to many of the city's community-based organizations. Cleveland is particularly fortunate in its strong network of community-based community development corporations, as well as its citywide intermediary organization, Neighborhood Progress, Inc., which provides support services to CDCs and partners with the city on a variety of community development initiatives.

(2) Build on the Unique Assets of the Urban Core

Ohio's cities have remarkable assets. They include anchor institutions such as medical centers and universities; riverbanks and lakefronts, the water resources that once drove industrial location; unique and irreplaceable historic buildings, old-fashioned main streets and downtowns; and cultural icons such as galleries, concert halls and museums[34] that are the legacy of a rich philanthropic tradition based on bygone industrialists' generosity. While the quality and concentration of these assets vary from place to place, they are all potentially significant generators of market-based revitalization, particularly if they are recognized as inter-related parts of a coherent development core, and their impact leveraged through a strategic revitalization framework. State policy should give high priority to helping older cities reap the greatest possible benefit from their assets:

5. Create an Anchor Institution Transformation Zone program to replace the expiring urban enterprise zone program.

6. Support local efforts to utilize urban waterfronts as significant economic and quality of life assets.

Universities and medical centers are particularly significant assets in shrinking cities, because they are often the cities' largest employers, are continuing in many cases to grow and generate the type of activity that can attract additional housing development, business establishments, jobs and amenities to an area. Ohio is unusually well-situated with respect to the number of its major educational and health care institutions, including many of national or international significance, located in its urban centers.

The state can use its economic development resources to incentivize development around Ohio's urban universities and medical centers, enhancing the strength of older cities' core areas. **The state should create a network of anchor institution transformation zones, which should replace the expiring urban enterprise zone program**. These zones, which would be both fewer and more systematically targeted than the enterprise zones, would be designated areas surrounding key anchor institutions such as universities and hospitals in which the state would offer special tax and other incentives for residential and commercial development, while state institutions would be required to target their investments in ways that would maximize both economic growth and neighborhood revitalization in their surroundings. These zones should be available to both public and private institutions, since Ohio is rich in both, and both can become drivers of economic development.[35]

BILBAO, SPAIN: REVITALIZING THE CORE

Bilbao, Spain, which suffered large population losses and the dramatic contraction in manufacturing in the 1970s and 80s, has addressed its decline through a combination of transportation infrastructure and physical improvements. The city's revival began with an emphasis on infrastructure that included, first, a new metro system, which increased accessibility to priority recovery areas. A string of further infrastructure investments soon followed: a modernized commuter train system, a new tram line connecting the revitalized waterfront with the urban core, and a modernized bus system. In addition, Bilbao focused on waterfront revitalization—including but not limited to the much-heralded Guggenheim Museum designed by Frank Gehry—and inner city restoration of its historic housing to attract middle income and young working households.

Many of Ohio's older cities have natural amenities as well. These cities were sited on water bodies, using those bodies as a source of power and transportation in the early industrial era. Before the introduction of rail, Ohio had a highly developed canal system, which ran from Cleveland to Portsmouth and from Toledo to Cincinnati. These historic waterways offer opportunities for enhancing these cities' quality of life as well as their economic potential. Today, the remains of these canals, which include canal reaches located in Cleveland, Akron and Dayton, are being revived as tourist attractions, as took place in Indianapolis, where the bed of a never-completed 19th century canal was reconstructed as the Indy Canal Walk in the 1990's. It has drawn hundreds of millions of dollars in new investment to Indianapolis.[36]

The state should help localities maximize their waterfronts as economic and quality of life assets. State support can take many different forms. Particularly important is how the state allocates infrastructure funds, since opening up waterfronts may require removing existing infrastructure blocking the city from the water, as was done in Milwaukee or San Francisco, or integrating the water into the cityscape, as in Vancouver, Canada and as with San Antonio, Texas' famous Riverwalk. All of these places have seen significant growth in commercial development, property values and tax revenues by turning their water bodies into assets. Fostering such changes may require additional infrastructure investment, or may require different ways of making those investments, including linking transportation, open space and economic development into a single investment strategy.

In Milwaukee a freeway, which for years was an ugly barrier between the city and the Milwaukee River, was razed to make way for East Pointe, a now-thriving community of shops, townhouses, condominiums, and apartments. The state made demolition possible by removing the freeway's designation as a "transportation corridor" and contributing funds.[37] Milwaukee may offer a model for Cleveland, where the inner belt highway isolates the city from its Lake Erie waterfront, preventing city residents from engaging with the lake.

Cleveland's Lakefront West or West Shoreway Project has been designed to take advantage of the city's unique waterfront assets by reconnecting Cleveland's West Side to the lake. The plan calls for conversion of the freeway running along Lake Erie into a slower 35 mph boulevard. Multi-purpose trails would be integrated with the boulevard to allow multi-modal transportation access. The project will offer greater access to the waterfront for a diversity of users and transform Cleveland's waterfront cityscape, enhancing the city's quality of life and its competitiveness. After languishing for several years for of lack of state support, the Lakefront West Project has recently regained a higher profile with the investment of $50 million of pre-stimulus federal funds through ODOT. Continued state involvement, including changes to state law to permit speed limit reduction, are critical to the project's success.

(3) Create vital neighborhood clusters

Many of the strongest neighborhoods in Ohio's cities are under growing threat. These areas urgently need help to reverse the destabilization caused by declining property values, foreclosures, deteriorating public infrastructure and threats to the neighborhood's quality of life. Targeting the vacant, boarded properties in the neighborhood for rehabilitation and reuse is a critical element in any stabilization effort, since their presence can have a particularly destabilizing effect on adjacent properties, and the neighborhood as a whole.

Greening is not a strategy for disinvested areas alone, but can play an important role in using neighborhoods' natural assets to enhance their quality of life. Small community gardens, market gardens and parks can add richness and value to strong neighborhoods, while urban farms and ecosystem restoration projects can help transform areas that have little prospect of anything other than continued, gradual de-population.

As areas are stabilized, and as a city's larger reconfiguration strategy advances, long-term strategies designed to further strengthen each neighborhood cluster become more critical. These can include transit improvements; developing infill housing to increase densities within some neighborhoods to make transit more feasible; and reinforcing neighborhood commercial nodes and employment centers. The state should play a supportive role in these locally-driven activities:

7. Utilize the resources of the Department of Development and the Ohio Housing Finance Agency to support locally-driven targeted neighborhood initiatives focusing on rehabilitation and reuse of existing structures and providing technical assistance to support local jurisdictions' efforts to implement creative revitalization strategies.

8. Establish a targeted neighborhood revitalization strategy program to direct state investments in housing, school construction, transportation and other areas to designated neighborhoods to further local revitalization strategies.

The areas that are likely to be seen as neighborhood clusters are only part of older cities' residential land area. Even so, enough public resources are unlikely to be available—in terms of housing improvement, infrastructure upgrading and delivery of quality services—to stabilize all of the areas which still retain a reasonable level of market potential. Similarly, without enough market demand to fully absorb the supply of housing in still-viable neighborhoods, no amount of public investment may be able to trigger sustainable neighborhood revitalization. For this reason, several communities have followed different approaches to select and target neighborhoods, and within them direct particular attention at blocks or clusters of blocks.

Richmond, Virginia; Baltimore, Maryland; and in Ohio, Toledo and Cleveland all offer different models of targeted neighborhood investment (see sidebars). All of these cities face, although to widely varying degrees, the broader problem of framing new land reuse strategies for much of the rest of the city. The hallmarks of these initiatives are:

- A participatory and transparent selection process with clear goals and criteria;
- Building strong local coalitions through public-private sector partnerships;
- Consistency in use of neighborhood selection criteria and in targeting resources to areas selected;
- Strong public and private leadership and project champions and stakeholder buy-in throughout the process.

Ohio can play a valuable role in encouraging similar efforts in Ohio's cities. While few new resources are available, **the state should utilize the existing resources in the Department of Development and the Ohio Housing Finance Agency to help cities pursue similar initiatives,** targeting them to viable neighborhood clusters, tailoring them to each city's distinctive local characteristics, while helping them build their capacity to lead their local initiatives.

RICHMOND'S NEIGHBORHOODS IN BLOOM

The Neighborhoods in Bloom program in Richmond, Virginia, widely cited as one of the most successful early examples of a targeted revitalization strategy, was created to direct public and nonprofit investments to a select number of neighborhoods with the goal of attracting and sustaining additional private capital, recognizing that the city's historic policies of spreading CDBG and other resources thinly had had little effect in leveraging neighborhood change. The city manager's office, in partnership with LISC and local neighborhood organizations, developed criteria for selecting neighborhoods that would receive targeted investment in areas ranging from crime prevention to code enforcement and from vacant property redevelopment to new housing construction.

A broad-based and data-driven consensus-building process was followed to reach agreement on those neighborhoods. Communities were evaluated based on objective indicators, such as vacancy and homeownership rates, building condition, crime rates, neighborhood capacity (e.g. number of associations and neighborhood plans) and market factors. After this extended process, the City Council selected six neighborhoods out of over 40, displaying both leadership and pragmatism in adopting neighborhoods that did not necessarily align with their political interests. The selected communities received 80 percent of the city's federal housing money along with other resources for an initial two year period, subsequently extended for another two years. A study commissioned by the Federal Reserve Bank of Richmond found that housing prices in targeted neighborhoods appreciated 9.9 percent per year faster than the citywide average, and that even blocks in the target area that had received no direct investment experienced substantial increases in value, suggesting positive spillover effects. Today, federal Neighborhood Stabilization Program funds may offer similar opportunities to catalyze development in targeted areas, with the potential for spillover effects in adjacent neighborhoods.

ODOD and OHFA, with cooperation from sister agencies, should provide technical assistance to local jurisdictions implementing creative revitalization strategies. With limited resources, with respect to both dollars and the number and skills of their professional and technical staff, Ohio's cities—particularly the smaller ones—can benefit greatly from the availability of technical assistance as they seek to develop strategies for building on assets, strengthening viable neighborhoods or planning new uses for surplus land in disinvested areas. Pennsylvania's Community Action Team (CATs) program may be a good model. Under the CATs program, state personnel assist smaller cities and villages in Pennsylvania to identify priority high-impact projects, help them develop the plan and coordinate the many different financing programs and regulatory agencies that need to be involved in order for the project to succeed. A similar concept has been proposed by the Executive branch in Ohio under which technical assistance teams would assist in identifying high-impact projects, but—perhaps even more importantly –also help local governments develop comprehensive strategies for neighborhood revitalization, or help frame partnerships between state universities, local governments and CDCs to maximize their assets for community regeneration.

Going beyond that step, **the state should establish a targeted neighborhood revitalization strategy program to direct state investments in housing, school construction, transportation and other areas to neighborhood clusters to further realistic, focused local revitalization strategies**. Working with local officials, CDCs and others, the state should direct its neighborhood-level investments to areas that can become or remain vital, healthy neighborhoods, making sure those investments are made in strategic ways that will strengthen the vitality and market strength of those areas. State and local strategies should include as many as possible of the following elements:

- Incentives for new homebuyers
- Incentives for individuals to buy and rehabilitate vacant homes for owner-occupancy
- Assistance to lower income and elderly homeowners to maintain their property up to code, or to be able to remain longer in their home
- Targeted code enforcement and nuisance abatement activities, particularly with respect to absentee landlords
- Model regulatory ordinances and codes, such as the ICC property maintenance code, and point of sale and vacant property registration ordinances
- Improvements to visible infrastructure, such as streets, sidewalks, shade trees, and open spaces
- Community policing
- Measures to build community cohesion through events, organization-building, etc.
- Improved local educational opportunities and school facilities
- Target marketing of the neighborhood as a place to live

Targeting investments based on market potential may seem a radical practice for Ohio, which usually spreads public funds like peanut butter across the state, a practice most recently exemplified by the state's distribution of the federal funds it received from the HUD Neighborhood Stabilization Program late in 2008. Given the current economic

CLEVELAND, OHIO: STRATEGIC INVESTMENT INITIATIVE

The Strategic Investment Initiative (SII) in Cleveland is led by Neighborhood Progress Inc. (NPI), a non-profit organization that acts as an interface and resource funnel between Cleveland's neighborhoods and its philanthropic community. The program is a multi-year effort that aims to demonstrate the potential for some Cleveland neighborhoods to once again become healthy and regionally competitive. SII focuses on six neighborhoods that are engaged in comprehensive, market-based neighborhood initiatives resulting in nearly $950 million in new investment over the next ten years. In each neighborhood the strategy includes significant investments in neighborhood planning and resident engagement, a focus on the development of high-impact anchor projects, and numerous other dimensions such as model block development, land acquisition and improvements in neighborhood services and amenities. The goals of SII are to restore market confidence, eliminate blight, and preserve existing property values.

The state had no direct role with SII until last year, when the Ohio Housing Finance Agency (OHFA) became a major investor in the new Opportunity Homes initiative targeted to the six SII neighborhoods. Opportunity Homes is a comprehensive foreclosure-mitigation strategy that includes intensive foreclosure prevention outreach and counseling, rehabilitation of REO properties, concentrated code enforcement and demolition, and creative reuse projects on vacant land. Cleveland's high level of local capacity and civic engagement may make this effort more likely to succeed than in some other similar cities. The theory of engagement with targeted neighborhoods is replicable in other locations in Cleveland and throughout the state, as similar programs elsewhere in the United States demonstrate.

emergency, the long-standing crisis of the state's major cities, and the shrinking pool of resources, now is the time for the state to show leadership and make hard decisions, targeting resources on the basis of rigorous analysis of market and other conditions, prioritizing place-based redevelopment strategies that build on institutional and locational assets, paralleling local targeting of neighborhood investments.

Ranking or categorizing communities as worthy or unworthy of particular investments is fraught with political dangers. Investments that are not targeted, given the limited pool of resources available, may seem to benefit everyone, but in reality benefit no one, because they are too scattered and too limited to catalyze change or foster sustainable community health. Public-sector decisions that are market- as well as need-driven are more likely to attract additional private sector investment and lead to sustainable economic growth, thus ultimately leading to a greater return on state and local investment, both financially and in terms of the well-being of the state's residents. This is a critical consideration in this era of scarce resources, budget constraints and other harsh economic realities.

(4) Reshape disinvested areas into green areas

The last element by which urban reconfiguration takes place is through reshaping areas where housing market demand no longer exists into green areas integrated into the city's fabric, from community gardens and mini-parks to urban farms or natural stream corridors. Many of these areas have little prospect of anything other than continued, gradual de-population. The fragmentation of the one-time neighborhood fabric in these areas has tended to weaken historic ties among neighbors, and undo such civic and organizational fabric as may once have existed. The low population density relative to the network of streets and sewer and water lines, which is often old and in poor condition, forces cities to maintain this network and deliver services to these areas at disproportionately high cost.

Developing strategies that explicitly acknowledge this reality and lay the groundwork for future reconfiguration of these areas is a complex planning issue. Novel urban greening strategies are presented, many for the first time, in the *Re-Imagining a More Sustainable Cleveland* publication mentioned earlier[38] This seminal plan offers a variety of vacant land reuse alternatives, including development of green infrastructure and creation of productive landscapes through agriculture and alternative energy generation.

The realities of unraveling neighborhoods and downward demographic trends also pose highly sensitive political issues that must be approached in ways that fully recognize their sensitivity. Any suggestion of using pressure to compel people to leave such areas is unthinkable, and smacks of the failed urban renewal strategies of the 1950s and 1960s. *Short of fundamental life safety and health considerations, government should not compel any homeowners to leave their home against their will*. Many homeowners in these areas may be attached to their homes. At the same time, many other owners would like to leave, but are trapped by their low incomes and the fact that their homes have literally no market value.

All those invested in the future of Ohio's cities, from the public, private, and non-profit sectors need to explore how to facilitate the mobility of those who want to move without pressing those who want to remain. It may be possible to do so in a cost-effective as well as humane fashion. For example, a city or non-profit agency could offer homeowners house swaps at no cost to them, under which they would be given vacant houses in more viable areas in return for their home. Such an approach has the added benefit that it helps stabilize other neighborhoods by filling houses that might otherwise remain vacant. It might also be possible to move some people's houses to vacant lots in more sustainable, viable, neighborhoods.[39]

Dealing with non-market areas represents both a critical, and a particularly difficult, task for those involved in planning and carrying out strategies for the future of Ohio's older cities. The difficulty is as much political as it is technical. Youngstown, for example, has been able to demolish many buildings, but has found it difficult to move forward in other ways. Any strategy to reconfigure non-market areas must flow from a public dialogue which engages the area's property owners and residents in serious discussion of their options. Unless the strategy not only improves peoples' living conditions, but *is also perceived by the community* as being beneficial, it could easily trigger political conflicts that could render it unworkable.

Productive, sustainable green areas in a shrinking city will not emerge overnight, or in one, two or three years, nor are non-market areas ever likely to return entirely to a pristine state of nature. The basic principle that no home owner will be forced to move against her will dictates that change will be a gradual process, over many years. It is critical, however, that the basic principles, along with the preliminary delineation of the general boundaries of the areas, be adopted early, and followed consistently—if not mechanically—over time. The city must avoid taking actions in those areas that are

EMINENT DOMAIN

The use of eminent domain for redevelopment—indeed for any public purpose—has become controversial in recent years, particularly in Ohio, where eminent domain lawsuits in Norwood and Lakewood have attracted national attention. The use of eminent domain to force a property owner to sell their property to the government goes in many respects against the American grain; it is natural to feel that using eminent domain to compel a responsible homeowner to leave her home is repugnant.

At the same time, many urban neighborhoods contain properties whose absentee owners are abusing or neglecting them, creating nuisance conditions that affect the lives and properties of their neighbors. These include absentee landlords "milking" dilapidated residential properties, or the owners of vacant properties that lie open and dangerous, an attractive nuisance to neighborhood kids and a magnet for criminals. Under Ohio "spot blight" law, a municipality can take a vacant property that has become a nuisance to its neighbors. In these cases eminent domain can be seen as a last resort, used in order to protect individual neighbors and the community as a whole.

inconsistent with its long-term goals, and should discourage others from doing so. Scattered development in such areas is usually a bad idea, particularly when ample sites for development are available in areas more suitable as neighborhood clusters. That is one of the reasons that a well-thought-out plan is so critical. Moreover, while the city cannot forbid private parties from developing their land, it can refrain from providing or approving subsidies or tax abatements to any such developments, or selling city-owned land for incompatible uses. In practice, that will exclude nearly all development, since few private entities are eager to invest their own money in these areas.

9. Create an Urban Agriculture and Greening Extension Program within the Ohio State University Extension, to build the infrastructure and support system needed to foster large-scale urban agriculture in Ohio's cities.

In tandem with the land management activities of local and multi-jurisdictional land banks, **the state should further the development of local food systems in its cities, including building an Urban Agriculture and Greening Extension Program within the existing Ohio State University Extension, to build the infrastructure and support system needed to foster large-scale urban agriculture and other green land reuses in Ohio's cities.**[40] While the opportunity exists in Ohio's cities for urban agriculture at a scale where it can become an economic development as well as food security resource, that opportunity is unlikely to be achieved without a support infrastructure, similar to the infrastructure that extension services nationally have been providing in rural areas. In contrast to those areas, today's urban farmer is operating "without a net," without the technical assistance, information, and access that will help him to succeed.

Commercial-scale agriculture needs to be linked to processing and distribution networks, while present and prospective farmers need information on soil conditions, crop alternatives and market opportunities, as well as creative ways to address both the challenges and opportunities unique to agriculture in an urban setting. The state can also provide local governments with information on revising their land use regulations to permit urban agriculture, and help school districts develop agricultural education programs, and use locally-grown produce to feed their pupils.

While some urban agriculture will take place on large vacant properties, looking much like conventional farms except for their urban setting, other models of urban agriculture should also be explored, such as farming that can utilize vacant industrial structures, and aggregated micro-farming, where a single operating and distribution network creates economies of scale in farming numerous small, separate properties. This model has been pioneered in San Francisco and Portland, Oregon.

(5) Link cities to their metros

Many of Ohio's older cities are so closely interwoven with their surrounding cities, villages and townships that their municipal boundaries seem little more than an historical artifact. Many still-viable urban neighborhoods are located at their cities' edges, and are contiguous with or part of larger neighborhoods that spill across the municipal boundary, separated from the city's center by a combination of non-market areas and non-residential areas, such as former industrial sites or railroad yards. Map 1 showed how Youngstown's strongest neighborhoods are located along its northern, western and southern borders. In smaller cities like Canton or Youngstown, a majority of the city's employed population works in the city's suburbs.

The same problems that are confronting the central cities spill over to many of their suburbs, particularly in the inner ring closest to the city. The small city of East Cleveland has been even more severely devastated by the foreclosure crisis than has Cleveland itself. Indeed, many inner-ring suburbs, while suffering from similar problems, are in many respects worse-equipped to deal with them than the central cities, since they lack not only the major institutions that can serve as anchors for future revitalization, but also lack the community development infrastructure—in terms of both public sector capacity and strong CDCs and other non-profit organizations—needed to carry out effective strategies for change.

Despite these conditions, effective regional cooperation in Ohio is rare. Each of Ohio's major metropolitan areas is divided into innumerable separate counties, cities, villages and townships. Ohio's proliferation of small, separate governmental jurisdictions, a relic of the early 20th century, has contributed to sprawl and the draining of resources from its cities, both in terms of population and the shrinking of the tax base needed to maintain basic services. Ohio contains over 3800 units of local government, or 31 local governments for every 100,000 people and nearly one local government for every 10 square miles. While these statistics are similar to nearby states such as Illinois, Michigan and Pennsylvania, fragmentation in Ohio takes on sharper meaning because of the unusual degree of authority exercised by local governments in Ohio. This 100 year old grant of statutory authority, known as "home rule," allows municipalities to exercise extensive authority beyond the usual protection of the health, safety and welfare of their citizens. Ohio's deep roots as a "home rule" state have become an excuse for retaining these multiple "small box" governments.

Continued regional fragmentation has been perpetuated by policies, laws and practices that encourage a "beggar thy neighbor" approach to relationships between municipalities rather than a cooperative one. Fragmentation also often results in duplication of services, increasing government costs and reducing government's accountability to the public. The home rule concept, deeply embedded in Ohio culture, has emerged moreover as a rallying cry for many who resist state government intervention in areas like land banking and redevelopment, as well as regional collaborations that might offer an antidote to fragmentation and help address the problems of the shrinking cities. Townships, which represent most of the small governments in the outer reaches of Ohio's metropolitan areas and whose residents do not pay the income taxes paid by the cities' residents, have been particularly resistant to solutions that could stem the tide of sprawl without growth.

Regional fragmentation and the division of authority between municipal and county government both mean that successful strategies to create stronger cities are likely to require both inter-municipal cooperation, in the sense of joint planning and program implementation by adjacent cities, villages and townships; and city-county cooperation, in the sense of an integrated countywide strategy to address key issues such as land banking. In large regions, such as the Cleveland area, effective regional strategies will require engaging counties beyond Cuyahoga County. Therefore, the state should:

10. Encourage shared services, inter-municipal and regional planning, joint taxation districts, and under some circumstances, where appropriate, local government consolidation.

Ohio jurisdictions are already increasingly combining services, such as Emergency 911 call centers or consolidated school administrative and back office operations, to save money and increase efficiency. Several regional initiatives—at various stages of maturity—have also emerged, in Northeast Ohio (Cleveland metropolitan area), and in the Dayton, Youngstown, and Cincinnati areas. Northeast Ohio's effort, led by the Northeast Ohio Mayors and City Managers Association, is farthest along in exploring regional planning and revenue-sharing. Dayton city and Montgomery County officials are examining how to expand their countywide Economic Development/Government Equity (ED/GE) program[41] beyond Montgomery County, and are also exploring regional land use strategies within the county. Youngstown business leaders are studying the possibility of a countywide school system.

The state should enable these nascent regional efforts. The state could, at a minimum, remove old barriers; beyond that, state-level changes could contribute new tools, such as incentives for intergovernmental collaboration or permissive city-county merger legislation allowing areas to choose actual regional governance.

The state should encourage shared services, joint planning and local government consolidation. The state should encourage municipalities and counties to share services, coordinate planning and land use activities, or merge, by making it simpler and less costly to initiate such efforts, and by providing financial incentives, such as enhanced school facility funding, for communities that undertake meaningful inter-governmental reforms, and engage in meaningful inter-municipal and regional strategic planning.

Ohio already has pioneered an interesting model for voluntary regional land use planning that could provide the foundation for further inter-municipal planning coordination. For almost a decade, following work by the Ohio Lake Erie Commission, Ohio has been experimenting with the "Balanced Growth Initiative" (BGI). Initially encompassing only the Lake Erie watershed,[42] the BGI has piloted local land use planning initiatives in two northern Ohio watersheds. Using a regional focus on land use and development planning transcending traditional political boundaries, the BGI has sought to reduce urban sprawl, protect natural resources and encourage redevelopment in urban areas of a watershed. To develop a paradigm for balanced growth, the BGI used “planning partnerships” composed of local governments, planning commissions, non-profit organizations and other parties in each watershed, encouraging them to identify “Priority Development Areas” (PDAs), areas where growth and redevelopment would be incentivized to maximize development potential, efficiently use existing infrastructure, promote the revitalization of cities and towns and contribute to restoring Lake Erie; and “Priority Conservation Areas” (PCAs), areas targeted for protection and restoration as important for ecological, recreational, heritage, reasons or general contribution to the region’s general quality of life. The BGI and its associated implementation concepts (PDAs and PCAs) could be applied on a regional basis not necessarily defined by an ecosystem or watershed but rather by geo-political boundaries. The state and the Commission are now considering taking the BGI statewide, potentially providing a state-approved framework for cross-jurisdictional coordinated planning.

The state offers other vehicles for regional collaboration, such as Joint Economic Development Districts (JEDDs). JEDDs allow cities, villages, and townships to collaboratively address the concerns of diminishing local revenues and resolve tax base inequalities between cities, villages, and townships. Because townships by state law are not permitted to collect income tax, JEDDs provide them with increased revenues in the form of income taxes and increased property taxes on previously vacant land. The JEDD agreement also prohibits annexation of the township by the city or village for a minimum of three years and creates a cooperative arrangement with the city or village. On the city or village side, the JEDD agreement enables a city or village to increase its income tax revenues and typically provides for infrastructure and utility extension, generating additional city revenue. JEDDs have been used in Summit, Franklin, Cuyahoga, Montgomery, Butler and Clermont Counties and elsewhere.[43] Youngstown has been working to form a JEDD with its adjacent townships.

Ohio’s older cities are at a critical juncture in their economic, social and political histories. At the same time that national and global pressures have led to unparalleled decline, state policies have created perverse incentives that have exacerbated sprawl and inappropriate development, contributing to these cities’ decline. When so many cities within one state are experiencing similar trajectories of population decline, the state must take responsibility to complement local actions by providing cities with the tools and offering incentives to pursue the best practices needed to reverse the course of decline.

6 State policy reform and the emerging federal role

Although this paper focuses on the Ohio scene, and the roles of state and local government in addressing the physical reconfiguration and economic rebuilding of the state’s older distressed cities, the federal government plays an increasingly important role in this process. While the federal role in urban policy has been modest in recent decades, the change in federal leadership after the 2008 national election has led to a more activist federal urban agenda. With the creation of a White House Office of Urban Affairs and the appointment of a prominent urban housing professional as Secretary of Housing & Urban Development, the Obama Administration has sent a message that it views cities and their metro areas, with their concentrated assets, as primary economic drivers for a country whose sustained prosperity requires integrated policy solutions. At a time of limited state resources, this activist federal role can become a major force to motivate state reforms, that cost little but potentially can result in substantial return over the long-term. The state, however, needs to take more affirmative steps in order to take advantage of what may be the most significant federal opportunities to support urban and regional change in many decades. A recent report by Greater Ohio Policy Center and the Brookings Institution, *Restoring Prosperity: Transforming Ohio's Communities for the Next Economy*, cites several areas in which the state can prepare its cities to compete for federal funds and also help shape emerging federal policies in these areas to benefit Ohio's cities.[44]

First, federal level policymakers have made concrete strides toward crafting integrated policy solutions with cross-departmental policies and collaboration, recognizing that urban and metropolitan solutions do not lie solely within the sole purview of the federal Department of Housing and Urban Development (HUD), where they have traditionally been placed. The Sustainable Communities Initiative, a joint effort of HUD, the Environmental Protection Administration (EPA) and the Department of Transportation, was formed to develop policies aimed at providing affordable, sustainable communities, with the goal that every major metropolitan area in the country will conduct integrated housing, transportation, and land use planning and investment in the next four years.[45] HUD has included $150 million in its Fiscal Year 2010 budget to fund pilot integrated regional planning projects. Just as the Administration has acknowledged that the challenges faced by our cities and metropolitan areas—and the solutions to those challenges—require responses that integrate housing, transportation and economic development, as well as neighborhood and community development, the state could develop a parallel cross-departmental effort to integrate its own solutions and how its efforts impact the local level.

Second, new federal urban and metropolitan policies may in fact precipitate state reforms that, in turn, will pave the way for greater local and regional ability to leverage federal resources and incentives from both the Administration and Congress. Congress, too, has shown a renewed interest in urban policy with recent and proposed legislation that states can also leverage. The economic stimulus legislation included $2 billion for a second round of Neighborhood Stabilization Program (NSP) grants, which were awarded early in 2010 after a competitive selection process.[46] Early in 2009, Ohio and New York lawmakers introduced the Community Regeneration, Sustainability and Innovation Act of 2009 (H.R.932) in the House and the Senate, a bill that focuses directly on the needs of the shrinking cities that make up such an important part of Ohio and upstate New York. Another bill, the Livable Communities Act of 2009 (S.1619), introduced by Senator Dodd, would address many of the same issues, although not directly aimed at the nation's shrinking cities. In order to align with and leverage these emerging federal initiatives, the state should adopt incentives for comprehensive planning; modernize planning statutes to provide for stronger local and multi-jurisdictional planning and zoning tools; support locally-driven, targeted neighborhood initiatives to improve the prospects of leveraging federal and state investments; and link expanded transit options to new higher-density development in targeted neighborhoods. These reforms will ultimately provide localities with the tools and capacity they need to compete for federal grant dollars.

Finally, a proactive state role will help federal policymakers, as they move forward with new initiatives, to be sensitive to the very real differences between cities and regions around the country and the need to tailor strategies for states like Ohio where the footprints of cities and metros are steadily changing. The word "sustainable" takes on a different meaning in these cities than in a fast-growing Sunbelt area. As the state examines how to increase local government efficiency and intergovernmental cooperation, it could encourage the federal government to create incentives for shared service delivery programs, reward multi-jurisdictional land use and transportation plans or other types of regional collaboration efforts.

The revival of federal activism in part grows out of the current economic crisis, linked to the central role the federal government has played to resolve the crisis of the financial industry and stimulate the economy. A strong federal role in resolving property issues stemming from the financial crisis, in particular by addressing the future of "toxic assets" (low-value properties held or abandoned by financial institutions), could have a decisive impact on the future viability of many older industrial cities. This could prompt even closer interplay between federal policy and local land use strategies than ever before, with the cities that are the subject of this paper—and where toxic assets are heavily concentrated—most deeply affected by new federal policies formulated to address the fate of these properties. How this issue plays out may ultimately depend on state and local success in creating effective property ownership vehicles such as land banks that can respond to new federal initiatives.[47] The state and Ohio's cities must be prepared for these new possibilities.

THE COMMUNITY REGENERATION, SUSTAINABILITY AND INNOVATION ACT OF 2009

This bill will create a new, pilot grant program within the U.S. Department of Housing and Urban Development (HUD) similar to U.S. EPA's successful Brownfields pilot grant program. Funds would be targeted towards cities and metropolitan areas experiencing large-scale property vacancy and abandonment due to long-term employment and population losses. Based on successful models used by Canadian and European cities, the Regeneration Act would encourage a holistic regeneration model that promotes and supports policy innovation, experimentation, and environmentally sustainable practices through collaborative efforts to acquire and reuse vacant properties in ways that will provide long-term benefits to the public, such as land banking, the creation of green infrastructure, and stimulating green jobs and economic development. Implementation of such strategies would create new and sustainable employment opportunities for residents. The Regeneration Act would also strongly encourage multi-jurisdictional or regional approaches to addressing the problem of vacant and abandoned property.
(Source: National Vacant Property Campaign)

Along with new integrated strategies and policies designed to address the aftermath of the current crisis, older federal policies should be reexamined and retooled to fit the particular circumstances of older cities with declining populations, in Ohio and elsewhere. The Low Income Housing Tax Credits (LIHTC) program, by far the largest program for production of low income housing in the United States and probably the federal program with the greatest impact on housing and neighborhood development in the last quarter of a century, is a good example of a program in need of reexamination. Since 1986, it has provided tax incentives for private sector and non-profit development of low to moderate income rental housing. In shrinking places with high rental vacancy rates and an oversupply of affordable rental housing in the private market, construction of additional rental units is often not helpful, and can even be harmful by destabilizing existing private-market rental housing. A redesign of the LIHTC program, that would enable tax credit investments to be used to upgrade existing affordable private-market rental housing, could make it a far more valuable tool for preserving and stabilizing neighborhoods in older industrial cities than it is at present.

As a state with an overabundance of shrinking cities, Ohio will be at a disadvantage if it does not think strategically about how to align state and local actions with new federal opportunities to address the unique challenges of older industrial cities. Ohio missed an opportunity to use federal resources in a strategic way in its distribution of the federal NSP funds it received in the fall of

2008. In Ohio, these funds were largely distributed thinly and evenly, in keeping with traditional state "peanut butter" policies, instead of being directed toward viable market areas and leveraged to promote long-term neighborhood stabilization. Strategic use of state and federal resources can leverage the local innovations that have already emerged, as in Cleveland and Toledo, and encourage nascent efforts in cities like Youngstown that have recognized the need for change, and are struggling to move forward.

Conclusion

Like few other states, Ohio lacks a single dominant city that can demand a significant share of the state's attention. Few, if any, other states have as many cities that have lost population and jobs as Ohio, or as many cities in need of finding both new economic engines to replace their manufacturing heritage, and a new vision that takes their smaller size into account. The distribution of these cities around the state, their diversity in terms of size, assets, and economic conditions, and the sheer magnitude of both their needs and the opportunities they offer, places a massive burden on the state to demonstrate its leadership, and its ability to rise to the challenge these cities represent. The future prosperity of the state may well depend on how well the state rises to that challenge.

The state's economic and political challenges require new ways of targeting and coordinating its resources, a difficult task at any time, but particularly in a time of crisis and a shrinking financial pie. It also calls on the state to challenge entrenched ideas about the relationships of municipalities to one another, and the role of regions and metropolitan areas in planning and governance. It also requires that city governments engage in a systematic re-appraisal of their communities and their futures, and provide the leadership that their citizens are looking for in order to move toward a better future.

Ohio's state and local governments have the ability to rise to this challenge. Many local officials, citizens and institutions have already begun to confront painful realities, and make change happen in their communities, in Ohio and elsewhere. The body of principles and specific proposals that are laid out in this paper should help the state and its cities lay the foundation for a better future, not only for Ohio's cities, but for all its citizens and its communities. There is no time to lose, however. As the United States digs itself out of a painful recession, Ohio must begin to make the changes that will enable it to overcome the losses of recent years, and build that better, more prosperous, future.

ENDNOTES

[1] It is not clear precisely when or by whom this term was coined. The phenomenon as it affects upstate New York is analyzed in detail in Pendall, Rolf, *Sprawl Without Growth: The Upstate Paradox.* Washington, DC: The Brookings Institution. 2003.

[2] This statistic appears frequently in discussions of sprawl without growth. The earliest reputable citation that has been identified is Nivola, Pietro. "Fat City: Understanding American Urban Form from a Transatlantic Perspective", *The Brookings Review*, 16:4, Fall 1998.

[3] To make comparison possible, the same boundaries have been used for the entire period from 1970; those boundaries are those of the present Cleveland-Elyria-Lorain Metropolitan Statistical Area, which includes Cuyahoga, Geauga, Lake, Lorain and Medina Counties.

[4] The dynamics of inner-ring suburban population loss in the Cleveland area are complicated. East Cleveland is, if anything, more distressed than Cleveland, with similar problems but fewer resources or assets to draw upon. In historic inner-ring suburbs like Cleveland Heights or Shaker Heights, population loss tends to reflect an aging population with smaller household sizes, as families with school-age kids move farther out. At the same time, some postwar suburbs, with more modest and now less desirable housing, are seeing declines that parallel inner city declines, along with increasing vacancy and abandonment. East Cleveland, which exhibits an extreme case of abandonment, and the post-war suburbs with less desirable housing exhibit patterns that are closer to what is seen in the core city, exacerbated by the foreclosure crisis.

[5] Elizabeth Kneebone, "Job Sprawl Revisited: The Changing Geography of Metropolitan Employment," Brookings Institution (2009), available at http://www.brookings.edu/~/media/Files/rc/reports/2009/0406_job_sprawl_kneebone/20090406_jobsprawl_kneebone.pdf

[6] For a summary of the costs of sprawl literature and a more detailed examination of the costs of sprawl in another industrial state, Pennsylvania, see "Back to Prosperity: A Competitive Agenda for Renewing Pennsylvania," Brookings Institution (2003), pp. 55-57

[7] 'Other vacant' as shown in the table is a residual category used in Census reports that remains after all vacant units being offered for rent or sale, being held for future occupancy, or limited to seasonal or occasional use, have been subtracted from the total of vacant units. It represents a rough, although highly conservative,   for abandoned units.

[8] Although abandoned properties are generally vacant, not all vacant units are abandoned. A reasonable definition of an abandoned unit is one where the owner is neither maintaining the property nor actively marketing it. This, indeed, will include some absentee-owned properties where tenants may still be in the property, but the owner has ceased to take responsibility for it. Furthermore, even if an owner is paying property taxes on a property, if she is not maintaining it and allowing it to become a nuisance to the neighbors, it is functionally abandoned.

[9] The ability to compare one year's prices to another must be qualified to some extent, since one cannot be certain that the pool of houses that represent the transactions for any particular year are identical to those representing the transactions for other years. If there is significant variation in the size, quality or other features of the houses in one year from those in another, that variation is not reflected in the data.

[10] The number of home sales, and in particular the number of houses sold to owner-occupiers, is a better indicator even than sale prices of how well the market is actually working in a neighborhood.

[11] This phraseology was initially adopted, although with a somewhat different construction of the meaning of the Political City, by Roger Starr in his seminal, and controversial, article "Making New York Smaller," *New York Times Magazine*, November 14, 1976.

[12] This same pattern holds for cities in strong market regions, such as Boston or Washington, DC. Even in those cities, there are areas where the market is substantially weaker than average, although few, if any, where there is literally no market activity, as is the case in some parts of Youngstown, Dayton or Cleveland.

[13] It is important to distinguish between healthy market activity and fraudulent "flipping" activity, which often takes place in areas which lack sustainable market demand. This has been a major problem in parts of Cleveland.

[14] Cincinnati was America's fifth largest city in 1850, and remained in the top 10 until 1900. It was 18th in 1950, but had fallen to 53rd by 2000. Cleveland was America's fifth largest city in 1920, and was in the top 10 between 1890 and 1970. In 2000, it ranked 33rd.

[15] Cincinnati and Cleveland also have major league football and baseball teams, although it is hard to assess their value for their cities' vitality or future rebirth.

[16] According to the Downtown Cleveland Partnership, the average age of downtown residents (largely, but not entirely, in the Warehouse District) is 36, and their median annual income is $74,000. Since the number of school children living in the downtown is likely to be small, this suggests a population largely in their 20's and 30's.

[17] Jennifer S. Vey, *Restoring Prosperity, The State Role in Revitalizing America's Older Industrial Cities*, p. 17-19, Brookings Institution (2007).

[18] Hill, Edward W. and John Brennan. 2005. America's central cities: the location of work *Journal of the American Planning Association*, 71:4

[19] This relationship has been identified in a variety of separate studies; see Vey, *op.cit.*, p.80.

[20] But not insignificant. A 2000 study of the economic impact of the Cleveland Museum of Art found that it generated directly and indirectly 656 jobs in the Cleveland region, as well as $20.1 million in annual personal income and $5.2 million in annual state and local government revenues. James E. Robey and Jack Kleinholtz, "Economic Impact of the Cleveland Museum of Art: A Tourism Perspective." Economic Research Department, Greater Cleveland Growth Association (2000)

[21] Study by Tripp Umbach Consultants, cited in "University of Cincinnati Medical Center Economic Impact," Cincinnati, OH: University of Cincinnati (2002)

[22] Alan Berube, MetroNation, (Brookings Institution 2007) p.45

[23] . Brookings Institution and Greater Ohio, "Restoring Prosperity: The State Role in Revitalizing Ohio's Core Communities" p. 17, September 2007 .

[24] Brookings Institution and Greater Ohio, "Restoring Prosperity: The State Role in Revitalizing Ohio's Core Communities" p. 17, September 2007.

[25] Myron Orfield, Thomas Luce, and Ameregis, "Northeast Ohio Metropatterns," February, 2008.

[26] Hugh Hinton and Michael J. Beazley, "Analysis of the Fiscal Impact of Public Service Delivery Practices in Lucas County, Ohio." Toledo, OH: University of Toledo Urban Affairs Center (2002), p.5. http://uac.utoledo.edu/Publications/public-service-delivery-fiscal-impact.pdf

[27] ReBuild Ohio and Community Research Partners, "$60 Million and Counting: The cost of vacant and abandoned properties to eight Ohio cities." February 2008.

[28] The ultimate goal for planning should be to regain a stable population and economic base. An assessment of recent population trends, however, and a consideration of the economic forces affecting Ohio's older

cities in the short run, both suggest that in most cases population loss has yet to run its course, and that stabilization, when it does come, will be in most cases at population levels below those of today.

[29] The Economic Opportunity Initiative in Portland, Oregon is an example of a model program that has demonstrated its effectiveness in creating significant increases in income for poverty-level individuals through both workforce development and micro-business assistance. After two years of assistance, more than two-thirds of the workforce participants have increased their incomes by 25 percent or more, with an average annual income gain of $15,000. Since it was initiated in 2004, the Portland program has become a model for restructuring workforce development programs in many parts of the United States. Howard Cutler, "Charting a New Course in Portland", *Shelterforce* Issue 151, Fall 2007. Another cluster of creative strategies can be found in the network of Manufacturing Extension Partnership Centers that have linked workforce development with economic development in communities around the country; see Mark Troppe and Martha Reesman, "Manufacturing Extension Partnership Centers and the Workforce Development System", National Center for Education and the Economy (NCEE) (2004). Two recently released reports done by or collaboratively with Community Research Partners, a non-profit research organization in Columbus, provide Ohio-specific recommendations around intensifying workforce development strategies, particularly for low and moderate income workers, that are tied to broader economic development goals. "Average Isn't Enough: Advancing Working Families to Create an Outstanding Ohio Economy," November 2004 and "Aligning Workforce Development and Economic Development for Ohio: Opportunities for Ohio," January 2007.

[30] Land Bank Fast Track Act, Public Act 258 of 2003, enacted January 2004.

[31] While the vast majority of tax delinquent properties in shrinking cities have little or no market value, a small percentage – perhaps as little as 1 to 2 percent – are likely to have some, even considerable, value. Typically, it is these properties that a speculative tax lien buyer is looking for, and which make a bulk purchase of tax liens profitable. By ensuring that all tax foreclosures become public property, the county or land bank benefits from the profitability of these properties, not a speculator.

[32] Ohio Secretary of State Jennifer Brunner's office recently instituted a new website, http://www.sos.state.oh.us/SOS/betterLives.aspx, that tracks some statewide economic data and trends useful to local and regional planning efforts, although it appears not to be particularly place-based or localized except in a few instances, such as the foreclosure and green space data which are by county.

[33] Using a wide range of data sources and datasets, including foreclosure filings, recorded sheriff's deeds, scheduled sheriff sales, water shut-offs, code enforcement reports, and building data, NEO CANDO's neighborhood data system provides an "early warning system" for at-risk vacant and abandoned properties on a parcel by parcel basis for a 17-county region. See http://neocando.case.edu.

[34] Ohio cities' museums range from the well-known Cleveland Museum of Art and the Cincinnati Art Museum, to Youngstown's Butler Institute of American Art, completed in 1919, recognized as an architectural masterpiece by the world-renowned architecture firm of McKim, Mead and White and listed on the National Register of Historic places. Akron has capitalized on its heritage of innovation by creating the National Inventors Hall of Fame.

[35] Ohio has over 69 private, four-year colleges; 13 public universities with 24 branch and regional campuses; and 15 community colleges and 8 technical colleges scattered throughout the state. [number to be filled in] are located in our shrinking cities, including Cleveland, Cincinnati, Dayton, Springfield to name a few [add here].

[36] Further information about the Indianapolis Canal Walk can be found at www.indycanalwalk.org; a slide show of the canal walk is available at http://www.youtube.com/watch?v=DkNMm9SttqM.

[37] "Freeway razing sets stage for $250 million in development." *New Urban News.* July/August 2004.

[38] "Re-Imagining a More Sustainable Cleveland."

[39] This is not as far-fetched as it may sound. House-moving, often involving moving houses over many miles, was common in many parts of the United States through the mid-twentieth century. Moving frame houses, particularly small ones, poses no great difficulty, and can be done at reasonable cost, except in some cases for the cost of temporarily relocating overhead utility lines. Structural issues, however, make it considerably more difficult to move brick structures more than very short distances.

[40] A model of state support for development of local food systems can be found in the Illinois Food, Farm and Jobs Act of 2007 which established the Illinois Local and Organic Food and Farm Task Force to study and recommend strategies that the state could take in the development of local food systems. It included identifying land preservation and acquisition opportunities for local and organic agriculture in rural, suburban, and urban areas; financial incentives, technical support, and training necessary to help farmers to transition to local, organic, and specialty crop production, and other strategies.

[41] Under this program, Montgomery County Commissioners set aside dollars every year from sales tax revenue for participating jurisdictions to use for worthy economic development projects within the county. Grants are awarded twice a year by the county commissioners through a competitive review process, based on the recommendations of an advisory committee comprised of representatives from participating jurisdictions and the business community. Also annually, through the Government Equity (GE) Fund, a portion of increased property and income tax revenues collected as a result of the economic growth of program members is shared with fellow program participants. http://www.mcohio.org/services/ed/edge.html.

[42] The area running northward from an east-west lateral line located around Mansfield.

[43] See http://www.odod.state.oh.us/JEDDSUMMARY.pdf and http://ohioline.osu.edu/cd-fact/1560.html.

[44] Greater Ohio Policy Center and The Brookings Institution Metropolitan Policy Program. 2010.

[45] News release "HUD and DOT announce interagency partnership to promote sustainable communities," U.S. Department of Housing & Urban Development, March 18, 2009.

[46] The Housing & Economic Recovery Act enacted in mid-2008 included $3.92 billion in grants to states, counties and cities to stabilize neighborhoods destabilized by foreclosures. The funds were allocated on the basis of a formula that stressed the number of foreclosures, with funds going disproportionately to Sunbelt communities, particularly in Florida.

[47] For a more extended discussion of this issue, and the potential federal role in the assembly and disposition of problem properties, see Alan Mallach, "Stabilizing Communities: A Federal Response to the Secondary Impacts of the Foreclosure Crisis" The Brookings Institution (2009), available at http://www.brookings.edu/reports/2009/02_foreclosure_crisis_mallach.aspx

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About the Authors

Alan Mallach (amallach@comcast.net) is a Nonresident Senior Fellow at the Metropolitan Policy Program of The Brookings Institution in Washington, DC, where he works on foreclosure issues, neighborhood stabilization and the revitalization of older industrial cities, and a Visiting Scholar in the Community Affairs Department of the Federal Reserve Bank of Philadelphia. He has been engaged in studying and implementing urban policy since the 1970s, and is the author of *Bringing Buildings Back: From Vacant Properties to Community Assets* (2006) and *A Decent Home: Planning, Building and Preserving Affordable Housing* (2009) as well as many other works on city planning, housing and Italian opera. He is a member of the College of Fellows of the American Institute of Certified Planners, and holds a B.A. degree from Yale University.

Lavea Brachman (lbrachman@greaterohio.org) is co-director and a founder of the Greater Ohio Policy Center in Columbus, Ohio, a think-tank and grassroots organization focusing on state policy reform around land use, economic redevelopment and smart growth issues. She is also a Nonresident Senior Fellow at the Metropolitan Policy Program of the Brookings Institution in Washington, D.C. and has been the chief architect in Ohio of the Brookings/Greater Ohio Restoring Prosperity to Ohio Initiative, which she continues to direct and manage. She is the co-author of the Brookings Institution publication, *"Restoring Prosperity: Transforming Ohio's Communities for the Next Economy,"* and has other published on the topics of brownfields redevelopment, community redevelopment, and neighborhood revitalization. Before returning to Ohio, she was a Visiting Fellow at the Lincoln Institute of Land Policy in Cambridge, Massachusetts. She graduated from Harvard College and the University of Chicago Law School and received a master's in city planning from the Massachusetts Institute of Technology.

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