

REGIONALISM

GROWING TOGETHER TO EXPAND OPPORTUNITY TO ALL

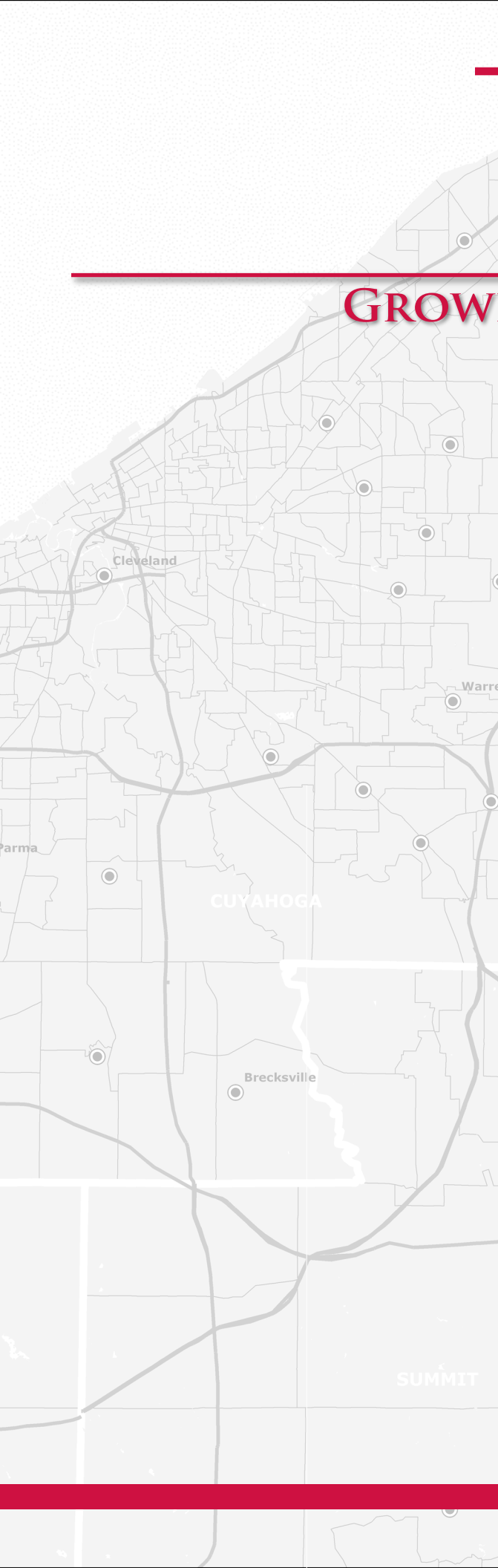
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Submitted by the Co-Chairs of:
THE AFRICAN AMERICAN FORUM ON RACE AND REGIONALISM



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ABOUT THE STUDY

This study was commissioned by the Presidents' Council of Cleveland. The purpose of this research initiative is to understand how regionalism could impact the African American community. In addition, the goal of this research is to identify equity based regional policies that could improve conditions for the African American community, increase the social health and economic vitality of the entire Cleveland region, providing benefits to all residents of the Cleveland metropolitan region.



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Preface

As we look to a sustainable regional future, the Cleveland region and Cleveland's African American community face significant challenges. Historically devastating exclusionary and discriminatory policies, combined with current regional dynamics of urban disinvestment and inefficient, fragmented suburban growth have created vast disparities for many of Cleveland's residents. These metropolitan dynamics have pulled people, resources and opportunities out of the City of Cleveland, leaving many families with inadequate resources and limited opportunities. The dominant economic trends of the 21st century, globalization and deindustrialization, have created widespread economic challenges for the nation as well as the Northeast Ohio region. Uncoordinated suburban growth in the region is not only pulling resources away from the City of Cleveland, but creating challenges for the region's mature inner-suburban communities, indicating the spread of social and economic instability and negatively impacting the region's ability to attract and retain critical emerging companies and workers.

These challenges impacting the City of Cleveland, the region and the African American community are all interrelated. Racially disparate life outcomes have contributed to the destabilization of the City of Cleveland's economic and social health and imperiled the competitiveness of the entire region. Disparities in educational attainment disadvantage the region's competitive abilities in the new global skill-based economy, where educated labor is one of the primary indicators of an economically healthy region. Unjust policies and racial and economic isolation deplete opportunities for people in the City of Cleveland, pushing more affluent residents to the suburbs and exurbs. The dynamics of municipal competition and uncoordinated policy produce an economically dysfunctional region, which is less competitive, while reinforcing long-standing regional and racial disparities. The compounded impact of all of these factors has produced a stressed region, with declining and segregated opportunities for all residents.

Despite the numerous interconnected challenges facing the Cleveland region, a turnaround is possible, and solutions to break this cycle are gaining support. As many around the region now understand, regional cooperation is a potentially powerful tool for equitable and sustainable regional growth. Regional coordination means that the region can collectively utilize its significant assets to produce a more vibrant, thriving, economically competitive region where the African American community and the region can grow together. Although the potential for progress exists for the Cleveland region, regional dialogue alone does not guarantee success. A long-term, sustainable vision and an inclusive process of policy implementation will determine the success of regional reform, and determine if the African American community will benefit or be burdened by regional policy.

The purpose of this report is to identify how regional efforts should be structured and what group of policies can benefit both the African American community and the entire Cleveland region. Regional coordination should be structured around a vision of equitable investment in people and communities. Equity and efficiency can be

complementary goals for regionalism, but an efficiency-only oriented response will not promote equity or address the disparities which are crippling the entire region.

This equity oriented model for Cleveland must adhere to the following principles to be successful: create and grow communities of opportunity for the entire Cleveland region, affirmatively connect Cleveland's African American community to regional opportunity structures, reduce disparities in resources between communities in the region, cooperatively manage the region's sprawling development patterns, and improve the educational outlook for all of the region's children. This vision cannot be achieved without investing in personal and institutional relationships, and improving collaboration and communication across Cleveland's various racial, political and geographic lines. This relationship-building and communication is the essential first step in crafting equitable regional policies for the Cleveland region. Through an equity oriented regional approach, both the Cleveland region and Cleveland's African American community can grow together, creating greater opportunities for all of Cleveland's residents.

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Summary: Findings and Recommendations

The following summarizes the findings and recommendations derived from this study. Detailed discussion of these findings and corresponding recommendations follows in the corresponding chapters of the study. Given the large number of recommendations, priority action recommendations are highlighted in the addendum at the conclusion of this report.

Key Findings: Existing Conditions and Implications from Socio-Historic Analysis

- The City of Cleveland, the Northeast Ohio region and the African American community continue to face tremendous economic growth, education, and social equity challenges. Cleveland is still experiencing decentralization of jobs and people from its urban core to the suburban fringe, and this trend not only impacts the City, but impacts the entire region. The City and increasingly, the region's inner suburban communities are marked by disinvestment and education disparities, which prevent the region from becoming globally competitive. The lack of an economically robust central city impacts the ability to recruit and retain businesses and families, which depresses the entire region. The economic troubles impacting Ohio statewide are certainly manifest in northeast Ohio, with the region struggling from to job losses and marginal population growth.
- Some conditions for Cleveland's African American community are poor in comparison to African Americans in peer regions. Disparities in education, economic opportunity, neighborhood conditions, mobility and persistent segregation plague the region. Despite the challenges, there are some positive indicators. Small pockets of growth have occurred near Cleveland's downtown. The region's strong health care industry is expected to continue to grow, and despite job losses in the region, some areas are projected to see job growth in the future. The challenge will be to connect a diverse and well educated, well-trained pool of workers to these emerging growth sectors.
- How can Cleveland's economic, educational, philanthropic, political and cultural institutions best contribute to and benefit from regional initiatives? How has Cleveland's socio-historical context affected the way people approach Cleveland's future? It is important to recognize the lingering memory of past discrimination and lack of inclusion in planning initiatives along race and class lines. A related factor is that policy exacerbated racial and economic segregation, and policy has a role to play in mitigating or correcting inequalities. Recognizing that a wide variety of citizens need to be at the table in discussions regarding inclusive economic development initiatives and education investments is the first step to dedicating institutional resources and time to a dialogue that includes many different viewpoints.

Key Findings: Perspectives of Cleveland's Leaders and Experts on Regionalism

- In most cases, interview respondents characterized the overall well-being of the African American community as poor, and in many cases as getting worse. This decline is attributed to sprawl, unemployment, poor education,

lack of adequate healthcare, and the lack of business development opportunities.

- The majority of interviewees saw sprawl as a detriment to urban African American communities, as it contributes to other issues such as a lowered and uneven tax base, decreased services, housing vacancies, disinvestment, educational fragmentation, the exodus of gainful employment.
- The two most oft-mentioned priorities for regional health were improved education and economic strategies. One-third of the responses discussed the inequities in public education. Although opinions on the issue were varied, education reform was acknowledged as potentially being the most polarizing issue.
- Education policies are needed that draw students to the city, more effectively integrate students racially and economically, and move towards a regionally resourced system. Respondents differ widely in their opinions regarding when education should be addressed in the context of regionalism. Many think it must be first, while others see potentially strong resistance slowing regional cooperation and investment.
- One-third of responses focused on the economy, indicating that employment opportunities were limited in the city. Jobs that are available require training that the majority of African Americans in the city do not have, and that attainable jobs do not pay a living wage. Meanwhile, corporations and jobs continue moving to the edges of the region or elsewhere in the U.S.
- Economic policies need to focus on creating economic diversity and stability, including incentives for businesses to relocate to and remain in Cleveland, job creation, flexible finance options for minority businesses development, building better connections to healthcare institutions, curbing the “brain drain,” and attracting, retaining, and connecting immigrant workers and families.
- Respondents also raised issues of racial and economic patterns of segregation in housing and the lack of affordable housing, and recognized the interconnectedness of housing policy and education policy.
- Cleveland has significant capacities and resources, including governmental and political leadership, non-profits, advocacy and planning organizations, higher education institutions, and the private sector. There are also a number of successful historical and existing regional cooperation efforts. A number of regional strengths were identified. Respondents are optimistic about the possibilities for positive intervention, including growth of the existing health care industry, building on the strengths of the arts and sports communities, recognizing the strong tradition of church activism, community investment and philanthropy, and Cleveland’s diversity, work ethic, and resiliency.

- Four main constraints to regional cooperation were identified: political constraints, economic constraints, low levels of trust, and racial constraints. Lack of political awareness, little political will, and mistrust were also acknowledged. Respondents were also concerned that a specific form of regionalism, regional governance, could contribute to a loss of political power for the African American community.
- Regional cooperation must be publicly defined to dispel the representation of regional initiatives as zero sum. Participants stressed the need to communicate the deleterious effects to everyone if the status quo is maintained, and to build trust and ensure that the construction of specific initiatives is inclusive.
- The process of building a constructive regional dialogue must be attended to, and should be racially and socio-economically inclusive, focused on fairness and diversity, strategically communicated to the media, and pursued with a long-term vision.
- The discussion of the region's future cannot be focused on local policies alone, but must also include consideration of state-level forces, current national policies, the opportunities and challenges of globalization, and the contributions of diverse racial and ethnic communities.

Recommendations: Structuring Regional Cooperation to Advance Opportunity for All

- To produce greater regional growth for everyone, initiatives must work to reduce disparities that result in a less competitive region and grow the resource “pie” in the Cleveland region. Regional cooperative efforts should proactively connect people to opportunity structures and restrict greenfield development incentives, which take resources away from existing communities. These goals advance the region's economic, social, and environmental health, and should guide the discussion of regional cooperation and the consideration of regional policy initiatives in the Cleveland region.
- The Cleveland-Akron region already has existing resource sharing policies which could be expanded upon to decrease regional disparities. These innovative arrangements, such as the “Joint Economic Development” districts, provide examples of the benefits of fiscal equity initiatives. They could be expanded upon, and provide inspiration for more extensive revenue sharing strategies, such as Montgomery County, Ohio's government equity program or Minneapolis's tax base sharing policies.
- Remedying opportunity segregation, the overall decline of opportunities in the region and proactively seeking to remove impediments to opportunity for marginalized communities is critical to producing greater regional growth. In particular, housing policies must be enacted in the region to assure this goal is met. Policies to remedy this opportunity segregation will be instrumental in improving conditions for Cleveland's residents.

- Better growth management is a critical regional goal for Cleveland and its African American community. Both locally led initiatives and statewide action is needed to reform's Ohio's land use policies. Local initiatives, pilot programs or special cooperative arrangements to better manage land use can be implemented in Cleveland region. For example, local governments in the Cleveland region could agree to institute development impact fees in sprawling areas to restrict growth and reduce subsidies for infrastructure. Another potential locally based policy would be more regional collaboration with respect to water and sewer system policy and expansion. This relationship could be fostered by the City's control over the region's water system.
- Statewide legislative action and policy reform will also be critical to implement better growth management for Cleveland and for Ohio. Given Ohio's home rule status and deference to local governments for land use decisions, an infrastructure based growth management policy similar to Maryland's (which limits state subsidies for development in certain undeveloped areas) could be politically feasible and practical. A long term recommendation is collaboration with organizations pursuing statewide land use reform, such as Greater Ohio and the First Suburbs Coalition, and collaboration with advocates of land use reform in other Ohio regions, such as the Gamaliel organization, to produce effective statewide pressure.
- By addressing Cleveland's racial, social and regional inequities, regional initiatives can improve conditions for all residents by making Cleveland a more vibrant, competitive and economically thriving region. Given the region's recent economic distress, this fact is a significant point of opportunity for the Cleveland region. Equitable workforce development and community building, including improved opportunities for education and training, is the key to creating a sustainable future for the Cleveland region in an age of global competition. Collaboration with other regionally scaled advocacy groups (such as regional economic development institutes and environmental stewards) to promote equity issues is central to improving conditions for Cleveland's African American community and, therefore, the region as a whole.
- County wide government consolidation is not a recommended policy to produce greater regional growth and competitiveness. Research on the impact of consolidation in other regions indicate consolidation rarely addresses key equity issues and usually results in power dilution for urban communities, in particular urban communities of color. Further, if a key aspect of developing a region's competitiveness in the global economy is left out, such as education; little progress is made in advancing opportunity for all residents. If governmental consolidation is considered in the future, it must address equitable growth management and workforce training issues, such as the lack of affordable housing in areas of opportunity, access to high achieving educational systems by underserved and motivated students, and infrastructure needs for existing communities. Without addressing these issues, consolidation provides no mechanism to address equitable and inclusive development. Further,

governmental consolidation must provide creative solutions to protect minority political engagement, such as cumulative voting.

- Regional efforts based solely on efficiency considerations (such as shared government services) might dominate early regional dialogues. However, efficiency based regional efforts often have little impact on deeper considerations of long term, quality education and neighborhood capacity building. Advocates for advancing opportunity for all in the Cleveland region will need to ensure that long term investments in people (through addressing inequities in educational and community resources, connecting people to opportunity, and managing inefficient growth) remain central to the regional development plan. Although equity issues will require significant energy, strategic communication and political capital to address, these issues are critical if the region wants to see region wide improvements in social and economic health, and not just marginal improvements in efficiency for local government.

Recommendations: Education

- **Regional Education:** The most important regional education initiative is to attain system-wide, high-achieving schools. In order to accomplish this in a sustainable manner, a regional approach to remedying education must be considered. Given the contentious history surrounding similar initiatives, such an approach will likely be met with resistance. Thus, it is best to work towards a system of regional-wide high achievement incrementally. This includes both attracting suburban students to city schools, and facilitating opportunities for inner city students to attend high-performing suburban schools.
- **District Magnet/Charter Schools:** It is critical that schools within the city be able to attract students from the wealthier suburbs. A school such as the John Hay High School provides a model that could be instrumental in this effort. We recommend that magnet and charter schools be balanced racially, ethnically and economically, by including neighborhood students, inner city students, and children from the suburbs. Downtown employees who commute from the suburbs could place their children in high-performing city schools.
- **Provide access to high-performing, low-poverty schools throughout the region.** Offer students more choice in where to attend school; provide affordable housing in job-rich, high-opportunity neighborhoods; and improve linkages that help students in failing schools attend low-poverty, high-performing schools. Eliminate concentrated high-poverty schools. Raleigh, North Carolina has already achieved this, where no school bears more than a 40% poverty rate.
- **Early Childhood Education:** Intervening early in a child's life is critical, and establishing universal access to preschool could produce tremendous academic gains for low-income students of color. Although these programs are typically established and funded at the state level, there has been some movement on the district and regional level. Currently, *Invest in Children* is working to establish universal preschool in Cleveland.

- **Linking P-12 to Universities & Employment:** Our current education pipeline is segmented in multiple silos and is fragmented and disjointed. There is a current movement underway to establish a P-16 education system, which seeks to ease students' transition between secondary and post-secondary education. Multiple benefits of this alignment exist for students, teachers, schools and universities. Given the unique dynamics of Cleveland and the rich base of higher education institutions, this relationship should be established collectively and creatively.
- **School-to-Career Programs:** In order to achieve greater racial and regional equity, students must be provided with real and sustainable employment and career opportunities. School-to-career programs have positive effects on all students' educational and occupational outcomes, including increasing college attendance rates and rates of employment. They also provide another means to establish connections to businesses, universities, and the community. It is critical that these programs do not constrain student's choices and nor reinscribe hierarchy in their implementation.
- **Detracking:** Ability grouping or tracking creates even further segregation within schools, as students of color are overrepresented in the lowest tracks, most notably in non-poor schools. Detracking not only improves academic achievement for those previously in lower tracks, but for all students at every ability level. We recommend that courses be comprised of students at heterogeneous ability levels. Throughout this process, it is important that teachers can access resource support, and that students receive academic support.
- **Service Learning:** Despite the multiple roles of public education, the responsibility to create an engaged citizenry is often overlooked. Service learning is one method through which this can be accomplished. Research on service learning demonstrates its success for students in developing civic engagement, increasing awareness of community needs, promoting an understanding of politics, and fostering greater commitment to community service. Service learning is a very flexible practice and thus has potential to be customized and easily implemented without great structural rearrangement.
- **Collaborative Education:** Education is a public institution with a wide range of stakeholders including parents, businesses, civic leaders and grassroots organizations. There are a number of initiatives across the country that deliberately seek to incorporate the voice of these stakeholders through efforts that provide job training and after school programs, initiatives that facilitate parent involvement with the school, and the establishment of open, two-way communication lines between schools and the communities.
- **In order to provide African American populations greater access to opportunity and increased life chances, the reform efforts must extend beyond education.** One example of how this could be accomplished is through the alignment of housing and education policy. Minneapolis is considering just that, by connecting students who are utilizing the intra-district transfer program to housing near the school. This will not only provide increased opportunities to students and their families, but will also decrease the negative impact of long commute times for students.

Education Communication Strategy

- Although direct measures to achieve equitable education for students of color are important, they are only part of the larger equation for successful educational reform. An explicit vision must be established, and all strategies should work towards accomplishing that vision.
- Ongoing research must be conducted on any implemented initiative to measure progress and possible retrenchment, and to build a substantial base of support.
- Any reform must have a public education and communication component. Education is in a particularly tenuous position because the current dominant paradigm frames equity and excellence in tension with one another. It is critical that this message be reframed to express that these two go hand in hand.
- As all of these policies can improve conditions for all students regardless of race, class or ethnicity, it is important that this message be expressed to encourage collaboration and coalition building.
- Education is a public good with a vast array of stakeholders; thus, reform should be a collaborative process. Establish coalitions with not only those directly interested in educational equity, but with other relevant organizations, such as housing groups.

Recommendations: Economic Development

- Improve networking, mentoring, and relationship-building among minority and majority firms in order to build on human capital.
 - Create the conceptual framework for African American innovation, supported by networking and acceleration initiatives.
 - Tap vested African American businesses to monitor African American entrepreneurs. Steer African American entrepreneurs toward emerging sectors through networking opportunities and incentives with established businesses and institutions.
 - Understand how gaps persist and form between African American and mainstream businesses. Use this information to increase interactions and provide additional steering opportunities.
- Identify firms in Cleveland's emerging and growing sectors to participate in inclusion and regional economic discussions. Topics could include current recruitment and inclusion initiatives, and neighborhood involvement.
- Engage in informal discussions with local and regional Chambers of Commerce to bring economic inclusion into sharper focus. Consider implementing this focus through the establishment of Cleveland's own Minority Business Accelerator.
- Identify sectors where wages are overburdened by inflation and housing costs. Identify a constituency of politicians and industry representatives to initiate a campaign for statewide adoption of living wages in targeted sectors. Applied examples of this policy at work: Minority Business Accelerator (Cincinnati), SEIU Living Wage Campaign (Maryland), Community Benefits Agreements.

- Seek to collaborate with private firms, institutions, labor unions and neighborhood organizations to define empirically Cleveland’s living wage/ affordability conditions.
- Advocate for the redirecting of growth and asset development capital to the downtown *and* surrounding core neighborhoods and inner ring suburbs through innovative development policy. Applied examples of this policy at work: WIRE-NET, Focus HOPE (Detroit), Community Benefits Agreements, California Office of the Treasurer, OPERS Midwest-Ohio Fund, State-level Career Readiness Certification / MSSC Certification, Cincinnati Minority Business Accelerator.
 - Make the business and economic development case for broadening the scale of investments in urban neighborhoods and inner ring suburbs. Identify the market potential for large-scale projects and opportunities for small scale investments in underutilized assets.
 - Advance socially responsible venture capital to fund growth capital and real estate development in target geographies. Seek partnerships that advance equitable asset allocation by tying fund release to neighborhood plans, business locations, sectors, and job training efforts deemed high priority. Further, explicitly identify the indexes used to benchmark the funds, in order to attract additional capital into the region.
 - Lobby the Ohio Treasurer for the consideration of a directive that diverts pension funds for use in leveraging property development, growth capital and equity investments in socially responsible venture funds (SRVF).
- Increase Cleveland’s involvement in the private equity sector through participating in data collection for the Urban Entrepreneur Partnership, and developing expertise in the “downstream-to-upstream” private equity business model.
- Promote awareness of Cleveland’s African American ‘innovation’ character and the region’s suburban and urban amenities as part of a broad branding campaign. Applied examples include the Northwest North Carolina CEDS, WIRE-NET, Focus: HOPE, and the EBDI Economic Inclusion Plan.
 - Identify the last CEDS conducted for the region. Promote a new CEDS with an economic inclusion focus that specifically includes participants from inner ring suburbs and core neighborhoods. Structure the process to substantively design the Cleveland brand, work to assure each municipality can participate and implements the CEDS in connection with its own economic development plans.
 - Draft a five to seven year economic inclusion plan that seeks to create inclusive environments. The plan should be tied to proposed regional transportation investments, and public works investments. Create and fund an independent review commissions to ensure the tracking of inclusion trends, quarterly and annually. Look to publish results and upcoming projects through electronic, print and radio channels.

- Coalition build with heavy and light manufacturers, health care, aircraft & traffic control, material moving firms and local college & universities for statewide adoption of Career Readiness Certificate legislation.
- Advocate for the establishment of a living wage and link this to positive neighborhood development, to create Neighborhoods of Choice.
 - Retain and expand high inertia establishments (e.g. retail stores) and land uses which facilitate multi-modal transit opportunities.
- Lead the discussion with local municipalities, Cuyahoga County and housing developers to reestablish the competitive edge of Cleveland's Land Bank. Consider legislation and agreements which reduce City/County friction and incorporate a broader portfolio of neighborhood scale retail and residential inventory. Work to expand the geographic scope of the Cleveland land bank to incorporate properties from communities outside of the City of Cleveland.
- As part of State-level policy advocacy, promote the consideration of policy focused on integrating local plans with state level incentives in urban areas, similar to Michigan's Cool Cities program. Applied examples include the SINA-Yale Collaborative Investments (Hartford, CN), Community Benefits Agreements, Obsolete Properties Act and Cool Cities Campaign, (Michigan), Blue Ribbon Task Force Action Plan 2006.
 - Tap into County-wide programs that have specific physical asset dollars earmarked for geographically informed allocation such as The Cuyahoga Innovation Zones (see the Blue Ribbon Task Force 2006 Action Plan). The MidTown (E.61st Street between Euclid and Chester) Cleveland building is a pilot facility.

Recommendations: Housing

Regional approaches to affordable housing policy can expand housing opportunities for many low- and moderate-income families. Examples of regional approaches include the opportunity-based housing model, inclusive housing, fair share housing, employer assisted housing, and housing opportunity revenue streams.

- Opportunity based housing is a regional housing model that can help link affordable housing to areas of opportunity throughout the metropolitan region. The central principle of opportunity based housing is that residents of metropolitan regions are situated within a complex, interconnected web of opportunity structures (or lack thereof) that significantly shapes their quality of life. Therefore, affordable housing must be located in areas of opportunity, not relegated to areas of disinvestment and disrepair.
 - Currently, most affordable housing in our metropolitan regions is disconnected from opportunity. Federal housing programs and exclusionary land use policies concentrated affordable housing in segregated, opportunity-poor communities. Contemporary subsidized housing policies have continued this trend, locating the majority of new units in impoverished and segregated central city neighborhoods.

- In response, regional affordable housing policies must seek to connect all people to housing they can afford in neighborhoods of opportunity. This requires coordinated action on a regional scale that intentionally connects affordable housing to quality schools, plentiful employment opportunities, and an accessible transportation infrastructure.
- Inclusive Housing: Implementing inclusive housing policies that involve both ending exclusionary land use practices that effectively exclude African Americans, especially low income ones, and instituting incentives that encourage increased production of affordable housing in places of greatest opportunity in the region.
 - Dismantling Exclusionary Land Use Policies: Perhaps the single-most important approach to improving affordable housing opportunities for African Americans in the metro region is to get rid of exclusionary regulations, such as large lot zoning. Even without a comprehensive regional plan for distributing housing across the metro, eliminating regulatory barriers to affordable housing would have a significant impact. Although eliminating exclusionary policies might work one jurisdiction at a time, the most effective approach would be regional in scope. State policy would play a pivotal role in implementing broad-based changes for local land use regulation that would begin to address some of these barriers to regional equity in the location of affordable housing. Policies that Ohio could enact to address exclusionary land use practices include adopting state review policies that may indirectly produce exclusionary local land use practices such as enabling legislation; provide barrier removal grants to local governments; provide incentives like Florida’s allocation of funds under the State’s Housing Incentive Partnership Program (SHIP) for the removal of barriers to affordable housing; and develop model land use codes that feature inclusionary housing approaches.
 - Inclusionary Zoning: Creating Incentives for Affordable Housing Production in Suburban Communities. In addition to eliminating regulatory barriers to affordable housing development in neighborhoods of opportunity, local regulation can provide incentives to developers that encourage the construction of low-cost housing. Over the past three decades, communities across the country have been employing a range of land use policies that encourage or mandate the development of homes and apartments that affordable to a range of incomes. Rather than employing land use and zoning authority to exclude low- and moderate-income African Americans, suburban jurisdictions can promote mixed income communities by combining mandatory requirements as well as attractive incentives to increase the production of affordable housing. Two examples of inclusionary housing policies—Montgomery County, Maryland and Highland Park, Illinois—illustrate how affluent suburban communities can proactively increase affordable housing.

- Fair Share Housing: Distributing affordable housing across the metropolitan area to increase opportunities, and counter region-wide economic and racial segregation.
 - “Fair Share” Affordable Housing Programs: Both the state of New Jersey (as a result of lawsuits initiated in 1975 and 1983 that precipitated legislative action in 1985) and California have fair share affordable housing programs that allocate to each city within a region a specified percentage of housing units that should be available to low- and moderate income families.
 - Fair Share Housing Development Appeals Systems: The states of Massachusetts, Rhode Island, Connecticut, and Illinois have created state “appeal boards” empowered to override zoning decisions made by localities that have the effect of restricting affordable housing production.
 - The evidence from the experience of multiple states with fair share housing programs leads to one major conclusion: there is no single best regional approach to affordable housing. Fair share programs must be tailored to the varying institutional structures and political capacities of state, regional, and local governments. There are, however, a number of key lessons drawn from state policies that can help guide Ohio and the Cleveland region.
 - An Administrative Structure at the State Level is Necessary. Regional Affordable Housing Can’t Rely on Local Strategies Alone.
 - Enable Legislation Allowing Local Authorities to Encourage Local Housing Production.
 - Establish a Mechanism for Assessing Present and Future Need.
 - Make Regional Institutions Responsible for Assessing Regional Fair Share Needs and Coordinating Transportation Planning and Investments with Housing Goals.
 - Fair Share Programs Should Include Appeals Processes with Explicit Presumption in Favor of Affordable Housing Production.
 - Provide Resources for Local Planning and create Uniform Reporting Requirements.
 - Encourage and Assist Local Governments in Developing Procedures to Monitor Land Supplies for Affordable Housing. Revisit Fair Share Housing Plans over Regular Intervals.
- Employer-Assisted Housing: Tying housing to job growth by leveraging public-private cooperation to increase affordable housing where jobs are. Employer Assisted Housing (EAH) can help link housing and employment opportunities. Employer assisted housing refers to a variety of strategies in which employers contribute to affordable housing for their employees, and sometimes also for residents of the community where the employer is located. It is typically an

- employment benefit for workers, provided by employers and managed and distributed by an outside agency. There is usually a geographic area in which the assistance is provided. Importantly, EAH can be tailored to fit different contexts within the Cleveland region—both helping to access more costly housing around suburban job centers as well as by being a tool for neighborhood revitalization in the urban center. The full report demonstrates how these programs have been financed in other locations.
- By far the most common type of EAH benefit is home buying assistance, but programs can be designed to provide a range of other assistance. EAH may include direct financial assistance for homebuyers and renters, support for new affordable housing construction, credit repair or financial counseling for participants, or investment in affordable housing funding sources. EAH programs can be tailored for either public or private employees, or both. The most effective programs are often broad-based coalitions involving multiple employers and other public and private sector partners and combining multiple funding sources and assistance strategies to meet a diversity of housing needs. Partnerships, among others, may include private employers, state and local governments, local business groups, nonprofit housing and community development organizations, labor unions, private developers, and lenders.
 - **Housing Opportunity Revenue Streams:** The allocation of federal and state housing dollars in ways that widen housing opportunities for low income and moderate-income African Americans outside the central city. In order to target affordable housing dollars to places that expand opportunity, state agencies should apply regional equity criteria to the allocation of federal and state funds. However, these criteria should not draw limited financial resources away from existing communities in need, but rather, should leverage existing resources. Below are examples of both supply-side and demand-side housing programs where housing opportunity criteria may be applied.
 - **Low income Housing Tax Credits: Applying Regional Equity Criteria to the Supply-Side of Affordable Housing.** State policies that guide the allocation of LIHTC’s could be amended to help increase mixed-income communities on a region-wide basis. Many states across the nation have added additional siting criteria to their LIHTC policies to create incentives to locate units in higher opportunity areas, with more economic opportunities, neighborhood amenities and in economically diverse communities. Some of the leaders in these reforms include: California, Wisconsin, Illinois and Minnesota.
 - **Expanding “Choice” with Housing Choice Vouchers: Improving Demand-Side Rental Subsidy Programs.** One of the biggest challenges to housing voucher programs is the inability to use housing vouchers in neighborhoods with jobs and good schools. The state of Illinois enacted the Housing Opportunity Tax Incentive Act in January 2004 which seeks to make it easier for housing choice voucher families to move to neighborhoods of their choice. To increase the use of vouchers in

opportunity areas, Illinois created an economic incentive to encourage landlord participation in the program. The law applies only to “housing opportunity areas”—communities with high job growth, a strong economic base, and a poverty rate of less than ten percent. To avoid the concentration of poverty, a maximum of two units or 20 percent of all units can qualify for the incentive on any single property. A jurisdiction may be exempt if more than 2.5 percent of its housing stock is already occupied by voucher tenants. The incentive provides the landlord with an annual per-unit tax savings that is approximately the equivalent of one month’s rent (\$500 to \$900).

Recommendations: Transportation

- Long Range Transportation Plan. Increase funding for transit. The Northeast Ohio Areawide Coordinating Agency (NOACA) Long Range Plan provides the framework for how Cuyahoga, Geauga, Lake, Lorain and Medina Counties in Northeast Ohio will spend billions of transportation funds by the year 2030. This plan will have lasting impact on the future of development of the Cleveland region. Innovative programs are needed to improve transportation efficiency, reduce the impacts of transportation on the environment, increase infrastructure investments in urban core areas, provide efficient access, examine development patterns and involve the community in such efforts.
- Address MPO Urban/Minority Under-representation. The NOACA is governed by a 38-member voting board. The current configuration under-represents Cuyahoga County, Cleveland and African Americans. For Example, the NOACA board is 93 percent White. While NOACA uses “weighted” voting in some cases, its current voting configuration still does not adequately address proportional representation issues. The NOACA had not used weighted board votes during the past five years. It requires “a 72-hour notice if a board member requests a weighted vote and in at least one case, the notice period allowed board members enough time to resolve opposing views prior to imposing the weighted vote process at a public meeting.”
- Expand Regional Transit. The Greater Cleveland Regional Transit Authority (GCRTA) needs to be expanded to provide urban residents access to the current and emerging suburban economic activity centers. Sprawl-driven development diverts funds away from central cities. Improving low income residents’ mobility, particularly for those making the transition from welfare to work, may be the difference between employment and unemployment, and between dependency and self-sufficiency. Public transportation improvements go hand-in-hand with expanding job opportunities.
- Expanded Reverse Commute Program. To promote economic development, Cleveland RTA within the next decade needs to provide a cost-effective and reliable “reverse commute” for suburban job concentrations as well as for employees in the urban core. Over 90 percent of new entry-level jobs in the Cleveland metro area are located outside of the city.

- **Expanded Low income Car Ownership Program.** Transportation remains a major barrier to employment for thousands of car-less African Americans in Cleveland. NOACA projects highway travel to slightly improve, while transit travel is projected to degrade significantly over the next 25 years. Owning a reliable vehicle will improve a worker's commute time. However, since a disproportionate number of the minority, low income, and car-less populations are tied to transit, they will only benefit from these improvements if their trip and service remain the same. Thus, low income car ownership programs provide enormous mobility benefits and employment access to this constituent group. These programs promote and support car ownership for low income families as an effective way to expand their employment options and increase their overall mobility. They employ a number of strategies including making affordable and reliable vehicles directly available to customers; providing low-cost loans, and facilitating matched savings accounts to enable vehicle purchases. As of mid-2005, the National Economic Development and Law Center (NEDLC) had documented 162 LICO programs in operation across the country. The CARS (Clermont Auto Recycling Service) in Batavia is currently the only low income car ownership program in Ohio.
- **Location Efficient Mortgages (LEM).** There is a clear need to address the relationship between transportation and housing costs and the extent that transportation infrastructure (investments) enables development and the extent to which development causes the need to travel. Four cities in the country (Chicago, Seattle, San Francisco, and Los Angeles) are using "location efficient mortgages" (LEMs) that links housing and transportation costs to assist families qualify for mortgages in neighborhoods in which residents can walk from their homes to stores, schools, recreation, and public transportation. Individuals who live in "location efficient communities" have less need to drive, which allows them to save money and improves the environment for everyone. The LEM combines a low down payment, competitive interest rates, and flexible criteria for financial qualification to allow more people to own the home of their dreams. As the regional planning agency, NOACA could regularly release maps and reports of combined cost of housing and transportation by location and make the information available to individuals, community based organizations, local and state governments, and the private sector as critical decisions criteria for housing purchases, zoning changes, and infrastructure investments. The associated costs of transportation for a particular location could also be factored into funding criteria for competitive public subsidies, low income tax credits, housing trust funds, etc.
- **Expand Transit-Oriented Development (TOD).** Transit stations can become more than places where commuters pass through on their way to somewhere else. Transportation planners can shape land uses and development that are amenable to walking, bicycling, and transit use. This type of user-friendly planning would greatly benefit poor people and people of color. One measure to combat suburban sprawl is through transit-oriented development (TOD). Provide transit-oriented development that allows access to clean, safe, and affordable transit service, housing options, a variety of goods and services, and pedestrian and

bicycle friendly places and public spaces that is safe and inviting. If done right, TODs can promote denser mixed land uses combined with location efficient mortgages (LEM). The idea behind LEMs is that money saved from lower transportation costs (and thus boosting ones disposable income) could be used to qualify a greater number of lower-and moderate-income households for home mortgages. The spillover effect is increased home ownership in inner city neighborhoods.

- **Walkable City Center.** Design a more dense, walkable city center with cultural attractions, jobs, farmers markets, and residential neighborhoods easily accessible by foot, bike, or public transit. With gas prices on the rise and \$3 and \$4 a gallon gas on the horizon, it makes sense for the Cleveland metropolitan region to prepare for an impending “oil crisis.”
- **User Pay Road Expansion Plan.** Increasing the cost of “drive to qualify”—having road extensions into new suburbs paid by users.
- **Clean Fuel.** There is an urgent need to move the nation’s transportation system away from its over-dependence on non-renewable energy. Research needs to be conducted to determine what types of regulatory reform is needed to remove the obstacles to transitioning toward a non-oil based transportation system. Federal and state governments need to serve as a catalyst for promoting alternative fuel such as natural gas, fuel cell systems, and renewable hydrogen. An interagency approach is needed since no one federal agency can address the issue alone. New government incentives and funding are also needed to accelerate the deployment of clean fuel vehicle and infrastructure enhancements for transit, government vehicles, school buses, and others. Over seventy cities in the United States are using natural gas buses in their fleet. Grants, assistance, and other incentives are also needed to promote public and private sector partnerships and alternative fuel and hydrogen vehicle training and certification.

Recommendations: Environmental Justice and Air Quality

- **Environmental Justice and Transportation Equity:** The NOACA must comply with Title VI of the Civil Rights Act of 1964 and the 1994 Executive Order 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low income Populations,” by identifying residential, employment, and transportation patterns of minority, low income, disabled, car-less and elderly populations.
- **Arresting Air Pollution and Rising Asthma Rates:** Developer fees exacted on new developments within the region based upon their assessed environmental air pollution impact. Establish laws and ordinances to promote the purchase of low-emission vehicles by government agencies and private citizens. Establish “polluter pay” laws that require polluting industries to pay for the pollution they produce. Strengthen vehicle regulations, particularly regulations on diesel emissions. Many of the environmental problems, including air pollution, in the Cleveland metropolitan region cannot be solved by any single city or county acting alone. Since the Cleveland region is a nonattainment area, having a regional approach to air pollution provides benefits to African Americans who are

- hit especially hard by the negative health effects of air pollution—including rising asthma rates.
- **Expand Childhood Lead Poisoning Prevention.** Lead poisoning is still one of the most serious public health concerns facing children in Cuyahoga County. More work is needed to eliminate the source (getting the lead out of homes) of this housing, environmental, health, and education threat that disproportionately affects African American and poor inner city children. Simultaneously, work is also needed to increase low- and moderate-income African Americans’ access to new housing in the region. Affordable housing policy at state and local levels should be modified to: remove exclusionary land use practices that restrict affordable housing production; create affordable “fair share” housing programs at the state level; and target additional state funding sources to lead abatement, and the creation of new affordable housing production in opportunity-rich neighborhoods.
 - **Expanded Regional Brownfield Community Redevelopment.** Cleveland and Cuyahoga County have hundreds of brownfields and underutilized properties across their landscape that could be converted to economic development projects. Brownfield neighborhood revitalizations initiatives often have benefits well beyond redeveloping a contaminated site. There is a clear need to expand and strengthen alliances focused on creating regional solutions for brownfield redevelopment in the Cleveland region.

Recommendations: Access to and Quality of Healthcare Services

- **Hospital Accountability:** In order to strengthen non-profit hospital’s commitment to communities, The American Hospital Association is calling for measures that include giving more financial help to the uninsured poor, including extending discounts to patients who are at 200% below the federal poverty level. They are also suggesting that hospitals hire reputable companies to collect debt and have stated that hospitals should generally be more accountable to the public. Another issue that needs to be addressed is the prevalence of uneven investments, and tendency towards disinvestment in urban areas. Although hospitals are already often part of a network, a more equitable, regional, and collaborative model of healthcare is necessary to equalize investments and ultimately provide greater access to the healthcare system for people of color.
- **Primary Care Physicians:** There are several outreach programs currently in place to provide primary care to low income, inner city communities; these programs are critical and must continue and expand where necessary, to ensure adequate preventative care is consistently being delivered. Specialty clinics should also be supported and expanded where possible, such as the Minority Men’s Health Center at the Cleveland Clinic. Clinics need to be established in underserved areas in deliberate ways that take into account proximity to public transportation, and should have extended hours that can accommodate working schedules.
- **Insurance:** Although establishing universal healthcare is a policy that needs to be pursued on the state level, through collective action and lobbying, Cleveland could be a powerful force in working towards its achievement. Across the US, the idea of

universal healthcare is beginning to take hold, with Massachusetts passing the first universal healthcare coverage program in April 2006. According to the law, a company with 10 or more employees is required to pay for healthcare, and anyone who can afford healthcare coverage must purchase it. The law contains a sliding scale of how much health insurance a person can afford. The policy is supported by 2/3 of Massachusetts' largest businesses, which recognized that the model of providing universal healthcare was much more efficient than the current model where all residents pay for the ramifications of the fractured system. While universal healthcare is a policy that could take substantial effort to achieve, it would ultimately be beneficial for every member of a region, and could make significant progress in achieving racial equity in healthcare.

- Representation in the Medical Profession: Cleveland has a number of programs in place to increase representation of people of color in the medical profession. The Science and Medical School at John Hay High School, for example seeks to train inner city students for a career in the scientific or medical field. In addition, the *Creando Posibilidades* program at the Cleveland Clinic extends into the Hispanic community and provides employment opportunities, expands the number of bilingual health care workers, and increases the percentage of people with health care benefits. These are two great examples of educational and program models that can be utilized and expanded to ultimately achieve greater diversity in the healthcare profession. Provisions must be in place in medical schools as well, that ensure a diverse student body is achieved. Finally, programs such as the Ohio Physician Loan Repayment Program (OPLRP) and others should be utilized to encourage physicians to work in health professional shortage areas. Taken together, these efforts can positively impact communities both by providing increased employment opportunities, and by producing a diverse workforce that can best serve the communities' needs.



REGIONALISM

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INTRODUCTION AND PURPOSE

1

Chapter 1: Introduction and Purpose

As regions continue to gain economic importance in an increasingly competitive global marketplace, there is increasing interest in understanding how regional dynamics have impacted African Americans and other communities of color, as well as in understanding how advocacy groups can affect regional structures to ensure economic stability while furthering broad democratic and civil rights goals.

Like many metropolitan regions throughout the United States, the Cleveland region has undergone dramatic change in recent decades. The nation's ongoing transition from a production-dominated economy to a service-based economy, inner-city disinvestment, and sprawling growth have hindered the health of the region. Similar to its Rust Belt peers, the region contains significant regional and racial disparities, and communities of color have been disproportionately burdened by the dynamics changing the region. Some of those hardships were highlighted last year in a *Plain Dealer* series called "Children Left Behind." The analysis showed that Cleveland, when compared with other big cities, consistently ranked near the bottom in a number of quality-of-life indicators for children, including poor housing, poverty and single parenting. The newspaper found that in some Cleveland neighborhoods, infants were dying at rates that rival Third World countries like Guatemala. A *Plain Dealer* analysis also found that Cleveland's share of minority students attending racially isolated schools saw the largest jump of any big-city district in the nation, going from 7 percent to 66.1 percent in 10 years ending in 2001.¹

Cleveland has unique social and community assets that have assisted the region in responding to these challenges. Unfortunately, these assets and initiatives are often not regional in scope, or are fragmented and uncoordinated, limiting their ability to produce transformative change for the region.

At the beginning of the 21st century, the Cleveland region is facing increasingly broad challenges which threaten the region's future health and prosperity. Globalization and economic restructuring have disrupted the region's economic dominance in both Ohio and the nation. Cleveland's established inner suburbs are beginning to show signs of distress traditionally associated with inner city communities, indicating the spread of economic and social instability. Meanwhile, Cleveland's economic and educational inequities reduce the competitive capabilities of all of Northeast Ohio, further compounding the economic challenges facing the region. In a 2002 *Plain Dealer* interview, Gregory Stoup, then acting director of the Center for Regional Economic Issues at Case Western Reserve University stated,

"If you just look at regions that are performing above average, they have connections, among people and among research institutions...Segregation is sand in the gears of economic growth...a barrier to an evolving and changing work force. Cultural differences often present opportunities that we're unaware of, and you see this all the time...It's ideas that drive this economy. Ideas come from people."²

The anxiety produced by declining economic conditions in the region also contributes to population loss, especially among young and well-educated workers. In addition, Cleveland's extreme regional fragmentation and inefficiency has limited the region's

ability to attract economic development and to address these development challenges with a cohesive voice. To address these challenges facing the Cleveland region, the business community, local governments, political and community leaders, social justice advocates, the faith-based community, environmental advocates and the non-profit community have begun to discuss the potential for regional policy reform for Northeast Ohio.

For example, the Fund for Our Economic Future recently released results of the *Gallup Neo Barometer Study*.³ The Barometer Study is a three-year collaborative effort among The Gallup Organization, Cleveland State University's Levin College of Urban Affairs, The Cleveland Foundation, The Greater Cleveland Partnership, Team NEO, and The Fund for Our Economic Future.

The Barometer Study includes a survey of over 2,000 residents of 15 Northeast Ohio counties. The vast majority of these 15-county residents see themselves as part of the Northeast Ohio region and articulated concern with respect to Cleveland's economic, educational, and social future. For example,

- Only 40% of the survey respondents cite Northeast Ohio's public schools as "good" or "very good." Only 29% cite job opportunities as "good" or "very good."
- Cleveland is rated good or very good for families with kids (58%), but not as good for immigrants (43%), entrepreneurs (34%), the poor (27%), or recent college graduates (23%).
- Only 13% rated economic conditions in Northeast Ohio as positive today, with the majority of the respondents thinking that the economy will be worse (26%) or the same (48%) as it is today.

Residents are clearly concerned about area job loss. Residents also felt that re-training today's workers for new job opportunities, improving affordable housing so workers can live near where the jobs are, and supporting high-tech business start-ups were priority economic development strategies. County cooperation is viewed as important for supporting regional job creation, planning for economic growth, supporting and attracting businesses, promoting tourism, and training workers. However, less than half the residents thought counties should coordinate on land use issues.

Residents favored (56%) a system of regional school funding, but opposed municipal consolidation. Opinions on consolidating fire and police systems were less clear-cut: 47% favored, and 46% opposed. Within-county consolidation was considered likely to "hurt," not "help," local counties by 56% of Northeast Ohio residents (with the notable exception of Hispanic residents, 57% of whom thought it would help their local area).

The Fund for Our Economic Future supports *Voices and Choices*, an 18-month public engagement investment in public outreach and input into economic development strategies. *Voices and Choices* is the largest civic engagement effort underway in the United States. It has pieced together, through citizen interviews, leadership workshops, and economic analysis (Team NEO's "Dashboard Indicators"), an emerging public agenda centered on six major areas: Public school finance; 21st century workforce preparation; Government fragmentation and inefficiency; Uncompetitive business environment; Racial isolation and income inequalities; and Sprawl.⁴

The *NEO Dashboard Indicators* are a set of factors strongly associated with metropolitan economic performance.⁵ Research on these indicators shows that racial inclusion is associated with growth in employment, productivity, and output. Income equality is somewhat correlated with gains in employment and per-capita income. Urban assimilation (a group of measures of minority population, business employment, etc.) is positively associated with output and productivity. Location amenities are positively correlated to per-capita income growth; and regions with “legacy of place” costs face greater challenges when repositioning their economies for growth.

Mayor Frank Jackson is the most visible symbol of an energized discussion around regional initiatives. Jackson has called for a broad conversation of public- and private-sector leaders across city and county lines to spur economic development and create a common set of incentives for potential investors. Jackson also called for regional initiatives on issues such as education, homelessness and arts funding. With respect to education, for example, Jackson has suggested a united front to demand school finance reform from the state legislature, pointing out that it is illogical to talk about a regional economy without a similarly broad approach to educating the workers that economy requires.⁶

Jackson has also proposed that communities should share tax revenue with each other when an employer moves from one city to another within the region, and he has suggested that Cleveland's Water Department take over aging suburban water mains in exchange for these communities pledging not to "poach" or steal businesses from each other with tax abatements and other incentives.⁷

This growing momentum around regional cooperation is a positive sign for the Cleveland region, but many unanswered questions remain regarding what regional reforms will entail. These unanswered questions have clouded the regionalism discussion and threaten the ability to gather the widespread support needed to enact regional policies. This confusion related to the definition of “regionalism” was evident in many stakeholder interviews conducted for this project. For example:

“There hasn’t been enough discussion in the community about what the options are. When they hear regional government, people jump to conclusions about what it means and the potentially negative outcomes. We need dialogue about the potential for regional cooperation rather than regional government; this might be beneficial.”

1. Background and Purpose of this Initiative

Cleveland’s African American community has a critical role in the future health of the region. Regional dynamics which perpetuate the lack of investment in minority communities are responsible for much of the unproductive and divisive disparate conditions in Cleveland. Regional solutions to address these dynamics could provide significant benefits to the African American community as well as improve the health of the entire region. Conversely, regional policy lacking an equity and growth focus could potentially threaten the political power and human capacity building of Cleveland’s African American community. The African American community has worked diligently to build political voice in Cleveland; unconsidered regional consolidation has the potential to dilute this political voice, producing significant negative impacts.

Due to the considerable potential impact of regional reforms on the Cleveland region and the African American community, and a lack of comprehensive research to address the impacts of regional equity-based policies, the Presidents' Council of Cleveland sought national experts to help position a discussion of regional cooperative efforts that will be beneficial to all, with a focus on the African American community. This research will enable the Council and Cleveland's African American community to adopt a proactive stance toward regional reform and ensure that regional initiatives will be beneficial, not detrimental, to the health and vitality of the African American community, ensuring broad participation in regional growth for all residents.

To conduct this research, the Presidents' Council selected the African American Forum for Race and Regionalism to assess what regional policies could improve conditions for Cleveland's African American community and improve the health of the entire region. The African American Forum for Race and Regionalism was founded to provide interdisciplinary research and an African American perspective on regional efforts. The forum's co-chairs include: **Carl Anthony**, who leads the Ford Foundation's Sustainable Metropolitan Communities Initiative; **Angela Glover Blackwell**, the founder and CEO of Policy Link; **Robert Bullard**, the Ware Distinguished Professor of Sociology and Director of the Environmental Justice Resource Center at Clark Atlanta University; and **John Powell**, the Executive Director of the Kirwan Institute for the Study of Race and Ethnicity and the Williams Chair in Civil Rights and Civil Liberties at the Moritz College of Law at The Ohio State University. **Deohn Ferris**, the President of the Sustainable Community Development Group, Inc., acts as secretariat for the forum. All co-chairs and their affiliated institutions collaborated to conduct this research, providing a deep interdisciplinary pool of resources to answer the challenging policy questions confronting the Cleveland region.

2. Central Research Question

The ultimate goal of this initiative is to identify regional equity-based policies that will be appropriate for the Cleveland region, will improve the condition of the African American community, and improve the health of the entire region. In addition, the research will identify what policies will prove detrimental or are not politically or practically feasible, given the conditions of the Cleveland region. To meet these goals, this research initiative was framed around one central research question:

What kind of regional policies and cooperative efforts would best benefit Cleveland's African American community, increase opportunity and fairness for all residents, and effectively grow the region as a whole?

This central thesis is the focal point of the following report, and will be reflected upon throughout the various chapters of this report. To answer this central research question, a nine-month research initiative was undertaken by the Forum for Race and Regionalism and their affiliated institutions. The research initiative included an analysis of the health of Cleveland's African American community in comparison to its peer regions, extensive interviews with diverse leaders and stakeholders in the Cleveland region, sociohistorical research of the Cleveland region, and policy analysis of regional equity-based policies throughout the nation.

3. Roadmap for this Report

This report provides the results of this nine-month research initiative. It includes ten chapters (including this introduction) and an addendum, with a particular emphasis on the policy analysis component of the research and policy recommendations. Chapter Two introduces the various forms of regionalism and provides a recommended regional framework for addressing the growth and equity challenges facing the region. Chapters Three through Five present an overview of conditions and challenges in the Cleveland region, based on research and interviews. Chapters Six through Ten provide the comprehensive results of the policy analysis and an extensive set of specific recommendations for the region. The addendum of the report provides more detailed information for prioritized recommendations identified by the Forum for Race and Regionalism. The following provides a general overview of the content for each chapter:

- Chapter 2: Introduces the various forms of regionalism and recommends key principles and goals to promote greater regional health and opportunities for all residents
- Chapter 3: Includes an overview of existing conditions in the region and assessment of Cleveland's African American community compared to its peer regions
- Chapter 4: Provides a summary of the sociohistorical research focusing on events and policy initiatives that have implications for fair and inclusive regional reform
- Chapter 5: Summarizes the results of the extensive one-on-one interviews conducted with key leaders and stakeholders in the Cleveland region
- Chapter 6: Presents a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis for Cleveland's African American community, based on the results presented in Chapters Two, Three and Four.
- Chapter 7: Presents policy analysis and recommendations to improve educational achievement and equity and reduce educational disparities in the Cleveland region
- Chapter 8: Presents policy analysis and recommendations to improve economic opportunities and promote neighborhood development for Cleveland's African American community and the region as a whole
- Chapter 9: Presents policy analysis and recommendations to address housing disparities and affordable housing challenges impacting everyone in the Cleveland region
- Chapter 10: Presents policy analysis and recommendations in relation to transportation, environmental justice and public health-areas which critically affect everyone in the region
- Addendum: Presents prioritized recommendations and suggestions of specific strategies to move forward these policy reforms

Chapter 1: References and End Notes

¹ “Cleveland No.1 in big-city poverty; Nearly half of children among the poor” (08.27.04, *Cleveland Plain Dealer*, Smith, Robert L. and Davis, Dave); “66% of Cleveland’s minorities attend racially isolated schools” (05.16.04, *Cleveland Plain Dealer*, Stephens, Scott. and Davis, Dave)

² “Migration patterns hold back; Cleveland Segregation takes economic toll, analysts say” (12.30.02, *Cleveland Plain Dealer*, Smith, Robert L. and Davis, Dave).

³ *Gallup NEO Barometer Study Preliminary Findings* presented at the Fund for Our Economic Future Annual Meeting. April 27, 2006.

⁴ *Voices and Choices Regional Equity Summit*, May 26, 2006

⁵ Fund for Our Economic Future, *NEO Dashboard Indicators*. Presentation by Ziona Austrian, Center for Economic Development, Levin College of Urban Affairs, Cleveland State University. Research conducted by W.E. Upjohn Institute for Employment Research and Kleinhenz & Associates. May 26, 2006.

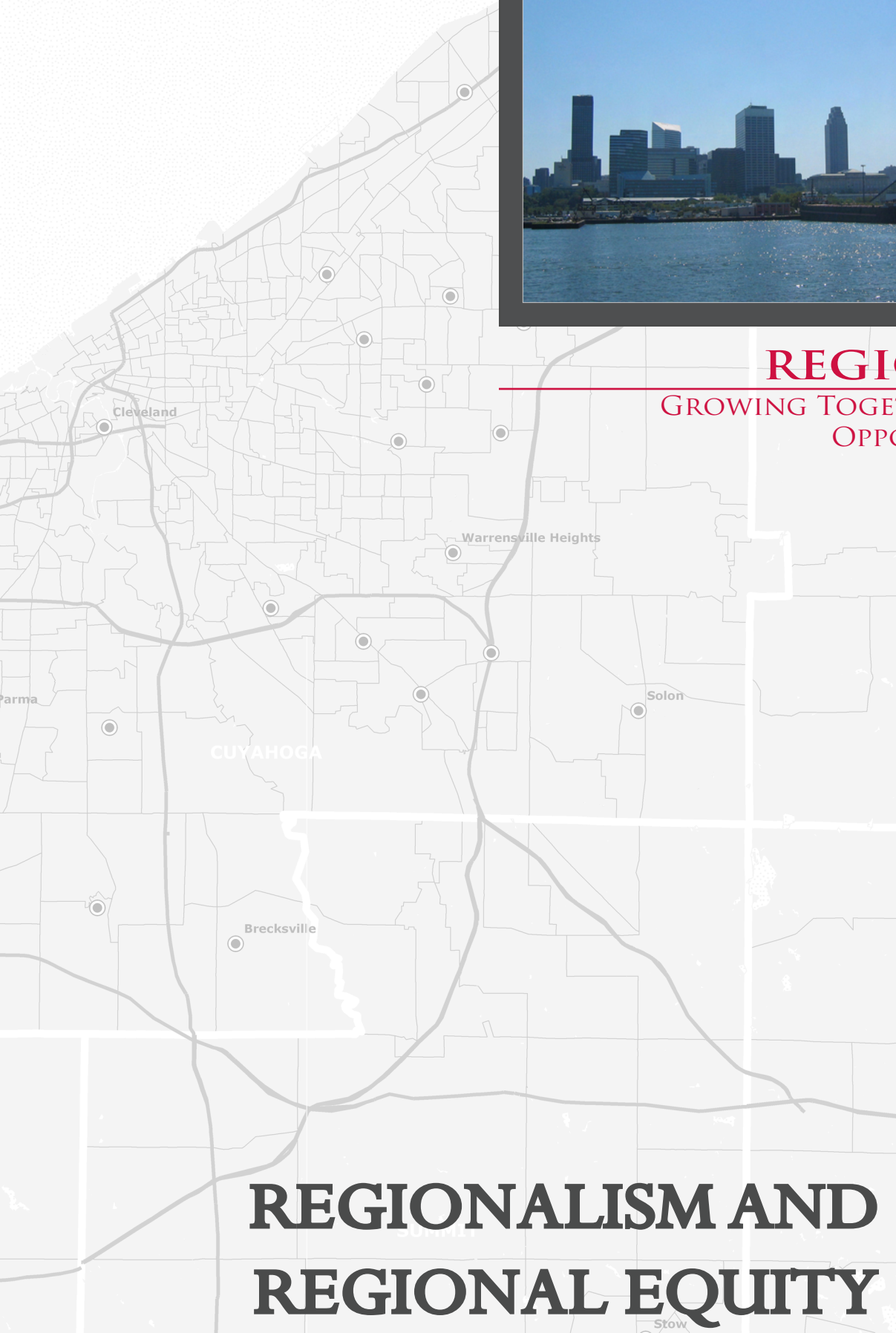
⁶ “Regionalism, with boundaries” (04.28.04, *Cleveland Plain Dealer*)

⁷ “Jackson’s tax code ideas far from easy sell” (03.13.06, *Crain’s Cleveland Business*, Miller, Jay); “Jackson creates a thirst for suburban job cooperation” (05.10.06, *Cleveland Plain Dealer*, Perkins, Olivera).



REGIONALISM

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REGIONALISM AND REGIONAL EQUITY

2

Chapter 2: Regionalism and Regional Equity

Interest in regional economic development, governmental cooperation, and land use coordination is not a new phenomenon, nor is it unique to the Cleveland region. Regional cooperation has existed in many forms in Cleveland and throughout the nation for decades. Regional policy has taken many forms dependent on its goals and purpose; for example, jurisdictions may coordinate on providing social services, managing growth, or marketing the region's assets. Because of the long history and diverse nature of regionalism, discussions about regional coordination are often clouded by conflicting opinions and misperceptions. The following chapter will define the various forms of regional cooperation active across the nation and how they function. To address the challenges facing the Cleveland region and the African American community, advocacy for regional policy must focus on the benefits of promoting racial and social equity.

The chapter will identify the primary principles needed to guide regional policy making, in order to promote increased opportunity for all residents. In addition, the relationship between regional equity and regional economic and environmental health is explored. The chapter also reviews examples of government consolidation, or merger, the most commonly perceived form of regionalism, and its implications for equity in the Cleveland region. The chapter concludes by exploring a conceptual model to promote regional equity. More detailed policies to inform this conceptual model are explored in the policy analysis of this study.

1. Understanding and Defining Regionalism:

To articulate a clear vision of regional reform, it is crucial to define the various forms of regionalism and understand how regional structures and activities differ, based on their purposes. The fundamental purpose of any regional effort is to link communities which share a common geography and characteristics. People travel across city, county and state borders to go to work; and businesses rely on suppliers, labor and marketplace that cross these same borders. Not only do people, goods and commerce cross these local borders; so do air and water and environmental challenges. A region represents a collection of communities which share a linked fate due to their interconnection, and which are all impacted by the region's challenges and opportunities.

The premise behind regional action is that certain regional issues or problems are better addressed through unified policies or initiatives. As stated by Bruce Katz in *Reflections on Regionalism* (2000): "regionalists...argue that many pressing environmental, social and governance problems cannot be solved by independent jurisdictions alone."¹ Conversely, jurisdictional fragmentation and isolated decision making (or localism) is usually insufficient in dealing with broader regional challenges, and can sometimes prove detrimental to the region's health.

From a historical vantage point, regional policy making dates back to early watershed management programs, such as those initiated in the Miami Valley and Tennessee Valley in the first half of the 20th century. In a metropolitan context, New York was one of the first major regions to regionally plan, with the New York transportation planning activities of the early 1930s, continuing with New York's merger from a series of Burroughs into a metropolitan city.

The establishment of the metropolitan planning programs for transportation and the subsequent establishment of metropolitan planning organizations in the 1960s and 1970s, have solidified mechanisms for setting regional policy across the nation. These initiatives continued into the latter part of the 20th century as regional planning agencies expanded their roles to look at issues outside of transportation, such as the environment, housing and economic development. Outside of regional governance, regional policy innovation expanded with numerous regional based policy and cooperative initiatives in many metropolitan areas throughout the U.S., including Cleveland. The Cleveland region contains several examples of regional coordination, such as the Northeast Areawide Coordinating Agency (NOACA), Team NEO, the First Suburbs consortium, the Port Authority, the water and sewer district, the Gateway Redevelopment Corporation and local examples of tax base sharing.²

Due to the diverse nature of regional efforts, regionalism varies by structure, function and purpose. Regional goals could include addressing environmental issues, promoting social equity, linking economic development policy, consolidating government administration, coordinating transportation routes, or a combination of these. Several researchers have established broad organizational definitions to group the various types of regional policy making. The most commonly cited definitional categorization of regionalism was established by David Miller at the University of Pittsburgh.³ Miller identifies four broad approaches to metropolitan governance, which are summarized below:⁴

- Coordinating Regionalism: Strategic regional planning and coordinated planning activities and coordinating agencies such as Metropolitan Planning Organizations (MPOs) and Council's of Government fit within this example of regionalism. Occasionally these regional organizations can utilize federal funds to leverage control and influence implementation of planning goals. Generally most MPOs do not have any statutory authority. The exceptions to this are the Minneapolis-St. Paul and Portland regions, where regional agencies are given statutory control. Cleveland's MPO, the Northeast Ohio Areawide Coordinating Agency, is the most relevant local example of coordinating regionalism.
- Administrative Regionalism: Administrative regionalism is a common form of regionalism that involves shared service delivery or administration for a specific regional function. Examples of administrative regionalism could include regional water and sewer districts, a regional housing authority, regional economic development entities or a special conservation district. Administrative regionalism is a popular form of regionalism because it can perform regional functions without significantly interfering with most local decision making. The Cleveland water and sewer district is a local example of administrative regionalism.
- Fiscal Regionalism: This type of regionalism involves the sharing of municipal revenues and liabilities among multiple local governments. Common examples of fiscal regionalism include local tax base and revenue sharing, and special asset districts. The most commonly cited example of local tax base sharing is the Minneapolis-St. Paul local revenue sharing policy, which pools 40% of growth in tax base valuations to be redistributed among the region's seven counties, based on each county's need. Montgomery County, Ohio also has a smaller scale revenue sharing policy. Asset districts generally utilize special sales taxes or other

special assessments to fund shared regional resources, like cultural facilities. Allegheny County's cultural asset district is a commonly cited example of this form of regionalism. A local example of a shared asset district would be Cleveland's Gateway Redevelopment Corporation. Cleveland's earning tax also represents a mechanism for promoting shared tax capacity in the region.

- **Structural Regionalism:** Structural regionalism involves the restructuring of local government boundaries and organizations via annexation, consolidation or merger. Columbus, Ohio is one familiar example of regionalism through proactive annexation. City-county consolidation is a relatively rare example of structural regionalism, and often faces fierce public opposition. The most recent example of a large city-county consolidation is the Louisville/Jefferson County merger, which occurred in 2000. Indianapolis and Marion County's consolidated Unigov is also a commonly cited consolidation example. City-county (or city-city) consolidations are often the most commonly cited examples of regionalism, despite the fact that they are fairly uncommon.

2. Regionalism and Racial/Social Equity:

Many scholars and policy experts have advocated regionalism as a potential framework for addressing issues of jurisdictional fragmentation and racial, regional and social inequity. Regional development patterns, such as fragmented growth or inner city disinvestment, are the primary factors disadvantaging low-income urban communities. The decentralization of jobs, people and investment in metropolitan areas has continued unabated since the 1950s. These development policies are not the product of free market growth, but instead reflect decades of public policy that have prioritized suburban and exurban growth at the expense of older urban communities.

In the absence of regional policies, local actions can undermine efforts to remedy racial disparity and provide access to opportunity. Political fragmentation – the division of metropolitan areas into numerous local governmental entities – plays a significant role in the racial segregation and segregation from opportunity in our metropolitan areas. Research by David Rusk has found that our nation's most fragmented regions have the greatest degree of regional and racial inequity, and often contain the most unhealthy central cities. In contrast, cities that have actively grown through annexation have the ability to reduce barriers to opportunity, benefit from suburban growth and have more stable tax bases and public services.⁵

Political fragmentation allows municipalities to enact parochial policies, such as exclusionary zoning, that ensure residential segregation. Suburban housing and land use policies that promote larger lot development have been found to depress the growth of suburban rental housing and limit the in-migration of African American and Latino households.⁶ These exclusionary policies, combined with the fragmentation of local government and school districts in metropolitan areas, work to uphold persistent economic and racial segregation throughout the region.

Because regional dynamics and regional fragmentation are so powerful in producing or denying regional and racial equity, many equity advocates have focused on regional solutions as the primary means to achieving equity and reducing racial disparity in our

metropolitan areas. As summarized by Policy Link in *Regional Equity and Smart Growth: Opportunities for Advancing Social and Economic Justice in America*:

“In response to these patterns of regional growth and investment that have severely disadvantaged many families and communities, regional equity has emerged as an important goal or concept to organize advocacy and action to promote social and economic justice. At its core, regional equity seeks to ensure that individuals and families in all communities can participate in and benefit from economic growth and activity throughout the metropolitan region – including access to high performing schools, decent affordable housing located in attractive neighborhoods, living wage jobs, and proximity to public transit and important amenities, such as supermarkets and parks. In today’s economy, the region is the backdrop against which opportunity and exclusion play out in America. When regional equity is prioritized as a goal, development and investment choices facing a community are evaluated in terms of how growth can create opportunity for all residents, helping to build a strong, healthy region.”⁷

3. Fundamental Principles to Guide Equity-Based Regionalism:

How can we build greater regional equity and what principles should drive regional equity initiatives? By “regional equity,” we mean a more balanced investment in people and neighborhoods throughout the metropolitan region. Regional equity, in practice, means connecting more people to better opportunities in housing, education, workforce training, and economic development. African American Forum for Race and Regionalism Co-Chair John Powell sums up a broad approach to creating regional equity in *Urban Sprawl as a Civil Rights Issue*:

“Those concerned with civil rights in this nation, and stakeholders in metropolitan regional vitality more generally, must push for metropolitan policies that place racial justice issues at the fore: policies that open housing throughout the metropolitan region, and tie that housing to jobs, educational opportunities, and transportation; policies that bring greater equality to tax bases among municipalities within regions; policies that direct investment to economically isolated areas but protect against the displacement of residents living in those areas; and policies that reverse trends of residential segregation and concentration of poverty.”⁸

This list of policy goals can be linked to three broad principles that are essential to creating greater regional equity and growth for the whole region. To produce greater regional equity, initiatives must work to reduce the disparity in resources between communities in the Cleveland region, proactively connect people to opportunity structures and manage the inefficient and fragmented suburban growth which is causing disinvestment and neglect in existing communities. These three primary equity goals must guide the regionalism debate and the implementation of regional policies in the Cleveland region. These broad principles are reflected throughout the many policy recommendations in this report and provide a framework to guide regional policy reform in the Cleveland region.

3.1 Reducing disparities in resources:

From schools, to infrastructure, to public services like police and fire protection, vast inequities exist in our metropolitan areas between communities, and the Cleveland region is not immune to this issue. The flight of resources to suburban communities redistributes the region's wealth and tax base. Inner city areas are losing tax base, but are responsible for much of the region's social health costs and responsibilities, due to conditions of concentrated poverty. Sprawl is now pulling resources and jobs away from mature inner-suburban communities and these small jurisdictions now face uncertainty about their future fiscal health.⁹ As one Cleveland resident noted:

“My kids went to the Cleveland Heights Public School. I have seen the poverty increase there...Cleveland Heights and Shaker Heights have historic housing stock and they are walkable neighborhoods with commercial districts (they were streetcar suburbs) so this all helps. However, they are struggling because they are built out, so they can't grow a tax base. Meanwhile they are getting poorer residents.”

The clear resource disparities in most regions and the implications of these disparities on other social and racial inequities have inspired some regions to mitigate this fiscal and resource imbalance. As discussed in the “Fiscal Regionalism” section of this chapter, several regions have attempted novel ways to balance fiscal resources and some existing policies exist in the Cleveland region to address this issue. Minneapolis's seven-county revenue-sharing program is need-based and has reduced the disparity in tax base for local governments from a 15 to 1 ratio to 5 to 1.¹⁰ An analysis by the *Cleveland Plain Dealer* of the Minneapolis tax sharing program found that if the policy were applied in the Cleveland region, the benefits to Cleveland's urban communities would be significant. The Cleveland public school district would see an increase in local funding of more than \$100 million annually.¹¹ Montgomery County, Ohio's Economic Development/Government Equity program provides another potential tax sharing strategy that could be expanded and considered in the Cleveland region. Over a ten-year period, the program redistributes \$50 million in sales tax among 29 local governments in the county for economic development purposes.¹² This is a smaller scale program and is less effective than Minneapolis's revenue-sharing policy, but still is a structural arrangement to consider for the Cleveland region.

The Cleveland-Akron region already has existing resource-sharing policies that could be expanded upon to promote less disparity in resources for the region. Similar to a cultural asset district, Cleveland's Gateway Redevelopment Corporation taxes multiple communities to support downtown's cultural and recreational facilities.¹³ The use of Joint Economic Development districts in Summit County has provided significant fiscal benefits to the City of Akron and successfully leveraged infrastructure support to attract economic development that benefits multiple communities.¹⁴ Cleveland's earning tax, utilized by the City to tax the income residents who work in the City and reside elsewhere, helps stabilize the City's finances and balance the region's reliance on property taxes.¹⁵ This revenue-sharing strategy relies on the continued concentration of employment opportunities remaining in Cleveland, and future job projections suggest that the trends of job decentralization will threaten the viability of this approach.¹⁶ These existing arrangements provide potential positive examples of the benefits of fiscal equity initiatives. They provide inspiration for the region to consider more extensive revenue-

sharing strategies in the future, such as Montgomery County’s government equity program or Minneapolis’s tax base sharing policies.

Another mechanism for addressing resource disparities is linked to reversing the causative factors producing resource inequity. Creating more urban reinvestment (addressed in Chapter 8) and better growth management (addressed below) can help stem the growing resource disparity facing the Cleveland region. In addition, researchers have identified the competition over tax base and fiscal resources as a primary factor promoting sprawl and interregional competition.¹⁷ Thus, policy initiatives to address fiscal disparities can assist in slowing sprawling development in the region and reducing competition over fiscal resources, including employers and high-income households.

3.2 Connecting people to opportunity:

A central tenet of regional equity initiatives is to enhance the connection of people of color and other low-income people to the many opportunity structures throughout metropolitan areas. Opportunity structures refer to the essential mechanisms and resources that lead to stability and personal advancement in society. These include high performing schools, sustainable employment opportunities, safety from crime, environmentally safe neighborhoods, parks and open space, opportunities to build home equity and wealth, and efficient, affordable transportation. Opportunities in our society are geographically distributed and often clustered throughout metropolitan areas, creating clusters of “high-” and “low-” opportunity neighborhoods. Your location within this “web of opportunity” plays a decisive role in your life potential and outcome. These opportunities exist in a complex web and are often reinforcing. For example, good schools produce higher home values and attract higher income residents, who then are targeted by businesses seeking markets with discretionary income and a well-educated work force. These reinforcing relationships magnify conditions in both high- and low-opportunity areas. Unfortunately, fair access to these opportunity structures is limited by spatial arrangements and regional dynamics such as exclusionary zoning, concentration of poverty, fragmentation, and sprawl.

Our research of peer regions has found racial disparity to be higher in regions with more racial segregation and larger city-suburban disparities. Why does segregation correlate with racial inequity more than other factors? Many scholars believe this is due to the cumulative impacts associated with segregation in metropolitan areas. Segregation is more than just a physical separation from people, but a separation of people from the critical resources for self-advancement and well being. In addition, segregation for African Americans produces isolation within environments which contain significant obstacles and impediments to safety, well being and achievements. In sum, the segregation of African Americans results in their isolation from opportunity. African Americans are primarily segregated into low-opportunity communities, with limited job access, neighborhood instability and poor schools.

The segregation of African Americans in metropolitan areas is not just segregation from Whites, but also segregation from opportunities critical to quality of life, stability and social advancement. Bruce Katz and Margery Turner synthesized the impact of this opportunity segregation in the 2003 Brookings Institute research brief *Rethinking Affordable Housing Strategies: An Action Agenda for Local and Regional Leaders*:

“Residential segregation denies families of color full and free choice about where to live, while often denying minority neighborhoods the services and resources they need to thrive and grow. As a consequence, minorities’ access to quality schools, jobs, and economic opportunity is limited. The most extreme consequences of residential segregation are found in the central cities’ large urban areas. Because communities of color experience higher poverty rates than Whites, the concentration of minorities in inner city neighborhoods also concentrates poverty and compounds its social costs. As jobs, wealth and economic opportunities have migrated to the suburbs, poor minority communities in the central city have become increasingly isolated and cut off from access to the mainstream of our society and economy. Thus, housing segregation helps sustain economic inequality and contributes to the persistence of urban poverty.”¹⁸

Residential location plays a determinative role in life outcomes as well as social, physical and mental health.¹⁹ As stated in the findings report of the Congressional bi-partisan Millennial Housing Commission:

“Neighborhood quality plays an important role in positive outcomes for families. Stable housing in an unstable neighborhood does not necessarily allow for positive employment and child education outcomes.”²⁰

Remedying opportunity segregation and proactively seeking to remove impediments to opportunity for marginalized communities is critical to producing greater regional equity. This principle is apparent in many of the recommendations discussed in the policy analysis for this study. In particular, the housing section of this study expands on the policies to better connect people to opportunity in the region. From housing to education and health care, segregation from opportunity drives racial disparity in the Cleveland region. These policies to remedy this opportunity segregation will be instrumental to improve conditions for Cleveland’s African American community.

3.3 Managing growth and sprawl:

Sprawling development and inner city disinvestment are the fundamental issues driving regional inequities and racial inequities. By sprawl, we mean the inefficiencies, fragmentation and opportunity segregation that often characterize haphazard suburban growth. Unfortunately, the footprint of the Cleveland region is spreading not due to any population or job growth pressures, but due to unconstrained greenfield development that creates communities in competition with each other; often the new communities are subsidized at the cost of the old. This is why we refer to people spreading out in the Cleveland region as “sprawl” and not “growth.” Often unable to access newer suburban communities, many African Americans and other low-income residents do not receive the benefits of suburban development in our metropolitan areas. Sprawling areas are not only inaccessible to many, but sprawl acts as a resource magnet, pulling population and investment from existing urban communities, decimating the remaining opportunity structures in inner-city neighborhoods. For these reasons, many civil rights advocates have recognized sprawl as one of the major impediments to civil rights progress in recent decades.²¹

Ohio and Cleveland’s land use patterns are dominated by sprawling suburban and exurban growth. Between 1982 and 1997, the State’s developed land increased by 22%,

from 2.7 million acres in 1982 to 3.6 million acres in 1997. Ohio's sprawl, however, is not linked to population growth pressures. The State ranks 8th nationally in the rate of urban development, but 22nd nationally for population growth, during this fifteen-year time span.²² Since 1997, the State's population growth has plummeted, with annual population growth of less than 1% in recent years, yet the State's sprawling growth remains unabated. The Cleveland region models these trends, and was recognized by the Brookings Institute as one of the most sprawling regions in the nation.²³ The Cleveland-Akron region's urban land increased by 11% between 1982 and 1997, while the region's population increased by only 1.5%.²⁴ Therefore, regional policy advocates interested in promoting coordinated economic development plans, preserving farmland and rural assets, and ensuring that all people benefit from social and educational services, need to demand a limit to greenfield infrastructure spending and the re-direction of investment capital back into existing communities.

How can we better manage sprawling development? Several states and regions have enacted policies to promote better growth management and sustainable land use policy. Profiles of some of the most widely cited examples of growth management policies, and an emerging series of reforms in Michigan, are provided below:

- Portland (Urban Growth Boundaries): Oregon's urban growth boundary (and its extensive use in the Portland region) is one of the most widely cited and most successful policies to manage sprawl in the nation. By restricting growth outside of the region's growth boundary, demand for middle- and upper-income housing is redirected back into Portland's existing neighborhoods. Economic decentralization in Portland is also not as significant due to the directed growth.²⁵ There is evidence that the Urban Growth Boundary, as a powerful regional land-use planning tool, has created a more balanced pattern of redevelopment and shared economic growth. Portland has also invested in extensive transit projects and downtown revitalization, which has increased the amenities available to Portland's neighborhoods, thus contributing to their vitality and desirability. The benefits of Portland's growth policies have been generally positive for the region's African American population, due to the enhancement of opportunity structures in urban areas and increases in home equity. Although Portland's African American population is relatively small, affordable housing issues remain a concern of the planning process. The region has made significant efforts to use regional fair-share housing plans to counter the rising housing costs associated with limited growth. Compared to other west coast housing markets, Portland remains one of the most affordable housing markets for a major West Coast metropolitan area, according to research conducted by Wells Fargo Bank.²⁶
- Maryland (State Smart Growth Policies): Under the leadership of Governor Parris N. Glendening, the state of Maryland initiated statewide smart growth reform in 1997. The Smart Growth and Neighborhood Conservation Initiative was implemented to revitalize Maryland's existing communities, preserve open space and to prevent inefficient infrastructure development. A primary focus of the Maryland legislation is the removal of state subsidies for infrastructure in non-designated areas, instead focusing investment in "Priority Funding Areas" that target development in existing developed areas or in close proximity to existing

infrastructure and development. The Maryland approach does not mandate land use controls, but instead uses financial incentives and disincentives to manage growth, and the market has responded to this policy. Maryland's policy has been successful in preventing more than a quarter million acres of sprawling development since it was enacted. This type of incentive/disincentive-based growth management strategy is more appropriate for Ohio than the strict land use controls utilized in Oregon. An infrastructure-based growth management policy manages growth, preserves public funds for infrastructure and still respects Ohio's home rule dominated land use policies.²⁷

- Michigan (Emerging Land Use Reforms): Michigan and Ohio share many characteristics and land use challenges. Both states are highly fragmented "home rule" states, experiencing tremendous sprawling growth, despite limited population growth. Unlike Ohio, Michigan has begun a series of statewide reforms and enacted several state policy initiatives to slow the state's sprawling growth and unsustainable land use trends. These initiatives began with the election of the Granholm administration in 2002. In 2003, the newly elected governor appointed a bipartisan land use task force (the Michigan Land Use Leadership Council).²⁸ After holding a series of public meetings, the commission released findings in 2003 and the Granholm administration quickly enacted several of the reform policies. Although it is too early to judge the effectiveness of these policies, many of the reforms have the potential to help cure the state's dysfunctional land use trends. Some of the key policies included:
 - The state's "fix it first" policy for road investments, which prioritized transportation spending for existing road networks (usually in urban areas)²⁹
 - Establishment of the Coordinated Planning Act which created an official process for local governments to collectively plan, while preserving local control³⁰
 - The "Cool Cities" initiative which targeted state funds to improve the cultural and economic health of Michigan's urban communities (profiled in depth in Chapter 8)
 - A series of legislative reforms dramatically reshaping the state's ability to recapture and reuse vacant land by establishing land banks and fast-track land acquisition for tax delinquent properties³¹

While growth management remains a critical issue to improving conditions for the African American community, we do not focus extensively on growth management in the recommendations and policy analysis for this study. This omission is not to deemphasize the importance of growth management in the Cleveland region. However, a central component of the various growth management strategies discussed above is statewide reform and statewide political leadership.³² Usually these land use reforms were enacted through special legislative action or policies initiated by a state governor. For example, Portland's urban growth boundaries and other land use policies were established via legislative action and voter initiatives. In both Maryland and Michigan, land use reforms were spearheaded by pro-smart growth governors and involved statewide policy change and legislation.³³

This progressive elected state leadership is not currently present (or dominant) in Ohio, and efforts to build momentum for land use reform are growing but need more time to mature.³⁴ A study released in 2004 by the Exurban Change project at The Ohio State University found even the state's most basic planning and zoning tools were inadequate and outdated, and state legislative infrastructure was lacking to implement more progressive land use policies found in other areas of the nation.³⁵ As a "home rule" state with extreme regional political fragmentation, locally led land use initiatives will meet significant resistance and impediments without the assistance of state policy reform.³⁶

Better growth management is a critical regional goal for Cleveland and Cleveland's African American community, but local action will not be sufficient to better control growth. Both locally led initiatives and statewide action is needed to reform Ohio's land use policies. This does not necessarily mean that no local initiatives; pilot programs or special cooperative arrangements to better manage land use should be implemented in the Cleveland region. For example, local governments in the Cleveland region could agree to institute development impact fees in sprawling areas to restrict growth and reduce subsidies for infrastructure.

Another potential locally-based policy would be more regional collaboration with respect to water and sewer system policy and expansion, in order to limit growth. This relationship could be fostered by the City's control over the region's water system.³⁷ The City of Columbus has utilized its control over sewer systems in central Ohio to foster more city annexation and control over-development. Although an annexation policy for Cleveland would not be possible, leveraging control over the water system to better manage growth could be a potential strategy to use infrastructure to promote growth management. This approach could be similar to the proposal by Mayor Jackson to use water management as leverage to enforce a no-poaching economic development pact between communities in the region.³⁸

But a two-pronged approach to reforming land use policy is needed. Statewide legislative action and policy reform will also be critical to implement better growth management for Cleveland and Ohio. Given Ohio's home rule status and deference to local governments for land use decisions, an infrastructure-based growth management policy similar to Maryland's would be much more politically feasible and practical to manage the State's growth and development. A long term recommendation to address this issue is collaboration with organizations pursuing statewide land use reform, such as Greater Ohio, and collaboration with advocates of land use reform in other Ohio regions, such as the Gamaliel organization, to produce statewide action.

4. Linkages: Regional Equity and Regional Economic Health

In the discussions initiating this study, a primary goal of the Presidents' Council was to define policies that would improve conditions for the African American community and the health of the entire region. The possibility of regional equity initiatives to simultaneously address both goals is supported by research indicating that inequities inhibit the health of the entire metropolitan region. All residents and communities within metropolitan areas share a linked fate, and challenges impacting one community will eventually prove detrimental to the entire region. Regionalism respects this

interrelationship between communities and supports collective solutions. As stated in *Reflections on Regionalism*:

“Instead of calling upon each locality to take responsibility only for itself, regionalism recognizes the entire area as a system of interdependent parts. The whole will prosper only if all parts are able to function. Allowing richer parts of the region to externalize their social responsibility creates resource-starved, poorly functioning communities at the core. When one part becomes dysfunctional, the entire system is compromised. This is what is happening with the inner cities and their older suburbs – difficulties are negatively affecting entire regions.”³⁹

How do racial, social and regional inequities create challenges for the entire region? Inequities create lost productive and creative capacity for the region’s population, create artificial impediments to economic development and affordable housing, and drive sprawling growth, all of which harms the quality of life for all residents. Examples of the harms imposed by inequities on the entire region include:

- Wasted Creative Capacity: The wasted creative capacity associated with disparity drags down the competitive strength of the entire region. Inequitable educational systems and concentrated poverty produce widespread educational disparities. A high school dropout often becomes an unprepared and unskilled worker. These undereducated workers are unable to expand their creative capacity in today’s knowledge-based economy; meanwhile, economic opportunities for non-skilled labor continue to decrease. As a result, more of the region’s labor force is economically marginalized and the region’s unskilled labor becomes an impediment to attracting businesses and employers.
- Fragmented Economic Voice: To attract investment in the global economy, regions must collectively promote themselves and align key infrastructure and assets to create space for expansion of the region’s economic base. Extreme jurisdictional/political fragmentation impedes the region from collective economic development action. Fragmentation also creates interregional economic competition, when the region should be focused on competing with other regions. These conflicts result in economic development “cannibalism,” with local governments fighting to attract existing businesses from one community to another. Interregional economic competition is a zero sum game providing no real benefits to the region’s economic health. Instead of growing the region’s economic base, tax abatements and other incentives cost the region’s local governments in uncollected tax revenues and subsidies.
- Paying for Exclusion: The residential segregation in the Cleveland region is fueled by exclusionary housing policies, but these exclusionary policies come at a price for suburban residents. Exclusionary zoning artificially increases the cost of housing, creating housing cost burdens for moderate-income families seeking opportunities in Cleveland’s suburbs. This unnecessary housing cost defers disposable income from middle-income families that could be spent elsewhere in Cleveland’s economy. Conversely, Cleveland’s segregated African American neighborhoods do not see the home equity gains that their suburban peers receive due to the opportunity isolation associated with these segregated neighborhoods.

This lost home equity is lost wealth and assets for many of Cleveland’s low- and moderate-income families.

- **Inefficient Infrastructure and Government Services:** Fragmented regions produce unneeded redundancies in infrastructure and government services. The cost of this inefficiency is passed along to the region’s taxpayers, who must fund additional police, fire and other key public services. Fragmentation and sprawling growth also decrease the efficiency of key infrastructure like water and sewer. Conversely, depopulating urban neighborhoods have high capacity infrastructure in place, but this capacity is wasted as residents relocate to the suburbs. In addition, inequities in tax base and tax capacity limit the ability of some communities to fund key maintenance and upkeep for essential infrastructure, thus limiting the life span of infrastructure investments.

These obstacles to economic health produce a less competitive region, which can be disastrous in today’s extremely competitive global economy, where regions fight for increasingly mobile business, residents and investment. As stated by Richland Florida in *The Flight of the Creative Class*:

“Rising inequality is a deadweight drag on our economic competitiveness...The basic formula is simple: Those companies, regions and countries that reduce waste and effectively harness their productive assets have a huge advantage in the Darwinian competition that powers creative capitalism.”⁴⁰

This relationship between Cleveland’s social inequities and the region’s competitive strength was noted repeatedly in stakeholder interviews conducted for this study:

“But research shows that the metro region is only as strong as its weakest link, and that even a wealthier suburb needs to pay attention to the region, which competes in the global marketplace. But if in your daily life you have no connection to the communities and people left behind – life goes on. When the metropolitan areas were more compact and mixed-income, there was a greater sense that we were all in this together. But we keep separating ourselves with respect to class and race.”

By addressing Cleveland’s racial, social and regional inequities, regional initiatives can improve conditions for all Cleveland residents, by making Cleveland a more vibrant, competitive and economically thriving region. Given the region’s recent economic distress, this is a significant point of collaboration for the Cleveland region. Creating an emerging opportunity for the region to abandon its isolated decision-making and look for more collective solutions to the region’s greater challenges was recognized by many stakeholders interviewed for this study:

“One of the things that makes us unique is that small-box mentality in decision-making. This is very counter to doing things on a regional basis. One of my hopes is to bypass some of the conversations we’ve been struggling with in the past. Maybe by having conversations on a regional basis, some of the smaller boxes can figure out ways to work together to tackle the larger issues.”

5. Government Consolidations, Mergers and Equity:

One of the most commonly cited forms of regionalism is government consolidation. Municipal consolidation, or merger, usually represents the consolidation of a central city and central county or the merger of several smaller units of government. Generally, consolidations and mergers do not include consolidation of school districts, and sometimes do not include administrative districts for local tax revenues and public services. Although consolidation and merger are commonly cited examples of regionalism, in the U.S. context they are relatively rare and often face significant political opposition. Some commonly cited consolidation and merger examples include Indianapolis's Unigov and the City-County consolidation for the City of Louisville and Jefferson County.

With respect to promoting fairness for urban and African American communities, consolidations and mergers have not shown positive results. Generally, consolidations and mergers have ignored administration of key issues impacting equity (schools, land use, fiscal policy) and resulted in power dilution for urban communities and communities of color. A study released by the National Research Council in 1999 looked at consolidation in Indianapolis, Nashville, Jacksonville and Miami. They found that the new consolidated governments were good at improving government efficiency but not successful in dealing with social issues such as fiscal disparities, race relations and open-housing policies. The study found that the new government entities had not "eliminated the biases of the multi-centered metropolis on social access issues of zoning, schools and housing."⁴¹ Another critique of consolidations is related to their geographic extent. Many consolidations are not large enough to capture the full metropolitan area and thus are limited in accessing the fastest growing and most exclusionary areas of the region. For example, if Cuyahoga and its municipalities merged, the merged governmental entity would not include the fast-growing suburban counties in the region, such as Medina County.

Indianapolis's Unigov and Louisville's Consolidation:

Indianapolis and Marion County merged to create the Unigov in 1969; this consolidated entity merged economic development activities but did not address local tax districts or schools.⁴² Because of the structure of the Unigov, many have criticized the political and equity impacts which emerged in Indianapolis as a result. Tax districts were not reformed as part of the consolidation/merger process, so local areas are still reliant on local resources to fund public services. Schools and police services were not included in the consolidation, therefore having no effect on educational opportunities or public safety.⁴³ This exclusion of schools in the Unigov has effectively worked to perpetuate racial segregation in the Indianapolis region.⁴⁴

Louisville and Jefferson County merged in 2000; the first consolidation in a major metropolis in three decades, proving that consolidation is not always politically unfeasible. Since Louisville's consolidation, consolidation discussions have emerged in several other major cities including Cleveland, Buffalo, San Antonio, Memphis, Milwaukee and Albuquerque. Research at the University of Louisville has found that Louisville's consolidation has resulted in power dilution for the region's urban residents.⁴⁵ The Louisville merger radically altered the geographic boundaries of Louisville, expanding the boundary from 62 square miles to 385 square miles. This is an

area larger than the five counties of New York City and it has altered Louisville's geography, social composition and its policies.

Consolidation in Louisville has had profound effects on the representation of minority groups. By combining the city with mostly White suburbs, the proportional representation of African Americans changed in the City from 33% to 15%. In pre-consolidated Louisville, African Americans held a third of legislative seats, but even with special representative rules set for the new legislative council, African Americans can hold only up to a quarter of the seats on the new council. The City Board of Aldermen has transitioned from 33% African American and all Democrats to 23% African American and almost half Republican. The former city represents about 40% of the new government's population but only holds 30% of elected council seats. A new coalition of suburban Democrats and suburban Republicans have steered the new metro government to prioritize suburban residential, infrastructure and economic development in lieu of urban redevelopment.⁴⁶

6. Equity vs. Efficiency:

The critique of the efficacy of government consolidation without social service consolidation as a tool to promote metropolitan equity should be raised as the regionalism discussion matures in Cleveland. As regions first begin to discuss regional policy solutions, administrative efficiency issues can dominate this early discussion. The reasons for this are clear: local governments will see efficiency issues as helpful in addressing emerging fiscal problems and budget deficits (often the most pressing concern for local government), and efficiency issues are the path of least resistance in respect to implementing regional policy, due to the fact that efficiency initiatives will face fewer political and practical impediments in their implementation.

However, efficiency-based regional efforts often have little impact on deeper considerations of long-term, quality education and neighborhood capacity building. Advocates for increased opportunity for all people in the region will need to ensure that initiatives such as addressing inequities in resources, connecting people to opportunity, and managing growth and promoting inner-city development remain on the table in the regionalism debate. Although equity issues will require significant energy, strategic communication and political capital to address, these issues are critical if the region wants to see region-wide improvements in social and economic health, and not just marginal improvements in efficiency for local government.

Interview respondents recognized the need to forefront the equity issues in the regional discussion:

“They key will be, in terms of thinking regionally, are people serious about the hard issues: affordable housing, tax base equalization, and schools. The community will probably be ready for non-confrontational issues (sharing fire trucks, recreation centers), but not for the hard issues, especially education. The whole reason we have suburbs is to exclude people. Rich people want to move away, to create enclaves, to have their own schools. Regionalism goes against this way of thinking.”

Equity and improved efficiency is where regionalism holds the most potential for improving the future of the Cleveland region. A steadfast dedication to keeping equity at

the forefront of the regionalism discussion and collaboration between existing regionalism advocates --economic development advocates, environmental advocates--to promote equity issues will be central to improving both conditions for Cleveland's African American community and the region as a whole.

7. An Ideal World: A Comprehensive Model of Equity-Based Regionalism

What would an ideal region look like if it practiced an equity-driven path to regional growth? If no political constraints or impediments existed, what solutions should be implemented? The following section uses the classification system of regionalism presented by David Miller and identifies the best case scenario for equity-driven regional development. Although some of these policies may not be the most politically or practically feasible for Cleveland at the present time (although many could be addressed), they present goals, principles and potential strategies for the future. A more detailed analysis of potentially feasible policy reforms are discussed in the policy analysis section (Chapters 6 to 10) of this report.

7.1 Coordinated Regionalism:

Many examples of coordinated regionalism can be found throughout the nation and in the Cleveland region, but how could coordinated regionalism be designed to produce greater regional equity? One strategy would be to align existing coordinative functions to equity principles and grant more authority to existing regional structures to assure plans are implemented. For example:

- Directly tying regional planning goals to community capacity-building goals such as improving inner city economic development and investment, development of regional affordable housing opportunities, increasing growth management and enhancing public transportation
- Granting more statutory control to regional planning authorities to assure that fair and balanced planning goals are enacted and achieved
- Linking the delivery of federal and state funds for transportation investments and economic development to other opportunity-enhancing goals such as coordinated land use management and the increased provision of affordable housing
- Creating a regional entity to plan for and coordinate economic development activities throughout the region and assure economic development is equitable and accessible to all
- More collaborative arrangements to manage growth and infrastructure expansion in the region, via the use of impact fees and by restricting public subsidies for regional infrastructure from non-developed areas

7.2 Administrative Regionalism:

Many examples of regional administration of specific regional programs and functions are in place in some regions. The use of administrative regionalism to address issues of regional equity would target special administration of key regional issues that could promote increased opportunity for all residents. For example:

- Establishing regional administration of public transportation to assure regional financial support for public transportation; and to assure that public transportation is fully connected to the entire region's neighborhoods and employment centers, and not impeded by overlapping services provided by multiple transit providers. An assessment of Cleveland's regional transit administration is discussed in Chapter 10.
- Establishing regional administration of affordable housing and assuring that a regional affordable housing authority has the authority and capability to provide units throughout the metropolitan region, especially in communities lacking adequate affordable units.
- Regional administration of land use authority and infrastructure development. In an ideal scenario, regions could utilize a regional land organization (such as Portland's Metro) to manage regional land use decisions (especially in new growth areas). In more fragmented and home rule dominated states like Ohio, regional administration of infrastructure development (water, sewer services and septic systems) could work to manage growth and development without interfering with local control over land use.

7.3 Fiscal Regionalism:

To promote greater regional equity, fiscal regionalism reduces inequities in school funding and tax base by implementing tax base revenue sharing. It would also pool regional resources for regional needs like affordable housing and economic development, and could establish special assessments to fund shared regional resources like downtown business districts, cultural facilities or arts facilities. These resource-sharing strategies would both reduce disparities in resources (and access to resources) in regions, but would also slow sprawl by limiting the interregional competition over high-income households and employers.

7.4 Structural Regionalism:

Given the minority voting power dilution issues associated with governmental consolidation, an equity-focused structural regionalism would have to ensure that consolidations and mergers address issues of social equity (such as school funding, land use policy and fiscal resources) and that mechanisms remain to assure minority political voice is not compromised. Consolidations and mergers would not be recommended for the Cleveland region unless their scope expanded to the consolidation of public services such as school districts, for example, and addressed land use and tax policy. To preserve political voice, structural regionalism could utilize principles of federated regionalism (setting policy regionally but allowing local control in meeting policy goals) or use more equitable voting strategies such as cumulative voting.

8. Conclusion: Reflections of Primary Research Question

- *What kind of regional policies and cooperative efforts would best benefit Cleveland's African American community, increase opportunity and fairness for all residents, and effectively grow the region as a whole?*

- To produce greater regional growth for everyone, initiatives must work to reduce disparities that result in a less competitive region, and to grow the “pie” for all residents. Regional cooperative efforts should proactively connect people to opportunity structures and restrict the greenfield development incentives which take resources away from existing communities. It is important to note that advancing diverse human and community capabilities is key to promoting efficient and robust regional growth, while the converse is not necessarily true. Therefore, policies that link regional fairness with regional growth must guide the regionalism conversation and the implementation of regional policies in the Cleveland region.
- The Cleveland-Akron region already has existing resource-sharing policies which could be expanded upon to decrease regional disparities. These innovative arrangements, such as the “Joint Economic Development” districts, provide examples of the benefits of fiscal equity initiatives. They could be expanded upon, and provide inspiration for more extensive revenue sharing strategies, such as Montgomery County’s government equity program or Minneapolis’s tax base sharing policies.
- Remedying opportunity segregation and decline and proactively seeking to remove impediments to opportunity for marginalized communities are critical to producing greater regional growth. In particular, housing policies must be enacted in the region to assure this goal is met. Policies to remedy this opportunity segregation will be instrumental in improving conditions for Cleveland’s residents.
- Better growth management is a critical regional goal for Cleveland and its African American community. Both locally-led initiatives and statewide action are needed to reform Ohio’s land use policies. Local initiatives, pilot programs or special cooperative arrangements to better manage land use can be implemented in the Cleveland region. For example, local governments in the Cleveland region could agree to institute development impact fees in sprawling areas to restrict growth and reduce subsidies for infrastructure. Another potential locally-based policy would be more regional collaboration with respect to water and sewer system policy and expansion.. This relationship could be fostered by the City’s control over the region’s water system.
- Statewide legislative action and policy reform will also be critical to implement better growth management for Cleveland and for Ohio. Given Ohio’s home rule status and deference to local governments for land use decisions, an infrastructure-based growth management policy similar to Maryland’s (see Maryland discussion earlier in this chapter) could be politically feasible and practical.. A long-term recommendation is collaboration with organizations pursuing statewide land use reform, such as Greater Ohio and the First Suburbs Coalition, and collaboration with advocates of land use reform in other Ohio regions, such as the Gamaliel organization, to produce effective statewide pressure.

- By addressing Cleveland’s racial, social and regional inequities, regional initiatives can improve conditions for all residents by making Cleveland a more vibrant, competitive and economically thriving region. Given the region’s recent economic distress, this fact is a significant point of opportunity for the Cleveland region. Equitable workforce development and community building, including improved opportunities for education and training, are the keys to creating a sustainable future for the Cleveland region in an age of global competition. Collaboration with other regionally-scaled advocacy groups (such as regional economic development institutes and environmental stewards) to promote equity issues is central to improving conditions for Cleveland’s African American community and, therefore, the region as a whole.
- County-wide government consolidation is not a recommended policy to produce greater regional growth and competitiveness. Research on the impact of consolidation in other regions indicates consolidation rarely addresses key equity issues and usually results in power dilution for urban communities, in particular urban communities of color. Further, if a key aspect of developing a region’s competitiveness in the global economy is left out, such as education, little progress is made in advancing opportunity for all residents. If governmental consolidation is considered in the future, it must address equitable growth management and workforce training issues, such as the lack of affordable housing in areas of opportunity, access to high-achieving educational systems by underserved and motivated students, and infrastructure needs for existing communities. Without addressing these issues, consolidation provides no mechanism to address equitable and inclusive development. Further, governmental consolidation must provide creative solutions to protect minority political engagement, such as cumulative voting.
- Regional efforts based solely on efficiency considerations (such as shared government services) might dominate early regional dialogues. However, efficiency-based regional efforts often have little impact on deeper considerations of long-term, quality education and neighborhood capacity building. Advocates for advancing opportunity for all in the Cleveland region will need to ensure that long-term investments in people (through addressing inequities in educational and community resources, connecting people to opportunity, and managing inefficient growth) remain central to the regional development plan. Although equity issues will require significant energy, strategic communication and political capital to address, these issues are critical if the region wants to see region-wide improvements in social and economic health, and not just marginal improvements in efficiency for local government.

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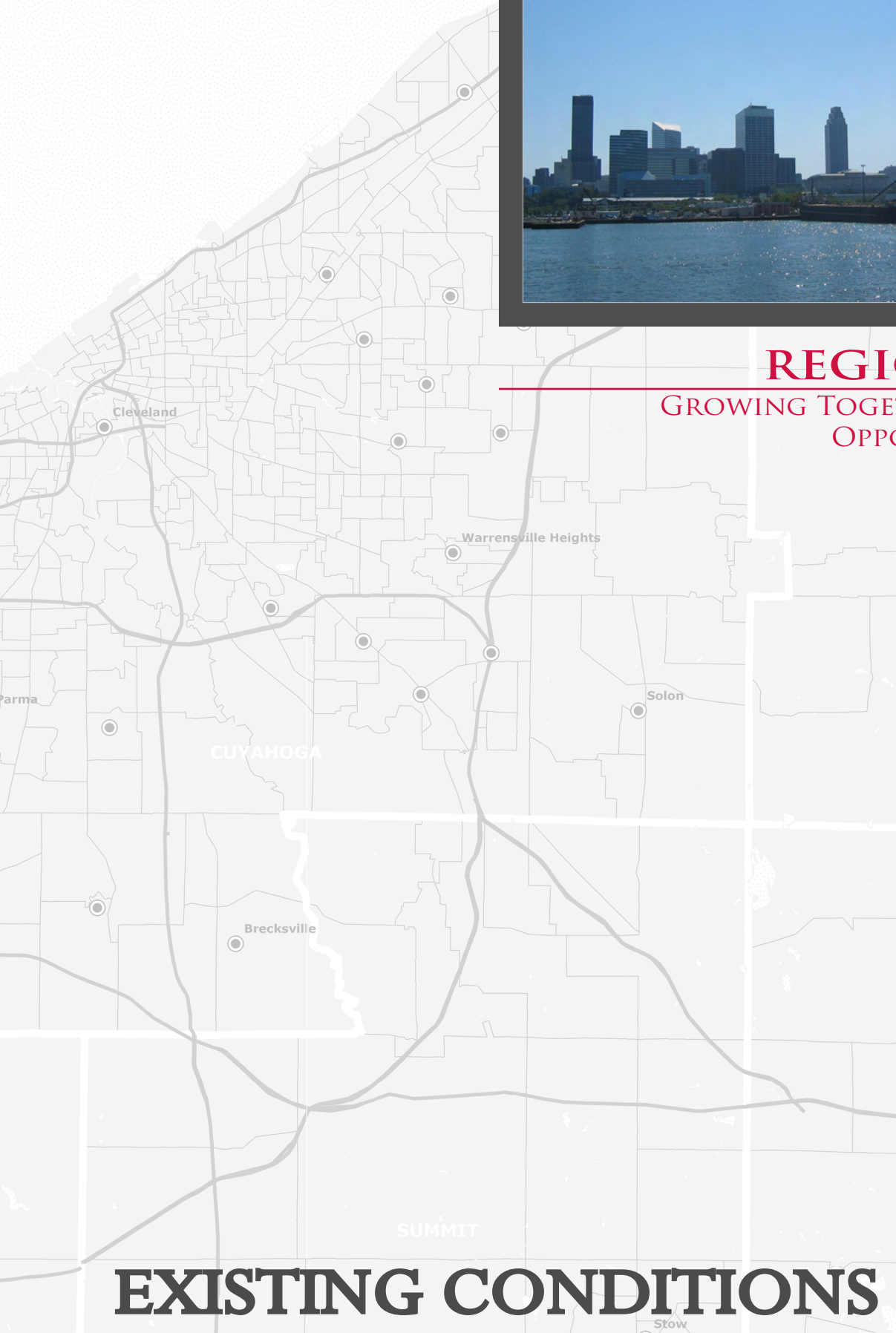
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REGIONALISM

GROWING TOGETHER TO EXPAND
OPPORTUNITY TO ALL



EXISTING CONDITIONS

3

Chapter 3: Existing Conditions

The City of Cleveland, the region and the African American community continue to face tremendous challenges in building a sustainable regional future. The Cleveland region is still experiencing decentralization of jobs and people from its urban core to the suburban fringe. The economic troubles impacting Ohio are strongly manifest in Northeast Ohio, with the region struggling due to job losses and marginal population growth. In total, the Cuyahoga County population declined 1.3 percent during the decade, while the city of Cleveland saw a population decline of 5.4 percent.¹ In stark contrast, the counties of Geauga and Medina saw the highest growth in population in the Northeast Ohio region, gaining 12 percent and 23.5 percent respectively. This trend not only impacts the City, but the region's inner suburban communities as well. Not only do Cleveland's urban areas face economic and population loss, the region as a whole is facing job losses and little population growth.

Conditions for Cleveland's African American community are poor in comparison to African Americans in peer regions. Disparities in education, economic opportunity, neighborhood conditions, mobility and persistent segregation plague the region. The overall economic health of the region is very poor compared to peer regions nationally. Despite the challenges, some positive indicators can still be seen. Small pockets of growth have occurred near Cleveland's downtown. The region's strong health care industry is expected to continue to grow, and despite job losses in the region, some areas are projected to see job growth in the future. The challenge will be to connect a diverse and well-educated, well-trained pool of workers to these emerging growth sectors.

1. Trends in the Cleveland Region

Several trends have been challenging the Cleveland-Akron region in recent years. Population loss is still significant in the City of Cleveland and now its inner suburban communities. Jobs are also continuing to decentralize, while the region as a whole is losing jobs, especially in the manufacturing sector. This economic distress is impacting the overall population trend for the region, causing more residents to leave the region in recent years. The population and economic decentralization impacting the region are continuing to isolate many urban communities from the region's opportunities.

Globalization and deindustrialization continue to affect Ohio and Northeast Ohio's economy. The most recent analysis of national job growth identified Ohio as having the fifth worst job growth rate in the nation. Most of the state's job losses were concentrated in Northeast Ohio. In addition, Ohio now leads the nation in foreclosures and is second nationally in respect to personal bankruptcy. For the Cleveland region (and much of Ohio), these recent trends have not been positive.

The most recent national economic downturn combined with economic restructuring has resulted in significant economic change in Cleveland. Unemployment in the Cleveland region and Cuyahoga County has risen by 50% since 2000. Cuyahoga County lost 16,200 jobs between 2000 and 2003. Manufacturing job losses are the greatest share of job loss in Cuyahoga County. Manufacturing employment in Cuyahoga County declined by 29% between 1996 and 2002 (resulting in a loss of more than 40,000 manufacturing jobs).²

The most recent job figures suggest that these trends are not improving and are a region-wide phenomenon. Between 2000 and 2005, the number of jobs in the Cleveland-Akron region decreased by 5.7% (a loss of more than 65,000 jobs). The Cleveland region during this time was losing jobs faster than the state of Ohio (the state's job base declined by 3.5% during this time). National job growth trends contradicted these local trends, with a national increase in employment of 1.3% between 2000 and 2005. Manufacturing job losses were more severe in the region, with 24% of the region's manufacturing jobs (47,000 lost employment opportunities) disappearing during this time.³

When compared to other peer regions, Cleveland is performing very poorly based on some standard indicators of economic health and prosperity. An index of eight indicators of economic health were used to rate the region's economic vibrancy. These indicators included: population change, growth in housing starts, new business starts, job growth, vacancy rates, poverty rates, unemployment rates and educational attainment. Based on our index, the region ranks poorly in comparison to other large metropolitan areas and other rust belt regions. Among the 21 regions with the largest African American populations, the Cleveland region ranked 20th (with 21 being the worst performance). Among the 21 largest Midwestern (or rust belt) regions, Cleveland ranked 18th in respect to economic health (**Table 1**).

The State of Ohio's economy is also impacted by population movements out of the state. As indicated by the most recent population estimates for the region, stagnant population growth in the Cleveland region occurred from 2000 to 2004. The Cleveland metropolitan area lost 0.5% of its population between 2000 and 2004, while the Akron metropolitan area experienced a 1% population growth.⁴

Of course, these job and population losses have not been uniform throughout the Cleveland region. Between 2000 and 2004, the City of Cleveland lost another 20,000 residents (a 4.1% loss).⁵ Population losses are spreading to Cuyahoga County's inner suburbs as well (**Maps 1 and 2**). Nearly two-thirds of Cuyahoga County's cities lost population in the 1990s. Suburban communities experiencing losses include East Cleveland (-17.8%), Brook Park (-7.2%), Lakewood (-5.1%), Shaker Heights (-4.6%), Bedford (-4.1%), Euclid (-3.9%) and Garfield Heights (-3.2%).⁶

Cleveland's employment is continuing to decentralize, with less than 15% of regional employment within 3 miles of the Central Business District and 44% of employment more than ten miles from the CBD.⁷ As seen in **Maps 3 and 4**, in Cuyahoga County, job losses are spatially concentrated in the City of Cleveland and projected future job growth will not occur in much of the County (primarily inner city areas).

These dynamics have heightened the existing racial and economic segregation in the region. In Cleveland, levels of segregation have decreased slightly over recent decades, but the region is still highly segregated. These trends are seen in the dissimilarity index and other segregation indices (including the isolation index, delta index, and absolute centralization index).⁸ African Americans primarily live in the City of Cleveland and the eastern suburbs of Cuyahoga County (**See Map 5**). Generally, dissimilarity index scores greater than 0.6 indicate a very high degree of residential segregation. Analysis of the Cleveland region indicates African American-White dissimilarity index levels greater than 0.77 for the metropolitan area.⁹

Other segregation indices also show high levels of residential segregation for the Cleveland region. Analysis by the U.S. Census Bureau, using five different measures of segregation (expanding upon traditional methods of only using one method of measuring segregation via the dissimilarity index), finds the Cleveland region to be the 3rd most segregated large metropolitan area in the nation as of the 2000 Census.¹⁰ Converging with residential segregation is both the economic and racial segregation of the region's schools. As seen in **Map 6**, Cuyahoga and Summit Counties' high poverty schools are clustered in predominately African American neighborhoods. Economic segregation has significant impacts on student performance, and analysis of student performance in Ohio's low and high poverty schools supports this finding. (**Table 2**).¹¹ The racial implications of this educational isolation are significant, with only half of African American and Latino students in public schools completing high school on time.¹²

The cumulative impact of these dynamics is the continued movement of the region's opportunities away from the region's core communities. As stated by the Voices and Choices "Our Economy: Cooperation and Governance" fact sheet:

"[The] overwhelming movement of opportunity in the region is outward. Gains in population, tax base, household income, and jobs are occurring in outlying communities at the expense of the core. The cities of Cleveland, Youngstown, Warren, and Akron have residential tax bases that are less than half the regional average while the more affluent suburbs, on average, enjoy tax bases over 2.5 times the regional average. In the Cleveland/Akron metro area, over two-thirds of the area's residents – those in central cities and at-risk places - live in communities facing fiscal stress. This means most residents live in areas with limited resources and growing social needs. These areas face higher costs in providing public services without the ability to increase revenues."¹³

Metropolitan dynamics are pulling opportunities away from urban communities, while the region's racial segregation exacerbates African American isolation from employment, high quality education and safe, healthy neighborhoods. In the Cleveland region, persistent residential segregation and opportunity segregation are very evident. To illustrate this phenomenon, we have analyzed the distribution of opportunity throughout the Cleveland region, with special attention on the location of the African American population in the context of higher opportunity communities. This "communities of opportunity" analysis has been conducted in multiple regions and can be a useful tool to see if the African American community is isolated from key opportunity structures.

Our analysis measured the relative "opportunity" in neighborhoods, by measuring twelve indicators of neighborhood health/resources, economic opportunity and educational opportunity. Neighborhoods were given a final "opportunity index" score based on their performance in relation to these twelve indicators. Opportunity scores were then used to divide neighborhoods into quintiles, representing very low, low, moderate, high and very high opportunity neighborhoods. Thus, the bottom scoring 20% of census tracts in the Cleveland region were "very low" opportunity areas and the top scoring 20% of census tracts in the region were "very high" opportunity areas. (Detailed information explaining the indicators for measuring neighborhood opportunity in the Cleveland region are provided at the end of this chapter.)

As seen in **Map 7**, Cleveland's higher opportunity neighborhoods are clustered in the region's suburbs and exurbs, while low opportunity communities are clustered in the Cities of Cleveland and Akron. The region's African American community is primarily concentrated within these lower opportunity neighborhoods (**Map 8**). In 2000, 79.9% of the Cleveland region's African American households were found in very low or low opportunity neighborhoods. Conversely, only 8.3% of African American households were found in high or very high opportunity neighborhoods (**Table 3**).

In contrast, Whites are disproportionately found in high opportunity neighborhoods. 55.2% of the region's White households were located in high or very high opportunity neighborhoods in 2000. Even higher income African American households were more likely to be found in low opportunity neighborhoods than Whites (**See Map 9**). Only 19% of high income African American households were found in high opportunity neighborhoods compared to 70% of high income White households. Nearly 62% of high income African American households were located in very low and low opportunity neighborhoods. Although Whites are more likely to be in high opportunity neighborhoods, a significant number of Whites (and Latinos) reside in the region's low opportunity neighborhoods. In 2000, 180,955 White, 15,499 Latino, and 147,666 African American households resided in low opportunity communities (**Table 4**).

What is the implication of this racialized opportunity segregation in the Cleveland region in regard regionalism? Due to Cleveland's high levels of racial segregation, opportunity segregation and the large body of research identifying the harms of segregation, regional efforts in Cleveland must address the opportunity segregation facing communities of color. Regional strategies must be proactively targeted to remedy this segregation from opportunities; by working to provide access to well-performing schools, sufficient public services, employment opportunities and safe, stable neighborhoods.

2. The state of Cleveland's African American Community: Performance vs. Peer Regions

The deindustrialization and loss of manufacturing employment, increase in low-wage service sector jobs, housing segregation, and the growth of poverty (despite a decrease in unemployment rates) are not unique to Cleveland. They have had negative effects on the African American community in Cleveland just as they have on communities of color in other major metropolitan areas. The disproportionate effects of economic restructuring and federal and state policies have resulted in the racialized, spatial concentration of poverty, as well as concurrent disparities in education, housing, health care and wealth creation.

To best understand the condition of the African American community and the potential for regional equity-based policy reform, it is critical to assess Cleveland compared to its peer regions. A series of research indices were utilized to assess the state of Cleveland's African American community in comparison to peer regions.

We conducted this analysis using two peer groups: one peer group representing regions with similar demographic characteristics (determined by the size of the African American population) and one peer group representing regions with similar geographic characteristics (regions located in the traditional manufacturing belt of the Great Lakes region). In total, each peer group contained Cleveland and twenty additional peer regions.

For descriptive purposes, the two peer groups are referred to as the “population peers” and “geographic peers.”

The first step in analyzing the state of Cleveland’s African American community involved two index-based assessments. An analysis of Cleveland’s African American community was conducted based on multiple indicators, ranked relative to African American populations in other regions. This analysis utilized nineteen indicators measuring wealth, mobility, housing, family, children and youth, employment opportunity and education for the African American community. The second analysis focused on measuring the extent of African American-White racial inequity between Cleveland and its peer regions. A similar index of racial equity was prepared using 25 indicators grouped in the same categories listed above. A detailed description of both sets of indicators used for the analysis is provided at the end of this chapter.

- Performance Index

To understand how Cleveland’s African American community compared to other regions, our analysis compared nineteen indicators of wealth, mobility, housing, family, children and youth, employment and education to all 21 peer regions in the analysis. Out of 21 population peer regions, Cleveland’s African American community ranked 15th based on these indicators (with 1 being the best ranked region and 21 being the worst ranking region). Washington D.C. ranked first in this index and Milwaukee ranked last. Among the geographic peers, Cleveland also ranked 15th (out of 21) based on these indicators of African American well being (**See Table 5**). Based on these indicators, Cleveland performed well based on indicators of economic opportunity, but performed poorly based on indicators of family, children and youth, housing and wealth.

- Racial Equity Index

Among its 21 population peers, the Cleveland metropolitan area ranks 14th in respect to regional equity between African Americans and Whites (**See Table 6**). (For this ranking, 1 has the least racial disparity and 21 has the highest racial disparity.) The Atlanta region has the lowest level of racial disparity, while Milwaukee has the highest level of racial disparity. The best ranking Midwestern regions were Indianapolis (5th lowest racial disparity) and Columbus (6th lowest racial disparity).

Among regions with similar geographic characteristics, Cleveland performs better with respect to racial disparity. The Cleveland region ranks 10th among its 21 geographic peers based on the racial equity index (**See Table 6**). The Nassau-Suffolk region had the lowest level of racial inequity in this peer group, with Milwaukee ranking worst. The nearby Akron region had the 4th lowest level of racial disparity among the 21 geographic peer regions. It should be noted that with respect to racial disparity, Cleveland performed better than many of the largest regions in the Midwest, including Milwaukee, Chicago, Buffalo, Minneapolis, St. Louis and Cincinnati.

The Cleveland metropolitan area’s strongest indicator category, in terms of racial parity between national and geographic peer regions, is the Employment and

Economic Opportunity indicator. Among the 21 population peer regions, Cleveland had the 4th lowest racial disparity with respect to indicators of Employment and Economic Opportunity. Of the 21 geographic peer regions evaluated, Cleveland ranks 2nd in this category. Cleveland also performed well, in respect to racial disparity, based on indicators of mobility and wealth among both population and geographic peers (See Tables 7).

Cleveland's racial disparity ranks highest along several indicator categories. Among its population peer group, the Cleveland region had some of the highest levels of racial disparity in the following categories: Neighborhood Conditions (17th worst racial disparity), Education (16th worst racial disparity) and Family, Children and Youth (16th worst racial disparity). Similar rankings occurred based on these indicators for Cleveland and its geographic peers (See Table 7).

3. Implications for Regionalism and Regional Equity

The distress created by Northeast Ohio's regional dynamics and recent economic instability may ironically create the potential for positive regional policy interventions that set the stage for new growth. Many inner-ring suburban communities are beginning to experience the disadvantages of opportunity isolation, normally associated with the central city, creating the possibility for more cooperation between city and suburbs.¹⁴ These challenges for older suburban communities will not diminish; sprawl continues to move resources away from established communities, creating a realization of the region's linked fates. Also, the region's recent economic distress may provide a rallying point for promoting regional responses that could address the contributing inequities and imbalanced investment that negatively affect the economic health of the region. Recent research suggests that widespread inequity depresses the development potential for entire regions, especially in today's pronounced knowledge-based economy.¹⁵

Chapter 3: Tables, Maps and Figures


Population Peer Group			Geographic Peer Group	
Metropolitan Area	Rank		Metropolitan Area	Rank
Atlanta, GA MSA	1	Best Conditions  Worst Conditions	Minneapolis-St. Paul, MN-WI MSA	1
Washington, DC-MD-VA-WV PMSA	2		Columbus, OH MSA	2
Oakland, CA PMSA	3		Nassau-Suffolk, NY PMSA	3
Dallas, TX PMSA	4		Indianapolis, IN MSA	4
Columbus, OH MSA	5		Grand Rapids-Muskegon-Holland, MI MSA	5
Jacksonville, FL MSA	6		Chicago, IL PMSA	6
Houston, TX PMSA	7		Cincinnati, OH-KY-IN PMSA	7
Indianapolis, IN MSA	8		Akron, OH PMSA	8
Baltimore, MD PMSA	9		Philadelphia, PA-NJ PMSA	9
Chicago, IL PMSA	10		Milwaukee-Waukesha, WI PMSA	10
Cincinnati, OH-KY-IN PMSA	11		St. Louis, MO-IL MSA	11
Philadelphia, PA-NJ PMSA	12		Rochester, NY MSA	12
Milwaukee-Waukesha, WI PMSA	13		Detroit, MI PMSA	13
St. Louis, MO-IL MSA	14		New York, NY PMSA	14
Los Angeles-Long Beach, CA PMSA	15		Gary, IN PMSA	15
Detroit, MI PMSA	16		Pittsburgh, PA MSA	16
Pittsburgh, PA MSA	17		Toledo, OH MSA	17
Memphis, TN-AR-MS MSA	18		Cleveland-Lorain-Elyria, OH PMSA	18
New York, NY PMSA	19		Dayton-Springfield, OH MSA	19
Cleveland-Lorain-Elyria, OH PMSA	20		Buffalo-Niagara Falls, NY MSA	20
New Orleans, LA MSA	21		Flint, MI PMSA	21

Table 1: Rank of the Cleveland region in comparison to both national (based on population characteristics) and geographic peer regions, based on overall regional economic health and growth. Ranking calculated from an 8 indicator index measuring various economic, population and socio-economic conditions for the Cleveland metropolitan region.

**Non High Poverty Schools
(Less than 60% of Students Economically Disadvantaged)**

Designation	Total	Percentage
Academic Emergency	17	2.2%
Academic Watch	30	3.8%
Continuous Improvement	168	21.3%
Effective	265	33.7%
Excellent	307	39.0%
Grand Total	787	

**High Poverty Schools
(More than 60% of Students Economically Disadvantaged)**

Designation	Total	Percentage
Academic Emergency	163	37.7%
Academic Watch	69	16.0%
Continuous Improvement	176	40.7%
Effective	19	4.4%
Excellent	5	1.2%
Grand Total	432	

**Extreme High Poverty Schools
(More than 80% of Students Economically Disadvantaged)**

Designation	Total	Percentage
Academic Emergency	132	42.7%
Academic Watch	34	11.0%
Continuous Improvement	124	40.1%
Effective	15	4.9%
Excellent	4	1.3%
Grand Total	309	

Table 2: School designations by poverty status in the 2004-2005 school year for schools in Cuyahoga, Franklin, Hamilton, Lucas, Montgomery and Summit Counties. Findings based on analysis of Ohio Department of Education data for individual schools in the 2004-2005 school year. Adapted from “Economic Segregation: Challenging Ohio Schools,” produced by the Kirwan Institute (November 2005).

Cleveland Neighborhoods by Opportunity Index Level	White Population	African American Population	Latino Population
Very Low Opportunity	45,815	89,891	6,676
Low Opportunity	135,140	57,775	8,823
Moderate Opportunity	218,932	21,737	3,461
High Opportunity	232,524	8,382	1,912
Very High Opportunity	261,065	6,999	2,057
Cleveland Neighborhoods by Opportunity Index Level	% of White Population	% of African Am. Population	% of Latino Population
Very Low Opportunity	5.1%	48.6%	29.9%
Low Opportunity	15.1%	31.3%	39.6%
Moderate Opportunity	24.5%	11.8%	15.5%
High Opportunity	26.0%	4.5%	8.6%
Very High Opportunity	29.2%	3.8%	9.2%
Cleveland Neighborhoods by Opportunity Index Level	White Population	African American Population	Latino Population
Very Low or Low Opportunity	180,955	147,666	15,499
Moderate Opportunity	218,932	21,737	3,461
High or Very High Opportunity	493,589	15,381	3,969
Cleveland Neighborhoods by Opportunity Index Level	% of White Population	% of African Am. Population	% of Latino Population
Very Low or Low Opportunity	20.3%	79.9%	69.5%
Moderate Opportunity	24.5%	11.8%	15.5%
High or Very High Opportunity	55.2%	8.3%	17.8%

Table 3: Distribution of population by race within Cleveland’s very low, low, moderate, high and very high opportunity neighborhoods in 2000. Figures represent number of households by race and proportion of households by race within each neighborhood type.

Cleveland Neighborhoods by Opportunity Index Level	Low Income Whites	Moderate Income Whites	High Income Whites
Very Low Opportunity	24,406	14,445	6,964
Low Opportunity	58,507	48,820	27,813
Moderate Opportunity	74,218	81,196	63,518
High Opportunity	59,895	82,118	90,511
Very High Opportunity	48,222	73,462	139,381
Cleveland Neighborhoods by Opportunity Index Level	Low Income African Americans	Moderate Income African Americans	High Income African Americans
Very Low Opportunity	60,885	20,304	8,702
Low Opportunity	28,014	18,975	10,786
Moderate Opportunity	8,443	7,297	5,997
High Opportunity	2,580	2,762	3,040
Very High Opportunity	1,955	2,075	2,969

Table 4: Distribution of population by race and income within Cleveland’s very low, low, moderate, high and very high opportunity neighborhoods in 2000. Figures represent number of households by race and income group within each neighborhood type. Low income households defined as earning less than \$30K; moderate income households defined as earning \$30K to \$60K; and high income households defined as earning more than \$60K.

Population Peer Group		Best Conditions ↑ ↓ Worst Conditions	Geographic Peer Group	
Metropolitan Area	Rank		Metropolitan Area	Rank
Washington, DC-MD-VA-WV PMSA	1		Philadelphia, PA-NJ PMSA	1
Philadelphia, PA-NJ PMSA	2		Akron, OH PMSA	2
Baltimore, MD PMSA	3		Columbus, OH MSA	3
Columbus, OH MSA	4		Indianapolis, IN MSA	4
Memphis, TN-AR-MS MSA	5		Dayton-Springfield, OH MSA	5
Jacksonville, FL MSA	6		Nassau-Suffolk, NY PMSA	6
Indianapolis, IN MSA	7		Toledo, OH MSA	7
Atlanta, GA MSA	8		Grand Rapids-Muskegon-Holland, MI MSA	8
Dallas, TX PMSA	9		Flint, MI PMSA	9
Houston, TX PMSA	10		Cincinnati, OH-KY-IN PMSA	10
Cincinnati, OH-KY-IN PMSA	11		Gary, IN PMSA	11
Detroit, MI PMSA	12		Detroit, MI PMSA	12
Los Angeles-Long Beach, CA PMSA	13		Rochester, NY MSA	13
St. Louis, MO-IL MSA	14		St. Louis, MO-IL MSA	14
Cleveland-Lorain-Elyria, OH PMSA	15		Cleveland-Lorain-Elyria, OH PMSA	15
Pittsburgh, PA MSA	16		Pittsburgh, PA MSA	16
Chicago, IL PMSA	17		Minneapolis-St. Paul, MN-WI MSA	17
New Orleans, LA MSA	18		Chicago, IL PMSA	18
Oakland, CA PMSA	19		Buffalo-Niagara Falls, NY MSA	19
New York, NY PMSA	20		New York, NY PMSA	20
Milwaukee-Waukesha, WI PMSA	21		Milwaukee-Waukesha, WI PMSA	21

Table 5: Rank of the Cleveland region in comparison to both national (based on population characteristics) and geographic peer regions, based on overall condition of the African American community. Ranking calculated from a 19 indicator index measuring various conditions within the African American community in each region.

Population Peer Group		Least Disparity ↑ ↓ Most Disparity	Geographic Peer Group	
Metropolitan Area	Rank		Metropolitan Area	Rank
Atlanta, GA MSA	1		Nassau-Suffolk, NY PMSA	1
Jacksonville, FL MSA	2		New York, NY PMSA	2
Los Angeles-Long Beach, CA PMSA	3		Indianapolis, IN MSA	3
New York, NY PMSA	4		Akron, OH PMSA	4
Indianapolis, IN MSA	5		Columbus, OH MSA	5
Columbus, OH MSA	6		Dayton-Springfield, OH MSA	6
Memphis, TN-AR-MS MSA	7		Toledo, OH MSA	7
Washington, DC-MD-VA-WV PMSA	8		Pittsburgh, PA MSA	8
New Orleans, LA MSA	9		Detroit, MI PMSA	9
Pittsburgh, PA MSA	10		Cleveland-Lorain-Elyria, OH PMSA	10
Houston, TX PMSA	11		Flint, MI PMSA	11
Detroit, MI PMSA	12		Cincinnati, OH-KY-IN PMSA	12
Baltimore, MD PMSA	13		Gary, IN PMSA	13
Cleveland-Lorain-Elyria, OH PMSA	14		St. Louis, MO-IL MSA	14
Cincinnati, OH-KY-IN PMSA	15		Rochester, NY MSA	15
Oakland, CA PMSA	16		Grand Rapids-Muskegon-Holland, MI MSA	16
Dallas, TX PMSA	17		Philadelphia, PA-NJ PMSA	17
St. Louis, MO-IL MSA	18		Minneapolis-St. Paul, MN-WI MSA	18
Philadelphia, PA-NJ PMSA	19		Buffalo-Niagara Falls, NY MSA	19
Chicago, IL PMSA	20		Chicago, IL PMSA	20
Milwaukee-Waukesha, WI PMSA	21		Milwaukee-Waukesha, WI PMSA	21

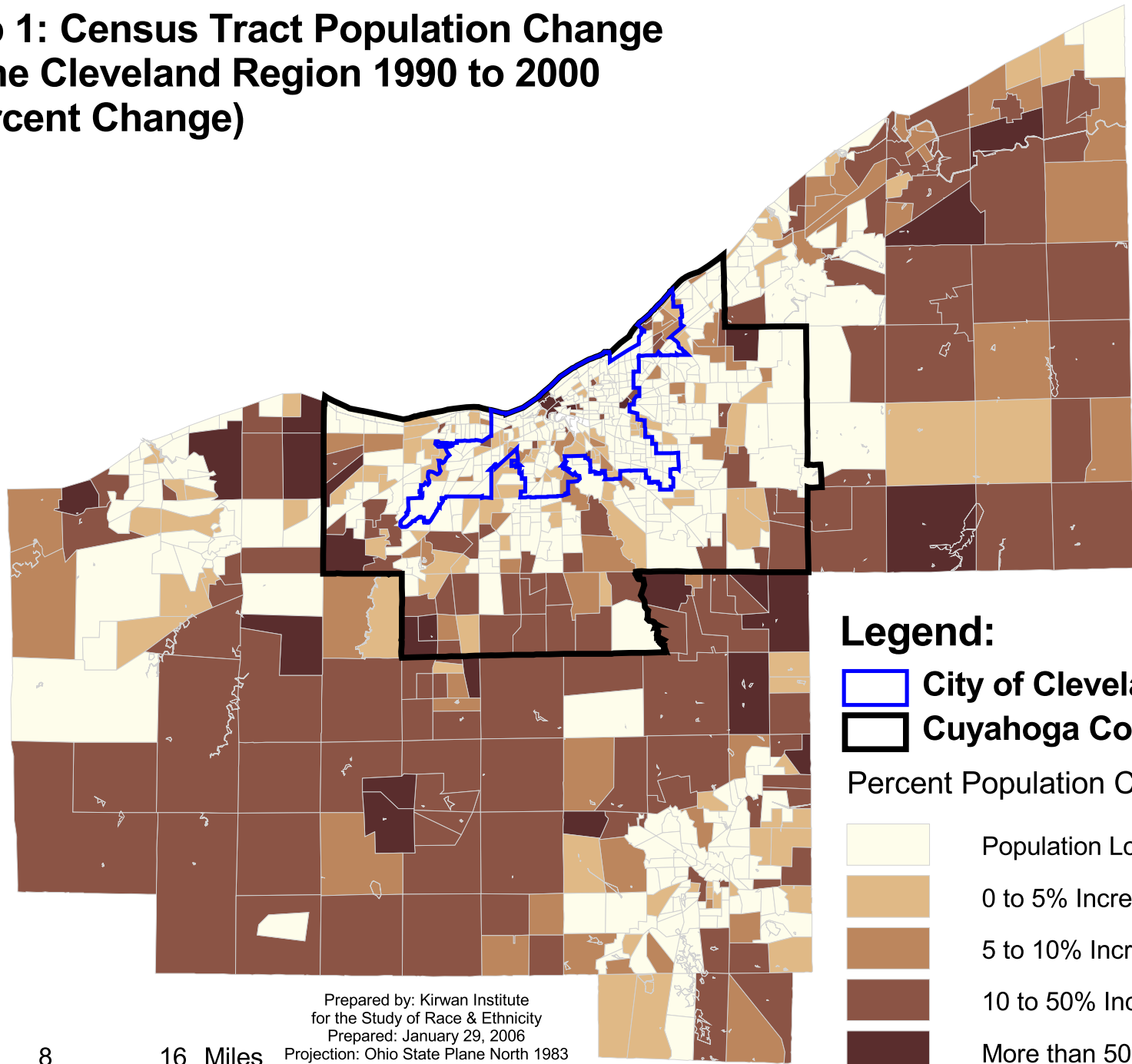
Table 6: Rank of the Cleveland region in comparison to both national (based on population characteristics) and geographic peer regions, based on racial disparity between the African American and White community. Ranking calculated from a 25 indicator index measuring various conditions within the African American community in each region.

Cleveland African American Performance Index Ranking Snapshot (Rank out of 21 Metropolitan Regions, 1 is best performance, 21 is worst performance)				
	Employment & Economic	Education	Mobility	Family-Child-Youth
Cleveland-Lorain-Elyria, OH PMSA	4 / (2)	13 / (12)	6 / (13)	15 / (13)
	Housing	Neighborhood	Wealth	Performance Index Score
	16 / (15)	8 / (6)	20 / (18)	13 / (14)
Note: Ranking in each category is based on twenty-one (21) metropolitan areas, where a rank of one (1) is the highest and thirty-two (21) is the lowest ranked. Rank shown in parenthesis () are for Geographic Peers.				

Cleveland Regional Equity Index Ranking Snapshot (Rank out of 21 Metropolitan Regions, 1 is least disparity, 21 is greatest disparity)				
	Employment & Economic	Education	Mobility	Family-Child-Youth
Cleveland-Lorain-Elyria, OH PMSA	4 / (2)	16 / (14)	5 / (6)	16 / (14)
	Housing	Neighborhood	Wealth	Regional Disparity Score
	14 / (12)	17 / (15)	8 / (13)	14 / (10)
Note: Ranking in each category is based on twenty-one (21) metropolitan areas, where a rank of one (1) is the highest and thirty-two (21) is the lowest ranked. Ranks in parenthesis () are for geographic peers.				

Table 7: Rank of the Cleveland region in comparison to both national (based on population characteristics) and geographic peer regions, based on indicator sub-categories based on African American performance index and racial disparity between the African American and White community. Please see Appendix B for more information regarding indicators for each sub-category.






Map 1: Census Tract Population Change in the Cleveland Region 1990 to 2000 (Percent Change)



Legend:

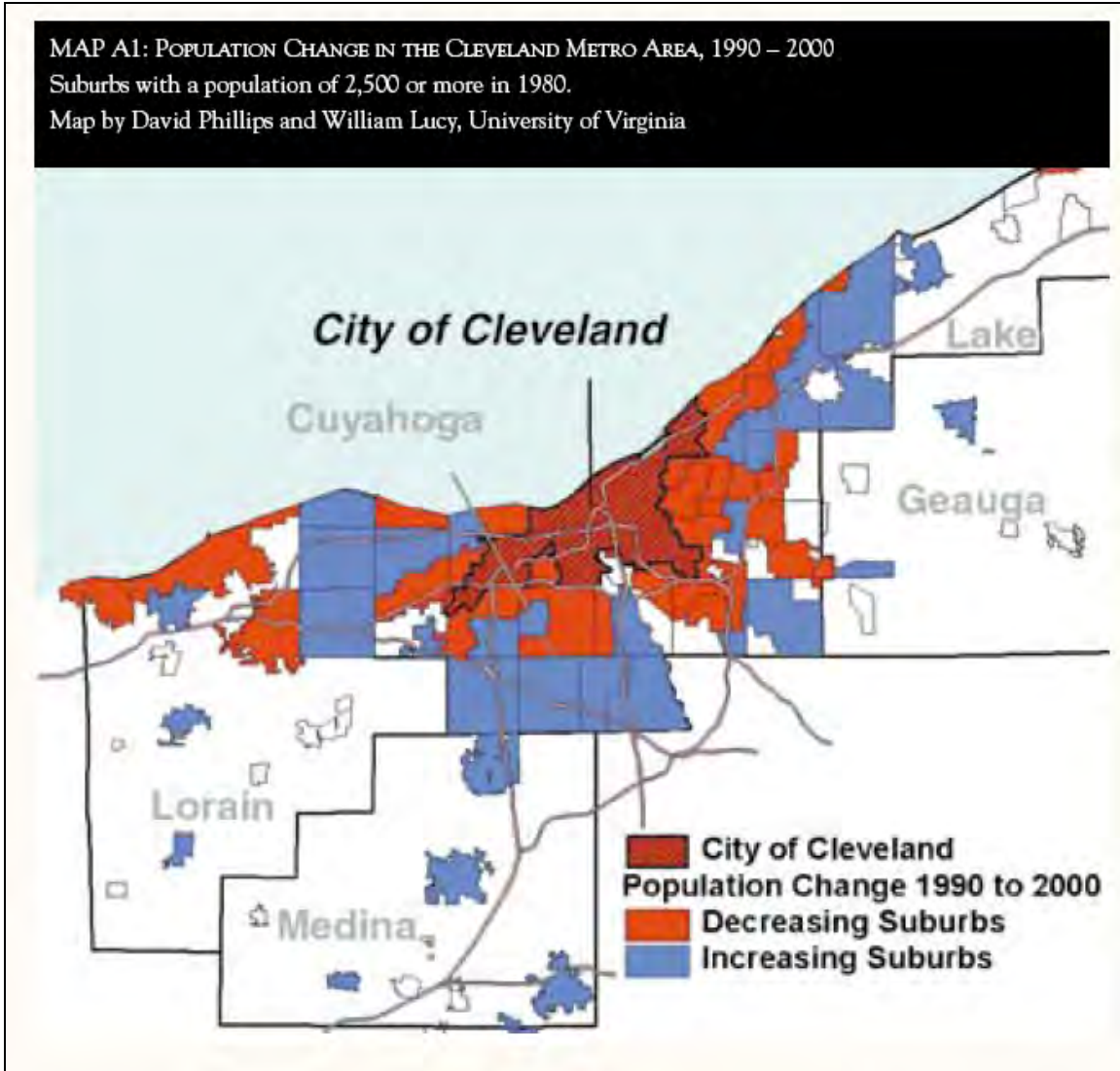
-  City of Cleveland Boundary
-  Cuyahoga County Boundary

Percent Population Change

-  Population Loss
-  0 to 5% Increase
-  5 to 10% Increase
-  10 to 50% Increase
-  More than 50% Increase

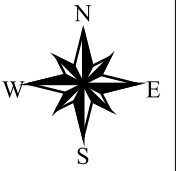


Prepared by: Kirwan Institute
 for the Study of Race & Ethnicity
 Prepared: January 29, 2006
 Projection: Ohio State Plane North 1983
 Sources of Data: U.S. Census Bureau,
 Geolytics Census CD









Map 2: Population growth trends, 1990-2000, in Cleveland’s suburban communities. Map from “Valuing America’s First Suburbs: A Policy Agenda for Older Suburbs in the Midwest” (The Brookings Institute Center on Urban and Metropolitan Policy).

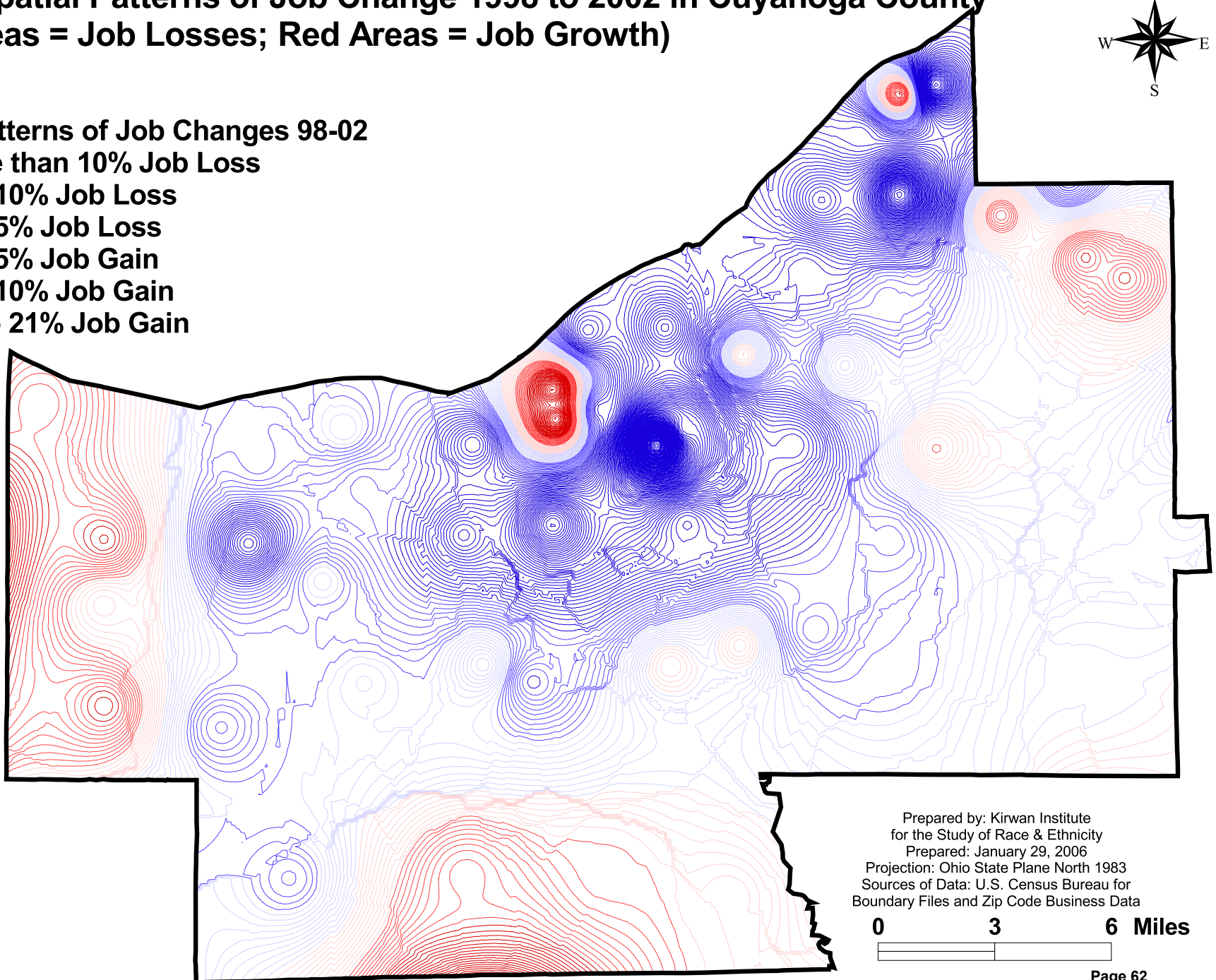
Map 3: Spatial Patterns of Job Change 1998 to 2002 in Cuyahoga County (Blue Areas = Job Losses; Red Areas = Job Growth)



Legend:

Spatial Patterns of Job Changes 98-02

-  More than 10% Job Loss
-  5 to 10% Job Loss
-  0 to 5% Job Loss
-  0 to 5% Job Gain
-  5 to 10% Job Gain
-  10 to 21% Job Gain



Prepared by: Kirwan Institute
for the Study of Race & Ethnicity
Prepared: January 29, 2006
Projection: Ohio State Plane North 1983
Sources of Data: U.S. Census Bureau for
Boundary Files and Zip Code Business Data

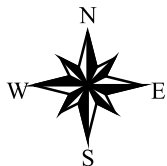
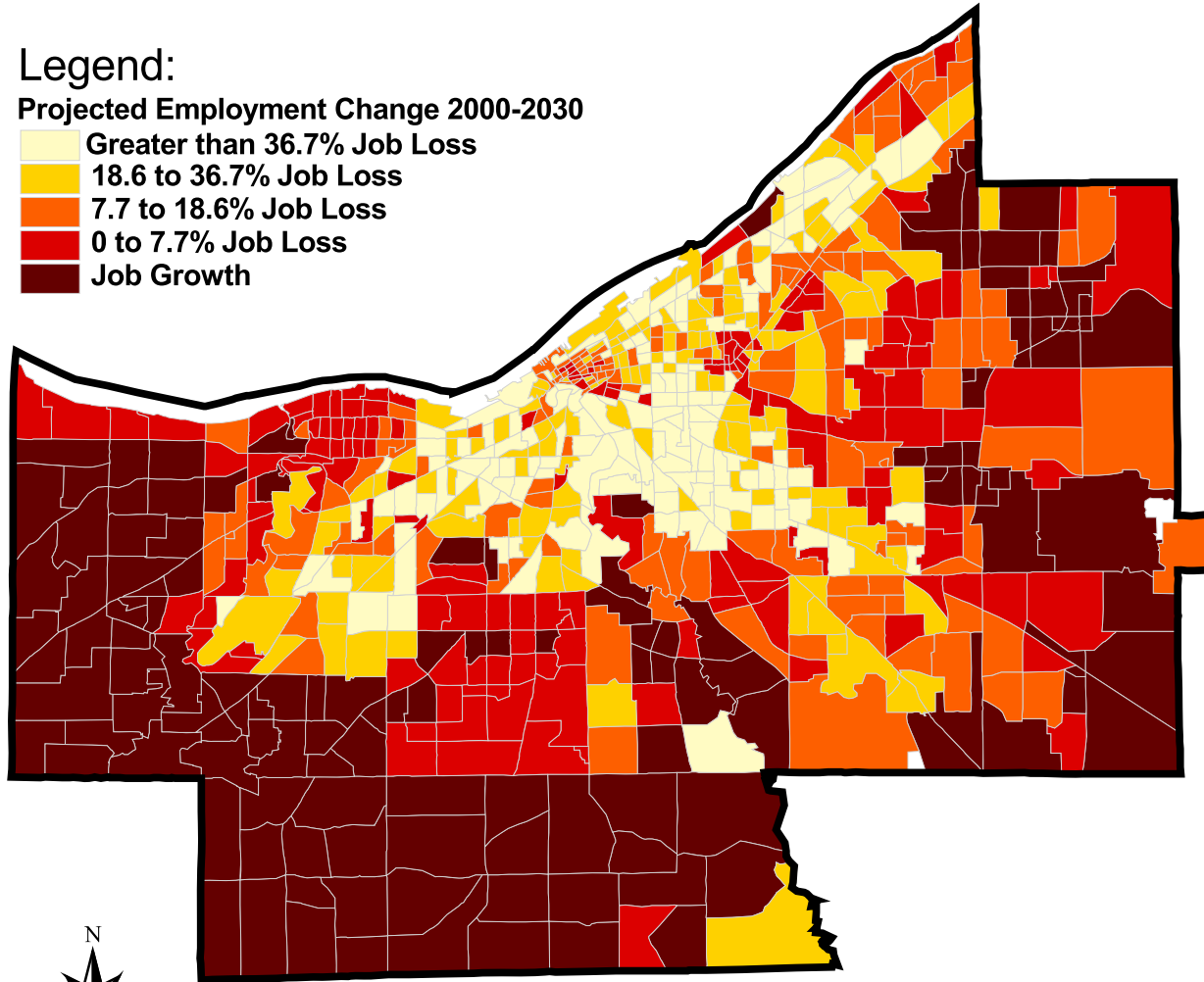


Map 4: Projected Job Change (%) by Traffic Analysis Zone 2000 to 2030 in Cuyahoga County

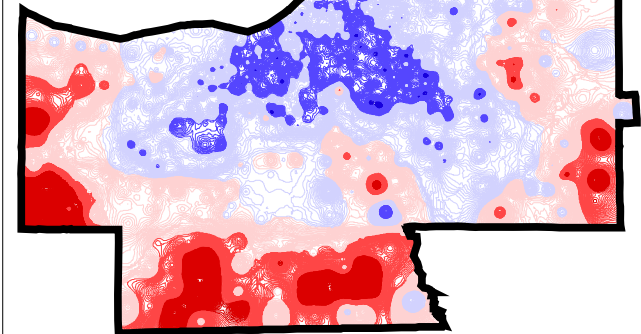
Legend:

Projected Employment Change 2000-2030

- Greater than 36.7% Job Loss
- 18.6 to 36.7% Job Loss
- 7.7 to 18.6% Job Loss
- 0 to 7.7% Job Loss
- Job Growth



Spatial Patterns of Projected Job Change
(Blue Areas = Job Loss;
Red Areas = Job Gain)

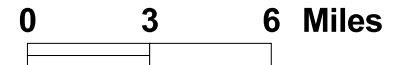


Legend:

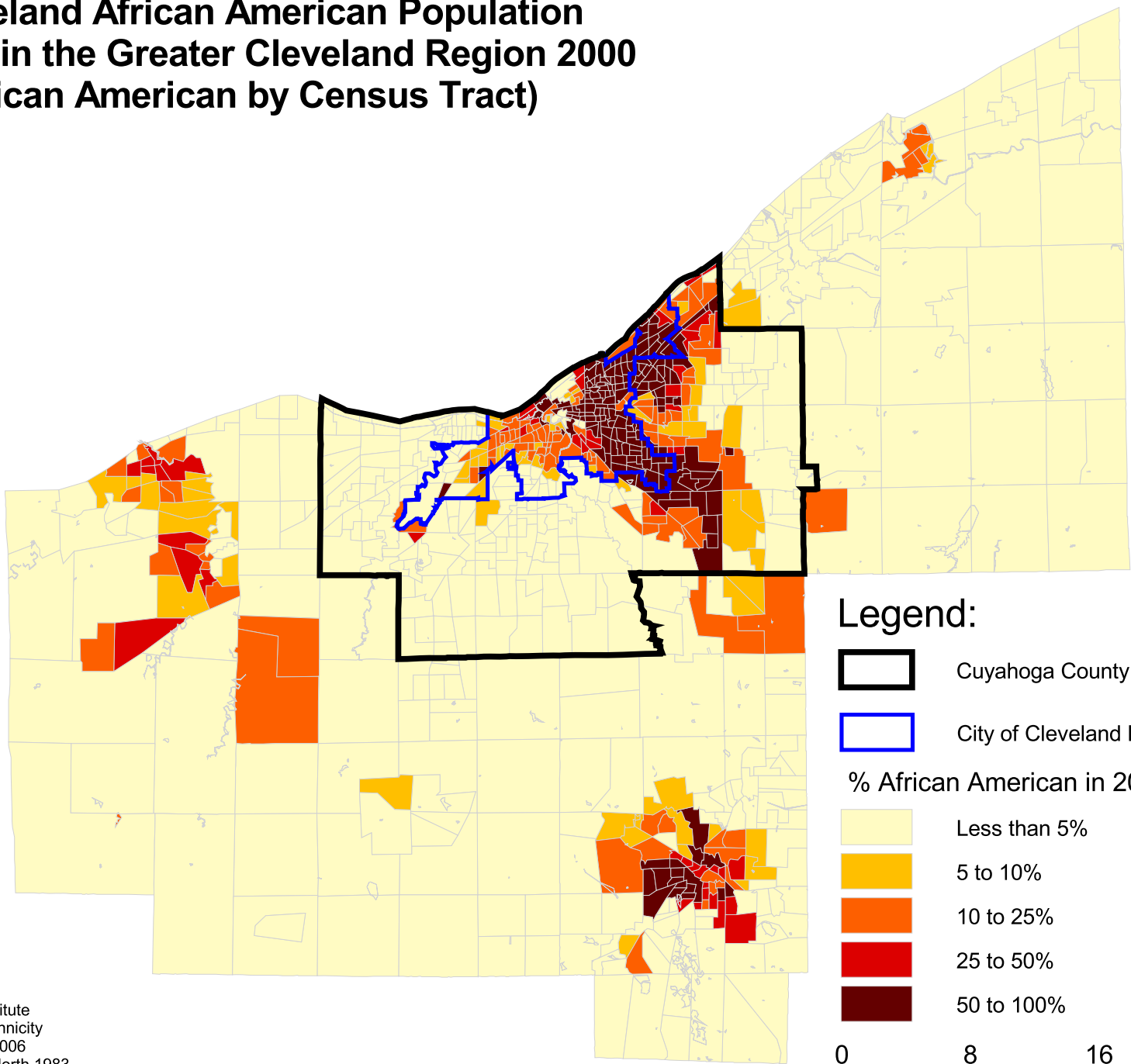
Projected Job Change Trends 2000-2030

- 60 to 84% Job Loss
- 30 to 60% Job Loss
- 0 to 30% Job Loss
- 0 to 30% Job Growth
- 30 to 60% Job Growth
- Greater than 60% Job Growth


Prepared by: Kirwan Institute
for the Study of Race & Ethnicity
Prepared: January 29, 2006
Projection: Ohio State Plane North 1983
Sources of Data: U.S. Census Bureau for
Boundary Files and Job Projection Data from
Metropolitan Planning Organization;



Map 5: Cleveland African American Population Distribution in the Greater Cleveland Region 2000 (Percent African American by Census Tract)




Legend:

 Cuyahoga County Boundary

 City of Cleveland Boundary


% African American in 2000

 Less than 5%

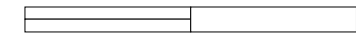
 5 to 10%

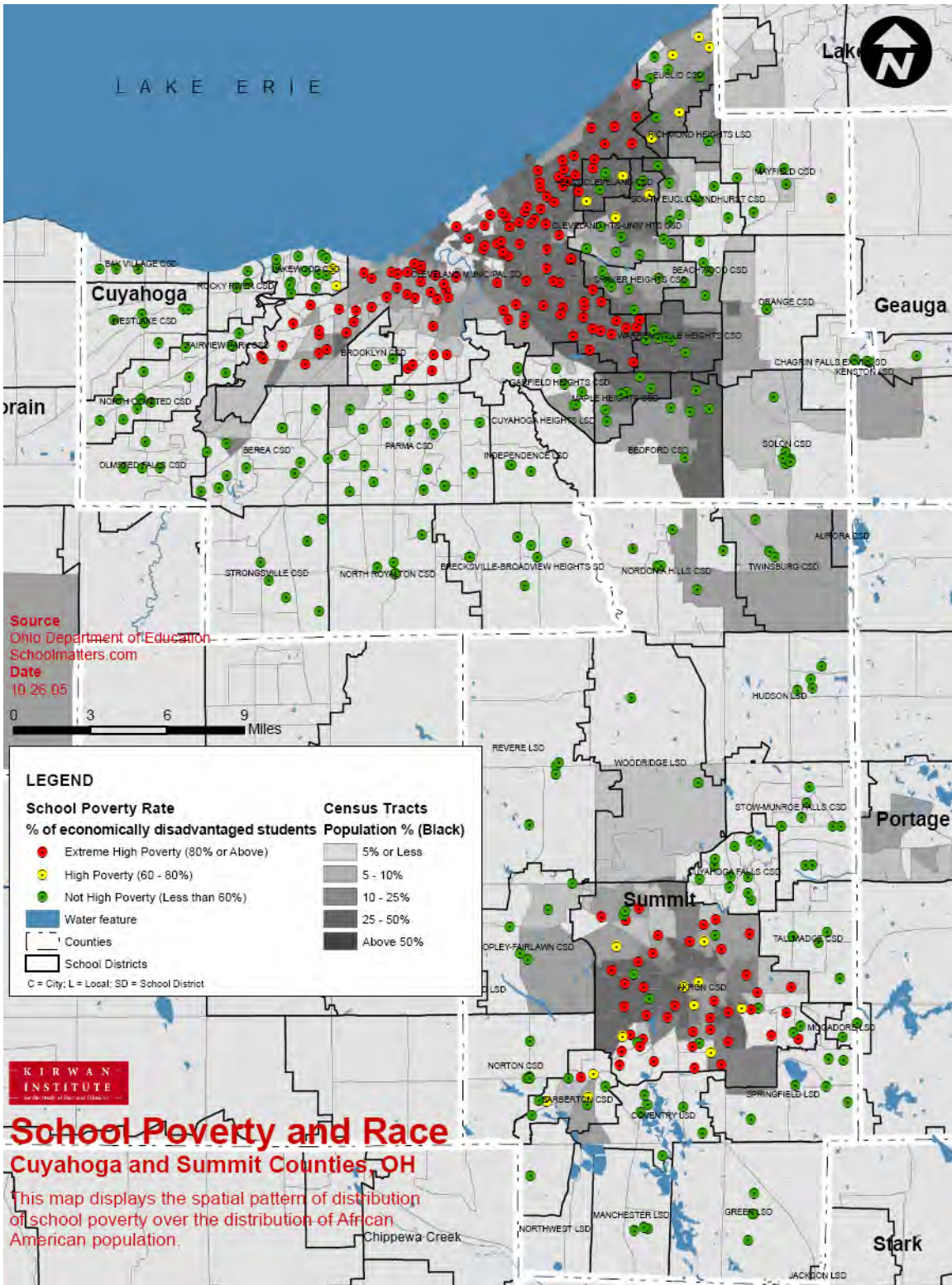
 10 to 25%

 25 to 50%

 50 to 100%

0 8 16 Miles






Map 6: Residential segregation and school poverty in Cuyahoga and Summit Counties, OH.


Map 7: Neighborhoods Opportunity Analysis Greater Cleveland Region (Neighborhoods Ranked by Opportunity Index)

Legend


 County Boundaries

Neighborhood Conditions

Neighborhood Opportunity Index

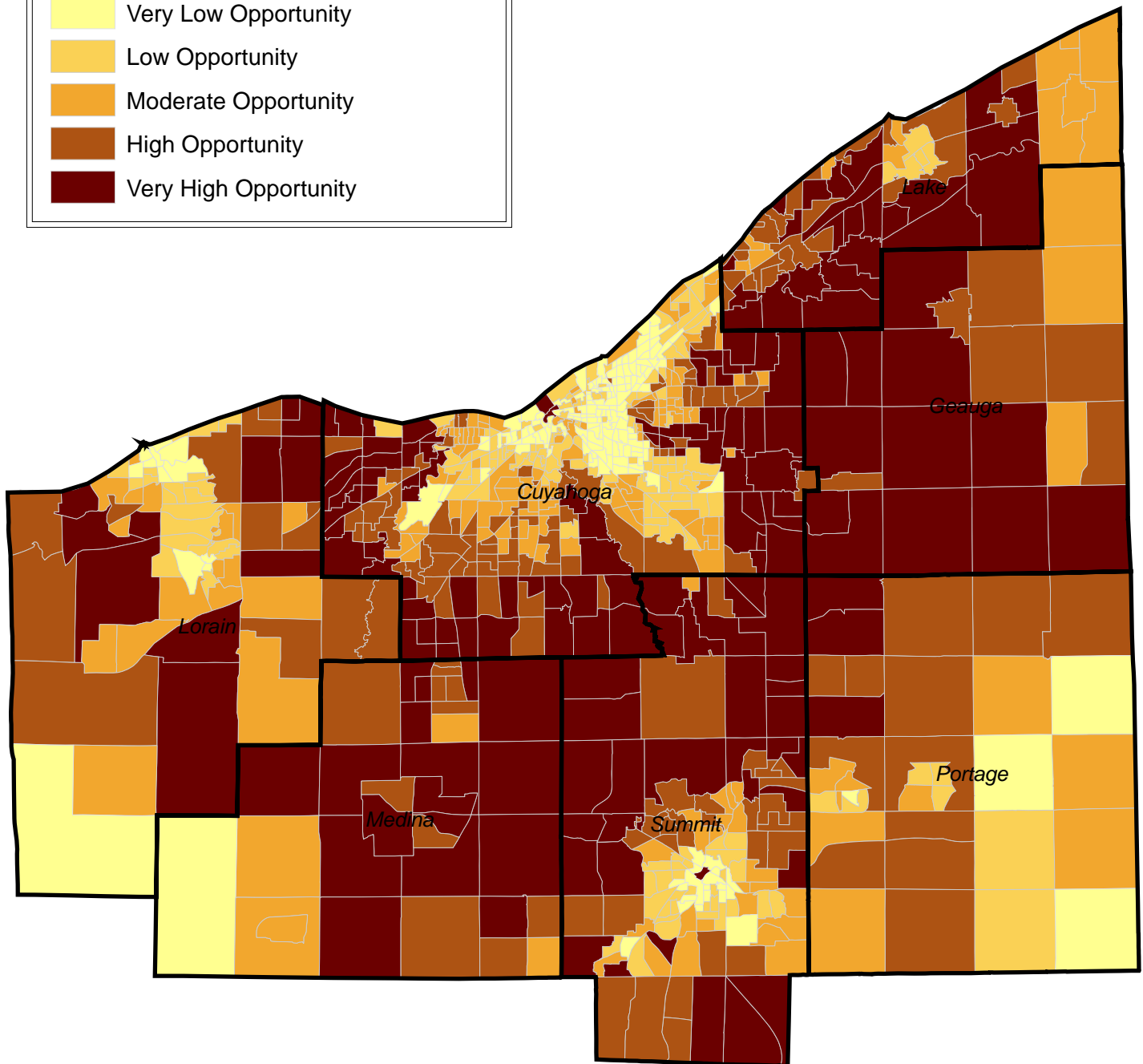
 Very Low Opportunity

 Low Opportunity

 Moderate Opportunity

 High Opportunity

 Very High Opportunity



Map 8: Neighborhoods Opportunity Analysis Greater Cleveland Region and Distribution of African American Households (Neighborhoods Ranked by Opportunity Index)

Legend

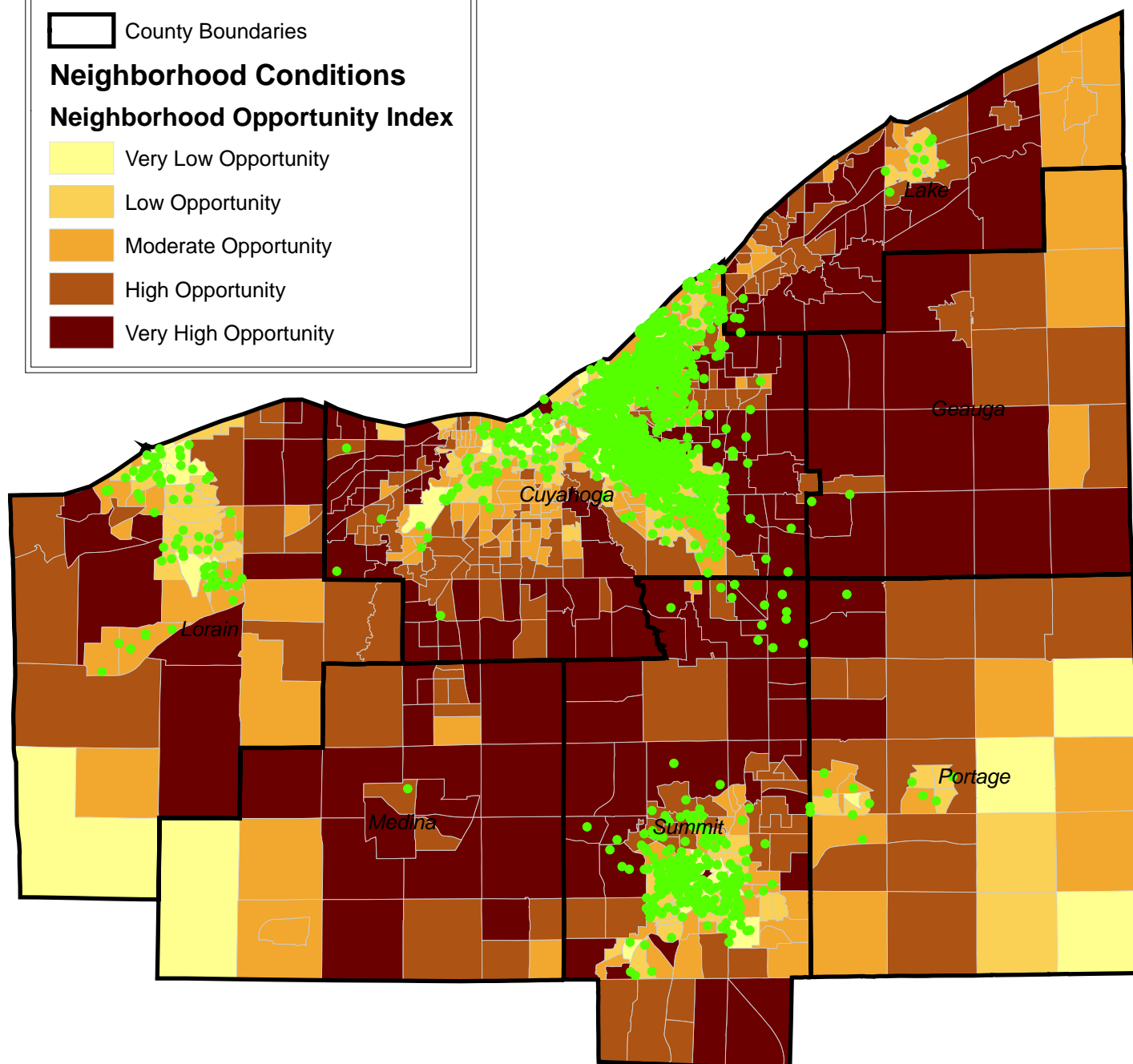
- 1 Dot = 100
- African American Households

▭ County Boundaries

Neighborhood Conditions

Neighborhood Opportunity Index

- Very Low Opportunity
- Low Opportunity
- Moderate Opportunity
- High Opportunity
- Very High Opportunity



Map 9: Neighborhoods Opportunity Analysis Greater Cleveland Region and Distribution of High Income African American Households (Households earning more than \$60K in 2000) (Neighborhoods Ranked by Opportunity Index)

Legend

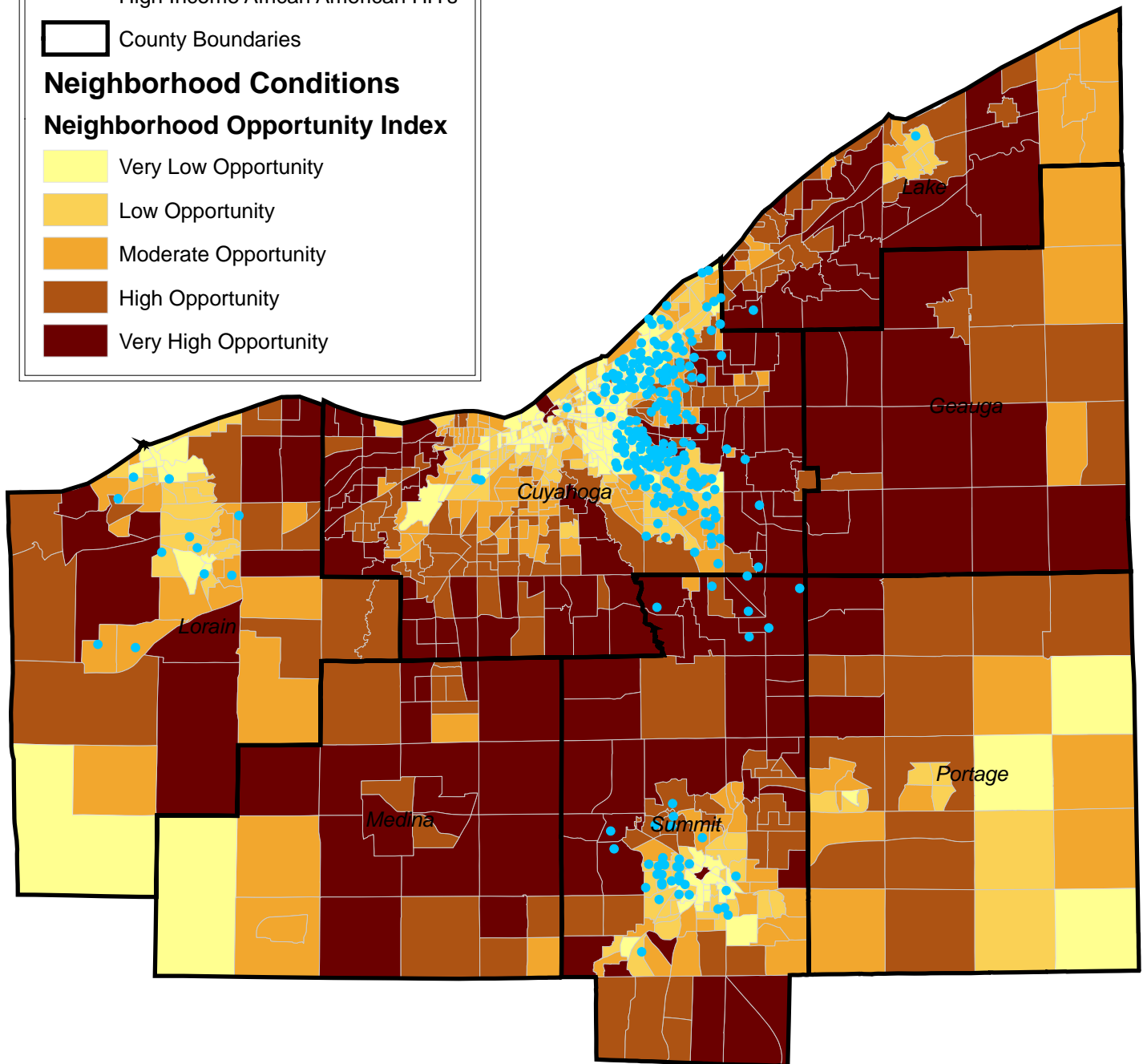
- • 1 Dot = 100
- High Income African American HH's

▭ County Boundaries

Neighborhood Conditions

Neighborhood Opportunity Index

- Very Low Opportunity
- Low Opportunity
- Moderate Opportunity
- High Opportunity
- Very High Opportunity



Chapter 3: Notes on Indices

OPPORTUNITY MAPPING INDICATOR DESCRIPTIONS

The opportunity mapping of the Cleveland-Akron, OH metropolitan areas examines the spatial patterns and distribution of educational, employment, household and housing characteristics as part of a comprehensive opportunity analysis. The spatial arrangement of opportunity is assessed comprehensively to model the dynamic nature of opportunity. The indicators used to develop an opportunity map are classified as follows: Neighborhood indicators, Economic indicators, and Educational indicators. The opportunity map is an extremely useful tool for displaying the characteristics of opportunity, distributed within the context of the region's neighborhoods, municipalities and other relevant divisions.

Neighborhoods (5)

- i. (+) **Population Change (1990-2000)**
- ii. (+) **Home Values 2000**
- iii. (-) **Housing Unit Vacancy**
- iv. (+) **Owner Occupancy Rates**
- v. (-) **Per Capita Access to Healthcare Professionals**

Regional-Neighborhood Economy (3)

- vi. (+) **Regional Net Change in Employment**
- vii. (+) **Proximity to Employment**
- viii. (-) **Per Capita Poverty**

Education (4)

- ix. (-) **Student Poverty**
 - x. (+) **Elementary Reading Achievement**
 - xi. (+) **Elementary Math Achievement**
 - xii. (+) **Collegiate Achievement**
-

AFRICAN AMERICAN REGIONAL PERFORMANCE INDEX

The African American Regional Performance Index examines several of the housing, economic, social and education conditions of Blacks at the metropolitan level. The performance index is calculated along the following indicators: Education, Household Economic dynamics, Regional Employment & Economic characteristics, Family, Children & Youth, Neighborhood conditions, Wealth characteristics, Mobility and Housing conditions. A total of 21 variables are used to identify the relative position of the thirty-two regions in the U.S. that contains a significant portion of African Americans. The results were compared between regions, based on categorical and overall performance. The findings highlight the relationships, direction and depth of racial disparity within metropolitan areas along the above indicators.

Neighborhoods (2)

- i. (-) **Neighborhood Poverty**
- ii. (-) **Neighborhood Vacancy**

Wealth (1)

- i. (-) **Access to Home Equity**

Mobility (2)

- iii. (-) **Journey to Work**
- iv. (+) **Private Transportation**

Housing (5)

- i. (+) **Homeownership Rate**
- ii. (-) **Percent Below Qualifying Income**
- iii. (+) **Housing Affordability Index**
- iv. (-) **Owner Housing Cost Burden**
- v. (-) **Renter Housing Cost Burden**

Family, Children and Youth (3)

- i. (-) **Childhood Poverty**
- ii. (-) **Family Poverty**
- iii. (-) **Teenage Isolation**

Employment & Metropolitan Economy (6)

- i. (+) **Labor Force Participation**
- ii. (-) **MBE Economic Health**
- iii. (+) **MBE Economic Health**
- iv. (-) **Working Age Unemployment**
- v. (+) **Professional-Managerial Presence**
- vi. (-) **Per Capita Poverty**

Education (2)

- i. (+) **Collegiate Achievement**
 - ii. (+) **High School Graduation**
-

REGIONAL EQUITY INDEX MEASUREMENT-INDICATOR DESCRIPTIONS

The Regional Equity Index examines the dynamics of regional disparity between Blacks and Whites as it relates to housing, economic, social and education conditions at the metropolitan level. The regional disparity between the two groups was calculated along the following categories: Education, Household Economic dynamics, Regional Employment & Economic characteristics, Family, Children & Youth, Neighborhood conditions, Wealth characteristics, Mobility and Housing conditions. A total of 25 variables were used to position each of the thirty-two regions containing a significant portion of African Americans in terms of disparity levels.

Wealth (2)

- ii. (+) **Distribution of Home Equity**
- iii. (-) **Access to Home Equity**

Neighborhoods (2)

- i. (-) **Neighborhood Poverty**
- ii. (-) **Abandonment and Vacancy**

Mobility (2)

- v. (-) **Journey to Work**
- vi. (+) **Private Transportation**

Housing (5)

- i. (+) **Homeownership Rate**
- ii. (-) **Percent Below Qualifying Income for Median Home Value**
- iii. (+) **Housing Affordability Index**
- iv. (-) **Owner Housing Cost Burden**
- v. (-) **Renter Housing Cost Burden**

Family, Children and Youth (3)

- i. (-) **Childhood Poverty**
- ii. (-) **Family Poverty**
- iii. (-) **Teenage Isolation**

Employment & Metropolitan Economy (7)

- i. (+) **Labor Force Participation**
- ii. (-) **MBE Economic Health**
- iii. (+) **MBE Economic Health**
- iv. (-) **Working Age Unemployment**
- v. (+) **Median Household Income**
- vi. (+) **Professional-Managerial Presence**
- vii. (-) **Per Capita Poverty**

Education (4)

- iii. (+) **Collegiate Achievement**
 - iv. (+) **High School Graduation**
 - v. (-) **School Poverty**
 - vi. (-) **Student-Teacher Ratio**
-

Chapter 3: References and End Notes

¹ See “Profile of Greater Cleveland and Northeast Ohio”, prepared by the Ruth Ratner Miller Center for Greater Cleveland’s Future, Maxine Goodman Levin College of Urban Affairs, Cleveland State University, June 2004; 2000 Census, SF3

² Source: Ohio Department of Jobs and Family Services.

³ Source: Ohio Office of Labor Market Information, CES Data for Ohio and Metropolitan Areas

⁴ William Frey. METROPOLITAN AMERICA IN THE NEW CENTURY: METROPOLITAN AND CENTRAL CITY DEMOGRAPHIC SHIFTS SINCE 2000. (2005) The Brookings Institute. Available on-line at: http://www.brookings.edu/metro/pubs/20050906_MetroAmerica.htm

⁵ William Frey. METROPOLITAN AMERICA IN THE NEW CENTURY: METROPOLITAN AND CENTRAL CITY DEMOGRAPHIC SHIFTS SINCE 2000. (2005) The Brookings Institute. Available on-line at: http://www.brookings.edu/metro/pubs/20050906_MetroAmerica.htm

⁶ “Valuing America’s First Suburbs. A Policy Agenda for Older Suburbs in the Midwest.” The Brookings Institute. Center on Urban and Metropolitan Policy.

⁷ Glaeser et. al., JOB SPRAWL: EMPLOYMENT LOCATION IN US METROPOLITAN AREAS. (2001) The Brookings Institute. Available on-line at:

<http://www.brook.edu/es/urban/publications/glaeserjobsprawl.pdf> and Stoll, M., JOB SPRAWL AND THE SPATIAL MISMATCH BETWEEN BLACKS AND JOBS (2005). The Brookings Institute. Available on-line at: http://www.brookings.edu/dybdocroot/metro/pubs/20050214_jobsprawl.pdf

⁸ J. Iceland, D. Weinberg, & E. Steinmetz, RACIAL AND ETHNIC SEGREGATION IN THE UNITED STATES: 1980-2000 (2002). U.S. Census Bureau. Available on-line at: http://www.census.gov/hhes/www/housing/resseg/pdf/paa_paper.pdf

⁹ ETHNIC DIVERSITY GROWS: NEIGHBORHOOD INTEGRATION LAGS BEHIND (2001), Lewis Mumford Center for Comparative Urban and Regional Analysis <http://mumford1.dyndns.org/cen2000/report.html>. See also, Douglas S. Massey and Nancy A. Denton, AMERICAN APARTHEID: SEGREGATION AND THE MAKING OF THE UNDERCLASS (1993) at 20 (“A simple rule of thumb in interpreting these indices is that values under 30 are low, those between 30 and 60 are moderate, and anything above 60 is high.”); Edward L. Glaeser and Jacob L. Vigdor, RACIAL SEGREGATION IN THE 2000 CENSUS: PROMISING NEWS (April 2001) <http://www.brookings.org/dybdocroot/es/urban/census/glaeserexsum.htm> at 3 (“Generally, dissimilarity measures above 0.6 are thought to represent hypersegregation.”).

¹⁰ J. Iceland, D. Weinberg, & E. Steinmetz, RACIAL AND ETHNIC SEGREGATION IN THE UNITED STATES: 1980-2000 (2002). U.S. Census Bureau. Available on-line at: http://www.census.gov/hhes/www/housing/resseg/pdf/paa_paper.pdf

¹¹ Rebecca Reno, Jason Reece, John Powell. “Economic Segregation: Challenging Ohio’s Schools.” Kirwan Institute Research Brief. November 2005. Available on-line at: <http://www.kirwaninstitute.org/documents/FinalEconSegregationReport.pdf>

¹² Source: Voices and Choices. “Our Economy: Education and Skills” Fact Sheets. Available on-line at: <http://www.voiceschoices.org/node/285>

¹³ Source: Voices and Choices. “Our Economy: Cooperation and Governance” Fact Sheets. Available on-line at: <http://www.voiceschoices.org/node/288>

¹⁴ Lucy and Philips. SUBURBS AND THE CENSUS: PATTERNS OF GROWTH AND DECLINE. (2001). The Brookings Institute, Center on Urban and Metropolitan Policy. Available on-line at: <http://www.brookings.edu/es/urban/census/lucy.pdf>

¹⁵ Edward L. Glaeser. Smart Growth: Education, Skilled Workers, & the Future of Cold Weather Cities. Harvard University. John F. Kennedy School of Government. Policy Brief PB-2005-1. April 27th 2005.



REGIONALISM

GROWING TOGETHER TO EXPAND
OPPORTUNITY TO ALL

SOCIOHISTORICAL BACKGROUND

4

Chapter 4: Cleveland's Socio-Historic Background

The Cleveland region, like many regions in the United States, suffers from a history of systemic racial and social inequity. The goal of equity-based policies, including regional initiatives, is to alleviate and mitigate these disparities. Before diagnosing equity-based policies for the Cleveland region, it is critical to understand what has created current conditions of inequity and explore the success or failure of past equity policies. An assessment of these issues provides a framework to tailor policies that can be successfully implemented to address the factors driving inequity in the region. Several interview respondents remarked on a social history of mistrust that could block full participation in regional cooperative efforts, and the need to truly listen to diverse voices and opinions:

“Conceptually, regionalism is an excellent idea, but all things aren’t equal. You have to overcome the history, the trust issues, and feelings of being disrespected.”

“You have to convene the appropriate leadership...and when you convene, you have to listen and take their advice. People are already busy and deeply committed to their work and their lives. So if they give you their time and you ignore everything they tell you; they don’t come back. That is the history here. The CEOs come and when nobody listens to them, they send their community relations person back next time. And on down the line.”

1. The Formation of Racial Segregation and Inequity

Prior to 1870, Cleveland was a uniquely integrated and opportunity-rich place for African Americans. Cleveland’s public schools were integrated by the end of the 1840s, and African Americans were economically successful and politically active by the close of the 19th century. A century later, conditions in the Cleveland region were dramatically different. By 2000, 68% of Cuyahoga County’s poor lived in the city and 36% of Cleveland’s African Americans lived in concentrated poverty.¹ Cleveland was the 8th most segregated region in the nation by 2000.² Cleveland schools had extremely high rates of economic school segregation as well.³

Recent Cleveland-focused studies have found that race is more important than income level or metropolitan location in determining job inequality, and that the scale of abandoned housing far outweighs current downtown revitalization.⁴ In 2000, the average African American neighborhood in the Cleveland region had 3.3 times the poverty, 2.8 times the unemployment and 2.2 times the vacancy rate than the average White neighborhood.⁵ While these disparities in themselves do not entail racism, recent interviews with African American and White leaders in Cleveland consistently mentioned racism and elitism as a stumbling block for racial equity.⁶ Regardless of its cause, such economic and racial isolation have a deleterious impact on both the region and attitudes in the region. What has effected this transition from residential, economic and political integration to the spatial concentration of poverty and inequality?

Researchers have pointed to several important transitions that separated people spatially and economically, not just in Cleveland, but also in many industrial cities in the North and Midwest. Demographic historians identify the two World Wars as peak periods of

activity for the 20th century Great Black Migration. This great internal American migration eventually involved the movement of millions of people from the predominantly rural South to the cities of the North.⁷

The industrial and population growth around World War I, and resultant public policies of residential segregation, contributed to the growth of Cleveland's racial segregation in the 1920s. The consolidation of Cleveland's African American urban residential ghetto, and the inequalities of urban versus suburban life, were clearly established by 1930.⁸ The consolidation of the residential ghetto developed a larger market for African American businesses dependent on African American customers, but also separated African Americans socially and professionally from Whites and the integrated business opportunities that previously characterized the African American "old elite" in Cleveland.

This was personally recalled by some interview respondents; for example,

"Now I'm old enough to remember segregation. And this discussion would not occur because there were Black doctors, dentists, lawyers, because you couldn't go nowhere! We did our own repair, the doctor was there, the dentist... now I have to go to the suburbs to get a doctor. With integration, fair housing, urban renewal, dispersal, we spent our money with other people, but they never spent their money with us. So as a result of all that, our neighborhood businesses collapsed. With redlining and urban renewal, you couldn't borrow to expand, even with good credit. You had substandard cash and carry."

The resulting large African American voting base increased political representation and established municipal civil rights legislation in the 1950s and 1960s. But African Americans found their housing options reduced and attended schools with high need and severely strained resources due to the continuing large-scale immigration of southern African Americans and the lack of infrastructure to receive them. Federal urban renewal policies and highway programs harmed African American neighborhoods, further contributing to the marginalization and isolation of African American residential and business communities.

The post-World War II federal housing funds that furthered the growth of low-cost housing in the suburbs were mostly inaccessible to African Americans, and "urban renewal" programs disproportionately displaced and disrupted poor African American families in the city. Urban renewal programs in Cleveland encompassed 6,060 acres (1/8th of the city), all on the East side. More housing was torn down than replacement housing built, and therefore, vacant land increased. The highway development programs alone displaced 19,000 people. The City began to rapidly lose its middle-class population, losing 125,000 people between 1960 and 1970.⁹ As one interviewee recalled,

"Looking at the history of the G.I. Bill, FHA policies, etc., the development of the suburbs benefited lower-income and middle-class White Americans to the disadvantage of Black Americans. It was willful intent reflected by public policy. How do you change that? There has to be a public opinion change in the mainstream about how people feel about people of color."

Economic transition also heightened inequity in the region. Manufacturing shifts to the south, west, and offshore, and deindustrialization as a whole, disproportionately affected African American manufacturing workers. Cleveland's manufacturing economy diversified in response, but remains interdependent regionally, especially with Detroit's automakers. The switch to a globally-oriented service sector economy is benefiting the suburbs more than the city, and is resulting in jobs that are for the most part low-wage and with few benefits.¹⁰

A significant economic dislocation has been the gradual movement away from an economy that was previously centered around manufacturing and durable goods, to one that now incorporates a large number of service-related entities. Many changes also occurred with regard to employment opportunities in various industries in Cleveland. While employment in the goods-producing sector decreased by 22 % (which was roughly equivalent to a loss of 69,000 jobs from 1979 to 1990), employment in the service-related areas experienced an increase of 16 %, or a net gain of 99,600 jobs.¹¹

A second major change occurred with the decline of Cleveland's urban population. In 1900, Cleveland's population was 381,768. By 1950, the population had increased to 914,808. In 1990, the population had declined to 505,616, only 55 % of its population in 1950.¹² About half of the population in Cleveland was African American in 1990.¹³

Concurrently, poverty increased and clustered spatially as the middle class left the city, while impoverished persons of color disproportionately concentrated in large-scale public housing. With rampant flight to the suburbs, urban neighborhoods lost significant value, eventually leading to rising vacancy and abandonment. As one researcher noted, "by 1987, nearly all of Cleveland's innermost neighborhoods had lost one-half, and some two-thirds, of their real 1967 sales value... [Suburban high-income] communities are the only ones where the current value of housing exceeds the inflation-adjusted 1967 value."¹⁴ As seen in **Map 10**, African American neighborhoods were disproportionately impacted by abandonment, creating cumulative harmful impacts related to crime, investment, population growth and public safety.¹⁵

Conditions of inequity have been linked to a variety of 20th century public policies which have heightened social and racial isolation. These include policies which favored suburban growth over inner-city investment; activities which concentrated subsidized housing in impoverished segregated areas; exclusionary zoning and housing policies which blocked out African Americans; disproportionate investment in highways instead of transit; and school funding inequities which disadvantaged urban students of color. These examples of "spatial racism" are modern forms of structural and institutional discrimination, which block access to opportunity for people of color.

Evidence of these activities is obvious in the Cleveland region today. As seen in **Map 11**, most subsidized housing sites are concentrated in African American and impoverished neighborhoods within the City of Cleveland. In 2000, LIHTC (Low income housing tax credit) neighborhoods in the Cleveland region had on average a 23% poverty rate and were 50% African American.¹⁶ In 2004, 70.6% of students in the Cleveland school district were African American and an astonishing 100% of the students were economically disadvantaged.¹⁷

In addition, regional fragmentation helped isolate urban communities while creating islands of prosperity, safety, stability and wealth in the region's suburbs.¹⁸ Political fragmentation and localism exacerbate the flow of resources to the metropolitan periphery as communities compete over commercial investment and high-income residents (sometimes called "the favored quarter"). Fragmentation allows communities to sort what people and business they wish to attract, which increases economic and social isolation. This opportunity hoarding is another way of describing the impacts of urban sprawl.¹⁹

Interviewees spoke frankly about the difficulty of promoting integrated housing in a fragmented region characterized by racial distrust and fear:

"Most Whites don't want to live in integrated communities. They are frightened of it and will move away and stay away from it. Most Whites will leave and make it impossible to produce integration."

"[There is] fear by White suburbanites that their lives will change. Some White people moved to the suburbs to have a segregated living space, and they are frightened by any regional efforts that would change that. That is especially true in some of the suburbs perceived as being extremely segregated, but it is even true in the suburbs that historically and presently value diversity."

Cleveland has been geographically hemmed in by suburban communities since the 1920s, and is one of the geographically smallest major cities in the nation. The Cleveland region is the most fragmented region in the State of Ohio, with over 350 units of government and special districts, resulting in 15 government units for every 100,000 persons in the Cleveland region. Cleveland's sprawling development patterns (even while overall regional growth is stagnant) indicate a physical movement of the region's investment, population and opportunities to suburban and exurban areas. The Cleveland-Akron-Lorain CMSA (Consolidated Metropolitan Statistical Area) experienced population growth of less than 1% between 1982 and 1997, but had an increase in urban land of 37%.²⁰ Cleveland's employment has decentralized, with less than 15% of regional employment within 3 miles of the Central Business District and 44% of employment more than ten miles from the CBD.²¹

The deindustrialization and loss of manufacturing employment, increase in low-wage service sector jobs, housing segregation, and the growth of poverty (despite a decrease in unemployment rates) are not unique to Cleveland. They have had negative effects on the African American community in Cleveland just as they have had on communities of color in other rust belt cities. The disproportionate effects of economic restructuring and federal and state policies have resulted in the racialized, spatial concentration of poverty, as well as concurrent disparities in education, housing, health care and wealth creation. As one interviewee remarked,

"African Americans are the captain of a sinking ship in places like Detroit. Now after the Whites have left, the African Americans are on their own to try and bring the city back, although the White suburbs are dependent on the city."

2. Cleveland's Advocacy Response

During the Civil Rights era of the 1960s, Cleveland's mainstream publications, including *The Cleveland Press*, started to give more coverage to the events that were transforming African American communities. These included Dr. Martin Luther King, Jr.'s work with local leaders; the rioting that erupted in Hough in 1966, and Glenville in 1968; the election of Carl B. Stokes as the first African American mayor of a major city in 1967; Louis Stokes' election to Congress in 1968; boycotts, protests, and government-sponsored social and economic reforms; the ongoing efforts of groups like the Urban League; and the growing frustration with a problem-plagued public school system. All of these events were discussed in *The Cleveland Press*, and photographers from *The Call and Post* provided visual records of the convulsive changes in Cleveland's neighborhoods.²²

Affirmative action and set-aside programs were put in place under Mayor Carl Stokes in the late 1960s, and later dismantled under subsequent administrations. George Forbes used the power of his office as city council president to develop affirmative action requirements for the city, and he was also an outspoken advocate against racial inequities in the areas of housing and law enforcement. In March 1983, he demanded that airlines using Cleveland Hopkins International Airport implement Cleveland's Equal Employment Opportunity standards.²³

A number of African American businesses in Cleveland participated in and benefited from minority set-aside programs. However, these programs have increasingly come under attack in the wake of challenges to the basic principles of affirmative action. A number of cases against affirmative action were launched on the basis of "reverse discrimination" claims. The case of *Fullilove v. Klutznick* in 1977 is noteworthy because the Supreme Court reaffirmed its commitment to the federal set-aside program. This program mandated that state and local governments applying for grants under the Public Works Employment Act of 1977 demonstrate that at least ten percent of each grant be used for contracts with minority businesses. As the Supreme Court upheld the ten percent set-aside program, they emphasized the broad power of Congress to try to overcome the impact of past discriminatory behavior.²⁴

At the same time, African American businesses continued to develop during the 1970s as some of the entrepreneurs became more involved in owning franchises of national chains such as Burger King, McDonald's, and Popeye Restaurants. Several local entrepreneurs who were a part of this group included Narlie Roberts, Caesar Burkes, James Haynes, Dr. Oscar Saffold, Sam Tidmore, and Van McCoy. In the city of East Cleveland, Telecable Broadcasting of America was established under the leadership of Zakee Rashid, Ben Davis, Tom Darden, and Al Quarles in the 1970s and 1980s. Cheryle Wills, an African American female, also became chairman of the board of an integrated cable television franchise. James Taylor started an African American-owned radio station, WJTB, very close to Cleveland, while Hubert Payne helped start WOIO (Channel 19).²⁵

The 1970s also saw the creation of another Black-owned financial institution, the First Bank and Trust, established in June 1974. According to John Bustamante, one of the bank's founders, it was developed primarily to provide economic resources to African American entrepreneurs and members of the African American community. Bustamante served as the chairman, chief executive officer, and president of the bank. The bank began its existence with \$2.5 million in assets.²⁶ In the 1980s, First Bank and many other

financial institutions became subject to excessive regulation by the federal government, and subsequently failed.²⁷

The 1980s also witnessed the development of an African American-owned country club outside of Cleveland in Lodi, Ohio, the First Club of Cleveland. The club is a non-profit business entity that was established by Judge George W. White, primarily to provide African Americans the opportunity to network in a congenial environment. Although most of the club's members are African Americans, other groups are welcome to join.²⁸

Cleveland's African American community continued to face challenges in terms of economic and social mobility into the latter decades of the twentieth century. By the latter part of the 1980s, almost half of all Cleveland households were either at or below the poverty line, and about half of the students in the public schools did not graduate from high school. Many parents who did not want to have their children bused in order to achieve integration, left the public school system and sent their children to private schools.

One factor that precipitated the "White flight" from the city of Cleveland was a decision made by U.S. District Judge Frank Battisti that Cleveland and the State Boards of Education were to be held accountable for the racial segregation that permeated Cleveland's public schools. Hence, the school system was ordered to desegregate. Battisti's court decision came about as a result of a lawsuit filed by the Cleveland branch of the NAACP. The segregation that existed at this time in Cleveland's public schools was to some degree a reflection of the deeply rooted segregation patterns that existed in its housing patterns, as well as in the society at large.²⁹

In the face of white flight and economic isolation, Cleveland's large and diverse faith-based community was cited by interviewees as being a critical component of urban social activism (for example, "The Church in the City" program). Cleveland's faith-based community was described as providing critical leadership skills and community-building roles, and people noted that the participation of the faith-based community would be critical to regional equity-based efforts:

"Faith and religious leaders are highly thought of. Rev. Otis Moss is a great example. People really look up to him. In the African American community, religious leaders have a much stronger voice and leadership role than in other communities. If you convince the religious leaders, they'll be a force to be reckoned with."

"...understanding the connection with the faith community. It is an important political base, but it is also important politically, with respect to its teaching, instruction functions – how it can make people better citizens."

"You have to spend an awful lot of time with the religious leadership in the African American community. This will be a challenge because it's not as structured as other organizations might be; there is no one person that can represent everyone."

For many observers of life in 21st century Cleveland, there is much unfinished work in the city's neighborhoods, where unemployment, poverty, crime, and troubled schools are the constant companions of far too many.³⁰ Cleveland can overcome these challenges, but

not without the leadership and commitment of all residents in the Cleveland region. One interviewee eloquently remarked on the trouble keeping the equity policies in the public eye after the pushback against Civil Rights activism:

“Dr. King’s assassination stymied a movement for a generation. And the assassination of Robert Kennedy and the defeat of Hubert Humphrey in the fall elections of that same year caused a different direction in social policy and public policy and commitment and decision-making in the nation. It laid the groundwork for a new Supreme Court that moved constantly to the right; it laid the foundation for killing the anti-poverty program, and it laid the foundation for the repression of the great and beautiful energies of the youth in our nation...The Reagan administration popularized and codified anti-affirmative action spirit in the nation and made it popular to be against what we’ve been fighting for, for more than a half century.”

People also remarked that efforts at the local, regional, state and national level are all needed to address equity issues, and remarked on the particular challenge of Ohio’s state legislature having rural, not urban, interests:

“State power tends to tilt to the rural communities. In the state legislature, there is disproportionate influence from the rural communities, who do not consider Cleveland as important.”

“The [state] legislature has written off Northeast Ohio. It is dominated by rural interests who think that urban problems are our problems alone. They say, ‘fix your schools and crime, then come talk to us.’”

“The state is ruled by conservatives with an anti-urban agenda. Conventional wisdom on politics don’t work anymore. With conventional wisdom, Kerry would be President right now. Kerry winning Cleveland should have meant that he won Ohio; he exceeded the conventional margin of victory, and yet he didn’t win...People are establishing new relationships, a new order, defining new rules for these engagements, and in most of these situations, Black people are not at the table.”

3. Building on Past and Present Equity-Based Initiatives

In March 2000, *Ebony* magazine ranked Cleveland as one of the ten best cities for African American women. Its majority Black population, mix of Fortune 500 companies, universities and industrial employees make Cleveland a good place for professional Black women looking for economic opportunity.³¹ The other “best” cities for Black women included Atlanta, Baltimore, Chicago, Dallas, Detroit, Memphis, Norfolk, Oakland, and Philadelphia.

Interviewees remarked often on Cleveland’s resilience, the strength and commitment of its philanthropic sector, the work ethic of its residents, and the feeling that people will respond to leadership that brings them together as a community. For example:

“Cleveland has a phenomenal history of recovery, i.e. after the 1977 default. It is resilient. Groups are trying to respond, people have a can-do attitude. The merger into the Greater Cleveland Partnership is a good sign of clusters of collaboration....”

“The tradition of philanthropy is really unique—we have a heritage of that here. If you look at the foundation grants divided by the population, that number would be high. That goes back to the 19th century when families owned iron, steel, and chemical companies. They all accumulated wealth back in those days. Then in the 1910s and 1920s, when the corporate model came in, they had to do something with their money so they established a collection of art, culture, education centers. So in that 220 year period, they created the orchestra, art museum, Cleveland Foundation, United Way—all of these entities that depended on philanthropy. We’ve got that heritage here that is utilized through the foundations to facilitate progress like regional efforts.”

“There is a hunger, along with segregation, frustration, and turf issues, for greater unity, for working together in an effective and visibly meaningful way.”

Cleveland should recognize its past attempts at equity-oriented or regional policies, even if those have not been successful or to scale, or coordinated enough to produce significant change. Many regions throughout the nation have had few attempts at equitable or regional policy reform. Cleveland’s policy history has created opportunities to learn about what impediments may exist in producing equitable regional reforms and indicate some constituency for implementing regional reforms.

Many regionally-based organizations are currently participating in debates around efficient and fair land use, environmental and racial justice, and grassroots participation in regionalism debates, such as *Greater Ohio – Northeast*, *EcoCity Cleveland*, and *Voices and Choices*. Interviewees noted hope for these organizations to stir wider debate, and expressed a need for inter-organizational dialogue:

“One of the things that excites me about the Fund for Our Economic Future and Voices and Choices is that I think we have the opportunity here in Northeast Ohio to have a discussion about the impact of sprawl with people who aren’t traditionally at the table. Through Voices and Choices, a number of different voices are able to be present. We have to get those tough conversations going.”

“It would be interesting to see a forum in which all of these sectors – the business, foundation and community organizations – could get together and have a frank discussion as to each one’s strengths and weaknesses, and discover how they could benefit each other. Because in this way we could leverage better if we collaborate and really do something to turn the region around...”

The following provides information on a few of these historical (and contemporary) policies, which support regional equity. The experiences from past policies are important in understanding the potential assets and impediments in the region to implementing future regional equity reforms.

3.1. The Cleveland Policy Planning Report:

The Cleveland Policy Planning report was a comprehensive plan developed in the early 1970s, which redefined city planning as attempting to increase options for poor and working class people. The overarching principle was that government policy should provide more choices for those who have less.

Echoes of this pioneering document can be heard in Mayor Jackson's new administration. Jackson campaigned across the city on the themes of healing the rifts that have divided people. Jackson has said that he wants his time as Mayor to be judged on "what we do for the least of us."³² Interviewees remarked on the success of Jackson's campaign and the importance of his foregrounding regional issues. For example, when asked about capacities for regional equity, one interviewee responded:

"So far, the response to Frank Jackson and the way he's handled things has been universally acclaimed in the business and civic communities. He could have a tremendous impact on changes in regional government that would be beneficial to all of the population. He may be able to bring a lot of Black leaders along with him."

Another respondent remarked that the Mayor has the potential to connect people around issues of regional equity:

"Yes – right now it's a moment; an opportunity, because of the Mayor. The Mayor recognizes that we have serious issues that we can't solve by 'ourselves.' We need to address the regional equity piece in a fundamental way. Maybe we've come to the point of realizing this together, or we go into further decline."

3.2. Fair share and Affordable Housing Initiatives:

3.2.1. Integrative Housing Approaches

The drive for fair share and affordable housing has been a bumpy one in the United States as a whole. In Cleveland, the first county-wide fair share housing proposal was defeated in 1970. By law, the Cleveland Metropolitan Housing Authority (CMHA) can only build public housing in Cleveland's suburbs with a voluntary cooperation agreement.³³

However, active efforts to encourage racial integration in housing were next led by the *Cuyahoga Plan*, a non-profit regional organization started in 1974. (It should be noted that the Cleveland Foundation and the George Gund Foundation have provided financial support for virtually every major fair housing organization in Cleveland since the 1960s.)³⁴ Shaker Heights and Cleveland Heights have actively supported housing integration since the late 1960s and early 1970s, some of the only communities in the United States to do so.³⁵

Shaker Heights was proactive on housing integration policy by the 1970s, and established a "Fund for the Future of Shaker Heights" in 1985, which provided below-market secondary mortgage loans to any homebuyer willing to make a move that would promote integration. Shaker Heights is one of the few examples of sustained suburban racial integration in the United States. Cleveland Heights established the "Heights Community Congress" in 1972 to establish fair-housing policies. Over the past three decades,

"Cleveland Heights has taken the most progressive pro-integration position of any Cleveland suburb...the city...has forged a long, enduring community consensus in which racially-integrated housing, neighborhoods, and public schools are accepted and supported by the city's residents."³⁶

In 1984, Cleveland Heights, Shaker Heights, and University Heights, along with their school boards, formed the *East Suburban Council for Open Communities* (ESCOC). Its

purpose was to attract Black residents to Hillcrest, the six suburbs to the north of the ESCOC communities, and therefore encourage the spread of integrative housing policy to neighboring suburbs. This voluntary regional approach was somewhat successful, despite the attempted firebombing of a Black family's house in Lyndhurst in 1983.³⁷ Dissolved in 1991, ESCOC made approximately 60 pro-integrative loans over its lifetime; however, it did not win overt support from Hillcrest suburban governments.³⁸

Despite these significant advances, there is still no regional fair share plan for subsidized housing, and efforts to persuade the suburbs to enter into cooperative agreements with the metropolitan housing authority to decentralize public housing have failed. And the need for affordable housing is dire: the Cuyahoga County Housing Authority recently reported a public housing waitlist of approximately 9,000 families with an average wait time of two years.³⁹ However, the *Plain Dealer* reported in March of this year that the CMHA and 17 older suburbs signed an agreement that calls for them to work together on inspecting rental homes, informing landlords and tenants of their responsibilities and removing bad landlords and tenants from the Housing Choice Voucher Program, which uses federal tax dollars to help pay rent for the poor.⁴⁰

The *Plain Dealer* article notes that CMHA has about 14,000 voucher holders, and about 60 % of them live in Cleveland. Of the rest, most are in the inner-ring suburbs. Because some inner-ring suburbs, such as East Cleveland, have completely re-segregated, some interview respondents noted concerns about proactive, integrated suburbs such as Cleveland Heights becoming re-segregated:

Interviewer question: What is Cleveland Heights doing to promote integration?

“It is supporting pro-integrative policies that maintain the White market. It does affirmative marketing to White families. It also does very strong maintenance of existing housing stock – Point of Sale inspections, aggressive maintenance. Also public investment that maintains parks, libraries, etc. Cleveland Heights and Shaker Heights have historic housing stock and they are walkable neighborhoods with commercial districts (they were streetcar suburbs) so this all helps. However, they are struggling because they are built out, so they can’t grow a tax base. Meanwhile they are getting poorer residents. This is why Cleveland Heights was a leader in starting the First Suburbs consortium which pushes for state policies that direct investments to inner ring suburbs.”

Additionally, fair share housing is a key connection to education reform (further considered in Chapter 7), and needs to be addressed as such. As one interview respondent explained,

“Studies show that the socioeconomic background of your peers is the key to education results. So education reform is really a regionalized, affordable housing program which breaks up the concentrated poverty and reduces the number of disruptive kids in any one classroom. So a region-wide program to disperse fair, affordable housing is the key. But I get into arguments with my affordable housing friends on this.”

Interviewer question: What is their argument?

“Their argument is to put affordable housing in the city because that’s where the clients are. That until you get a regional system, a fair share housing plan, etc., the only choice is to build where the people are. But the city doesn’t need more concentrations of poor people. It needs middle-class and upper-class people. If every community would just take their share, and the shares in each community would be small – like 2% -- no one community would feel the burden. We need political leadership at the regional scale that will say, this would be fair...But we’re not correcting the problem by warehousing the poor...The solution is never at the right geography.”

Additional programs to make homeownership more viable include:

3.2.2. *The Metropolitan Strategy* established a Pro-Integrative Bonus Program by the Ohio Housing Finance Agency, which allowed fair housing agencies to offer below-market mortgages, but the agency discontinued the program in 1988.

3.2.3. *The CASH program* began in 1978. Initially, it offered low-interest rate loans for low-income buyers; in 1982, it was restructured to service moderate-income and middle-income homeowners. The program offered both rehabilitation and new construction loans, to motivate banks to loan to people in city neighborhoods with potentially low value or abandoned parcels nearby.

3.2.4 *The Living in Cleveland Center* markets and promotes the city to potential middle-income buyers. The Center coordinates and promotes special financing options, land banking, and tax abatement programs to encourage buyers to live in the city of Cleveland.

3.2.5. *The City of Cleveland Residential Tax-Abatement Program.* Anyone building or rehabilitating property in designated Community Reinvestment Areas (CRAs) can apply for a tax exemption for up to 15 years. However, one recent interview suggested that programs which use tax abatements are not necessarily successful in the long-term -- once the tax abatements run out, the mortgage payments can be too high and people are losing their houses:

“There has been some housing development growth in the city; the previous Mayor had redevelopment in Cleveland on the agenda, so African Americans could live in really nice housing in the City (as opposed to having to go to the suburbs). But the problem is that by way of the financing, many of the individuals who qualified ended up being “house poor,” and when the 15-year tax abatement came up, people started losing their houses, and this is what contributes to abandonment and vacancy rates, i.e. in Ward 7.”

3.2.6. *Cleveland’s pioneering Land Bank Program and its network of CDCs* have been working together to successfully providing affordable housing. Land Bank legislation was passed in 1976, making Cleveland’s Land Bank one of the longest running land bank programs in the nation. Cleveland’s land bank program is a critical mechanism to address vacancy and abandonment in inner-city communities and remains strong today. The Land Bank Program offers non-buildable lots adjacent to property owners for \$1; residential lots for new construction for \$100; and land for commercial use at appraisal value. In the 1990s, the Land Bank processed about 1300 vacant, tax delinquent parcels.⁴¹

Without the Land Bank, Cleveland's affordable housing agencies would not have had the success they have. By 2001, about 90 % of new residential construction – CDC and private – involved land bank lots, and the Land Bank was particularly active in the redevelopment efforts in Hough, Central and Fairfax neighborhoods.⁴²

3.2.7. *The Cleveland Housing Network (CHN)* is an umbrella organization for 23 member community development corporations. Since 1981, 2300 homes have been developed through their nationally modeled Lease Purchase program.⁴³ Additionally, CHN has provided computer-training courses to over 2200 residents at the CHN Community Training and Technology Center, has provided a fresh start for over 300 formerly homeless families, and has conducted over 60,000 energy conservation and home repair jobs.

3.3. Development of CDC Capacity:

Neighborhood and community-based organizations in Cleveland are viewed as having continually increased their effectiveness, quality and scope.⁴⁴ In addition to the Cleveland Housing Network CDCs mentioned above, *Neighborhood Progress, Inc. (NPI)* and the *Neighborhood Leadership Institute (NLI)* are two examples of proactive, equity-focused organizations. The NLI works to develop and further educate neighborhood leaders, and to foster conflict resolution and community organizing skills. NPI provides operating support grants to area CDCs, capacity building services (such as leadership training and technical assistance), investment capital, and development services. Since its inception in 1981, the nonprofit subsidiary of NPI, the New Village Corporation, has completed close to \$85 million in direct development activity in Cleveland's neighborhoods.⁴⁵ An important development is that CDCs are starting to think regionally, as one interviewee remarked:

“Many more people are opening up to regionalism discussions. For example, over the last two years, the CDCs have started to think regionally, which is very different from how we've operated before. We've had very sophisticated CDCs here for a long time, we've been developing housing at all income scales. But now, how do you look at the neighborhood as a regional destination? This is a new way of thinking.”

In response to a June 2005 report, “Cleveland at the Crossroads: Turning Abandonment into Opportunity,” by the National Vacant Properties Campaign, NPI created a Land Assembly Program to work with six CDCs to identify properties at risk for abandonment in their neighborhood.⁴⁶ The Vacant Properties report suggests that developing CDC capacity is a vital complement to public sector (the city's land bank) property acquisition. The report also recommends that the city's land bank be coordinated with the industrial land bank being developed by the city's Department of Economic Development.

4. Current Regional Initiatives

4.1. Regional Planning and Transportation:

4.1.1. *The Northeast Ohio Areawide Coordinating Agency (NOACA)* is the federally designated Metropolitan Planning Organization (MPO) for five counties in Northeast Ohio, which includes the Greater Cleveland and Lorain area. NOACA was organized in June 1968 by the County Board of Commissioners from seven counties: Cuyahoga,

Geauga, Lake, Lorain, Medina, Summit and Portage. In 1975, Summit and Portage Counties left NOACA to form a separate MPO. As part of its initial organization, NOACA absorbed the existing Seven County Land Use Transportation Study (SCOTS), the original metropolitan-level transportation study that was started in the early 1960s, in response to the first federal legislation for such activities.

Its chief functions are to perform long- and short-range transportation planning, transportation-related air quality planning, and area-wide water quality management planning, as defined by federal and Ohio mandates.⁴⁷ NOACA is directed by a 38-member Governing Board, representing all five NOACA Counties and regional transit and sewer agencies, as well as committees, task forces, and advisory councils.

NOACA is active in transportation planning, provides technical assistance to help forecast long-range planning impacts, and is sensitive to growth issues. For a comprehensive assessment of NOACA's role in regional planning, environmental justice, and equity, please see Chapter 10 of this report, "Transportation, Environmental Justice, and Health." NOACA staff has remarked on their equity-sensitive policies of maintaining and preserving existing systems, rather than fully funding new road projects. However, as one interviewee explained, "the forces of the real estate market are pretty powerful, so no matter what policies we have, people are still sprawling."

Echoing this view, some respondents questioned NOACA's capability or drive to effectuate equity-based regional policies:

"For [several] reasons it [NOACA] was not effective, so today it has a limited capacity and issues that it deals with – mostly it just does transportation planning and it's not powerful in terms of having a meaningful voice in what's happening."

"NOACA? It's a regional planning group; it has accountability for planning; it has the *capacity* to be a regional equity instrument, but does it *use* that capacity?"

Cleveland and NOACA battled in the late 1960s and early 1970s over Cleveland's effort to get proportional representation on the NOACA board and rescind the 1-290 / Clark Freeway proposal.⁴⁸ Cleveland was ultimately successful, and the end result was the establishment of a regional transit authority, the Cleveland RTA.

4.1.2 The Greater Cleveland Regional Transit Authority (RTA) includes the region's buses and train systems. It has a ten-member board made up of four City representatives, three suburban mayors, and three county commissioners. Despite the RTA's scope and importance, a few interviewees expressed concern that some regional agencies such as the RTA are inherently more concerned with regional "efficiency" and not necessarily equity, or are not linked to other pieces of the equitable development puzzle. For example:

"Regional cooperation is different than regional equity. Equity presumes that through regional efforts, you have somehow leveled the playing field. I can't say that RTA levels the playing field...To the extent that by being more efficient you can lower the cost of delivering the service and when poorer people and central city residents may be more dependent on public transportation, then perhaps equity had been achieved in some respects. However, that wasn't what motivated

the formation of RTA. It wasn't to increase access to public transportation for poorer people or Black people; it was a matter of efficiency.”

4.1.3. The Northeast Ohio First Suburbs Consortium's (FSC) mission is to maintain, preserve, and redevelop its member communities;⁴⁹ to insure that public funds are invested equitably; to foster regional cooperation; and to promote sustainable communities throughout Ohio.⁵⁰ The consortium successfully lobbied the Ohio Department of Transportation to reverse its announced policy of reducing funding for maintenance of state roads in incorporated jurisdictions.⁵¹ Also, working with Cuyahoga County's Treasurer and Commissioners, the organization launched the Housing Enhancement Loan Program (HELP) in 1999, which provides reduced-rate home improvement loans. It loaned over \$24 million in its first two years and raised funds for an economic revitalization study for aging commercial strips. The Economic Revitalization Initiative resulted in the development of an FSC Development Council. The development council provides professional services at an economy of scale for FSC communities and serves as a regional clearinghouse for redevelopment opportunities.⁵² In 2000, with 12 cities as members, the First Suburbs Consortium organized itself as a Council of Governments (COG); in 2002, it supported sister First Suburbs groups in Ohio, Wisconsin, and Minneapolis.

4.1.4 The Cleveland-Cuyahoga County Port Authority

The Port Authority, with a nine member board of six city representatives and three county representatives, runs Cleveland's port and waterways. However, it also has significant economic development capabilities. Port Authorities can own and sell land, issue bonds for financing purposes, and sponsor foreign trade zones.⁵³ Several interviewees indicated that the creative financial power of the Port Authority had yet to be fully leveraged in service of equity:

“The County and the Port Authority still have significant economic tools; their portfolio of economic tools could be used...”

*Interviewer question: What do you mean by “portfolio of economic tools?”
Funding dollars?*

“Not just that but project financing. The Port Authority has been much more creative in terms of financing projects (that might not have anything to do with a port, or water) than one would expect. They can issue bonds; they can put conditions on them that serve as incentives to do something in a certain way. They can put together an incentive package. The County has similar tools.”

In April 2006, it was announced that the Cleveland-Cuyahoga County Port Authority was going to partner with the Summit County Port Authority and Team NEO to coordinate their ability to finance opportunities for growth.⁵⁴ This is a positive step towards cooperation between Cleveland and Akron, and a potential leveraging point for channeling development in an equitable fashion.

5. Regional Economic Development:

5.1 Organizations

5.1.1. *The Greater Cleveland Partnership (GCP)* is a private sector led, regional economic development organization. It represents 16,400 members from the following counties: Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit. The forerunner of the GCP was the Cleveland Board of Trade (1848). Currently, it is a merger of the Greater Cleveland Roundtable, the Greater Cleveland Growth Association, and Cleveland Tomorrow. The partnership has working relationships with the Cleveland Commission on Economic Partnerships and Inclusion, the Council of Small Enterprises (COSE) and NorTech.

The Partnership's priority areas are defined as:

- Innovation, Technology and High-Growth Businesses
- Education and Workforce Development
- Connected Physical Development
- Business Retention, Expansion and Attraction

It has identified four capabilities that need to be improved:

- Economic Inclusion – “ensuring full participation by minorities in job and wealth creation”
- Advocacy – “one voice” for Cleveland on behalf of private sector on public policy matters (i.e. lobbying)
- Member Services – for GCP's members
- Internationalization – enhance competitiveness globally

5.1.2. *The Fund for Our Economic Future* is a multi-year collaboration of organized philanthropy organizations in Northeast Ohio, formed to advance a regional economic development agenda.⁵⁵ As one interviewee summarized,

“The Fund for Our Economic Future...address(es) the issues of all 13 counties that make the story of Northeast Ohio more compelling by aggregating assets and spending philanthropic money around 5 or 6 initiatives as opposed to 20, 30, or 40 initiatives.”

The Fund supports *Voices and Choices*, an 18-month public engagement investment in public outreach and input into economic development strategies. *Voices and Choices* held a “Regional Town Meeting” at Akron University in November 2005. Residents developed a list of what has worked “for us” and “against us.” Positive regional assets included an entrepreneurial spirit and history of manufacturing invention; strong work ethic; immigration and diversity; strong farming communities and respect for natural resources; and commercial transportation systems and financial institutions. Negative aspects of regional culture included the extreme emphasis on manufacturing and the resultant brownfields; the lack of evolving union representation; social divides along class, race, and ethnic lines; a negative image; municipal fragmentation; and “leaders blocking progress.”⁵⁶ A “Regional Leadership Summit” was planned for June 6, 2006, in which invited participants would frame proposed solutions in different areas, including inequitable school funding, government fragmentation, creating a 21st century workforce

and business environment, racial isolation and income inequalities, and sustainable land development.⁵⁷ The results would be topics for discussion at a final Regional Town Meeting on September 16, 2006.

5.1.3. Team Northeast Ohio (Team NEO) was formed in Fall 2003. Partners include the Greater Cleveland Partnership, Greater Akron Chamber, Stark Development Board, Lorain County Chamber of Commerce, Youngstown-Warren Regional Chamber, and Medina County Economic Development Corporation.⁵⁸ Team NEO's activities center around promoting Northeast Ohio to businesses, connecting businesses to assets in the region, and providing economic impact studies. Team NEO recently launched a free on-line geographic search service for commercial properties and related economic data.⁵⁹

Interviewers referred often to the potential of these efforts to energize and focus regional economic development. However, some noted that these organizations were fairly new and therefore somewhat unknown, operating in a somewhat isolated manner from other groups, and already "spread too thin":

"The activity of the Fund or Team NEO is relatively new and recent. I'm not sure there's been enough time; not everyone knows each other in the roles that each of these organizations play. Part of it is the newness of the system...I'm not sure that while all the different efforts are going on that there's enough cross-cutting leadership across all those different groups to compare notes and see how everybody's doing. Everyone has kind of run off to do the piece they were assigned."

"One of the problems is that the Fund is being pressured -- both internally and externally -- to do more than what we can. We have limited resources (about \$30 million over 3 years) and we have to do a lot with it."

The Fund for Our Economic Future and Team NEO were partners in a recent study of area residents' attitudes about Northeast Ohio's economic future and regional cooperation. Preliminary results released in April 2006 indicated widespread support for regional cooperation with respect to job creation, planning for economic growth, supporting and attracting businesses, promoting tourism, and training workers. However, cooperation around land use was supported by only 44% of survey respondents.⁶⁰

Perhaps the most critical, and to some, surprising results revolved around questions of regional funding for education. When asked "Would you favor or oppose having a regional system of school funding that would increase equity across public school districts but could be at the expense of wealthier school districts?" **56% of respondents in Northeast Ohio stated that they supported regional systems of school funding.** Responses varied geographically, from a low of 44% in Non-Akron Summit County (the only area in which the majority of respondents did not support regional school funding) to 57% in the Cleveland MSA and 63% in the City of Cleveland.

5.2 Federal Supplemental Empowerment Zone (SEZ) initiative:

In 1994, Hough, Glenville and Fairfax neighborhoods were declared a federal "Supplemental Empowerment Zone" (SEZ). A 5-square mile area was awarded \$90 million over 10 years, plus a HUD-funded loan pool of \$87 million. It is still too early to have research on the success of these programs. However, city planning scholars note

that place-based programs can be weakened by federal subsidies that reward suburban expansion. Further, low-skill job openings are largely out of reach to SEZ residents, as most jobs are in the suburbs and there is not adequate public transportation to them.⁶¹

5.3 Tax Sharing Programs:

Several tax sharing programs in the Cleveland region illustrate the cooperative approach to equitable business development achieved through regional tax-base sharing. These programs are known as an example of “fiscal regionalism.” Ohio’s countywide tax sharing program creates a more equitable taxation platform for central cities. Under this program, workers pay city taxes if they work in the city, capturing tax revenue from people who work in the city but live in the suburbs.

As another example, Mayor Jackson and Independence Mayor Ramos announced a plan in March 2006 to split income tax revenue from the Cleveland Cavaliers when the team begins practicing in their new facility in Independence, prior to its 2007-2008 season.⁶² The mayor of Hudson is in talks with neighboring Twinsburg and Stow about sharing property tax base.⁶³ And Akron pioneered the use of Joint-Economic Development Districts, in which the city provides services to surrounding communities which return a portion of their tax revenues to the city.⁶⁴ One pushback against tax base sharing is that new legislation is often required to enable such cooperation. More information on fiscal regionalism is provided in Chapter 6.

6. The Impact of Recent Regional Trends

Recent regional trends are also important to consider when assessing factors that have implications on equity and regionalism. Globalization and de-industrialization continue to affect Ohio and Northeast Ohio’s economy. The most recent analysis of national job growth identified Ohio as having the fifth worst job growth rate in the nation. Most of the State’s job losses were concentrated in Northeast Ohio. In addition, Ohio now leads the nation in foreclosures and is second nationally with respect to personal bankruptcy filings.⁶⁵

For the Cleveland region (and much of Ohio) these recent trends have not been positive. Unemployment in the Cleveland region and Cuyahoga County has risen by 50% since 2000. Cuyahoga County lost 16,200 jobs between 2000 and 2003. Manufacturing job losses are the greatest share of job loss in Cuyahoga County. Manufacturing employment in Cuyahoga County declined by 29% between 1996 and 2002 (resulting in a loss of more than 40,000 manufacturing jobs).⁶⁶

Ohio’s economy is also impacted by national population movements out of the State. The Cleveland region has not been immune to these changes. As indicated by the most recent population estimates for the region, stagnant population growth in the Cleveland region occurred from 2000 to 2004.⁶⁷ As seen in **Maps 3 and 4 of Chapter 3**, in Cuyahoga County, job losses are spatially concentrated in the City of Cleveland and projected future job growth will not occur in much of the County.

7. Why Regionalism to Address Inequity and Regional Health?

Clearly, Clevelanders have supported policy initiatives to promote fairness in many arenas, including housing, transportation, and economic development over the past decades, and continue to engage critical issues today. However, these initiatives have

seen limits to their efficacy due to the fact that they have been unconnected and have not been implemented at a large enough scale. Many scholars and policy experts have advocated regionalism as a potential framework for addressing issues of equitable regional health and growth. Research has identified regional responses to conditions of inequity as more successful than localized responses. Regional policy responses can vary significantly depending on their structure and purpose.⁶⁸ Certain forms of regionalism may not produce equity and may potentially result in power dilution for urban communities of color.⁶⁹ Specifically, regional reforms such as government consolidation and mergers may result in urban power dilution, and may not address equity unless they are coupled with educational, fiscal, growth management and housing reforms. The following section briefly outlines why regional cooperation is presented as a policy solution for addressing inequity and regional economic health.

In the absence of effective regional policies, local actions can undermine efforts to remedy racial disparity and provide access to opportunity. Political fragmentation -- the division of metropolitan areas into numerous local governmental entities -- plays a significant role in the racial and opportunity segregation that exist in metropolitan America, including in the Cleveland region in particular. Political fragmentation allows municipalities to enact parochial policies, such as exclusionary zoning, which ensure residential segregation. These policies contribute to racial segregation and isolation from opportunity.

In addition, research suggests that fragmentation and racial inequity can harm the health of the entire region.⁷⁰ Segregation and inequity drive educational disparities, depressing the educational ability of large portions of the region's future labor force. In addition, segregation keeps much of the African American labor force isolated from economic opportunities, creating workforce shortages for employers. Fragmentation also produces redundancy in government services, and fosters intra-regional economic competition, when the region should be competing globally. Finally, sprawling growth and inner-city disinvestment waste the region's land and infrastructure resources. The cumulative impact of these issues reduces the region's competitive edge in today's global economy, harming everyone in the region in the long term. In our interviews, we heard echoes of the following sentiment:

“From my perspective, I know regionalism creates a lot of anxiety in the minds of many people. But I do think that the issue is, without a healthy Cleveland, this whole region is going to suffer, and people need to acknowledge that.”

8. The Future

Despite the equity challenges facing Cleveland, representatives from Cleveland's business, political, community, academic and faith organizations find significant capacities for equity-based regional cooperative efforts among the Mayor and urban and suburban municipalities, Cleveland's significant academic and health care resources, business leaders, faith community leaders, and non-profit institutions. Regional cooperation could potentially benefit citizens by leading to improved, affordable, connected services and an improved economic development climate. Interview respondents identified potential regional efforts regarding health and human services, housing, transportation, education, economic development, and voluntary municipal

service sharing. In addition, certain regional dynamics and economic conditions create the potential for a regional response to address Cleveland's equity challenges and produce benefits to the entire region. Many inner-ring suburban communities are beginning to experience some degree of opportunity isolation or infrastructure decline, normally associated with the central city, creating the possibility for more cooperation between city and suburbs.⁷¹ As has been shown in **Map 2**, many of Cleveland's inner-ring suburban communities experienced population loss in the 1990s.

The challenges facing inner suburban communities have fostered some initial regional (and statewide) collaboration, via the Ohio First Suburbs Consortium. These challenges will not diminish; sprawl continues to move resources away from established mature communities, ironically creating a positive opportunity for regional collaboration to address this challenge. Also, the region's recent economic distress may provide a rallying point for promoting regional responses that could address inequity and the economic health of the region. Research suggests that widespread inequity depresses the development potential for the entire region, especially in today's pronounced knowledge-based economy.⁷² One interviewee commented:

"Let me put it this way. There has to be a recognition of the debilitation that racism, sexism and other anti-human practices cause, and we have to come to grips with that so that we become attractive to all segments across all demographic lines. So that we can build a community and people don't see themselves as entrapped and wanting to get out as soon as they retire or graduate and move somewhere that has a more welcoming climate of humaneness. So that citizens within and without the region see it as a great place to go and grow and prosper and raise a family."

However, efforts to build an inclusive, regionally-based, equity-based process will have to overcome potentially significant impediments identified by the interviewees, including pushback on critical elements of an equitable vision by those empowered by the status quo; general trust issues both within the African American community and between the minority and majority communities in the Cleveland region; the retrenchment of federal and state political and financial commitment to poor people and people of color, and the lack of a leadership "succession plan" in the community that includes women and demonstrated grassroots advocacy. As one interview respondent commented,

"If we figure out how to set a vision, some clearly defined objectives for improving the economic well-being of the region, and we get public sector leaders, private sector leaders and community in accord, our community benefits."

9. Revisiting the Central Research Question:

What kind of regional policies and cooperative efforts would best benefit Cleveland's African American community, increase opportunity and fairness for all residents, and effectively grow the region as a whole?

How can Cleveland's economic, educational, philanthropic, political and cultural institutions best contribute to and benefit from regional initiatives? How has Cleveland's socio-historical context affected the way people approach Cleveland's future? It is

important to recognize the lingering memory of past discrimination and lack of inclusion in planning initiatives along race and class lines. A related factor is that policy exacerbated racial and economic segregation, and policy has a role to play in mitigating or correcting inequalities. However, Cleveland has had, and continues to have, significant capacity to respond to economic, educational, and social challenges. Recognizing that a wide variety of citizens needs to be at the table in discussions regarding inclusive economic development initiatives and education investments is the first step to dedicating institutional resources and time to a dialogue that includes many different viewpoints. As one interviewee remarked:

“Regionalism is on the table now, but there are a lot of people missing from the table. Residents are primarily the ones that are missing. Meetings take place downtown at hotels at 8 o’clock in the morning. Not everyone has flexible schedules. People can’t always make early morning or mid-afternoon meetings. Some people don’t feel comfortable in the hotels downtown. Parking is expensive. Also, once residents are present and have an opinion or disagree with something, the leaders don’t want to hear it.”

This means fostering active participation between African Americans and White, Latino, and other ethnic groups, but also recognizing that the African American community is a diverse community, not, as one interviewee commented, “a monolithic entity.” Getting the African American community together to think aloud about the region’s future is a key step in developing public policy that reflects the potential for transformative change. As one interviewer reflected, not without hesitation:

“The African Americans in this community are in a unique position because the idea of regionalism is challenging African Americans to think differently too. We are asking for equity but, what we come to in terms of resolution, it may change how we do business; it may change electoral politics; it may change minority business enterprise programs...We have to ask ourselves, how does change affect us? If White folks change but we don’t change, change won’t benefit us. We have to face up to things about ourselves. I don’t know if we’re ready for that...”

Interviewees also pressed minority business leadership to build on their relationships with majority business organizations to address equity issues:

“Those entrepreneurs who have the ear of the broader business community have not taken the role of leadership with respect to other pipeline issues that affect the African American community: access to health care; gaps in educational achievement. They could, together with the broader business community, be putting pressure on the Ohio legislature to deal with this unconstitutional school funding issue. Or that businesses are locating where people can’t get to them. Or that there are no policies to deal with ex-offenders returning to society that would avoid those people going back to prison. The business community should have stronger leadership on these issues.”

Qu: Do you think the opportunity is really there to work with the majority business community on these issues?

“Yes, absolutely, because there are voices in the African American community who are respected voices. They could get in there.”

Also, interview responses cautioned against an “efficiency” argument which put equity in the back seat:

“But even with regionalism defined as resource sharing and strategy, African Americans will be an afterthought, unless you can demonstrate to those crafting the process and the strategy that to have regionalism, you have to have equity in the context of participation. And I’m not sure that people have gotten there yet. Regionalism has been conceptualized as top-down model.”

Lastly, the question of how African American political power should best be exercised on a regional scale cropped up again and again, with varying responses as to the scope, importance, and durability of current political representation:

“The big question or danger is: How diluted does it [African American political power] get when you go to a regional basis? Can you use that regionalism to grow or enhance political or social capital? The jury’s still out. If you don’t get involvement from communities of color in the discussion, there’s more of a danger that it will erode. If we have more people at the table, that’s an important piece.”

“It’s not a question of ‘if’ you preserve the power but ‘how.’ You have to preserve it. If the Mayor loses the authority and power of his office, then the Black community has lost the power they’ve struggled for all these years.”

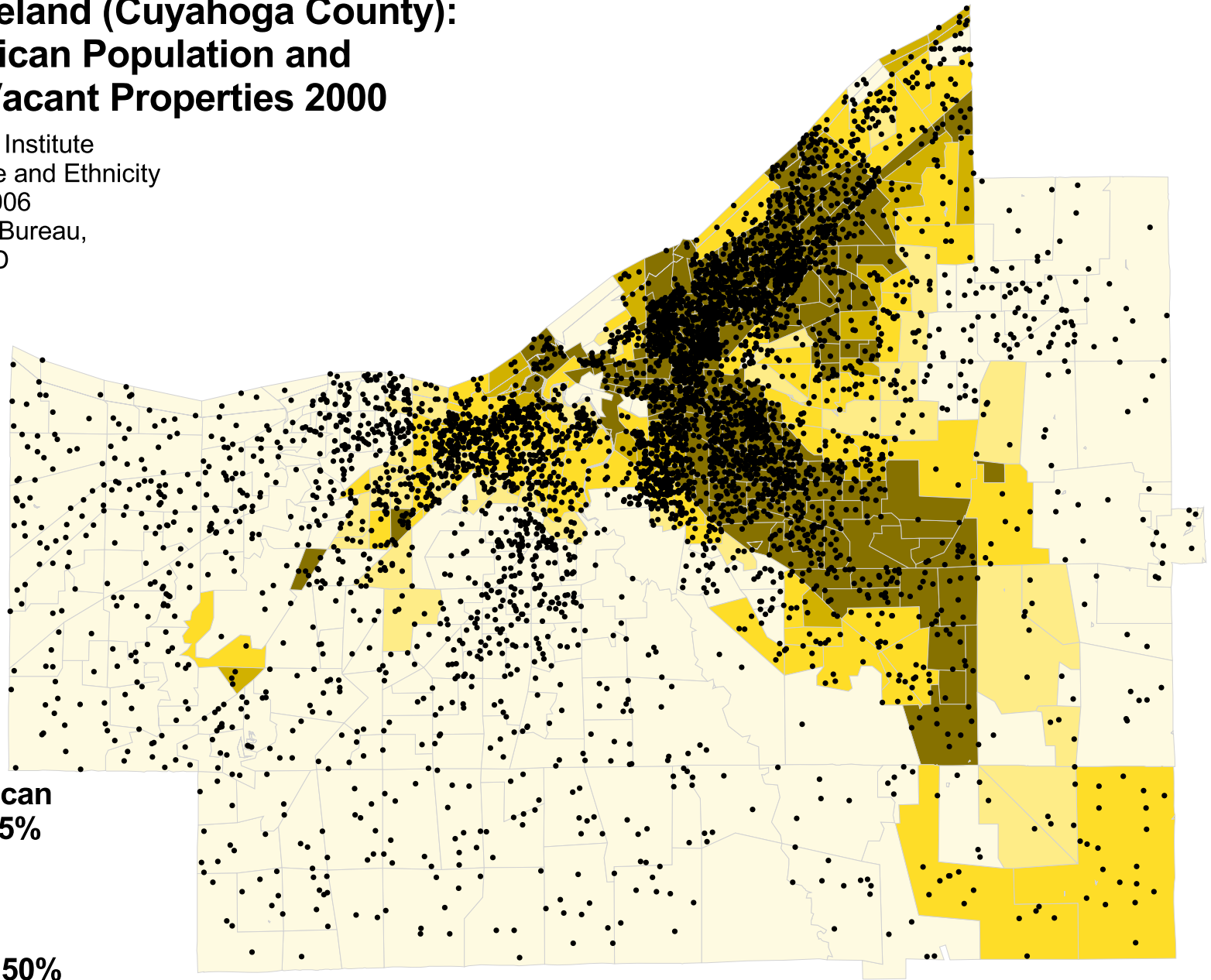
“My mother is from the deep South, she has a saying, “E’ren is better than n’eren.” And what this means is, having a piece of something that’s valuable is better than having the whole of something that isn’t worth that much. That’s the context that I think about Cleveland and the loss of power – who wants to control something that doesn’t have meaning and value? To control a small piece of something with value is better than controlling all of something that’s deteriorating; that’s my answer to that.”

Finally, the goal of a healthy, productive region with balanced investments in people and places has to be clearly articulated. Connecting more people to neighborhoods of opportunity, investing in health, educational, and social services, and boasting a more productive workforce benefits everyone, not just those in “minority” communities. As one interviewee succinctly articulated with respect to business negotiation, but which could be applied to Northeast Ohio’s regional policy goal setting:

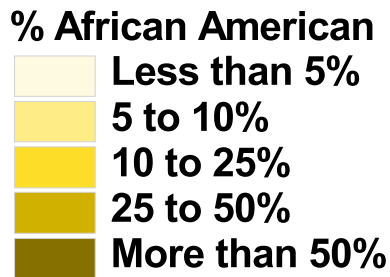
“Finally, everybody has to understand what the end game is. Often we step into these things and we don’t have a clue where we’re going. We have to know what does the end of the road look like? If they don’t know where the road is going, people jump off, go backwards. So you have to be clear up front about the end objective. It takes a long time, but it is worth the front-end investment. You have to have patience and time.”

Map 10: Cleveland (Cuyahoga County): African American Population and Location of Vacant Properties 2000

Prepared by: Kirwan Institute
for the Study of Race and Ethnicity
Date: January 29, 2006
Source: US Census Bureau,
Geolytics Census CD



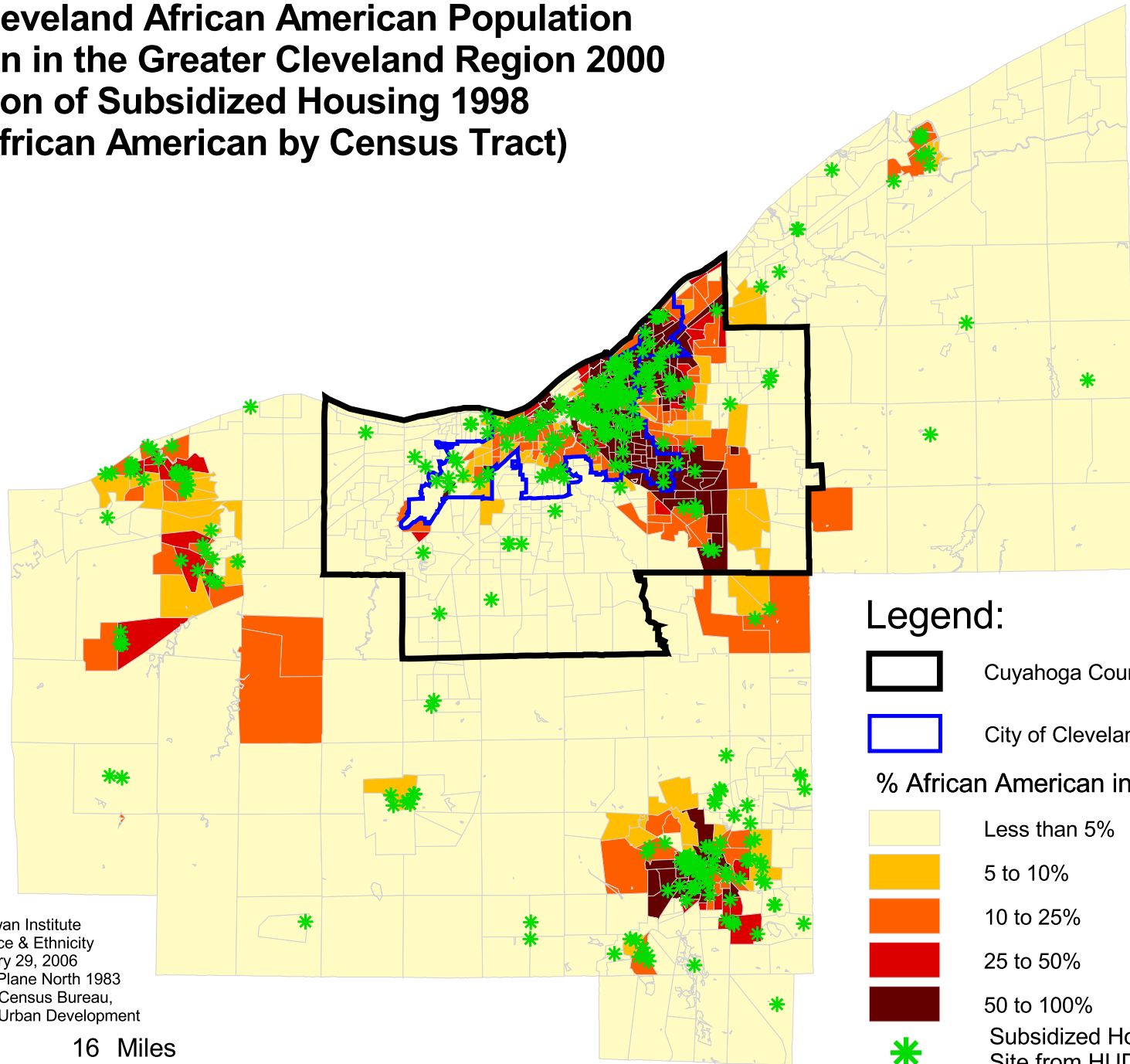
Legend:











Vacant Properties
(Not for Sale, Rent or Seasonal Use)

- 1 Dot = 3 Vacant Properties

Map 11: Cleveland African American Population Distribution in the Greater Cleveland Region 2000 and Location of Subsidized Housing 1998 (Percent African American by Census Tract)

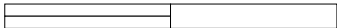


Legend:

-  Cuyahoga County Boundary
-  City of Cleveland Boundary
- % African American in 2000**
-  Less than 5%
-  5 to 10%
-  10 to 25%
-  25 to 50%
-  50 to 100%
-  Subsidized Housing Site from HUD's 1998 Picture of Subsidized Housing

Prepared by: Kirwan Institute
 for the Study of Race & Ethnicity
 Prepared: January 29, 2006
 Projection: Ohio State Plane North 1983
 Sources of Data: U.S. Census Bureau,
 US Dept. of Housing and Urban Development

0 8 16 Miles



Chapter 4 Appendix: Recent Cleveland Mayors and Social Equity⁷³

Cleveland has had nine mayors over the past half century—three of which have been African American. For more than four decades, Cleveland’s African American leaders feared that the City’s needs would be ignored by a suburban agenda, and that cooperation with the suburbs would dilute their political power. These fears and skepticism have not disappeared.⁷⁴

During the suburban growth era, **Mayor Anthony J. Celebrezze** (1953-1962) organized the Cleveland Seaport Foundation to promote Cleveland as a world trade center. He also supported an \$8 million Seaway bond issue, and helped initiate a \$140 million urban-renewal program. During his administration, rapid transit was completed connecting the east and west side, and major investments were made on the freeway system. Under the Mayorship of **Ralph S. Locher** (1962-1967), the city’s port facilities doubled their capacity, and the Cleveland-Hopkins International Airport was expanded. However, riots in the Hough area occurred in 1966, after which **Carl B. Stokes** (1967-1971) was elected as the first African American mayor of a major U.S. city. During Stokes’ administration, the E.E.O. was passed, requiring firms doing business with the city to actively increase their minority employment. Stokes also increased spending for schools, welfare, and public safety.

Stokes’ election generated a large mobilization of the Black vote at the grassroots level.⁷⁵ He also developed a policy to help Black entrepreneurs participate in competitive bidding opportunities for city contracts.⁷⁶ He established a stable political organization that would be useful in putting his social reform agenda in place. This goal was accomplished in large measure during his first term by bringing together Black democratic politicians in a separate Black caucus unit, the Twenty-First District Democratic Caucus (TFDDC). The refusal by the Cuyahoga County Democratic Party to allow this caucus to be involved in the selection of political candidates led to the members of the newly formed organization to pull out of the Democratic Party.⁷⁷

The continual loss of jobs and the subsequent movement of people out of the city had severe long-term consequences for the city’s ever-decreasing tax base. The roots of this contemporary crisis, however, can be traced back to the decade of the 1970s when voters refused to support the proposals that would have increased the income tax collected by the city. By the time Carl Stokes completed his two terms in office as mayor, the city had accumulated a deficit of about \$13 million.

Ralph Perk (1972-1977) established a regional sewer district, resolving a two-year dispute with the suburbs. The city’s sewage treatment plants and major interceptors were sold to the newly organized Cleveland Regional Sewer District in 1972. During his administration, the city loaned the deficit-ridden Cleveland Transit System funds to pay off its bonds, and the system was regionalized when the Greater Cleveland Regional Transit Authority was organized in 1975.

Mayor **Dennis J. Kucinich** (1977-79) narrowly survived a recall election in 1978, due to his confrontational political style and the public firing of Police Chief Richard Hongisto. When the city was unable to pay off \$14 million in short-term notes owed to local banks,

Cleveland became the first major American city to default on its debt since the Depression. To provide more revenue, voters approved an increase in the city income tax from 1 percent to 1.5 percent, but turned down the proposed sale of Municipal Light to CEI.

Republican Mayor **George V. Voinovich** (1979-1989) focused on development projects, using Urban Development Action Grants to leverage \$770 million in private investment. The National Civil League gave Cleveland its All-American City Award in 1982, 1984, and 1986. Voinovich also supported the development of North Coast Harbor, the Rock and Roll Hall of Fame and Museum, and the Great Lakes Science Museum. However, the city's economy continued to decline along with the national recession, and federal funding was cut. The mayor sought an increase in the city income tax from 1.5 percent to 2 percent, which voters approved in 1981.

Michael R. White (1990-2001) furthered neighborhood-based policing programs, persuaded local banks to commit \$500 million to neighborhood development, and supported a reform-minded school board. He also promoted downtown improvement, including the \$365 million Gateway sports complex, and the completion of the \$92 million Rock and Roll Hall of Fame and Museum. Cleveland's economy, however, remained weak as the city continued to lose population and jobs, and school levies were rejected by voters twice in 1994. Faced with dwindling city revenues, the mayor took a leading role in securing \$90 million in federal funds to establish a supplemental empowerment zone on Cleveland's east side. As a response to the worsening crisis of the Cleveland Public Schools, the Ohio State government vested Mayor White with direct control of the school district and the authority to appoint a 9-member, non-elected school board. White also appointed Barbara Byrd-Bennett CEO of the Cleveland public schools in 1998.

Mayor **Jane L. Campbell** (2002-2005) was committed to various development initiatives, including new home development programs downtown, the Euclid Avenue Corridor (linking downtown and University Circle), the Steelyard Commons shopping center built on a former LTV Steel site, and the Wolstein Flats project on the east bank of the Cuyahoga River. However, Campbell inherited a \$60 million budget deficit, and had to lay off roughly 700 city employees and cut back city services, such as trash collection. In addition, in 2004, the U.S. Census Bureau ranked Cleveland the nation's poorest major city. The defeats of two school levy proposals in 2004 prompted widespread layoffs of teachers, deep cuts in education programs, and the departure of schools CEO Barbara Byrd-Bennett.

Frank Jackson (2006—Present) is the 56th Mayor of Cleveland and third African American. “Make Cleveland Great Again” was the theme of his Mayoral campaign. He also campaigned on connecting Cleveland’s future to economic regionalism.⁷⁸ Immediately upon taking office, Mayor Jackson connected with 57 political leaders throughout the region and the Cuyahoga County Mayors and City Managers Association. He also created the city’s first post for regional issues.⁷⁹ Mayor Jackson was uniformly regarded by interview respondents as capable of trusted, effective, and potentially transformative, leadership.

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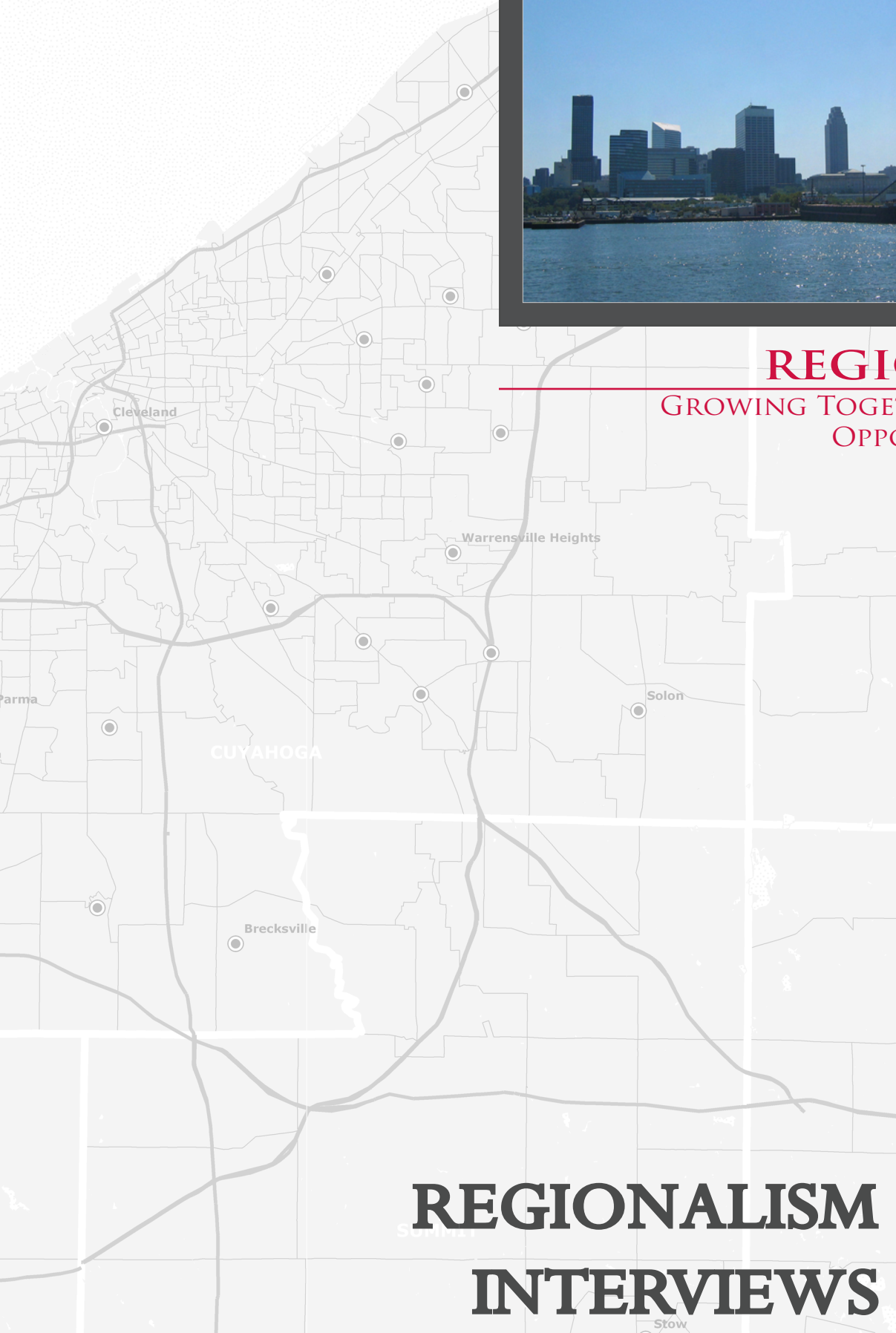
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REGIONALISM

GROWING TOGETHER TO EXPAND
OPPORTUNITY TO ALL



REGIONALISM INTERVIEWS

5

Chapter 5: Potential for Regionalism: Views of Leadership and Experts in Cleveland

In addition to our quantitative analysis and socio-economic research, we conducted 60 face-to-face and telephone interviews between November 2005, and August 2006, to gain a deeper understanding of the challenges and opportunities facing the Cleveland region, and the African American community. Interviews also help assess and investigate whether data and perception regarding the health of the region match. Interviewees included representatives from the Northeast Ohio region's business, health care, advocacy, academic, non-profit, community development, political and religious communities. The findings reported below are generally grouped according to the order of the questions asked (see the section at the end of this chapter for the survey instrument).

For the most part, respondents characterize the **overall well-being** of the African American community in Cleveland as generally poor, and in many cases getting worse. However, there is not universal agreement here. Approximately one in five of the responses addressing overall well-being point to the diversity within the African American community. One respondent stated, "You can't think of the African American community as a unitary monolithic entity." Of those indicating that some African Americans are doing well, this relative well-being, according to respondents, is tied to jobs and income. Those who can afford to move to the suburbs are taking advantage of that opportunity. For those whose well-being is reportedly poor, respondents suggest that they are suffering from the negative consequences of sprawl (concentrated poverty and lack of resources), high unemployment rates, under-resourced educational services, a lack of adequate and affordable health care, and a lack of business development opportunities.

According to respondents, there are a number of **primary issues** that are negatively affecting Cleveland's African American residents. Stated concerns around the general economy and economic development are a primary point of focus. In terms of significant issues affecting the African American community, about one third of the responses pertain in some way to the economy. The respondents indicate that the employment opportunities are limited in that what remains in the urban core tends to be either those jobs that require more advanced knowledge (i.e. technology and health care opportunities), than the majority of Cleveland African Americans possess, or those types of jobs that fail to provide livable wages.

Respondents indicate that the unemployment rate in Cleveland is high, and that there has been a steady out-migration of corporations and jobs to the edges of the region. The combination of limited opportunities and out-migration have acted together to increase income and wealth disparities, with African American residents of Cleveland taking the greatest hit.

Public education, too, is described as a primary issue. Respondents raised many concerns around the poor quality of Cleveland's public schools in terms of significant issues affecting the African American community, with nearly 1/3 of the responses touching on this point, and with the responses being universally in agreement on the poor quality. There is little agreement however, on how to address the problem in the context of a

regionalism strategy. There is also little agreement on whether or not education as a significant issue should even be addressed in the context of devising regionalism strategies. Based on the high level of disagreement among respondents, this area could in fact be among the most polarizing.

In the area of housing, respondents indicate that there is a high degree of racial and economic segregation and that limited affordable housing exists outside of Cleveland. The sense according to the respondents is that the housing pattern is largely a symptom of racism at worst, including spatial racism, and an implicit desire on the part of Whites to exclude Blacks; and a lack of awareness of the needs of the African American community at best. One respondent told us, “Our society has less concern for each other, lack of awareness of equity issues, sometimes Whites want to marginalize the African American community and voice – there is a long history of this.”

Other issues raised by respondents as having considerable concern include family and community issues, such as “family fragmentation,” “young and unwed mothers,” “lack of hope,” and “cultural choices (failure to embrace education as an escape from poverty);” health disparities; and issues around crime and incarceration, including community re-entry issues.

When asked about the **effects of the primary development pattern** in the Cleveland region, the majority of responses indicate that sprawl has been detrimental to members of the African American community. One respondent noted that, “As it gets easier to move out of the city, African American families are being affected by the tax base going down, the services go down. There are vacancies; people leaving affects the neighborhood, and African Americans are the majority in the city. The exodus of people impacts those who stay.” From an economic perspective, according to respondents, sprawl has “exacerbated disinvestment in the city, with jobs moving out,” and has diminished the tax base within the city of Cleveland. Related to the job out-migration, according to one respondent, is the problem that “Current policies favor spending in outer suburbs, including transportation policies,” while another respondent indicates that the region “. . . hasn’t developed our transit system to support connecting to jobs.”

Respondents also indicate that sprawl has fragmented the education system throughout the system, and has had a negative effect on Cleveland’s public schools by taking resources out of the city

When asked about what **types of regionalism-based solutions** might be helpful in addressing the needs of the African American community, the responses clustered strongly around three broad areas: education based strategies, economic development strategies, and advice surrounding the process for implementing regionalism strategies.

“Regionalism would be a yeoman’s effort, but not real meaningful without education and safety services. These things, education especially, is [sic.] the 900-pound elephant in the room, but no one will touch it.”

“Primary and secondary education, but expect great resistance here to lower-income populations.”

“Education would be the hardest.”

“The community will probably be ready for non-confrontational issues (sharing fire trucks, recreation centers), but not for the hard issues, especially education. The whole reason we have suburbs is to exclude people. Rich people want to move away, create enclaves, have their own schools. Regionalism goes against this way of thinking.”

“Education and equity [sic] is the toughest sell.”

“Relative to regionalism, the first place I would start is with education, and if they didn’t start there then I would scrap regionalism. If you start with education, then you’ll know where people are coming from. Most people are interested in their own resources and they don’t want to deal with any liabilities. The resources of the urban area are often exploited and the residents never get the benefits.”

“The wrong place to start is with the schools and places that are too emotional.”

“Any plan would have front and center, K-12 education. You can’t get out of this quickly. But we won’t reach our long-term goals if we don’t fix the educational system.”

“There probably wouldn’t be a lot of support for a regional education system. The suburban communities would object to their dollars being used other places. That would be a hurdle we’d have to overcome.”

Respondents provided a few ideas for educational improvement strategies, including the following:

“A “super-school” for grades 9-12 that is state-of-the-art, located in downtown Cleveland. It wouldn’t just be for gifted students. First priority would go to Cleveland residents. Something like this would be an attraction, a draw to the city. This could also pull in suburban school students. Perhaps this type of school could be tied to Cleveland State or Case. Perhaps students attending this school could get some type of college credit.”

“To me, a regional type of school system where the haves and have-nots are integrated would be ideal. The suburbs would have to be involved. A great example of that would be Raleigh, N.C. A *New York Times* article talked about the positive benefits (improved scholastic performance, improved standardized test scores, etc.) of integration by income. So this may be something that could work here.”

“A more regional approach to the education system; right now it’s all city-based. We can’t seem to get the attention of the folks in Columbus to do something other than property taxes to fund education in this state. If we had a better way of tapping into the taxes from the county/region at large and create a regional education system, particularly at the lower levels, it might be a way of equalizing the educational opportunities of the African American community, particularly at the lower end of the economic scale.”

“Improve and create access for those who are stuck in under-performing schools to go elsewhere.”

Others suggest that it might make sense to create magnet schools, initiate a voucher system, and establish open enrollment policies.

There is high agreement among respondents that any regional-based solution that Northeast Ohio undertakes should both have a strong emphasis on economic development and should invoke economic development as an incentive for regionalism. Regarding the former, some of the respondents suggest that there is high unemployment, along with a general lack of jobs. Corporations have re-located from Cleveland to the suburbs (and elsewhere in the nation) and this, combined with other economic forces, has created economic instability. Regarding the latter, and as a process item, respondents indicate that companies won't come to Cleveland, nor will they remain there unless there are incentives for them to do so. Additionally, respondents suggest that the entire spectrum of economic development be addressed, from job creation, to supporting minority business development through the provision of flexible finance options, and through contracting with minority businesses for their services.

Beyond education and economic development, respondents also indicated that the cross-jurisdictional sharing of services, such as shared police and fire service, could prove beneficial in minimizing some of the financial strain on local governments. In these cases taxpayers are increasingly being asked to pay more for what in some cases is lower quality service. At least one of the respondents, however, indicates that some members of the African American community may be opposed to sharing emergency services if there is a chance that they will not have as much access to those services as their more affluent and often White neighbors. In other words, will an ambulance be deployed more quickly to wealthier neighborhoods? Will fire personnel prioritize calls in such a way as to disadvantage African American communities? These concerns indicate that a history of mistrust is not easily overcome.

Finally, many of the respondents indicated that a regional strategy is needed for ensuring that decent and affordable housing is available throughout the region, and that this strategy should be implemented in such a way as to deconcentrate poverty and to racially integrate all parts of the region. This strategy could also indirectly address some of the problems associated with Cleveland's high poverty and racially segregated schools. Again, however, there is a sense according to the respondents, that this is another area where resistance will come into play, particularly since many of those families who moved to the suburbs did so to "distance themselves from the problems they perceived in Cleveland."

A substantial proportion of the responses addressed the "how" question of regionalism as well as the "what" question. Respondents indicate that there are varied understandings of what regionalism is – whether it refers to a regional governmental structure, cooperation among jurisdictions, tax-base equalization, etc. They also indicate that among some of the region's residents there is a sense that regionalism is a zero-sum game that results in "winners and losers." The concern over common understanding of a definition for regionalism is a theme that emerges throughout the questions asked, suggesting that terminology and general education about regionalism might be important. Similarly, respondents indicate that there is a need to develop "shared understandings about the detrimental effects of maintaining the status-quo," along with an understanding of the potential benefits across jurisdictional, sectoral (private, public, non-profit), race, and class lines of thinking and behaving as a collaborative regional economic unit. To do this, according to respondents, it will be important to maintain a focus on fairness, ensure that

the process for planning and implementing regionalism strategies is broadly inclusive of members of the diverse African American and other communities of color, males and females; and to attend to building relationships characterized by trust.

When asked to discuss **significant capacities, or resources** that Cleveland has to address regional equity, the most frequent responses pointed to governmental/political leadership and to non-profit, advocacy, and planning organizations.

Respondents indicate that from a municipal government perspective, there are examples of some suburbs which are working together to provide services that would otherwise be out of reach of the individual suburbs' tax capacity. Furthermore, while some respondents suggest that the political leadership in the Cleveland region is "progressive," others indicate that among many of the municipalities the self-interest motivator is "home rule on steroids." Nonetheless, many interviewees identify Mayor Frank Jackson as having significant capacity to lead regional policy-making effectively and with fairness. They indicate that he is joined by a number of other leaders.

Additionally, leaders in the faith-based community are viewed by respondents as being influential, and these leaders have taken steps to educate the general public about the moral and social justice aspects around sprawl and fragmentation. The philanthropic community and non-profit organizations have promoted civic engagement, and have approached regionalism through a variety of lenses including environmental conservation and transportation.

Despite the problems noted around the Cleveland public schools, respondents indicated that several institutions of higher education have significant capacity with regards to regionalism. The institutions and scholars have a good knowledge base according to respondents, and have been studying many of the domains that might be included in a regionalism strategy. For example, one respondent indicated that the Cleveland Community College is dedicated to understanding mobility and transportation.

The private sector is viewed by respondents as having significant capacity to affect the regionalism discussion, especially with regard to job creation, wealth, and the tax base. Interviewees indicated that because these actors are viewed as market-driven objectivists, there is a sense that if the leadership in this sector lead a regionalism reform discussion, it will be taken seriously. By focusing on economic self-interest of all parts of the region, respondents suggest, the discussion becomes less emotional and more actionable.

However, there is significant wariness among respondents as to how a regionalism conversation is going to be carried out. When asked to identify **significant constraints**, four areas were mentioned with high frequency: political constraints, economic constraints, low level of trust, and racial constraints. Additionally, many of the respondents indicated that there is little concern for, and low commitment to, revitalizing the city of Cleveland on the part of more affluent parts of the region.

Regarding political constraints, respondents indicate that the region consists of isolated municipalities and governments and that the current structure is motivated by local self-interest. Many indicate that the notion of "home rule" is extremely powerful, and that there may be resistance to change. At the state level, respondents indicate that there are currently many state incentives for sprawl, including highway, sewer, and water

expansion. In reference to these incentives, one of the respondents told us that “tax policy is now used willy-nilly.”

Economic constraints, according to respondents, include limited economic activity in general, a shrinking economic pie, and the “huge economic schism between Cleveland and the rest of the region.” Other significant challenges reported by respondents include the negative image of the city on the national stage (despite many unsung strengths) that limits economic growth, the retrenchment of federal and state government funding for social and family services, and global competitiveness and outsourcing. More than one respondent discussed the parallels between Cleveland and New Orleans, indicating that Hurricane Katrina spotlighted conditions of existing inequity in many cities in the United States. In this context, one of the respondents indicated that it would be a challenge to regionalize fire and public safety services given the apparent disparities in how the services are distributed in times of dire need.

Among those we interviewed, a large number of respondents indicated that lack of trust is a significant constraint to regional equity. They discussed issues of territorialism, the fear by White suburbanites that “Cleveland will export poverty while taking suburbs’ taxes,” and suspicion on both sides. One respondent alluded to “allegations that the suburbs are cooperating among themselves to keep Cleveland out.”

Racial constraints, according to respondents, include the deep level of segregation, and a history of limiting African American participation in regionalism planning. Respondents cite the existence of a lack of open communication both within the African American community and among the African American community, the Hispanic community, and the White community in Cleveland. They indicated that there are low numbers of African American leaders in Cleveland who tend to be overwhelmed by a multitude of needs, and there is a parallel of low numbers of African American leaders in the suburbs. The possibility of “losing Black voice and political power” is an issue that was raised by many of the respondents as well. Finally, respondents indicate that racial attitudes toward non-Whites in Cleveland have long been a problem, with suburbanites deliberately separating themselves from the problems in Cleveland, and harboring a “self-responsibility mentality toward low-income city residents.”

Other constraints mentioned by interviewees include a reiteration of the need to define what is meant by the term regionalism, and what is not included in the definition. They emphasized the complexity of the problems facing the Northeast Ohio region, and identified a lack of general awareness of both the problems, and possible solutions. Some suggested that the ignorance itself is intentional, allowing people and governments to avoid perceived problems that exist beyond their borders. The historic lack of commitment, or “political will,” to address these issues is also cited by respondents as a significant constraint. Interviewees suggest that these issues – political, racial and mistrust - need to be resolved in order to create equitable regionalism policies and practices.

Because of the lack of commitment to the poor and least served by federal and state politicians and their constituents, many respondents predict a negative and significant pushback on critical elements of equity-based regional policies, such as sharing educational resources or integrating residential neighborhoods. Equally important, many

of the respondents indicate that current and potential regional policies are largely driven by municipal financial strain and stagnating economic growth. This context may end up shaping regional policies toward either shared municipal services, which is not likely to affect disparities, or toward economic development strategies that hope for “trickle-down” effects with no equity-based component. However, despite all of these challenges and fears, interviewees note that the critical need exists to begin thinking proactively, creatively, and region-wide about equity-based policies, because of the important links between education, economic development, and the strength and stability of families. Without equity-based reform, respondents suggest that the future of many of Cleveland’s African American families will be compromised, as will that of families throughout Northeast Ohio, unless significant developments occur in educational preparation, economic opportunity, and access to health care.

The majority of respondents indicated that regionalism may have a negative effect on **African American political voice/power in the Cleveland region**. Indications from interviewees are that the result would be fragmentation and loss of political power, that there would be fewer African American elected officials, and that loss of political representation may cause African Americans to feel left out. However, many of the respondents indicated that regionalism can be implemented with deliberation toward equity. While none of the respondents provided specific suggestions for doing so, it was indicated that there could be some structures built into the process to preserve the African American political voice. On the other hand, quite a few respondents indicated that the current situation doesn’t necessarily provide equitable access to political participation, and that furthermore, there is little value in having control of a city that is in decline. For example, one respondent stated, “Who wants to control something that has no value? Controlling a small piece of something with value is better than controlling all of something that is deteriorating.” Another stated, “Even if you have political numbers in an un-influential geography there is limited worth to the numbers.” In this area, as in others, respondents indicated that the potential short-term negative impacts will likely be reduced in the long term.

Interviewees were asked to discuss existing or **historical regional equity or regional cooperative efforts that are beneficial to the region and/or well-being of the African American community**. Approximately one-third of the responses pointed to shared services, water and sewer in particular, a regional park system, and a few mentioned existing cases of shared police and fire. Many respondents indicate that there are regional planning initiatives, but little implementation as of yet. Respondents also discussed the Northeast Ohio Areawide Coordinating Agency (NOACA), the Regional Transportation Authority, (RTA), and the Regional Income Tax Authority (R.I.T.A.), indicating that these are examples of regional coordination or cooperation, but that these entities are not focused on equity in that they are not charged with “leveling the playing field,” but merely with improving efficiency. Therefore, if benefits have accrued to the African American community, or to low-income community members, the benefits have been a side-effect of greater efficiency.

“These are regional systems. Regional cooperation is different than regional equity. Equity presumes that through regional efforts, you have somehow leveled the playing field. I can’t say that RTA levels the playing field. What

it does is effectuate efficiencies when it comes to delivering public transportation services. To the extent that by being more efficient you can lower the cost of delivering the service and when poorer people and central city residents may be more dependent on public transportation, then perhaps equity had been achieved in some respects. However, that wasn't what motivated the formation of RTA. It wasn't to increase access to public transportation for poorer people or Black people; it was a matter of efficiency. A side benefit may have been improved and increased access to African Americans who depend on public transportation. For any of these existing systems, the primary motivator was not equity but efficiency."

Respondents identified the economy/economic development and the public school system as the **priorities for regional equity efforts**. These priorities are consistent with the most pressing issues identified earlier in this summary. Regarding the economy, respondents indicate that there needs to be a focus on job creation, support for minority business development, and the generation of new business opportunities in Cleveland.

Specific areas addressed as economic priorities include the health care industry, supporting start-up businesses and entrepreneurs, addressing the brain drain, and working with immigrant communities. Although Cleveland has world-class health care institutions, several respondents feel that these resources have not been accessible to or benefited many Clevelanders:

"Big local institutions like the Cleveland Clinic recruits from afar; big institutions are NOT big local investors."

"When we truly embrace it [the medical community] and make it a part of the solution...we are a hospital / clinic community and yet they are apart."

"The region won't be able to sustain itself by recruiting jobs just for well-educated, high-end White people. There are not enough jobs in bio-tech, for example, to deal with the number of people who need employment. I haven't heard any [conversations on alternatives to bio-tech development]. And I've been sitting around most of those tables, and that's kind of my displeasure – is that we focus either on lower-end jobs (sales / retail) or higher-end jobs (bio-tech, education) and we don't talk about anything in-between..."

Respondents also indicated that Cleveland could improve its attempts at nurturing start-up businesses:

"Cleveland developed and supported these high-tech incubator "hubs" and recruited from all over -- entrepreneurs came from as far away as Israel -- and then they couldn't recruit [adequate labor], so the high-tech companies left the incubator as soon as their time was up."

Another economic priority identified by respondents is the "brain drain" affecting Cleveland:

"We need to create opportunities for talent to stay here – to address the brain drain. Young people, you can lose them because they don't find meaningful careers, a dynamic city, in which to live after college. We need young

professionals – White, African American, Hispanic, others, to want to live and work in the city.”

“There are problems in the overall region – a brain drain. We are not attracting our fair share of bright young people, particularly young people of color. In part, this is because, whether it is perception or reality, of the significant racial divide. We talk a lot about diversity, but when you compare us regionally...when you’re a young African American out of college or in your early or mid-career – is the social climate here attractive enough in terms of diversity? Maybe you’re used to more diversity; other places seem to value diversity more without such nagging racial divides.”

Respondents also view attracting, retaining, and connecting immigrant groups as an economic priority:

“How can we attract immigrants in ways that connect them to other groups, instead of pitting groups against each other? We lag the immigrant attractions of other cities like Columbus, Atlanta, Chicago, Philadelphia, Minneapolis. This makes us more stagnant. We need a plan to attract, integrate, and connect immigrants with residents, especially people of color.”

“The racial and ethnic composition of Ohio [is] somewhat un-diverse, [with] smaller populations of Hispanics and Asians than other places that are growing and attracting more diverse groups of people. People are more likely to go where there are people of their ethnicity or race. Is Ohio open to diversity?”

Interviewees stressed the connection between economic development and education, a second priority for regional equity efforts.

“Education because everything else is a by-product.”

“Education is # 1. There are very, very serious issues here about the lack of quality education available to African American children in public schools. This is a significant part of the other negative social experiences.”

“Educational reform – how do we educate poor kids; with resources and access to other school districts. If we were to think, this is not just a Cleveland problem, but to be more competitive as a region, we need to be able to say, with confidence, that we have a skilled work force, no matter where you locate – we can’t say that now.”

As noted earlier, there is strong agreement among respondents that public education is a clear priority, but also agreement that any efforts to regionalize education are likely to be met with strong resistance.

During this portion of the interview, respondents reiterated the need to attend to process. They indicate that it is important to ensure that the process is inclusive, that all voices should be taken seriously, and that there should be an explicit focus on equity – not just efficiency. They suggest that priorities be pursued by educating and involving the media, by pushing elected officials to keep regional equity at the top of the agenda, by providing incentives to revitalize Cleveland and the first-ring suburbs, and by providing dis-incentives for sprawling development. It is important,

according to respondents, to explicitly answer the question of whether or not regionalism can be positive for communities of color and to select areas where success will energize people around regionalism. For example, one respondent suggested that:

“You have to start with small issues that could get a lot of publicity for their quick wins. An example would be a special revenue project – something physical (tangible) that people can see.”

Respondents also underlined the importance of making regionalism a long-term strategy.

When asked about **larger forces** acting on the Cleveland region, some of the respondents addressed global economic forces, including globalization. One respondent indicated that:

“It is a global world that we’re in. We’re (regions) competing against nations. Northeast Ohio is competing poorly against other countries. And this is because we have no vision for a quality school system.”

Other respondents indicated that the global economy has had a negative effect on Cleveland’s economy, and that the war in Iraq has been problematic in that national attention and funds have been diverted away from domestic policy areas. They caution that while an understanding of the global economy is important, it should not come at the expense of “knowing what is happening in our own back yard.”

A few more of the respondents indicated that at the national level, historic policies put segregation and concentrated poverty into motion (discriminatory lending, highway infrastructure funding), and little has been done to counteract the effects of these policies. Some suggested that the federal government is not working for the general good of the people, and that devolution – the shifting of responsibility from the federal level to states without allocating the requisite funding to provide services – is a force that needs to be considered.

Even more respondents focused on state-level forces. A number of the responses indicate that there has been a reduction of state funding in general, and several of the respondents suggest that there is a perceived rural bias among the elected officials. One respondent indicated that “state power tends to tilt to the rural communities. In the state legislature, there is disproportionate influence from the rural communities, who do not consider Cleveland as important.” Another indicates that Ohio is a “weak state,” and goes on to explain: “Rather than investing in NE Ohio, they have been offering tax cuts to individuals and draining money out. The legislature has written off Northeast Ohio. It is dominated by rural interests who think that urban problems are our problems alone. They say, ‘fix your schools and crime, then come talk to us.’” Additionally, a few respondents indicate that the next governor may impact action on the Cleveland region.

The vast majority of responses (nearly one in four) focus on regional forces. Of the larger regional forces mentioned, economic forces, political and other leadership, and racial forces emerge as primary forces acting on the Cleveland region.

Many of the respondents point to the economic shifts over the past few decades, transitioning from a manufacturing, to light manufacturing to services industries. These shifts, according to respondents, have contributed to a loss of jobs, particularly living wage jobs, and to a general disinvestment in the city. Interviewees indicate that disparities between Whites and non-Whites in several areas, including income, wealth, health, and educational attainment are substantial and growing. Many remind us that the economic forces acting on Cleveland and its surrounding areas are complex, and will require complex solutions. Respondents suggest that outsiders tend to view Cleveland as an aging Rust-Belt city with little to offer, and indicate that measures should be taken to address these perceptions. Some indicate that these perceptions are shared by organizational leaders in Cleveland as well:

“I see growth. . . in other states . . . through an influx of people following business opportunities and jobs. . . People don’t realize the competition is on. The states around Ohio are not ‘sitting on their thumbs,’ hoping for manufacturing jobs to come back – hope is not a strategy.”

In addition to adding jobs and businesses, some of the respondents indicate that it is necessary to increase the downtown residential population to enhance the property tax revenue.

With regards to political and other leadership, many of the respondents express cautionary hopes for Mayor Frank Jackson and regionalism, but wonder whether or not the larger context will allow him to pursue a regionalism agenda:

“Frank Jackson has a good heart, and his heart is in the right place by attempting regionalism, but it will be a real challenge. He may not have enough support.”

“I think Frank Jackson wants to do something real about regionalism. The interest is there, but we don’t know how that’s going to unfold.”

“There has been little past leadership on supporting greater equity in the region. Perhaps Mayor Jackson will be an exception. I’m hopeful that he will provide leadership.”

“I like Jackson – am behind him – but he’s low key, so I don’t really know enough about him. He seems to be a potential coalition builder, but maybe it is hard in Cleveland for individuals to make a difference.”

Other thoughts on community leadership as it pertains to regional equity include:

“There’s no champion as of late to compel people to change. Pockets of leadership exist, but there isn’t one charismatic leader. It takes a lot of regular people to make change.”

“There has been little past leadership on supporting greater equity in the region.”

“There hasn’t been leadership in the regional equity area because people look out for their own economic interests.”

“You don’t see a sense of leadership that could say we’re all in this together, this is our community . . . half a dozen religious leaders, twenty some-odd business leaders, three elected officials, maybe four? I don’t count most of the members of Council; they don’t have the gravity or depth of knowledge to be regional leaders, Black and White. Sandra Scott Pierce clearly has it. The Mayor has it. Commissioner Lawson-Jones has it. Congresswoman Tubbs-Jones has it. A few of the judges. Apart from that, it’s pretty thin.”

“There’s also an overtaxing of leadership in our communities of color. The minorities that have been involved tend to be the same ones and they are involved with a lot of different organizations. So a lot of people have just gotten burned out rather quickly. This adds to the demand and urgency in the community to get more people involved. We don’t have a good leadership pipeline.”

According to respondents, there are also racial forces acting on the Cleveland region. Many say that evidence of racism is active in Cleveland, yet few are willing to openly acknowledge and discuss racism. Many referred to the east-west divide and the segregation of minority and African American families and individuals in Cleveland:

“The east side and west side is so polarized. It’s almost as if there are two separate cities within Cleveland. People very rarely cross the river.”

“Race is an underlying issue in Cleveland. It’s an unspoken social moré. The city is still split.”

“Well, racism is there, but we just have to put it in our hip pocket and work on it.”

We asked respondents to comment on what **factors would have to be considered** before attempting to apply successful regional equity-based policies from other regions in the United States to the Cleveland region. Responses were varied but consistent with questions asked earlier in the interview. Interviewees pointed to the region’s economic changes and ongoing challenges, the history and strength of racial and economic segregation, the poor quality of Cleveland’s public schools and political fragmentation. It is notable, however, that nearly one-third of the responses highlighted the social, natural, and physical assets that Cleveland has to build on. Among its social assets, respondents indicate that:

“The tradition of philanthropy is a strong part of our heritage.”

“We have a long tradition of churches, community investment.”

“We have ethnic strengths and diversity.”

“We are informed by Midwest sensibilities and family values.”

“We have a strong work ethic.”

“Cleveland has a phenomenal history of recovery – it is resilient.”

“Cleveland has a ‘can-do’ attitude.”

Regarding natural assets, a substantial number of respondents indicate that Lake Erie is an important resource, and could be a hub of economic development. Having four seasons is also viewed as an asset according to respondents.

Among physical assets identified by respondents, the health care industry is cited with frequency:

“We could build on our top-ranked health care facilities.”

“We are a leader in health care nationally and we can build on that.”

“Cleveland has healthcare and medical facilities and schools that are outstanding.”

Additionally, many respondents pointed to a rich arts community including museums, theatres, and the orchestra. It is also noted by a few of the respondents that the professional sports teams are an asset to the region.

Reflections on the Central Research Question:

What kind of regional policies and cooperative efforts would best benefit Cleveland's African American community, increase opportunity and fairness for all residents, and effectively grow the region as a whole?

In the 60 interviews conducted for this project, great variability emerged regarding regional policies and cooperative efforts that would best benefit the African American community and the region as a whole. There were, however, several consistent threads that emerged, including both concerns and suggestions for moving forward. Overall, respondents are concerned about the current well-being of the African American community. Incentives for suburban growth result in disinvestment in the inner city, and rob its residents of meaningful opportunities, such as high quality education and sustainable employment. There seems to be both an underlying excitement, as well as concern, regarding regionalism as a potential solution to address these issues. On one hand, it has tremendous potential to achieve greater growth and capacity building for the African American community. On the other, if implemented incorrectly, it could disempower the African American community and undermine existing strengths and resources.

Regarding specific policies, recommendations focused primarily on two areas: economic development and education. The educational arena is thought to be both the most powerful and the most contentious. Interviewees did acknowledge that it is a powerful leverage point from which other beneficial changes would follow, and some were hopeful about the possibility of creating a more integrated, more fairly funded education system. There was less polarization regarding economic strategies and a number of economic priorities were identified: attract businesses to the region, better connect to existing ones, support small minority businesses, connect African American populations with employment, and prevent the regional ‘brain drain.’ Respondents stressed that a public communication campaign would be beneficial to build trust and educate people on the need for, and benefits of, regionalism. Paired with an exclusive focus on the African American community, and given the existing strengths of the Cleveland region, many were hopeful that regional policies could create greater racial and regional growth and opportunity for everyone.

- In most cases, the respondents characterized the overall well-being of the African American community as poor, and in many cases as getting worse. This decline is attributed to sprawl, unemployment, education, healthcare, and the lack of business development opportunities.
- The majority of interviewees saw sprawl as a detriment to African American communities, as it contributes to other issues such as a lowered tax base, decreased services, housing vacancies, disinvestment, educational fragmentation, and the exodus of gainful employment.
- The two most oft-mentioned priorities in regionalism were education and economic strategies.
- One-third of the respondents discussed the inequities in public education. Although opinions on the issue were varied, education is acknowledged as potentially being the most polarizing issue.
- Education policies are needed that draw students to the city, integrate students racially and economically, and move towards a regional system.
- Respondents differ widely on their opinions regarding when education should be addressed in the context of regionalism. Many think it must be first, while others see the resulting strong resistance halting regionalism efforts.
- One-third of responses focused on the economy, indicating that employment opportunities were limited in the city. Jobs that are available require training that the majority of African Americans in the city do not have, and attainable jobs do not pay a living wage. Meanwhile, corporations and jobs continue moving to the edges of the region or elsewhere in the U.S.
- Economic policies are needed that focus on creating economic stability including: incentives for businesses to relocate to Cleveland; job creation; flexible finance options for minority business development; building better connections to healthcare institutions; curbing the “brain drain;” and attracting, retaining, and connecting immigrant groups.
- Respondents also raised issues of racial and economic segregation in housing and the availability of affordable housing, and recognized the interconnectedness of housing and education.
- Cleveland has significant capacities and resources including governmental and political leadership, non-profits, advocacy and planning organizations, institutions of higher education, and the private sector. There are also a number of successful historical or existing regional cooperation efforts.
- Four constraints to regionalism were identified: political constraints; economic constraints; low levels of trust; and racial constraints. Lack of political awareness, little political will, and mistrust were also acknowledged. Respondents are also concerned that regionalism may

contribute to a loss of political power for the African American community.

- Regionalism needs to be publicly defined to dispel the representation as zero-sum, to communicate the deleterious effects to everyone if the status quo is maintained, and to build trust and ensure the process is inclusive.
- The process of building a regional dialogue must be attended to, and should be: inclusive; focused on equity; communicated to the media; incentivized; pursued with long-term efforts; and deliberately focused on benefits and harm to communities of color.
- The focus cannot be on local policies only, but must also include state-level forces, current and historic national level policies, the impacts of globalization, and racial forces acting on the region.
- A number of regional strengths were identified. Respondents are optimistic about the possibilities for change, building on the existing health care industry, the arts community and sports industry, a tradition of churches, community investments and philanthropy, diversity, work ethic, and resiliency.

Addendum: Survey Instrument

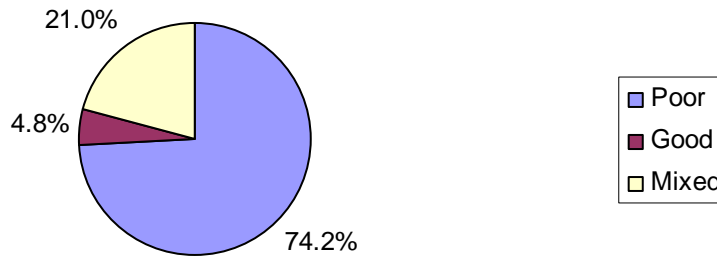
1. How would you describe the overall well-being of the African American community in the Cleveland region? (This could mean the general population, neighborhoods or communities, African American political leadership or the African American business community).
2. What are the most significant issues (i.e. housing, education, economic development, etc.) that are impacting the African American community?
3. How do you feel the Cleveland region's primary development pattern (e.g. sprawl) is impacting the African American community?
4. What type of regional-based solutions (for example: education, housing, economic development) might be helpful in addressing the needs of the African American community?
5. What do you perceive are significant capacities in the Cleveland region for addressing regional equity? For example, what institutions, people, programs, networks, energy, existing efforts, constituent voices could support greater equity in the region?
6. What do you perceive are significant constraints on regional equity programs? For example, institutions, people, policies, energy, constituent concerns.
7. If regionalism was implemented in the region, what impact would this have on the African American political voice/power in the Cleveland region?
8. Are there existing or historical (formal or informal) regional equity or regional cooperative efforts that are beneficial to the region and/or the well-being of the African American community?
 - a. Were there regional equity or regional cooperative efforts that were not beneficial?
 - b. Was there public/political support or resistance to these programs or policies? Who resisted? Who supported?
9. What do you see as a priority for regional equity efforts? (i.e. housing, transportation, jobs, schools)
10. How would you see various institutions / constituencies supporting or not supporting these initiatives?
11. What "larger forces" do you see acting on the Cleveland region (i.e. economic restructuring, demographic trends) and do you see any potential for interventions in those forces?
12. What factors would have to be considered before attempting to apply successful, regional equity-based policies from other regions in the U.S., to the Cleveland region? What factors make the Cleveland region "unique" in regards to other places in the country?
13. Additional Comments.

Addendum: Interview Responses

Note: Due to spreadsheet rounding, not all charts add up to exactly 100.0%. Note also that if % signs are not given, the number represents the number of respondents.

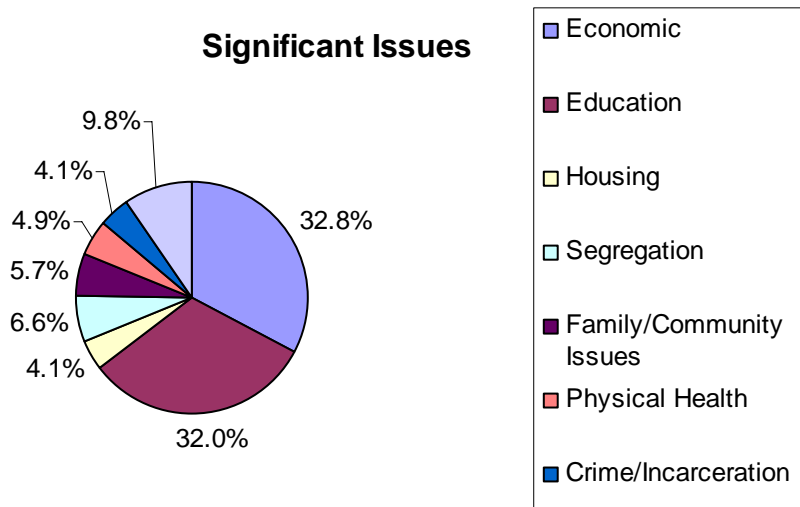
- **Overall well-being of the African American community in the Cleveland region.**

African American Overall Well-Being



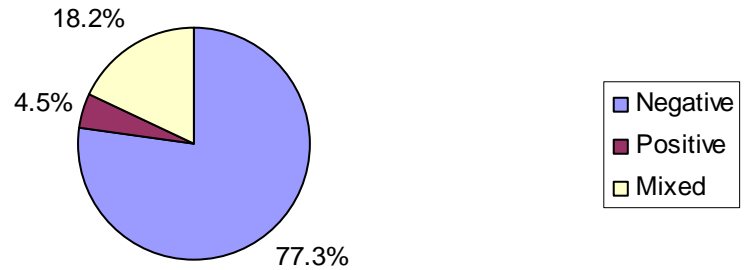
- **The most significant issues impacting the African American community.**

Significant Issues



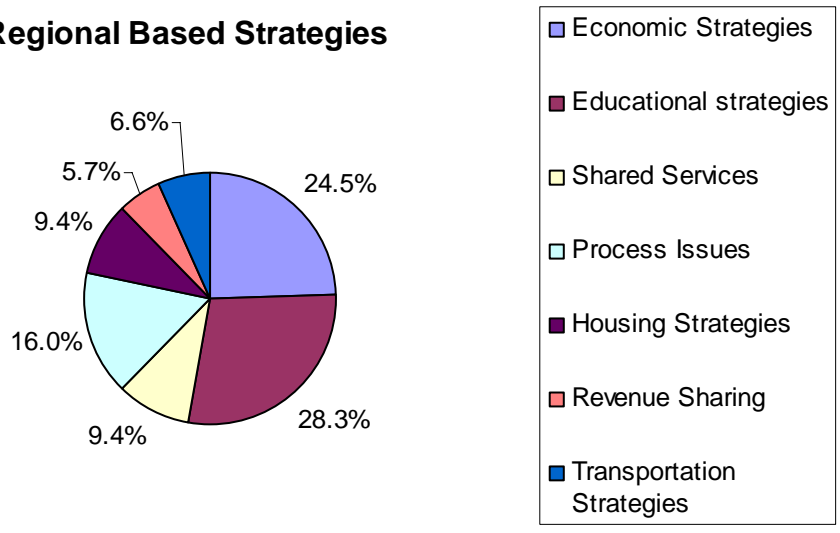
- **Impact of the Cleveland region’s primary development pattern on the African American community.**

Effects of Primary Development Pattern

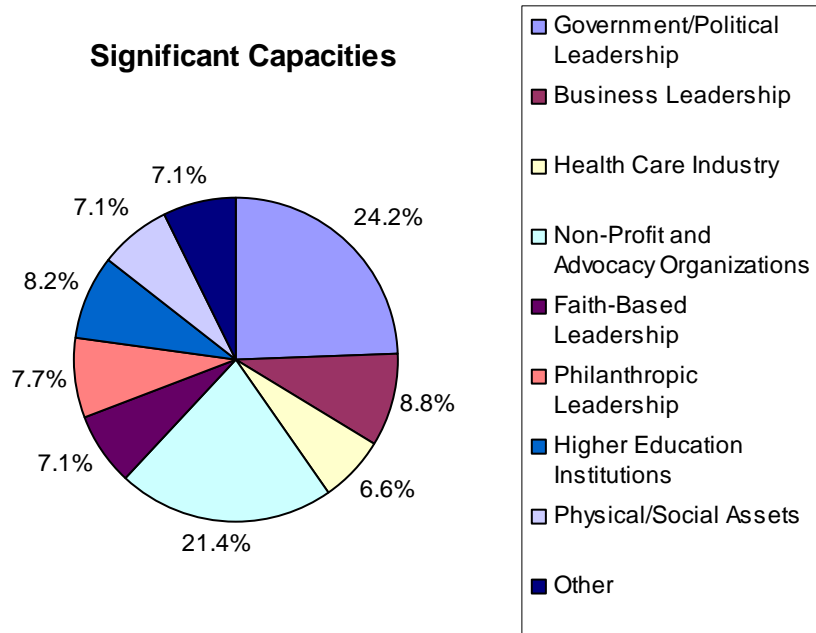


- **Type of regional based solutions that might be helpful in addressing the needs of the African American community.**

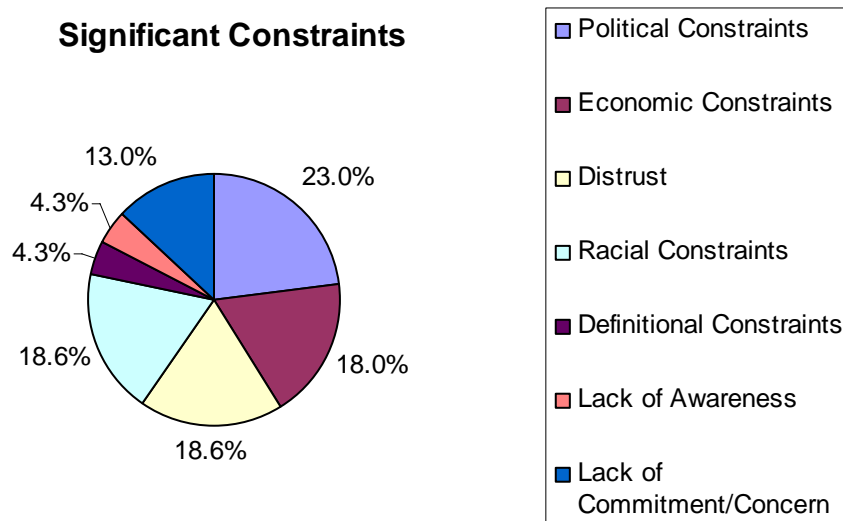
Regional Based Strategies



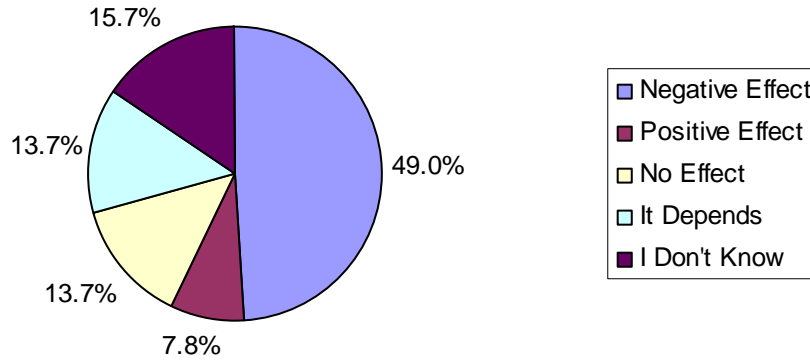
- **Significant capacities in the Cleveland region for addressing regional equity.**



- **Significant constraints on regional equity programs.**

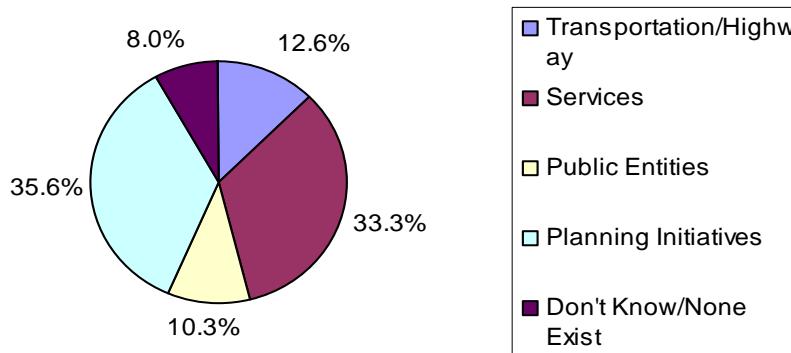


- **Impact of the implementation of regionalism on the African American political voice/power in the Cleveland region.**



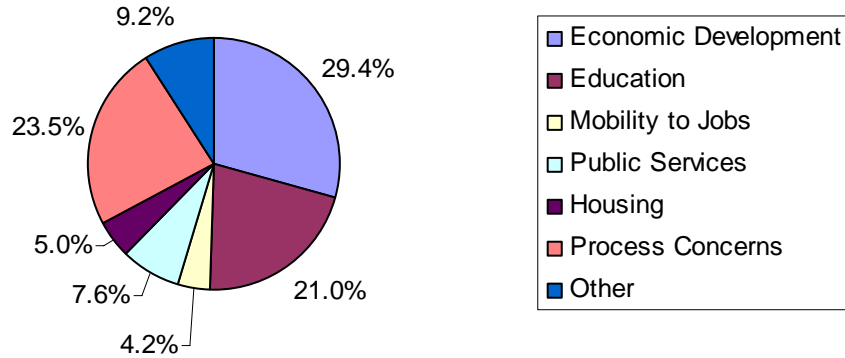
- **Existing or historical regional equity or regional cooperative efforts that are beneficial to the region and/or the well-being of the African American community.**

Existing Regional Equity/Cooperation Efforts



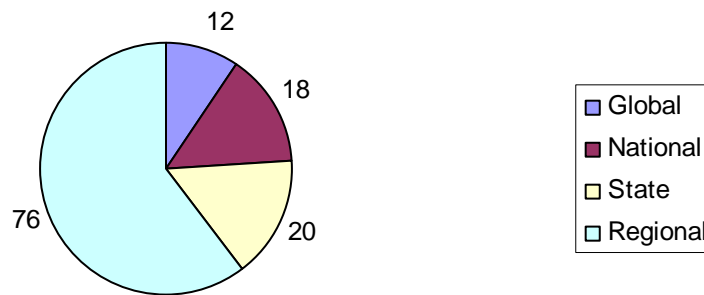
- **Perceived priorities for regional equity efforts.**

Priorities



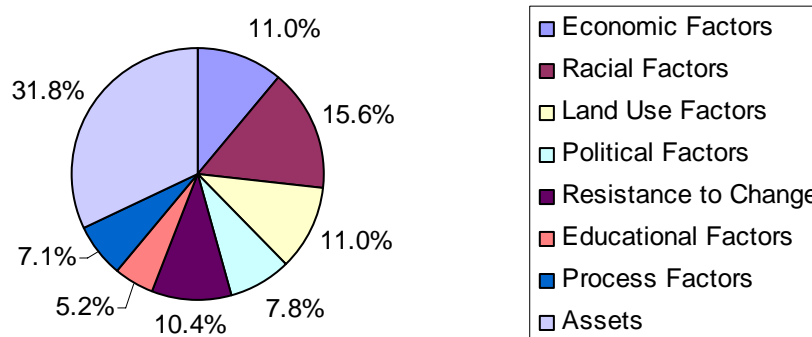
- **“Larger forces” acting on the Cleveland region.**

Larger Forces to Consider



- **Factors to consider before attempting to apply successful regional equity-based policies from other regions in the U.S., to the Cleveland region.**

Factors To Consider





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GROWING TOGETHER TO EXPAND
OPPORTUNITY TO ALL

**STRENGTHS, WEAKNESSES,
OPPORTUNITIES
AND THREATS**

6

Chapter 6: SWOT Analysis

The previous chapters provided the historical and contemporary context of Cleveland. The next section aims to synthesize contemporary issues and align them to risks, assets and liabilities. Among Cleveland's noted strengths are its residents, community activism and philanthropy, political leadership, the health care sector and a broad array of physical and cultural amenities compared to other Ohio regions. These strengths, however, occur alongside weaknesses ranging from educational challenges and racial disparities to a somewhat negative regional image and lack of success attracting firms and individuals into the local innovation cycle.

Amplifying the region's strengths and limiting its weaknesses requires a strategic look ahead. One strategic need is to reduce the growing economic schism between Cleveland and the rest of the Northeast Ohio region. As regional cooperation becomes more relevant, the perceived (and real) risk of diluted African American political voice needs to be addressed at the grassroots level, inclusive of diverse African American voices. Additionally, regional strategies which view racial and economic inclusion as complimentary (or even primary), must supersede those which promote efficiency alone. Lastly, as the region attempts to move forward into the competitive global economy, it should consider the cost of "doing nothing." A question as to what the opportunity costs are, of *not* addressing the root causes of population decline and racially disparate outcomes, can be a powerful legislative and strategic tool.

Along with these "threats" are opportunities for integrating African Americans into the innovation cycle, increased representation of African American Minority Business Enterprises (MBEs) in emerging sectors, growth capital, integrated networks of traded and local African American businesses, and increased ethnic, political, and socially diverse households in neighborhoods of opportunity. Below is a brief explanation of these issues, followed by a matrix of regional strengths, weaknesses, opportunities and threats.

1. **Strengths** (Present Conditions Promoting Inclusion and Equity for African Americans)

- Resident resiliency: Decades of economic and social decline tested the resolve of Cleveland's residents and leaders – particularly African Americans. Inspired by place identity, a strong religious community, and community-focused organizations, African American residents possess a hopeful outlook on their ability to address the challenges in the community and the region.
- Neighborhood character and history: Cleveland was the industrial 'Silicon Valley' of the United States throughout much of the early 20th century. This history of innovation and the City's continued resilience in facing recent economic hardship should be a galvanizing force. Further, a rich political, ethnic and industrial history is enriched with new perspectives from recent émigrés to Cleveland's core neighborhoods and inner-ring suburbs.
- Highly developed philanthropy and community development networks: From affordable housing to venture capital, Cleveland's regional challenges have led

to successful interventions by local established networks. The efforts of these organizations are routinely cited as model best practices locally and on the national stage.

- Pro-regional political climate: From Mayor Jackson to County Commissioner Lawson-Jones, Congresswoman Tubbs-Jones and Sandra Scott Pierce, a forum for regionally-focused, inclusionary strategies is emerging. This also includes a number of regional initiatives, such as “Voices and Choices.” Putting forth a ‘linked fate’ approach that promotes inclusion, accountability and competition has great potential with the present leadership dynamic.
- Existing momentum to invest in regional economic competitiveness: As Ohio tries to establish a firm footing in economic fundamentals of the 21st century, it has looked to public resources to reduce market and non-market barriers. As part of an ambitious innovation-based economic development strategy, groups such as the Third Frontier, the Blue Ribbon Task Force Action Plan and the Fund For Our Economic Future have taken on increasingly unique and important roles in establishing foundations which all in the region should be encouraged to build upon.
- Natural, cultural, architectural and sports amenities: These attractions are a part of the portfolio of regional assets capable of attracting knowledge workers, and uplifting the quality of life for all residents. These amenities spur tourism and value creation. African Americans in the city of Cleveland have the potential to leverage the benefits of these amenities.
- World-renowned health care sector: The health care sector in Cleveland is a national leader in the field. Health care has demonstrated the capacity to attract and innovate – a tell-tale sign of an industry leader. African American entrepreneurial activity and career track employment in health care are critical. Shaping a common ground between the mission of health care and necessary economic interests is an example of a mutually constructive arrangement that leverages local ties.

2. Weaknesses (Present Conditions Serving As Barriers to Inclusion and Equity for African Americans)

- Educational disparities, racialized outcomes: To some, education is the principal challenge to meeting the region’s needs; as one stakeholder put it, “everything else is a by-product.” For African Americans, the public education system has become a part of a stream of “negative social experiences” due to the lack of quality education. The legacy of racialized outcomes is a function of structures yielding educational disparity between Black and White students. To remedy the problem in Cleveland and to create inclusive, equitable educational outcomes, contributing factors must be addressed including land use, municipal fragmentation, and housing policy.
- New economy representation: Cleveland as a region has limited entrepreneurship representation in the ‘New Economy’ sectors. For African American entrepreneurs the lack of representation is alarming. The region does,

however, boast a strong MBE core, but more must be done to extend this beyond the sectors of service and materials-oriented businesses.

- Perception of manufacturing losses as “the” economic decline issue: Manufacturing losses are only a reflection of the broader issue – a void in the scale and frequency of firms participating in New Economy sectors. This is especially true for African American firms and the workforce. Lew Platt once said, “Formerly successful companies did not make gigantic mistakes. The only real mistake they made was to keep doing whatever it was that had made them successful for a little too long.” Statistics tell us that the regional decline is due to losses in manufacturing, but also critical was a conservative practice that constrained innovation by remaining in the region’s core businesses as they became less value-producing. As a result, African Americans in these sectors were ill-prepared educationally to transition into changing opportunities. For everyone in the region, the challenge is to regain Cleveland’s 1940s position as an innovation leader, when it was among the nation’s highest in educational attainment and patent filings.

3. Opportunities (Events and Conditions from which African Americans Can Benefit)

- Integrating African Americans into the innovation cycle: Much of the momentum and resources around regional economies is squarely focused on how to expand existing sectors in the New Economy and how to attract new entrants from those sectors. Leadership must make it a priority to steer African Americans to potential transformative, ameliorative opportunities by inserting African American representation into this process. However, leadership must not aggressively discount local businesses as scalable economic opportunities.
- Increased representation of African American MBEs in emerging sectors: The region’s emerging sectors in business, health care, and technology need more representation by African American firms. Much of the region’s African American workforce is in occupations that are low-paying, declining or receiving limited investment.
- Growth Capital, Integrated Networks of Traded and Local African American Businesses: Injections of growth capital to traded African American businesses and local firms are essential to sustaining business and innovation. Providing an integrated portfolio-based approach to capitalizing startups or expanding existing firms is a business *and* community development investment. African American businesses and residents, particularly those in Cleveland’s core neighborhoods and inner-ring suburbs, have a particularly vested interest in African American business development.
- Increased ethnic, political, and social diversity in Greater Cleveland’s Neighborhoods of Opportunity: As demographic trends shift, neighborhoods will have to be opportunity-rich in order to attract the more mobile households. As urban living is cast more favorably, reaching out to middle- and working-class African American households is a strategic means of creating and sustaining opportunity rich neighborhoods.

- School funding reform: The Fund For Our Economic Future and Team NEO were partners in a recent study of area residents' attitudes about Northeast Ohio's economic future and regional cooperation. Perhaps the most critical, and to some, surprising, results revolved around questions of regional funding for education. When asked, "Would you favor or oppose having a regional system of school funding that would increase equity across public school districts but could be at the expense of wealthier school districts?" **56% of respondents in Northeast Ohio stated that they supported regional systems of school funding.**
- Housing and land use coordination: People intuitively understand the connection between housing accessibility and job success. Getting more affordable housing choices in areas of job growth is a critical step in growing the region's economic base.
- Meaningful regional cooperation: Necessity, as the saying goes, is the mother of invention, and Cleveland is experiencing the necessity of working together to promote a successful economic future for all of the region's residents. The dialogue that is emerging across various sectors in the region – business, education, social service, religious service, philanthropy – is explicitly addressing economic productivity, personal and community well-being, and economic and racial inclusion. On this stage, Cleveland is leading, not lagging, the nation.

4. Threats (Dynamics Affecting African Americans)

- Growing economic schism between Cleveland and the rest of the region: Leadership cites spatial segregation and a lack of diversity in economic activity as drivers of the pronounced cleavages between the City and its suburbs. Some say this has spawned "territorialism" and ultra-competitive, small-scale competition. Some African Americans in Cleveland perceive that their suburban counterparts are colluding and conspiring against the City's prosperity.
- Perceived (and real) risk of diluted African American political voice under "regionalism": Closely related to the economic schism between City and suburbs is the perception of reduced political power under regional arrangements. For African Americans, a legacy of geographic isolation and marginalization drove a responsive political strength in the City, which may be threatened by governmental regionalism. Sensitivity to the potential pitfalls, tradeoffs, short-term versus long-term gains and losses associated with regional political structures is critical.
- Regional strategies which view inclusion as secondary to efficiency: Established organizations such as NOACA, RTA, and well-positioned commissions like the Blue Ribbon Task Force, advocate for regional reform. They also run the risk of not addressing or tangentially addressing inclusion goals. These actions can have a direct effect on African Americans by exacerbating existing inequitable conditions. Strategies such as innovation-focused economic development and smart growth position themselves as race-neutral and comprehensive, but in several instances discount the reality of racialized outcomes. Working together

with these entities now to broaden their vision reduces the later risk of unintended consequences, and could mobilize broader support.

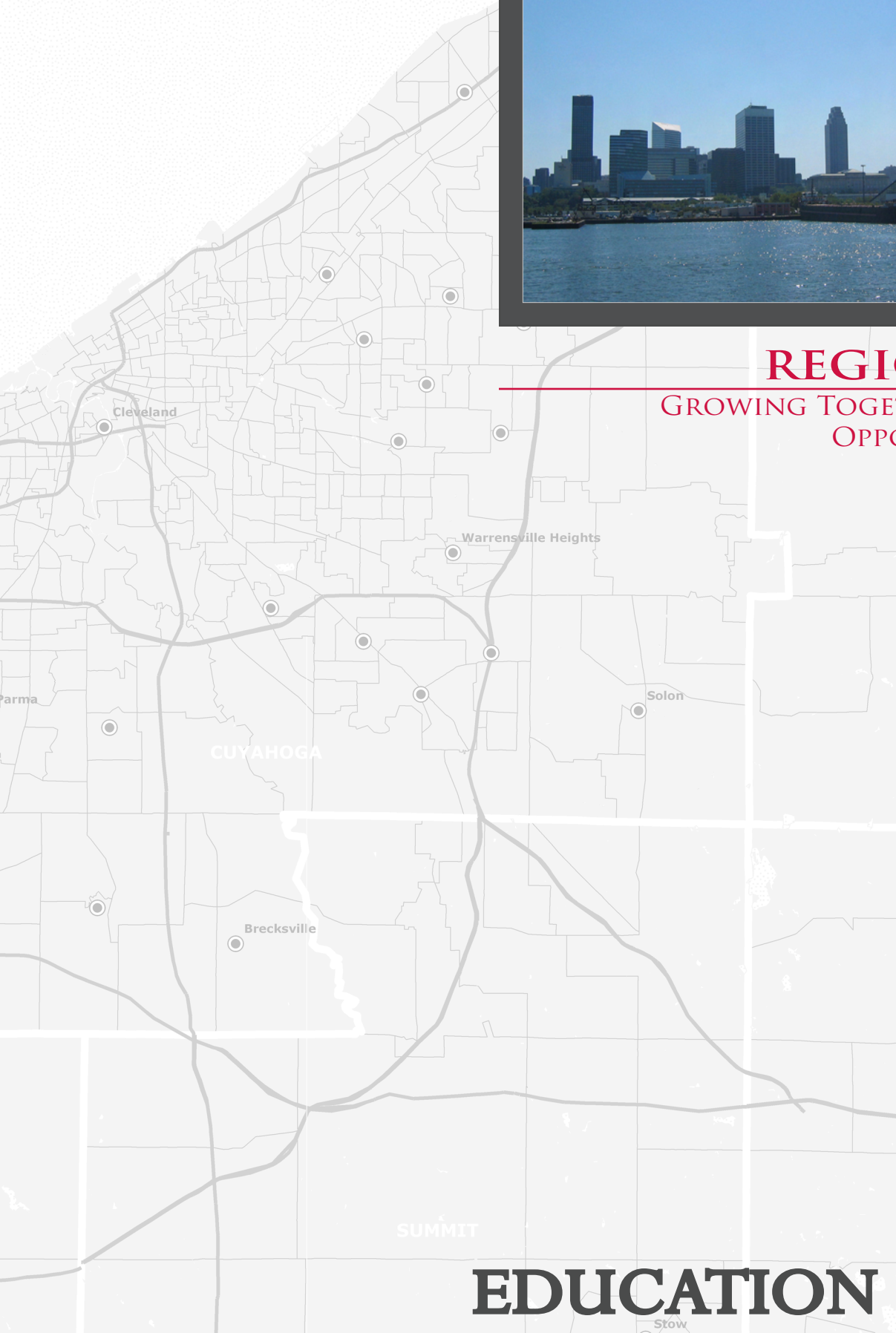
- “Doing Nothing”: There is strong evidence that Cleveland, like many regions in Ohio, is suffering from an “innovation drain,” population loss, and employment declines. What effect can such sustained trends have on the region if appropriate policy responses are not formulated? Substantive means to avert this threat require a sense of urgency. African American constituencies can quantify and spatially identify the extent and depth of these trends to discuss the need to integrate regional development with disparity reduction goals, and increase inclusion in the region.

<p>STRENGTHS</p> <ul style="list-style-type: none"> ▪ Resident resiliency ▪ Neighborhood character and history ▪ Highly developed philanthropy, community development network ▪ Pro-regional political climate at the county and city level ▪ Existing momentum at the state, county, local and philanthropic levels to invest in regional economic competitiveness ▪ Natural, cultural, sports amenities ▪ World-renowned health care sectors 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ▪ Educational disparities and racialized outcomes ▪ Limited representation in the ‘New Economy’ sectors ▪ Perception of manufacturing losses as “the” economic decline issue
<ul style="list-style-type: none"> ▪ Integrating African Americans into the innovation cycle ▪ Increased representation of African American MBEs in emerging sectors ▪ Growth capital and integrated networks of traded and local African American businesses ▪ Increased ethnic, political, and socially diverse households in Greater Cleveland’s neighborhoods of opportunity ▪ School funding reform ▪ Housing and land use coordination ▪ Meaningful regional cooperation <p>OPPORTUNITIES</p>	<ul style="list-style-type: none"> ▪ Growing economic schism between Cleveland and rest of the region ▪ Perceived (and real) risk of diluted African American political voice under governmental regionalism ▪ Regional structures which view inclusion as secondary to efficiency, instead of two equal priorities ▪ “Doing Nothing” – Opportunity cost of not addressing root causes of population decline and racially disparate outcomes <p>THREATS</p>



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EDUCATION



Chapter 7: Education Policy Analysis & Recommendations

It is no secret that education reform is considered one of the most pressing societal needs today. It is recognized as one of the key components for social justice, personal development, and regional health, and nearly everyone we interviewed for this report broached the issue: from preschool to adult education and from in-school curricular changes to systematic reforms at the regional level. There are hundreds of initiatives in place and in development at the federal, state and local levels, yet despite all of these efforts, the same educational issues we are facing today have plagued us for decades. We want education to be diverse, inclusive, equitable, excellent and productive, and we want all children to learn in a high-quality environment. Yet it seems that many efforts lack public support, are abandoned before they can succeed, are undermined by funding issues, or face retrenchment from other policies which directly impact education.

Although everyone in our society will state that they think public education should be equitable and excellent, opinions regarding how we should achieve it differ widely. Thus, while education is an issue nearly everyone agrees should be addressed, it is also a topic which is extremely polarizing and contentious. As societal resources and institutions have been largely constructed as a zero sum game, to many, educational equity activates a robin-hood scenario, where inner-city schools are seen as getting greater opportunities at the expense of better-resourced school districts and their students. And further, that even if this does occur, many still feel it will do relatively little to uplift those urban students of color.

A different model is possible. Excellent education for all students is not only attainable, but can be reconstructed in an equitable way that benefits all students in a region. There are a number of initiatives in place currently across the nation that have shown tremendous results that could bring sustainable, positive change in the Cleveland region, not only for suburban Whites, but also for inner-city populations and students of color. Targeted, deliberate reform is needed, coupled with a public communication agenda to inform parents, school officials and communities about what is being achieved. Ultimately, these strides towards equity and excellence in education will not only have a sustainable, positive impact for all students, but also communities, and eventually, the entire Cleveland region.

1. Goals of Education

Before discussing educational disparities and how they indicate greater structural issues, and exploring promising education reforms that lift everyone up, there is a need to first explicitly address the goals of public education. In asking any individual what we hope to achieve through public education, we would undoubtedly elicit a range of responses from job preparation to instilling civic capacity. Yet, examining what our policies are aligned to accomplish indicates another set of goals. So, what exactly are we attempting to achieve through public education, or put another way, what exactly is equity? If all of our students are performing the same on standardized tests, but have drastically different voting rates by race and class, is this equity? If two schools in a region are ranked the same according to No Child Left Behind, but the students from one school have drastically different college attendance rates, have we succeeded?

The purpose of first defining goals before beginning any reform is two-fold. First, it forces us to examine how we are conceptualizing the problem, and it forces a dialogue which explicitly calls out the constructs so that they can be shared. If we are all talking about educational success, but success looks different for everyone, how can we construct a meaningful, shared dialogue? Secondly, explicitly stating goals helps establish a benchmark from which to design reform, and against which we can measure progress. If we do not know what we are working towards, how do we know when we have arrived?

The three most common goals of education, as articulated in mission and vision statements in public schools across the country are: to instill democratic merit (i.e. to develop and encourage civic knowledge, participation and responsibility); to build human capacity; and to provide children with the skills necessary for life outside of the school, be it employment or higher education. Education also has implicit goals shared by many, including: acting as a leveler between the disparate expectations of rich children and poor children; reducing stereotypes; and providing students an integrated environment that will later help them succeed in a diverse society. This latter goal was most recently supported by the Supreme Court decision in *Grutter v. Bollinger*.¹

It seems that the goals of education, and subsequently the measures enacted to achieve these goals, are growing increasingly narrow in this era of increased assessments and standards-based reform. Thus, every initiative that is being pursued must somehow demonstrate a direct and causal link between that reform effort and an increase in test scores. While this is important, it is nevertheless limited, as testing only demonstrates aptitude in test proficiency. This climate and its constraints cannot be ignored, but it should not be the driving force behind pursuing effective, equitable education; there is a compelling need to think beyond these limitations. Eras such as these inevitably shift; some are even beginning to suggest that NCLB may not be nearly as sustainable as first thought. Therefore, we need to extend our gaze to the more distant horizon – we must collectively decide what exactly our goals of education are, and *then* adjust our institutions to achieve them.

2. Factors Affecting Educational Achievement

While we ultimately seek promising education reform initiatives, reform must include a discussion of the multitude of factors that affect educational achievement. To achieve equitable education for low-income children and students of color, we must examine the impediments a child faces, even before he or she first walks through the doors of the school. Our goal here is not to create a list that deflates our enthusiasm and overwhelms our hope for change, but rather to broaden the discussion and demonstrate that to reform education, we cannot limit the work to the education arena alone. As many intuitively know, every child is affected by a multitude of factors, which are inextricably linked to our policies and practices, including their living environment, health care, childcare, and particularly housing. Each child is situated within a web of opportunity that has a profound and lasting impact on their ability to succeed in life. If we are to in fact increase the life-chances of those children stranded in our urban and first-ring suburban areas, we must acknowledge those structures and institutions which constrain those chances, even

before birth. We will divide these factors into categories: institutional factors; instruction; out of school practices; and home environment.

2.1 Institutional Factors

Funding: Some of the most direct links made between inequity and education fall under this category, and this disparity is especially profound in the Cleveland region. Voices and Choices found the funding gap in Northeast Ohio to be double that of anywhere else in the state. Further, while the funding gap has narrowed across the rest of the state, in the Northeast region it has remained the same.² The State of Ohio has recognized countless times the inequalities in education funding, and even brought the issue to the courts multiple times,³ but to little avail. This remains perhaps one of the most contentious issues in education today, and despite the public recognition that our funding paradigm is inherently unfair, there has been little movement towards actual change in this arena.

Economic Segregation and High Poverty Schools:

Economic segregation and high-poverty schools represent one of the most critical issues plaguing education today. The socioeconomic status of the school, after the influence of the family, remains the greatest predictor of student success and achievement.⁴ One researcher found that a middle-class school is twenty-two times more likely to be consistently high performing than a high-poverty school.⁵ It is important to note that measuring the poverty status of the school is not done by comparing spending per pupil, but rather by measuring the percentage of students who are classified as free and reduced lunch. This measure is correlated with a number of additional factors that are compounded to put students in high-poverty schools at a distinct disadvantage. These include high levels of student mobility, less qualified teachers, more crowded classrooms, and in particular- peer group effects. Put simply, students learn less when surrounded only by other low-income students. In part this can be attributed to the decreased goals and expectations set for and subsequently embraced by low-income students. When situated with middle-class peers, low-income students are not only exposed to a greater range of options for their future, but they are also surrounded by peers who have the necessary knowledge, skills and social capital to successfully navigate through necessary systematic tasks such as the college application process.

Since the Coleman report was released in 1966, numerous studies have demonstrated the profound impact that attending a middle-class school can have on a low-income student. Overall, The Century Foundation found that on average, low-income students attending a middle-class school perform higher than a middle-class student attending a low-income school.⁶ In many cases, the low-income students attending a middle-class school pass proficiency exams at rates more than twice those of their counterparts trapped in high-poverty schools. For example, when Raleigh economically desegregated their schools, test scores for Black students on proficiency exams increased from 40% performing at grade level to 80%. What is also key in this reform initiative is that educating students in an economically integrated environment has shown to have no deleterious academic effects on middle-class students, and has demonstrated numerous social, psychological, and civic benefits.

Racial Integration: If education funding is the most debated topic, then racial desegregation is certainly a close second. After the relative success of this initiative into

the eighties, then subsequent reversal in the courts, achieving a racially integrated environment appears to be a dream of which some in this country are growing tired. Nevertheless, racial integration has demonstrated profound and lasting impacts for all students, regardless of race or class. When coupled with a genuine curricular emphasis on diversity, racial integration has achieved higher levels of reasoning, reduced prejudice, wider perspectives, and a stronger commitment to multiculturalism and promotion of racial understanding. These same environmental characteristics have long-term positive impacts on students, including higher completion rates of college, greater overall college satisfaction, higher college GPA, and greater intellectual and social self-confidence.⁷

Teacher Quality: Numerous studies have demonstrated what many recognize intuitively – teachers have a profound impact on students. Some suggest that teachers have more influence on student achievement than any other characteristic of the school,⁸ and one study in Texas found that providing high quality teachers substantially closed the achievement gap.⁹ Despite this knowledge, low-income students and students of color are still less likely to have highly qualified and experienced teachers, have higher rates of teacher turnover, more uncertified teachers, and are more likely to have a new teacher who is teaching outside the subject they were trained in.¹⁰

Teacher/Staff/Administrative Diversity: The advantages of having a diverse school staff are many, providing psychological, social, and academic benefits. Nationally, however, the number of teachers, staff and administrators of color are not representative of student populations. For example, during the 2001-2002 school year, while 60% of public school students were White, 90% of teachers were White. While Black students comprised 17% of the population nationwide, only 5% of teachers were Black.¹¹ In the Cleveland Municipal school district, where in the 2002-2003 school year 70.6% of the students were African American, only 36.3% of the teachers were African American.¹² A diverse teaching staff provides role models, understands cultural differences, has higher expectations for their ethnic groups, encourages students to perform better, and can work towards breaking down all students' stereotypes.¹³

2.2 In-school Practices

Curriculum/Pedagogy: Curriculum in impoverished schools has come under increased scrutiny for being diluted, non-engaging, and transmitting low expectations, which has shown a direct negative effect on students' academic performance.¹⁴ The expectation that these students cannot succeed is creating a self-fulfilling prophecy; instead, we need to create a culture of high expectations, which requires a close examination of the practices that undermine that. This calls for scrutiny not only of the explicit curriculum, but also the hidden curriculum, or more broadly the pedagogy. Jonathan Kozol demonstrates in *The shame of the nation: the restoration of apartheid schooling in America* how not only the curriculum differs for low-income, primarily African American schools, but also the manner of teaching, the school environment, and the interactions between teacher and student. Ultimately, this curriculum and pedagogy has reinforced disadvantage through the creation of a binary education system which inscribes our racial and class hierarchies.

Tracking: One of the most common exemplars of the above is tracking, ability-grouping, or teaching through a differentiated curriculum. This practice may not be so contentious, were in not for the gross overrepresentation of African American and Hispanic students

in the lowest tracks, even after controlling for prior measured achievement.¹⁵ It is so inequitable that low-income students of color are seven times as likely to be in lower-track classes as middle-income White students,¹⁶ yet they are half as likely to be in a gifted class.¹⁷ Students are also inadvertently tracked based upon socioeconomic status as “a highly proficient student from a low socioeconomic background only has a 50-50 chance of being placed in a high-track class.”¹⁸ Although the argument is prevalent and oft-repeated that differentiated instruction is beneficial to students in all levels, in fact, one school district found the reverse to be true, with studies of both lower and higher tracks showing marked academic improvement from being in one, combined classroom.¹⁹ Further, effects of this practice on students are compounded when considering how tracking undermines any real efforts to racially integrate schools.

Special education/discipline: There are multiple other examples of practices which separate the Black from the White students in school, including special education and inequitable discipline. African Americans, particularly males, are overrepresented in special education categories and are over-diagnosed with mental retardation, specific learning disabilities, and are also more frequently categorized as having emotional disturbances.²⁰ They are subsequently disciplined at much greater rates, and with greater severity than their White counterparts.²¹ Black males are two to five times more likely to be suspended than White males.²² This has profound implications on their quality and amount of education as each disciplinary action pulls that child out of the classroom, and away from opportunities to succeed in school.

2.3 Out of School Factors & Programs

These represent programs and issues that, although usually outside of the traditional scope of K-12 education, should nevertheless be taken into consideration as they have a sustained impact on what occurs inside the school.

Early Childhood Education: Although countless studies have been conducted regarding the importance of early childhood education including the physical, emotional and social health and growth of children, there are still not enough programs in place to provide every child with the necessary preschool education they need. Even those programs that are in place are perpetually underfunded: for example, Cleveland’s Head Start program owes the state \$3.3 million (\$2.3 million from 2004 alone), and must find a way to repay that debt by mid-2007.²³

Early childhood education is critical because the developing brain of a child undergoes architectural and structural changes based on experiences, so that the more we learn early on, the more we are capable of learning in the future.²⁴ As a result, by kindergarten, children who attended preschool are about four months ahead of those who did not.²⁵ One study found that over 80% of the gap in fourth grade reading scores between low-income and middle-class children is already discernible early in kindergarten.²⁶ Further, these benefits are long lasting. The High/Scope Perry Preschool Project demonstrates a number of long-lasting effects, including more than two-thirds graduating high school on time versus less than half of those who did not attend preschool, higher homeownership rates, higher incomes on average, lower rates of students in special education, and less likelihood of receiving welfare or being arrested for a crime.²⁷ A report by the National Institute for Early Education Research shows that children who attend preschool make

about \$143,000 more over their lifetime than those who do not.²⁸ Thus, this research and others demonstrate that if we are seeking to make a lifelong impact on improving the lives of low-income children of color, it is not enough that we work within the walls of K-12 education alone.

Community Engagement and Resources: In the process of reforming education, we must also consider the role that communities play in supporting and nurturing children's development and growth. These include support networks such as family, neighbors, community members, religious communities, and other caring adults in his or her life, which ultimately build a collective efficacy and a support system that will nurture and contribute to their development and growth. The communities should also have adequate resources such as parks, libraries and children's programs, including after-school, weekend, and summer programs. All of these have been shown to impact a child's motivation, attitude towards school, readiness to learn, and academic achievement.

2.4 Home Environment

A child's home environment is the most critical area in which student learning and achievement are affected, yet paradoxically, the furthest out of reach of education policy. Studies have found, for example, that the more positive environment of a high-income child, as compared to a low-income child, accounts for as much as half of the gap in test scores in pre-school children, and one-third of the achievement gap in school age children.²⁹ Thus, it is crucial that we understand how factors influence the student on this level, in order to plan for sustainable change across multiple policy fronts, which can interrupt the cycle of poverty and disadvantage.

Health: To a certain extent, a child's educational future is shaped in part before he or she is even born. Prenatal care is crucial, as during this time a number of factors have a lasting impact on the child's development. Yet in the United States, both Black and Hispanic women are more than twice as likely to receive late or no prenatal care as White women.³⁰ Further, low-income children have less access to quality health care, and thus can be impacted by a number of health-related issues that impact their education, such as dental and vision problems, poor nutrition, and high levels of lead in the blood.³¹ In high-poverty communities, for example, children are found with levels of lead in their blood that are nine times above the average of those found in low-poverty neighborhoods, which alters cognitive skills. One 2002 study reported that six million children have lost an average of more than 7 IQ points as a result of lead exposure.³² Asthma presents another example of such glaring health disparities, with African Americans being hospitalized three to four times more often than Whites.³³ Factors such as vacant housing are associated with a 40% increased risk of asthma over the age of two.³⁴

Housing: Housing policy is one arena that is inextricably linked to education policy, as where you live not only determines your environmental conditions and job opportunities, but also children's educational opportunities. The growing housing affordability crisis is contributing to increased involuntary mobility; by kindergarten, over 48% of low-income children have lived in at least three different homes.³⁵ This trend continues into school-age, with Black students twice as likely to change schools frequently as White students.³⁶ Student mobility is linked to decreased academic performance, but this also has a

negative effect on schools and fellow-students, as teachers are continually struggling to incorporate new arrivals into their classroom.

Parent Education & SES: A parent's socioeconomic status (SES) is frequently cited as the leading indicator of student academic achievement, with the average achievement score for high-income students 60% higher than low-income students.³⁷ Parental education also has a profound impact, with children of professionals already by the age of four having a vocabulary twice that of children whose parents are on welfare.³⁸ Although none of this is surprising, it has tremendous implications for education interventions, as much of what occurs in the classroom starts with the parent's SES. In order to achieve equity in education, we must also include targeted interventions designed to provide opportunities for parental employment.

Student Factors: Finally, we cannot ignore the student factors that impact his or her education. Surely, motivation to learn, effort put forth to achieve, and attitude towards school all play a role, as John Ogbu demonstrated through his research in Shaker Heights.³⁹ However, given the multitude of aforementioned factors that both directly and indirectly affect the student's attitudes, it is more important to address these first and foremost, and this will unavoidably have a profound impact on the student's willingness to learn. For if that student recognizes all of these constraints (and most oppressed students do), it naturally has a quelling effect on their motivation to learn, and their perception about their ability to succeed.

2.5 Policy Effects on Education

Finally, as we have hopefully demonstrated throughout, education policy is inextricably linked to a multitude of other policies; from environment, to taxation, transportation, employment, land use and sprawl, zoning, and housing, just to name a few. No education intervention has the capacity to fully succeed without taking into consideration the compounding effects of nearly every other policy in place across the region. Thus, we advocate for not only the continued pursuit of equity along routes that have more traditionally been used, such as racial desegregation and funding, but to also consider non-traditional routes to educational reform that will intervene at a number of the intersections demonstrated in the above.

3. Initiatives & Recommendations

We recognize that speaking in such broad terms and demonstrating the intersectionality of these factors and policies runs the risk of overwhelming, deflating and discouraging efforts for change. Nevertheless, there have been numerous interventions across the country, ranging from those inside of the school to more region-wide initiatives which have demonstrated notable success. We will illustrate a number of these best practices, and discuss how they accomplish a broader goal of equity in education -- not only for low-income and students of color -- but for all students, regardless of race or class.

3.1 Detracking

“Detracking reforms are grounded in the established ideas that higher achievement follows from a more rigorous curriculum and that low-track classes with unchallenging curricula result in lower student achievement.”

-Carol Corbett Burris and Kevin G. Welner⁴⁰

As we saw, tracking is a major impediment to educational equity, both academically and socially. This is not only the case because of the watered-down curriculum in lower tracks, but also because of the decreased expectations that typically accompany them.

It continues to be practiced because of the dominant public belief that detracking actually harms high-achieving students.⁴¹ Two schools, by detracking their math curriculum, demonstrated that this was not the case and that in actuality, all students benefited from a heterogeneous class.

- Detracking Middle School: In Rockville Centre, New York, one school made the move to combine all math classes, with tremendous results. Although South Side Middle School has also worked towards detracking English and social studies since the 1980s, detracking math was given particular emphasis as this subject has the greatest impact on educational attainment. In fact, the Department of Education found advanced math in high school to be the strongest correlate with completion of college.⁴² This process was initiated in the middle school level because in high school, those who take high-level math classes are those students who took algebra in 8th grade.

The detracking process took place over 5 years while the varying math levels were collapsed into heterogeneous classes. This was not done in the absence of assistance for those previously in the lower tracks -- support classes were established, teachers provided after-school help, and teachers were provided with any resources they needed. Ultimately, this school found that detracking benefited everyone, at every ability level. A greater number of students went on to take higher level math classes in high school from both the lower and higher tracks. For the initial high achieving students, those that received mathematics instruction in a detracked classroom not only took more high-level classes, but also scored significantly higher in advanced placement calculus than their non-detracked cohorts. Finally, combining the math classes made progress towards closing both the racial and economic achievement gap.

- Detracking High School: Detracking has also been accomplished at the high school level, again within the math courses. In Rockville Centre School District on Long Island, after noting the disparities between African American and Hispanic students, and those receiving free and reduced-price lunch, district officials decided to detrack their classes in an effort to increase the percentage of students receiving a Regents Diploma. The varying ability levels of math classes were collapsed, and all students were taught the accelerated math curriculum with support, including after-school sessions and support workshops. Again, the results were tremendous. The achievement gap narrowed, and the percentage of students who passed the algebra-based Regents exam increased drastically, from 25% to 75% for African American and Hispanics, and 54% to 98% for Whites.⁴³ Ultimately, this school found that “when all students were taught the high-track curriculum, achievement rose for all groups of students – majority, minority, special education, low-SES, and high-SES.”⁴⁴

The processes for both schools were not quick, easy, or without controversy, but through deliberate, targeted reform, both schools were able to achieve their goal

of successfully detracking the classrooms and realizing high achievement for all students, regardless of ‘ability’. Teachers were provided the resources necessary, students were given the support they needed, and parental concerns were addressed by sharing research that demonstrated the benefits detracking had for all students, regardless of ability level.

- Readings/Resources:

Burris, C.C., Heubert, J.P. & Levin, H.M. (2004). Math acceleration for all. *Educational Leadership*. P. 68-71.

Burris, C.C. & Welner, K.G. (2005). Closing the achievement gap by detracking. *Phi Delta Kappan*. P. 594-598.

Welner, K. & Burris, C.C. *Alternative Approaches to the Politics of Detracking. Theory Into Practice* 45(1) p. 90-99.

3.2 Building an Engaged Citizenry- Service Learning

Part of the goals and responsibilities of our public schools is to prepare students for civic engagement, and to be active, informed citizens in our democracy. It is becoming increasingly recognized that the development of engaged citizens will ultimately strengthen our capacity to address social issues and is imperative to our future as a democratic nation.⁴⁵ We will examine service learning as a means to accomplish this oft-overlooked goal and its potential to more closely align our actions in schools with our goals. Although it certainly is not the only method to accomplish this (more are available through CIRCLE, listed under resources), it is one of the more frequently used programs; in 2004, 28% of K-12 schools nationwide incorporated it into the curriculum in some capacity.⁴⁶

Although service learning has been interpreted in a variety of ways, it is generally defined as “sustained community service projects that are closely connected to formal instruction and curriculum.”⁴⁷ Classroom lessons are linked up to the outside world through participation in community service activities; students then deconstruct these experiences to draw meaningful lessons from them. Service-learning programs are aimed at connecting formal education to the outside world, teaching students through demonstration how real community change occurs, and empowering them by demonstrating that it is possible. In essence, service learning seeks to accomplish that oft-overlooked goal of preparing students through education for participation in our democracy.

There are a number of organizations, including CIRCLE, Learning In Deed, and the National Commission on Service Learning that define the purposes of service learning, highlight different programs across the country, and produce and disseminate research that demonstrates the effect of the programs on students. For K-12 students, these effects include higher achievement test scores, increased grade point averages, increased attendance, lower drop-out rates, higher rates of homework completion, and fewer behavioral problems. Further, service learning also develops civic engagement with an increased knowledge of community needs, a more sophisticated understanding of politics, and greater commitment to community service. There are school and community benefits as well. Students and teachers report feeling more cohesive as a group, and students are

more connected to both the school and the community.⁴⁸ Community perceptions also change as community members view students as important resources and contributors to community health.

- Readings/Resources:

CIRCLE: <http://www.civicyouth.org>

Learning In Deed & The National Commission on Service Learning:
<http://learningindeed.org/>

National Service Learning Partnership: <http://www.service-learningpartnership.org>

3.3 Discipline Reform:

As is well known, African American males are disproportionately targeted for disciplinary measures, even when controlling for class and misbehavior. In 1998-1999, 33% of the students across the nation that were expelled were African American. Almost 25% of all African American male students were suspended at least once over a four-year period.⁴⁹ In Cleveland Municipal School District, in 2005 there were on average 23.1 disciplinary actions per 100 students. Black, non-Hispanic students experienced more disciplinary actions than the district average with 25.1 per 100 students, while White had only 19.6.⁵⁰ African American males are also subjected to more harsh disciplinary measures, even when controlling for class and their behavior.

Our most prevalent model of discipline in education today is punitive and harsh. The strategies to curb disruptive behavior often remove the child from the classroom and school, and focus little on the causes and reinforcements of such behavior. It is frequently thought that this “get tough” model is necessary and most effective, when in fact it actually exacerbates violence.⁵¹ This punitive approach is easier and less time consuming, but it is creating obstacles to students’ success as they return to the classroom, academically behind because of missed class time, and further disinvested in their education.

It is clear that this model of punishment needs to be rethought, both for the benefit of the school as well as the student. Discipline should instead mirror our greater democratic missions, both of schools and society. Education policy researchers Miriam Rokeach and John Denvir outline five basic principles that should be present in school discipline which are (1) notice – specific rules must be explicitly communicated (2) equality – they must be reinforced equally (3) participation – students should be actively involved in the disciplinary process (4) proportionality – consequences must match the transgression, and (5) rationality – any disciplinary measures should be undertaken to achieve a goal.⁵² Likely this goal is not to remove students from school, yet that is precisely what is often occurring in the case of suspensions and expulsions. If the goal is to reduce delinquent behavior, keep the student in school, and create an environment in the school that promotes learning, then a devised intervention must work towards this.

In Grand Rapids, Michigan, Northview High School recognized the negative effects the punitive model of discipline was having on student learning, and responded by developing a more democratic, effective process. They eliminated both the in-school

suspension room and the after-school detention room and replaced them with student responsibility centers (SRC). When a student's behavior is disruptive during a class, the teacher emphasizes that the student is making a choice and asks them the following three questions: "What are you doing? What are the rules? Are you willing to work with me?" If the student is not, the teacher responds by saying: "I see you have chosen to leave," and contacts the SRC director. Students are then removed from the classroom and offered to co-construct a plan that will allow them to return. In the meantime, students are allowed to attend all other classes. Students then meet with the staff member to discuss the plan, which must be approved prior to the student's return to class. For more serious transgressions, the student is referred directly to the administrator. Finally, if students are continually referred to the SRC, they are presented with the option of transferring to an alternative high school, with the understanding that they may return to their original high school with a positive recommendation from the principal. During the 1997-1998 school year, prior to the implementation of this process, there were 5,000 referrals to the office. During 2002-2003, following the implementation, 546 plans were constructed, only 29 students transferred to the alternative high school, and the school experienced an 89% overall reduction in discipline.⁵³

This is just one example of a more effective, democratic discipline process. Others include involving students in the joint establishment of explicit rules, implementing student-run youth courts, and creating bullying prevention programs, conflict resolution, and peer mediation programs. Finally, teachers are a part of the equation as well, and it is imperative that they are trained and receive ongoing support for effective behavioral interventions and ways to maintain a proper disciplinary environment. K-12 institutions and universities must collaborate to ensure that teacher preparation programs are adequately teaching the development of these necessary skills.

- Readings/Resources:

Rokeach, M. Denvir, J. (2006). Front-loading Due Process: A Dignity-Based Approach to School Discipline. *Ohio State Law Journal*, 67:277. p. 277-302.

Safe & Responsive Schools: <http://www.unl.edu/srs/> (See the extensive list of publications and school sites)

3.4 Collaborative Education

Education is absolutely considered a public institution, with stakeholders ranging from students and parents to the larger community, including businesses. A number of schools have found success in achieving a more collaborative environment, where those stakeholders are given a voice to shape the school. Although often it is difficult to bring people together around any issue, it is an imperative if we wish to truly keep education a public entity.

- Schools for a New Society: There are a number of current initiatives underway that seek to reengage the wide variety of stakeholders in public education. Schools for a New Society, a collaboration led by the Carnegie Corporation of New York and The Annenberg Foundation, is restructuring urban education across seven cities to reinvent the way education is delivered. These efforts involve the whole community including businesses, civic leaders, and grassroots

organizations and businesses to provide job and training programs, ESL support, programs to increase literacy, smaller learning communities, and more. Across the schools, they have seen a number of successes including detracking, higher graduation and college attendance rates, increased attendance rates, overall improvement on standardized testing measures, and increased engagement of former students, as they return to tutor other students.

o Readings/Resources:

Website for Schools for a New Society: <http://www.carnegie.org/sns/>

• Hope for Urban Education: St. Louis, Detroit, Milwaukee

The Hope for Urban Education report released in 1999 provided an in-depth look at nine high-performing, high-poverty urban elementary schools to discover what made these schools some of the best performing in the state, despite the impediments they faced. While there was an extensive list of factors that contributed to their successes, one common element was the collaboration between the schools, parents, and the community. At Centerville Elementary School in St. Louis, with 87% African American students and 86% low-income, the school was able to achieve 97% parental involvement in the school. A focus was also placed on involving the community through such initiatives as establishing after-school programs, community partnerships, and participating in community service projects. Other schools achieved this collaboration in a variety of creative ways. Goodale Elementary School in Detroit held periodic brainstorming sessions, invited parents, community and business partners to participate, and developed a newsletter to maintain ongoing lines of communication. In Milwaukee, they recognized that parents were having difficulty getting home from work, preparing dinner, and making it to the parent teacher conferences, thus they started providing dinner at the conferences to increase parental participation. A variety of best practices emerged from these schools regarding parental and community involvement, including establishing an open dialogue with parents and the communities, and establishing flexible meeting times such as early morning and late evening for working parents. Overall, these schools have shown tremendous success against the impediments they face. They have done so in part because of their inclusion of parents and community, including valuing their perspectives, addressing their concerns, and empowering them to have a voice in school.

o Readings/Resources:

The Charles A. Dana Center, The University of Texas at Austin. 1999. Hope for urban education: a study of nine high-performing, high-poverty, urban elementary schools.

<http://www.ed.gov/PDFDocs/urbaned.pdf#search='hope%20for%20urban%20education'>

3.5 Early Childhood Education

As we saw with the earlier research, and as one interviewee succinctly put it, “it all starts here [with education].” This is a critical time to intervene in a child’s life, and tremendous academic gains can be made if we establish preschool for every low-income student in the city. This will put these children on more equal footing in elementary and secondary school, and ultimately increase their chances to continue on to higher education. This initiative is supported by The National Education Association, which has recognized the value and necessity of early childhood education, and is working to expand the quality and availability of it nationwide. Availability varies by state, and funding is a critical component, although there are a number of court cases currently in Colorado, Georgia, Kentucky, Nebraska, New York, and Wyoming aimed at mandating states to cover the costs of high-quality, early education programs.

- District-Wide Preschool, Washington, D.C.

While most preschool programs are established and funded at the state level, there are a few preschool programs being established within districts and cities as well. The Public School Pre-kindergarten Program in Washington, D.C. provides universal pre-kindergarten to all 3- and 4-year-old children residing in the District. This is one of only a few districts in the country that provides developmentally appropriate experience- and language-based instruction with regular all-day classes in every elementary school building.⁵⁴

- Universal Preschool, Cuyahoga County

Invest in Children in Cleveland is also beginning to work towards establishing universal preschool. They are hoping to launch a pilot program by January 2007 that will eventually expand to the county within a year.⁵⁵ Families in Cuyahoga County currently utilize existing preschool programs ranging from Head Start to private schools, although Head Start is facing a growing deficit and the federal government has recently classified it as high risk and is only providing the funding to operate for the next three months (as opposed to a full year).⁵⁶ Other preschool tuitions in Northeast Ohio range between \$1,390 and \$15,870.⁵⁷ Unquestionably, the 37,000 preschoolers in Cuyahoga County would benefit from the establishment and expansion of affordable, high-quality preschool, but one unresolved component of this issue is how such a program would be funded.⁵⁸ Currently, only 1.5% of Ohio’s funding is designated for youth from birth to age five.⁵⁹ Other states with universal preschool, including Oklahoma, Georgia, Florida and Wisconsin, fund it largely with general revenue money, although some use lottery money and other tax revenue.⁶⁰

Investment in early childhood education is not just a moral or educational imperative; it is an economic one as well. The Children’s Defense Fund found that every \$1 invested in quality, early childhood care and education saves \$7 by increasing the likelihood that children will be literate, employed, and enrolled in postsecondary education, and less likely to be school dropouts, dependent on welfare, or arrested for criminal activity or delinquency.⁶¹

- Readings/Resources:

National Institute for Early Education Research <http://nieer.org/>

Education Commission of the States:

<http://www.ecs.org/ecsmain.asp?page=/html/issuesEL.asp>

National Education Association: <http://www.nea.org/earlychildhood/index.html>

Cuyahoga County Early Childhood Initiative

3.6 Linking P -12 Education to Postsecondary Education & Employment

As one of the purposes of education is to prepare children for their future, it is imperative that public schools establish connections and programs that will help students in these life transitions, be it to higher education or into the workforce. Below are examples of ways that low-income students and students of color can be linked to life-long opportunities, both in employment and higher education.

- P-12/University Connections

The design of our American education system has to be one in which we have multiple silos instead of one continuous education pipeline. This is illustrated in the present disconnect between preschool, K-12 education and colleges and universities. This fragmentation is contributing to losing students, particularly students of color, at each educational level, which has profound implications for the future health of the region. Nationally, two-thirds of all jobs require some college education.⁶² In contrast, three fourths of the population ages 18 to 34 in Northeast Ohio do not have a college degree, while 84% of African Americans lack a college degree.⁶³ By 2010, jobs requiring an associate's degree are projected to grow by 32%, while those requiring a bachelor's are expected to grow by 22%.⁶⁴ In order to prepare for these changing trends, and get more low-income children and students of color into higher education, the fractured school system that students navigate must be aligned, and targeted programs must be developed to capture those students that frequently slip between the cracks. Collaboration between K-12 and higher education is a necessity so that ultimately our students are part of a seamless P-16 education system.

There are several states currently working on what is being called the P-16 initiative, including Georgia, Maryland and Oregon, and each has unique approaches to bridge the gap for students.⁶⁵ Cleveland is also part of this movement to link secondary education to colleges and universities through the Early College Program founded by Barbara Byrd-Bennett in the Cleveland Municipal School District. In this program, students can take courses at Cleveland State University to earn college credits while in high school, and still graduate within three years. As expected, admission into Early College is highly competitive, with 300 students applying for 100 spots in the 2005-2006 school year.⁶⁶ Although this currently serves a limited number of students within the district, we feel that this could serve as a model to create a regional, inclusive and diverse school, as will be discussed in the Regional Education section.

Through the establishment of seamless relationships between K-12 and postsecondary education, schools not only benefit, but universities and students do as well. Schools can benefit by partnering with universities to ensure that teacher training is high-quality and relevant to the issues schools are facing; to attract and incentivize high-quality teachers to work in low-income, urban schools; to learn about promising teaching techniques or initiatives that could be implemented in the schools; and to have a partner in researching the success of any initiatives implemented. Universities benefit by ensuring their teachers are fully prepared; by bridging that gap between academic and practitioner, through ensuring their research and work are relevant, and address real needs in education; by having environments in which to conduct research; and ultimately by having a more diverse student body. Finally, students benefit as admissions requirements, curriculum, and standards can be aligned to universities; by having opportunities to earn college credits in high schools; by having the opportunity to attend a more diverse college or university, and through collaborative efforts to close the achievement gap.

It is important to remember that colleges and universities have distinct public responsibilities. At the core of those is democratic merit, which requires a diverse, representative student body for an educated citizenry. There are a number of ways this can be achieved, from revised admissions policies (such as the Texas 10% plan), to guaranteed admissions programs for low-income, disadvantaged students. One exemplar of the latter is University Park Campus in Massachusetts where 100% of the high school graduates go on to college, despite 73% of the student body qualifying for free- or reduced-price lunch, and 78% of students speaking English as a second language.⁶⁷ Financial support programs have demonstrated notable success as well, such as Indiana's Twenty-first Century Scholars program, which effectively increased college attendance rates in Indiana from 40th in the nation to 9th, as of 2002.⁶⁸ Collaborations between K-12 and higher education are possible to achieve diversity in postsecondary education through such means as challenging admissions policies, rethinking how we define merit, and establishing early relationships with elementary and secondary students. This responsibility to educate students for the common good compels postsecondary education to not only get diverse students to their door, but also to look beyond that and ensure they leave their institution fully prepared and empowered as future citizens and leaders.

As with all of the initiatives presented, there is no clear-cut program that can be adapted to Cleveland. Rather, collaboration between universities and K-12 public education must be creatively established, with awareness of the existing connections between the universities and public education. Cleveland has a rich base of higher education institutions, and even within them, groups such as the Center for Urban School Collaboration (Cleveland State University) and the Center for Urban Poverty and Social Change (Case Western Reserve University) that could be tremendous resources and partners in the process of education reform.

○ Readings/Resources:

Creating a P-16 System of Education:

<http://www.ecs.org/ecsmain.asp?page=http://www.ecs.org/clearinghouse/68/71/6871.pdf>

Center for Urban School Collaboration, Cleveland State University

<http://www.csuohio.edu/cusc/mission.html>

Case Western Reserve University, Center for Urban Poverty and Social Change

<http://povertycenter.cwru.edu>

● School-to-Career Programs

It is critical that all students have the opportunity to attend a college or university should that be the path they choose. However, it is also an imperative that those who do not wish to continue on to higher education have the opportunity for sustained, profitable employment opportunities. A report highlighted by Voices and Choices demonstrates that we are largely failing to achieve this; nationally, 39% of employers stated that high school graduates were unprepared for entry-level positions. Half of all employers stated that high school graduates lacked the critical thinking, problem solving, and reading skills necessary.⁶⁹

Vocational programs have had a contentious history, however, as many worked to reinscribe racial and economic hierarchy. Thus, it is crucial that such programs have an awareness of this history and all measures are taken to prevent the repetition of it. All students should be empowered with real choices and comprehensive information regarding the consequences of those choices; and their education should prepare them so that they have the full capacity to choose their own path. A school-to-career program is one approach to provide employment and career opportunities in a way that does not limit access to higher education or constrain students' choices. Granted, there is still a risk these can be (and are) used to sort populations; however, research has demonstrated that some programs have successfully increased opportunities for students as opposed to limiting them.

School-to-career or school-to-work programs have as a primary goal to increase labor market skills, and to connect students to promising career paths.⁷⁰ These career paths can include those which are entered immediately upon graduation from high school, but also those that require higher education. Programs can range from in-school, more limited initiatives to the more extensive, such as the restructuring of Grand Prairie High School in Texas into five separate career-academies.⁷¹ One study conducted by the Public Policy Institute of California demonstrated the overall effects of school-to-career programs on both educational and occupational outcomes. Overall, they found that more narrowly tailored programs have had limited success and even negative effects in some cases, while more broad initiatives have proven to increase both employment and higher education rates. For example, participation in a general school-to-career program increases college enrollment by 13%, while tech prep programs lower college enrollment by about 10%. Effects on postsecondary employment are positive as

well; students that participated in co-op programs, internships and apprenticeships had increased rates of employment of 9% and 7%, respectively. Further, these programs were found to benefit all groups regardless of race, socioeconomic status, or academic performance.⁷² Students who participate in these programs also had increased attendance rates and are less likely to drop out.⁷³ Finally, school-to-career initiatives are another way to establish connections between education and businesses in the community.

- Readings/Resources:

<http://www.tc.columbia.edu/iee/PAPERS/Stw.pdf>

3.7 Regional Education

All of the aforementioned programs and initiatives are critically important, for positively impacting students' academic achievement, increasing their opportunities to continue on to higher education, and for creating informed, empowered citizens in their region and country. Nevertheless, as important as they are, given the multitude of factors that constrain progress in this arena, they may ultimately lead to more tinkering in an already fractured system.

Thus, a more large-scale, comprehensive reform initiative is necessary -- one that will genuinely challenge the structures in place that keep students of color in failing schools; one that will dismantle that high wall which has been built between our suburban and urban schools; and one that will make progress towards approximating the educational equity we have been seeking for decades. We recognize that we are working against a tide of structures and constraints, but are optimistic that with careful planning, sustainable change is possible even within these constraints. There is evidence to indicate increasing support for a more regional system of education. The Gallup Organization, for example, recently released findings that show that individuals are overwhelmingly in favor of having a regional system of school funding, even when it comes at the expense of wealthier school districts. 63% of City of Cleveland residents support this, as well as 57% of the residents in the Cleveland MSA.⁷⁴

Regional education would broaden the impact of the aforementioned initiatives by producing racially, ethnically and economically integrated schools, while to the extent possible, limiting long-distance bussing. To achieve this given the geographically-inscribed racial and economic divisions in Cleveland, there is a need to attract students from wealthier suburbs into the city and also to provide the ways and means for inner-city students to attend schools in the suburbs. There are multiple components of this set of policy recommendations, as delineated below:

- District Magnet/Charter Schools: As we saw, students and their learning capacity and potential are profoundly impacted in a number of ways when they are segregated and isolated in homogenous schools. We feel that the creation of more integrated schools is possible, and ultimately will have the most substantial and sustainable effects on all students, privileged and underprivileged, White students and students of color. Schools in Wake County, NC sought such diversity within their schools, and given the increasing hostile legal climate around racial desegregation, they pursued economic integration as an alternative. Under this

plan, within any given school, low-income students comprise no more than 40% of the student population, and since the plan's implementation in 2000, the schools have seen increases in test scores, particularly for Blacks and Hispanic students.⁷⁵ It is important to note, however, that there are unique conditions which make this program difficult to replicate, one of which is their county-wide school district. Nevertheless, it provides an excellent example of the results that can be achieved through deconcentrating poverty in our public schools.

To achieve this diversity in Cleveland, there is a need to develop schools that can attract students from the wealthier suburbs, while maintaining a balance in the student body between neighborhood, inner-city, and suburban children. Currently, John Hay High in Cleveland (set to open in Fall 2006), has tremendous potential to achieve this goal by providing a high-quality school for inter-district students, while simultaneously attracting students from around the region. The school, which will house the School of Science and Medicine, the School of Architecture, Art and Design, and Early College, will reserve 15% of seats for children outside of the district, who will have to pay \$3,110 annually in tuition.⁷⁶ The district will financially support the John Hay programs for students within the district.⁷⁷ This school has tremendous promise to serve as a model for greater educational change across the region, although there are potential areas of concern should this model be expanded. One concern is that depending on the admissions process, this school could serve to skim off the highest performing students in the urban district, both denying their 'left behind' peers the benefits gained from being educated together, and further reinforcing the "myth of meritocracy." Instead, we encourage school officials to ensure the student body is comprised of a diverse mix of students of varying skill levels. To incentivize the enrollment of suburban students, resources such as the Cleveland Clinic and Case Western could be utilized. As both are within walking distance of the school, parents could benefit by having easier access to their children. This could also serve to increase parental participation in the school.

- High-Performing Schools: Opportunities for high-quality education need to broaden. Minneapolis provides an excellent example of the type of success that can be achieved through inter-district transfers with their *Choice is Yours* program. Established in 2000, research over the past six years has shown that the students involved in this program have benefited tremendously. Inner-city students who attended suburban schools outperformed their non-participating counterparts, with scores in reading and mathematics that were respectively 23 and 25 percentile points higher.⁷⁸

To achieve this success, funding was available for both academic support and transportation, which is critical to help students to make the transition successfully. Nevertheless, one of the long-term goals should be to ultimately limit the extensive transportation these children have to undergo to reach these opportunity-rich schools, such as bus rides up to an hour and a half each way.⁷⁹ Thus, we strongly recommend that the housing reform be connected to regional housing policies. Minneapolis discovered that parents were not only connecting their children to suburban opportunities, but were also accessing the opportunity

themselves. Policymakers were initially concerned with what appeared to be an attrition rate in the *Choice is Yours* program, but it was later discovered that this was because parents have moved to these opportunity-rich districts where their child was attending school, and consequently no longer needed the program. In Minneapolis, this has led to the consideration of a deliberate policy linkage between education and affordable housing on a regional level; a practice that could have a tremendous impact on both students and their families in Cleveland.

There are a number of benefits to pursuing this model of educational reform. Perhaps most clearly, this model (in conjunction with the aforementioned in-school initiatives) addresses a number of the issues that impact academic achievement, particularly for low-income students of color. A regional approach would achieve racial and economic integration, and would connect the public school districts with colleges and universities. It not only provides a means for inner-city children to escape their neighborhoods of concentrated poverty, but also has the potential to lead to revitalization of some downtown areas. Further, it gives parents a choice as to where their child is educated; a luxury that has always been available to affluent parents, but one that has been denied to low-income families of color through both our housing and our education practices.

4. Strategies to Move Forward

4.1 Reframe the Issue

As mentioned, education is quite possibly one of the most divisive, contentious issues, but what is often overlooked is that it also has the power to unite and bring a region together. In part, it is such a difficult topic to discuss because it is intensely personal; education affects everyone, and perhaps more importantly it affects everyone's children. Yet the fault does not lie in those parents that want what is best for their children, as all parents do. The problem comes from how we are conceptualizing the issue.

Education, along with other public resources, has been framed as a zero sum game. Within this framework, it is thought that in order to provide privilege and opportunity to urban, inner-city schools it must be taken directly from more affluent suburban districts. Debates over funding and racial desegregation, articulated in this framework, have only further perpetuated these divisions. It is rational that parents would be hesitant to give up any privilege that they are able to provide to their children, especially within this dominant framework of competitiveness, limited resources, and individualism. However, ultimately it is not a reasonable framework given the interconnectedness and shared fate of a region.

- Education for Regional Health: We need a new dialogue and a new paradigm from which to consider the issue; one that more closely approximates the reality that education is a critical component to regional economic health. For example, if a region has a high-performing, integrated, equitable education system, the opportunity to attract businesses increases. Companies desire an educated, diverse workforce, which was expressed in the *amicus* briefs for *Grutter*, submitted by the military and several Fortune 500 companies. Corporations also need to be able to attract employees to the area, and high-quality schools are an important consideration of many who relocate. Thus, the current educational inequities are actually posing barriers to economic development. As one study found, business

leaders cited the school funding debate as an impediment to conducting business in the Cleveland region.⁸⁰

This is critical because the ability to attract businesses inherently affects education. As businesses move into the region, they contribute more money to schools. Further, with more businesses come more jobs, and consequently, increased opportunities for all the residents of a region. Thus, struggling to maintain separate, segregated and isolated schools, as suburbs often do, is actually harming the long-term health of a region and its residents. Parents that are fighting to maintain these schools think that they are doing what is best for their children, but in essence they are denying their children and themselves a rich variety of opportunities.

- Maximizing Public Investments: One way that pushback on educational equity is often manifested is through the refusal to approve levies that provide greater fiscal investments in education. Again, this is an issue that is immediately limited because of the manner in which it is framed. Individuals feel constrained by declining opportunities, and assert control over their financial health in any arena they can. Further, as taxes are framed as a burden and not a component of our membership as an American, nor as a contribution for our collective good, individuals are hesitant to sacrifice their immediate gains for these investments in public infrastructure. What is overlooked and problematic, however, is that these failures to invest ultimately manifest themselves into much greater economic burdens for the entire region, and subsequently its residents. Within our current system of inequitable education, low-income students and children of color face alarmingly high rates of dropping out and/or being pushed out of school. With this, they are less likely to find sustainable employment which confers benefits such as health care (50% of high school drop/push outs are unemployed), and more likely to be incarcerated (80% of prisoners did not complete high school).⁸¹ Thus, these individuals become dependent on services that are subsidized by taxpayers, at costs that are dramatically higher than the original investment in equitable education. This message needs to be communicated. Investment in education is not only for the benefit of the individual recipients, but ultimately a benefit to taxpayers across the region.
- Equity as Excellence. The benefits of integrated, equitable education are not limited to regional economics. As we saw earlier, economic and racial desegregation have a wide variety of benefits for children, from decreased prejudice to increased academic achievement. It is not that people do not value integration and educational equity; parents agree that integration is valuable in its own right in improving race relations and in teaching students to interact with diverse populations.⁸² However, as that same study demonstrates, the majority of parents, both Black and White, stated that they believed integrated schools make little difference in the education children receive, and that the push for diversity is coming at the expense of academic excellence. We argue that educational equity IS excellence.⁸³ The two have long been placed in opposition to each other, which has limited the dialogue around the aforementioned research that demonstrates the multitude of ways that all children benefit from being educated in a diverse

environment. Further, we assert that this false construction of the tension between diversity and excellence is limiting the opportunity to build momentum around achieving equity in education.

Individuals understand and long for more equitable arrangements, but act in ways that they perceive to be in the best-interest of themselves and their children – behaviors which are often in opposition to each other. Thus, in order to truly get everyone on board, we need to demonstrate the linked fate of all residents of a region. Our dominant framing of education as a zero sum game is internalized and accepted as fact. In order to challenge that, we must deliberately engage parents, community members, school boards, educators and businesses; illuminate this tension between equity and education; and reframe the issues in a way that demonstrates shared benefits for all. With this open communication plan will come the understanding that equity is not only in their children’s best interest, but also their own and the entire region, and self-interest will be actualized in a whole new way.

4.2 Plan Big, Start Small

Granted, the above will not be easy, and it will take time to not only communicate this message, but also for it to be embraced. Thus, we are advocating for planning big but starting small. Begin by establishing a vision for public education in Cleveland, then develop actionable steps to accomplish it. Ensure that these steps are being dynamically developed so that you are always ready for the next step. Anticipate and plan for resistance. A variety of initiatives aimed at equity have underestimated the resistance they would face, and have fallen flat before they ever made it off the ground.

Remember, however, that while important, in isolation all of these are only transactional steps. In order to achieve lasting sustainable change, these steps need to be part of a larger transformative agenda. This requires a clear and articulated vision which ensures that every action, no matter how small, is one step closer to the goal. In the education arena, this includes planning for how these reforms could be extended across the region. Keep in mind the greater goal, but do not lose sight of the need for targeted action.

4.3 Build upon Strengths and Successes

In Cleveland, there are a number of success stories in education across the region, as well as programs in place that could help build an education reform movement, such as the John Hay School, Early College, the East End Neighborhood House, and countless others. Further, there are inevitably many more out there of which we are unaware. It is important to talk to schools, parents, communities and businesses, and find out what is working and what has shown promise in the Cleveland region. There is a tendency to discount what is currently being done and to reject it in pursuit of other objectives, but it is critical that we first examine where we have achieved measures of success, or we risk undermining them. Further, these successes can be used to energize and empower the movement and build the momentum that is necessary for sustainable change.

4.4 Ongoing Research

A critical component of this reform is that it is closely and frequently monitored. Study the students of these ‘test schools,’ figure out what it will take for them to succeed and

ensure that all efforts are made to achieve that. Partner with a local university to conduct ongoing research on these endeavors, measure how the students are doing and how they are progressing, not only academically but along other valuable indicators as well. Do not limit research to ‘disadvantaged’ students; it is imperative that impacts be captured for all students. Reform advocates have long communicated education equity as being for those who are poor or for students of color only, which perpetuates the understanding of reform being for the underserved. Educational equity is about every student in every school, regardless of background; it is designed to lift us all up. Study both these victories, but any setbacks as well, to understand how they occurred and what needs to be done to remedy them.

4.5 Public Communication

Although all components of the reform process are important, in order to build collective support for educational reform, it is critical that open communication is established between educators, policy makers, universities, parents, and communities. Share how those children in these initiatives are performing, how they have changed, and how they differ from their peers not involved in these programs. This process of sharing research and information will reframe the issues, build an informed public, create an impetus for sustainable change, and bring more stakeholders into the discussion, which will lead to greater collaboration and coalition building.

4.6 Collaboration & Coalition Building

As education is a public good, reform should be a public, collaborative process. While many reform initiatives have been presented in a top-down manner, for sustainable change, the input of parents, K-12 school districts, colleges and universities, community members, those in the business community, and students must be included. A successful, sustainable coalition must also bring racial, economic, geographic and religious groups to the table. Only through this open and ongoing communication and dialogue is it possible to connect with those most impacted by education reform. Also, only through this process can we truly be aware of initiatives in the region that have shown tremendous success, that may otherwise go unnoticed, and be undermined or be overridden in the reformation process. Giving a voice to these multiple stakeholders will ensure the educational changes are not only relevant, but also supported throughout the region.

Further, although discussion of and efforts in educational reform are traditionally limited to individuals within the field, as we have seen, it is far from an isolated institution. Education is affected by a number of other structures, and reform efforts should include them. Housing is perhaps the most natural partner, but there are a wide range of other non-traditional allies that can be included. Speak to these other stakeholders, establish open lines of communication and collaborate on initiatives that improve the Cleveland region; develop a common vision of the region and work towards it on multiple axes. Include not only school officials, teachers, parents and students, but also community stakeholders such as unions, college personnel, elected officials, business leaders, and leaders of community-based and youth development organizations. Ultimately, although remedying education is important, it will not be enough to keep the region vibrant and thriving, as equitably educating students will only be as good as the ability to later retain them.

5. Reflections on the Central Research Question

What kind of regional policies and cooperative efforts would best benefit Cleveland's African American community, increase opportunity and fairness for all residents, and effectively grow the region as a whole?

Positioning is a critical issue for all components of regional equity; however, it is particularly poignant for education. As interview respondents identified it as potentially the most polarizing issue in regards to regionalism, it is critical that efforts to achieve greater racial and regional equity in education are pursued cautiously and collaboratively. This speaks to the need for the African American community to engage not only parents and community members in the inner city, but also throughout the region. Education must be framed in a manner that demonstrates how equity is for the benefit of all citizens of a region (urban and suburban, privileged and underprivileged) and all children, regardless of race, class or ethnicity.

The conditions that contribute to educational inequities are multiple and complex, thus there is no singular 'silver bullet' with the potential to equalize opportunities and outcomes for students. A multifaceted approach is necessary to address these conditions and institutions that are creating and contributing to the achievement gap. The policies recommended have shown notable measures of success in not only improving education performance, but in addressing those oft-overlooked goals of public education -- namely to create an educated, engaged citizenry and to develop psychologically and socially healthy individuals. The policies covered in this chapter include detracking; collaboration with parents, community members and businesses; focusing on early childhood education; implementing service learning to create an engaged citizenry; and reforming discipline policies.

Again, it is acknowledged that this is an extensive undertaking with great potential for pushback. Thus, policies to achieve educational equity must not stop with the measures themselves, but must also include a strategy for working within and around this resistance. One of the key components to such a strategy is to reframe the dominant message around education and integration, and to demonstrate that ultimately the proposed strategies to achieve equitable education are to the long-term benefit of not only the African American community, but the entire Cleveland region. Starting with a few key initiatives will enable the reform effort to gain momentum, and will provide evidence of its success and greater potential. Throughout, the progress of these policies must be monitored, and the results continuously communicated to the public. The larger vision should also be regularly revisited, and frequently communicated. Finally, no educational policy should be constructed in isolation; it is critical that the multiple stakeholders of public education are involved in the reform process, and that diverse coalitions be established and utilized.

5.1 Recommendations/Key Findings

- Educational achievement is impacted by a wide variety of factors from institutional factors, in-school practices, out of school conditions, and the home environment. These factors compound and intersect to limit the education of low-income, students of color.
- To address the multi-faceted issues, we recommend a variety of initiatives beginning in preschool and extending to the university. These range from in-school initiatives to larger-scale institutional reorganization.

5.1.1 Policy Recommendations

- Detracking: Ability grouping or tracking creates even further segregation within schools, as students of color are grossly represented in the lowest tracks. Detracking has demonstrated that it not only improves academic achievement for those previously in lower tracks, but for all students at every ability level. We recommend that courses be comprised of students at heterogeneous ability levels. Throughout this process, it is important that resource support be provided to teachers, and academic support is available for students.
- Service Learning: Despite the multiple roles of public education, the responsibility to create an engaged citizenry is often overlooked. Service learning is one method through which this can be accomplished. Research on service learning demonstrates its success for students in developing civic engagement, increasing awareness of community needs, promoting an understanding of politics, and fostering greater commitment to community service. Service learning is a very flexible practice and thus has potential to be customized and easily implemented without great structural rearrangement.
- Collaborative Education: Education is a public institution with a wide range of stakeholders including parents, businesses, civic leaders and grassroots organizations. There are a number of initiatives across the country that deliberately seek to incorporate the voice of these stakeholders through efforts that provide job training and after school programs, initiatives that facilitate parent involvement with the school, and the establishment of open, two-way communication lines between schools and the communities.
- Early Childhood Education: Intervening early in a child's life is critical, and establishing universal preschool could produce tremendous academic gains for low-income students of color. Although these programs are typically established and funded at the state level, there has been some movement on the district and regional level. Currently, Invest in Children is working to establish universal preschool in Cleveland.
- Linking P-12 to Universities & Employment: Our current education pipeline is fragmented and disjointed. There is a movement underway to establish a K-16 education system, which seeks to ease students' transition between secondary and post-secondary education. Multiple benefits of this alignment exist for students, teachers, schools and universities. Given the unique

dynamics of Cleveland and the rich base of higher education institutions, this relationship should be collectively and creatively established.

- School-to-Career Programs: In order to achieve greater racial and regional equity, students must be provided with real and sustainable employment and career opportunities. School-to-career programs have been shown to have positive effects on all students' educational and occupational outcomes, including increasing college attendance rates and rates of employment. They also provide another means to establish connections to businesses, universities, and the community. It is critical that these programs be implemented with caution in order that they do not constrain students' choices and are not used in a way that reinscribe hierarchy.
- Regional Education: Ultimately, the most important goal in achieving racial and regional equity in education is to create racially, ethnically and economically diverse schools. In order to accomplish this in a sustainable manner, a more regional approach to remedying education must be considered. Given the contentious history surrounding similar initiatives, we acknowledge that such an approach will likely be met with resistance, thus it is best to work towards a system of regional education incrementally. This requires assisting low-performing schools and facilitating access of inner-city students to high-performing schools.
- High-performing, low-poverty schools throughout the region. It is critical that low-income students of color be granted access to high-performing, low-poverty schools. Offer students more choice in where to attend school; provide affordable housing in job-rich, high-opportunity neighborhoods; and improve linkages that help students in failing schools attend low-poverty, high-performing schools.
- District Magnet/Charter Schools: It is also important that schools within the city be able to attract students from the wealthier suburbs. A school such as the John Hay High School, set to open in Fall 2006, provides a model of the type of school that could be instrumental in this effort. We recommend that the student body be racially, ethnically and economically balanced by including neighborhood students, inner-city students, and children from the suburbs. Downtown employees who live in the suburbs could be incentivized to place their children in these schools.
- In order to provide African American populations greater access to opportunity and increased life chances, the reform efforts must extend beyond education. One example of how this could be accomplished is through the alignment of housing and education policy. Minneapolis is considering just that, by connecting students who are utilizing the intra-district transfer program to housing near the school. This will not only provide increased opportunities to students and their families, but will also decrease the negative impact of long commute times for students.

5.1.2 Communication Strategies

- Although direct measures to achieve equitable education for students of color are important, they are only part of the larger equation for successful educational reform. An explicit vision must be established, and all strategies should work towards accomplishing that vision.
- Ongoing research must be conducted on any implemented initiative to measure progress and possible retrenchment, and to build a substantial base of support.
- It is also imperative that any reform have a public education and communication component. Education is in a particularly tenuous position because the current paradigm is framed in a way that places equity and excellence in tension with one another. It is critical that this message be reframed to express that these two go hand in hand.
- As each of these policies are aimed at not only improving conditions for all students, regardless of race, class or ethnicity, it is important that this message also be expressed to encourage collaboration and coalition building.
- Education is a public good with a vast array of stakeholders, thus reform should be a collaborative process. Establish coalitions with not only those directly interested in educational equity, but also build non-traditional alliances with other relevant organizations, such as housing groups.

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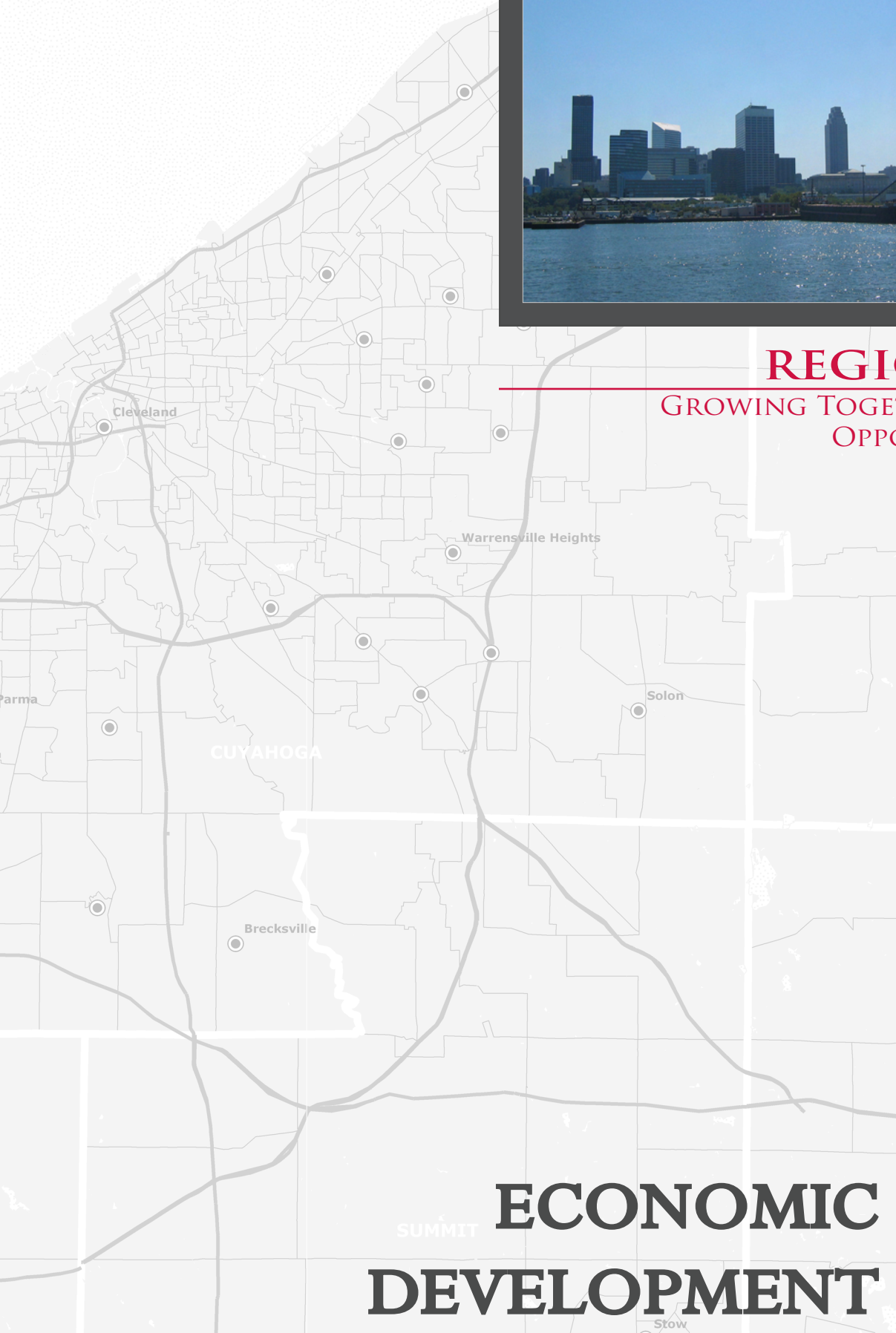
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REGIONALISM

GROWING TOGETHER TO EXPAND
OPPORTUNITY TO ALL



ECONOMIC DEVELOPMENT

8

Chapter 08: Economic and Neighborhood Development Policy Analysis and Recommendations

1. Introduction:

Question: “What kind of regional policies and cooperative efforts would best benefit Cleveland’s African American community, increase opportunity and fairness for all residents, and effectively grow the region as a whole?”

Ten years ago economic development experts asserted, “Communities need to be concerned about the distribution of economic benefits” within the community. Places needed to also consider how “economic development efforts focused on improving productive capacity”¹ for disadvantaged groups and areas. The cumulative impact of the global economy on places and people in the U.S. provide even greater pressure to meet those challenges. The costs exacted by a broader and more efficient global economy are evident, disrupting employment in lower-skilled employment; and increasingly, job outflows in management and professional occupations. Ben Bernanke, the new Federal Reserve Chief, recently remarked that political leaders must seriously acknowledge the “costs of globalization,” and “help their constituents come to terms with them.”² Bernanke’s address also encouraged policymakers to pursue strategies ensuring “the benefits of global economic integration are sufficiently widely shared,”³ and “displaced workers get the necessary training to take advantage of new opportunities.”⁴ Recent policy and productivity innovations suggest that meeting these challenges will require a regional perspective. Specific attention will be placed on economic development strategies with a regional scope and inclusive purpose. Action is being taken in regions throughout the country, implementing policy to aid local capacity needing to adapt to changing conditions and economic hierarchies. However, as many regions suffer from hollow productivity in the core and sprawling, and increasingly expensive economic growth on the urban fringe, momentum around a response integrating regional arrangements and equitable outcomes remains an elusive policy. We will examine how regions have used policy to combat asset, capital and productivity flight, for the betterment of both the African American population and the entire region. Also, we examine what policies are appropriate to generate positive impact, such as reducing the decline of people, capital and opportunity?

Recent economic and population data reveal the Cleveland region is still a significant force in both state and national economics; but this position is eroding. In 2001, the Cleveland metropolitan area contributed \$84.53 billion to the Nation’s economy, ranking 26th among the 319 metropolitan areas in the U.S. In 2002, Cleveland accounted for 21.2% of Ohio’s Gross State Product—more than one-fifth of the entire state’s value of goods and services.⁵ These numbers tell a static story about Cleveland, and other indicators suggest Cleveland, moving forward, may not enjoy the relative economic success. In 2003, there were 6.75 patents per 10,000 employees in Cleveland-Elyria-Mentor, OH compared to 7.69 for the U.S. From 1990-2003, patenting growth per year in Cleveland-Elyria-Mentor, OH was 0.97% compared to 5.02% for the U.S.—ranking 265th out of 361 metropolitan regions.⁶

Population is a strong indicator of growth, suggesting the economic significance of Cleveland is in the midst of a sustained decline. In 2005, the region had 2.13 million residents, Ohio's second most populous region.⁷ Of note, in 2003, Cleveland was the state's largest region by population with 2.14 million residents. What makes the subtle decline in residents significant is Cleveland's population loss is moving counter to the Midwest as a whole. Recent population estimates for the Cleveland-Elyria-Mentor, OH region show a percentage population decrease of nearly a percent (.085%) from 2001 to 2005 (over 18,000 people).⁸ All other Midwest metropolitan areas during the same period saw an increase of 3.1 percent, adding over 1.5 million people.⁹ The extent of the decline in Cleveland also demonstrates the decline is getting larger over time. Between 2002 and 2003, population declined by a tenth of a percent. From 2004 - 2005, population outflow mushroomed to .35%—equal to a 250% increase.

Cleveland's leaders understand there are substantial challenges (and opportunities) in growing, leveraging and attracting productive assets to the region. The African American public and private leadership in Cleveland are looking to meet these challenges with a policy infrastructure sensitive to equity and economic concerns of the isolated, benefiting both the African American constituents of the region and all of Cleveland. Reasons for this shift are evident; as all people, African American, Latino and White constitute a larger share of the lower rungs of the region's economic ladder. Further, the economic and social conditions across much of the region are in decline, and increasingly altering the character of the region. Today, declining economic conditions demand addressing the policy-equity mismatch that maintains the 'opportunity' status quo of the region.

This chapter, and report as a whole, aims to lift up policies with an equity scope and integrity to sustain systematic regional linkages. The information provides a deep and comprehensive understanding of how Cleveland can adapt policy from peer regions to facilitate transformative change in regional economic development collaboration, neighborhood development, and by leveraging local assets to bolster firm productivity and household prosperity. Cleveland must be both efficiently and inclusively energized to foster innovation. African American business and civic leadership recognize addressing inequity and economic competitiveness are distinct, yet equal goals. In no uncertain terms, equity-oriented economic development aims to lift up applied policies that demonstrate what is good for African American businesses and households is good for all the region's businesses and households.

1.1 Rethinking Economic Development: From Local to Regional

“Cleveland State did research on small business development here in Cleveland to find out what we have. We have at least 37— maybe as many as 50—entities doing business development, but they are “in silos”— there is no cooperation, no coordination, and they're set up to be competitive. So we see a lack of development results.”

The above quote captures the dimensions of frustration with economic development and its results for Cleveland's African American communities. Many stakeholders consider this as one of the most pressing issues a regional strategy could address. Findings reveal nearly one out of four leaders in Cleveland feels the economy is a good starting point for a regional intervention. Such interventions were most desirable with the inclusion of aims

to increase African American economic performance and reduce inter-racial disparity. Among the several catalysts for this approach for the African American community are the economic conditions much of the community faces in the region. Nearly three out of four respondents felt African American well-being in Cleveland was “poor.” This sentiment was *fifteen* times higher than respondents indicating African American well-being in the region was “good.” Public sentiment and analysis support the concern surrounding African-American economic access and the presence of a ‘dual’ Cleveland region, dissected by race and class. There is an abundance of examples and resources suggesting the best performing regions are functionally unified to bolster preparedness for global competitiveness.

Addressing Cleveland’s fragmentation of opportunity begins with an exploration as to why the current economic development paradigm fails to produce equity or increased innovation and productivity. We first briefly examine classic local economic development criticisms and how they relate to the conditions on the ground in Cleveland. Principally, economic development is structured to maximize value and attractiveness along narrowly defined boundaries. In the Cleveland context, numerous governments, all engaging in some form of economic development simultaneously, signal the onset of local, asymmetric hyper competitive conditions. This environment yields several outcomes, albeit unintended in some cases, such as, inter-jurisdictional and group distrust, and inefficient use of subsidy. As this occurs in regions like Cleveland, efforts are also underway to position the region to face the global economy—as local efforts subvert this process from the ground up, unnecessarily, with policy infrastructure that punishes integration and broader scale guidance. One way Cleveland has made efforts to address this on a broader scale is by placing risk capital behind the shift from a single labor market (manufacturing) to a more specialized one (education, health care, etc.). Data demonstrates this approach will be critical to regional health, as Cleveland must not only compete locally, but also in lower-wage world markets that can all but eliminate work in many sectors.¹⁰ In spite of the complicated conditions and need for integrated solutions, economic development remains a hyper competitive practice. The most often referred to result of this structure is the persistence of practices such as poaching. This activity, in effect, shifts jobs and residents from nearby areas using an array of public short- and long-term investment instruments, which results in negligible gains and lost public capacity to reduce friction. Below is an extended, general critique of noted limitations in local economic development, from a broad and equitable perspective.

- Zero-sum game—one group’s gain is offset by another group’s loss.
- Very few incentive programs allow for broader wealth redistribution to address inequity or to distribute risk and rewards.
- Local, state and federal workforce investments take on a far too narrow perspective, compartmentalizing the spatial, economic, transportation and quality aspects of work. The result is extreme disparities between residents, sharply captured by neighborhood boundaries.
- Economic development professionals are bounded by narrowly focused policies resulting in negative region-wide outcomes. This is compounded by a lack of sustained public support, heavily influenced by small organized constituencies that limit the distribution of benefits and burdens.

- The most isolated geographies—inner city, rural and first-ring suburbs—face similar decline, yet few policy solutions exist to reduce problems from common sources, such as land use management. Joblessness, poor education, economic and social isolation limit the frequency of meaningful interactions to spur innovation.

To create a better positioned workforce, the above limitations and others must be mitigated and managed; effectively shaping a policy perspective that does not supplant local authority but provides necessary programs and legislation. The current gubernatorial race highlights opportunities that suggest changing the policy structure of economic development is important. In a recent debate at the Ohio Association of Regional Councils, candidates Ken Blackwell and Ted Strickland cited the significance of changing local land use management to meet the challenge of keeping Ohio relevant and accessible to current and future residents. At this meeting, gubernatorial hopeful Ted Strickland also promised not to provide state economic grants to communities that “poach” business from elsewhere in the region.

1.2 Peer Regions Embarking on Inclusive and Regional Strategies

Local efforts outside the region are working to eliminate issues by integrating local economic development with emphasis on inclusive activities. A redevelopment effort led by East Baltimore Development Inc. (EBDI hereinafter), a local not-for-profit, aims to complete an 80-acre, \$800 million neighborhood redevelopment over an 8-10 year period. The development is estimated to produce 2 million square feet of biotech research space, over 1,200 units of mixed-income housing (new and rehabilitated, homeownership and rental); new retail facilities; a set of supportive services (job training, family counseling, education programs, substance abuse treatment, etc.) and community building activities. For job seekers, up to 6,000 new jobs will be created for skill levels ranging from high school to those with advanced college degrees.

The EBDI strategy integrates workforce development and social services, procurement inclusion and neighborhood infrastructure improvements under an ambitious unified policy structure. The redevelopment is supported with accountability systems to manage compliance and support neighborhood planning and real estate development investments. EBDI, along with institutional and private partners, are seizing emerging opportunities to create spillover benefits in terms of job training, social service programs and access to housing. Major institutional partners like Johns Hopkins (located in East Baltimore) and Annie E. Casey Foundation, will provide substantial opportunities for East Baltimore residents to move into quality housing and thriving communities (supported by pledges of \$5 million to supplement the federal relocation guidelines). Residential properties on major area pathways are targeted for rehabilitation and blocks are being reconfigured based on successful Baltimore neighborhood patterns to support new development.

Many neighborhoods can benefit from this integration and inclusive activities. However, a sufficiently broad policy infrastructure is not present in Baltimore, or many regions, resulting in a barrier to transferring local capacity to a broader number of declining neighborhoods. Although no regional policy framework exists to transfer the capacity of the East Baltimore example, there is encouraging evidence where regional partnerships

are working to meet goals similar to Cleveland – better regional integration among intermediaries and governments as well as the reduction of disparity.

Northwest North Carolina (which includes Greensboro and Winston Salem, NC MSA) is an example of a reforming region repositioning its capacity through the economic development process. The Winston Salem region offers insight into the conditions faced by firms and individuals in the area. Along measures of innovation, the region ranked worse than Cleveland—only 3.24 patents per 10,000 employees, with a negative growth rate (-3.24), that ranked 326 among the 361 metropolitan areas over a thirteen-year period.¹¹ With all of Northwest North Carolina lacking coastal amenities or conventional attractions to lure in-migration of workers and families, policymakers focused on reenergizing underutilized assets to chart out its regional destiny. The process began with public officials securing funds for a Comprehensive Economic Development Strategy (CEDS) funded by the Economic Development Administration (EDA). Their CEDS was implemented with a bottom-up planning process to meet the goal of linking the interests and skills of residents with growth sectors providing strong wages.

The CEDS process created regional ‘partners’ from the eight counties in the region, each drafting its own economic development plans. The plans integrated local activities into the region-wide CEDS. Regional partners devoted resources to the creation of a design industry—which included design professionals from engineering to software to fine crafts.¹² The plan positions the region to support reinventing its manufacturing workforce with increased worker preparedness and attraction of entrepreneurs to spur a diversified innovation cycle. Several innovative institutional arrangements emerged, including local community college investments in connection with the Department of Labor to establish a “replicable biotechnology curriculum for community colleges”¹³ in the region.

In addition to the multi-prong focus on innovation, leadership was acutely aware of the need for reducing disparity and moving in a timely fashion. While the CEDS planning process occurred county to county, local leaders in each county leveraged resident awareness to pursue good ideas while they were fresh. Along with programs, one of the themes that emerged was for successful regions to take aggressive steps to reduce social disparity. Further research revealed that, as disparity decreased, the potential to attract new investment increased. To date, this process has moved well into implementation, with the Northwest corridor receiving additional federal funding to pursue policies aimed at linking workforce investment and economic development interdependently. This action item is discussed in detail in later sections.

1.3 Rethinking Economic Development: Leveraging Assets

Scalable approaches that leverage Cleveland’s existing intellectual, physical and human assets require institutional actors to provide and aid in monitoring the policy infrastructure and outcomes. Colleges and universities are among the actors which have shown the capacity and mission-focused perspective capable of driving economic development.¹⁴ In this regard, several universities have participated in property redevelopment, urban revitalization and workforce development in areas surrounding their campuses. According to the Initiative for a Competitive Inner City, “In 1996, urban

core universities spent \$136 billion on salaries, goods and services—nine times more than federal direct spending on urban business and job development in the same year.”¹⁵

In Cleveland, academic institutional relationships are among those which are increasingly involved in the realities outside their walls. For example, Cuyahoga Community College (Tri-C) has received nearly \$4 million in grants to support increasing the number of registered nurses and radiologic technologists for the Cleveland Clinic Health System. Tri-C also established the “Key Entrepreneur Development Center” in conjunction with Key Bank, to serve as a regional hub for business and economic growth across Northeast Ohio.

1.4 Ingredients for Inner-City Economic Development

Of the nearly one-third of respondents that suggest the economy is a significant issue, over half (55%) cited the lack of employment for African Americans as *the* significant economic issue. Closely related to declining employment and associated economic opportunities in Cleveland is the region’s development pattern. Nearly 80% of respondents indicated current development patterns yield a negative net impact on the region. The sentiment was that the current development pattern shifted the nature, quality and number of jobs away from population centers and transportation routes populated by African Americans. The prevailing outward development pattern impact on the population centers of the City of Cleveland, directly impact African Americans (the region was 18% and the City 50% African American in 2000). Exploring how local economic development can reduce friction for regional and inner-city economic expansion at the policy and sub-levels is central to creating vibrant regions. In terms of jobs, there is a substantial cost to residing in the inner city as job prospects typically flow outward. Segregated neighborhoods shape the job search by limiting the network connections to quality employment, leading to greater job search costs to inner-city residents.¹⁶ In terms of employer preference, residential segregation becomes a tool for predicting a jobseeker’s race, often resulting in racialized employment outcomes by geography. In turn, this influences firm-location decisions, dictating where businesses locate, job and neighborhood quality, and further results in biases based on unrelated factors such as local animosities or ethnic composition of local occupational niches.¹⁷

Growth at the expense of reinvestment in the core, aside from employment and residential segregation, is also associated with “environmental damage, congestion, and labor shortages at the periphery, and poverty and neighborhood deterioration in the central city.”¹⁸ There is a critical, sometimes overlooked difference when examining the benefits of inner-city reinvestment over peripheral growth, by private and public interests. From the perspective of economic spillover, the inner city offers more efficient and equitable externalities as new business development in the periphery often comes with environmental problems and congestion and may require costly infrastructure. At the very least, government subsidy to attract new business stabilizes inner-city neighborhoods with investments in crime reduction, and worker preparedness. The increased tax base and business development may help improve amenities and safety.¹⁹ The spillover of inner-city reinvestment creates value for close proximity localities, promotes mixed income integration and maintains a balance of living environments to further distribute wealth.

The political economy of regions will determine the extent and duration of inner-city reinvestment. Cities are increasingly vulnerable to becoming rich and poor enclaves and efforts should be made to support policy that views inner-city Cleveland as an inseparable element to creating regional prosperity. Strategies to attract the middle class from the periphery should be accompanied by strategies to cultivate a middle class from within the inner cities.

As Cleveland explores the appropriate mix of policy to attract investment internally and externally, experts in strategy and competition suggest a focus inward to harness a region's full potential. Professor Michael Porter, of the Harvard Business School, highlights four elements considered vital to strengthening inner cities across the country, and ultimately increasing regional prosperity for all. First, the presence of high-quality labor must be in place to achieve or sustain advantage. Second, the business climate must encourage investment in physical and technology assets and residents. Third, it is critical to develop industry sectors where local needs are most sophisticated. This has been found to promote growth of complimentary industries due to increased standards and regulations. These increases yield greater accountability, creating a consumer, policy and business environment that develops a taste for high-quality products which can be exported. Lastly, competitive regions need physically-clustered firms.

As significant as the pursuit of competitive advantage may be, it is just as important for leaders to consider policy as a major factor fueling competition. From an equity and innovation perspective, competition will face significant barriers if framed as outcomes (i.e. win or lose) alone. The gap in converting assets into capital is policy. Region policymakers and stakeholders must lift up existing policies that create competitiveness, and remedy policies that reduce or repel competition and the ability for more residents to compete (such as addressing the region's educational disparities).

1.5 Policy Analysis and Recommendations:

Thus far, we have analyzed the factors motivating Cleveland to re-think its regional economic structure to meet the long-term challenge of reducing inequity and increasing and distributing economic productivity throughout the region; especially the inner city. Special attention must be paid to how Cleveland's labor force helps shape the fate of the entire region and what challenges it faces in aiming to do just that. Workforce development in the region is highly fragmented and clustered away from the region's peripheral job centers. Within Cuyahoga County alone, 17 agencies receive some level of WIA entitlement. The potential friction and frustration faced by those in need of work and training are found in the County's Level II Certified One-Stop Centers located at 11699 Brookpark Rd. and 1701 E. 13th Street. However, access to all the regional partners may not be accessible at all locations. In fact, of the eleven career centers in Cuyahoga, only two locations (Downtown Cleveland and Brookpark) provide access to a majority of partner services. Much more needs to be done in Cleveland about recognizing that linking people and workforce intermediaries is increasingly important to economic development. Lessons from peer regions, like Baltimore and Winston-Salem, demonstrate workforce investment is an integral part of economic development and education policy.

For Cleveland, the challenge now is to be a ‘people-first’ region—by making investments in educational outcomes and ability to access risk capital, to fuel the regional cycle of entrepreneurship and innovation. Strategies should seek to build a sense of shared prosperity between firms, households and institutions. Newly emerging economic centers like Austin, Silicon Valley and Charlotte demonstrate the benefits of such an approach to generate positive spillovers in other areas. Research shows there are a multitude of factors for areas to consider and those less important when determining innovation readiness. First, factors such as city size, overall employment or population growth are less associated with high technology innovation in regions. Factors which have been shown to influence the growth of high innovation are government expenditure, low costs, capital assets, the presence of complimentary commercial partners and educational opportunities.²⁰ A brief examination of key statistics demonstrates in some areas, Cleveland contains these ingredients and has the potential, with additional labor force development, to create the capacity to achieve similar success in high technology innovation in the long term.

A brief analysis highlights some disparity and similarity between Cleveland and the Charlotte and Austin regions in the receipt of federal expenditures. In the area of federal grants for energy (functions include energy information, policy, and regulation, emergency energy preparedness and supply and energy conservation), Cleveland received \$5.3 million; while Charlotte received zero dollars and Austin, TX also received \$5.3 million. Federal dollars are critical to creating innovation infrastructure opportunities, especially in the areas of alternative energy sources. In the area of health, a key innovative sector for the Cleveland economy, grant allocations in 2004, were considerably higher than the two compared regions. Federal grants for health care services; health research and training; and consumer and occupational health and safety totaled 1.8 billion dollars for the Cleveland region, while Austin managed \$818 million and Charlotte \$585 million—three times less than Cleveland.²¹

The second factor to consider is high-technology activities seek out lower cost locations. Even when high technology firms wish to leave highly innovative regions they have a tendency to pursue lower cost destinations. Further research by Miller and Cote (1987) revealed high technology employment is heavily concentrated in the large establishments of multiplant firms. Additional research shows these types of firms rely on management discretion compared to resource needs when choosing location. Building ‘soft’ and ‘hard’ infrastructure requires strategies built from existing information and relationships. This synergy will help the region take action to increase the factors contributing to existing firms staying. These strategies should also seek ways to partner to create more linkages resulting in greater levels of risk capital and a stronger workforce going forward. The third factor to consider is the presence of innovation capital assets, such as teaching or clinical hospitals oriented toward leading edge research.²² These assets were typically precursors to small firms conducting work in high technology. Older metropolitan areas with generations of the prototypical infrastructure such as universities, advanced research laboratories, venture capital or incubation can better serve the needs of entrepreneurs in high technology.²³

Lastly, education drives technology-based economic development, more specifically the movement of faculty and the training of graduate students.²⁴ It’s important to Cleveland

from an equity and innovation perspective to create the educational system, from secondary school to college, which aligns as a broadly unified system to meet this goal. Only through long-term extensive development of the region's human assets can Cleveland reposition itself to take advantage of opportunities for economic growth, especially in essential sectors of the new economy. The preceding tech industry example drives home this point, but the principle is related to any specific sector that Cleveland seeks to develop. Human assets and skill are the essential ingredients for regions to grow in today's innovation-based economy.

The previous pages provide the basis for the following policy analysis, lifting up regions and policies that are working towards reducing the volatility experienced by a globalized economy, using regional and equitable approaches. These policies are organized into four categories, and reflect the exhaustive analysis of conditions, promising practices, grounded by guidance from the President's Council and local leadership:

- Industry-focused workforce development: Historically lacking access to better paying employment or opportunities, African American workers need to be better educated and trained for their own well-being and for the region to compete globally. Changing economic conditions are threatening to undermine further the region's historic heavy manufacturing strengths, as economic activity shifts to knowledge-based, light or biotechnical manufacturing. Jobs and enterprise opportunities in occupations and sectors where African American workers are substantial must be strengthened at the same time as workers' preparedness connects them with Cleveland's emerging sectors. **Figure 1** indicates which sectors are emerging in the Cleveland region. For a fuller picture of regional employment, look to the Ohio Bureau of Labor Market Information (LMI produces short and longer-term occupation projects throughout the state available at: <http://lmi.state.oh.us/proj/OhioJobOutlook.htm>). Our peer policy examples found industry-focused workforce development that implements training, political advocacy and conduit programs to provide regional impact. Some are already active in Cleveland. Tri-C and WIRE-NET are models of how regions competing to grow jobs in target sectors can provide integrative solutions in workforce development. In Baltimore and Detroit, workforce policy is being used to create better employment while effectively creating more inclusive places to live.
- MBE/SBD development: Minority-owned businesses must be framed as critical components of the Cleveland economy, crucial to widespread economic opportunity. Minority and small business policy infrastructure as explored in the Midwest regions of St. Louis, MO and Cincinnati, OH show how to make critical linkages between public and private participants for equitable outcomes. Findings suggest that regions actively building African American enterprises do so with policy that aims to break away from a set-aside framework. Their solutions have found ways to integrate African American businesses with Fortune 500 companies, create partners from mentor-protégé programs, and move firms beyond the incubation phase. For Cleveland, the elements and the focused will are present in the business community-at-large to pursue similar ventures at the scale of greater impact – the region.

- Leveraging and distributing resources & investments: Cleveland's inner-city and inner-ring communities are not being infused with private capital and investment at the same rate as peripheral communities. Yet, the strongest regions in this nation look to the core as a source of jobs, capital and innovation. The lack of urban investment has a powerful and negative effect on the vitality of the entire region. The ability for private capital to reach underutilized assets is imperative to create strong regions and efficient markets, as analysis has shown. Policies in this area have identified promising practices from states and regions including Michigan, California, and Baltimore. What was found is statewide legislation and regional creativity can generate the regional/local infrastructure to distribute benefits at the neighborhood level.
- Neighborhood development: Economic opportunity is also closely linked to neighborhood health and development. Strong neighborhoods create value and incentive for households and businesses to remain and reinvest. Not only is proximity and access to employment important to achieve success, but a functional retail, and business sector in general, are critical elements for economically viable neighborhoods. Economic inclusion at the neighborhood level in places like East Baltimore provides a glimpse as to how correcting local policy mismatches can create access to regional benefits. Correcting decades of inferior policy and physical infrastructure is necessary to bring back all forms of capital. Policies are extracted from regions doing just that in Michigan, Connecticut, Baltimore, and Oakland among others, creating infrastructure in predominately African American neighborhoods, using legislation, land banks and institutional investments to rebuild neighborhoods from within.

The remaining pages identify applied strategies for legislation and programs addressing various aspects of the four focus areas described above. Case studies are offered to present potential policies for consideration by stakeholders in the Cleveland region. Each case study will assess what conditions created disparities, why it merits consideration in Cleveland, where it has been used, what agents and elements were involved in implementation, what challenges can limit its effectiveness, and how it can aid isolated and disenfranchised African American households and businesses. Following the case studies are strategic action steps to promote more inclusive and regional economic development.

Labor Force Development: The Essential Ingredient for Economic Development

Globalization's impact on Cleveland, and regions with similar conditions, encourages us all as to the importance of developing the capacity to better cope with economic shifts using regional assets. At the regional level, labor-force-based economic development policy is increasingly being applied by a number of regions to address changing economic conditions. From Cape Islands to Pittsburgh, regions are exploring ways economic and workforce development can ease the impact of negative and sustained global economic ripples.

Regions with a reliance on single industry are shedding that risk with new integrated policy interventions. The Cape Islands Workforce Investment Board (WIB) looked within to create economic prosperity, incorporating layers of partnerships focused on a

singular goal. That goal was to better position the region to cope with the decline of its principal industry, tourism. The WIB focused on incumbent worker training, as opposed to welfare-to-work or other labor market entry strategies.²⁵ Further, the WIB agreed to continue working with state and federal agencies, non-profit and for-profit educational institutions, public schools, the community college, and private employers to provide the job-ready skills in its critical clusters. In addition to English proficiency, the WIB also looked to bolster worker preparedness in the immediate- to long-term future for its under-skilled and low-skilled residents.

The WIB proposed worker preparedness should infuse short-term training that moves unskilled workers into low-skill occupations and that help low-skill workers move up the career ladder into paraprofessional, technical, craft, and trades positions in critical and emerging clusters. Further, the WIB strategy included facilitating greater business access to selected training for management and staff development, particularly in areas that involve cross-industry and transferable skills. The WIB also proposed to continue support for the federal School-to-Career Initiative, supporting public school teachers and program coordinators in their training roles in the workforce development system.²⁶

Research as into the state of integrated workforce and economic development systems revealed that willingness and ability (i.e. policy and resources) to pursue this strategy were “intimately embedded,”²⁷ and reflected a workforce development system’s ability to meet economic and employee needs. This insight was developed in the State of Michigan, a state also struggling to cope with the precipitous decline of its manufacturing sector.

Anderson’s (2004) analysis finds:²⁸

- The connection between workforce development and economic development has grown stronger over the last several years and is very prevalent in Michigan,
- Areas where workforce development and economic development are integrated seem to be more effective at achieving their performance goals than those where more separated systems exist; and
- A cluster-based approach with healthy competition tied to collaborative, complementary and innovative development work between firms, organizations and institutions appears to be one of the most prevalent common denominators among the various models.

Results also point to a disturbing trend among practitioners at the state and WIB level—a lack of coordination resulting in lost opportunities to stabilize and upgrade their workforce. In Anderson’s (2004) study, no organized way of disseminating and sharing information as to how to connect workforce and economic development existed. This capacity transfer friction lead organizations to spend time needlessly reinventing processes, when enough capacity already existed based on the experiences of their colleagues.²⁹

The disparity between slow-growing and emerging areas have resulted in more support by the Federal government to provide policy infrastructure and resources to overcome barriers to transformative, comprehensive change. The Department of Labor Employment

and Training Administration (DOL-ETA) recently enacted and funded regional workforce and economic development initiatives under the Workforce Innovation in Regional Economic Development program, or WIRED. Letters went to the Governors of each state requesting no more than three proposals. Qualified proposals were determined through a competitive application process, which narrowed the field to thirteen WIRED regions. Many of the WIRED regions were similar to Cleveland, in terms of strategy orientation and regional economic/workforce conditions. A review of these areas demonstrates WIRED regions are pursuing strategies to bolster entrepreneurship, mature-worker preparedness, industry sector alliances, and research and development similar to Cleveland. The Piedmont region in North Carolina (profiled earlier as “Northwest North Carolina”) is among the WIRED recipients. WIRED recipients were also cities located in the border state of Michigan, including Flint, Saginaw, Grand Rapids and Detroit.³⁰ The conditions putting pressure on WIRED regions requesting assistance were shown to be broad, and broach the issues central to many stakeholders in Cleveland: From low labor force participation, poor test scores and antiquated “factory employment” culture,³¹ to slow-growth, low educational attainment levels, and aging populations; compounded by the rapid loss of younger citizens to other parts of the country.³² The following provides detailed case studies on workforce development strategies.

2. Case studies of industry-focused workforce development:

a. WIRE-Net - Attracting and Retaining Manufacturing in Cleveland’s West Side Community³³

Cleveland’s West Side neighborhoods are home to a high concentration of small and medium-sized manufacturers and related firms. Currently, over 600 firms employ 27% of the area’s workforce. In the mid-1980s—as economic restructuring was leading to plant closings and layoffs—three community development corporations joined together to form the Westside Industrial Retention and Expansion Network (WIRE-Net) to help companies stay and prosper in the area.

Its mission is to retain, grow, and attract manufacturing-related businesses and connect leaders to each other and the West Side community. Over the years, the nonprofit economic and workforce development organization has evolved into an expert labor market intermediary; becoming a trusted partner for hundreds of area businesses and helping thousands of West Side residents begin careers in manufacturing.

WIRE-Net has developed an innovative, employer-led strategy. At the heart of its approach are the extensive, long-term relationships the organization has cultivated with local firms. Over 200 West Side companies participate as dues-paying members, providing access to a variety of business services such as networking and peer learning opportunities, workshops and training on industry trends and innovations, consulting, and industrial real estate development. In addition to these “inside the plant gate” services, WIRE-Net also engages in “outside the plant gate” strategies, including workforce training and policy advocacy on issues that improve the business environment for manufacturers.

WIRE-Net began its workforce development activities after its members described their challenges in finding qualified entry-level and advanced machinists. To help them—and to connect low-income, primarily minority, residents with well-paying jobs—WIRE-NET

operates job assessment, referral, and placement services. Since 1989, the organization has made about 160 placements per year and has helped many other residents find jobs on their own. In addition to linking residents with jobs, WIRE-Net also helps job applicants overcome such barriers as lack of childcare or reliable transportation. With WIRE-Net's help, many residents have secured jobs that pay higher wages and provide more benefits than those they previously held. In 2004, the organization placed 134 residents in positions with an average wage of \$10.23 per hour. The majority of the positions offered full benefits, including health care coverage and paid vacation.

WIRE-Net also works to prepare youth and adults for careers in manufacturing. From 1998 to 2004, WIRE-Net operated a training program that prepared job seekers for entry-level positions in precision metalworking. Through this initiative, 54 area residents completed training courses, and 41 of them were hired by local companies. In recent years, WIRE-Net changed its approach and now partners with local educational institutions including the Cleveland Municipal School District and Cuyahoga Community College on job training initiatives. WIRE-Net also builds leadership and advocates for policy changes that affect the manufacturing sector. WIRE-Net focuses on three areas of policy change:

- Promoting the adoption of skills standards for workers
- Improving the local business climate for manufacturing
- Upgrading education and training systems

Through its business services, workforce training, and policy advocacy activities, WIRE-Net has been an important force in the local and regional economy. While the region as a whole experienced a 21% decline in manufacturing employment between 1993 and 2000, the West Side community experienced a 9% increase. Though not the only force working to grow manufacturing jobs in the community, WIRE-Net is contributing to the area's competitive edge. Initiatives like WIRE-Net should be supported and expanded in Cleveland's urban neighborhoods.

b. Focus: HOPE - Building Opportunities for Minority Workers in Detroit's Auto Industry³⁴

Focus: HOPE is a civil and human rights organization founded after the 1967 riots in Detroit. Over the years, the nonprofit has helped thousands of low-income residents meet their basic needs and gain the skills and education necessary to exit poverty. Training and job placement services are a central component of their work. Through model training programs, Focus: HOPE has connected over 5,000 men and women to careers in manufacturing, information technology, and engineering within Detroit's auto-related industries, breaking down the barriers that have kept minorities and women from jobs in this occupation.

As a sector-based workforce development initiative, Focus: HOPE targets machinist occupations in metalworking and manufacturing industries. Despite transformations in auto manufacturing, it remains one of Michigan's key industries. Production is concentrated in the Detroit region, home to the Big Three automakers (General Motors, Daimler- Chrysler, and Ford) and a number of small firms and suppliers. Jobs in these shops offer good prospects for low-skilled workers. They pay decent wages and provide

opportunities to either advance within a firm or move up from a non-unionized (and lower-paying) job at a small shop into a unionized job at one of the Big Three companies. Many barriers prohibit low-income, inner-city workers from entering and advancing in machinist occupations. When Focus: HOPE opened its doors, no comparable programs existed in the area. Most machinists are trained at community colleges or technical institutes. The most noted and extensive programs in the Detroit region are offered at Henry Ford and Macomb Community Colleges, both of which are located in the suburbs and difficult for central-city residents to reach. And only a small percentage of apprenticeships (the traditional route to advance to a journeyman position) go to minority or female trainees.

Focus: HOPE's variety of training programs respond to these challenges and help minorities and women access careers in manufacturing. Their core program is the Machinist Training Institute (MTI), a 31-week program that prepares participants for entry-level jobs in precision machining and metalworking through a combination of classroom instruction and on-the-job training. To enter MTI, students must possess a high school degree or GED, a 9th grade reading level, and 10th grade math skills. Between 1981 and 2004, MTI graduated over 2,700 machinists. Their starting salaries are \$11 per hour and, after a few years of working, their salaries increase to \$40,000 per year or more. The organization also offers basic training programs that help students improve their reading and math skills until they can enroll in MTI—thus reaching people who would not be able to attend community college. Focus: HOPE also offers specialized programs that prepare students for industry certifications in information technology careers such as network administration and desktop support, as well as a college degree program in manufacturing engineering offered in partnership with area universities.

In addition to its training programs, Focus: HOPE works with important stakeholders—manufacturers, labor, trade associations, policymakers, and other regional actors—to plan and advocate for policies that improve the climate for manufacturing in the city. Through these activities, the organization has helped expand economic opportunities for Detroit's low-income residents. Similar training programs, targeting key emerging employment sectors, could be critical for expanding economic opportunities for Cleveland's African American workers in economically disadvantaged neighborhoods.

c. SEIU's "Unfinished Business" Campaign for Self-Sufficiency Wages in Baltimore's Health Care Sector³⁵

Baltimore's local chapter of the Service Employees International Union (1199E-DC) primarily represents low-wage service employees at four area medical institutions; Johns Hopkins Medical Center, Greater Baltimore Medical Center (GBMC), Sinai Hospital, and Maryland General Hospital. In December 2003, as contracts for 3,500 members were expiring at three of these institutions, the union launched an innovative and holistic campaign to negotiate better contracts for its members and push for broader policy changes that would secure a better future for all low-wage workers. They titled their campaign "Unfinished Business," referring to the unrealized quest for economic justice for all workers. The campaign called for self-sufficiency wages for health care workers—meaning wages that are high enough to enable workers to secure basic needs such as housing, transportation, health care, and child care, without outside assistance. According to an independent study by Wider Opportunities for Women entitled *The Self-Sufficiency*

Standard for Maryland, a basic budget for a family of three in Baltimore City requires earnings of \$17.41 per hour. The average wages for SEIU's members working at the three hospitals, however, was \$11.11 per hour, qualifying them for up to \$13,576 per year in public assistance benefits.

To build support for the campaign, SEIU organizers first conducted outreach in the neighborhoods where their members live, listening to community concerns and speaking with key stakeholders such as faith leaders, community organizations, and local and state elected officials. Through these meetings, union organizers and other stakeholders began to recognize the connections between low-wage work and the conditions of their neighborhoods. Many SEIU members lived in the city's poorest neighborhoods and faced a host of housing and other challenges.

These discussions shaped a second key component of the campaign; *Putting Baltimore's People First*, a report analyzing the connections between Baltimore's economic potential and large employers' responsibility to pay higher wages. The report described how poorly Baltimore's investor-driven economic development policies have served the city's residents and argued that raising the incomes of low-wage workers can stimulate economic development as these workers spend their money in the local economy. Based on this "multiplier effect," raising SEIU members' wages at the three hospitals to \$17.41 per hour would lead to a \$63 million increase in the city's economy within one year. The report was released at a press conference, and an accompanying pledge to support self-sufficiency wages and unionization in the health care sector was endorsed by 23 elected officials, including Mayor Martin O'Malley.

Though it has not yet secured self-sufficiency pay for low-wage health care workers, the Unfinished Business campaign has led to a number of positive outcomes. In June 2004, SEIU settled its contracts with all three hospitals. The new two-year contracts included, for the first time, a wage scale, which sets pay increases for two years depending on grade of position and length of service. Additionally, at Johns Hopkins Hospital, SEIU secured a new benefit for junior employees—scholarships for children of SEIU members who are interested in attending the university. The report and the campaign have also stimulated citywide discussion about a self-sufficiency wage, and the city council passed a resolution calling for further study of how the self-sufficiency wage would affect Baltimore. SEIU is continuing to explore mechanisms to advance self-sufficiency wages for health care workers. Their efforts to date have led to an understanding that moving a high-road economic development agenda will require strong alliances between labor and community. To help move this agenda forward, the union merged with SEIU 1199 New York, in July of 2005.

Although a "public campaign" to force higher wages may not be politically prudent in the Cleveland region, collaboration with key health care providers in the region could be beneficial for expanding economic opportunities for African American workers. Given the importance of the health care industry in Cleveland's economic future, supporting livable wages in the health care industry and training African American workers for emerging health care occupations would support greater economic equity.

d. Career Readiness Certificate / Manufacturing Skills Certification - States' Increasing Confidence & Transparency Within Important and Emerging Sectors

Employers and regions share a common need for trainable employees. In 2003, a collaboration amongst six states (VA, TN, WV, KY, MD, NC, and Washington, DC), known as the Readiness Certificate Consortium, developed the *Career Readiness Certificate* (CRC). Its goal is to provide its workforce with portable credentials that indicate attainment of criterion-referenced workplace literary skills.³⁶ Career readiness certification addresses the training concerns of employers, reduces training costs and allows businesses to focus on providing employees further apprenticeship opportunities.³⁷

Nationally, experts predict by 2010, over 80% of all jobs will require skill levels beyond those gained in high school.³⁸ CRC provides benefits to each state's workforce and enterprises, particularly manufacturing. Members of the Readiness Certificate Consortium, in conjunction with the CRC, developed a "Skills Bank"³⁹ database to manage data. A free, web-based application can be queried by employers along several criteria including geography and certificate class to match demand and supply. Skill assessments are designed to predict workplace success based on workplace literacy. Literacy is measured based on skills needed on the job, existing employee skills to indicate specific skills which need to be trained to close the compatibility gap between what is known versus skills required.

Similar to the Career Readiness Consortium, a manufacturing sector of the Career Readiness Consortium is active in an even greater number of states. The Manufacturing Skills Standard Council (MSSC) certification makes direct links between academic institutions and firms to certify higher-quality, specialized workforces in the globally competitive marketplace. MSSC certifies workers for employment in the increasingly important light manufacturing sectors of bioengineering, nanotechnology, microelectronic and mechanical systems. The Council's approach to the certification process is to develop "foundational skills" in the manufacturing context.

Career readiness certification is the product of a series of relationships at the local and state level. Adoption into the Consortium must also be supported with links to academic institutions, such as Community & Technical Colleges and secondary schools. To date, Ohio is not a member of the Career Readiness Consortium, but interest has been expressed in its adoption. States participating in the Consortium include West Virginia and Indiana, close neighbors and competitors to Ohio for manufacturing investment. In addition to membership, funds need to be allocated for certification of individual workers. Costs are shown to vary from state to state, but are "typically less than \$100 per individual."⁴⁰

African Americans have a vested interest in combating the spatial mismatch between quality employment and the African American workforce. There are opportunities to advocate for a CRC-initiative that connects African Americans to employment in emerging and important sectors, such as health care. The following are key considerations when considering a CRC-initiative: Identification of sites to administer certification in areas of geographic concentration should be in proximity to transit; marketing must ensure accessibility of material to potential workers; and adoption by firms across several industry classes is important for broad acceptance by employers and employees, but that is a process that is heavily dependent upon sectors/firms selected.

High-value entities like WIRE-NET should be encouraged to adopt the certification as a means to lend credibility to the effort and can serve to attract even more high-quality talent to the organization. Further, a review of the programs offered by Tri-C reveals several certificate-granting programs for students with and without degrees. Aligning career certification programs with Tri-C programs, in particular, certificate-bearing programs in the important and emerging sectors in Cleveland, can provide mutually beneficial results that create a conduit for talented workers.

3. Case studies of MBE / SBD development:

a. Minority Business Accelerators - Regionally Aware, Corporate-Focused Inclusion Strategies in Cincinnati, OH

The 2001 race-related riots in Cincinnati revealed long-standing resentment and inequities between African Americans and Whites. Cincinnati, already facing pressure internally to deal with inclusion and prosperity, now found its response to racialized problems would also have the attention of the national stage. A strategic response had the potential to help shape a more inclusive Cincinnati moving forward into the 21st century, but from where would the momentum for such a response come from? Cincinnati's business and private sector leadership capitalized on the opportunity to lead this discussion, forming the privately funded CAN Commission. The Commission's report detailed widespread tension between Blacks and Whites, and deep-seated frustration from racial disparities in employment, education and the justice system.

Of special importance to the Commission was addressing major economic disparities in African American business and entrepreneurship. The Cincinnati region is about 43% African American, yet African American entrepreneurs account for only 2% of the aggregate revenue generated by local entrepreneurs.⁴¹ The timing provided an opportunity to take these findings by the CAN Commission and chart an unprecedented and bold response. This led to the formation of the *Minority Business Accelerator*, (MBA) within the Cincinnati Regional Chamber of Commerce. The newly formed MBA set out on its mission to "accelerate the development of sizable minority businesses and strengthen and expand the regional minority entrepreneurial community, with an initial emphasis on African American owned businesses."⁴²

The Minority Business Accelerator works to forge relationships, not simply bid opportunities, to sustain Black businesses in the long term. John Young, Director of the MBA, said the MBA seeks to partner African American businesses that "have goods and are a good fit"⁴³ with Cincinnati's corporate partners. The MBA approach is to deliver more sizable and scalable MBEs to the market place (*supply-side*) as well as create a more aggressive and robust corporate MBE procurement environment (*demand-side*).⁴⁴ The MBA has built relationships with Cincinnati's African American MBEs and corporate partners, several of which are Fortune 500 companies. The MBA relationship-building strategy acknowledges that assets come in several forms and inclusion efforts must be cross-sector to be transformative at the firm and neighborhood levels.

The MBA focus on attracting corporate partners and preparing African American businesses to succeed is sustained by market driven growth strategies. The MBA cultivates African American MBEs most capable of filling the supply chain gaps of its corporate partners. Further, the MBA seeks to grow African American MBEs with

competitive strategies employed by larger, mainstream firms. Among them is merger and acquisitions to create larger-scale enterprises. The MBA also encourages tangentially-oriented companies to form Joint Ventures in an effort to better position them for corporate procurement relationships. Contract development is another specialty of the MBA, whose “Deep Dives”⁴⁵ approach aims to reduce the friction between corporate partners and African American businesses by honing business plans, and MBE value proposition to generate near-term purchasing by corporations.

Major procurement initiatives have made the MBA a local leader in corporate procurement opportunities for African American businesses. The MBA recently initiated an aggressive pilot capital campaign generating millions of dollars in procurement commitments from participating corporate partners. The campaign had an original goal of generating commitments from regional businesses totaling \$175 million dollars. By campaign’s end, the MBA exceeded its goal by nearly 15% - generating \$200 million dollars in commitments from 15 companies regionally located or headquartered in Cincinnati. Director Young says work has already begun on the 2008 campaign, which hopes to generate one-half billion dollars in corporate commitments. The responsibility of tracking and reporting remain a high priority to the MBA and its corporate partners. Reporting is completed through a confidential process, verified directly by partner CEOs.

Cincinnati’s Minority Business Accelerator provides an example of a privately-led, regionally and racially aware economic development intervention. Under these conditions, the MBA is primarily supported by private dollars, with some support from the City of Cincinnati. The MBA does maintain connections with academic institutions; in particular, the University of Cincinnati and University of North Kentucky operate as goal setters in the procurement campaign.

The MBA looks to step beyond the classic Incubator strategy to help African American businesses compete in regional and global economic settings. Further, unlike the strategy utilized in St. Louis, the Cincinnati MBA is an example of a deliberate strategy that targets African American MBEs. The MBA ability to directly target African American MBEs, versus a broader class of “disadvantaged businesses,” is a direct result of not having to navigate a legislative structure making it difficult to be consistent with addressing the issues detailed in the CAN Commission report.

The program’s existing structure can give rise to challenges yielding overexposure and reliance on broader economic trends which can inhibit long-term sustainability for opportunities outside of Cincinnati. Diversifying the procurement pool and preparing MBEs for corporate and public relationships can provide additional capacity development exposure to build African American business with broader reach in the region and beyond. A procurement diversification may provide a reasonable hedge for MBAs and African American business against declining commitments or corporate relocations that sever local ties. The Banks Project is an example of public works projects where stronger MBA municipal government relationships can add additional capacity-building opportunities for MBA participants.

The Minority Business Accelerator provides an in-state example of business creating inclusive and eventually more efficient regions, enterprises and to some, host neighborhoods. The “free market focus” applied by the Cincinnati MBA subscribes to the

notion that if African American businesses grow at an accelerated rate, they must hire at an accelerated rate which means more jobs for minorities and, in particular, African Americans. The fact that many of the MBE firms were located in the urban core lends support for this claim, as surveys by the Regional Chamber found that a significant proportion of the workforce (at least 50%) in core neighborhoods was African American and nearly 60% were racial minorities.⁴⁶ Admittedly, business development and neighborhood development is not a linear relationship. However, the lesson that can be learned from the Cincinnati model is that a business-first strategy ought to have an awareness of how best to leverage its relationships for the betterment of its neighborhoods. Relationships with public and academic institutions are equally important to the MBA outcomes as good rapport with corporate partners. Given the overlap and similarities in economic profile, the MBA, as part of a series of regional inclusion tools, can better position the already strong MBE contingent and promote expansion into the region's emerging industries.

In 2005, 11 Fortune 500 companies were located in Cincinnati—identical to the number of Fortune 500 companies located in Cleveland. There appears to be an adequate amount of awareness around economic disparity for Cleveland MBEs and African Americans, and large corporate partners, similar to the Cincinnati context. Identifying MBEs, corporate and private sector partners will make strides to develop the internal capacity to prepare businesses to meet corporate supply gaps and municipal contracts. Other considerations that can increase the effectiveness of an MBA in Cleveland are making explicit connections between MBEs by size, and calling on larger MBEs who are direct suppliers of goods and services to corporate partners to participate in grooming emerging MBEs. Meeting corporate gaps in the supply chain through the larger MBEs provides additional growth opportunities in the competency and resources as part of a cycle, creating more sophisticated partnerships from which participants can sustain themselves. By incorporating MBEs as a focus through already-established channels, such as the Cleveland Commission for Economic Inclusion, allies are able to provide scale and awareness advantages in the implementation and promotion of a Cleveland-based MBA.

b. Mentor-Protégé Economic Inclusion Programs - Opportunities for Cultivating Economic Inclusion In Cleveland's Important and Emerging Sector

Networking is described as a necessary aspect for any business development, but especially for minority-owned businesses.⁴⁷ In practice, networking is a part of the “soft-skills” that help support future business leaders, and spur innovation and collaboration for firms. These interactions also serve to develop a corps of intermediaries to continue a cycle of entrepreneurship, civic engagement and cluster sustainability. Being removed from meaningful interactions has an especially depletive effect on this cycle for African American businesses that often lack the social capital and built-in contacts of most White male-owned firms.⁴⁸ Aside from a lack of interaction with White-owned firms, an opportunity to spur the innovation cycle between incumbent and emerging MBE firms exacts an opportunity cost as well.

In 2004, St. Louis piloted the Mentor-Protégé Expansion program, administered by the City of St. Louis for contracts in the construction of the Lambert-St. Louis International Airport Expansion. The program is said to be designed to benefit disadvantaged businesses (DBE), prime contractors and the City of St. Louis. The program has three

stated goals: Enhance DBE firms' capacity to perform on City of St. Louis contracts; foster the establishment of long-term business relationships between DBE and mentor firms; and increase the overall capacity of DBE firms to perform on current and future contracts.⁴⁹ The program creates incentives for DBE firms to participate due to the close interactions and activities they can have with the prime contractors. These activities include: Management guidance for financial, organizational, overall business management and planning; business development; and transferring expertise to other projects.⁵⁰ Further, mentor firms also offer guidance in engineering and other technical matters, rent-free use of facilities and/or equipment for training, and temporary assignment of the mentor's personnel for training. A unique aspect to this program is DBE firms also have the potential to mentor DBE firms earlier in the pipeline. The mentor must be eligible for City of St. Louis contracts and meet minimum technical requirements for the runway project.⁵¹ The early success of the program allowed for its adoption of the construction of Busch Stadium as well.

African American businesses and workforce require greater exposure to numerous channels that support economic inclusion via programs, certification, and most importantly—employment and entrepreneurial opportunities. The St. Louis mentor-protégé strategy demonstrates that it values business-building over bid-winning by rewarding DBE firms that become increasingly competent.

Aside from opportunities to increase competency, it also provides meaningful interactions with mainstream, larger enterprises to further broaden opportunities for contracts outside public works. Taking this model a step further may include sector-targeting, in particular mentors and protégé firms in Cleveland's important and emerging sectors. The potential to reinvigorate African American MBEs through mentorship provides opportunities for all participants to take part in strategic and technology transfers that breathe life into older businesses and provide wind in the sails of newer ones—which benefits the entire community. In St. Louis, in addition to required interactions, a series of tracking and benchmarking activities is coordinated by an Inclusion Manager. Similar initiatives in the Cleveland region could expand and strengthen the region's critical Minority Business Community.

4. Case studies of leveraging and distributing resources and investments:

a. Community Benefits Agreements - Regional Economic Development Activity for Inclusion & Capacity Building

Community Benefit Agreements (CBAs) are emerging as economic inclusion tools for the development of property by real estate developers and coalitions of community organizations. CBAs are intended to address a broad range of community needs. CBAs have been employed to mitigate overexposure of communities to negative externalities and hollow promises from development. Further, they create a structure to distribute the benefits of major developments to the community as a whole.⁵² Typically, a developer and community coalition are legally bound to engage in, and structure, responsibilities and activities to meet community needs and developer interests.⁵³ CBAs themselves are a response to the often unforeseen ripple effects of economic development efforts which occurred throughout the '90s. The rise of public-private partnerships which promised urban revitalization fueled a spending spree where states, counties and cities spent a

staggering \$50 billion per year.⁵⁴ Projects funded through public-private arrangements, often heavily subsidized by taxpayer dollars, produced what many consider to be decidedly mixed results for its proposed benefactors—city dwellers.⁵⁵

CBAs have been effective against negative externalities and developments which further weaken core neighborhoods, destabilize neighborhoods through increased property speculation and gentrification. Past CBAs have been successful in negotiating the following investments in residents and neighborhoods:

- a living wage requirement for workers employed in the development;
- a “first source” hiring system, to target job opportunities in the development to residents of low-income neighborhoods;
- space for a neighborhood-serving childcare center;
- environmentally-beneficial changes in major airport operations;
- construction of parks and recreational facilities;
- community input in selection of tenants of the development; and
- construction of affordable housing.

CBAs are preceded by several factors external to the places where CBAs are targeted for application. Among the factors to consider outside the neighborhood (possibly regional) when estimating developer willingness to engage in CBAs are:

- the increasing private-sector interest and expertise in urban projects;
- growing urban density;
- declining Federal aid to cities.⁵⁶

Examples below⁵⁷ are intended to illustrate the scope, scale and outcomes of CBAs to strike a mutually-beneficial balance.

Berkeley & Oakland, California

The East Bay Alliance for a Sustainable Economy (EBASE) is working with a coalition of labor and community groups to win a CBA for a proposed University of California development that includes a full-service hotel and conference center. The coalition is calling for union construction, union hotel jobs at a living wage, money for affordable housing and an affordable childcare linkage fee. EBASE successfully campaigned for a vote in favor of these principles from the City Council of Berkeley, where the UC project will be located. EBASE is also leading a campaign to win community benefits from the massive redevelopment of the former Army base in West Oakland, including ensuring that a “community fund” promised to residents is fully funded and that the project meets community needs for living wage jobs and affordable housing.

Denver, Colorado

Denver’s redevelopment agency is considering granting a public subsidy to the developer of a large, multi-use redevelopment project on the site of the historic Gates

Rubber Factory. A coalition of labor unions and community groups, coordinated by the Front Range Economic Strategy Center, is negotiating a Community Benefits Agreement with the developer. The coalition is pressing the redevelopment agency for improvements in the project and increased community benefits, given the large amount of taxpayer money to be spent. While negotiations over the bulk of the project continue, the coalition—known as the Campaign for Responsible Development—entered into an enforceable memorandum of understanding with the developer, under which the coalition agreed to support a requested zoning change, and the developer agreed to keep certain big-box stores out of the area.

Milwaukee, Wisconsin

The Good Jobs and Livable Neighborhoods Coalition are working on initial implementation issues for the Park East Redevelopment Compact. Despite opponents' claims that the community benefits requirements would rule out developer interest in projects in the Park East Corridor, there are at least six different proposals in the works for the first parcel for sale under the new requirements. The Coalition is advocating for selection of a project that will provide the maximum beneficial impact on surrounding communities.

New Haven, Connecticut

In November 2004, the Yale University Medical School announced plans to construct a new \$430 million cancer center, which will be a 14-story, comprehensive clinical cancer care center. The university projects that the center will create 400 new permanent positions and 350 construction jobs. The project is to be completed by fall 2008, and is likely to receive federal, state, and local subsidies. The Connecticut Center for a New Economy is leading a coalition advocating for a community benefits agreement for the project. The city's Board of Aldermen passed a resolution "strongly urging" the university to enter into community benefits negotiations.

CBAs are a market-based, community-oriented development tool: they do *not* require a legislative process and provide the basis to develop legislation that supports broad applications based on performance. Scholars on the subject suggest that the CBA is a viable way to move away from the question of "is it right to do," and instead focus on "what kinds of benefits a CBA should include."⁵⁸ The CBA is not intended to slow down development; in fact in several applications the development agreement negotiations may be going on while the CBA is also being negotiated, but the CBA needs to be finalized first.⁵⁹ CBAs serve as evidence that nonprofits are using their sophistication to make existing economic development systems work to their benefit, without the need for new legislation.⁶⁰

- Implementing CBAs comes with its share of challenges outside of developer disillusionment. CBAs are above all else, contracts. Capturing the spirit and substance of the CBA requires careful conception. LeRoy (2005) alerts potential CBA users to potential risks, such as undercapitalization by community groups to avoid setting poor performance precedents. Further, adequate monitoring and tracking to meet stakeholder contractual criteria were tops on a list of priorities.

Community groups with a strategic focus on African American communities have an opportunity to leverage their expertise and understanding of neighborhood trends and needs as part of a broader strategic response when making the case for standardized CBA guidelines in the region. It also provides greater exposure for the need to develop responsibly, and this is in fact smart business. A responsive CBA structure provides the capacity to respond to challenges in a timely manner which sustains community support. This structure also adds value to the region through its collective capacity to articulate the economic development case for CBAs and making a business case for CBAs.

b. Michigan's *Cool Cities* - Spreading Economic Inclusion Statewide

The Cool Cities program is Michigan's state-level economic inclusion initiative. The pilot program, launched in 2004, continues to grow. The state had a dire need to address losses in economic productivity and population. Cool Cities acknowledges the importance of "*how* a region grows physically affects how it grows economically, and how it grows economically affects how it grows physically."⁶¹ It has turned its attention to revitalizing its neighborhoods to lead to net gains in both areas. Specifically, the program attempts to create what it calls TIDE: "attracting the *T*alent, spurring the *I*nnovation, fostering the *D*iversity and creating the *E*nvironment to meet the present and future needs of Michigan residents."⁶²

The initiative acknowledges four main points about the state's economic development:

- The economy has shifted from manufacturing to service and knowledge.
- Population growth has a positive economic impact.
- Dispersed growth patterns are counterproductive to the overall economic well being and quality of life in the state.
- Young knowledge workers will move into cities.

In 2004, 20 cities received grants and other resources as part of the pilot program. In 2005, the program grew 50%, increasing the number of participating cities to 30. Michigan's Cool Cities Initiative is divided into four segments: (A) Marketing the Idea; (B) Learning from Cities and Citizens; (C) The Cool Cities Grants & Planning Programs; and (D) The Cool Cities Resource Toolbox. The state allocated resources to market the program and calls on its participant cities for promotion using several channels, including the internet and mass media. In addition, stakeholders have been asked by the state to promote the initiative to its captive audience, primarily focusing on the need for urban reinvestment.

In developing the Cool Cities program, reeducation and grassroots linkages occurred. The state reviewed practices from leading thinkers and successful communities around the world and, spurred by grassroots efforts to create their own unique brand of vibrant, exciting, livable downtown and neighborhoods, develop the "Michigan Model" for economic growth in the creative sector.⁶³ The Cool Cities effort is supported by several state level programs, including catalyst grants and packages of financial incentives to support economic development as part of a comprehensive delivery system.

Government cannot manage "cool," nor should it. Instead, the people of Michigan decide how their communities can become more exciting, active, and economically sound. The

state government is helping to create cool cities by providing local governments and development organizations with the tools needed to accomplish these goals, including access to the grant programs in the Resource Toolbox, Cool Cities Grants and Planning Programs, and the availability of state department assistance specifically targeted to initiative-development efforts.

In Michigan, where the Cool Cities initiative was launched, Blacks are highly concentrated in places where the TIDE concept has the opportunity, in conjunction with local expertise, to develop stronger local and regional economies. In fact, the 2000 Census population estimates demonstrate that four out of ten places with the largest number of total residents have African American populations greater than 20%.⁶⁴ In Ohio, the number is double, with eight out of ten of the largest population centers having a Black population higher than twenty percent. The Cool Cities initiative should be considered for Cleveland and Ohio, with a particular focus on those communities with large African American populations. African Americans in particular should look to learn more about the material benefits accrued to Blacks in Michigan cities and tailor a program that addresses some issues of concern in Ohio, namely; sprawl mitigation, and region-wide approaches to adaptive reuse of land and structures.

c. Private equity in undercapitalized entrepreneurial markets

Private equity is an alternative investment class which uses capital to purchase private stock, equity-linked securities of companies expecting to “go public” and increasingly, the buyout of public companies (or divisions) wishing to “go private.”⁶⁵ Private equity, including venture capital, leveraged buyout, mezzanine financing and distressed debt investment, is becoming an increasingly robust alternative investment for a greater share of investors. According to the *Dow Jones Private Equity Analyst*, the industry has raised \$215.4bn; with rate of returns nearly double the major stock markets (FTSE and NYSE) of the UK and US.⁶⁶

Private equity firms earn fees by managing their investments and managing the companies in which they have invested. Currently, two-thirds (66%) of high-growth entrepreneurial activity (venture capital investing) is clustered in four regions: San Francisco / Silicon Valley, Southern California, New York and Boston.⁶⁷ Like venture capital investments, industry allocations are tightly clustered. By late 2006, the IT sector received over half of all investment dollars (54%), followed by healthcare firms (32%).⁶⁸

The industry’s strong growth is increasing expectations and attracting new participants. With strong commitments and well-heeled investors, there has been a steady increase in the number of firms competing for commitments. Nearly two thousand companies worldwide have not raised capital since 2000 or 2001 and are still operating, yet consolidation after 2000 saw the number of venture capital firms shrink 49% since 2000.⁶⁹

In sum, larger sums of capital are chasing fewer deals around the world, resulting in over-valuation at the high end, but potential undervaluation at the low and mid-section of the distribution. Therefore, there is emerging opportunity for private equity firms operating “downstream,” those investing in small to mid-size firms. Across the nation, firms providing capital in distressed areas were virtually nonexistent ten years ago, but eight firms were attracting nearly \$900 million dollars by 2004.⁷⁰ This segment saw a major

spike in investment commitments between 2001 and 2004, almost doubling the amount of money invested.

There are two potential avenues for Cleveland to increase its involvement in the private equity sector: through participating in data collection for the Urban Entrepreneur Partnership, and developing expertise in the “downstream-to-upstream” private equity business model.

The Urban Entrepreneur Partnership (UEP) is a federally- and institutionally-supported agency whose primary mission is to coach small businesses and network the disconnected patchwork of lenders and business that already exist. The UEP is aimed at importing national franchise chains and dealerships to the urban core, and sites include Atlanta, Cincinnati, Cleveland, Kansas City and Jacksonville, FL (Milwaukee is now dissolved). The Kauffman Foundation is seeking to build a dataset over the next five years on entrepreneurial activity in urban spaces. One recommendation is to encourage the Kauffman Foundation and local institutions, such as the Cleveland Foundation, to take up this effort and possibly include rural entrepreneurial activity as well.

Investors have demonstrated they are willing pay for specialized knowledge about opportunities. Opportunities arise for downstream private equity firms to sell their valuable expertise to both investors and upstream private equity firms, with the end goal of preparing emerging and domestic market firms for eventual buyout and IPO exits by larger private equity firms. Those firms best at identifying core and rural opportunities will eventually be positioned to do larger, riskier deals, which encourage the entrepreneurial culture found in the “Big 4” regions. The following are recommendations for building up this downstream-to-upstream model:

- Create value for upstream firms with the appropriate management structure and by providing experiential and information depth about emerging and underserved markets.
- Whether exclusively market-driven or reflecting a blend of mission and market objectives, downstream private equity firms should strategically engage global and rural partnership opportunities. These partnerships may provide entry and exit opportunities for holdings.
- Develop competencies in private equity activities: pre-seed, seed, acquisition, expansion, and distressed debt; and target start-up, small, and mid-size firms in underserved and emerging domestic markets.

5. Case studies which focus on neighborhood development:

a. Focusing on Liquidity - Managing For Returns and Creating Opportunities in Urban Neighborhoods

In May 2000, Philip Angelides, State treasurer of California, concerned with the State’s widening gap between prosperous and disinvested neighborhoods, decided to take action.⁷¹ Mr. Angelides realized the importance of scale, initiating a statewide effort aimed at creating economic inclusion while maintaining growth. The Double Bottom Line Initiative and Smart Investment Initiatives looked to pension funds, CalPERS and CalSTRS, as resources for direct investment in the numerous communities and regions of California’s economic health and sustainability. A double-bottom line strategy, in play

nearly six years, has coincided with the increased awareness of the benefits of development in urban neighborhoods. Development firms and financiers such as Johnson Development Corporation and Urban America L.P. are just a few organizations creating capacity in California and exporting their expertise across the country.

The Double Bottom Line Initiative and Smart Investment Initiatives steer investment capital towards lower-income emerging markets in an attempt to tap the potential of disinvested areas, bridge the wealth gap, and offer strong returns on the investments. The initiatives have directed more than \$14 billion in investments toward business opportunities and community programs to mitigate the increasing economic disparity in California.⁷² In June 2000, approval was granted for The California Initiative, a \$500 million investment fund targeted to businesses locating and expanding in underserved communities—with the “double bottom line” goals of achieving risk-adjusted, market returns for the pension system, while broadening economic opportunity.⁷³

In addition, the following resources were made available for investment in Californians through these pension-fund sponsored initiatives:⁷⁴

- More than \$1 billion in investments by the California Public Employees’ Retirement System (CalPERS) and the California State Teachers’ Retirement System (CalSTRS) in real estate development in urban communities.
- Increased state deposits in community lending institutions, intended for small business loans and home mortgage lending.
- Financing for cleanup of contaminated brownfields sites that are health risks, environmental hazards, and untapped economic assets in many low-income and urban communities.

In Northeast Ohio and Cleveland, institutions are making similar investments aimed at increasing the breadth of opportunity. Capital investment strategies such as the Fund for Economic Future have commitments totaling over \$26 million to promote economic development in Northeast Ohio.⁷⁵ The fund has a focus to “encourage and advance a regional economic development agenda that recognizes the importance of core cities, inclusion, diversity and quality of life.”⁷⁶ Jumpstart, a grantee of the Fund for Economic Future, has infused startup and growth capital, and business development expertise to early-stage entrepreneurial ventures in Northeast Ohio.⁷⁷ The fund has received nearly \$4 million dollars to help fund startups in Northeast Ohio in the region’s emerging sectors since 2004. As part of its belief core, Jumpstart has a stated interest in economic inclusion strategies, and believes “Inclusion, in its purest form, must translate to opportunity.”⁷⁸ Jumpstart has adopted a keen focus in particular on “IT, advanced materials, and biosciences industries,”⁷⁹ but investments that meet its criteria are considered outside of these sectors.

OPERS, one of the state’s public employee pension funds, has engaged in office development with junior equity partners that are neighborhood-focused organizations. For example, OPERS worked with the Dudley Street Neighborhood Initiative on the development of One Lincoln Tower (one million square feet of office and floor level retail located in Boston, MA). Further, OPERS has more recently partnered with Credit Suisse Boston to establish the *Midwest-Ohio Fund* in 2005. The fund intends to invest

\$50 million dollars over 18-36 months in “buyout, venture capital, mezzanine, and other private equity funds that focus at least partially in making investments in Ohio and the Midwest.”⁸⁰

Developing a scalable, comparable approach to California’s urban reinvestment is not without its opposition. In North Carolina, similar efforts were rejected by its State Treasurer. The major concerns revolved around the perception that asset targeting is akin to becoming a pawn in the political realm. This risk is one that is viewed as capable of significantly diminishing a pension fund’s ability to manage for returns.

Business access to capital markets is an important part of any economic inclusion strategy. African American neighborhoods and businesses located in Cleveland’s core neighborhoods, downtown and inner-ring suburbs present significant opportunities, where in many cases, capital and investment structure are the major market barriers to investment. The potential for political pushback to pension fund anxiety must be weighed against the potential returns from a strategy that aims to create friendlier business climates, which includes safe neighborhoods, quality schools and cultural amenities. African American constituents should be part of a bottom-up strategy to lobby for the creation of targeted funds. It must be noted that the economic risk of venture capital funds and other private equity instruments have similar risk profiles, which may provide stronger support for market-managed, institutional scale investments in Cleveland’s core neighborhoods and inner-ring communities.

b. The Trinity/SINA Neighborhood Revitalization Initiative - Reinvigorating a Longstanding Collaborative Effort among Anchors in Hartford’s Southside Neighborhoods⁸¹

Hartford, Connecticut, is an older core city that has struggled with economic decline since the 1960s. In 2000, almost a third of city households (31%) lived in poverty, with particularly dire conditions on the south side of town, where poverty is much higher (45% in the Frog Hollow neighborhood). The same area, however, is also home to a number of anchor institutions that have long collaborated on neighborhood-oriented projects. In recent years, these anchors have stepped up their engagement to create more economic and learning opportunities for south-side residents. In 1977, a grassroots community organizing group, Hartford Areas Rally Together (HART), helped motivate three anchor institutions—Trinity College, Hartford Hospital, and a mental health hospital called the Institute of Living—to partner in creating the Southside Institutions Neighborhood Alliance (SINA). For its first two decades, SINA worked closely with HART and other neighborhood groups to improve neighborhood quality of life through small-scale grants and services. In the mid-nineties, Trinity College renewed its commitment to improving the community. Like then-President Judith Rodin at Penn, then Trinity President Evan Dobbelle viewed the college and the community as interrelated. In his words, he “envisions the college and the neighborhood as a single entity that is to be transformed into a community of learning.” Guided by this philosophy, the collaborative scaled up efforts to leave a positive mark on the community, gaining two additional anchor partners; Connecticut Children’s Medical Center and Connecticut Public Television and Radio. The cornerstone of the revived collaborative is the SINA/Trinity Neighborhood Revitalization Initiative, a comprehensive plan to transform the fifteen square block low-income area that includes the Frog Hollow and Barry Square

neighborhoods. Dobelle committed \$6 million of Trinity's endowment to the project and leveraged an additional \$130 million in public and private funding, including a \$5.1 million grant from the W.K. Kellogg Foundation and multimillion dollar contributions from half a dozen local companies, including Aetna, Loctite Corporation, United Technologies, and Hartford Steam Boiler. SINA's strategic revitalization plan includes education, housing, economic development, resident training and services, and technology and business development components.

- Education: SINA collaborated with the City of Hartford and the State of Connecticut to build a "Learning Corridor" located between Trinity and the other anchor institution partners. The corridor is a 16-acre campus that includes four inter-district public magnet schools (a Montessori elementary school, a middle school, and two high school academies), a performing arts center, and support programs for youth, including the Aetna Center for Families. The unique complex serves 1,500 students from over 40 school districts and is one of the most racially and economically diverse campuses in the country.
- Housing: The Cityscape Homeownership Zone initiative seeks to create opportunity and stabilize the neighborhood by enabling long-time residents who are first-time homebuyers to purchase homes in the neighborhood. To realize this goal, SINA faced the challenge of making homeownership affordable for its target market. An advisory group of residents helped SINA design a new home model that includes a rental unit to generate income for the homebuyer. Eighteen of these Cityscape homes have been built, and 33 more are planned. Foreseeing that the success of their initiative could increase housing values and negatively impact affordability in the neighborhood, SINA has purchased and land banked distressed properties for future development.
- Economic development: SINA's economic development efforts have focused on renewing the Park Street retail corridor, the center of commerce and culture in the primarily Latino immigrant community. SINA partnered with the Spanish American Merchants Association and the city to develop a long-term revitalization plan for the district. The collaborative has received \$6 million in state and federal transportation funding to implement streetscape and infrastructure improvements, scheduled for completion by 2006.
- Resident training and services: To address the critical need for job training and social services, SINA has provided resources to help existing community-serving institutions expand their operations. SINA built a new Boys and Girls Club, donated a large building to Mi Casa, a youth and family services organization, and bought and rehabilitated a building for a job training center run by HART. The Learning Corridor contracted with the Job Center to staff the construction jobs created by the initiative.
- Technology and business development: Trinity has taken the lead role in creating a "smart neighborhood" through technology access and training for residents and small businesses. The college opened a neighborhood cyber café, Trinfo, which is located adjacent to a small business development center. Community support is an essential component of SINA's success. Although HART is not a formal partner

to the collaborative, the grassroots network of neighborhood organizations has served as an informal collaborator throughout SINA's lifespan. Marilyn Rossetti, executive director of HART, and Marilda Gandara, president of the Aetna Foundation, say that "this has not been a plan that has been imposed on us by our big and powerful institutional neighbors, but rather a plan that we've developed working side by side with them. It is not their agenda that is reflected in the plan; it is our agenda."

Given the expertise and depth of Cleveland's many anchor institutions, similar collaborative strategies should be considered for the region and aligned with economic equity goals.

c. The East Baltimore Development Initiative: Revitalizing Neighborhoods While Growing the Region's Biotech Sector⁸²

The East Baltimore Development Initiative (EBDI) is a unique anchor-community initiative that combines neighborhood revitalization, economic inclusion, and the development of a regional industrial cluster. Led by a partnership between Johns Hopkins University, the City of Baltimore, the Greater Baltimore Committee (a regional economic development organization), Baltimore Housing (the city's housing agency), and the Annie E. Casey Foundation, the \$800 million initiative seeks to transform the area just north of Hopkins' medical complex—where 56% of the properties are currently vacant—into a mixed-use, economically-integrated neighborhood. Anchoring the new neighborhood will be a large life sciences and technology park that will house biotech companies and provide jobs for neighborhood residents. The effort signifies an important reorientation for Johns Hopkins, the state's largest private employer and the dominant economic actor in the city. The university's previous development approach of "decide, announce, defend" had won the anchor few advocates in the neighborhood. In 1999, when Baltimore's mayor began discussing strategies to spark revitalization in the area, the Annie E. Casey Foundation seized the opportunity to advocate for an inclusive approach that would create mutual gains for Hopkins, the city, and the residents of East Baltimore.

The resulting anchor-community plan—outlined in an Economic Inclusion Memorandum of Understanding with the City of Baltimore—includes physical revitalization and economic development goals, and a commitment to inclusion. Physical revitalization plans involve large-scale demolition of blighted properties, block reconfiguration, housing construction and rehabilitation, streetscape improvements, and commercial revitalization. To create a mixed-income community, the 1,200 homes to be built or renovated will be evenly distributed among low-, moderate-, and upper-income households. The project is expected to bring an estimated 6,000 new permanent and temporary construction jobs to the neighborhood, over 2,000 of which are expected to go to lower-skilled residents. To help connect area workers to jobs, the initiative has established a multi-stakeholder workgroup, the East Baltimore Workforce Alliance, to undertake a sector-based approach to workforce development, with a focus on health care, construction, and biotechnology.

The initiative also creates economic opportunities for local businesses; developers are required to sign agreements to hire minority-owned and women-owned businesses at

specific levels, and to hire locally-owned firms to the maximum extent possible. To ensure that current residents benefit, Johns Hopkins and the Annie E. Casey Foundation each gave \$5 million to provide enhanced relocation benefits and additional support to help the 800 households that will be displaced by the project find better housing opportunities during the construction period. The Annie E. Casey Foundation's commitment to "responsible relocation" incorporates a set of principles that should guide all institutional partners in redevelopment. Not surprisingly, the potential impact of the biotech park on the surrounding housing market is a source of ongoing debate and concern. In August 2005, National Public Radio reported a community meeting of 300 local residents, many of whom expressed concern that the vast majority of proposed housing units were going to be unaffordable to them. Even if the government, university, foundation, and development entities involved in the project abide by the tenets of responsible relocation, the issue of how to manage the impact of a growing number of independent speculative buyers' remains.

EBDI also provides an illustration of how universities, local governments, and other community stakeholders are beginning to engage more directly in economic development. Johns Hopkins is a leader in biomedical science research, receiving the most federal funding for this research of any institution in the nation (over \$500 million per year). By building state-of-the-art facilities, and providing access to Hopkins and business incubator programs, EBDI hopes to leverage Johns Hopkins' research strength to lure 30 to 50 start-up and existing biotech companies to the park. The park will also lease space to businesses that provide supplies and support services to biotech companies. To attract these companies, the city is offering a number of financial incentives, including a 10-year property tax abatement, tax credits, low-interest loans, and workforce development grants. A quarter of the project budget—\$200 million—will come from public financing, including tax increment financing bonds, existing property rehabilitation funds, and state funding.

A major community benefit cited by these investments is the creation of thousands of new jobs within 10 years, but some analysts believe that the job estimate—particularly for lower-skilled workers—may be overstated. A study by Good Jobs First outlines three reasons why the estimates might be too high. First, the City of Baltimore is competing against other attractive locations in the state, such as Montgomery County, a Washington, D.C., suburb where the majority of biotechnology firms are currently located. Second, the job estimate is based on 100% occupancy, but despite financial incentives and intensive marketing campaigns, no companies have yet committed to moving into the park. Third, even if the park fills to capacity, there is no guarantee that the jobs it creates will go to workers with limited education. Experience with biotech development has shown that most of the initial jobs created go to highly educated workers, and that it is not until the product manufacturing stage—typically 10 years down the road—that jobs are created for workers with fewer skills.

In addition, once incubated, biotech companies tend to leave research parks, or outsource their manufacturing components outside the city in which they are located. The biotech park will not be fully built out until 2014, making it too early to assess the outcomes of this bold attempt at community transformation, or its ability to deliver on-the-job opportunities it promises to create for residents. EBDI does illustrate the need—and the

opportunity—for community stakeholders to get involved in large anchor-oriented economic development projects to ensure that residents benefit from these investments.

Once again, Cleveland’s strong anchor institutions would support the feasibility and potential success of a similar (equity focused) initiative for the Cleveland region.

d. Michigan’s Land Bank Activities - Tools To Strengthen Cleveland’s Land Bank

The Obsolete Property Rehabilitation Act in Michigan (enacted in 2000) and the Land Bank Fast Tract Acts of 2003 provide municipalities with additional legislation to address the cumulative impact of physically obsolete property on neighborhood character and economic vitality.⁸³ The legislation creates special vacancy districts and earmarks parcels for economic redevelopment, particularly non-residentially-zoned property such as retail. The Act enables local governments to establish one or more obsolete property rehabilitation districts, which may consist of one or more structures or tracts of land. It provides an exemption for property taxes to commercial property and commercial housing property if an obsolete property rehabilitation district has been established and is located in a qualified local governmental unit.⁸⁴

Local governments may restore or modify the property to an economically efficient condition. Rehabilitation includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to one or two stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the obsolete property to an economically efficient condition.⁸⁵

The expertise and breadth of community development corporations in the Cleveland region have demonstrated an ability to develop housing utilizing the Land Bank structure. The Cleveland Land Bank will soon need to face the changing scale of economic distress, when vacancy and abandonment move outside of the central city. The legislative environment in Cleveland promotes economic reuse of land and buildings through agreements with the Land Bank program and recent agreements with Cuyahoga County. OPR legislation views opportunities in economic terms for increasing inventory while simultaneously encouraging productive economic reuse.

In addition, Genesee County, Michigan’s land bank is now the most advanced program in respect to its scope and geographic scale. Under the leadership of Genesee County Treasurer Dan Kildee, the land bank is administered at the County level, working both within Flint, MI and in the suburban communities. The program, with assistance from the Mott Foundation, has aligned the land bank program with other community planning goals to strategically plan for properties the land bank acquires. In addition, the program offers assistance to residents facing tax delinquency foreclosure to avoid abandonment and foreclosure before they occur.

Regionally speaking, Cleveland is already attempting new ways to respond to an oversupply of obsolete structures outside of residential units. Recent legislation for an Industrial Land Bank reflects a more comprehensive response to addressing the extent of

vacant parcels and abandoned structures on the region. However, the residential land bank has a noted policy of only accepting land into the inventory.⁸⁶ OPR legislation can be shaped to provide geographic specificity, (as it does in Michigan) and restore the Land Bank's competitive edge by enabling it to claim structures, work more regionally and connect land bank resources to regional planning needs. These efforts have been noted by scholars in the region as part of a bundle of strategies to strategically increase neighborhood character and quality. Further, legislative additions should look to build on existing strengths, namely:⁸⁷

- Legal and administrative capability to sell properties at below-market value
- Expedited judicial foreclosure process
- Ability to waive property taxes for distressed properties proposed for redevelopment
- Extensive network of CDCs as collaborators with various governmental (city and county) partners

6. Summary, Recommendations and Action Steps:

In the beginning of this chapter, the challenge was to better understand how the African American community in Cleveland could better position itself in its bid to increase equity in racial and regional terms. From our inventory of promising practices that engage these equity challenges, we primarily looked outside of the region. Applying these policies within the region may be challenging, but all initiatives have some potential for achieving greater economic equity in the Cleveland region.

To achieve the right blend of long- and short-range programs and legislation, Cleveland's African American constituents must maintain a sustained and pragmatic response. Factors such as undercapitalization in human and economic resources can adversely reduce effectiveness and weaken morale. Economic development is considered by some to be a "game of trial and error."⁸⁸ It is also becoming more market driven, and government is being called to be a proactive agent, increasingly led by private sector responses. The differing tolerance for risk and return in the private versus public sectors must be reassessed for balance, ensuring that economic development draws a diversity of investors, while remaining in the public's interests. Also important in this rebalancing is the need for pragmatic and holistic representation of costs and benefits so programs or legislation are not abandoned (or extended) beyond their useful lives.

As Cleveland develops economic strategies, the four policy recommendation areas (Industry focused workforce development, MBE development, leveraging and distributing resources and Neighborhood Development) are intended to frame the discussion of an African American equity response. Each 'mini' case study provides real world examples of how programs or legislation under each policy area were implemented in regions sharing economic and demographic characteristics and similar regional economy or inclusion issues.

Below are four action strategies intended to initiate, *not* replace, the meaningful interactions of individuals, organizations and institutions needed to spur equitable economic opportunities. The first provides a series of action themes and steps that

reference efforts in other regions as they relate to the four policy areas. These themes demonstrate the merit of urban and inner-ring suburb cooperation, as each brings unique assets to the table. It is important to remember the initial challenges of regional equity and African American inclusion require a finger on the pulse of broader market and African Americans to be effective. A review of the merits and shortcomings of each initiative highlight areas of emphasis for Cleveland leadership to consider. Lastly, **Figure 4** presents a policy matrix, positioning the various programs and legislation into categories based on time frame and lead partners.

7. Economic Strategy & Inclusive Environments: Recommendations to Build the Infrastructure of Cleveland's Regional Economy

- **Critical Recommendation:** Build the policy infrastructure and incentive base for the development of a Minority Business Accelerator in Cleveland.
 - Similar to Cincinnati, a Cleveland-MBA must tap the local, larger scale firms, and research institutions for support. Efforts should also be made to align with an existing broad, highly-visible and credible institution (In Cincinnati, the MBA is within the Regional Chamber of Commerce).
 - Along with corporate partners, engage emerging-industry participants. Issues to consider include establishing participation targets and accountability systems to inform the procedural basis of the Cleveland MBA. Further, the Accelerator and partners should spend substantial effort crafting a series of broader goals to motivate sustained participation on all sides.
 - Avoid creating a private 'set-aside' environment through MBA procurement commitments. The MBA in Cincinnati is collaborative and competitive. It has also been masterful at being a relationship conduit for African American and Fortune 500 companies in the region.
 - In addition to working toward procurement goals, consider the significance of firm clusters. Research suggests clusters are a critical element for regional and local prosperity. Geographic proximity and firm scalability should be a part of the MBA criteria in a meaningful way. Microenterprise has been a long-standing public strategy to promote employment, but efforts by the Cincinnati MBA and research demonstrate, targeting mid- to large-scale firms presents greater impact potential for employment opportunity. From a short-term perspective such firms tend to be more able to competently and effectively meet the procurement needs of large-scale (e.g. Fortune 500) companies.
 - MBE and African American firms must be more deeply engaged in the practices that generate value in the 21st century. The Cincinnati MBA promotes more nuanced and strategic responses to being competitive at the broader scale, embracing multiple forms of growth and ownership strategies. Among them is merger and acquisitions to create larger-scale enterprises. The MBA also encourages tangentially-oriented companies to form new, joint ventures in an effort to better position firms for competition and corporate procurement relationships.

- Borrowing from integrated workforce/economic development policy, a Cleveland-MBA can work to close the ‘loop’ by investing in less prepared workers through short-term, ‘step-up’ programs. **Figure 1** in this chapter demonstrates employment growth based on the level of experience and education. Secondary goals of the MBA should seek to create opportunities for these workers to move forward within MBA firms and bolster support for businesses from the bottom up.
- Improve networking, mentoring, and relationship-building among minority and majority firms in order to build on human capital.
 - Tap vested African American businesses to monitor African American entrepreneurs. Also, consider networking opportunities and incentives with established businesses and institutions to steer African American entrepreneurs toward emerging sectors.
 - Understand how gaps persist and form between African American and mainstream businesses. Use this information to increase interactions and provide additional steering opportunities.
- Identify firms in Cleveland’s emerging and important sectors to participate in inclusion and regional economic discussions. Topics to consider include current recruitment / inclusion initiatives and neighborhood involvement.
- Identify sectors where wages are overburdened by housing costs. Call together local policy stakeholders and industry representatives to initiate the campaign for the adoption of living wages in targeted sectors. Applied examples of this policy at work: Minority Business Accelerator (Cincinnati), SEIU Living Wage Campaign (Maryland), Community Benefits Agreements.
 - Seek to partner with private firms, institutions, labor unions and neighborhood organizations to empirically define Cleveland’s living wage/ affordability conditions.
- Advocate for the redirecting of growth and asset development capital to the downtown *and* surrounding core neighborhoods and inner-ring suburbs through innovative development policy. Applied examples of this policy at work: WIRE-NET, Focus HOPE (Detroit), Community Benefits Agreements, California Office of the Treasurer, OPERS Midwest-Ohio Fund, State-level Career Readiness Certification / MSSC Certification, Cincinnati Minority Business Accelerator.
 - Make the business and economic development case for broadening the scale of investments in urban neighborhoods and inner-ring suburbs. Identify the market potential for large-scale projects and opportunities for small-scale investments in underutilized assets.
 - Advance socially responsible venture capital to fund growth capital and real estate development in target geographies. Seek partnerships that advance equitable asset allocation by tying fund release to neighborhood plans, business locations, sectors, and job training efforts deemed high

- priority. Further, explicitly identify the indexes used to benchmark the funds, in order to attract additional capital into the region.
- Lobby Jennette B. Bradley, Ohio Treasurer, for the consideration of a directive diverting pension funds for use in leveraging property development, growth capital and equity investments in socially responsible venture funds (SRVF).
 - Look to the example of Phil Angelides, California Treasurer, and the use of pension funds as vehicles for development and growth.
 - Promote awareness of Cleveland’s African American ‘innovation’ character and the region’s suburban and urban amenities as part of a broad branding campaign. Applied examples include the Northwest North Carolina CEDS, WIRE-NET, Focus: HOPE, and the EBDI Economic Inclusion Plan.
 - Identify the last CEDS conducted for the region. Promote a new CEDS with an economic inclusion focus that specifically includes participants from inner-ring suburbs and core neighborhoods. Structure the process to substantively design the Cleveland brand tree, how each municipality participates and implements the CEDS in connection with its own economic development plans.
 - Draft a five to seven year economic inclusion plan that seeks to create inclusive environments with efficiency spillovers (not vice versa). The plan should be tied to proposed regional transportation investments, and public works investments.
 - Create and fund an independent review commission to ensure the tracking of inclusion trends, quarterly and annually. Look to publish results and upcoming projects through electronic, print and radio channels.
 - Coalition build with heavy and light manufacturers, health care, aircraft and traffic control, material moving firms and local colleges and universities for statewide adoption of Career Readiness Certificate legislation.
 - Advocate for the establishment of a living wage and link this to positive neighborhood development, to create Neighborhoods of Choice.
 - Retain and expand high inertia establishments (e.g. retail stores) and land uses which facilitate multi-modal transit opportunities.
 - Lead the discussion with local municipalities, Cuyahoga County and housing developers to reestablish the competitive edge of Cleveland’s Land Bank. Consider legislation and agreements which reduce City/County friction and incorporate a broader portfolio of neighborhood-scale retail and residential inventory.
 - As part of a State-level policy package, promote the consideration of policy focused on integrating local plans with state-level incentives in urban areas, similar to Michigan’s Cool Cities program. Applied examples include the SINA-Yale Collaborative Investments (Hartford, CN), Community Benefits

Agreements, Obsolete Properties Act and Cool Cities Campaign, (Michigan), Blue Ribbon Task Force Action Plan 2006.

- Tap into County-wide programs that have specific physical asset dollars earmarked for geographically informed allocation such as The Cuyahoga Innovation Zones (see the Blue Ribbon Task Force 2006 Action Plan). The MidTown (E.61st Street between Euclid and Chester) Cleveland building is a pilot facility.

Chapter 8: Tables and Figures

Code	Occupational Title*	Employment				
		2000 Annual	2000 African American	2000 Pct. African Amer.	2004 Annual	2014 Projected
Occupations Requiring Short-Term On-the-Job Training (up to one month)						
43-3011	Bill and Account Collectors	2,155	525	24.4%	4,500	5,440
43-4031	Court, Municipal, and License Clerks	420	45	10.7%	2,860	3,260
43-4111	Interviewers, Except Eligibility and Loan	1,105	425	38.5%	2,550	3,130
Occupations Requiring Moderate-Term On-the-Job Training (one to twelve months combined experience/training)						
31-9091	Dental Assistants	1,740	170	9.8%	2,490	3,510
43-3021	Billing & Posting Clerks & Machine Operators	3,425	495	14.5%	5,120	5,300
43-4051	Customer Service Representatives	19,195	3,950	20.6%	16,820	18,780
47-2061	Construction Laborers	7,250	940	13.0%	6,450	7,200
47-2141	Painters, Construction and Maintenance	3,795	529	13.9%	2,540	2,800
47-2181	Roofers	2,140	255	11.9%	1,850	2,120
49-9042	Maintenance and Repair Workers, General	3,260	512	15.7%	11,520	12,460
Occupations Requiring Long-Term On-the-Job Training (twelve months or more combined experience/training)						
33-2011	Fire Fighters	2,725	249	9.1%	4,370	5,360
47-2031	Carpenters	9,860	585	5.9%	9,430	10,450
47-2111	Electricians	6,050	495	8.2%	6,160	7,090
49-3021	Automotive Body and Related Repairers	1,275	35	2.7%	1,880	2,050
49-9021	Heating, AC, & Refrigeration Mechanics/Installers	2,145	105	4.9%	1,350	1,710

Code	Occupational Title*	Change in Employment				Total Annual Openings	Average Wage 2004
		2000 - 2004	Percent	2004 - 2014	Percent		
Occupations Requiring Short-Term On-the-Job Training (up to one month)							
43-3011	Bill and Account Collectors	2,345	52.11%	940	20.9%	179	\$13.91
43-4031	Court, Municipal, and License Clerks	2,440	85.31%	400	14.0%	103	\$14.73
43-4111	Interviewers, Except Eligibility and Loan	1,445	56.67%	580	22.7%	124	\$12.85
Occupations Requiring Moderate-Term On-the-Job Training (one to twelve months combined experience/training)							
31-9091	Dental Assistants	750	30.12%	1,020	41.0%	172	\$14.71
43-3021	Billing & Posting Clerks & Machine Operators	1,695	33.11%	180	3.5%	105	\$13.07
43-4051	Customer Service Representatives	-2,375	-14.12%	1,960	11.7%	446	\$14.22
47-2061	Construction Laborers	-800	-12.40%	750	11.6%	161	\$19.88
47-2141	Painters, Construction and Maintenance	-1,255	-49.41%	260	10.2%	65	\$17.37
47-2181	Roofers	-290	-15.68%	270	14.6%	70	\$17.48
49-9042	Maintenance and Repair Workers, General	8,260	71.70%	940	8.2%	315	\$15.68
Occupations Requiring Long-Term On-the-Job Training (twelve months or more combined experience/training)							
33-2011	Fire Fighters	1,645	37.64%	990	22.7%	226	\$17.39
47-2031	Carpenters	-430	-4.56%	1,020	10.8%	256	\$20.31
47-2111	Electricians	110	1.79%	930	15.1%	215	\$24.32
49-3021	Automotive Body and Related Repairers	605	32.18%	170	9.0%	55	\$17.35
49-9021	Heating, AC, & Refrigeration Mechanics/Installers	-795	-58.89%	360	26.7%	54	\$18.84

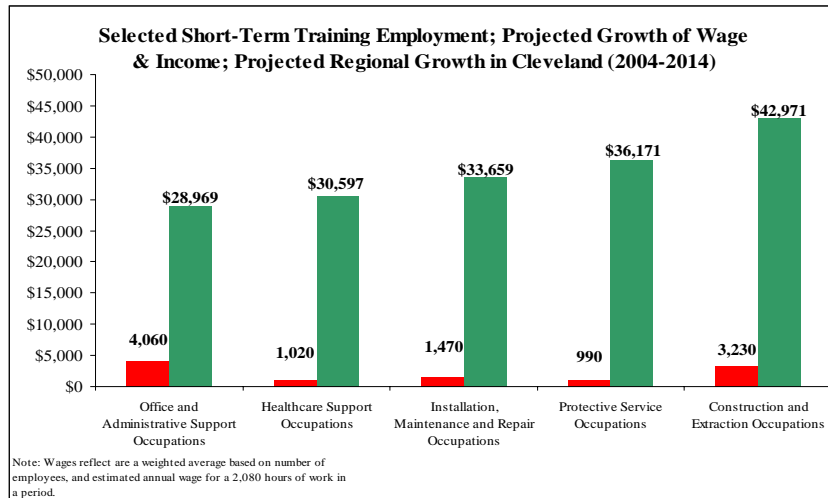


Figure 1: Analysis of short-term growth occupations in the Cleveland region, with consideration paid to its growth from 2004-2014 and African American representation.

EBDI Economic Inclusion Plan Structural Review

Purpose:

Based on results of Baltimore’s annual disparity study, it was deemed legislated mechanisms were needed to ensure the appropriate levels of contracting in the East Baltimore Community. The *EBDI Economic Opportunity Plan and Procurement Policy* guides the “practical participation goals” of minority, female and local business enterprises. The Plan was used in the administration of the area’s major development projects in accordance with City Ordinance 211 and Mayor’s Executive Order 610.

Enabling Element:

Administration: EBDI has taken the leadership role in inclusion compliance for new developments in the East Baltimore project area. Their administration covers how compliance is achieved, the penalty for willful and non-willful compliance, and tracking & monitoring program goals. EBDI’s capacity to conduct these critical tasks significantly reduces non-market barriers that may render inclusion agreement too costly for businesses.

Enabling Element:

Measurable Goals: The Economic Inclusion plan details workforce goals, participation goals and minimum contracting goals for the following tasks: Construction, Architectural & Engineering, and General Services.

Enabling Element:

Awareness: EBDI provided contractors and corporate partners with posting compliance assistance. Further, notification was provided by EBDI to minority and women-oriented organizations, and trade associations. An online directory of registered MBE, WBE, LBE and resident businesses in East Baltimore was made available on the EBDI website.

Inhibiting Element:

Capacity Transfer: The investment by local partners and EBDI created the momentum to provide a model of how to address inclusion challenges in cities. The *structure* of EBDI relationship presents challenges for sustained momentum and growth because the expertise rests mainly in the organization alone and has a narrow geography of influence. The enabling legislation had limitations in scope, as the project areas cover only a fraction of the places where significant investments are occurring. Also, the lack of additional partners, similar to EBDI in scale and scope, leave expertise gaps in other locations in the city and region facing similar challenges. The risk of flight by talent or overburden is palpable in the face of better opportunities outside of Baltimore and new challenges arising in other parts of the Baltimore region.

Inhibiting Element:

Applicability Transfer: The scope of the legislation places limitations on city-funded projects only and much of the emphasis is on the early phases of projects. Expanding the application of inclusion strategies outside of the construction trades may stimulate growth in complimentary sectors that have strong multiplier effects such as manufacturing, information technology and financial services.

Figure 2: Elements of the East Baltimore Economic Inclusion Initiative

Northwest North Carolina Comprehensive Economic Development Strategy Structural Review

Purpose:

Create an economic development plan that strategically competes for new investment on the national stage. Leverages the region’s historical ties to the manufacturing sector to create its image as a “design industry” for the region to attract capital and residents. The five goals of the plan are; to build on the region’s natural amenities and its workforce, to create a region of thriving downtowns, superior technology, diverse corporations, small business, and infrastructure to support business & tourism growth.

Enabling Element:

Regional Focus: The CEDS is framed as a regional action document having a clear vision, core themes, goals, strategies, and subsequent action steps. Priority projects were recommended, ranging from infrastructure improvements, industry targeted improvements, and marketing and awareness tools. In addition, five economic development strategies were identified for implementation in the region for which all the counties were structured to participate.

Enabling Element:

Community-Led Strategies: The CEDS development process was a bottom-up planning process headed by a 45-member committee. The effort spanned eight counties soliciting input from 1,400 residents and businesses in the region. The core themes and vision in the CEDS are products of stakeholder meetings in each county. These interactions revealed common threads from which the broader economic development strategy was created. It was resident input that led to the support of allocating resources to the “design” industry niche.

Enabling Element:

Dynamic Public Relationships: The CEDS aims to make meaningful linkages between public partners. The ground-up partnerships were structured to reduce unnecessary competitive friction and foster collaboration. For example, a brand tree was developed to reflect “each county’s personality as if the county was a person within a family.” This structure provided a series of themes from which each county could promote the themes consistent with the broader regional brand. Also, the development of a replicable biotechnology curriculum by the Piedmont Community College system and funded by the Department of Labor serves as an additional example of creative, flexible linkages to leverage the comprehensive image and infrastructure to attract firms and people.

Figure 3: Elements of the Northwest North Carolina Comprehensive Economic Development Strategy (CEDS)

Figure 4: Policy Matrix Providing an Overview of Time Frame and Partnerships for Case Studies

Policy Matrix	Public / Private Intermediaries, Public Lead	Public / Private Intermediaries, Shared Lead
<p>Short Range, Long Term Programs + Legislation (1 - 3 Years)</p>	<p>WIRE-NET + MSSC Certification [1,3,4,5] Obsolete Properties Rehabilitation Act (MI) strengthen Cleveland’s Land Bank [1,6] Drafting Economic Inclusion Plan [1,24,5,6]</p>	<p>Career Readiness Certification / MSSC Certification [1,2,3,4,5] Focus: HOPE Linking Important & Emerging Sectors to CRC [1,3,4,5] Integrated Networking Opportunities (Emphasis on Important & Emerging Sectors) [3,4,5,6] Drafting Regional Comprehensive Economic Development Strategy [1,2,3,4,5,6]</p>
<p>Long Range, Long Term Programs + Legislation (3 - 7 Years)</p>	<p>Cool Cities Reinvestment Strategy Model (Michigan) [1,2,6] Living Wage Campaign [4,5] Long Term Investments and Collaboration by Anchor and Neighborhood Institutions [3,6]</p>	<p>Niche Funds, Managed for Returns in Urban Neighborhoods [1,2,4,5] Community Benefits Agreements [1, 4, 5, 6] Minority Business Accelerator [3, 4, 5]</p>

KEY

Suggested Partners

- 1 = Municipal Governments
- 2 = State Agencies
- 3 = Academic Institutions
- 4 = Broad Based Business Community
- 5 = MBE Community
- 6 = CDC Partners

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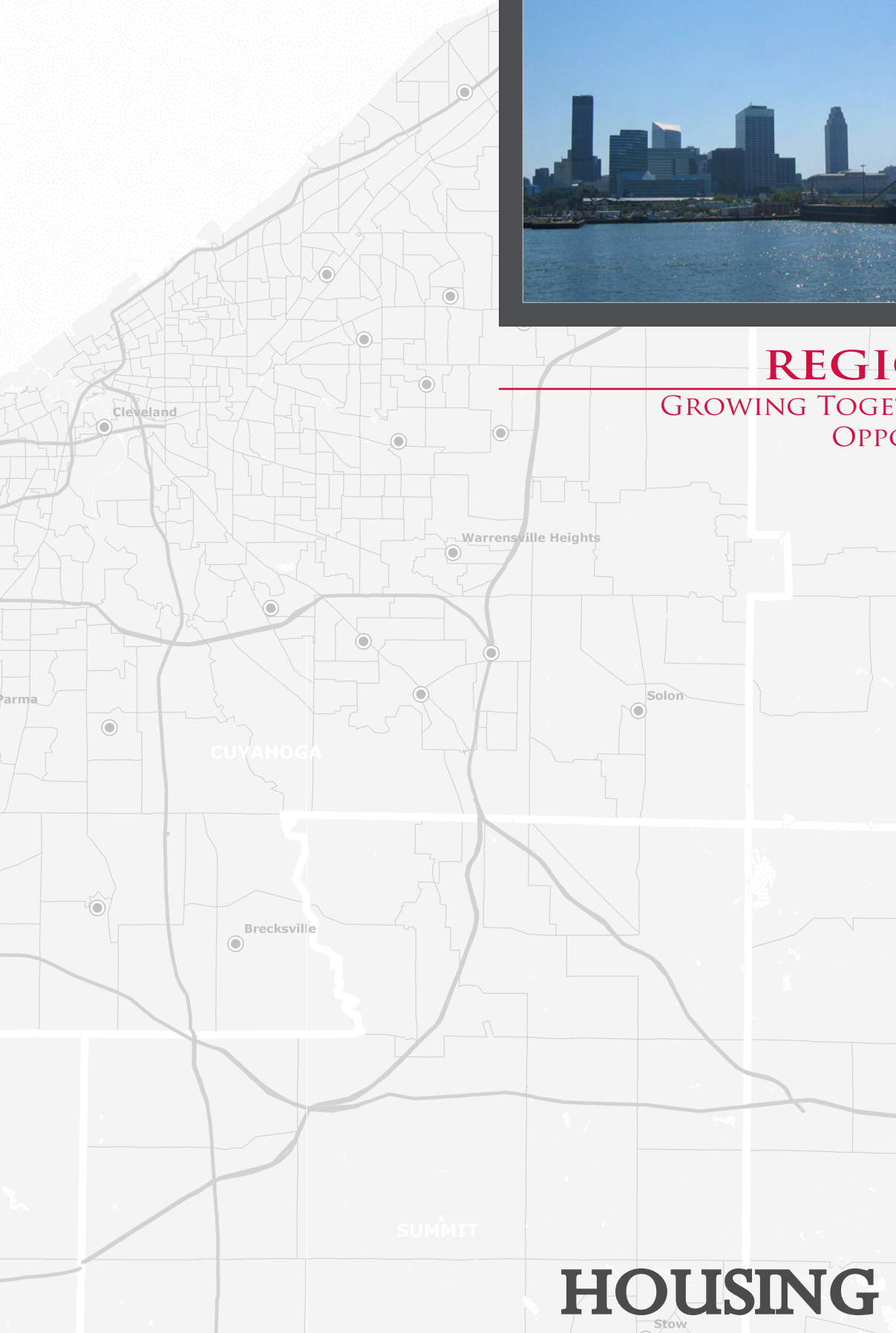
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REGIONALISM

GROWING TOGETHER TO EXPAND
OPPORTUNITY TO ALL



HOUSING

9

Chapter 9: Housing and Land Use Policy and Recommendations

Introduction: The connection between housing availability and land use policy

Today, a home is the strongest anchor to educational, economic and social opportunity. Living in decent housing in a neighborhood that is rich with opportunities transforms the landscape of resources available to all families. Opportunity-rich neighborhoods offer access to quality schools, sustainable employment opportunities, vibrant social networks, well-funded public services, thriving civic institutions, high quality grocery stores and a broad array of other building blocks for thriving communities.

Improving neighborhood conditions, and people's resultant access to opportunity, are thus critical to improving the life chances of many low-income families.¹ As stated in the findings report of the Congressional bi-partisan Millennial Housing Commission: "Neighborhood quality plays an important role in positive outcomes for families. Stable housing in an unstable neighborhood does not necessarily allow for positive employment and child education outcomes."

Clevelanders intuitively understand the importance of these connections, noting, for example:

"Because housing and land use matter so much in terms of where the economic engines locate themselves, it seems that coordinating land use and therefore influencing housing is an important piece for the African American community...In places where there are opportunities, fewer African Americans reside there."

"Most of the problems come from the housing segregation patterns in the region. Where people live determines to great extent what happens to them. This has to do with schools, resources, etc. We need to have ways to have people live together in diverse – in all meanings of the term: race, income, land use, etc. -- communities, in viable communities. How to incentivize this is the problem. You'd need state and federal support, there isn't enough at the local level, i.e. what about a state or federal income tax or business tax credit? And on the other end, we have to stop the sprawl incentives."

Therefore, the goal of better housing opportunities for more families is linked to the goal of supporting and investing in diverse, accessible neighborhoods. Neighborhoods in turn are affected by dynamics that stretch across the entire region. Municipal comprehensive plans and zoning ordinances allocate multiple land uses and densities in their jurisdictions, setting the overall frame for the type of housing construction allowed in each community. Infrastructure investments, often bridging several jurisdictions and supported by state and federal funding sources, also guide where and how development occurs. Transportation investments in highway building, and subsidies for extensions of water and sewer services, often direct development away from existing communities and into newer ones.

These broader forces shape housing market decisions by developers, communities, and tenants. Subsidies for affordable housing can therefore be considered "interventions"

into these broader forces, correcting for market failures not only in housing production incentives, but in land use policies that subsidize the sprawl of the region's most affluent.

1. The characteristics, causes, and effects of “suburban sprawl”

1.1 The population of the region is not growing, but is dramatically shifting towards outlying suburban counties.

The population of metropolitan Cleveland has been decentralizing for some time, with strong population growth in the region's outlying suburbs. While the state of Ohio grew 4.5 percent during the 1990s, Cuyahoga County experienced a continuing population decline that began in the 1970s and continued, albeit at a slower rate, between 1990 and 2000. In total, the county population declined 1.3% during the decade, while the city of Cleveland saw a population decline of 5.4%.² In stark contrast, the counties of Geauga and Medina saw the highest growth in population in the Northeast Ohio region, gaining 12% and 23.5% respectively. The vast majority of recent growth in the outer counties of the Cleveland region involves the movement of population from Cuyahoga County outward.³

In the face of this population shift, interview respondents spoke at length about the need to revitalize Cleveland's downtown as a mixed-use, vibrant community with housing, entertainment, and educational opportunities that attract more families:

“It's a dead downtown after 6:00 PM. You can shoot a canon through downtown Cleveland and not hit a soul, except for Playhouse Square and 3rd & Superior. I am hopeful about Cleveland's future during the daytime business hours. Seattle, D.C., Baltimore, New York – there's more foot traffic after 6:00 PM than during the day! But we need housing and the supporting infrastructure to live downtown. I would love to live there, if the supporting infrastructure was there.”

“How do you attract people to the city – Whites and African Americans, rather than having the African Americans move to Solon and Twinsburg, and the Whites past Beachwood to Medina? How do you attract a diverse mix, along income and race lines, so that neighborhoods are not known as “Black” or “White” but are integrated?”

“Those people that we do attract to the neighborhoods in the city tend to be from Chicago, or California; where the neighborhoods are more integrated and they “see Cleveland in a different way.” They don't see the segregation, the East Side – West Side divide like native Clevelanders do. Then when Whites do buy a house in a majority-Black neighborhood that they are really happy with, the local police come by and say “why did you buy here? You really don't want to be here,” and undermine the efforts to attract and retain people.”

1.2 In spite of overall population decentralization, African Americans and the poor generally remain disproportionately concentrated in the city of Cleveland.

Despite general population movement to outer counties in the Cleveland region, African Americans remained disproportionately concentrated in the city of Cleveland. While only 18 percent of the regional population was African American in 2000, they comprised 50 percent of the population of the city of Cleveland, compared to non-Hispanic Whites who constituted 75 percent of the regional population, but only 39

percent of city residents.⁴ Even more strikingly, African Americans comprised just 1 percent and 2 percent of the population growth in Medina and Geauga counties respectively, while Whites constituted 91% and 93%.⁵ As one interviewee remarked, this reflects structural constraints in the lending and real-estate markets: “There have to be housing initiatives relative to the redlining that exists as well as banks and how they discriminate against people of color.

In addition to racial segregation within the metro area, there is a disproportionate concentration of poverty within the region. In 2000, the Cleveland metro region was the fourth most economically segregated region in the United States behind Hartford, Connecticut; Detroit, Michigan; and Milwaukee, Wisconsin. Per capita income in the central city comprised just under 60 percent of per capita income in the suburbs. In fact, for the last three decades the Cleveland region has had the dubious distinction of being among the top 5 most economically unbalanced regions in the nation in terms of the spatial distribution of income.⁶ While only 10% of the population of Ohio is poor, more than 26% of Cleveland’s population is in poverty. In contrast, the counties of Medina and Geauga have only 4.6% of their residents living below the poverty line.⁷

Interviewees spoke of the need to stop incentives for sprawling development patterns that exacerbate this concentration of poverty:

“Sprawl can be stopped if you focus on the urban cores and first suburb areas, rebuild them, make them more attractive, make them safer, give them better schools so that people move back. Even with that, we face the risk of gentrification, but we know what that’s all about and we can plan to avoid it while rehabbing the core cities. I think there’s great potential there.”

“If there weren’t incentives for sprawl, people would be living together, which I think would be a positive thing. But with these opportunities for expansion outside the inner city and first-ring suburbs, it tends to continue to promote the segregation trend.”

1.3 In the midst of the decentralization of population, the decentralization of employment further contributes to the concentration of disadvantage for African Americans left in the urban core.

One of the biggest challenges posed by the concentration of African Americans within the central city is that the bulk of job growth is taking place primarily in suburban communities. The suburbs of the Cleveland metropolitan region have come to dominate employment growth and are shifting the balance of jobs within the region. This, however, is reflective of a national trend that is reshaping the landscape of regional employment opportunities in many metro areas. In Ohio between 1994 and 1997, the central business districts of the state’s seven largest cities experienced a net gain in employment of 636 new jobs, while the suburbs gained 186,410.⁸ By 2000, 44% of employment within the Cleveland metropolitan area was located outside a 10-mile radius of downtown Cleveland.⁹

Cuyahoga County, which includes Cleveland and its inner suburbs, saw only 5 percent employment growth during the 1990s, while outlying suburban counties of Geauga and Medina experienced employment growth of 35.3% and 46.4% respectively.¹⁰ Moreover,

without new housing production that includes multi-family rental housing, low-to-moderate income African Americans are effectively cut off from living where there is the greatest growth in entry-level employment opportunities. According to a study in 2000, 80% of entry-level job growth between 1995 and 2005 was projected to take place outside of Cuyahoga County.¹¹ This hurts job-seekers, and ultimately, their families, as one interviewee notes:

“What you have is an out-migration of wealth, jobs, and the affluent. That’s largely hurting the disproportionately poor Black masses that are left behind, because they are farther away from jobs and they no longer live in socio-economically diverse neighborhoods. The chance of a child succeeding in a socio-economically diverse community is much greater than a child in a segregated, poor community.”

1.4 Along with the suburbanization of people and jobs, new single-family housing construction is concentrated in suburban counties, while affordable housing is disproportionately concentrated in central cities.

Housing construction has been dispersed throughout the Cleveland metro for the past few decades. As Cuyahoga’s land supply for new construction has diminished, the bulk of new housing construction is taking place in suburban counties (See Map 12).

The county of Medina, which is a little more than one-tenth the size of Cuyahoga County, added 13,463 housing units during the 1990s compared to just 12,365 for Cuyahoga County.¹² Comparing percentage growth across counties within the region, the county of Medina saw explosive growth, with a 31.1% increase in housing during the 1990s, followed by Geauga (17.5%), Lake (12.4%), Lorain (11.4%) and Cuyahoga with just a 2% increase in housing units over the decade.¹³

While housing production is booming in the suburbs, affordable housing remains concentrated disproportionately in the central cities. In 2000, for example, while only 18% of the region’s housing units were affordable, fully 60% of these units were located in Cleveland. This distribution is particularly noteworthy given that Cleveland constituted just 29% of the region’s total housing units.¹⁴

1.5 As regional housing costs rise, many residents find housing increasingly unaffordable.

In spite of falling home values within the city of Cleveland, housing cost burdens are increasing for everyone, but particularly for African Americans in the region. Median home value for the Cleveland-Akron MSA increased by 70% between 1990 and 2000, while fair market rents have increased by 55% during this time. Comparatively, African American incomes in the region increased by 59%. New housing construction is made up of mostly single-family homes that are largely unaffordable to many African Americans in the region. In fact, African Americans within the metro area face severe housing cost burdens when compared with their White counterparts. The proportion of African American homeowners in Cuyahoga County experiencing housing problems (primarily from cost) increased in the 1990s, from 26.8% of African American homeowners in 1990 to 34.6% of African American homeowners in 2000.

While the proportion of African American renters experiencing housing problems decreased in the 1990s by 17%, the number of burdened renters is still excessively high, with 43.6% of African Americans in Cuyahoga County experiencing housing problems in 2000. The limited number of affordable housing opportunities (especially suburban housing opportunities) is particularly problematic since African Americans within the metropolitan area are more than five times more likely than Whites to rely on public transit as their primary means of transportation to work.¹⁵ Therefore, if a person cannot live in a job-rich area and public transit does not serve it, those jobs are literally out of reach.

1.6 Summary of the costs and consequences of unconsidered growth

The recent demographic shifts in the Cleveland region reflect a racial and socio-economic “sorting” of people and communities, not through intentionally racist or anti-poor sentiment, but through facially race-neutral policies which nonetheless disproportionately exclude poor people of color and their families. The demographic facts show that while the population of the region is not growing, people are moving farther and farther from the central city. In doing so, they are consuming farmland and requiring new infrastructure, while infrastructure in existing communities is not adequately maintained or updated.

Large lot zoning, which requires expensive single family housing, excludes many people from opportunity rich suburban neighborhoods and suburban job growth. The result is artificially higher housing costs, making entire suburban neighborhoods vulnerable to market “corrections” and a precipitous drop in value. Meanwhile, the exodus from existing communities can result in underutilized or vacant land and loss of home equity for lifelong residents of these areas. As neighborhoods become more and more internally homogenous, residents become isolated from the diverse life experiences of other people in the region. Without the ability to connect, people lose the ability to cooperate on solutions that would benefit the entire region during challenging economic times.

For many low-income residents in the Cleveland region, the location of affordable housing and the location of opportunity are increasingly diverging. Key land use and housing policy decisions over the last half-century have culminated in a metropolitan landscape of unbalanced growth that concentrates disadvantage and pushes resources for social, economic, and educational opportunity to the suburban fringe. Current regional housing market dynamics are unfortunately perpetuating the racial and economic segregation begun decades ago. As one interviewee remarked,

“In the early 1960s, Martin Luther King visited Cleveland to support the striking garbage workers. He referenced frequently in his writings his surprise that Cleveland was the most racially divided city he’d ever been in. The way that the suburbs have developed is simply expanding the pattern of racial divide. I do believe that the racial divide is an ethnic and economic divide more than a racial divide, but it’s a pattern that’s been in the making for 30-40-50 years.”

1.7 The need for regional land use coordination and growth management.

How then, do we best encourage a sensible, sustainable growth policy that benefits the entire region? Looking at attempts across the country, there are several prominent

examples. Perhaps the best known is Portland’s Urban Growth Boundary (UGB) which directed development resources back into downtown neighborhoods and preserved rural farmland. Other solutions include mandating coordinated growth plans, revising local zoning codes, and instituting infrastructure-related growth controls. Given Ohio’s “home rule” status and the extreme municipal fragmentation in the Cleveland region, many of these efforts could be stalled without changes in state legislation or state mandates.

However, infrastructure related growth controls hold great promise for the region. Chapter 2 of this report outlines Maryland and Michigan’s initiatives to limit the use of public expenditures that support sprawling growth. These fiscally driven growth management strategies have proven effective in Maryland and may aide Michigan in counteracting the fiscal burden of sprawling growth on the State’s transportation budget. Growth management must not work in isolation from affordable housing initiatives or it could exacerbate existing housing problems. Growth management linked with development of affordable housing in higher opportunity suburban (and urban) communities must work in concert, to help redirect resources back into Cleveland’s urban and mature suburban communities, while providing access to suburban housing opportunities to low-income people. Coupled with a regional growth-management strategy, strategies for housing policy reform become more viable and effective. Section 2 discusses the need for regional housing solutions and specific strategies for guiding and incentivizing more affordable housing for more families across the region.

2. The Need for Regional Housing Solutions in the Cleveland Region

The dynamics that are changing the Cleveland region include the movement of people, the decentralization of employment, and the location of new housing construction on the edges of the region. When coupled with existing approaches to affordable housing policy within the region and the state more broadly, these trends are exacerbating the continued concentration of low-income residents, particularly poor African American families, in the central city. These dynamics put in stark relief the need for regional solutions that can address the growing disconnection between where affordable housing is located and where opportunity is emerging on a regional scale.

Housing policy responsibilities have shifted over the last two decades to state and local authorities who are increasingly tasked with addressing regional scale problems that require regional solutions. In spite of this shift, however, housing discussions tend to remain remarkably localized in how needs are assessed and policies are implemented. Enabling low- and moderate-income families to live closer to centers of employment and stronger schools requires strategies that transcend the boundaries of a single local jurisdiction.

Meanwhile, at state and local levels, a panoply of policies exists that spurs suburban growth while limiting investment in the central city, allows exclusionary zoning that makes suburban housing unaffordable for many working families, particularly African Americans, and concentrates affordable housing subsidies and rental and homebuyer assistance in largely African American neighborhoods in the central city. This further reinforces regional racial and economic segregation.¹⁶

2.1 Regional Approaches to Affordable Housing

Opportunity-based housing is a regional housing model intended to link affordable housing to areas of opportunity throughout the metropolitan region (for more on the use of opportunity-based housing as an analytical tool, see the maps in Chapter 2 of this report, “Overview of Existing Conditions.”) The central principle of opportunity-based housing is that residents of metropolitan regions are situated within a complex, interconnected web of opportunity structures (or lack thereof) that significantly shapes their quality of life.

Currently, most affordable housing in our metropolitan regions is disconnected from opportunity. Federal housing programs and exclusionary land-use policies have worked to concentrate affordable housing in segregated, opportunity-poor communities. This is most evident in subsidized housing policies. Historically, subsidized housing was deliberately placed in racially segregated communities. Contemporary subsidized housing policies have continued this trend, locating the majority of new units in impoverished and segregated central city neighborhoods.

Nationally subsidized housing units are still concentrated in opportunity-poor, inner-city neighborhoods. For example, in 2000, three quarters of the nation’s traditional assisted housing units were located in central cities, while only 37% of the nation’s metropolitan population lived in central cities. More recently built Low Income Housing Tax Credit (LIHTC) developments (the most prolific subsidized housing program in the nation) are clustered in central city locations; as of 2000, 58% of all LIHTC units were found in central city locations.¹⁷

This clustering of assisted housing also corresponds to a spatial segregation of assisted units from stable neighborhoods as well as from opportunity. In 2000, while the average metropolitan neighborhood had a 13% poverty rate, neighborhoods with traditional assisted housing¹⁸ had a poverty rate of 29%. While only 4% of all metropolitan housing units were located in concentrated poverty neighborhoods, more than 11% of assisted housing units were found in concentrated poverty neighborhoods. The average neighborhood with traditional assisted housing had household incomes that were more than 40% lower and home values that were more than 20% lower than the average metropolitan neighborhood.¹⁹

The concentration of assisted housing in opportunity-poor areas reinforces the racial segregation in inner-city communities. Research has found a continual mismatch between racially segregated inner-city communities and economic opportunity – and this phenomenon is more pronounced in regions with sprawling job growth. One analysis of metropolitan residential patterns and employment in the U.S. reveals that 54% of the metropolitan African American population would need to relocate in order to eradicate the mismatch between location and jobs for African American households. In comparison, only 34% of Whites were segregated from employment.²⁰

This concentration of poverty and segregation from opportunity is particularly harmful to low-income communities of color, who are impacted by both a shortage of affordable housing and discrimination in the housing market. The cumulative impact of housing discrimination, lack of affordable housing and subsidized housing policies traps most people of color in depressed, opportunity-poor communities.

For a number of reasons, access to opportunity-rich neighborhoods is closed off for many residents, particularly African Americans, in the Cleveland region. In response, regional affordable housing policies must seek to connect all residents to housing they can afford in neighborhoods of opportunity.

Specifically, this entails:

- Preserving the supply of existing affordable housing and expanding the supply of decent housing for low- to moderate-income families in opportunity rich neighborhoods across the metropolitan area
- Ensuring that all residents can buy or rent homes in the neighborhoods of their choice that are racially and economically integrated, and that feature a rich set of social, economic, and educational opportunities
- Providing subsidies to make housing more affordable to low- and moderate-income families in mixed income, racially-integrated neighborhoods
- Increasing wealth opportunities through homeownership for all families in neighborhoods where homes' values are rising rather than falling
- Planning for the development of affordable housing on a regional scale that intentionally connects housing to quality schools, plentiful employment opportunities, and an accessible transportation infrastructure
- Promoting a more balanced type of metropolitan growth that promotes the health of the region as a whole and connects all communities to opportunity

Several regional approaches to affordable housing policy can provide helpful guides for policymaking in the State of Ohio and the Cleveland region to expand housing opportunities for more low- and moderate-income families. They include:

- **Opportunity-Based Housing:** An analytical housing model that identifies areas of high opportunity throughout the region as potential locations for affordable housing for working families. The analysis can be used to structure incentives for developers.
- **Fair Share Housing:** Distributing affordable housing across the metropolitan area to increase opportunities, and counter region-wide economic and racial segregation. All municipalities are asked to provide their “fair share” of affordable housing.
- **Inclusive Housing:** Implementing inclusive housing policies that involve both ending exclusionary land use practices that effectively exclude low-income families, often disproportionately people of color, and instituting incentives that encourage increased production of affordable housing in places of greatest opportunity in the region.
- **Employer Assisted Housing:** Tying housing to job growth by leveraging public and private cooperation to put affordable housing where jobs are.

- **Housing Opportunity Revenue Streams:** The allocation of federal and state housing dollars in ways that widen housing opportunities for low-income and moderate-income families outside of the disinvested central city.

3. Inclusive Housing Policies

Inclusive housing policy is a critical arena of housing policy change in many places, including the Cleveland region. Inclusive housing involves two major elements. First, it involves reforming local land use regulations and other local development activities (e.g. infrastructure investment, investment of community development resources, etc.) that have the effect of excluding people from living in jurisdictions with plentiful entry-level jobs and strong schools. Second, it entails the creation of developer incentives that proactively encourage the increased production of affordable housing in suburban communities.

3.1 Exclusionary Land Use Policies in Suburban Jurisdictions

Most affordable housing strategies are focused on subsidies for the production of affordable housing or assistance for rental tenants and homebuyers. However, regulatory reform is an extremely important tool to help promote the economic and racial desegregation of regional housing in the Cleveland metropolitan area. The State of Ohio, like most states in the country, delegates the authority to regulate housing markets through a variety of tools including zoning ordinances, land use restrictions, developer fees, subdivision regulation, and building codes. These policies determine what type of housing can be built in a locality, where it will be located, and how it will be maintained over time. Although these tools are important for managing development within a jurisdiction, they also serve as vehicles for the exclusion of the majority of African Americans in the metro region. In suburban communities, policies such as large-lot or low-density zoning, minimum square footage requirements, and setback requirements all have the cumulative effect of excluding low- and moderate-income families, including many African Americans, from living there.

A study of 1,500 local jurisdictions across the country conducted in 2000 found that exclusive large-lot or low-density zoning reduced the share of multifamily housing—which are usually rental units and generally more affordable when for sale—in favor of single family homes. The combined effect of this local regulatory policy has been the reduction in the supply and affordability of rental housing which had the attendant effect of reducing the African American population in these jurisdictions.²¹

Large-lot zoning is a predominant feature of land use regulation in Midwestern cities in general, and Ohio in particular. The Cleveland metro region, moreover, features a strong bias towards large-lot zoning in its outer suburban counties. In the suburban counties of Geauga, Medina, and Lorain, the percentage of residential land that is zoned for lots that are 1.5 acres and above, is 86%, 68%, and 69% respectively. In contrast, only 8.5% of land in Cuyahoga County is similarly zoned.²²

Large-lot zoning of this sort disproportionately impacts the metropolitan African American population in two ways. First, low-density zoning regulations make housing more expensive which disproportionately impacts African Americans whose incomes are substantially lower than Whites in the region. In 2004, the median household income for

African Americans in the Cleveland region at \$26,877, was just 56% of the income for Whites who earned \$48,131.²³ Second, these regulations reduce the supply of rental housing on which African Americans in the region overwhelmingly rely to meet their housing needs. For example, while 76% of Whites owned their homes in the Cleveland region in 2004, nearly 60% of African Americans were renters.²⁴ As a consequence of both their lower incomes, and their much higher rates of rentership, a smaller share of African Americans can afford housing in neighborhoods or jurisdictions where housing prices are relatively high and are limited to large single family homes.

3.2 Dismantling Exclusionary Land Use Policies

Perhaps the single-most important approach to improving affordable housing opportunities for African Americans, and other low-income working families in the region, is to get rid of exclusionary regulations. Even without a comprehensive regional plan for distributing housing across the region, eliminating regulatory barriers to affordable housing would have a significant impact. Although eliminating exclusionary policies might work one jurisdiction at a time, the most effective approach would be regional in scope. In its 2003 final report, the Ohio Department of Development Affordable Housing Taskforce, convened by then Director Bruce Johnson, recommended that the State of Ohio adopt a statewide housing policy to eliminate regulatory barriers to affordable housing by creating oversight in the establishment of single family and multifamily housing goals for each community.

Consistent with task force recommendations, state policy reform would play a pivotal role in addressing some of these barriers to regional equity in the location of affordable housing. Policies that Ohio could enact to address exclusionary land use practices include adopting state review of policies that may indirectly produce exclusionary local land use practices, such as enabling legislation; provide barrier removal grants to local governments; provide incentives, like Florida's allocation of funds under the State's Housing Incentive Partnership Program (SHIP) for the removal of barriers to affordable housing; and develop model land use codes that feature inclusionary housing approaches.

3.3 Inclusionary Zoning: Creating Incentives for Affordable Housing Production in Suburban Communities

In addition to eliminating regulatory barriers to affordable housing development in neighborhoods of opportunity, local regulation can provide incentives to developers that encourage the construction of low-cost housing. Over the past three decades, communities across the country have been employing a range of land use policies that encourage or mandate the development of homes and apartments that are affordable to a range of incomes. Rather than employing land use and zoning authority that results in the exclusion of low- and moderate-income families, suburban jurisdictions can promote mixed-income communities by combining mandatory requirements as well as attractive incentives to increase the production of affordable housing. Two examples of inclusionary housing policies below—Montgomery County, Maryland, and Highland Park, Illinois—illustrate how affluent suburban communities can proactively increase affordable housing.

3.3.1 Montgomery County, Maryland: A County Inclusionary Zoning Ordinance

Montgomery County, Maryland, has the oldest inclusionary zoning (IZ) ordinance in the country. Known as the “Moderate Price Dwelling Unit Ordinance,” Montgomery County’s IZ ordinance provides that between 12.5 and 15% of all new housing development with 35 or more housing units must be affordable to the county’s low- and moderate-income residents (65% of the Area Median Income). By setting aside 12.5% of units as affordable, a developer can receive a “density bonus” of up to 22% from the county. So for example, in a 100-unit project, a 15% set-aside would allow the developer to build 122 units. Eighteen of these 122 would have to be affordable to families below 65% of the Area Median Income (AMI), or \$56,550 for a family of four. The developer sells the other 104 units at market rate, which are four more market units than would have been permitted without the bonus. The county also grants the local Housing Opportunities Commission (HOC) first right of refusal for purchasing up to a third of the project’s affordable units (in this case 6 units), so that they may be rented or sold to even lower-income families, and made affordable indefinitely. Otherwise, affordability requirements on the inclusionary units stay in place for 10 years for ownership units and 20 years for rentals. As a result of its IZ ordinance, by 2003, Montgomery County had produced 11,210 units of affordable housing.²⁵

3.3.2 Highland Park, Illinois: Inclusionary Zoning in an Affluent Suburb

In 2003, the city of Highland Park, Illinois, approved an inclusionary zoning ordinance following a rapid decline in its stock of affordable housing. Existing rental units were rapidly being converted to condominiums or demolished. Skyrocketing median sale prices of homes were pushing most housing beyond the reach of many low- and moderate-income residents, particularly those employed in the retail and services sectors, with an average annual salary of just \$35,000. The Highland Park IZ ordinance applies to all residential developments—including new construction, renovations of existing housing, or condominium conversions—that result in 5 or more units. This low threshold or “project trigger” enables the IZ ordinance to provide wide and deep applicability to new housing developments within the city. All residential developments covered by the ordinance are required to make 20% of their units affordable to low- and moderate-income residents. For example, a 20-unit development would include 4 units that are made affordable. Important provisions of the ordinance include:

- Long-term affordability: Single-family units and condominiums that are produced under the IZ ordinance must retain permanent affordability, while rental units are required to remain affordable for 25 years.
- “In-Lieu” Payments Made to a Housing Trust Fund: Developers of residential projects may opt-out of building affordable housing units by making a cash payment of \$100,000 per affordable unit to a housing trust fund “in-lieu” of actually constructing the unit.
- Dispersal of Affordable Units within the Development: Affordable housing units in developments covered under the ordinance must be dispersed throughout the development and their exteriors must be similar to those of market-rate units. Affordable units must also have the same mix of bedrooms and energy efficiency improvements.

- Incentives: Incentives granted to developers who participate in the inclusionary housing program include, among others, fee waivers and a density bonus that grants one additional market-rate unit per affordable unit built.
- Ordinance Gives Priority to Residents who work in Highland Park: In addition to targeting families who live in Highland Park, the ordinance also targets low- and moderate-income households where a head of household, spouse or domestic partner works for the Highland Park government. Priority is also given to families where the head of household, spouse or domestic partner works for any employer within Highland Park.

3.6 Key Components of an Inclusionary Zoning Policy

Component	Description/Best Practices
Voluntary vs. Mandatory	<ul style="list-style-type: none"> ✓ Inclusionary zoning can be mandatory, requiring developers to build affordable units in exchange for building permits, or incentive-based, allowing developers to voluntarily “opt-in.” ✓ Mandatory policies have produced far more affordable units than voluntary programs.
Set Aside	<ul style="list-style-type: none"> ✓ The percentage of units within a proposed development that must be earmarked as affordable. Cities have set-aside requirements that range from as low as 5% to as high as 35%. The higher the set-aside, the more affordable units will be generated. ✓ Set asides are rarely less than 10%.
Income Target	<ul style="list-style-type: none"> ✓ The income level to which inclusionary units are targeted. Most jurisdictions set the income target of their programs based upon a percentage of the area’s median income (AMI). ✓ Some jurisdictions chose to tier their income target, for example, building half of the units at 50% of AMI, and the other half of units at 80% of AMI. This allows jurisdictions to meet affordable housing needs at several income levels. ✓ IZ policies are most effective when income targets are set at levels where housing need is most acute.
Size of Development (“project trigger”)	<ul style="list-style-type: none"> ✓ The project threshold to which the inclusionary zoning policy will apply (e.g., projects of 5, 10, 20 units). ✓ Some jurisdictions apply inclusionary zoning policies to all development that is happening in the community, with larger projects required to construct units and smaller projects paying an in-lieu fee. ✓ The rule of thumb is to ensure that the inclusionary zoning policy is applicable to the majority of the residential market and reflective of housing development patterns.
For Sale/Rental	<ul style="list-style-type: none"> ✓ The inclusionary requirement can apply to owner-occupied and/or rental units. The vast majority of policies apply to both.
Developer Compensation	<ul style="list-style-type: none"> ✓ Jurisdictions typically offer developers compensation—or cost-offsets—to decrease the developer’s cost of construction in exchange for production of affordable units. ✓ One of the most popular forms of cost-offsets or developer compensation is the density bonus, where the developer is allowed to construct additional market rate units beyond what is allowed under zoning law. Other cost-offsets utilized by jurisdictions include: expedited permitting, reduced parking requirements, and waivers or deferrals of certain municipal fees.
Off-site Construction and In-lieu Fees	<ul style="list-style-type: none"> ✓ Some programs allow alternatives to constructing affordable units on-site, within the larger market rate development. The two most common alternatives are allowing affordable units to be constructed in an off-site location, or the payment of a fee in-lieu of building the units.

Component	Description/Best Practices
	<ul style="list-style-type: none"> ✓ If in-lieu fees are part of an IZ policy, they should be set at a level comparable to the costs associated with producing affordable housing units. Otherwise, the IZ policy is seriously weakened. ✓ On-site construction leads to greater economic and racial integration.
Apply to Rehab Units, Condo Conversions, etc.	<ul style="list-style-type: none"> ✓ Some programs apply an inclusionary requirement to rehab, condo conversions, and adaptive re-use. However, the practice is not widespread.
Similarity/ Compatibility of Inclusionary and Market-Rate Units	<ul style="list-style-type: none"> ✓ Many IZ policies require developers to construct affordable units that are similar or compatible in outward appearance to market-rate units. This requirement contributes to cohesiveness in the physical appearance of a neighborhood helping to overcome negative perceptions of what constitutes “low-income” housing. ✓ Developers have a vested interest in adhering to this requirement since units that are disparate in outward appearance can lower the market value of the development.
Production of Inclusionary and Market-Rate Units	<ul style="list-style-type: none"> ✓ Jurisdictions can require that inclusionary units should be constructed prior to, simultaneous with, or after market-rate units. ✓ Nearly all jurisdictions with IZ policies now require prior or simultaneous construction of affordable units to ensure they are produced.
Dispersal of Affordable Units	<ul style="list-style-type: none"> ✓ Nearly all IZ policies today require inclusionary units to be dispersed throughout a development. This helps affordable units blend in so that they can be truly integrated with market-rate units, and escape the usual stigma attached to affordable housing. ✓ Dispersal is particularly important for projects with multiple, detached units.
Terms of Affordability	<ul style="list-style-type: none"> ✓ The length of time an inclusionary unit stays affordable ranges from five years to perpetuity; these requirements are included as deed restrictions. ✓ Longer affordability terms (30 years or longer) ensure that inclusionary units stay affordable for future generations. ✓ Programs often have a limited equity component that allow homebuyers to sell their properties at a price that is upwardly adjusted from the price at which they bought it; but the resale price is capped to preserve affordability.
Administration and Enforcement	<ul style="list-style-type: none"> ✓ Departments of community development and/or housing typically administer IZ programs. The administrative agency manages the day-to-day operations of the program, monitors compliances, and tracks effectiveness. ✓ The designated public agency should be appropriately resourced to carry out these tasks.
Getting to Deeper Affordability	<ul style="list-style-type: none"> ✓ Once inclusionary units are constructed, jurisdictions can utilize other affordable housing resources (e.g., housing choice voucher dollars) or purchase IZ units to reach very low-income families.

4. Fair Share Housing Programs

The fair distribution of affordable housing within the Cleveland metropolitan area is a key building block for connecting working families to both jobs and housing opportunities. A skewed regional distribution of affordable housing that disproportionately concentrates affordable units in the city of Cleveland, often in poor neighborhoods, serves to concentrate poverty. It increases racial segregation, makes it increasingly harder for employers in outlying jurisdictions to retain low- and moderate-wage workers, and threatens the overall health of the region as a whole.

To address the growing gap between where affordable housing units are located and neighborhoods of opportunity, the Cleveland region requires a multi-jurisdictional approach to affordable housing policy (similar to how transportation needs within the state are addressed and federal dollars allocated). Regional policies intended to secure an equitable distribution of affordable housing across a metropolitan area have been adopted in several states and regions in the country, with a variety of housing market conditions. In fact, almost half of all states in the country have changed their state enabling statutes to require local jurisdictions to prepare written local land use plans that address affordable housing needs. Several of these are required to address housing needs both from the vantage point of that jurisdiction as well as its surrounding region.²⁶

4.1 State Policy Approaches to Regional Affordable Housing

With the right enabling environment, regional planning agencies have an important role to play in regional affordable housing policy. However, the most critical policy activities to further a comprehensive approach to the fair regional distribution of affordable housing reside with the State of Ohio. State governments have the legislative power, technical resources, bureaucratic wherewithal, and fiscal sway to create incentives for affordable housing production and to prohibit exclusionary land use practices.

There are two general ways that states have approached the issue of spreading affordable housing equitably across metropolitan regions:

- “Fair Share” Affordable Housing Programs: Both the states of New Jersey (as a result of lawsuits that precipitated legislative action in 1985) and California have fair share affordable housing programs that allocate to each city within a region a specified percentage of housing units that should be available to low- and moderate-income families.
- Housing Development Appeals Systems: The states of Massachusetts, Rhode Island, Connecticut, and Illinois have created state “appeal boards” empowered to override zoning decisions made by localities that have the effect of restricting affordable housing production.

4.2 Fair Share Affordable Housing Programs

California’s Fair Share Affordable Housing Program

Enacted in 1980, California has one of the oldest fair share housing policies in the country. The state’s “housing element law” requires local government to include affordable housing planning in comprehensive plans that they prepare, to guide local development within their jurisdictions. With a substantial amount of latitude, regional

councils of governments allocate to each city and county in the state a specific number of new housing units that must be planned for that are targeted to four income categories (very low, low, moderate, and above moderate). Housing elements must be updated every five years and localities must submit their plans for review and approval by the state. Housing elements must meet a number of requirements to be found in “substantial compliance” with the state’s fair share law by the California Department of Housing and Community Development.

In particular, the locality must submit:

- A detailed analysis of housing need for the jurisdiction as well as the region. This includes a detailed analysis of housing needs of the region as well as the locality; potential governmental constraints on affordable housing production such as land use controls, site improvement requirements, developer fees and exactions; and a delineation of special housing needs for groups like the handicapped, single-parent families, and persons in need of emergency shelter.
- A statement of community housing goals
- Qualified objectives and policies that involve meeting the housing needs of low-income households.
- A five-year schedule of actions proposed to implement the housing policies and achieve stated qualified housing objectives.

A key component of the California fair share law is the presumption in favor of affordable housing projects in the state administrative appeal process. This presumption places the burden of proof on local governments when a developer or person appeals a permit denial or density reduction to the HCD.

By 2002, 52% of the 530 cities and counties in the state had adopted housing elements that were deemed to be in “substantial compliance” with state law. Nearly a third of cities and counties, however, were not in compliance or submitted housing elements that they had not adopted. A major limitation of California’s fair share housing law is that there are limited consequences for non-compliance. Furthermore, there is no uniform method for local governments to collect data in order to comply with key elements of the state law such as the supply of existing units that are affordable to specified income levels.

Massachusetts’ Fair Share Developer Appeal System

The Massachusetts fair share housing law, known as Chapter 40B, was enacted in 1960. Rather than calculate housing need, Chapter 40B seeks to determine whether a community has met its fair share of the region’s affordable housing. If 10% of a community’s housing stock consists of local, state, or federally subsidized housing, Chapter 40B does not apply. If less than 10% of the housing stock is considered affordable under 40B, affordable housing developers can override local zoning laws. Because of its intended purpose, 40B has become known throughout Massachusetts as the “anti-snob zoning law.”

Chapter 40B also created a streamlined, expedited permitting process for developers of subsidized affordable housing. If the application is denied by the local Zoning Board of

Appeals (ZBA), the builder can appeal to the state-level Housing Appeals Committee (HAC) in the state's Department of Community Affairs (DCA), and the presumption within the law falls on the local authority to justify its denial. The ability of builders to appeal to a state agency helps deter localities from enacting exclusionary zoning policies. Though the statute is under constant attack by some developers and local officials, many have come to rely on 40B as a method for creating affordable housing in otherwise reluctant communities.

Since 1970, 40,000 units have been approved under Chapter 40B. Many result from agreements reached in local negotiations under the threat of HAC appeal, but without the necessity of appeals themselves. Two-thirds of the resulting units are affordable to low- and moderate-income people.

4.3 Key Lessons and Policy Options

The evidence from the experience of multiple states with fair share housing programs leads to one major conclusion: there is no single best regional approach to affordable housing. Programs to increase the supply of affordable housing in neighborhoods of opportunity must be tailored to the varying institutional structures and political capacities of state, regional, and local governments. There are, however, a number of key lessons drawn from state policies that can help guide Ohio and the Cleveland region.

4.3.1 An Administrative Structure at the State Level is Necessary. Regional affordable housing can't rely on local strategies alone. A state administrative structure is necessary to administer fair share affordable housing programs in order to establish state land use plans that are coordinated with regional and local land use plans. In particular, a state agency is key in assessing state housing needs and evaluating compliance with state fair share goals. Currently, Ohio does not require localities to plan for affordable housing as part of a local comprehensive planning process.

4.3.2 Enable Legislation Allowing Local Authorities to Encourage Local Housing Production. State governments should authorize local governments to provide development incentives for affordable housing such as density bonuses, or mandatory set-asides as part of inclusionary zoning ordinances. In addition, localities should be authorized to waive development permit and impact fees, as well as permit accessory dwelling units.

4.3.3 Establish a Mechanism for Assessing Present and Future Need. All state fair share laws do not incorporate mechanisms for assessing present and future need in a consistent and uniform way. In California, for example, despite the strength of state required planning for affordable housing, there is no effective mechanism for identifying, on a statewide or regional basis, how much affordable housing is being produced to meet housing goals.

4.3.4 Make Regional Institutions Responsible for Assessing Regional Fair Share Needs and Coordinating Transportation Planning and Investments with Housing Goals. Many regional planning agencies, including the Northeast Ohio Areawide Coordinating Agency (NOACA), don't include planning for housing in their activities. However, regional planning agencies have critical roles to play in assessing regional housing needs and should make affordable housing planning a regular part of their

planning efforts. In fact, regional agencies like NOACA should conduct their planning activities with the explicit consideration of how the expenditure of federal transportation dollars will affect regional housing.

4.3.5 Fair Share Programs Should Include Appeals Processes with Explicit Presumption in Favor of Affordable Housing Production. California, Massachusetts, and Connecticut provide appeals processes that reverse the traditional presumption in favor of local zoning decisions that deny permits for affordable housing. Rather than require affordable housing developers to prove that local zoning decisions prohibiting affordable housing are either irrational or unconstitutional, these state laws mandate that opponents of affordable housing prove that approval of a project will violate some aspect of state or local policy.

4.3.6 Provide Resources for Local Planning. A number of states provide small grants to help local governments prepare comprehensive plans that include housing elements. These funds help local governments meet housing planning requirements, especially when compliance is voluntary, as is the case in most states.

4.3.7 Create Uniform Reporting Requirements. Agencies that administer fair share programs should establish uniform reporting requirements for the assessment and monitoring of housing need to help build an accurate regional and statewide assessment.

4.3.8 Encourage and Assist Local Governments in Developing Procedures to Monitor Land Supplies for Affordable Housing. State agencies should assist local governments in creating procedures to monitor existing supplies of land zoned for affordable housing.

4.3.9 Revisit Fair Share Housing Plans over Regular Intervals. Housing plans should be revisited on a regular planned interval (no less than every 5 years). Identifying housing needs for households across the income spectrum requires repeated adjustment over time as circumstances change. Part of effective planning involves regular monitoring of changes in housing production levels, changes in the distribution of targeted income groups, and the availability of developable land. Excessively long housing planning intervals are often forced to incorporate unrealistic assumptions and goals that become obsolete within a few years.

5. Employer Assisted Housing

To help address the spatial mismatch between where job growth is occurring in the Cleveland region and where moderate-income African Americans live, Employer Assisted Housing (EAH) can help link housing and employment opportunities. Employer assisted housing refers to a variety of strategies in which employers contribute to affordable housing for their employees, and sometimes also for residents of the community where the employer is located. It is typically an employment benefit for workers, provided by employers and managed and distributed by an outside agency. There is usually a geographic area in which the assistance is provided. Importantly, EAH can be tailored to fit different contexts within the Cleveland region—both helping to access more costly housing around suburban job centers and to become a tool for neighborhood revitalization in the urban center.

EAH programs generally fall into two categories; *demand-side* programs that provide direct financial assistance to homebuyers and renters, and *supply-side* programs that help create new, affordable housing. Both of these EAH programs usually combine several types of assistance.

By far, the most common type of EAH benefit is home buying assistance, but programs can be designed to provide a range of other assistance. EAH may include direct financial assistance for home buyers and renters, support for new, affordable housing construction, credit repair or financial counseling for participants, or investment in affordable housing funding sources. EAH programs can be tailored for either public or private employees, or both. The most effective programs are often broad-based coalitions involving multiple employers and other public and private sector partners, and combining multiple funding sources and assistance strategies to meet a diversity of housing needs. Partnerships, among others, may include private employers, state and local governments, local business groups, nonprofit housing and community development organizations, labor unions, private developers, and lenders.

5.1 Financing for EAH

The most important source of financing for most programs is the employer contribution, whether in the form of direct mortgage or rental assistance, construction finance, contribution to a funding pool, or funding of services, or other options.

But employer-assisted housing programs are often supplemented by more general affordable housing funding sources. EAH programs are eligible for and have been funded by HOME program funds, community development block grant funding, housing trust funds, foundation funding, tax increment financing, and other government and private sources. EAH programs are also supported by:

- EAH Tax Credits. A number of states, including Connecticut, Illinois, and New Jersey, offer employers up to a dollar-for-dollar credit on state taxes for contributions to EAH efforts. This is a strong incentive for employers to participate, and can increase employer contributions to a program by a significant amount.
- Pension, Retirement, and Taft-Hartley Trust Funds. In some restricted cases, employee pension or other retirement funds may be used to finance housing benefits. For instance, some employers have used 401(a) and 457 retirement savings to fund down payment assistance for employees; assistance in this case is structured as a loan to employees, which is repaid to their own retirement account. Labor unions can also use Taft-Hartley trust funds (negotiated pension or benefit funds to which employers contribute) to finance housing assistance as a benefit for union members; unions can negotiate employer contributions to the trust fund as part of a collective bargaining agreement.
- Affordable Housing Bonds. *Mortgage Revenue Bonds* are taxable or tax-exempt bonds issued by state and local agencies, or by private real estate lenders. By purchasing these bonds, employers can provide a source of funding for mortgage down payment and closing cost assistance, or for affordable housing development. Employers can purchase bonds as a contribution to a general affordable housing program, or state and/or local agencies may issue bonds or dedicate bond revenue

specifically to fund an EAH program. To provide initial program funding for the Howard University/LeDroit Park program, for example, the Fannie Mae Foundation purchased \$23 million in mortgage revenue bonds issued by the District of Columbia. Employers can also realize a modest return on the bonds, making the assistance costless or moderately profitable for the employer. Homebuyers participating in programs funded by tax-exempt bonds issued by state or local government agencies are generally required to have incomes below Area Median Income, and are usually required to purchase homes below a designated state or area median purchase price, making tax-exempt MRB purchases an appropriate funding source for low-income EAH programs.

- Earmarking Affordable Housing Trust Funds

State governments can earmark EAH funds in affordable housing trust funding. For instance, SB 1135 in Illinois set aside \$13 million of a state housing trust fund for EAH activities. This strategy allows state agencies to provide matching funds, giving incentives for employer participation and leveraging significantly more resources. Ohio could allocate similar funding from its existing Housing Trust Fund and earmark allocations as part of existing, affordable housing programs such as the Community Housing Improvement Program, administered by the Office of Housing and Community Partners, or the Housing Development Assistance Program, administered by the Ohio Housing Finance Agency.

- Make EAH part of a comprehensive housing strategy

State governments can prioritize EAH as part of an overall affordable housing strategy. As part of this, they may dedicate some funding for EAH efforts from sources such as HOME, CDBG, TIF, general revenue, affordable housing bonds, and other sources.

- Creating EAH Tax Credits

A number of states offer tax credits of up to 100% for EAH contributions, making the investment low- or no-cost to the employer. Although significant local EAH activity typically precedes state participation, offering state EAH tax credits prior to widespread local activity could ease program creation and create incentives for employer participation.

5.2 Affordable Housing Tax Credit Program, Illinois

The Illinois Affordable Housing Tax Credit Program provides a \$.50 tax credit on income tax liability for every \$1 in cash, land, or property donated for affordable housing creation or investing in an EAH. Through annual tax rebates, the state foregoes up to \$13 million in tax revenue which will stimulate private sector investment to spur affordable housing worth around \$26 million per year through 2011. Of the \$26 million generated annually through the program, \$4 million is allocated for EAH programs to benefit households earning no more than 120% of the region's AMI (\$90,480 for a family of four in the Chicago region).

Provisions of the Program Include:

- Tax credit is for the year in which the contribution is made.

- If the credit exceeds the individual or organization's tax liability, the tax credit may be carried forward and applied to taxes for the following five years.
- Law provides for a transfer of the tax credit, enabling a tax-exempt employer (or one with limited tax liabilities) to transfer (in effect, "sell") the credits to an individual or corporation that has a tax liability.
- A nonprofit housing partner can apply to the Illinois Housing Development Authority (IHDA) or the Chicago Department of Housing for tax credits that will be allocated to the contributing individual or corporation.

Funds Allocated Under the EAH Program Can be Used For:

- Down payment assistance
- Reduced interest mortgages
- Individual development accounts
- Rental subsidies that help employees find and finance homes near work
- Tax credit allocation also provides \$2 million for technical assistance to support affordable housing initiatives such as homebuyer counseling.

5.3 Regional Employer-Assisted Collaborative for Housing (REACH)

REACH is a workforce housing benefit program started in 2000 that is provided by the State of Illinois in partnership with the Metropolitan Planning Council (MPC), Housing Action Illinois and local housing counseling agencies. Funding is specifically targeted to employers who partner with the above agencies. The program provides a dollar-for-dollar match from Illinois Housing Development Authority to companies that invest in an EAH program. The State of Illinois will match down payment assistance and reimburse some homeownership counseling expenses for eligible employees participating in the REACH program.

Provisions of the Program Include:

- **Down Payment Match Amount:** The match amount is determined by household income and size with up to \$5,000 for households earning less than 50% of the region's AMI or up to \$3,000 for households earning between 50 and 80%. The Illinois Housing Development Authority will not match down payment assistance below \$1,000.

Homebuyer Eligibility Requirements:

- Works for an employer participating in MPC's EAH initiative
- Has a qualifying household income
- Is a first-time homebuyer
- Works with a REACH homeownership counseling agency
- Contributes to down payment and closing costs from personal savings

In 2005, the REACH program reported over 40 employers participating in the program. Between 2000 and 2005, over 400 new homebuyers have been supported by EAH, and an additional 200-300 have received homeownership counseling provided by REACH partners. In the first half of 2005, 130 employees signed up to participate, and 72 employees bought homes with assistance from their employers.

6. Housing Opportunity Revenue Streams

A valuable approach to increasing regional equity in affordable housing opportunities for African Americans is to target existing streams of affordable housing funds at state and local levels so that they help disperse affordable housing production and assisted housing throughout the Cleveland region. In short, state and local authorities can apply opportunity housing criteria—such as locating affordable homes and apartments close to transit, new employment centers, and schools—to public revenue streams that fund affordable housing production. By attaching requirements to important capital streams like the Community Development Block Grant Program, Low-Income Housing Tax Credits, housing trust funds, and local/state housing bonds, government can more strategically situate lower-income families near regional opportunity.

6.1 Supply- and Demand-Side Housing Programs

Affordable housing programs tend to fall into two primary categories as they relate to making housing affordable for low- and moderate-income households.

Supply-side programs seek to increase the production of affordable housing units through the use of funds from government-sponsored programs intended to expand the supply of affordable housing that is targeted to specified income levels. Two key federal affordable housing programs constitute the lion's share of supply-side affordable housing programs:

- **Low income Housing Tax Credits (LIHTC):** Established by the Tax Reform Act of 1986, these tax credits are transferred to the states in annual allotments which state agencies then allocate to private non-profit and for-profit developers who build or rehabilitate housing offered at low or moderate rent levels. The LIHTC has become the primary source of new rental housing production with an estimated 1.1 million units produced by 1999.²⁷
- **HOME Program:** Created by Congress in 1990 under Title II of the National Affordable Housing Act of 1990, the HOME program seeks to provide affordable housing as well as expand the capacity of nonprofit housing developers. A block grant program that allocates federal dollars by a formula to state and local governments, HOME funds can be used to finance the acquisition, construction and rehabilitation of rental housing with grants and loans designed by localities. HOME resulted in the estimated production of 253,000 units of rental housing by 2001.²⁸

Demand-side programs are intended to help low-income households pay for housing provided by the private market. The most prominent federal demand-side affordable housing program is the Housing Choice Voucher Program (formerly known as Section 8).

Federal funds allocated to both supply-side and demand-side programs can play an important role in expanding the regional supply of affordable housing, particularly near neighborhood opportunities like employment opportunities and good schools, and providing low-income households access to neighborhoods of their choice. The allocation of funds in ways that serve these goals, however, depends on the application of criteria that seek explicitly not to build new rental housing or provide rental assistance in already segregated neighborhoods. New housing construction supported with the use of Low-Income Housing Tax Credits, for example, has inadvertently contributed to deepening racial segregation by building new affordable housing in largely Black neighborhoods. In the Cleveland metro area, for example, 52% of the population of neighborhoods where affordable housing units were constructed using Low Income Housing Tax Credits (LIHTC) were African American, even though they constituted only a quarter of the metro population in 1990.²⁹

6.2 Applying Equity-Based Criteria

In order to target affordable housing dollars to places that expand opportunity, state agencies should apply regional equity criteria to the allocation of federal and state funds. However, these criteria should not draw limited financial resources away from existing communities in need, but rather, should leverage existing resources. Below are examples of both supply-side and demand-side housing programs where housing opportunity criteria may be applied.

Low-income Housing Tax Credits: Applying Regional Equity Criteria to the Supply-Side of Affordable Housing

State policies that guide the allocation of LIHTCs could be amended to help increase mixed-income communities on a region-wide basis. California, for example, applies criteria to the allocation of its LIHTC funds to advance smart growth and equity. Projects that receive funding are prioritized based on whether they are:

- Close to transit (e.g., part of a transit-oriented development, within one-quarter mile of a transit or rail station, sited within one-third mile of a bus stop that has regular service);
- Near public amenities such as a public park or a community center;
- Near a grocery store where staples such as fresh meat and fresh produce are sold;
- Or in proximity of public, elementary, or middle schools.¹⁴

The state of Massachusetts also applies equity criteria to the allocation of its tax credits. In June 2003, the Massachusetts Housing Finance Agency implemented ten guiding principles for administering its LIHTC program that includes prioritizing projects that:

- revitalize older communities
- Increase job opportunities and access
- Locate new development near transit; and
- Foster the provision of multifamily housing

Additionally, Wisconsin's state allocation of tax credits is targeted to where job growth is occurring. The Wisconsin Housing and Economic Development Authority (WHEDA) assumed the challenge of generating more affordable housing in areas of the state that have robust employment opportunities. With technical assistance from the Kirwan Institute, WHEDA examined their Qualified Allocation Plan (QAP), which guides the distribution of Low-Income Housing Tax Credits, and instituted a formula that uses Census data to determine areas of job growth as the basis for allocating credits. The revised allocation formula, implemented in the 2005 allocation plan, awards extra points to projects located in zip codes with at least one or two% job growth within the two-year time period, or 50 jobs, whichever is greater. While the bonus points awarded to projects in job-growth areas are modest, they are an important step toward reorienting housing resources to create greater access to job opportunities.

The State of Ohio can apply equity opportunity criteria in the allocation of its dollars through its Housing Trust Fund, expected to reach \$53 million for FY 2006 and 2007, its CDBG Allocation of \$48.9 million, and its HOME funds totaling \$28 million. In particular, components of the state's Housing Development Assistance Program and Community Improvement Program can be modified to incorporate regional equity criteria.

Expanding "Choice" with Housing Choice Vouchers: Improving Demand-Side Rental Subsidy Programs

One of the biggest challenges to housing voucher programs is the inability to use housing vouchers in neighborhoods with jobs and good schools. The State of Illinois enacted the Housing Opportunity Tax Incentive Act in January 2004, which seeks to make it easier for housing choice voucher families to move to neighborhoods of their choice. The Housing Choice Voucher rental assistance program allows low- and extremely low-income families to live in privately-owned rental housing. Local public housing authorities, under contract with the federal government, administer HCVP. Participants generally contribute 30% of their monthly income toward housing costs and the voucher program covers the difference, up to a locally defined standard. The program seeks to reduce the probability that families will live in the most economically and socially distressed neighborhoods by allowing them to choose private market rentals. But the reality is that housing choice vouchers are disproportionately used in distressed neighborhoods.

To increase the use of vouchers in opportunity areas, Illinois created an economic incentive to encourage landlord participation in the program. The law applies only to "housing opportunity areas"—communities with high job growth, a strong economic base, and a poverty rate of less than 10%. To avoid the concentration of poverty, a maximum of two units, or 20% of all units, can qualify for the incentive on any single property. A jurisdiction may be exempt if more than 2.5% of its housing stock is already occupied by voucher tenants. The incentive provides the landlord with an annual per-unit tax savings that is approximately the equivalent of one month's rent (\$500 to \$900).

7. Revisiting the Central Research Question:

What kind of regional policies and cooperative efforts would best benefit Cleveland's African American community, increase opportunity and fairness for all residents, and effectively grow the region as a whole?

As many interviewees noted, the African American community is not a unitary one, and some African American families have recently moved to the suburbs to enjoy a high quality of living. As one interviewee reflected,

“As people attain middle-class status and can leave an undesirable situation, they will. But how does the development pattern...impact the region? We have not built a connected, successful mass transit system that allows this to be one community. Right now it's mainly bus-driven transit, which does not appeal. So the movement of African Americans to the suburbs is not the problem; people want to live where they feel comfortable, but the community needs an infrastructure that supports connection.”

However, growth and choice can be maintained while combating the most harmful aspects of sprawl. These harmful aspects include: perpetuation of high levels of racial and economic segregation, abandonment and disinvestment of the urban core (and increasingly, inner ring-suburbs), a spatial mismatch between entry-level job seekers and entry-level jobs, and the concentration of affordable housing in low opportunity areas. The most important policy objectives for regional land use and housing policy reform to combat these negative effects include infrastructure related growth management planning and increasing options for affordable housing across the metropolitan region.

Infrastructure related growth controls promote city and inner-ring suburban investment and maintenance, and reduce incentives for greenfield development. Instituting a directed growth policy would prompt stakeholders to thoroughly revisit the coordination of transportation planning, land use planning, and housing production, so as to promote growth and investment in all communities, not just suburban ones.

Concerted efforts to improve African American neighborhood development will support not only African American families, but decrease public sector costs and result in more efficient, economical, and healthy land use patterns, benefiting the entire region. Once set in motion, sprawl tends to stay in motion. As one interviewee commented,

“People will say it's cheaper to the business to build on greenfields, but ultimately there is a public sector cost – maybe unintended, but that isn't factored into decisions – to get infrastructure out there, transportation, networks, moving people...We need regional cooperation on city development because what has happened to the central city is happening to the inner-ring suburbs. Even companies who went to the northern part of Solon – companies leave and move even farther out.”

And despite the region's history of segregative sprawl, inefficiencies, and disinvestment, recent efforts to rethink regional land use patterns give rise to hopes for more responsible development. As one interviewee reflected,

“A recent pattern of development shows some hope. There's an increasing level of interest on the part of some businesses to be closer to the core cities because they are recognizing the inefficiencies and difficulties of sprawl in general. In

Cleveland, there is open, undervalued real estate. There are some enticements, opportunities that would cause people to start thinking about staying closer to the city.”

There are several strategies to achieve the second objective of increasing affordable housing options in high-opportunity neighborhoods. The most immediately promising strategy for the Cleveland region is to explicitly ensure, through revised guidelines for LIHTC construction, that affordable housing production tax relief and other developer incentives are not indirectly concentrating poverty by overproducing affordable housing in already segregated and isolated communities. Neighborhood CDCs should be involved in initial discussions regarding LIHTC policy reform, given their extensive experience with the program.

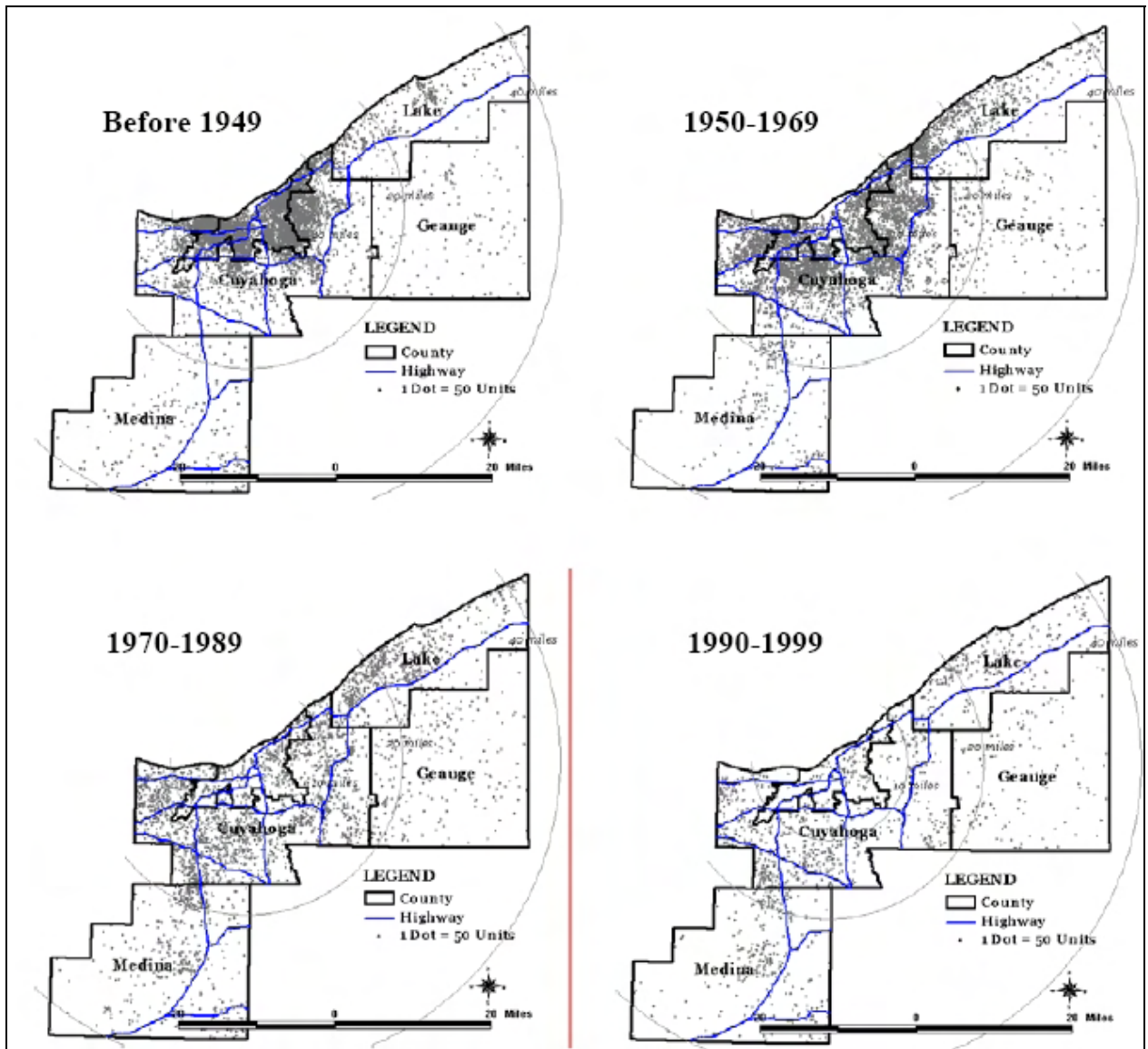
Other viable strategies used in various metropolitan regions across the country include inclusionary zoning ordinances, fair share housing requirements, and strategies tied to job market growth, such as employer assisted housing. Since Cleveland’s job market is not growing enough to force the issue of worker affordable housing, as has been the case in regions like Chicago, we do not recommend sole reliance on employer assisted housing programs to produce significant change.

Additionally, given the current political realities of the Cleveland region and Ohio’s home rule status, long term energy and investment must be directed to changing policy at the state level to give large scale inclusionary zoning and fair share programs support and viability. Greater Ohio, the First Suburbs Consortium, and other advocacy groups are already working tirelessly for state led land use policy change, and their continuing efforts should be supported and built upon. However, in the interim, a regionally based fair share housing program is a real possibility. Dayton ran a fair share program successfully for a number of years, demonstrating that regions do not have to wait for state led change. And as we gleaned from several interview respondents, housing is a “ripe” area for regional cooperation in the Cleveland region. For example, one interviewee remarked

QU: What would be a particular issue to take on regionally?

A: “The housing right now would be easy to regionalize. The housing authority is a County housing authority. With a little more regional cooperation, we could probably push into some of those communities that are not as welcoming. The elephant in the room with regard to housing policy change is often NIMBYism. However, research has shown that when affordable housing is deliberately and thoughtfully integrated into a neighborhood of high opportunity, there are no negative effects on property values. When affordable housing is sited in healthy and vibrant neighborhoods; when the structure of the affordable housing does not change the quality or character of the neighborhood, when the management of affordable housing is responsive to problems and concerns, and when affordable housing is dispersed, research finds no loss and even some gains in neighboring property values.”³⁰

Chapter 9: Maps



Map 12: The Distribution of Housing Construction within Metropolitan Cleveland, 1949-1999³¹

Chapter 9: References and End Notes

¹ Millennial Housing Commission. “Meeting Our Nation’s Housing Challenges” (2002). Page. 11 The Millennial Housing Commission was a bi-partisan federal commission assessing national housing policy and needs. The commission released their final report in 2002. To access the Millennial Housing Commission report visit: <http://www.mhc.gov/>

² See “Profile of Greater Cleveland and Northeast Ohio”, prepared by the Ruth Ratner Miller Center for Greater Cleveland’s Future, Maxine Goodman Levin College of Urban Affairs, Cleveland State University, June 2004; 2000 Census, SF3

³ Ibid.

⁴ See Radhika K. Fox and Sarah Treuhaft, “Shared Prosperity, Stronger Regions: An Agenda for Rebuilding America’s Older Core Cities: Appendix B”, 2005, PolicyLink

⁵ 1990 Census, SF3; 2000 Census, SF3

⁶ See Todd Swanstrom et. al, “Pulling Apart: Economic Segregation among Suburbs and Central Cities in Major Metropolitan Areas”; 2004, Metropolitan Policy Program, The Brookings Institution

⁷ See “Profile of Greater Cleveland and Northeast Ohio”, prepared by the Ruth Ratner Miller Center for Greater Cleveland’s Future, Maxine Goodman Levin College of Urban Affairs, Cleveland State University, June 2004; 2000 Census, SF3

⁸ See Edward Hill and John Brennan, “Where is the Renaissance?” Paper prepared for the Conference on Interdependence of Cities and Suburbs (September, 1998) as cited in Bruce Katz and Margery Turner, “Rethinking Affordable Housing Strategies: An Action Agenda for Local and Regional Leaders”; December 2003; The Brookings Institution and the Urban Institute

⁹ See Edward Glaeser and Mathew Kahn, “Job Sprawl: Employment Location in U.S. Metropolitan Areas”, May 2001, Brookings Institution

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¹¹ See Neil Bania et. al, Welfare Reform and Access to Job Opportunities in the Cleveland Metropolitan Area, January, 2000, Center for Urban Poverty and Social Change, Mandel School of Applied Social Sciences, Case Western Reserve University]

¹² Ibid., 2000 Census, SF3

¹³ Ibid.

¹⁴ See Deborah Devine et. al, Housing Choice Voucher Location Patterns: Implications for Participant and Neighborhood Welfare, U.S. Department of Housing and Urban Development, Office of Policy Development and Research, January 2003

¹⁵ 2004 American Community Survey

¹⁶ See Lance Freeman, “Siting Affordable Housing: Location and Neighborhood Trends of Low Income Housing Tax Credit Developments in the 1990s”; March, 2004, Brookings Institution, Center for Urban and Metropolitan Policy

¹⁷ Freeman, Lance. “Siting Affordable Housing: Location and Neighborhood Trends of Low Income Housing Tax Credit Developments in the 1990’s”. Brookings Institute (2004)

¹⁸ Note: This figure does not include LIHTC Units. LIHTC units were on average found in neighborhoods with a 19% poverty rate in 2000.

¹⁹ Freeman, Lance. “Siting Affordable Housing: Location and Neighborhood Trends of Low Income Housing Tax Credit Developments in the 1990’s”. Brookings Institute (2004)

²⁰ Stoll, M. “Job Sprawl and the Spatial Mismatch Between Blacks and Jobs”. Brookings Institute (2005).

²¹ See Rolf Pendall, “Local Land Use Regulation and the Chain of Exclusion”, Journal of the American Planning Association, 66 no. 2, p. 125-42; Spring 2000

²² See Sally Hanley, "Summary of NOACA Region's Five County Zoning Data Analysis," Northeast Ohio Areawide Coordinating Agency, September 2002

²³ 2004 American Community Survey

²⁴ Ibid.

²⁵ Eric Larsen, Moderately Priced Dwelling Unit program coordinator, Montgomery County, MD. Interviewed by PolicyLink, June 2003

²⁶ See Peter Salisch, "The Impact of Land Use Laws on Affordable Housing", St. Louis University, School of Law; December 2003.

²⁷ See, Millennial Housing Commission, 2002

²⁸ Herbert et al., 2001

²⁹ See Lance Freeman, "Siting Affordable Housing: Location and Neighborhood Trends of Low Income Housing Tax Credit Developments in the 1990s"; March, 2004, Brookings Institution, Center for Urban and Metropolitan Policy

³⁰ *See* Galster, George. "Making a Nationwide Gautreaux Program More Neighborhood Friendly." PRRAC Newsletter 2005; *See also* Galster, George, Peter Tatian, and Robin Smith. "The Impact of Neighbors Who Use Section 8 Certificates on Property Values." Housing Policy Debate 10.4 (1999): 879-917; *See also* Nguyen, Mai Thi. "Does Affordable Housing Detrimentally Affect Property Values? A Review of the Literature." Journal of Planning Literature 20.1 (2005): 15-26.

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REGIONALISM

GROWING TOGETHER TO EXPAND
OPPORTUNITY TO ALL

TRANSPORTATION, ENVIRONMENTAL JUSTICE AND PUBLIC HEALTH

10

Chapter 10: Transportation, Environmental Justice and Health

1. Regional Transportation

African Americans and other ethnic minorities are heavy users of public transportation to get to work.¹ Only 3 % of Whites rely on public transportation to get to work compared to 12 % of African Americans, 9 % of Latinos, and 10 % of Asian Americans.² In urban areas, African Americans and Latinos together comprise 54 % of public transportation users (62 % of all bus riders, 35 % of all subway riders, and 29 % of all commuter rail riders).³

Data from the 2001 National Household Travel Survey show that in urban areas, households earning less than \$20,000 comprised 47 % of bus riders, 20 % of subway riders, and 6 % of commuter rail riders.⁴ Households earning \$100,000 or more comprised 42 % of commuter rail riders, 27 % of subway riders, and only 7 % of bus riders.⁵ Clearly, more individuals with low incomes rely on bus service and more high-income individuals rely on rail service.⁶

Public transit in Cleveland dates back to 1818, when the first stagecoach line was established between Cleveland and Painesville, and to the first horsecar carriage service in 1834. Cleveland's rapid transit system (now the Green and Blue Lines), began in 1913 and was completed in 1920. Cleveland's bus era began in 1925. The popularity of the private automobile forced the transit company to convert from streetcar to buses.

In 1968, Cleveland was the first city in the Western Hemisphere to offer rapid transit service to its major airport. Cleveland's Hopkins International Airport is in the midst of a \$1.4 billion expansion and construction project.⁷ In 1970, the Ohio General Assembly passed a bill authorizing communities to set up transit authorities on a regional basis, and authorizing the establishment of a countywide transit system. The Cuyahoga County Commissioners and Cleveland City Council on December 30, 1974, established the Greater Cleveland Regional Transit Authority (RTA).⁸ The GCRTA has a 10-member Board of Trustees that serves overlapping three-year terms. Appointments are as follows:

City of Cleveland — Four members are appointed by the Mayor of Cleveland, and approved by City Council. All appointees must reside in Cleveland.

Suburbs — Three members are elected by the Mayors and City Managers of municipal corporations, other than Cleveland, within Cuyahoga County.

County — Three members are appointed by the Cuyahoga County Commissioners, and at least one of these three appointees must be a resident of the City of Cleveland.

On July 22, 1975, voters approved a one-% countywide sales tax increase. The Cleveland and Shaker services were merged on September 5, 1975, when RTA assumed control of all Cleveland Transit System (CTS) bus routes, and both the CTS and Shaker rapid transit lines. Full RTA services began a month later when buses from five lines—Maple Heights, North Olmsted, Breckville, Garfield Heights and Euclid—joined RTA through service contracts.

Cleveland is the 10th largest public transit system in North America with 55.5 million passenger trips annually.⁹ The service area includes 458 square miles, 59 municipalities, and 1.4 million people. The RTA has approximately 30,000 average daily rail riders at 50 stations. The system has an annual operating budget of \$224.5 million. The agency has 2,660 employees. The RTA operates 650 buses (101 routes), 60 heavy-rail cars (18 stations), 48 light-rail cars (34 stations),

and 77 paratransit vehicles. It also has 8,500 parking spaces.¹⁰ The RTA buses carry about 85 % of the passengers and experienced a modest 2.3 % increase in 2005.

The American Public Transportation Association (APTA) reports that people took more than 9.7 billion trips on U.S. public transportation systems in 2005, with public transportation growing at a faster rate than highway travel (1.3 % vs. 0.1%). Since 1995, public transportation use increased 25.1% -- faster than the rate of highway vehicle miles traveled (22.5%).

Light rail (modern streetcars, trolleys, and heritage trolleys) had the highest %age of increase among all modes, with a 6.0% increase in 2005. Some light rail systems showed double digit increases in ridership: Minneapolis (168.9%); Houston (38.0%); New Jersey (17.8%); Salt Lake City (13.3%); Sacramento (12.8%); and Los Angeles (10.5%). Light rail ridership in Cleveland increased only 1.1 %.¹¹

Ridership on commuter rail posted the second largest increase at 2.8%. Heavy rail ridership increased by 2.3%, despite work stoppages in Philadelphia and New York City. Heavy rail ridership on the Cleveland RTA increased 8.0%.

Demand response (paratransit) ridership increased by 2.5% nationally and a whopping 19.3% in Cleveland. Transit bus ridership increased 0.4% in 2005. However, there were major increases by some large bus agencies in the following cities: Minneapolis (14.5%); Dallas (7.5%); the Pace system in suburban Chicago (7.4%); San Antonio (5.8%); and 2.3% in Cleveland.

The ridership growth over the past 10 years demonstrates that Americans want transportation choices and will often leave their cars behind when quality public transit services are available. Clearly, public transportation benefits our entire nation by reducing congestion, improving air quality and conserving foreign oil.

Currently, GCRTA base rail fares are \$1.50, and bus fares, \$1.25. Public hearings are underway for a proposed fare hike (its first fare increase in 13 years) to offset rising diesel fuel costs.¹² If an increase is approved, fares could jump 25 to 50 cents. GCRTA diesel costs have gone from \$4 million in 2002 to \$14 million this year.¹³ Cleveland's one-way adult fares compare favorably with Grand Rapids (\$1.30), Pittsburgh (\$1.75), Indianapolis (\$1.25), Minneapolis (\$1.50), Columbus (\$1.25), Cincinnati (\$1.00), Toledo (\$0.85), Dayton (\$1.25), Chicago (\$1.75), St. Louis (\$1.50), Flint (\$1.00), Milwaukee (\$1.75), Buffalo (\$1.50), New York (\$2.00), Philadelphia (\$2.00), Gary (\$1.25), and Detroit (\$1.50).¹⁴

Transit ridership goes up and down, depending on gas prices, weather and the economy. In fact, use of public transit is the single quickest way most Americans can beat the high cost of gasoline—which on May 1, 2006 averaged \$2.90 per gallon nationally and \$2.82 in Cleveland.¹⁵ Overall, the GCRTA has enjoyed a 12 % growth in ridership over the last three years and expects ridership to increase 4 % this year.¹⁶ Laketransit, Lake County's public transit agency, has seen double-digit %age growth in the number of riders on its commuter service to downtown Cleveland. Laketransit offers a free parking lot and a \$5 round-trip express service from Mentor, Willoughby Hills and seven other locations around the county. Several GCRTA Park-N-Ride lots are near capacity—forcing the transit agency to expand lots in North Olmsted, Westlake and Strongsville to meet increased demand and to prepare for upcoming innerbelt construction.

2. Transportation Costs

Walking is the cheapest mode of transportation.¹⁷ In 2002, Cleveland was named a “Top 10” city for walking.¹⁸ The other cities making the list included Boston, Chicago, Denver, New York, Philadelphia, Portland, San Francisco, Seattle, and Washington, D.C. Two years later, not only was Cleveland dropped from the “top cities,” but was ranked as one of the “bottom” cities for recreational walking and bicycling. Other cities on this list included Atlanta, Cincinnati, New York, Chicago, Houston, Phoenix-Mesa, Miami, Las Vegas and Virginia Beach.¹⁹ The “Top 10” cities for recreational walking and bicycling in 2005 included San Francisco, Milwaukee, Oakland, San Diego, San Jose, Pittsburgh, Sacramento, Los Angeles/Tampa (tied) and Denver.

Transportation is the second largest annual expense for American families, adding up to more than three times the cost of health care, and exceeded only by housing as an expenditure. On average, American households devote 19.3 % of every dollar spent to transportation expenses. For lower-income families, the expense of transportation poses an even greater burden, inhibiting wealth creation, hindering home ownership, and dangerously straining already tight family budgets.²⁰

The average household spends more than \$7,600 annually on transportation just to get around. This is not a small point given the income gap between Black and White households. Specifically, the median income of Black households was about \$29,000—only 58 % of the median for non-Hispanic White households. The gap was somewhat narrower among households headed by an individual with a college degree; median income for African American households in this group was close to \$54,000—75 % of the median for non-Hispanic Whites.²¹

Together, housing and transportation costs account for 52 % of annual consumer expenditures nationwide, with lower-income households spending an average of 53 % and higher-income households spending an average of 49 %. The differences in metro-area expenditures reflect local variations in costs for housing and transportation, as well as area incomes.²²

High transportation costs can have a significant effect on families’ long term financial outlook. Spending on vehicles erodes wealth, while spending in the other major household category—housing—can build it. For example, over ten years, for every \$10,000 invested in a home, the homeowner can get a return of over \$4,730 in equity. For every \$10,000 invested in an automobile, a car owner receives equity of less than \$1,000—just \$910. Automobile loans are the largest category of household debt outside of home mortgages, and such debt obligations can stand in the way of qualifying for a mortgage.²³

The top ten markets in which housing accounted for the highest share of household spending were: Los Angeles, San Diego, San Francisco, Atlanta, Washington, New York, Miami, Boston, Chicago and Denver, with the portion ranging from 36 % in Denver to nearly 38 % in Los Angeles. Markets in which housing accounted for the lowest share of household spending—between 29 and 32 %—were St. Louis, Pittsburgh, Minneapolis/St. Paul, Kansas City, Cincinnati, Houston, Dallas, Tampa, Anchorage, and surprisingly, Honolulu—a high market for home prices, but not for annual spending on housing.²⁴

The survey showed nine metro areas in which transportation spending accounted for at least 19 % of household spending. Tampa, with a share of 25 %, led the list for cities with high transportation costs, followed by Phoenix, Dallas, San Diego, Cleveland, Houston, Seattle, Pittsburgh, Cincinnati and St. Louis. Cities rating on the lower end for transportation costs—17 % or less of household spending—were New York, Boston, Washington, San Francisco,

Philadelphia, Baltimore, Milwaukee, Portland (Ore.), Honolulu and, surprisingly, Atlanta – a city known for its auto dependency. Except for Atlanta, these cities are generally more compact places where there are many choices of transportation, and for those choosing to drive, most trips are short.²⁵

The most expensive markets, in terms of combined spending on housing and transportation, were San Diego, with a share of 58 %; Tampa, 56 %; Los Angeles, 55.7 %; Miami, 55.1 %; Denver, 54.9 %; Atlanta, 54.7 %; Phoenix, 54.3 %; San Francisco, 54.1 %; and Cleveland, 54.0 % (Table 10).

Robert Dunphy, ULI Senior Resident Transportation Fellow, outlined some comprehensive strategies to implement or lower combined location costs:

- More affordable housing in accessible locations—using financial incentives, tax advantages, special mortgage products and other programs to create more affordable housing opportunities in close-in locations
- Pay at the pump insurance—Including the cost of car insurance in the price of gasoline, making drivers more cognizant of their total driving costs and possibly encouraging them to economize by driving less
- Gap transportation—Reducing the need for two cars by increasing the availability of car-sharing services for occasional driving needs. Once purchased, people tend to find uses for their vehicles
- Increasing the cost of “drive to qualify”—having road extensions into new suburbs paid by users²⁶

How transportation dollars are spent is a big problem. At least thirty states, including Ohio, restrict use of the gas tax to roads only—thereby limiting transportation options in metropolitan areas where transit needs are greatest. Between 1998 and 2003, The Cleveland region received only \$0.83 on the dollar paid in gas tax payments—amounting to a \$327.3 million gas tax loss.²⁷ In general, Ohio’s highway dollars are spent disproportionately in rural counties, which receive more funding relative to their transportation needs than urban and suburban counties.

Ohio’s formula for distributing its gas tax revenue allows counties and townships to receive these revenues in equal shares without regard to population size, number of vehicles, the amount of miles traveled, or which jurisdiction has responsibility for the roadway network.²⁸ For example, Harrison County, which has 15,000 people, receives the same level of funding from the county share of the gas tax fund as Cuyahoga County, home to 1.4 million urban residents.

3. Urban Mobility

Congestion continues to grow in most American urban areas. Despite slow growth in jobs and travel in 2003, traffic congestion caused 3.7 billion hours of travel delay and 2.3 billion gallons of wasted fuel, an increase of 79 million hours and 69 million gallons from 2002, for a total cost of more than \$63 billion. The solutions to this problem will require commitment by the public and by national, state and local officials to increase investments programs and policies that can achieve mobility goals. According to *The 2005 Urban Mobility Report*, “urban areas are not adding enough capacity, improving operations or managing demand well enough to keep congestion from growing larger.”²⁹

Clevelanders, unlike much of the nation, have a relatively stress-free and fast commute. Having a regional transit alternative no doubt has helped out. According to *The 2005 Urban Mobility Report* from the Texas Transportation Institute at Texas A&M University, the average Cleveland commuter spends only 10 % longer commuting in peak traffic than the same trip would take during off-peak times. The Cleveland commuter was ranked as one of the best in the country. Other cities with the least amount of congestion included: Oklahoma City, Buffalo, Pittsburgh, Kansas City, New Orleans, Milwaukee, Virginia Beach, Columbus, (OH), Cincinnati, Las Vegas, Providence, San Antonio, St. Louis, Indianapolis, and Philadelphia.

On the other hand, the list of cities with the most congestion (very large and large cities) in terms of time spent in traffic include, Los Angeles, San Francisco, Washington, D.C., Atlanta, Houston, Dallas-Fort Worth, Chicago, Detroit, Riverside-San Bernardino, Orlando, San Jose, San Diego, Denver, Baltimore, and New York.

Commuters not only fill the roads with traffic, but they also swell the daytime population in many of the nation's urban centers. In 2005, the U.S. Census Bureau released its first ever report highlighting the differences between the residential populations of various cities and the numbers of people present during the work day, or "daytime population."³⁰ The daytime population refers to the number of people, including workers, who are present in an area during normal business hours, in contrast to the resident population present during the evening and nighttime hours.

No city showed a larger daytime population shift than the nation's capital. The steady stream of government and other office workers that flows into Washington, D.C. swells the District's population by 71.8 %. Other big cities (500,000 to 1 million) with large daytime population gains include: Boston, 41.1 %, Memphis, 15.8 %, Indianapolis, 15.6, and Baltimore, 14.2 %. Detroit saw its daytime population dip below its resident population by 0.1 %.

For medium size cities (250,000 to 500,000), Atlanta topped the list, with the daytime population rising 62.4 %. Other cities with large daytime gains include: Tampa, 47.5 %; Pittsburgh, 41.3 %; St. Louis, 35.1 %; Cincinnati, 31.0 %; Minneapolis, 25.0 %; Cleveland, 24.0 %, and Buffalo, 16.3 %.

With gas prices on the rise and \$3 and \$4 dollars a gallon gas on the horizon, it makes sense for the Cleveland metropolitan region to prepare for an impending "oil crisis." One way to prepare is through designing a denser, walkable city center with cultural attractions, jobs, farmers markets, and residential neighborhoods easily accessible by foot, bike, or public transit. SustainLane ranked the 50 largest U.S. cities by "readiness for an oil crisis" from the most prepared to the most vulnerable.³¹

Cities and metropolitan regions that can reduce or stabilize their spending on gasoline will keep substantially more money in their state's economy, rather than siphoning it overseas. The top ten most prepared U.S. cities included New York, Boston, San Francisco, Chicago, Philadelphia, Portland, Honolulu, Seattle, Baltimore, and Oakland. Cleveland ranked 17th. The bottom ten most vulnerable cities in the SustainLane ranking included Oklahoma City, Louisville, Fort Worth, Indianapolis, Virginia Beach, Columbus (OH), Memphis, Arlington (TX), Nashville, and Tulsa.

4. Car Ownership Rate

Transportation remains a major barrier to employment for millions of African Americans. Many African Americans do not own a car or are concentrated in cities where transportation is

inadequate. The private automobile is still the most dominant travel mode of every segment of the American population, including the poor and people of color. Clearly, private automobiles provide enormous employment access advantages to their owners. Car ownership is almost universal in the United States with 91.7 % of American households owning at least one motor vehicle.

According to the 2001 National Household Travel Survey (NHTS), which was released in 2003, 87.6 % of Whites, 83.1 % of Asians and Hispanics, and 78.9 % of Blacks rely on the private car to get around.³² Lack of car ownership and inadequate public transit service in many central cities and metropolitan regions with a high proportion of “captive” transit dependents exacerbate social, economic, and racial isolation—especially for low-income people of color, residents who already have limited transportation options. Nationally, only 7 % of White households own no car, compared with 24 % of African American households, 17 % of Latino households, and 13 % of Asian-American households.³³

African Americans have the lowest car ownership of all racial and ethnic groups in the United States, with 19 % living in homes in which no one owns a car. This compares to 4.6 % of Whites in homes with no car, 13.7 % of Latinos, and 9.6 % of the remaining groups combined. While 8 % of Americans overall live in a home without access to a car, nine of the ten cities with the highest %age of residents with no car are on the East Coast.

The top 10 include the metropolitan areas which included New York City (with 42 % of residents with no car), Jersey City (30 %), Waterbury, Conn. (16 %), New Orleans (14 %), Philadelphia (13 %), Newark (12 %), San Francisco (12 %), Chicago (11 %) and Los Angeles (11 %).³⁴ In Cleveland, 17 % of Whites are car-less compared with nearly 32 % of Blacks (Table 11). Only 4 % (92,550) of residents in the five-county Cleveland region are car-less.³⁵

The White/Black car-less gap exists in a number of other majority Black cities: Washington, D.C. (27.0%/42.1%), Atlanta (9.2%/34.6%), Memphis (6.7%/20.3%), Baltimore (22.7%/44.4%), Detroit (19.0%/22.7%), St. Louis (15.7%/36.2%), and New Orleans (15.3%/34.8%).

5. Job Sprawl and Spatial Mismatch of African Americans

The 1990s saw an increasing number of jobs flee to the suburbs. This phenomenon is referred to as “job sprawl.” Higher percentages of a metropolitan area’s employment located outside a 5-mile ring around the CBD imply higher job sprawl, while lower percentages of employment outside the 5-mile ring indicate lower job sprawl. Nationally, the job sprawl rate stood at 64.7 for all metropolitan areas in 2000, indicating that on average, 64.7 % of jobs in metropolitan areas are located at least 5 miles outside of CBDs.³⁶ Cleveland’s job sprawl rate was 75.4, compared with 92.4 in Detroit, 84.6 in Atlanta and St. Louis, 80.9 in Philadelphia, and 77.6 in Cincinnati (Table 12).

Business flight from cities to suburbs is not race-neutral.³⁷ Many businesses just simply avoid Black neighborhoods—urban and suburban. African Americans tend to live away from where the jobs are found. This separation of African Americans, in segregated neighborhoods away from job growth, negatively impacts their workforce participation. The “spatial mismatch” hypothesis was first proposed by John Kain in the late sixties.³⁸ Mounting evidence shows that spatial mismatches produce negative labor market outcomes for Blacks and other people of color.

Where business firms locate is not accidental.³⁹ Roadblocks to spatial mobility are roadblocks to social mobility. According to UCLA economist Michael Stoll, in 2000, no other group was more physically isolated from jobs and employment centers than African Americans. The exodus of entry-level jobs to the suburbs hits African Americans especially hard.⁴⁰ Generally, the Black population is located away from central city neighborhoods with job opportunities and suburban jobs and economic activity centers.

The spatial mismatch index can be interpreted as the percentage of either population or jobs that would have to relocate to different areas to completely eliminate any geographic imbalance. In 2000, the spatial mismatch for Blacks was 53.5 for all metropolitan areas, indicating that a little over half of all Blacks would have had to relocate within metropolitan areas to be geographically distributed in the same way as jobs. The gap in spatial mismatch for Blacks between high and low job-sprawl area is wider in the Midwest, in metropolitan areas with a larger Black share of the population, and in small-to medium-sized metropolitan areas. For example, the top ten cities where the Black spatial mismatch was greatest included: Detroit (71.4%), Chicago (69.5%), Newark (65.2%), Philadelphia (64.2%), St. Louis (62.6%), **Cleveland (62.0%)**, Los Angeles (61.6%), Cincinnati (58.8%), San Diego (58.6%), and Indianapolis (58.3%).⁴¹

Job sprawl exacerbates certain dimensions of racial inequality in America. By better linking job growth with existing residential patterns, policies to promote balanced development in regions like Cleveland could help narrow the spatial mismatch between Blacks and jobs, and improve their employment outcomes over time. To promote economic development, the Cleveland RTA within the next decade needs to provide a cost-effective and reliable 'reverse commute' for suburban job concentrations as well as for employees in the urban core.

Suburbs now contain the majority of office space in many of the country's top metropolitan office markets.⁴² As jobs have migrated out of the central city into suburban and edge-city locations, it has become increasingly more difficult for African Americans to get to work. This is a big problem in cities nationwide such as Cleveland, where 90 % of new entry-level jobs are located outside of the city.

6. Transit Oriented Development (TOD)

Transit Oriented Development (TOD) brings together transit and individuals' desired destinations in a supportive fashion.⁴³ Communities all across the country are realizing the benefits of TODs:

- Increased transportation choices and access, especially for those without cars
- Reduction of traffic congestion, air pollution, and energy consumption
- Reduced need for costly road widenings
- Revitalization of compact urban communities and reduction of sprawl development
- Increased ability to manage growth by planning land use in relation to transit

Cleveland's Committee for Transit-Oriented Design (cTOD) is a leading advocate for building livable communities and expanding transportation choices by educating and engaging citizens and other decision makers. The coalition works toward building a balanced transportation system in Northeast Ohio.⁴⁴

A single-track approach to land-use and transportation planning is partly responsible for the Cleveland region's increasing disconnectedness among its many communities, its ongoing environmental degradation, and arguably, its inability to fully shake its long-running economic malaise.⁴⁵

With Cleveland's downtown office occupancy at 77 %, there has been no compelling reason for developers to put new office products on the market. However, with downtown Class B vacancy near 20 % and Class C space at 21 %, some planners are re-thinking how existing space can be used to support the economic development initiatives of the City of Cleveland as it tries to package downtown and its adjacent areas as a more pedestrian friendly, live/work urban village.

It is the city's desire to create a downtown technology culture that will not only help local small, medium and large companies flourish in metropolitan Cleveland, but also will attract outside interests to the Cleveland area. The use of TODs is one strategy the city is using to address this problem. Some examples of TODs include:

The Terminal Tower Complex. Cleveland's signature building, The Terminal Tower, was built around transit, and many of the older urban neighborhoods, especially in Cleveland and its inner-ring suburbs, were developed around streetcar nodes.⁴⁶ The Terminal Tower Complex groups large amounts of retail, office and other uses around the GCRTA's main downtown rail station.

Cleveland EcoVillage. Cleveland EcoVillage is a mixed-use urban infill development.⁴⁷ EcoCity Cleveland and the west-side Detroit Shoreway Community Development Organization (DSCDO) banded together in the late 1990s with the shared idea of building environmentally-conscious infill development in the Detroit Shoreway neighborhood. Together, the two organizations rallied the community in support of a green village. The process resulted in a brand new rapid transit station, transit-oriented infill development, and a neighborhood which serves as a national model for both environmentally-sustainable development and economic development.⁴⁸

The first major Ecovillage development opened in 2004. The organizations built 20 townhomes on a site where 10 dilapidated homes once stood, across from the new GC station. The townhomes utilize energy-efficient and environmentally-efficient design. DSCDO sought to build the housing as affordably as possible, but no affordability requirements were placed on the project. When complete, the townhomes were affordable to people earning about 80 % of the area median income (AMI). Developers built extra space in the basement which homeowners may rent out as apartments to increase the affordability of the home. DSCDO analyzed the homeowners' utility bills over the past year, and found that the average gas bill for an EcoVillage Townhome was about 50 % less than the cost of heating a standard home in Cleveland.⁴⁹

The EcoVillage concept integrates New Urbanist ideas about mixed-income, dense infill development with environmental ideas about sustainable building materials and energy-efficiency.⁵⁰ EcoCity Cleveland chose the Detroit Shoreway neighborhood because of the existence of a rapid rail station, the strength of the DSCDO, and the diversity of the neighborhood's residents. Detroit Shoreway is a racially-mixed, mixed-income neighborhood on the west side of Cleveland. The average household income is around \$22,000. About a quarter of the residents are African American, and another fourth are Hispanic. An antique row and historic churches also add to the character of the neighborhood.⁵¹ Planning is underway for

major reconstruction of Matthew Zone Recreation Center. RTA is seeking redevelopment of West 65th Lorain Avenue station frontage.

Detroit Shoreway Rail Station. The Detroit Shoreway neighborhood is serviced by both rail and bus transport. Three major bus routes take people throughout Cleveland. The EcoVillage rail station is on Cleveland's red line which goes to two major employment centers; downtown in ten minutes or to the airport in 20 minutes. In 2005, GCRTA reported an 8 % increase in ridership along the red line.⁵² The rail system allows residents to commute throughout the city, accessing jobs at major employers like Case Western Reserve University. EcoVillage development also enhanced transit and job access by making the area more walkable. A pedestrian footbridge stretches over the rail tracks and connects the rail station with the new EcoVillage townhomes. The station has bicycle storage, and pedestrian pathways link it to a nearby bus stop.⁵³

Bolstered by the knowledge that the EcoVillage development would help stabilize the area, the GCRTA decided to overhaul the station and invest \$4 million in a new, energy-efficient, community-designed rail station. The design decisions that made the West 65th Station green, (including saved energy, limited pollution to the environment, saved construction costs and saved taxpayer dollars in life cycle costing), made so much sense that they were then made on a project management level.⁵⁴

In 2004, the new 1,200 square foot station opened. It is the first "green" transit station in the U.S., and possibly the world. It features radiant heat, passive solar energy, recycled materials, and environmentally conscious light fixtures. Although it is not a LEED certified building, it serves as a model for green transit stations. The building came in about half a million dollars below cost estimates. Green does not necessarily mean it costs "more green." The station features a meeting room, retail space, a plaza, a GCRTA police mini-station, and public art.

The GCRTA is currently preparing to lease out the retail space to a small business like a coffee shop. The number of people using the station has increased exponentially. Part of the station's appeal is that it is more than just a train station. It was designed to be a meeting place where neighbors can break bread together, read the papers, play cards, or discuss local and national news.⁵⁵

Cleveland's Shaker Square. Shaker Square was built in the 1920s around a still-viable rail connection to downtown Cleveland.⁵⁶ It is a classic transit-oriented development, featuring a mix of shops, offices, and housing in a walkable environment with a light rail line running through the square.⁵⁷

Shaker Square was one of the first examples of transit-oriented development in the nation. It has always been a special place where various retail opportunities blended with effective multi-modal transit to enhance the quality of life for Clevelanders. More than 2,500 persons board daily at the light-rail Shaker Square Station. The Square is also served by GCRTA bus routes #48, #21 and the #821 Community Circulator. These routes connect riders to Little Italy, the University Circle Red Line station, Case Western Reserve University and the Coventry neighborhood. Upcoming projects include an ADA upgrade of the Shaker Square Station, which serves both the Blue and Green lines, and a beautification project for the rail median strip.⁵⁸

The Shaker Square Station is on the National Register of Historic Places. GCRTA is spending \$750,000 to make the light-rail station ADA accessible. Federal funds are paying for 80 % of the work, which includes the installation of a powered wheelchair lift, wide wheelchair ramp,

sidewalk ramps, signage and tactile tiles. The work is part of an ongoing effort by GCRTA to make more of its key passenger facilities ADA accessible. All RTA trains and buses are ADA-compliant.⁵⁹

The Northeast Ohio Areawide Coordinating Agency (NOACA) provided GCRTA with a \$360,000 grant from transit enhancement funds to upgrade and enhance landscaping on the light-rail median strip between the Shaker Square station and the Coventry station. Although Shaker Square is in the City of Cleveland, part of the median work extends into Shaker Heights.⁶⁰

Euclid Corridor Transportation Project. The \$168 million Euclid Corridor Transportation Project serves multiple objectives.⁶¹ The first objective of the TOD is to revitalize Euclid Avenue from Public Square to University Circle. To accomplish this, the city will connect its major local growth industries -- bio-medical/bio-tech, research and academics—to the downtown area. This corridor will also link the new business and technology hub to The Cleveland Clinic, University Circle and downtown Cleveland using modern, European-styled hybrid buses along the Silver Line of the Bus Rapid Transit (BRT).

The second objective of the Euclid Corridor Transportation TOD is to create "urban rooms" along either side of the corridor that will feed off of the increased pedestrian traffic created at strategic intersections along what is estimated to be the Regional Transit Authority's (RTA's) most heavily used route. The TOD also will establish a residential mixed-use district surrounding the MidTown Technology Center that will capitalize on the area's best qualities and create a true neighborhood center along Euclid Avenue.

Brookpark. A \$16 million redevelopment plan was approved by the RTA board in March 2005 with Brookpark RTA Ventures Ltd. of Beachwood. It includes a new station, a 1,000-car parking garage, hotels, restaurants and retail on 15.5 acres of land.

Puritas-West 150th. In May 2005, NOACA awarded a \$70,000 TICI planning grant to project co-sponsors RTA and the Bellaire-Puritas Development Corp., for the development of a station-area redevelopment and pedestrian-access plan.

West 117th-Madison. Lakewood and a developer are considering development options for the recently vacated DeLorean Cadillac Dealership and adjacent properties. If no development option is pursued in the short-term, Spitzer may open its own car dealership on the site. RTA awarded a contract to rebuild the station facility in August 2005.

West Boulevard. Renovation of the 1888-built, five-story Chicle Gum Factory into apartments was completed in 2005. A development plan was approved by the city in April 2005 for the construction of up to 40 new Chicle Townhouses.

West 25th-Ohio City. CMHA director George Phillips and Ward 14 Councilman Nelson Cintron favor relocating CMHA's proposed high-rise residential building, containing 120-160 units, "on top" of the RTA station. The tower, part of CMHA's Hope VI development, was originally planned for a site next to an unstable hillside at West 25th and Franklin.

Tower City Center. The new Federal Courthouse Tower was built in 2004, with a pedestrian walkway to Tower City Center and RTA station.

East 55th. This station is slated for reconstruction, with a design that would support some station-area redevelopment.

East 105th-Quincy. RTA broke ground in January 2005 for a new \$1.3 million station facility, replacing the old station. The station is next to the site for a proposed \$120 million juvenile detention center, but the center's location could change.

Euclid-East 120th. RTA has funding in hand for station replacement or possible relocation. The RTA request for TLCI planning funds from NOACA was denied. Following the environmental remediation of a former oil storage depot on East 120th and Coltman Avenue, Hemisphere Development Corp. is planning for the construction of 28 townhouses or condominiums, called the Little Italy Renaissance Development, on 1.2 acres of land.

Windermere. Head Start pre-school opened at the rebuilt station in 2002, after RTA secured the funding for building demolitions, site work and construction. Additional development, called Windermere Village, was recently announced, with plans incorporating a mix of uses including more than 50 new homes and apartments, 40,000 square feet of office space and medical services, a bank, restaurant, expanded library and a restored church.

7. Metropolitan Planning Organizations and Minority Representation

Most transportation funds are distributed through each state department of transportation (DOT) and the local metropolitan planning organizations (MPO) for each city. MPOs have existed since the 1960s. They are the official planning body for regions with population over 50,000. The state DOTs have responsibility for all other areas not contained within the jurisdiction of the MPOs, also referred to as a Transportation Management Area (TMA).

The most successful community groups work the MPO planning process and use the system to get what they want in terms of transportation investments, improvements, and services—from sidewalks to transit stations. TEA-21 allowed for significant public input throughout the planning process. Generally, MPOs are mandated to institute two types of plans before any type of transportation program can be funded; a Regional Transportation Plan (RTP) and a Transportation Improvement Program (TIP).

MPOs serve as the conduit through which billions of federal and state transportation dollars flow for regional transportation investments. Decisions made by MPOs have important ramifications for metropolitan growth patterns and social and economic opportunity. Notably, according to Virginia Tech urban planner Thomas W. Sanchez, MPOs have built-in biases toward certain constituencies or locales at the expense of others.⁶²

A common criticism of MPOs is that they do not represent all metropolitan interests equally. MPO voting members who govern the body are typically appointed as elected leaders from member jurisdictions. A few MPOs do allow for weighted voting where board member votes are set in proportion to the population being represented. For example, MPO board voting is always weighted in Jacksonville, FL, Kansas City, MO, Los Angeles, CA, Richmond, VA, San Antonio, TX, San Francisco, CA and Tampa, FL.⁶³ However, weighted voting is rare among MPO boards.

The Northeast Ohio Areawide Coordinating Agency (NOACA) was founded in 1968 and is the federally-designated MPO for Cuyahoga, Geauga, Lake, Lorain and Medina Counties in Northeast Ohio. This designation certifies NOACA to conduct transportation planning and transportation-related air quality planning in the Greater Cleveland area, as provided for by federal law (the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2005—a Legacy for Users (SAFETEA-LU)). NOACA also carries out water quality planning for the

region's navigable rivers in an area with 2.1 million people. In June 2005, the NOACA Governing Board approved a major update to its Long Range Plan—titled “Connection 2030: A Framework for the 2030 Transportation System.”⁶⁴

Every three years, NOACA updates its Transportation Plan to address transportation needs generated by changes in population and employment in the region, congestion, safety and other factors. Almost \$1.4 billion TIP projects are planned in Cuyahoga County between July 2005 and June 2009. More than \$12 million projects are planned for Cleveland.

NOACA must also comply with Title VI of the Civil Rights Act of 1964 and 1994 Executive Order 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low-income Populations,” by identifying residential, employment, and transportation patterns of minority, low-income, disabled, car-less and elderly populations. NOACA staff analyzed its 2005 *Transportation Plan Update* considering demographic trends and their regional impacts on trip making for environmental justice (E.J.) populations.

NOACA concluded that the “minority and low-income or primary E.J. population will remain concentrated in NOACA’s Core Communities.”⁶⁵ However, NOACA reports do not clearly define the potential contribution of its past and proposed transportation funding to this continued disconnect between environmental justice communities and jobs. In its 2006-2009 TIP, the NOACA arrived at the following conclusion on environmental justice:

“NOACA, as the Metropolitan Planning Agency for Northeast Ohio, must explore options for addressing the transportation inequities realized by the region’s growth pattern. However, at this stage of development, transportation is more responding to rather than generating these apparently unsustainable trip-making patterns. A more equitable distribution of benefits and burdens of transportation system, or indeed any public investment for the region’s diverse population, hangs in the balance.”⁶⁶

NOACA has not completed a comprehensive environmental justice analysis that “follows its transportation dollars and investments,” a major component in environmental justice and transportation equity analysis. NOACA appears to be implying that how it spends its transportation dollars has nothing to do with creating, maintaining, and/or exacerbating inequitable distribution of benefits and burdens in the region. NOACA’s TIP provides no data to support this conclusion. However, in the “Next Steps” of the TIP, NOACA staff acknowledged the need to explore ways to make the planning process more responsive to Environmental Justice populations. It agreed to do the following:

- Explore more creative and effective methods to involve E.J. populations in transportation decision making, including focus and peer groups;
- Continue transportation system analysis, both model-base and otherwise, designed to measure accessibility for E.J. populations for all purposes in ways that more reflect their daily travel experience;
- Explore ways to improve coordination of special transportation service for the disabled and elderly;
- Expand the activities of the work access program for the low-income populations;
- Use CMS, PMS, BMS, and ITS to measure comparative infrastructure condition and performance for E.J. populations;

- Use RTIP to target funding to better respond to the needs of E.J. populations;
- Develop educational materials for staff, committees, board and public.⁶⁷

Under Title VI and Executive Order 12898, NOACA is required to conduct an environmental justice analysis and build strategies into its plans to address inequities it may uncover. At minimum, such an equity analysis would need to:

- Examine the allocation of benefits and burdens, currently and in the planned future;
- Ensure that minority and low-income communities are treated equitably in the provision of transportation services and projects;
- Provide full participation for minority and low-income communities to advise the NOACA during its planning and decision-making process; and
- Document patterns of capital investment and allocation that may have contributed to present conditions and that inform current and future NOACA decisions.

Job growth is almost exclusively occurring in the outer suburbs and exurbs—out of the reach of Cleveland’s large low-income and car-less population. Jobs are following the flow of people, with new jobs locating in the suburbs and exurbs, away from environmental justice populations. NOACA projects the separation of E.J. populations from jobs to increase, considerably thereby further isolating minority and/or low-income populations from employment. Again, how does NOACA funding of roads impact these locational decisions?

NOACA analysts project highway travel to slightly improve, while transit travel is projected to degrade significantly. They conclude, “to the extent that one owns a reliable vehicle and a job, one’s commute time will be improved. However, since a disproportionate number of the minority, low-income, and needless-to-say, car-less populations are tied to transit, they will only benefit from these improvements if their trip and service remain the same. Neither will go unchanged due to job-sprawl resulting in longer trips, and less frequent transit service.”⁶⁸

Between 2005 and 2030, NOACA estimates that it will need more than \$3 billion to maintain the pavement and over \$1 billion to maintain the bridges in the region.⁶⁹ Almost 120 transit vehicles will need to be replaced on an annual basis throughout the NOACA five-county region at a cost of more than \$24 million a year. Over the life of the Long Range Plan, this amounts to more than 3,000 public transit vehicles, at a cost of \$638 million. In addition, at a minimum, almost \$239 million will be needed annually to operate the region’s transit systems (unadjusted for inflation). GCRTA accounts for more than 92 % of the region’s operational needs.

The policies and decisions of NOACA are made by a 38-member voting board. The NOACA Governing Board provides transportation and environmental planning assistance to the 172 units of local, general-purpose government. The NOACA board uses the Council of Government (COG) model. In 2002, the Governing Board adopted a plan to allow some Board members to cast votes on a “weighted” basis—in an effort to “preserve an approximation of proportional representation by population.”⁷⁰ Cuyahoga suburbs get 13 out of 56 (23.2 %) votes under the “weighted” voting plan and 7 out of 38 (18.4 %) under the “regular” voting plan. On the other hand, Cleveland gets 6 of 56 votes (10.7 %) under the “weighted” and 6 of 38 votes (15.8 %) under the “regular” voting plan. Cuyahoga has 1.4 million people (66.7 %) out of the 2.1 million five county NOACA region. Cleveland’s 478,402 people make up 22.8 % of the region.

The NOACA had not used weighted board votes during the past five years. It requires “a 72-hour notice if a board member requests a weighted vote and in at least one case, the notice period allowed board members enough time to resolve opposing views prior to imposing the weighted vote process at a public meeting.”⁷¹

MPOs are not required by law to have representational voting. Relative to the populations residing in the applicable metropolitan areas, suburban communities and White residents are overrepresented in current MPO decision-making. Generally, MPOs under-represent the racial and ethnic minorities and urban areas in the metropolitan populations they serve—which may skew investments toward sprawl and consumption of rural land. Virginia Tech Urban Planning Professor Thomas Sanchez, concludes that “if MPO board votes were weighted in proportion to the populations they represent, urban votes would compose nearly two-thirds of all board votes while suburban areas would represent nearly one-third. In other words, when population-based weights are employed, the relative weight and significance of urban votes doubles—from 29 % to 59 %.”⁷²

In examining 50 MPOs of large metropolitan areas, Sanchez discovered that MPO board votes in Philadelphia, Jacksonville, Washington, and San Francisco are relatively balanced in terms of population size and geographic representation. Conversely, the ten least balanced large MPOs include: Sacramento, Las Vegas, Memphis, San Diego, Houston, Salt Lake City, **Cleveland**, Fort Lauderdale, Oklahoma City, and Detroit. When population-based weights are employed in Cleveland’s NOACA, the relative weight and significance of urban votes more than doubles—from 32 % to 70 % or a 38 % “urban difference.” Similarly, the “urban difference” was 47 % in the Memphis MPO and 36 % in the Detroit MPO -- two metropolitan regions with majority Black central cities.

Generally, MPO boards also underrepresent African Americans and other ethnic minorities and overrepresent White constituents. Of all voting members from the 50 MPO boards studied, 88 % were White, while about 7 % of all board members were Black, 3 % were Hispanic, and 1 % were Asian/Pacific Islanders. More than one-third of the MPOs were all-White (i.e., Baltimore, Boston, Buffalo, Cincinnati, Indianapolis, Jacksonville, Las Vegas, Louisville, Milwaukee, Nashville, New York, Pittsburgh, Salt Lake City). The MPO boards with the largest %age of Black members were in Miami (32 %), Washington, D.C. (22 %), and Philadelphia (17 %). Overall, only a slight correlation was found between the racial-ethnic composition of MPO boards and the racial-ethnic characteristics of their jurisdictions. Cleveland’s NOACA board is 92 % White (Table 13).

8. Health- Environmental Conditions

Improving health and access to health care for African Americans remains critically important for improving their overall health and reducing existing health disparities. Research on the causes of illness and mortality for African Americans increasingly suggests that improving health outcomes would be most successful if efforts to increase health access were coupled with a focus on the social, economic, and physical environments in which African Americans live. Community environments are critical factors in the determinants of overall health, not just simply the context for health conditions.

The health of African Americans living in the Cleveland area is impacted in diverse and complex ways by regional dynamics. Through both direct and indirect means, the metropolitan area exerts influence on the physical and social conditions of neighborhoods that shape African

American health outcomes. Neighborhood conditions directly affect African Americans' physical and mental health, and they shape access to quality health care. They also indirectly influence behaviors that impact health, and determine the availability of "opportunity structures" that include such things as access to healthy and affordable food, safe spaces for exercise and recreation, and access to transportation that connects to opportunities. Confronting problems of African American health in the Greater Cleveland area from a regional standpoint, involves understanding and responding to the ways in which regional forces bear on neighborhoods, influencing their social and economic conditions, as well as their physical environments.

Sprawl is increasingly recognized as a phenomenon that is shaping public health for all residents of metropolitan areas, particularly in how it determines the sorting of neighborhoods and opportunity.⁷³ Comprised of factors such as low-density, auto-dependent development buttressed by the regional decentralization of population, jobs, housing, and investment, sprawl reinforces a pattern of increasing economic and racial segregation for African American communities. The changing complexion of neighborhoods left behind, as higher-income Whites and African Americans leave the city of Cleveland for outlying suburbs, is one characterized by declining tax bases, diminishing public investments in infrastructure, and eroding public services that diminish the quality of neighborhoods and contribute to growing health concerns. Many African Americans who are left behind reside in neighborhoods of high poverty where social conditions and physical pollutants conspire to undermine their health. Health conditions for African Americans related to regional dynamics include:

- the disproportionate concentration of African Americans in housing that exposes them to toxic pollutants;
- toxic air pollutants in the city that increase asthma rates for African Americans, and make Cleveland's air some of the worst in the country to breathe;
- toxic brownfields scattered across the city as a result of deindustrialization; and
- limitations on the ability of low-income African Americans who rely on rental assistance to live in neighborhoods without depressed economic and social conditions.

8.1. Air Pollution

Air pollution remains a primary public health risk. Poor air quality results in millions of premature deaths and illnesses, including respiratory disease, cardiovascular disease, and cancer. Over 57 % of Whites, 65 % of African Americans, and 80 % of Hispanics live in 437 counties across the nation with substandard air quality or "nonattainment areas."⁷⁴ Nonattainment areas are geographic regions identified by the U.S. EPA as not meeting the NAAQS standards for a given pollutant. Air pollution and ground-level ozone have extreme health impacts, including aggravated asthma, chronic bronchitis, and premature death.

Poor air quality in the Cleveland region has achieved notoriety in the national press. In June 2004, the U.S. EPA designated the NOACA five-county area (plus Ashtabula, Portage and Summit counties) a "moderate nonattainment area" for ozone. In April 2005, EPA designated Cuyahoga, Lake, Lorain, Medina, Summit and Portage Counties, and Ashtabula Township, a "nonattainment area" for fine particles. The designation means that ozone and fine-particle pollution levels are higher than allowed under new U.S. EPA standards.⁷⁵ Cuyahoga County was among 33 Ohio counties that do not meet the new eight-hour, health-based outdoor air quality standard for ground-level ozone.⁷⁶

Ohio PIRG's *Danger in the Air: Unhealthy Levels of Air Pollution in 2003* is the fifth annual analysis of air quality based on a survey of environmental agencies in all 50 states and the District of Columbia. For the first time, the report examines levels of fine particle "soot" pollution in addition to ozone "smog" pollution. Key findings include the following:⁷⁷ Ohio ranked sixth nationwide for the worst smog pollution in 2003, with 19 smog days, and fifth nationwide for the worst year-round soot pollution. Cincinnati ranked 11th for the worst smog pollution and Cleveland and Columbus tied at 25th. Cleveland ranked 6th for the worst soot pollution, Cincinnati ranked 11th and Columbus 15th. In January 2005, PIRG consistently ranked the State of Ohio either first or second in the country in the emission of carbon dioxide, nitrogen oxide, and sulfur dioxide from power plants located in the state.⁷⁸ Furthermore, an Associated Press study conducted in December 2005, found that Ohio's air pollution poses the greatest long-term health risks compared to all other states in the country.⁷⁹

Whether based solely on race or on market dynamics influenced by race, minority communities in Cuyahoga County live in some of the most polluted communities in the United States, which has profound implications for the health of the African American population. According to the aforementioned Associated Press study, African Americans in Ohio "were 78% more likely than Whites to live in areas where air pollution leads to serious health problems." In Ohio, the top four polluters in Cleveland are all located in or adjacent to minority communities.⁸⁰ Cleveland Laminating Corporation is located in a predominately minority community in Cuyahoga County; within one mile of the plant, 90 % of the population is minority. This plant is the third worst air polluter in the county and is in the top 10 % in the country for releasing carcinogens into the air.

Power plants are the nation's largest industrial source of air pollution, contributing 23 % of smog-forming nitrogen oxide emissions and 67 % of soot-forming sulfur dioxide emissions nationwide.⁸¹ Deaths from power plant pollution exceed the death toll from other causes commonly understood to be major public policy priorities. For instance, drunk driving causes more than 17,000 deaths per year.⁸² There are more than 20,000 homicides in the U.S. each year.⁸³ However, the 22,000 power plant pollution-related deaths per year that could be avoided by cleaning up the nation's power plants are two times the 11,000 automobile fatalities avoided each year through the use of safety belts.⁸⁴

In 2002, 71 % of African Americans lived in counties that violate federal air pollution standards, compared to 58 % of the White population. Most African Americans live near a power plant. Seventy-eight % of African Americans live within 30 miles of a power plant - the distance within which the maximum effects of the smokestack plume are expected to occur. By comparison, about 56 % of the White population lives within 30 miles of a coal-fired power plant.⁸⁵

Power plant pollution causes more than 38,200 heart attacks and 554,000 asthma attacks per year.⁸⁶ Ohio's power plants are ranked third in the country for their emissions of carbon dioxide.⁸⁷

8.2. Growing Asthma Epidemic

For African Americans, the extremely polluted air in Ohio is particularly worrisome for its increase in asthma rates. Although African Americans represent only 12.7 % of the U.S. population, they account for 26 % of asthma deaths.⁸⁸ African Americans have the highest asthma rates of any racial/ethnic group.⁸⁹ Nationally, African Americans with asthma are three times more likely to die,⁹⁰ and children are five times more likely to die than their White

counterparts.⁹¹ African Americans are three times more likely to be hospitalized for asthma than Whites, and five times more likely to seek care at an emergency room. Inner-city children with asthma in Cleveland were found in a 2002 study to experience significantly aggravated symptoms and decreased pulmonary function as a result of exposure to summer air pollution in the city.⁹² The Centers for Disease Control and Prevention report that asthma accounts for more than 10 million lost school days, 1.2 million emergency room visits, 15 million outpatient visits, and over 500,000 hospitalizations each year. Asthma cost Americans over \$14.5 billion in 2000.⁹³

Each year, the Asthma and Allergy Foundation of America (AAFA) designates “Asthma Capitals.” These are “the most challenging places to live with asthma.” The AAFA bases its rankings on a summary performance on twelve individual factors. These twelve factors fall into three categories: asthma prevalence (estimated asthma prevalence, self-reported asthma prevalence, crude death rate for asthma), environmental risk factors (annual pollen level, annual air quality, public smoking laws, poverty rate, uninsured rate, school inhaler access law), and medicine use and access to specialists (use of rescue meds, use of controller meds, number of asthma specialists). In all, 100 cities are ranked each year. The ten worst cities for 2006 included:

1. Scranton, PA
2. Richmond, VA
3. Philadelphia, PA
4. Atlanta, GA
5. Milwaukee, WI
- 6. Cleveland, OH**
7. Greensboro, NC
8. Youngstown, OH
9. Saint Louis, MO
10. Detroit, MI

Ohio was the only state to have five cities listed in the top twenty Asthma Capitals in 2006; Cleveland (6th), Youngstown (8th), Cincinnati (12th), Toledo (13th), and Canton (14th). Cities’ rankings can rise or fall depending on how all twelve factors change. Some can be controlled and improved by a community -- such as smoking laws and pollution levels -- but other factors are difficult to control and may vary widely in a city from year to year, such as pollen levels.

Ohioans suffer a great deal from air pollution, and children with asthma, senior citizens, and others with breathing problems are suffering the most. According to Cleveland's Environmental Health Watch, the disease has more than doubled in the last twenty years and deaths of children from asthma increased by 50 % in the 1980s. Inner-city, poor children are at the greatest risk. It is estimated that 23,000 Cleveland children suffer from asthma.⁹⁴ An Abt Associates analysis further shows that hundreds of thousands of Americans suffer from asthma attacks, cardiac problems, and respiratory ailments associated with fine particles from power plants. These health damages result in thousands of respiratory and cardio-pulmonary related hospitalizations and emergency room visits annually, as well as hundreds of thousands of lost work and school days each year.

Asthma estimates vary widely throughout Cuyahoga County. The Greater Cleveland Asthma Coalition estimates the childhood asthma rate in the area ranges between 5 and 20 %.⁹⁵

Consistent with national rates, local estimates of self-reported asthma prevalent among minorities are generally higher than those reported by Whites.⁹⁶ Similar to national statistics, approximately 14 % of children reported missing school “sometimes or more” because of problems related to asthma.⁹⁷

A 1999 Cleveland Clinic Foundation study of managed care patients hospitalized for asthma found that African American patients made more asthma-related emergency department visits (45.2 %) than White patients (22.4 %) during the year after their initial hospitalization. On the other hand, White patients made more asthma-related visits to their primary care doctor (70.2 %) and specialist visits (38.8 %) than African Americans, 47.6 % of whom visited a primary care doctor and 27 % of whom visited a specialist. The Ohio researchers noted that more education programs are needed for low-income African American patients to improve asthma health care.⁹⁸

Asthma is the leading serious chronic illness of children. Two major Cleveland hospitals report that it is the leading cause of childhood hospitalizations.⁹⁹ In July 2003, the *Plain Dealer* published a series of articles called “Children Left Behind.” The series compared Cleveland to nine other cities on several quality-of-life indicators for children, and found that Cleveland ranked last in virtually every category.

- Students in Cleveland are far more likely to drop out of high school than those in Philadelphia and Milwaukee.
- A larger share of children live in poverty than in Detroit or Cincinnati.
- Kids are poisoned by lead more frequently than youngsters in Chicago and Baltimore.
- Teen girls in Cleveland have babies at a higher rate than girls in St. Louis and Pittsburgh.

And these problems are not confined to the Cleveland city limits. *The Plain Dealer* analysis found that children in many Greater Cleveland suburbs are not doing as well as those in similar communities around the state.¹⁰⁰ During the 2002-2003 school year, the %age of school-aged children with asthma was 6.7 %. This %age was similar to the 6.2 % for the State of Ohio obtained from the 1999 Ohio Behavioral Risk Factor Surveillance System Questionnaire for children less than 17 years old.¹⁰¹

8.3. Brownfields and Community Redevelopment

Cleveland Urban Renewal activities in the 1960s and 1970s, compounded by the economic woes of the energy crisis and significant inner-city population loss, left behind entire neighborhoods of abandoned, vacant lots and substandard housing where only the poorest residents remain.

Cleveland experienced severe deindustrialization that left its landscape dotted with abandoned and underutilized properties known as “brownfields.”¹⁰² These brownfields have potential for productive reuse.¹⁰³ Cleveland officials estimate that there are hundreds of brownfield sites scattered throughout the city, totaling around 4,600 acres of land.¹⁰⁴ Further, if these properties were developed to their fullest potential, they would generate between \$225 million and \$500 million in tax revenue as well as an additional 100,000 jobs.¹⁰⁵

Following the restructuring of the auto and steel industries in the 1970s and 1980s, Cleveland recognized the need to redevelop the vacant and abandoned properties stemming from urban “renewal” and deindustrialization. Consequently, brownfield redevelopment was a high priority for Cleveland even before the national brownfields program was established in 1994.¹⁰⁶

Nearly 95 % of available land has been developed at least once in Cuyahoga County. In 1994, Cuyahoga County was the recipient of the first ever \$200,000 U.S. EPA Pilot Demonstration Grant, which was combined with \$1.7 million in private funding and \$250,000 from local foundations to remediate and place back into productive use, a once environmentally impaired property that had been vacant for years. As a result, a local company (Dedicated Transport, Inc.) was able to expand its operation, create 180 new jobs, and generate over \$645,000 in annual property taxes in an urban core location.¹⁰⁷

The Cuyahoga County Department of Development, Brownfield Redevelopment Division, has as its mission to provide assistance and expertise in returning brownfield sites to viable community and economic assets in the near future, to prevent the creation of new brownfields, and to protect the County's remaining open spaces.

In 2004, the County reached out to two development partners, the City of Cleveland and the First Suburbs Development Consortium, to create the North Coast Brownfield Coalition. The Coalition was formed to bring more funding to the region through a U.S. EPA Brownfields Revolving Loan Fund, and to build a strong alliance focused on creating regional solutions for brownfield redevelopment.

On December 14, 2005, the Clean Ohio Council selected the County's Flats East Bank Neighborhood project for a \$3 million Clean Ohio Revitalization Fund (CORF) grant. The funds will be used for demolishing, asbestos abatement and soil cleanup. The grant will be administered by the Cuyahoga County Department of Development with the assistance of URS Corporation, Strnisha Development Advisors, and the Wolstein Group. Cleanup is expected to start during the summer of 2006.

Since 2000, the Cuyahoga County Brownfield Redevelopment Fund (BRF) has funded 31 projects. As of February 2006, the BRF has achieved the following: \$16,395,774 invested under the BRF; \$186,779,805 leveraged from additional non-County investments; 1,847 jobs have been created or retained. Over 150 acres have been remediated, and property tax valuation on BRF properties has increased by over \$12 million, resulting in \$555,361 in new annual property taxes.¹⁰⁸

The State of Ohio has been proactive in improving the climate for brownfields redevelopment inside and outside of its cities. Ohio has developed Risk-Based Corrective Action (RBCA), or cleanup standards and a voluntary cleanup program that has been accepted by the US EPA through a memorandum of agreement (MOA) under Superfund (the Federal government's program to clean up the nation's uncontrolled hazardous waste sites). These standards allow for more flexible approaches to cleanup that can contain costs and reduce liability fears associated with potential future U.S. EPA regulatory actions.¹⁰⁹ As demonstrated in Cuyahoga County and other communities across the nation, brownfield neighborhood redevelopment often has benefits well beyond redeveloping a contaminated site.

8.4. Childhood Lead Poisoning

Lead poisoning is one of the most serious public health concerns facing children in Cuyahoga County. Compared to other cities in Ohio, Cleveland children experienced the highest levels of lead poisoning. In 2004, one in nine children tested in Cleveland was poisoned.¹¹⁰ In 2005, more than 1,200 children were lead poisoned in Cleveland—the highest number of lead poisoned children in the nation.¹¹¹

The factor most strongly associated with the prevalence of lead poisoning among children in Cleveland is the age of the city's housing stock. Even though lead paint was banned from household paint in 1978, housing built before 1950 poses the greatest threat of lead exposure to African American families in Cleveland. In 2000, 66 % of the city's occupied housing stock was built before 1950, compared to just 35 % for the region as a whole. Moreover, the city of Cleveland alone constituted 42 % of the regional housing stock built before 1950 at the same time that it represented only 22 % of the region's occupied housing units (Table 9).

This is particularly notable because for African Americans living in the Cleveland region, the city of Cleveland is most likely their location of residence, with 56 % of all African Americans residing there in 2004. Given that African Americans are disproportionately poor (27 % in 2004 compared to 8 % for non-Hispanic Whites), this concentration in aging city stock is consistent with the growing spatial polarization of employment and housing in the region. While housing production is booming in the suburbs, affordable housing remains concentrated disproportionately in the central cities. In 2000, for example, while only 18 % of the region's housing units were affordable, fully 60 % of these units were located in Cleveland. This distribution is particularly noteworthy given that Cleveland constituted just 29 % of the region's total housing units.¹¹² Housing prices within the metro region increase in a linear fashion the further it is located from the city of Cleveland (Figure 4).¹¹³

Thus, African American populations are stranded by limited affordable housing, in areas with older housing stock and increased environmental risks, which has profound deleterious effects on their health and well-being.

9. Health: Access to and Quality of Health Care Services

African Americans are at increased risk due to environmental conditions that impact health, but these disparities are compounded by limited access to health care, and the quality of treatment when it is attained. There are a variety of factors that constrain access to health care by people of color- from geographic to social barriers and impediments from the personal to the structural. One interviewee perhaps put it best:

“The access to care issue includes people who have health insurance, but don't have access to a good regular physician, perhaps due to lack of resources in their communities, and those not insured, without health, dental, or mental health insurance. Obviously, health issues are some of the most significant issues that we would see.”

Conditions impacting access to and quality of health care must be addressed in conjunction with efforts to mitigate environmental racism in order to have a sustainable, positive impact on the health of African American populations in Cleveland.

Undeniably, Cleveland has a tremendous resource and strength in its world-renown health care sector. In many ways the city has a distinct advantage, and various programs are already in place to address some of the following issues. Nevertheless, African American populations still have more limited access to health care, and face barriers to receiving consistent, high quality treatment. This is in part reflected in the mortality rate of African Americans in Ohio, which is 27% higher than that of Whites.¹¹⁴ There is no shortage of data that demonstrates health disparities for African American populations. As one interviewee summarized:

“The data that we see in various chronic diseases show signs of significant health disparities for African Americans in Cleveland. When you look at data on chronic

diseases: heart disease, cancer, even lead poisoning, etc., the data are clear on the disparity. There are more negative health outcomes among African American community members than other members of the population.”

Furthermore, these disparities have profound public health and fiscal implications for the entire region. Inadequate care impacts overall health care expenditures as poorly-treated chronic conditions and misdiagnoses eventually incur additional costs. These expenses are often mitigated by increased taxation and higher overall health care costs, which are absorbed by all.¹¹⁵ Finally, health is a public concern because illness has no boundaries- when left untreated, diseases can spread to anyone regardless of race or class.

Health care is one area of concern currently shared by nearly all Americans. While there is a tendency to make cross-racial and economic comparisons, which are important in their own right, this automatically establishes White treatment and conditions as the standard, which is limited and may mask health care injustices that all are experiencing. Thus, improving access to and the quality of health care impacts everyone and should be a shared agenda, especially as it requires regional cooperation. On some issues, such as universal health care, change will be driven at the state level. However, with such outstanding health care resources and facilities, the movement towards this sustainable change can begin in Cleveland. In many ways, Cleveland already serves as a model of health care across the country; we advocate for utilizing it as a model for remedying injustices and more closely approximating racial and class equity in health care.

9.1. Hospital Accountability

Currently, with the exception of long-term care services, health care in Ohio is deregulated and no longer utilizes the Certificate of Need (CON) program, which was sunset in 1998. The purpose of the CON system was to promote transparency and accountability in health care, and the American Health Planning Association (AHPA) promoted it as being relatively successful in “maintaining access for underserved populations and promoting quality of care.”¹¹⁶ Regardless of whether the discontinuation of the CON program is to be lauded or criticized, it highlights a current issue – hospital accountability and regulation. Increasingly, both through reports and in the legislature, health care services for the poor and underserved are being scrutinized, and debates are challenging whether hospitals should be run as community organizations or as businesses that operate under market forces.¹¹⁷ This has raised several key questions: Should health care be regulated, by whom, and how? What is the state’s and the local community’s role in health care? Who are hospitals accountable to, and what does it mean to be accountable? This accountability was once regulated through this CON program, but hospitals have largely been released to operate under free-market competition, which has in many cases furthered investment disparities. As hospitals are often run at least in part as businesses, insurance reimbursements are greater in the suburbs- and consequently delivery follows the money, leading to disinvestment in urban hospitals. This is reflected in Ohio, where hospital expenditures are not as great in Ohio’s urban African American neighborhoods in major metropolitan areas.¹¹⁸

These structural considerations ultimately impact African American populations who depend on these institutions, often as their only source of medical treatment. When hospitals in inner-cities are not invested in or close, this strands entire populations in the inner city with inadequate health care or in many cases, without any health care at all. It is critical that this issue be addressed as these are the populations at the highest risk– as they are situated within those

aforementioned environmental conditions which deleteriously impact health. Furthermore, as transportation capacity is limited in these urban areas, individuals are constrained in their ability to seek treatment elsewhere.

While this is not a question whose scope can be adequately covered in the report, it must nevertheless spark conversation. Should a hospital be largely run as a business and controlled by the free-market, or is it part of a social and public good with a responsibility for equity and equality for all? And if it is the latter, how do we ensure equitable treatment regardless of the race or class of the patient? These issues and the tendency towards health care disinvestment in urban areas must be remedied in order to improve the health of African American populations in Cleveland.

9.2. Primary Care Physicians

A similar structural constraint to the receipt of comprehensive health care for African Americans is the lack of primary care physicians in low-income, inner-city neighborhoods. Primary care is often recognized as one of the most critical components of the health care system and in maintaining population health because: “it is relatively inexpensive, can be more easily delivered than specialty and inpatient care, and if properly distributed it is most effective in preventing disease progression on a large scale.”¹¹⁹ Yet, the lack of primary-care sites in low-income, urban, African American areas has notable consequences for these residents, including a lack of preventative health care and the over-reliance on emergency rooms, outpatient departments and clinics for services. One study found that over one-half of African Americans and Hispanics rely on these locations for their primary source of health care.¹²⁰

This is ultimately straining the entire health care system -- as one interviewee pointed out, when you only go when “you’re sick or when you really need it- that’s not the way the system works best.” Lack of preventative care results in greater medical need down the line, which results in more costly treatment. Further, when emergency rooms are used as an alternative or as a source of primary care, this strains the hospitals’ staff and resources and leads to overcrowding. Among Cleveland’s health care institutions there are currently notable outreach efforts in place that focus on communities that have historically been neglected. The Otis B. Moss Jr. Health Center at University Hospitals is one innovative program which pairs the health care system with Olivet Institutional Baptist Church to ensure residents of the Fairfax neighborhood receive high-quality preventative and general health care. The Center for Community Health at MetroHealth is also an industry leader with their development of the community-based primary care delivery system. The Center has nine neighborhood locations which are deliberately located within shopping centers and easily accessible by public transportation.

9.3. Insurance

One of the greatest constraints to equitable health care is insurance. One policy study found that “states that want to reduce or eliminate disparities have no choice but to confront inequities in the availability of affordable and decent health insurance.”¹²¹ Lack of insurance is certainly a growing national problem but it is particularly pronounced for the African American population. From 2003-2004 in Cuyahoga County, 118,673 adults were uninsured, 45% of whom were Black. Experts believe that number is growing, due to rising unemployment rates and rising health care costs for employers.¹²²

This lack of insurance is not only racial, but spatial. Adults in urban areas, for example, are more likely to be unemployed, or have jobs which do not provide health insurance. Adults in Cleveland's transitional suburbs are twice as likely to lack insurance as their counterparts in the county's outer suburbs.¹²³ Even those with health insurance often lack dental and mental health coverage. Across the state, a full 40% of Ohioans lack dental insurance, and although there are public clinics (17 in Cuyahoga County, for example), waiting lists for appointments are often long.¹²⁴

The result of this lack of insurance coverage translates directly to a lack of health care; the uninsured are less likely to have a primary source of care or receive preventative care.¹²⁵ When they do receive health care, insurance status is a key predictor of the quality: "The privately insured generally receive a higher quality of care than those who are insured through publicly funded sources (e.g. Medicaid), or those who have no health insurance."¹²⁶ As a result of all these compounding factors, in Cuyahoga County, the uninsured reported "poor" or "fair health" more frequently. In fact, one *Voices and Choices* report found that across Northeast Ohio, "uninsured adults were nearly five times as likely to report unmet health care needs as those with insurance."¹²⁷

Alarming, more than two-fifths of these uninsured adults with compromised health reported not having visited a health care professional in the prior year. This is more than two and a half times the rate of insured adults.¹²⁸ For those who are at or below the poverty level, Cleveland hospitals are required to provide free care, although one study found there were numerous impediments to learning about qualification and availability of free care and financial assistance programs.¹²⁹ A bill was introduced in Ohio in late 2005 by Senator Ray Miller that would require hospital workers to talk one-on-one with patients about the free care programs available.¹³⁰

By itself, the numbers of uninsured and lack of health care they are receiving is troubling, but when coupled with information released about health care costs, this represents a growing crisis.

A recent study released by SEIU demonstrates that if a patient has limited health insurance or no insurance, they are expected to pay more than twice the price that insured patients pay for the same treatment. This is the case both because of the insurance discount given to large insurers, which was 54% on average in Cleveland, and also because of the mark-up for health care services, which was 170% in the Cleveland Metropolitan Statistical Area.¹³¹ In essence, uninsured populations are not only receiving less services and at lower quality, but are also being charged more when they do; thus, those who are least able to afford health care end up spending more on it. Adult Medicaid beneficiaries, for example, spend more than three times as much of their income on out-of-pocket health care costs than do middle-class adults with private health insurance.¹³²

Even for those who are employed, health care expenses continue to rise. As employers' costs are increasing, these expenses are passed along to workers through higher deductibles, copayments and coinsurance, and increased share of premiums paid by workers.¹³³ Thus, whether you are insured, uninsured, or underinsured, health care is remaining increasingly unaffordable, and to many, unattainable.

9.4. Representatives in the Medical Profession

Within the medical profession, there is a compelling need for a more diverse workforce. African Americans in particular are grossly underrepresented among Ohio's physicians: only 6% of

Ohio's medical school graduates were African American, while in 2004, a mere 2.3% of all non-federal physicians were African American. This represents a compelling need to not only attract more students of color to the profession, but to also create programs that extend into primary and secondary education to ensure they are adequately prepared to succeed.

This under representation has implications for the health of the Cleveland African American population due to a number of factors that correlate with diversity in the medical profession. Across all racial groups, when patients have the opportunity to choose a physician, the decision is typically consistent with the patients' race.¹³⁴ Patients further report greater satisfaction with a medical practitioner of the same race. African American patients were more likely to rate African American doctors as excellent in explaining their medical problems, treating them with respect, listening to their concerns, and being more accessible.¹³⁵ This may be in large part due to the "mistrust of health professions that stems from racial discrimination and the history of segregated and inferior care for minorities,"¹³⁶ which raises another reason that diverse representation in the medical profession is needed - to mitigate cultural and linguistic barriers. This is becoming increasingly important as the demographics of Cleveland are shifting, and connections need to be established between health care and these diverse communities.

Students of color are also more likely than White doctors to serve in communities where there is a shortage of physicians, and also more frequently treat minority, sicker, and poorer patients. Further, these doctors more frequently serve as community spokespersons, and are often involved in community education efforts.¹³⁷ Because of both patient preferences and the tendency of physicians of color to work in underserved communities, increasing the number of doctors of color is critical to improving the health of the African American population in Cleveland.

10. Policy Summary and Recommendations

10.1. Regional Transportation

It is clear that transportation and land-use issues in the Cleveland metropolitan region cannot be solved by any single level of government or by jurisdictions acting alone. It will take regional coordination and integration to solve these problems. Because of the car ownership gap, spatial mismatch, job sprawl, and growth patterns, African Americans in Cleveland would benefit from a more comprehensive regional transportation system. On average, 75.4 % of jobs in the Cleveland metropolitan areas are located at least 5 miles outside of the CBD and over 90 % of new entry-level jobs are located outside of the city. Since nearly one-third (31.7 %) of Cleveland's African Americans are car-less, having safe, affordable, and efficient public transit could mean the difference between economic dependency and self-sufficiency.

Long Range Transportation Plan: Increase funding for transit. The Northeast Ohio Areawide Coordinating Agency (NOACA) Long Range Plan provides the framework for how Cuyahoga, Geauga, Lake, Lorain and Medina Counties in Northeast Ohio will spend billions of transportation funds by the year 2030. This plan will have lasting impact on the future of development of the Cleveland region. Innovative programs are needed to improve transportation efficiency, reduce the impacts of transportation on the environment, increase infrastructure investments in urban core areas, provide efficient access, examine development patterns and involve the community in such efforts.

Address MPO Urban/Minority Under-representation: NOACA is governed by a 38-member voting board. The current configuration underrepresents Cuyahoga County, Cleveland and African Americans. For Example, the NOACA board is 93 % White. While NOACA uses “weighted” voting in some cases, its current voting configuration still does not adequately address proportional representation issues. The NOACA had not used weighted board votes during the past five years. It requires “a 72-hour notice if a board member requests a weighted vote and in at least one case, the notice period allowed board members enough time to resolve opposing views prior to imposing the weighted vote process at a public meeting.”

Expand Regional Transit: The Greater Cleveland Regional Transit Authority (GCRTA) needs to be expanded to provide urban residents access to the current and emerging suburban economic activity centers. Sprawl-driven development diverts funds away from central cities. Improving low-income residents’ mobility, particularly for those making the transition from welfare to work, may be the difference between employment and unemployment, and between dependency and self-sufficiency. Public transportation improvements go hand-in-hand with expanding job opportunities.

Expanded Reverse Commute Program: To promote economic development, Cleveland RTA within the next decade needs to provide a cost-effective and reliable “reverse commute” for suburban job concentrations as well as for employees in the urban core. Over 90 % of new entry-level jobs in the Cleveland metro area are located outside of the city.

Expanded Low-Income Car Ownership Program: Transportation remains a major barrier to employment for thousands of car-less African Americans in Cleveland. NOACA projects highway travel to slightly improve, while transit travel is projected to degrade significantly over the next 25 years. Owning a reliable vehicle will improve a worker’s commute time. However, since a disproportionate number of the minority, low-income, and car-less populations are tied to transit, they will only benefit from these improvements if their trip and service remain the same. Thus, low-income car ownership programs provide enormous mobility benefits and employment access to this constituent group. These programs promote and support car ownership for low-income families as an effective way to expand their employment options and increase their overall mobility. They employ a number of strategies including making affordable and reliable vehicles directly available to customers, providing low-cost loans, and facilitating matched savings accounts to enable vehicle purchases. As of mid-2005, the National Economic Development and Law Center (NEDLC) had documented 162 LICO programs in operation across the country.¹³⁸ The CARS (Clermont Auto Recycling Service) in Batavia is currently the only low-income car ownership program in Ohio.

Location Efficient Mortgages (LEM): There is a clear need to address the relationship between transportation and housing costs, and the extent to which transportation infrastructure enables development and causes the need to travel further. Four cities in the country (Chicago, Seattle, San Francisco, and Los Angeles) are using “location efficient mortgages” (LEMs) to assist families to qualify for mortgages in neighborhoods in which residents can walk from their homes to stores, schools, recreation, and public transportation.¹³⁹ Individuals who live in “location efficient communities” have less need to drive, which allows them to save money and improves the environment for everyone. The LEM combines a low down payment, competitive interest rates, and flexible criteria for financial qualification to allow more people to own the home of their dreams.

As the regional planning agency, NOACA could regularly release maps and reports of combined cost of housing and transportation by location, and they could make the information available to individuals, community-based organizations, local and state governments, and the private sector to serve as criteria for housing purchases, zoning changes, and infrastructure investments. The associated costs of transportation for a particular location could also be factored into funding criteria for competitive public subsidies, low-income tax credits, housing trust funds, etc.

Expand Transit-Oriented Development (TOD): Transit stations can become more than places commuters pass through on their way to somewhere else. Transportation planners can shape land uses and development that are amenable to walking, bicycling, and transit use. This type of user-friendly planning would greatly benefit poor people and people of color. One measure to combat suburban sprawl is through transit-oriented development (TOD), which allows access to clean, safe, and affordable transit service, housing options, a variety of goods and services, and pedestrian and bicycle friendly places and public spaces. If done right, TODs can promote more dense, mixed land uses combined with location efficient mortgages (LEM). The idea behind LEMs is that money saved from lower transportation costs could qualify more lower- and moderate-income households for home mortgages. The spillover effect is increased home ownership in inner-city neighborhoods.

Design a Walkable City Center: Design a more dense, walkable city center with cultural attractions, jobs, farmers markets, and residential neighborhoods easily accessible by foot, bike, or public transit. With gas prices on the rise and \$3 and \$4 a gallon gas on the horizon, it makes sense for the Cleveland metropolitan region to prepare for an impending “oil crisis.”

User Pay Road Expansion Plan: Increasing the cost of “drive to qualify”—having road extensions into new suburbs paid by users.

Clean Fuel: There is an urgent need to move the nation’s transportation system away from its current over-dependence on oil.¹⁴⁰ Research needs to determine what types of regulatory reform are needed to remove the obstacles to transitioning toward a non-oil based transportation system. Federal and state governments can serve as a catalyst for promoting alternative fuel such as national gas, fuel cell systems, and renewable hydrogen. An interagency approach is needed, since no one federal agency can address the issue alone. New government incentives and funding are needed to accelerate the deployment of clean fuel vehicles and infrastructure enhancements for transit, government vehicles, school buses, and others. Over seventy cities in the United States are using natural gas buses in their fleet.¹⁴¹ Grants, assistance, and other incentives are also needed to promote public and private sector partnerships and alternative fuel and hydrogen vehicle training and certification.

10.2. Environmental Justice, Air Quality, and Health

Environmental Justice and Transportation Equity: NOACA must comply with Title VI of the Civil Rights Act of 1964, and the 1994 Executive Order 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low-income Populations,” by identifying residential, employment, and transportation patterns of minority, low-income, disabled, car-less and elderly populations. According to NOACA analysts, environmental justice populations will remain concentrated in core urban communities and away from the job centers in the outer suburbs and exurbs. However, NOACA reports do not clearly define the potential contribution of its past and proposed transportation funding on this continued disconnect between environmental justice communities and jobs. NOACA analysts project highway travel to

slightly improve, while transit travel is projected to degrade significantly. How does NOACA transportation infrastructure funding—roads vs. transit—impact land use and locational (people, jobs, housing, transportation) decisions?

Arresting Air Pollution and Rising Asthma Rates:

Growing decentralization and increased auto-dependency within the Cleveland metro region threaten to worsen existing air quality and deepen already excessive health risks for African Americans due to increased vehicle fuel emissions. Confronting this challenge requires a battery of policy approaches that can include:

- Exacting developer fees on new developments based upon their assessed environmental air pollution impact. In California in 2005, the San Joaquin Valley Air Pollution Control District enacted a provision known as “Indirect Source Review” that requires developers of larger residential, commercial, and industrial projects in the central valley region to reduce their smog-forming and particulate emissions. The rule is intended to reduce nitrogen oxides and particulates throughout the valley caused by increased vehicle emissions, the use of consumer products, and emissions created during construction. The provision requires that developers reduce nitrogen oxides by 33 % and particulates by 50 % of a project’s baseline. If projected emissions still exceed minimum baseline reductions, a project developer must pay an off-site fee to the Air District that will fund clean-air projects in lieu of reducing the actual project’s emission levels.¹⁴²
- Establishing laws and ordinances to promote the purchase of low-emission vehicles by government agencies and private citizens.
- Establishing “polluter pay” laws that require polluting industries to pay for the pollution they produce. For example, a refinery that is known to pollute the air by a given amount would have to pay a sum calculated based on this known pollution. Revenues generated from industries would be used to pay for pollution reduction programs, and for programs that address the health effects of pollution in affected communities. This would shift the cost of some of the effects of pollution from affected communities, government agencies, and taxpayers to the responsible industry. Ohio’s recent passage of Substitute Senate Bill 265 sets a troubling course for the State of Ohio relative to future expected air pollution levels. The new law, passed in March, 2006, exempts several new types of pollution-producing industrial facilities from regulation and restrains the Ohio EPA from conducting appropriate levels of review of pollution activity in the state.
- Strengthen vehicle regulations, particularly regulations on diesel emissions.

Many of the environmental problems, including air pollution, in the Cleveland metropolitan region cannot be solved by any single city or county acting alone. Air pollution does not stop at the city or county line. Since the Cleveland region is a non-attainment area, having a regional approach to air pollution provides benefits to African Americans who are hit especially hard by the negative health effects of air pollution—including rising asthma rates.

Expand Childhood Lead Poisoning Prevention: Lead poisoning is still one of the most serious public health concerns facing children in Cuyahoga County. African Americans in Cleveland are primarily concentrated within the central city as a result of the limited affordable housing supply in outlying suburbs, and are exposed to highly toxic levels of lead. Thus, rates of childhood lead poisoning are well above 20 % in many Cleveland neighborhoods and the City of

East Cleveland. Lead poisoning is preventable. Clearly, more work is needed to eliminate the source (getting the lead out of homes) of this housing, environmental, health, and education threat that disproportionately affects African American and poor, inner-city children. Simultaneously, work is needed to increase low- and moderate-income African Americans' access to new housing in the region. Affordable housing policy at state and local levels should be modified to:

- remove exclusionary land use practices that restrict affordable housing production;
- create affordable “fair share” housing programs at the state level;
- create new affordable housing production in opportunity-rich neighborhoods; and
- target additional state funding sources to lead abatement

See Chapter 9, Housing, for a more detailed discussion of these policy approaches.

Expanded Regional Brownfield Community Redevelopment: Cleveland and Cuyahoga County have hundreds of brownfields and underutilized properties across their landscape that could be converted to economic development projects. Brownfield neighborhood revitalization initiatives often have benefits well beyond redeveloping a contaminated site. There is a clear need to expand and strengthen the alliance focused on creating regional solutions for brownfield redevelopment in the Cleveland region.

10.3. Access to and Quality of Health care Services

Hospital Accountability: In order to strengthen non-profit hospitals' commitment to communities, The American Hospital Association is calling for measures that include giving more financial help to the uninsured poor, including extending discounts to patients who are at 200% below the federal poverty level. They are also suggesting that hospitals hire reputable companies to collect debt and have stated that hospitals should generally be more accountable to the public.¹⁴³ Another issue that needs to be addressed is the prevalence of uneven investments, and tendency towards disinvestment in urban areas (Map 13). Although hospitals are already often part of a regional network of health care, a more equitable, regional, and collaborative model of health care is necessary to equalize investments and ultimately provide greater access to the health care system for people of color. Stakeholders' statements demonstrated that this is viewed as not only desirable, but possible, benefiting all residents of a region. As one interviewee stated:

“Everybody has health care needs, its something we all have in common. It’s a small enough fish where you don’t have to give up much political power. It’s the safest place next to job creation where you could try something regional that will benefit the entire area. If you regionalize health care, it can be cheaper and better.”

Primary Care Clinics & Outreach Efforts: Additional primary care sites need to be established in underserved areas in deliberate ways that take into account proximity to public transportation, and extended hours that can accommodate working schedules. There are several programs currently in place in the Cleveland region to provide primary care to low-income, inner-city communities such as Cleveland Clinic’s Minority Men’s Health Center, MetroHealth’s Center for Community Health, and University Hospitals’ Otis B. Moss Jr. Health Center. These programs are critical and must continue and expand where necessary, to ensure adequate health care is consistently being delivered to underserved populations.

In addition to these individual initiatives, there is a need to monitor and coordinate the multiple disjointed outreach programs to determine what services are being delivered, and to whom. The Cleveland Department of Public Health could coordinate this effort in collaboration with the region's many health care providers. Initially, a survey of outreach efforts would need to be conducted to determine where services are insufficient, and the leading agencies could work together to fill in the gaps to ensure all residents of the region are receiving adequate care.

Insurance: Although establishing universal health care is a policy that needs to be pursued on the state level through collective action and lobbying, Cleveland could be a powerful force in working towards its achievement. Across the U.S., the idea of universal health care is beginning to take hold, with Massachusetts passing the first universal health care coverage program in April 2006. According to the law, a company with 10 or more employees is required to pay for health care, and anyone who can afford health care coverage must purchase it. The law contains a sliding scale of how much health insurance a person can afford.¹⁴⁴ The policy is supported by 2/3 of Massachusetts' largest businesses, which recognized that the model of providing universal health care was much more efficient than the current model where all residents pay for the ramifications of the fractured system. While universal health care is a policy that could take substantial effort to achieve, it would ultimately be beneficial for every member of a region, and could make significant progress in achieving racial equity in health care.

Representation in the Medical Profession: Cleveland has a number of programs in place to increase representation of people of color in the medical profession. The Science and Medical School at John Hay High School, for example, seeks to train inner-city students for a career in the fields of science or medicine. The Creando Posibilidades program at the Cleveland Clinic extends into the Hispanic community and provides employment opportunities, expands the number of bilingual health care workers, and increases the %age of people with health care benefits.¹⁴⁵ Further, University Hospitals has demonstrated their institutional commitment to achieving a diverse medical staff through the David Satcher Clerkship, which exposes medical students of color to careers in academic medical centers, and encourages them to pursue leadership roles in health care. These are three great examples of varying educational and program models that address the unique challenges in attracting and retaining students of color. General recommendations for establishing and expanding programs to address the challenges in achieving adequate, diverse representation in the medical profession are as follows:

- Any genuine, sustainable effort to have more doctors and medical personnel of color must extend into P-12 education, and into colleges and universities at the undergraduate level.
- All students who reach the doors of medical school must be engaged in an environment that encourages and respects the knowledge garnered from a diverse student body.
- Future health care professionals must be trained to be culturally competent.
- Medical schools and health care institutions must have deliberate programs and initiatives to achieve diversity at all levels of their institution.
- Programs such as the Ohio Physician Loan Repayment Program (OPLRP) and others should be utilized to encourage physicians to work in health professional shortage areas.

Taken together, these efforts can positively impact the medical profession and ultimately the region by providing increased employment opportunities, and by producing a diverse workforce that is trained and equipped to serve communities' needs.

Collaboration Among Health Care Institutions: The health care sector in Cleveland is undeniably one of the key strengths of the region, and thus has both great potential and great responsibility to remedy health care injustices. Some collaborative efforts are already in place such as the current partnership between Case Western Reserve University, Cleveland Clinic, and MetroHealth for the School of Science and Medicine. These site-specific programs are critical and should be continued and expanded, however despite the strength of the independent health care agencies, many of these issues are beyond the reach and scope of any individual health care system. For example, even if access to affordable medical care were provided to each and every resident, as we saw, people of color would still disproportionately be affected by environmental toxins, and there will still be under-representation of people of color in the medical profession. Thus, there is a need to combine and extend the individual efforts to address the complexity and entrenchment of some of the aforementioned health care issues. Collaborations could be established to provide a unified front to work towards policy changes, awareness-raising, or advocacy both in health care issues, as well as other related arenas, such as education and environmental justice.

11. Reflections on the Central Research Question:

What kind of regional policies and cooperative efforts would best benefit Cleveland's African American community, increase opportunity and fairness for all residents, and effectively grow the region as a whole?

There are two common themes across regional transportation, environmental justice and health. The first is that nearly all of the inequities, and consequently the policy recommendations, are regional. The second common theme is that these are issues that affect every resident of the region. Thus, this approach will not only create increased opportunities for the African American community, but will work toward increasing opportunity for all residents of the Cleveland region. Therefore, we are recommending that the following policies be advanced in order to create greater racial and regional equity along issues of transportation, environmental justice, and health.

11.1. Regional Transportation:

- It will take regional coordination and integration to solve transportation and land use issues (such as the car ownership gap, spatial mismatch, job sprawl, and growth patterns) in the Cleveland metropolitan region.
- A long range transportation plan is needed which includes increased funding for transit.
- Urban/Minority MPO under-representation must be addressed.
- The Greater Cleveland Regional Transit Authority (GCRTA) needs to be expanded to provide urban residents access to the current and emerging suburban economic activity centers.

- To promote economic development, Cleveland RTA within the next decade needs to provide a cost-effective and reliable “reverse commute” for suburban job concentrations as well as for employees in the urban core.
- Create low-income car ownership programs which promote and support car ownership for low-income families as an effective way to expand their employment options and increase their overall mobility.
- Develop location efficient mortgages (*LEMs*) to assist families to qualify for mortgages in neighborhoods in which residents can walk from their homes to stores, schools, recreation, and public transportation.¹⁴⁶
- Expand transit-oriented development (TOD) that allows access to clean, safe, and affordable transit service, housing options, a variety of goods and services, and safe, inviting pedestrian and bicycle-friendly public spaces.
- Design a more dense, walkable city center with cultural attractions, jobs, farmers markets, and residential neighborhoods easily accessible by foot, bike, or public transit. The lakefront in particular could be utilized as a hub of economic development.
- Increase the cost of “drive to qualify”—have road extensions into new suburbs paid by users.
- Pursue the increased utilization of clean fuel. Consider ways to accelerate the deployment of clean fuel vehicles and infrastructure enhancements for transit, government vehicles, school buses, and others.

11.2. Environmental Justice, Air Quality, and Health

- Pursue environmental justice and transportation equity.
- Arrest air pollution and rising asthma rates caused by growing decentralization and increased auto-dependency within the Cleveland metro region.
 - Consider exacting developer fees on new developments based upon their assessed environmental air pollution impact.
 - Establish laws and ordinances to promote the purchase of low-emission vehicles by government agencies and private citizens.
 - Establish “polluter pay” laws that require polluting industries to pay for the pollution they produce.
 - Strengthen vehicle regulations, particularly regulations on diesel emissions.
- Prevent childhood lead poisoning by eliminating the source -- get the lead out of homes.
- Simultaneously, increase low- and moderate-income African Americans’ access to new housing in the region. Affordable housing policy at state and local levels should be modified to remove exclusionary land use practices that restrict affordable housing production. Create affordable “fair share” housing programs at the state level.
- Target additional state funding sources to lead abatement, and the creation of new affordable housing production in opportunity-rich neighborhoods.

- Expand and strengthen the alliance focused on creating regional solutions for brownfield redevelopment in the Cleveland region.

11.3. Access to and Quality of Health Care Services

- Consider ways to make hospitals more accountable to the communities they serve.
- Pursue a more equitable, regional, and collaborative model of health care to equalize investments and provide greater access to the health care system for people of color.
- Address health care disinvestments in urban areas.
- Establish primary care clinics throughout low-income, underserved areas that are deliberately connected to public transportation and have flexible hours to accommodate work schedules.
- Develop a comprehensive database to determine what services are currently being provided by the varying health care institutions, to whom, and where outreach efforts are lacking.
- Establish and expand programs that incentivize physicians to work in underserved areas.
- Lobby and work to create state-wide universal health care.
- Create outreach programs in K-12 education to attract students to the science and medical fields.
- Encourage medical schools to achieve a diverse student body; provide cultural competency training.
- Achieve a racially, ethnically, and linguistically diverse staff at medical schools and health care institutions.
- Health care providers across the region must work collaboratively to develop regional interventions and to provide comprehensive services.
- Extend efforts to improve the health of Cleveland residents by working in other related sectors such as housing, environment, and education.

Chapter 10: Tables, Maps and Figures

Table 9. Age of Cleveland's Housing Stock, 2000 Census¹⁴⁷

Geography	Occupied Housing Units	Occupied Housing Units Built Before 1950	% Built Before 1950	Built Before 1950: Share of Metro Total	% of Metro Occupied Housing Units
Cleveland city	190,633	124,949	66%	42%	22%
Cuyahoga County	571,457	237,065	41%	80%	67%
Geauga County	31,630	6,329	20%	2%	4%
Lake County	89,700	16,269	18%	5%	11%
Lorain County	105,836	27,573	26%	9%	12%
Medina County	54,542	9,384	17%	3%	6%
Cleveland Region	853,165	296,620	35%	100%	100%

Table 10: Annual Household Spending By Metropolitan Areas Ranked by Share of Expenditures on Housing and Transportation Combined

Metro Area	% of Household Spending House + Transportation	Housing	Transport
Los Angeles	55.7%	37.8%	17.9%
Miami	55.1%	36.7%	18.3%
Atlanta	54.7%	37.4%	17.3%
San Francisco	54.1%	37.1%	16.9%
Cleveland	54.0%	33.3%	20.7%
Chicago	53.4%	36.0%	17.4%
Washington, D.C.	53.2%	37.3%	15.9%
Philadelphia	52.7%	35.6%	17.1%
New York	52.2%	37.1%	15.1%
Dallas	51.9%	31.0%	21.0%
Detroit	51.8%	33.2%	18.7%
Cincinnati	51.7%	31.9%	19.7%
Baltimore	51.3%	43.4%	16.9%
Houston	50.8%	30.7%	20.1%
Milwaukee	50.1%	33.5%	16.6%
Pittsburgh	48.7%	30.8%	17.9%
Minneapolis	48.7%	30.8%	17.9%
St. Louis	48.2%	29.1%	19.1%

Source: Urban Land Institute. "We Knew It: Smart Growth Helps Lower Consumer "Location" Costs for Housing, Transportation, ULI Analysis Shows." September 8, 2003.

Table 11: Car Ownership Rates in Selected Cities by Race

Source: U.S. Census Bureau (2000).

	Washington city, District of Columbia	Atlanta city, Georgia	Cleveland city, Ohio	Memphis city, Tennessee	Baltimore city, Maryland	Detroit city, Michigan	St. Louis city, Missouri	New Orleans city, Louisiana	Minneapolis city, Minnesota	Pittsburgh city, Pennsylvania	Milwaukee city, Wisconsin
All Households											
No vehicle available	36.9%	23.6%	24.6%	14.3%	35.9%	21.9%	25.2%	27.3%	19.7%	29.4%	21.4%
1+ vehicle available	63.1%	76.4%	75.4%	85.7%	64.1%	78.1%	74.8%	72.7%	80.3%	70.6%	78.6%
White Households											
No vehicle available	27.0%	9.2%	17.3%	6.7%	22.7%	19.0%	15.7%	15.3%	15.2%	22.6%	15.5%
1+ vehicles available	73.0%	90.8%	82.7%	93.3%	77.3%	81.0%	84.3%	84.7%	84.8%	77.4%	84.5%
Black Households											
No vehicle available	42.1%	34.6%	31.7%	20.3%	44.4%	22.7%	36.2%	34.8%	36.1%	48.6%	32.3%
1+ vehicles available	57.9%	65.4%	68.3%	79.7%	55.6%	77.3%	63.8%	65.2%	63.9%	51.4%	67.7%

Table 12: Large Metropolitan Areas with High (Low) Blacks/Jobs Mismatch and Job Sprawl (metropolitan areas with at least 500,000 population)

Metro Areas with High Mismatch and High Job Sprawl	Mismatch Index	Job Sprawl Index
1. Detroit, MI	71.4	92.4
2. Chicago, IL	69.5	77.0
3. Newark, NJ	65.2	76.9
4. Philadelphia, PA	64.2	80.9
5. St. Louis, MO	62.6	84.6
6. Cleveland, OH	62.0	75.4
7. Los Angeles, CA	61.6	87.1
8. Cincinnati, OH	58.8	75.3
9. San Diego, CA	58.6	77.6
10. Indianapolis, IN	58.3	74.9
11. Houston, TX	56.5	80.6
12. Dallas, TX	56.4	82.7
13. Oakland, CA	55.4	82.0
14. New Haven, CT	54.7	82.9
15. Atlanta, GA	53.9	84.6
Metro Areas with Low Mismatch and Low Job Sprawl	Mismatch Index	Job Sprawl Index
1. Greenville, SC	29.8	27.0
2. Charleston, SC	30.4	58.3
3. Albuquerque, NM	34.2	40.2
4. Columbia, SC	34.9	53.1
5. McAllen, TX	37.5	39.8
6. Bakersfield, CA	38.4	43.3
7. Fresno, CA	40.5	52.1
8. Knoxville, TN	42.4	57.9
9. Little Rock, AR	43.5	53.3
10. Oklahoma City, OK	43.7	57.9
11. Colorado Springs, CO	45.8	41.2
12. Tacoma, WA	45.9	50.1

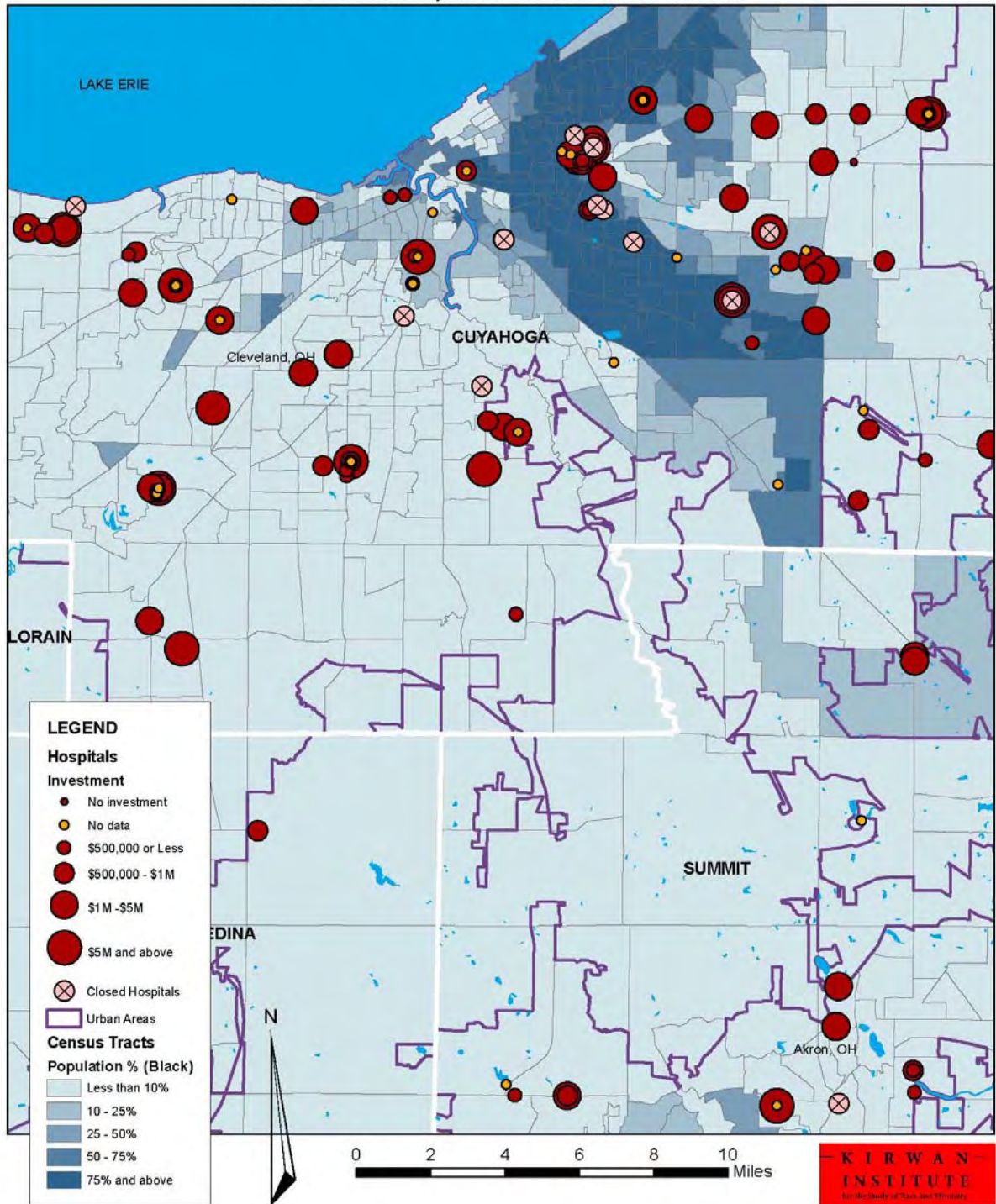
Source: Michael A. Stoll, *Job Sprawl and Spatial Mismatch Between Blacks and Jobs*. Washington, DC: The Brookings Institution, February 2005, Table 1, p. 5.

**Table 13 – Board Sizes of Selected Large MPOs and Their Racial-Ethnic Characteristics, 2004
by %age of Non-White Residents represented by Non-White Members**

City	MPO	Number of voting Board Members	Board Members per 100,000 residents	% of Board Members who are White	% non-White residents represented by non-White Members
Detroit, MI	Southeast Michigan COG	51	1.1	78	52
Memphis, TN	Memphis MPO	19	1.9	84	48
Washington, DC	Metro Washington COG	32	0.8	78	47
Columbus, OH	Mid-Ohio RPC	72	5.8	89	38
Los Angeles, CA	Southern California AOG	76	0.5	79	31
Atlanta, GA	Atlanta Regional Commission	38	1.1	87	29
New Orleans, LA	Regional Planning Commission	26	2.4	88	28
Chicago, IL	Chicago Area Transportation Study	20	0.3	90	27
Philadelphia, PA	Delaware Regional Valley RPC	52	0.3	94	21
St. Louis, MO	East-West Gateway Coordinating Council	21	0.9	90	21
Cleveland, OH	NE Ohio Areawide Coordinating Agency	38	1.8	92	19
Houston, TX	Houston-Galveston Area Council	25	0.7	92	17
Minneapolis, MN	Metropolitan Council of Twin Cities	17	0.6	82	15
Rochester, NY	Genesee Transportation Council	32	2.7	81	7
Dallas, TX	North Central Texas COG	13	0.3	85	3
Dayton, OH	Miami Valley RPC	92	9.8	95	2
Baltimore, MD	Baltimore Regional Transportation Board	8	0.3	100	0
Boston, MA	Boston MPO	14	.5	100	0
Buffalo, NY	Greater Buffalo-Niagara RTC	7	0.6	100	0
Cincinnati, OH	Ohio-Kentucky-Indiana Regional COG	27	1.5	100	0
Indianapolis, IN	Indianapolis MPO	37	3.2	100	0
Jacksonville, FL	First Coast MPO	13	1.5	100	0
Las Vegas, NV	Regional Transport Commission of S. Nevada	8	.6	100	0
Louisville, KY	Kentuckiana Regional Plan & Dev. Agency	18	1.9	100	0
Milwaukee, WI	Southeastern Wisconsin RPC	21	1.1	100	0
Nashville, TN	Nashville Area MPO	24	2.3	100	0
New York, NY	NY Metropolitan Transportation Council	9	0.1	100	0
Pittsburgh, PA	Southwestern Pennsylvania Commission	16	0.3	100	0
Salt Lake City, UT	Wasatch Front Regional Council	18	1.4	100	0

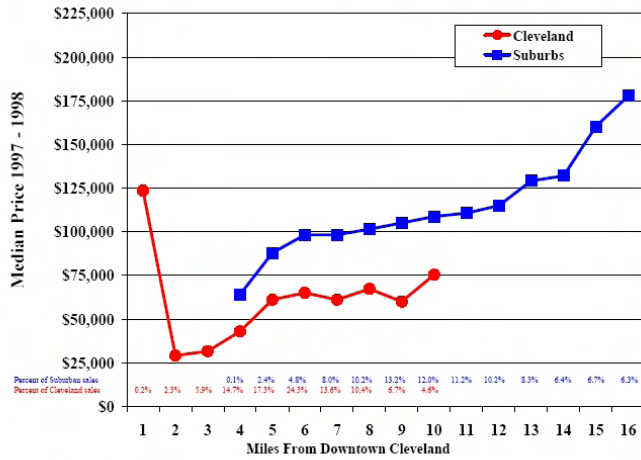
Source: Adapted from Thomas W. Sanchez, *An Inherent Bias? Geographic and Racial-Ethnic Patterns of Metropolitan Planning Organization Boards*. The Brookings Institution Series on Transportation Reform. Brookings Institution (Washington, DC, January, 2006).

HEALTH INVESTMENT DISPARITY CLEVELAND, OH AND VICINITY



Map 13: Health Investment Disparity in Cleveland, OH and vicinity

Cleveland Area Home Prices Increase Outward



Source: County Auditor David Tompkins and Housing Policy Research Program, Cleveland State University

Figure 4: Housing Prices, Cleveland, OH

Chapter 10: References and End Notes

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REGIONALISM

GROWING TOGETHER TO EXPAND
OPPORTUNITY TO ALL

ADDENDUM: PRIORITY RECOMMENDATIONS

11

Addendum: Priority Recommendations

The following addendum provides priority recommendations from the policy chapters of this study (Chapters 7 to 10). These policy recommendations are potentially the most effective and viable for building greater regional equity, for both the African American community and for the health of the entire Cleveland region. The priority recommendations include:

- Chapter 7: Education – Regional socio-economic integration
- Chapter 8: Economic Development – Labor force development
- Chapter 8: Economic Development – Minority business accelerator
- Chapter 9: Housing – Regional housing and land use policy
- Chapter 10: Health Care – African American representation in the health care industry

Education: Regional Socio-Economic Integration

This report has stressed that no single issue stands in isolation; each policy can create either traction with or retrenchment in others. Education in particular is part of a nexus of policies that affect a region's overall health. High quality public schools can spur economic development, help curb sprawl, and can be linked to more inclusive, regional housing policy to improve the overall health of the region.

High quality education is a complex issue due to the multitude of factors that affect student achievement. Many of them are moderately easy to reach through direct reform such as improving teacher quality, modifying the curriculum and creating more democratic, equitable discipline policies. Others, however, are much deeper and can be difficult to affect directly such as parental education, family socio-economic status, and student mobility. An abundance of research from the past few decades has been focused on each of these factors and has sought remedies to address each one individually. To a certain degree, all of these remedies have been successful. In Texas for example, researchers determined that the achievement gap could be completely closed in five years through the provision of high-quality teachers.¹ Unfortunately, many remedies have proven to be unstable and unsustainable, as political forces and other variables affecting student achievement have ultimately eroded any progress made. Thus the challenge of creating a more equitable model of education is two-fold: any proposed education remedy must be systemic and sustainable; and it must affect the multitude of factors impacting educational outcomes.

Economic desegregation has been implemented in several locations across the country as a means to create a more sustainable and equitable education system. The results achieved are consistent with what forty years of research anticipated. Studies have overwhelmingly demonstrated that children of all socioeconomic backgrounds perform better in middle-class schools than in high-poverty schools.² This is due in part to the multitude of negative factors strongly correlated with isolation in a high-poverty school, which disproportionately affect students of color and low-income students. Regional economic integration has a demonstrated positive impact on these factors as the

socioeconomic status of a school is a stronger predictor of academic achievement than an individual's home environment and family background.³ Further, socioeconomic integration has been in place in some locations for decades, proving that it is not only effective, but also achievable and sustainable.

It is important to note that it is not that sitting in a classroom next to low-income peers is harmful in and of itself; rather it is those deleterious factors that are correlated with the concentration of such student populations in a single school. Teachers in high-poverty schools are more likely to be under-qualified, have less experience, be teaching in a subject area outside of their training, are less likely to have received sustained professional development, and have higher rates of turnover.⁴ These schools tend to have lower levels of parental involvement, higher rates of student mobility, and may have lower expectations and standards for their students. Overall, a middle-class school is twenty-two times more likely to be consistently high performing than a high-poverty school.⁵

Conversely, these factors are mitigated when schools are comprised of no more than fifty percent of the student body on free and reduced lunch.⁶ When such economic integration is achieved, schools are better able to attract and retain high-quality teachers. Students benefit by having higher career aspirations, lower drop-out rates, fewer incidents with police. They are less likely to become teenage parents, and are more likely to attend college. In these schools all students experience cognitive benefits and are afforded opportunities to interact with each other in deeper and more meaningful ways, have higher levels of reasoning, and have demonstrated increased perspective taking. Academically, low-income students suffer compared with their middle-class peers: the average low-income twelfth-grade student reads at the same level as the average eighth-grade middle-class student. Black and Hispanic students in economically desegregated schools outperform their peers trapped in high-poverty schools as well. In Wake County, North Carolina, for example, the percentage of Black students passing grade level standardized tests was 40% before economic integration, and 80% following.⁷ What's more, in no instance have researchers ever found White, or middle-income students to be academically harmed by economic integration.⁸

It is important to dispel the myth that economic segregation and high-poverty schools are harming low-income students of color alone. If a school is comprised of a student body that is 55% economically disadvantaged and suffers from the associated negative correlates, the remaining 45% of the middle-or upper-income student population is also harmed. Further there are a number of psychological and social benefits that cannot be garnered when students are isolated in a homogenous environment- be it racially or economically. Therefore, our current inequitable educational arrangements are putting all students of a region at risk, and consequently the entire region itself, no matter how isolated poverty may be in an urban area.

It is also important to note that it is not impossible for high-poverty schools to close the achievement gap and provide equitable education. Articles and studies often lift up a school that is succeeding in the face of all odds, articulating what the school is doing right and suggesting that systematic change is possible utilizing these formulas. In many cases their successes are tremendous, but unfortunately, not sustainable. Further, these schools are in the minority. The Heritage Foundation identified just twenty-one

nationally, amidst the 8600 high-poverty schools nationally that are underperforming.⁹ Further in the Kirwan Institute's study of schools across the six major metropolitan areas in Ohio, in no case did any high-poverty school (defined as more than 60% of the student body economically disadvantaged) outperform a non-high poverty school.¹⁰

A Regional Economically Integrated School Plan for Cleveland

Like any reform initiative, implementation in a specific geographic area must be tailored to the particulars of the region, and a regional model of economic integration is no different. Although there are a number of successful models of economic desegregation across the nation, each are uniquely situated in their own distinct political environment, regional history and variances. These models can be used, however, to glean best practices, to anticipate and plan for retrenchment and resistance, and to determine how best to specifically tailor programs to the Cleveland region.

The Wake County, North Carolina model of economic integration is widely touted as one of the most successful plans of its type. However, many are quick to dismiss such a plan for the Cleveland region because of Raleigh's county-wide school district. Although this arrangement is somewhat unique, and there are inherently more challenges in a highly fragmented region such as Cleveland, through careful planning and regional communication and cooperation, the plan could nevertheless be modified for successful implementation. Creating a balanced, regional system of education requires two primary components: (1) creating and utilizing existing magnet and other schools in the city to attract suburban, middle- and high-income students and (2) providing the ways and means for inner-city, economically disadvantaged youth to attend schools in the opportunity-rich suburbs. Wake County provides a notable model for the development of high-quality, attractive magnet schools: of the 36 Schools of Excellence designated by Magnet Schools of America in 2006, eight were in Raleigh.¹¹

Cleveland has a strong foundation to create a similar model with the existing magnet schools in Cleveland's Municipal School District (CMSD) such as John Hay High School, Early College High, the School of Science and Medicine and the School of Architecture, Art and Design. Cleveland also has an untapped resource in the thousands of parents who travel to the city for work each day. Albuquerque took advantage of this opportunity and established extended day schools for the children of commuting workers. Parents and children were able to travel to and from school and work together, and parents benefited by having their children nearby and cared for until they were off work. The schools were able to maintain an economic balance by designating half the student body as commuters and half as urban students.¹² These schools could work to curb the declining enrollment in CMSD, and by utilizing admissions policies that balance academic achievement and socioeconomic status. Such schools can not only attract suburban students, but could serve as a model for future magnet schools. Initial demonstration sites such as these could be used to measure the success of the initiative, and could serve as a springboard from which to promote a regionally integrated education system.

In order to create economically balanced schools, low-income, inner-city students need access to opportunity-rich suburban schools as well. Minneapolis' Choice is Yours program provides a notable starting point from which to begin developing a similar plan

for Cleveland. In Minneapolis, students receiving free and reduced lunch in the city school district are given priority placement in the suburban or magnet schools of their choice. They are provided transportation to ensure the undue burden does not fall on the parent or caregiver, and students are given academic assistance to ease the transition into a different learning environment. Since its implementation in 2000, the program has demonstrated notable success. Inner city students participating in the Choice is Yours program outperformed their counterparts, with scores in reading and mathematics that were respectively 23 and 25 percentile points higher.¹³

Implementing the Plan in Cleveland

The concept of regional socioeconomic integration is not new, nor is it new to the Cleveland region. In fact, it was featured, complete with a highlight of Wake County Schools, in Cleveland's *Catalyst* in 2004. The primary present day challenge then comes not in identifying the program with the most potential, but in implementing it. In order to successfully achieve systemic, sustainable educational change, the particularities of the Cleveland context must be taken into account- strengths must be utilized and weaknesses planned for, and a long term strategy must be created, including a dynamic public education component.

There are a great number of strengths in the Cleveland region which if mobilized could provide unprecedented support in establishing a regional system of education. The oft-cited world renowned healthcare system, for example, is a natural partner for public schools. Healthcare institutions are increasingly realizing the pressing need to have more people of color working in the industry, and although many have outreach efforts at the higher education level and in K-12, a model of sustainable diversity will require a more equitable, and hence regional, education system. In addition to working towards this model of education, healthcare organizations could also work to ensure students are receiving routine medical care to address the undiagnosed and untreated healthcare problems that account for deficiencies in many low-income students' academic performance. Additional benefits that will serve Cleveland in this initiative are its strong philanthropy and community development networks, the resiliency and strength of its residents, and supportive political leadership.¹⁴

There are also notable challenges Cleveland and its surrounding suburbs face in economically integrating education including a highly fragmented region and educational system, with a growing economic schism between the city and neighboring suburbs.¹⁵ Feelings of disenchantment and resistance are strong following previous bussing efforts and initiatives to racially desegregate. Further, without proper planning and implementation, suspicion and mistrust are likely to undermine any education reform, particularly any efforts that move away from neighborhood and community schools.

Taking into account this historical context, it is critical in pursuing any educational initiative that it be built from the ground up. Although the benefits of socioeconomic integration can be demonstrated through research, and the programs in existence across the nation are highly touted, if it is perceived by the general public as being forced it is likely to be met with resistance and quickly quelled. Building on-the-ground support is certainly no easy feat, nor can it be accomplished instantaneously, but it is possible. Given the history of mistrust, and the delicacy of reforming a system that directly impacts

children, this initiative must be a collaborative one, and must educate and simultaneously solicit input from parents, schools, political leaders, nonprofit agencies and businesses in the region. With the understanding and support from these divergent groups, the initiative is much more likely to not only gain traction, but to also be sustained over time.

Despite these challenges, there are promising research studies indicating that individuals not only recognize the inequities in education, but may also be ready to support regional solutions to address them. Nationally, 75% of Americans report favoring public school choice over district lines, while only 21% do not.¹⁶ Furthermore, survey respondents report wanting desegregated education; in 1999 59% thought we should be doing more to integrate schools, and 67% would choose a “good diverse school” over an “outstanding homogenous school.”¹⁷ Clevelanders not only support a more equitable model of education, but research by the Gallup Organization indicates they may be ready to work to achieve it. Findings released in April 2006 demonstrate that the majority of individuals are in favor of having a regional system of school funding, even when it comes at the expense of wealthier school districts. 63% of City of Cleveland residents support this, as did 57% of the residents in the Cleveland MSA.¹⁸

To create a more regional educational system across the Cleveland Region, parents and children of all socioeconomic backgrounds need increased options for obtaining a high-quality, integrated education. School choice has always been available to middle-and upper-class populations through housing mobility. The challenge Cleveland faces today is how to also offer real choices for low-income populations and families of color who are currently isolated and trapped in high-poverty, low opportunity areas. By creating successful and desirable schools in the inner-city as well as opening up access to those in the surrounding suburbs, Cleveland can begin working towards a regional system of education where opportunities are more justly distributed and are easily accessible to all. This is not necessarily an easy or immediate process, but through deliberate, targeted, and sustained reform, it is an achievable one. Further, an equitable and regional system of education will not only improve the educational quality for all students in every district, but it also has the potential to improve the life outcomes for all residents of the region, and the viability of the city itself.

Economic Development: Labor Force Development

Employment opportunities are limited for African Americans. Employment centers with a better match in terms of skill, preparedness and wages are geographically distant from a substantial portion of African Americans. The physical distance is compounded by transportation friction, employer bias and other factors further isolating African Americans, particularly men. Cleveland’s emerging occupations (shown in the Full Report Chapter 8 Tables 1-2) requiring on the job experience up to an associate’s degree can be better connected to qualified candidates through workforce initiatives. Many jobs hire based on an interpersonal network, in combination with other factors, placing comparably qualified candidates’ out of employments reach. The mismatches are spatial, educational and policy-based. Step up employment like the ones presented in the emerging occupations table are necessary to expand the employment base to grow the 21st century Cleveland African American middle class while simultaneously capacitating

those African Americans requiring connections to the higher skill/education emerging opportunities already on the radar.

Secondly, Cleveland needs to revisit the intersections of education, economic and workforce development policy. Although federal funding for School to Work (via the School to Work Opportunities Act of 1994) ended in the early half of decade some states and localities are still deeply engaged in the program. Several municipalities, such as Cincinnati and Boston serve as a basis for Cleveland to understand how to treat education, economic and workforce development policy, creating benefits for the regional economy and students.

Building Support for School to Career Labor Force Initiatives

Before proceeding with than in-depth look at policy and implementation features, it is important to consider partners needed to sustain and develop labor force initiatives. Successful initiatives need broad support from the private sector and public, and identify strategic partners to initiative programs. Many groups benefit from labor force development, this fact can be helpful in attracting the private sector to help support labor force development initiatives. Advocacy efforts in the region should indicate why businesses should support School to Career initiatives. Research in other regions indicates that businesses supported initiatives that:¹⁹

- Showed how the benefits of their involvement exceeded the costs
- Returns have been attributed to high student productivity, lower recruitment costs, and reduced training and supervision costs
- Consistently involved businesses were more likely to provide work-based learning opportunities since their primary interest was increasing the skill levels of their youth labor force

In addition to the benefit to business, parents and student support must be gathered for School to Career initiatives. Research indicates that students gain significant benefits from these programs. Students are more prepared and better positioned for the competitive landscape. Specifically:²⁰

- Students saw improved attendance, academic achievement, and graduation rates
- School to Career initiatives also served to increase academic rigor in the classroom
- Prepared students for college entrance and has decreased attrition rates
- Help young people become prepared for employment and obtain higher quality jobs with better wages than they might normally receive

In addition to developing broad support for these initiatives, a strategic assessment of potential partners and collaborators is essential for moving initiatives forward. In the Cleveland region these strategic partners could include: City of Cleveland Workforce Investment Board, City of Cleveland Economic Development Department, Cuyahoga County Workforce Investment Board, Cuyahoga County Community and Economic Development, Fund for Economic Future and Venture Capital Recipients, Fortune 500 Companies (11) and Top innovators (30), State of Ohio EEO Division (Department of

Administrative Services), Media Partners, Cuyahoga County School Districts (36 total), Tri-C Community Colleges, Local Universities, Greater Cleveland Partnership and the Port Authority of Cleveland.

Action Steps to Expand Labor Force Development

(For more detail on programs discussed below, please review Chapter 8).

- Developing municipal procurement mentor-protégé partnerships between MBE and mainstream firms completing public contracts.
- Pre-development policy discussion and joint planning efforts between county and planning officials, WIB and Economic Development departments. Efforts to consider include submitting a proposal to complete a Comprehensive Economic Development Strategy to the Department of Labor for the Cleveland region.
- Seek WIRED funds from the Department of Labor to conduct integrated efforts based on the prioritized outcomes of the CEDS
- Increase funding for WIRE-NET to expand its capacity to engage local manufacturers and the state about creating the policy gateway for worker preparedness certification, including MSCC certification for manufacturing workers.
- Engage organizations such as KnowledgeWorks and other applied educational / employment policy organizations (including the organization Linking Education and Economic Development) which have demonstrated the capacity to create innovative programming for urban schools and business interests.
- Facilitate the development of an Advisory Board representing a cross section of the region's secondary to university level policymakers, business interests, parent-teacher organizations and municipal and school district policymakers. Use this forum to discuss how business and students can be served, while dialoguing comprehensively about reducing school and work-related frictions for students. Encourage a unified transparent criterion for a pilot program to be implemented in Cleveland municipal and inner-ring school districts. Create short-term 'wins' to be widely publicized, such as which businesses are on board, program highlights, student profiles, etc, then look to traditional outcome measures as a longer-term indicator of success.
- Provide multiple career tracks for students to explore their own interests. Ground these personal interests with widely applicable skills in management, finance, civic engagement and personal organizational responsibility.
- Explore how the CEDS and School to Career Initiative can coexist to provide extra leverage when attempting to secure funds for the program and its partner program, WIRED.
- Actionable discussions between County and City Workforce Investment Boards and Economic Development groups on which challenges can be addressed interdependently.

- Conduct comprehensive condition and policy assessment, identifying where friction occurs for potential employees in obtaining and retaining employment, particularly for at-risk, geographically, economically isolated segments. Identify where policy can help reduce friction from the perspective of different segments—educated, undereducated, suburban, urban, rural, renter and homeowner, inclusive.

Economic Development: Minority Business Accelerator

Momentum is building to increase the capacity of minority-owned firms to achieve sustained success within Cleveland, and connecting these firms to the region's 21st century industries. Outside the region success are being earned through similar efforts, connecting minority enterprise with the regional corporate community. In Cincinnati, its Minority Business Accelerator anticipates year end corporate procurement commitments totaling \$300 million; and 2008 projections expected to reach a half billion dollars.²¹ For Cleveland, the impetus is to develop its own MBA, exploring unique connections and developing solutions to core economic challenges in the region. Cleveland Federal Reserve CEO, Sandra Pianalto, clearly articulates the region's economic challenges, stating:

“Compared with the rest of the country, we are still predominantly a region that manufactures, coats, polishes, extrudes, and extracts. After a century of relying on the heaviest types of traditional industry—coal, steel, automobiles, rubber, and electrical equipment – we have been deeply affected by global trends, including rapidly changing technology and increased international trade.”²²

Enterprise-based interventions must seek a place in the economic development structure in Cleveland. It should work to ensure that 21st century industries cluster in Cleveland and Clevelanders have access to those better-paying jobs. A sufficiently educated entrepreneurial and workforce pool is absolutely necessary to sustain productivity and attract additional employment, similar to regions like Austin, Charlotte and Seattle. Capitalizing on the existing conditions as Ronald Richard, suggests, “must simultaneously build upon our existing strengths, like healthcare, *and* make Cleveland the capital or center of new and emerging industries.”²³ The thrust of Cleveland's 21st century economic development must sharpen its focus and expand its perspective to attract new industry niches, to generate thousands of new jobs. This focus must also consider the value of reinvesting for the sake of the region by, expanding the elements of opportunity to the core, rural and inner-ring suburbs with equity oriented policy.

The Minority Business Accelerator achieves produces business relationships that result in better integrations and new business opportunities for the most capital starved businesses in the region. Key partners exist in Cleveland to generate the networking needing to provide the risk capital, and professional interchange to spin off enterprise. Among these institutional assets are Case Western Reserve University, NASA, the Cleveland Clinic, Cleveland State and several Fortune 500 and emerging technology firms. These assets represent the engines capable of leveraging and coordinating resources to create access for African Americans to form larger, sustainable enterprises able to better absorb risks and reinvest in the overall cycle of creating productive assets. As a region, Cleveland has the capacity to craft policy that, as Richard describes, “take[s] better advantage of potential synergies that are right before our eyes, by fully utilizing the rich resources we

already have. Not to do so is an all-too-common failure in so many post industrialized cities.”

Collaborating to Establish a MBA: Proposed Partners

The first step in developing a Minority Business Accelerator for the region includes interacting with key stakeholders needed to support the MBA. In the Cleveland region these could include: City of Cleveland Economic Development Department, Cuyahoga County Community and Economic Development, Fund for Economic Future and Venture Capital Recipients, Fortune 500 Companies (11) and Top innovators (30), State of Ohio EEO Division (Department of Administrative Services), Media Partners, Tri-C Community Colleges, Local Universities, Greater Cleveland Partnership, The Cleveland Foundation, The Presidents’ Council, Leading MBE Firms in the Region, Existing MBE advocacy and networking organizations.

Goals and Action Steps to Develop and Guide an MBA for the Cleveland Region

Goals:

- Goal: Build the policy infrastructure and incentive base for the development of a Minority Business Accelerator in Cleveland.
- Goal: Improve networking, mentoring, and relationship-building among minority and majority firms in order to build on human capital.

Action Steps:

- Similar to Cincinnati, a Cleveland-MBA must tap the local, larger scale firms, and research institutions for support. Efforts should also be made to align with an existing broad, highly-visible and credible institution (In Cincinnati, the MBA is within the Regional Chamber of Commerce).
- Along with corporate partners, engage emerging-industry participants. Issues to consider include establishing participation targets and accountability systems to inform the procedural basis of the Cleveland MBA. Further, the Accelerator and partners should spend substantial effort crafting a series of broader goals to motivate sustained participation on all sides.
- Avoid creating a private ‘set-aside’ environment through MBA procurement commitments. The MBA in Cincinnati is collaborative and competitive. It has also been masterful at being a relationship conduit for African American and Fortune 500 companies in the region.
- In addition to working toward procurement goals, consider the significance of firm clusters. Research suggests clusters are a critical element for regional and local prosperity. Geographic proximity and firm scalability should be a part of the MBA criteria in a meaningful way. Microenterprise has been a long standing public strategy to promote employment, but efforts by the Cincinnati MBA and research demonstrate, targeting mid to large scale firms presents greater impact potential for employment opportunity. From a short-term perspective such firms tend to be more able to competently and effectively meet the procurement needs of large scale (e.g. Fortune 500) companies.

- MBE and African American firms must be more deeply engaged in the practices that generate value in the 21st century. The Cincinnati MBA promotes strategic responses to competitive forces at the regional and national scale. It does so, in part by embracing several growth and ownership strategies. Among them is merger and acquisitions among its Accelerator-firms to create larger scale enterprises. The MBA also encourages tangentially-oriented companies to form new, joint ventures in an effort to better position firms for competition and corporate procurement relationships.
- Borrowing from integrated workforce/economic development policy, A Cleveland-MBA can work to close the 'loop' by investing in less prepared workers through short-term, 'step-up' programs. **Figure 1** in Chapter 8 of this report demonstrates employment growth based on the level of experience and education. Secondary goals of the MBA should seek to create opportunities for these workers to move forward within MBA firms and bolster support for businesses from the bottom up.
- Tap vested African American businesses to monitor African American entrepreneurs. Also consider networking opportunities and incentives with established businesses and institutions to steer African American entrepreneurs toward emerging sectors.
- Understand how gaps persist and form between African American and mainstream businesses. Use this information to increase interactions and provide additional steering opportunities.
- Differentiate Accelerator-firms and position them to compete for city contracts outside of the set-aside framework.
- Be among the first to establish functional links between the Accelerator and African American incubators and its alumni firms to cultivate the private procurement chain.
- Establish and maintain procurement links with emerging, innovative and Fortune 500 firms.

Housing: Regionalized Housing and Land Use Policy

Summary of Housing and Land Use Challenges

Today, a home is the strongest anchor to educational, economic and social opportunity. Living in decent housing in an opportunity-rich neighborhood offers access to quality schools, sustainable employment opportunities, vibrant social networks, well-funded public services, thriving civic institutions, high-quality grocery stores and a broad array of other building blocks for healthy communities.

Challenges to building diverse, resource-rich neighborhoods include land use policies that reward greenfield development and starve existing communities of social and physical infrastructure; racial and economic segregation that result in the concentration of poverty in areas with the fewest resources to meet it; macro-economic dislocations which

cause local foreclosure, vacancy, and abandonment as a result of job loss and financial devastation; and underutilized (brownfield or vacant) city land parcels.

Intervening in forces that impede a more socially responsible housing policy in the region requires an understanding of the relationship among housing, land use, fiscal, and educational policy. Municipal comprehensive plans and zoning ordinances allocate multiple land uses and densities in their jurisdictions, setting the overall frame for what type of housing production is allowed in each community. Infrastructure investments, often bridging several jurisdictions and supported by state and federal funding sources, also guide where and how development occurs. Transportation investments in highway building, and subsidies for extensions of water and sewer services, often direct development away from existing communities and into newer ones. Because we finance public education systems primarily through local taxes, schools reflect the widely differing economic and social circumstances of their neighborhoods. Residential segregation itself affects employment opportunities, health care, and economic status in many ways.

What follows is a holistic approach to regional housing and land use policy, directed to Cleveland's context and capacities. It sets out the need for a visionary regional housing and neighborhood development plan, the best practices to be considered for its implementation, and identification of existing capacities that could be utilized and strengthened during the implementation. These are set out as overall Recommendations 1-3 with subparts (i.e. 1a, 1b, 1c, etc.).

Tailoring Responses to Cleveland's Context

Challenges to sustainable and equitable housing and land use policies are broadly known to undercapitalized cities across the country. With respect to tailoring responses to the Cleveland context, it is critical to recognize that nascent capacity to address many of these problems already exists in the region; organizations with experienced, committed staff abound across the Northeast Ohio region. However, these organizations have yet to be expanded and linked together in a sustainable way to allow for long-range planning among various constituencies. Desire for this linkage was explicitly articulated by the region's diverse community leadership in interviews:

“[W]e need to establish a deeper, cohesive community. There is a hunger, along with segregation, frustration, turf issues, for greater unity, for working together in an effective and visibly meaningful way...People are saying they yearn for community.”

Recommendation # 1: Provide financial and institutional support for what has been identified by Clevelanders a critical intangible for producing structural change in housing and land use policy: opportunities for sustained, thoughtful investments in networking and relationship-building, particularly across sectors such as business, community, neighborhood development and advocacy groups, in addition to housing authorities and intermediaries.

As several interviewees stated,

“We need a creative dynamic that focuses on collaborative convenings in these different sectors, that focuses on regional equity...And it absolutely must be with and by the leaders who are here.”

“It would be interesting to see a forum in which all of these sectors – the business, foundation and community organizations – could get together and have a frank discussion as to each one’s strengths and weaknesses, and discover how they could benefit each other. Because in this way we could leverage better if we collaborate and really do something to turn the region around...”

Recommendation # 2: Support the creation of a regional housing and neighborhood development plan by a wide-ranging alliance of business, community, housing advocacy and policy groups. Ideally, this plan should cover the Northeast Ohio region (although it could begin with Cuyahoga County), should include a short (i.e. 3-5 year) and long-term (i.e. 15-20 year) plan, and specify goals, desired outcomes, and monitoring (see table for suggested partners). While the final plan will come from local stakeholders, we recommend the following best practices for encouraging a region-wide approach to combating the harmful effects of racial and economic segregation (Recommendations 2a – 2f below):

<i>Partner</i>	<i>Example</i>
Residents	
State-wide advocacy groups	The First Suburbs Consortium; Greater Ohio
Municipal housing authorities	City and County Housing Authorities
Land Trusts	Cuyahoga Community Land Trust
Regional housing advocacy and development entities	The Cleveland Housing Network; established CDCs
Regional transportation and planning authorities	The Northeast Ohio Areawide Coordinating Agency (NOACA), The Greater Cleveland Regional Transit Authority (RTA), The Cleveland-Cuyahoga County Port Authority
Philanthropic organizations	The Greater Cleveland Partnership
Regional Development Organizations	The Fund for Our Economic Future; Team Northeast Ohio
Cleveland and Suburban Political Representatives	Mayors and Managers

Recommendation 2a. Using a quantitative approach to assessing opportunity-rich and opportunity-poor neighborhoods throughout the region, revise the Low-Income Housing Tax Credit (LIHTC) guidelines to incentivize the production of LIHTC units in opportunity-rich neighborhoods. Neighborhood Community Development Corporations should be involved in discussions regarding LIHTC policy reform given their extensive experience with the program. Neighborhood CDC’s should also consider collaborating to develop units in high opportunity suburban communities outside of their traditional neighborhood service areas.

Recommendation 2b. Implement infrastructure-related growth controls to re-direct resources back into existing communities rather than growing new, highly subsidized, exclusive ones.

For example, Maryland legislation enacted in 1997 removed state subsidies for infrastructure in non-designated areas, instead focusing investment on “Priority Funding Areas” that target development to existing developed areas (or areas nearby existing infrastructure and development). This successful program does not mandate land use controls, but utilizes financial incentives and disincentives to manage growth -- and has conserved more than 250,000 acres of land.

Michigan has recently passed a series of reforms intended to slow sprawling growth in a “home rule” state with limited population growth, similar to conditions in Cleveland. Reforms include a “Fix It First” policy for road investments, which prioritizes spending for existing road networks, usually in urban areas; the establishment of the Coordinated Planning Act which created an official process for local governments to collectively plan, which preserving local control; the “Cool Cities” initiative which targeted state funds to improve the cultural and economic health of Michigan’s urban communities; and legislative reforms which fast-tracked land acquisition for tax-delinquent properties.

Recommendation 2c. Partner with advocacy groups already working for state-led land use policy change, such as Greater Ohio and The First Suburbs Consortium. In the meantime, consider implementing a pilot regional “Fair-Share” housing program to start modest placements of affordable housing in communities that currently disallow it.

Recommendation 2d. Spread the message that when affordable housing is deliberately and thoughtfully integrated into a neighborhood of high opportunity, there are no negative effects on property values. Research has demonstrated that when affordable housing is sited in healthy and vibrant neighborhoods; when the structure of the affordable housing does not change the quality or character of the neighborhood, when the management of affordable housing is responsive to problems and concerns, and when affordable housing is dispersed, there is no loss and even minor gain in neighboring property values.

Recommendation 2e. When planning for affordable housing in suburban communities, involve the receiving communities from the beginning. Experience with desegregating racially isolated and opportunity-poor communities by moving families to opportunity-rich suburban areas has shown that to be successful, receiving communities and residents *must* be included early in the planning process.²⁴

Recommendation 2f. Support the development of private sector education regarding redlining and realtor steering. Recent research found that discrimination still persists in both rental and sales markets of large metropolitan areas nationwide; that African Americans still face discrimination when they search for rental housing nationwide; and that geographic steering is on the rise, suggesting that whites and blacks are increasingly likely to be recommended and shown homes in different neighborhoods.²⁵

Recommendation #3: Align existing resources with the goals and needs of the regional plan by expanding their mandate, capacity, and resources.

Creating and preserving affordable housing in the suburbs requires significant capacity and resources. Identify existing entities who have demonstrated commitment to affordable, diverse housing choices; ability to leverage assets; and partnership-building and expand their capacity. For example:

Recommendation 3a. Support the efforts of the Cleveland Land Bank and neighborhood Community Development Corporations to partner in the clean-up and adaptive reuse of vacant properties. Consider adding the capacity to the land bank to claim structures (not just land), work more regionally, and further connect land bank resources to regional planning needs.

The Cleveland Land Bank will soon need to face the changing scale of economic distress, as vacancy and abandonment move outside the central city. Genesee County, Michigan currently operates its land bank program at the County level, working both within the city of Flint and with surrounding suburban counties. This program, with assistance from the Mott foundation, has aligned the land bank program with other community planning goals to strategically plan for the properties the land bank acquires.

Since 1995, foreclosure rates in Cuyahoga County have not doubled or tripled but quintupled – from roughly 2,500 cases ten years ago to around 11,000 this year. Nearly half of all mortgage loans written in Cleveland last year carried higher interest rates.²⁶ *The National Vacant Properties Campaign Report, Cleveland at the Crossroads: Turning Abandonment into Opportunity*, suggested that developing CDC capacity was a vital complement to the city’s land bank property acquisition program. The report also recommended that the city’s land bank be coordinated with the industrial land bank being developed by the city’s Department of Economic Development.

In response to this epidemic, the County Commissioners launched the “Cuyahoga County Foreclosure Prevention Program,” which is a public-private partnership among business, philanthropic, government, and community leaders. The program offers outreach, education, legal assistance, advocacy and counseling through its network of “Counseling Partners.” Cuyahoga County has also begun a program to lend and grant money to Cleveland and its inner-ring suburbs to renovate abandoned and decaying homes.²⁷

And at the state level, the Ohio legislature passed a bill in June to crack down on deceptive mortgage-lending practices that have helped fuel Ohio’s high foreclosure rate. Senate Bill 185 will take effect January 1, 2007. Previously, the mortgage industry was exempted from Ohio’s Consumer Sales Protection Act, which gives the attorney general’s office power to investigate complaints. The attorney general’s office will also compile a list of reader-friendly rules of what constitutes legal practices for brokers and lenders.²⁸

Recommendation 3b. Support the work of the Cuyahoga County Foreclosure Prevention Program. Advocate for the addition of a monitoring capacity to gauge response to the program’s efforts and the Ohio bill.

Recommendation 3c. While the Land Bank is the best mechanism to intake vacant properties in disinvested areas of the city, it is important to at the same time significantly increase the resources of the Cuyahoga Community Land Trust. This enables the Trust to

acquire properties in growing suburban areas, so that affordable housing can be preserved not just throughout the City of Cleveland, but on a regional basis. Consider utilizing the CCLT capacity and expertise to implement parts of the regional housing plan.

Recommendation 3d: Support the expansion of current brownfield redevelopment efforts. Similar to its pioneering Land Bank activity, the City of Cleveland has been active developing its brownfield redevelopment capacities. It has invested \$15.9 million in 31 cleanup projects and leveraged over \$11 million in federal and state brownfield funds, resulting in the remediation of over 150 acres (and the creation of over 1800 jobs).²⁹ The department is currently working with the redevelopment of 25 sites, totaling over 100 acres. Given that there are 4600 acres of brownfields in the county and that the county is estimated to be built out by 2010,³⁰ supporting the redeveloping of additional contaminated parcels will be critical to any regional plan effort. (Further information on Cleveland's brownfield development activities may be found in Chapter 10 of this report.)

In support of a regional housing and land use plan that emphasizes urban redevelopment, the following best practices in brownfield remediation can be considered: (1) expanding the redevelopment outcome to include not only commercial or industrial activity, but mixed-use or greenspace development as well; (2) have a regional "smart growth" vision behind the acquisition and re-development of contaminated properties rather than redeveloping sites piecemeal; and (3) consider alternative vehicles for the redevelopment of parcels considered low-value, such as creating an urban land trust with a specific neighborhood focus, or expanding the mandate of current land trusts to include urban open space.³¹

Recommendation 3e. Devote institutional time and resources to ratchet up the Community Development Corporation (CDC) capacity to a regional scale. An important recent development in the CDC community is that people are already starting to think regionally, as one interviewee remarked:

Many more people are opening up to regionalism discussions. For example, over the last two years, the CDCs have started to think regionally, which is very different from how we've operated before. We've had very sophisticated CDCs here for a long time, we've been developing housing at all income scales. But now, how do you look at the neighborhood as a regional destination? This is a new way of thinking.

Recommendation 3f. Use the existing funding authority of such county-wide agencies as the County Port Authority to advance projects with an equitable development focus. In April 2006, the Cleveland-Cuyahoga County Port Authority announced a partnership with the Summit County Port Authority and Team NEO to coordinate their ability to finance opportunities for growth.³² This is a positive step towards cooperation between Cleveland and Akron, and a potential leveraging point for channeling development in an equitable fashion.

Public Health: African American Representation in the Health Care Industry

Health disparities are complex issues that are caused by many factors and can be addressed through numerous types of interventions (e.g. health care, housing, education). Increasing the number of health professionals of color is one initiative that has the potential to positively impact healthcare in Cleveland on multiple dimensions, including improving the quality of and access to healthcare for racial and ethnic minorities. African Americans in particular are grossly underrepresented among Ohio's physicians: only 6% of Ohio's medical school graduates were African American, while in 2004 only 2.3% of all non-federal physicians were African American. This demonstrates a compelling need to attract more students of color to the profession, to ensure they're adequately prepared to succeed, and to allow them a voice to transform the healthcare industry.

There are several compelling arguments regarding the potential positive impact of having a more diverse medical workforce including improved quality of healthcare for racial and ethnic minorities, the provision of culturally competent training for all medical professionals, and an increase in the availability of healthcare to underserved populations. In 2004, The Institute of Medicine's report *Unequal Treatment* clearly delineated the direct link between the disparate health outcomes for people of color and the lack of health professionals of color.³³ Yet even with this knowledge it is difficult to address the factors that are contributing to the lack of a diverse workforce as they are deeply entrenched in our society's institutional and structural arrangements, and run across several sectors including public K-12 and higher education. Because of the complexity of the issue and its inseparable connection to education, hospitals and healthcare companies alone cannot address this issue, although they can lead in efforts toward sustainable change.

In order to achieve a more diverse healthcare workforce, collaboration between the healthcare sector, K-12 public education and higher education institutions is a necessity. There are three critical junctures where deliberate intervention strategies are needed: education, recruitment and retention. An equitable education system from preschool to higher education and beyond is necessary so that all students can successfully move through the education pipeline.³⁴ In addition, cultural competency training must be a deliberate part of the professional training for all medical personnel. Finally, targeted recruitment and retention strategies are needed to ensure that Cleveland is able to not only attract diverse employees to the medical sector, but is also successful in keeping them.

Education

Impediments to achieving a diverse workforce in the medical profession are present throughout the entire education pipeline. They begin as early as preschool, extend through K-12 with implications for curriculum and the overarching quality of public education, and include higher education from the point of admissions to graduation.³⁵ The education arena is critical if we are to significantly and substantially diversify the employee pool in the medical field.

There are a number of programs in existence in Cleveland that connect hospitals and healthcare institutions to public education including after school and summer programs, mentoring programs, and even specialized magnet schools. While important in their own right, there is a compelling need for healthcare institutions to extend beyond these efforts.

The impact of programs such as the aforementioned will ultimately be limited without more systemic, system-wide reform. Healthcare institutions in Cleveland must actively work toward achieving just education, such as supporting and leading the regional education proposal put forth in Chapter 7 of this report.

In addition to working with K-12 schools to further education reform initiatives, there is a compelling need to partner with the colleges and universities across the region. Increasing the number of medical professionals of color has multiple implications for university practices from admissions to the curriculum and training. Healthcare institutions can work with area colleges and universities to ensure the medical personnel emerging from programs are not only diverse populations themselves, but are also skilled in working within multiple cultural contexts. Medical training programs must have an explicit focus on the development of cultural competency, as working in the medical profession requires a mastery of technical knowledge but also the ability and skills to work with all residents of a region. This includes the ability to effectively communicate with diverse populations, to understand and work within cultural norms, and to foster trust and demonstrate respect for all patients.

Recruitment & Retention

Healthcare institutions must work to not only achieve a more diverse pool of qualified medical workers, but they also must be able to successfully recruit them to work in the Cleveland region, and have deliberate strategies to retain them. This calls for diversity as a central organizing component and a genuine goal of healthcare organizations. In order to achieve this there must be institutional commitment to diversity in every level of the organization, with a particular focus on racial and ethnic diversity amongst committee and board members, and other institutional leaders.³⁶ There must be mentoring programs and leadership opportunities for healthcare workers of color, professional development training should be provided, and genuine and significant opportunities for advancement must be available.

It is important to work towards increasing the number of people of color in the healthcare profession, but ultimately this is just a first step in the process of diversifying. Achieving genuine diversity calls for moving beyond this pursuit of numerical representation, to create an inclusive environment where diverse groups can contribute to the organization in transformative ways. In order to do this, as mentioned it is important that diversity is a central goal of the organization, and that this goal is communicated and shared. Consider providing ongoing training for all employees to understand the value of diversity and to be able to work collaboratively with fellow employees. Ultimately working towards and achieving this type of environment will buttress other efforts to recruit and retain employees of color.

Summary

It is critical that each healthcare organization develop their own independently tailored program to educate, attract and retain a diverse workforce at all levels of the institution. This should take into account efforts currently in place, relationships the organization may already have with the community, and any existing programs that could be used as a foundation to build upon. In addition to these independent efforts, although the healthcare industry is a competitive one, some level of collaboration across the organizations is

necessary. Many of the issues impacting the health of a region's population are within the direct reach of individual hospitals and healthcare providers, however many are imbedded in larger structural constraints. Addressing these impediments to achieve a diverse workforce and alleviate health disparities requires joint efforts. A collective push from the several world-renown healthcare providers in the Cleveland region to address inequities in K-12 education, for example, would provide substantial leverage and strength to the movement. In addition to working in conjunction with each other, healthcare institutions should consider collaborating with non-traditional allies, such as those in housing and environmental justice, to address the healthcare needs of Cleveland residents in a more comprehensive and efficient manner.

While this section aims to provide elaboration and specific recommendations for improving healthcare in the Cleveland Region, it does not intend to be overly prescriptive, as sustainable coalitions and relationships between institutions must be built from the ground up. Following are some general guidelines and actions to consider in working towards a more just and equitable model of healthcare, with the explicit goal of increasing diversity in the medical profession. The compelling need for a diverse workforce not only has implications for the health of the residents of the region, but also for the region itself. Given the strength of the healthcare industry in Cleveland, there is great potential and a unique opportunity to stabilize the region and lead it forward towards excellence and equity, while establishing the healthcare sector as the industry leader in this regard.

Actions to Consider

- Support existing programs and develop new ones to connect healthcare institutions to public education.
- Determine the specific occupations where diversity is most needed: (e.g. African American primary care physicians). This should include an analysis of diversity in multiple fields of specialization, and must also take into account community needs.
- Collaborate with other healthcare institutions to provide a unified voice for advocacy efforts addressing issues that affect health both directly and indirectly.
- Work with other healthcare organizations to ensure that services are being delivered to all areas of the region in a comprehensive manner.
- Engage education institutions and community organizations to devise creative ways to address the lack of diversity in the medical profession
- Establish dialogues with other healthcare institutions to share recruiting and retention best practices.
- Set periodic meetings with institutions of higher education and occupational training programs. Express the need for diversity and co-develop strategies to achieve it.
- Speak out about the need for diversity and the institutions commitment to it, both internally and to external audiences and the press.

- Become actively engaged in regional education and housing reform. Addressing the concentration of poverty in the Cleveland region, is another critical intervention to address health disparities impacting the African American community.

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¹⁵ For a more in-depth analysis see the SWOT chapter of the main report.

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L A K E E R I E

THE PRESIDENTS' COUNCIL OF CLEVELAND

The Presidents' Council is comprised of a group of chief executive officers from some of the largest African American owned-and-operated businesses in the Greater Cleveland area. The organization was established in 1996 to support entrepreneurial and economic development within the African American community, and to foster strategic alliances with CEOs of other Northeast Ohio major corporations to advance the growth and development of Council member companies.

As business leaders, the Presidents' Council provides leadership, innovative ideas, and resources to advance African American business and contributes to the overall growth and economic development in Northeast Ohio.

