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New State And Federal Policy Agendas: Realizing The Potential Of America's Legacy Cities And Their Regions

Lavea Brachman, Greater Ohio Policy Center

Introduction

During the past few years, increasing attention has been paid to those American cities that, despite the urban revival of the 1990s and 2000s, have continued to lose population and jobs, in many cases shrinking to two-thirds or less of their peak population. These cities are becoming increasingly impoverished while losing ground in the competitive global marketplace.

Yet these legacy cities and their metropolitan areas remain crucial to the future American economy, in that they contain a significant share of the nation's assets on which to build its future prosperity. However, it is unrealistic to expect that market forces will, on their own, provide the impetus for the revival of these cities. This is particularly true at a time when the American economy as a whole is likely to follow at best a slow, gradual path of recovery for the next few years. These cities often find themselves caught in a Catch 22 situation, in that limited resources dictate that any meaningful change in their condition will require resources and practices beyond those that they and their metro regions alone can provide. Many state and federal policies, moreover, have contributed to their decline—intentionally or not—and must be replaced or reformed to regenerate healthy cities and regions.

This chapter[1] argues that current policies, particularly at the state level, are blocking these places' revival, and that a significant reframing of policy and new approaches to investment are needed. A growing chorus of practitioners and academics has pointed to the need to reexamine state policies and the need for state policy innovation,[2] in order to unleash legacy cities' competitive potential and position these cities for a role in the next economy.

This chapter takes a critical look at the current policy framework by identifying these cities' key characteristics and the challenges they pose to help define the necessary policy reforms.[3] These reforms are grounded in five principles or building blocks for change: (1) make strategic investments; (2) build capacity to institutionalize reforms that foster long-term change; (3) enhance the power of these cities and their regions through governance reform; (4) leverage their unique assets and innovative potential; and (5) reshape disinvested areas with alternative uses. Later, this chapter fleshes out these principles with examples of key state and federal policies, showing how they can align for maximum impact. These principles are grounded in two underlying propositions: first, that state policy is central to the recovery of these cities; and, second, that federal policy should be aligned with state policy to nudge state governments toward policies more supportive of their older cities and to support strategies for change developed by local officials, organizations, and citizens.

Much of the condition of legacy cities and their metros is attributable to a series of market failures over many decades. They are no longer competitive in their traditional economic roles but have not yet found new roles to substitute for the old ones. Ultimately, only the private market can provide a strong economy or housing demand. However, government can foster the strategies and initiatives that enable those markets to work better and empower their residents to better compete in those markets, laying the groundwork for economic revitalization and physical transformation.

While the majority of the reforms discussed here are place-based reforms that focus on advancing these cities' physical transformations and reshaping their built environment, these reforms are necessarily linked to a broader set of reforms stimulating economic revival—that including policies to encourage business creation, workforce retraining and innovation—to allow these places to compete in a global economy, as well as fiscal reform to enable these cities to sustainably provide the public services and infrastructure their citizens and businesses need. While there is no single silver bullet that alone will make the difference, the principles and reforms outlined here should be a significant start.

The Features of Legacy Cities Define Needed Policy Reforms

Common Characteristics

Reforms must be responsive both to the demographic and socioeconomic realities of these places and to their market potential; they must be capable of being tailored to these cities' shared characteristics while retaining sufficient flexibility to avoid a "one size fits all" approach.

Legacy cities are a particular class of American city—older, predominately industrial cities that did not share in the urban revival of the 1990s and 2000s and have continued to decline, losing population and jobs. These cities, which are disproportionately but not exclusively located in the Northeast and Midwest, include many major cities, including icons of American history like Pittsburgh, Detroit, and Cleveland, and a host of medium-sized ones, such as Flint, Gary, and Youngstown. While the policies discussed in this chapter are primarily meant to apply to cities of populations over fifty thousand,[4] many smaller cities, such as Chester, (PA) East St. Louis (IL) and tiny East Liverpool (OH) (once a center of the American ceramics industry), share many features with their larger counterparts. The needs of these smaller cities will also have to be addressed, but in other ways, perhaps through regional strategies at the state level.

These legacy cities have much more than population decline and loss of manufacturing jobs in common. As they have lost their employment base, they have experienced increasingly concentrated poverty and become steadily poorer. Their workforce is less educated and is more likely to be unemployed than elsewhere, while their remaining middle-class residents continue to flee to the suburbs. In a phenomenon sometimes called "sprawl without growth," new developments proliferate at the exurban fringe of their metropolitan areas, while the core continues to hollow out. Many of the counties surrounding these cities are seeing population loss as well, although usually lagging behind that of their central cities.[5] A shrinking population means weak housing demand; rents and house prices are low and vacancy rates are high. As property values decline and the population becomes poorer, municipal revenues shrink and the cities' ability to provide services and maintain their infrastructure deteriorates. More and more houses, storefronts, and factories are abandoned by their owners, while vacant lots proliferate and entire blocks become vacant. These common features need to inform and shape the policies described later in this chapter.

These cities also share powerful assets for future revitalization: important universities and medical research centers, such as Carnegie Mellon University in Pittsburgh or the Cleveland Clinic, while fifty-five Fortune 500 companies are headquartered in these cities, as well as many others in their suburbs. Riverfronts and lakefronts, magnificent park systems such as Philadelphia's Fairmount Park or Forest Park in St. Louis, and a wealth of historic neighborhoods all represent quality-of-life assets. Yet all of these assets, which are important not only to the cities but to their metros and the entire nation, are being undermined by sustained decline—in many instances fostered by state policies that affect the state's older cities adversely and unequally.

Federal and state policies need to be tailored not only to account for the significant differences between legacy cities but also the difference between these cities and those that are growing and attracting private investment—older cities like Boston and San Francisco as well as Sun Belt cities like Phoenix and Houston—reflecting the fundamental difference between the temporary setbacks in the wake of the Great Recession and the systemic, sustained decline of the legacy cities.

Differences

Despite similarities, major variations exist in the economic condition and fiscal capacity of these cities, as well as their unique assets and opportunities. So while the common picture of decline and poverty is shared by all cities in transition, great variation exists among these places both in terms of degree of decline and evidence of revival. Although Pittsburgh has lost over half its peak population, it has begun to spawn a new high-tech economy, building on its educational and medical centers, as described in Sabina Deitrick's case study, "Pittsburgh Goes High Tech." On indicators such as its unemployment rate or percentage of residents with college diplomas, Pittsburgh is not far from national averages. Refugees from the automobile industry are creating new green industries in Detroit, while the Washington Avenue corridor in St. Louis and Cleveland's Warehouse District are becoming vibrant downtown neighborhoods.

One size policy does *not* fit all. Federal resources must be directed to these cities, but with the flexibility to respond to their wide variation in assets and weaknesses. States, which will play the pivotal role in these cities' resurgence, need to incentivize growth, target resources, and support strategic investments based on local decisions and priorities. In framing sound federal and state policies, it is important to recognize these variations, and to be able to design approaches and target resources in ways that build on the assets that exist, while being realistic about the constraints.

The Policy Challenge

Although population and job loss have been realities in legacy cities and their regions since the 1960s or earlier, it is only recently that many of these places have begun to recognize their condition and grapple with those realities. This long-term pattern of denial not only reflects the political obstacles facing those seeking to tackle this issue but also the extent to which growth and success are all but synonymous in American society, and the absence of a model that could accommodate both shrinkage and success as anything other than contradictions. Nevertheless, localities are moving forward with innovative practices, making well-developed, tailored state and federal public policies needed even more to support these nascent local efforts.

Youngstown, Ohio's 2010 plan, described in Hunter Morrison's case study, "Youngstown 2010: America's First Shrinking Cities Plan," and the *Re-Imagining a Sustainable Cleveland* initiative, described in the case study by Bobbi Reichtell, are two examples of the pioneering work taking place. In 2010, following Dave Bing's election as mayor, Detroit embarked on the Detroit Works Project, a comprehensive effort to plan around what is coming to be known as the "shrinking city paradigm," addressing not only land use and environmental policies but also schools, workforce, and economic development issues, in order to build a comprehensive strategy for the city's future. These three cities are not alone. Many other cities, including Dayton, Rochester, and Flint, are looking closely at themselves and coming up with creative strategies to reconfigure land areas, engage anchor institutions, revitalize neighborhoods, and rebuild local economies undermined by recession and deindustrialization. Among many examples, we can cite Rebuilding Together Dayton, a strategy to stabilize neighborhoods and prevent further abandonment; and the Evergreen Cooperative in Cleveland, which is leveraging the demand for supplies and products from that city's anchor institutions to create employee-controlled green business ventures.

These are but a few of the initiatives that recognize the unique opportunities and assets that legacy cities offer. Such strategies, however, are still relatively uncommon. With additional state and federal support—not necessarily financial—far more innovative local practices are likely to emerge.

Local Constraints and Policy Implications

While these cities and their leaders have begun to plan for a different future, the scope of the obstacles facing them has vast implications for state and federal policies. These obstacles include limited financial resources, weak regulatory and institutional tools, and inadequate capacity.

Financial Resources

Change is expensive. Investments must be made that may not pay off for years or decades. At the same time, local governments today, faced with declining revenues, find it difficult to finance even the basic public services that their citizens and businesses need. Local governments, CDC partners, and other local participants will need additional financial resources if they are to be able to implement ambitious, difficult transformational plans. In distressed cities and their metros, where markets are weak and private investment is limited or all but nonexistent, additional public sector resources are essential to jump start the market and reverse the downward economic spiral, yet it is unclear where these revenues will come from.

Regulatory and Institutional Tools

While many legal changes have taken place in the past decade, including abandoned property law reform in Indiana, New Jersey, and Pennsylvania changes to tax-foreclosure laws in Ohio, Michigan, and Georgia and land bank legislation in

Ohio and Michigan, many cities still lack the regulatory and legal tools they need to enable them to control their environment and foster a healthier future. These may include the ability to enforce strong planning and land use controls and gain control over problem properties in a timely fashion, as well as the regulatory flexibility to allow them to implement programs and offer targeted incentives efficiently and effectively. Regional cooperation within metros is hindered not only by the history of municipal fragmentation but also in some states, by the absence of institutional vehicles such as regional planning agencies or councils of government through which cooperation could be fostered.

Capacity

Without the capacity to plan and implement effective strategies and make sound data-based decisions, even the strongest legal and institutional tools may fail. Legacy cities, particularly small ones, have far too few effective leaders and capable, well-trained managers and professional staffs to address their challenges. They will need help to foster stronger leaders, build the capacity of existing personnel, and recruit and train new people with the skills and commitment the cities need, along with technical assistance for specialized tasks that may be beyond local capacity.

A growing number of local leaders understand the relationship between long-term, large-scale population loss and the challenges facing their cities, and are ready to confront those challenges. The role of state and federal government to address local constraints so cities can build on their strengths is critical. While ultimately it will be the cities' residents who will rebuild their communities, they cannot do it alone. State and federal governments have a stake in the future of legacy cities and should provide them with the tools and support to change legal framework and build a better future. At the same time, local participants must do their part not only by developing their resources and capacity but by finding the will to use those resources for change.

Structural Weaknesses in Policy Making[6]

The weaknesses in the policy-making structure at both the state and federal levels are deep-seated and long-standing; however, the time has never been more right to adopt new ways of doing business. Both state and federal policy making have been beset with at least three major structural problems: the absence of coherent and comprehensive strategies, lack of coordination among different federal and state agencies, and failure to maintain a sustained commitment to these cities. While the political will to address urban regeneration has fluctuated over the years along with the level of resources devoted to those efforts, the reasons for the lack of impact from federal and state initiatives go beyond those issues.

Absence of a Coherent Strategy

Both state and federal programs have typically been reactions to problems, targeted at symptoms rather than at the root causes of urban decline or neighborhood deterioration. Moreover, since the 1949 Housing Act, urban revitalization and subsidized low-income housing production have been conflated in federal policy, to the disadvantage of both. While providing lower-income housing is an important federal responsibility, it is a very different goal from that of rebuilding the social and economic vitality of cities, which is undermined by the concentration of poverty in those cities, and will ultimately come from the ability of the public and private sectors to create a healthy housing market for people at all income levels.

Similarly, few of the activities pursued by state governments, or by legacy cities themselves, over the past decades have been grounded in a strategic framework designed to build a stronger future city. States and cities have scattered billions in investments not only in new housing but in new schools and public facilities, without weaving them into larger strategies or targeting them to areas with strong assets for future revitalization.

None of these investments has taken into account the implications of sustained population loss—that is the number of housing units, schools, storefronts, and, indeed, the amount of land needed by these cities' shrinking populations was far smaller than what was needed in 1920 or 1950. Not only have policies that scattered resources thinly across an entire city or region had little impact but they have foreclosed opportunities to preserve areas that could still be productive and vital.

Lack of Coordination

Perhaps less visible, but equally significant, is the lack of coordination among the many federal and state agencies and programs whose activities affect the future of older cities, such as departments of economic development, environment, transportation, jobs, and family services. The problems of coordination are conceptual, structural, and mechanical. Coordination of multiple programs across different agencies is difficult even when they agree that they have a common goal and mission; many programs, however, that may have a direct and potentially powerful effect on the future of urban areas and metro regions are not viewed by their managers as "urban programs." Lack of coordination at the state level, where many of the federal policies are executed, exacerbates these problems.

Failure to Sustain Commitment

Administrations and legislatures come and go, and short attention spans are typical of many governmental systems. However, some state and federal programs appear to be frozen in time, going on year after year with little or no change, while others are short-lived and die before they have been implemented sufficiently to make a difference. Comparing those programs that survive for decades with those that come and go raises a troubling issue. The programs that survive year in and year out tend to be the broadest and least targeted ones.[7] Tightly focused or narrowly targeted programs have smaller constituencies and are far more susceptible to being cut in times of financial constraint or political change. Such programs, however, are often more effective within their particular compass than loosely defined, thinly spread programs like CDBG, which has gradually devolved into a form of benign patronage largely devoid of strategic purpose. If targeted programs are to be truly effective, however, they must be sustained. The process of restoring cities in transition to vitality will be a protracted one, which will require sustained support rather than one-shot infusions of money. Cities must be able to depend upon a long-term public commitment if they are to carry out the kind of strategic planning needed to ground successful transformative efforts. The ability to sustain commitment to such programs, once enacted, however, may be a more difficult political challenge than the ability to initiate such programs. Policy makers should look to a set of "principles of change," such as those articulated here, as a roadmap to help put policies into a more objective, analytical framework.

Maximizing Prosperity in Legacy Cities: The Central Role of State Policy[8]

Despite—or because of—the structural weaknesses in their policy making, states already play a central role in shaping legacy cities' predicaments. As a correlative, state policy reforms must maximize the potential for them to succeed and help set them on a path toward recovery. Using Ohio as an example,[9] this section addresses why these cities are critical to their states and why states should play strong, creative roles in addressing their future.

First, state governments need to address the future of their cities, because the cities' health is critical to the state's future growth. Ohio's economy, for instance, is driven by its major metros, each made up of a large central city and its surrounding suburban communities, and the exurban villages and rural areas that are home to people who commute to work in urban settings. Ohio's seven largest metro areas are home to 71 percent of its population, 76 percent of its jobs, and 80 percent of the state's gross domestic product.

While the core cities make up only part of that base, metropolitan prosperity closely tracks the health of the central city. A 2007 Brookings Institution study reviewed changes in metropolitan area employment, wages, and gross metropolitan product from 1990 to 2000 and found that central city weakness and metropolitan area weakness went hand in hand. Of sixty-four weak central cities in the study, forty-six were in weak metros; and only three were in strong metros. Not surprisingly, city strength and metropolitan strength also correlate: of fifty-seven strong cities, forty-two were in strong metros and only two were in weak metros.[10]

Studies have also found a correlation between central city strength and broader metropolitan prosperity, including a close relationship between city and suburban job growth.[11] Three different studies have shown that central city decline and wide gaps between the economic health of cities and suburbs are linked to slow income growth in metro areas.[12]

Second, a legacy of these cities' collective history is that they contain the lion's share of the institutions—particularly universities and medical centers—likely to play an important role in future economic growth. Indeed, state and local ability to capitalize on urban assets may be the single most important factor determining whether many places will revive. Legacy cities' major anchor institutions are economic engines; their financial, intellectual, and creative resources are likely to drive these cities' and regions' future economies.

These cities house major state and private universities as well as important medical care, education, and research facilities. Other institutions, such as churches, museums and arts centers, libraries and the like, also play a role, on a more modest but still significant scale.[13] The Cleveland Clinic has spun off twenty-four companies over the course of the last ten years and has partnered with neighboring anchor institutions to form BioEnterprise, a business-formation initiative aimed at strengthening Cleveland's bioscience sector. Similarly, the University of Cincinnati Medical Center accounts for more than fifty thousand jobs and generates approximately four billion dollars in economic activity in its region every year.[14] Cleveland alone still contains the headquarters of eleven of the nation's Fortune 500 companies.

Anchor institutions make outsized contributions to these cities' economies, but they also generate quality of life and neighborhood development, because they understand that these cities must be attractive and compelling places to live and do business in order to attract the most talented professors, physicians, and entrepreneurs. In contrast to past eras, when economic development in these older industrial cities was driven by extractive resources or natural harbors, today the quality of life that cities offer their present and prospective residents has become a critical factor in defining the economic development potential of the city and the region.[15]

Third, states are *already* deeply involved in the future of older cities. Through investments in state universities and medical centers, states will inevitably have a critical impact on the future of the cities where those facilities are located. States' decisions can determine whether and how those institutions will contribute to revitalization and economic growth in the cities or whether they will sit on the sidelines. Most states also pump billions of dollars each year into legacy cities through school aid, municipal aid, public assistance, and workforce development funds, much of it dictated by the poverty of these cities and their residents. These are investments, and states need to maximize their return. At present, however, state investments in cities are scatter-shot and often at cross-purposes. For instance, Ohio has invested $27 million of state brownfields funds in twenty-two Cleveland-area sites as well as $12.8 million in Cleveland-area institutions through a state program geared toward fostering innovative research with commercialization potential (Third Frontier); at the same time, by failing to support key inner-city transportation and infrastructure repairs, the state undermines its overall investment strategy.[16] A more targeted investment strategy would reap far greater results

Fourth, states have historically tilted the playing field against central cities, so it is not unreasonable to ask the state to restore the balance. Cities are creatures of the state. State laws, regulations, and policies establish the ground rules for what cities can and cannot do and set the stage for how and where development occurs. State tax laws determine whether cities and townships compete or collaborate. Many states have put in place tax policies, resource allocation decisions, business-location incentives, and other policies that have stacked the deck against central cities, investing resources in ways that have weakened the cities' ability to compete and compounded their problems, including:

- Perpetuating fragmented local governance, encouraging suburbs to compete with cities for businesses and economic development rather than cooperate for the greatest overall benefit to the region
- Creating fiscal systems that are often weighted against cities and older suburbs
- Distributing gasoline tax revenues in ways that shortchange cities, directing funding to highway construction and reducing funding for transit options
- Allocating low income housing tax credits in ways that reinforce concentrated poverty
- Creating cumbersome state tax foreclosure laws that foster speculation and hinder redevelopment and the productive re-use of existing sites
- Maintaining economic development funding programs that incentivize greenfield development over reuse of urban sites[17]

A 2007 Brookings report commented, "Unfortunately, over the past half century state policies and practices have generally not been favorable to urban areas. At best, these communities have been treated with benign neglect, with state programs and investments focused predominately on managing urban decline, as opposed to stimulating economic recovery. At worst, state policies and investments have actually worked against cities, facilitating the migration of people and jobs (and the tax base they provide) to the metropolitan fringe, while reinforcing the deterioration of the core."[18]

While states have made some investments in smart, focused metropolitan transportation projects, such as the $20 million in Ohio recovery funds allocated to the "Opportunity Corridor" in Cleveland, and $25 million for a streets project near Nationwide Children's Hospital in Columbus—linking transportation funds to an anchor institution—the systematic slighting of Ohio's cities is evidenced recently by the distribution of stimulus funds provided by the American Recovery and Reinvestment Act "like peanut butter" to almost every one of the state's eighty-eight counties rather than targeting resources to the metropolitan economic engines. While these practices do not absolve city governments and institutions from their share of responsibility for their current condition, the fact remains that they are operating on a playing field tilted against them by the state.

Fifth, local government fragmentation puts cities at a disadvantage, causing systemic fiscal imbalances that promote decentralization and sprawl. States can provide the leadership, incentives, and policy changes to undo this fragmentation. Research shows that more fragmented regions tend to have greater inequities in local tax bases: The Cleveland area is high in both fiscal inequality as well as governmental fragmentation.[19] Disparities are made worse by the fact that residents of incorporated Ohio cities pay a disproportionate share of the cost of the services county governments provide to suburban and rural townships. A 2002 study of Lucas County, home of Toledo, found that residents of incorporated areas paid up to fourteen million dollars per year to subsidize services to unincorporated townships.[20] Thus, with high service demands but lower tax bases, Ohio cities must constantly struggle to provide good schools, adequate infrastructure, and quality services without overburdening their taxpayers, putting them at a competitive disadvantage with outer jurisdictions in attracting and retaining residents and businesses.

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

Sixth, cities simply lack the resources to solve their problems. Their loss of population and jobs has rendered them disproportionately poor, starved of the fiscal resources they need to provide decent public services, let alone invest for future growth. *In theory, population loss in itself should not mean impoverishment, but the particular dynamics of population loss in older industrial cities mean that it all but inevitably does*. As manufacturing jobs have left, people with limited formal education have found it increasingly difficult to find work that pays a living wage, while young people and those with competitive skills and education increasingly have left the cities, moving to areas offering greater opportunities on the coasts or in the Sun Belt. This has led to a vicious cycle. As cities lose population, the people who remain behind are poorer, less likely to be part of the workforce, and more dependent on services provided by municipal and county government. Additionally, the proliferation of vacant properties increases themunicipal cost burden for police, fire, and other services. Boarding up and maintaining properties in just three neighborhoods cost Cleveland more than $35 million in lost taxes and extra services in 2006. Dayton lost or spent twelve million dollars in dealing with vacancy and abandonment.[21]

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

Finally, as states cast off the shackles of old policies that are holding our cities back and generate policies that leverage local innovation, they can also be proactive with the federal government. As we have discussed, the most carefully considered federal policies can be neutralized or undone by state policies that conflict with the federal policy goals. The prolonged crisis in which these cities find themselves demands that federal and state actions leverage one another, acting symbiotically to ensure the maximum "bang for the buck."

Similarly, states must position themselves to be genuine partners to the federal government, not merely more lobbying entities, by building local capacity to utilize federal programs and resources effectively, developing their own models for change, and encouraging innovative local practices. States should work to shape the federal government's approach on priorities that matter to them, such as redefining the meaning of a sustainable community, getting funds earmarked for land banks, and emphasizing the need for multijurisdictional land use and transportation planning. Programs in each of these categories are discussed in greater detail below. States should take advantage of the Obama administration's proactive approach to governing and compete aggressively for available federal funds. States' efforts to leverage federal action cannot be mere rhetoric. To make their actions meaningful, local, regional, and state leaders should join forces to forge a united front and articulate a clear vision for federal action in these areas.

Reframing and Aligning Federal Policies Toward Legacy Cities

While the federal government plays a more limited regulatory and institutional role than state government, federal financial resources can have a strong influence over the ways in which states exercise their regulatory and institutional powers and direct their discretionary resources, and over the ways in which local governments pursue regeneration activities. Thus, even where the federal government may not have direct responsibility, regulatory authority, or enforcement power, it can play an important role in fostering the tools that are needed to build stronger cities.

These cities need to be the focus of distinct federal strategies addressing their particular circumstances, rather than generic approaches grounded in a generalized notion of urban revitalization. This is not to suggest that no federal resources should be directed to the more successful cities, such as Boston or Chicago, which have their share of challenges and severely distressed neighborhoods. Strategies for change in strong market cities, however, are fundamentally different from those that best fit legacy cities. Federal policies and programs should reflect those differences, although targeting legacy cities raises political issues. Politicians and others in those cities may see themselves as being placed in a policy "ghetto" defined by their distress. At the same time, these cities are far less than a majority of the nation's population or metropolitan areas, although historically they constitute the country's economic backbone and source of innovation, and retain significant assets for the future.

The centrality of state policy in shaping the future of these cities makes it even more important that federal policies maximize constructive state action, leveraging reforms in areas from fiscal policy to governance, from workforce and infrastructure to regional development and land reuse. Federal policy can directly or indirectly influence state policies in several different ways:

- Neutralize or overcome entrenched traditions that have become cultural impediments to change, such as resistance to operating cross-jurisdictionally, deep-seated belief in local control, and long-standing practices of allocating public funds without regard to need or merit
- Mitigate these entrenched attitudes and practices by encouraging the targeting of resources, rewarding innovative governance and service delivery, and promoting cross-jurisdictional planning
- Incentivize creative state programming, such as state cross-agency legacy cities initiatives
- Create competitive advantages for cities and metros that will level the playing field by leveraging local and regional assets.
- Prioritize neighborhood stabilization in market-ready areas

In this age of a more activist federal policy stance toward urban and metropolitan areas, unless new federal policies simultaneously affect cities and their metropolitan areas, they will be far less effective in changing economic conditions and building stronger legacy cities. While this chapter focuses on recommendations for new federal programs that specifically target these cities, new programs of broader applicability as well as existing programs can be explicitly recrafted to further change in legacy cities as well.

Principles for Federal and State Policy Reform

Jump-starting the process by which legacy cities forge new economies and new physical configurations demands both new policies and better alignment of federal policies, state policies, and local practices. While perfect alignment is impossible to achieve, even incremental changes will not happen by accident, but must be pursued systematically and intentionally. State and federal policy should be crafted so that they can respond flexibly to local conditions and engender sustainable growth practices.

Five Principles for Change

Toward that end, federal, state, and local policy and practices should advance five principles that are crucial building blocks for change:

Make strategic investments
Investments need to be strategic, targeted, and prioritized. Those investments that are not targeted, given the limited resources available, may seem to benefit everyone, but in reality, they benefit no one, because they are too scattered and too limited to catalyze change or foster sustainable communities. Public-sector decisions should be market- as well as need-driven to attract private-sector investment and lead to sustainable economic growth, thus ultimately generating a greater return both financially and qualitatively for the state, its localities, and their residents. This is critical in light of today's scarce resources and budget constraints.

Build capacity to institutionalize reforms
Urban leaders need to develop new ways of thinking about land use, and apply new tools to make informed decisions about resources. This is highly demanding, in cities that have often lost much of their civic and political capacity. Cities will need to cultivate and support strong leaders, capable managers, and savvy practitioners to successfully utilize complex tools to develop sustainable growth strategies.

Advance governance reform to empower these cities and their regions
Most legacy cities are so interwoven with their surrounding cities, villages, and townships that their municipal boundaries seem little more than an historical artifact. The same economic problems confronting central cities are spilling over to many suburbs, particularly in the inner ring closest to the city. Adoption of governance reform and other new collaborative measures formally recognizes the shared challenges and possibilities facing jurisdictions, acknowledges that these jurisdictions cannot succeed alone, and encourages regions to jointly develop effective policies and programs.

Leverage the cities' unique assets and innovation capacity
Reflecting their historic roles, legacy cities often contain major educational and health care institutions—known as "anchor institutions"—as well as industry clusters, philanthropic institutions based on bygone industrialists' generosity, and natural amenities such as waterfronts. Many of these assets have national or international significance. Their presence in these cities allows them to make contributions that can disproportionately benefit the entire city and region.

Reshape disinvested areas for alternative uses
Long-term land reconfiguration requires the ability and will to distinguish those parts of the city where market strength can be built from areas that may offer in the future other economic development opportunities, and, finally, from areas that have no realistic development potential in the foreseeable future. This last category may be a relatively small area in some cities but may represent one-third or more of the total land area of others. Maximizing control of disinvested areas allow a city to plan alternative land uses that are consistent with the city's plan and the community's interests.

Policy Recommendations

Examples of state and federal policy recommendations[22] organized around these principles are offered below.

Make Strategic Investments to Bolster Stable Areas

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

As areas are stabilized, and as a city's larger reconfiguration strategy advances, long-term strategies designed to further strengthen each neighborhood cluster become more critical. These can include transit improvements, developing infill housing to increase densities within some neighborhoods in order to make transit more feasible, and reinforcing neighborhood commercial nodes and employment centers. Federal and state governments should support these locally-driven activities, complementing strategic efforts already underway based on plans to distinguish areas with strong market potential from areas to be greened or held for future development.

Channel State and Federal Resources to Support Locally-targeted Neighborhood Initiatives

States should establish targeted neighborhood revitalization strategies to direct their investments in housing, school construction, transportation, and other areas to locally- designated market-viable neighborhoods in order to advance local revitalization strategies. Similarly, most federal and state neighborhood revitalization programs should be targeted at viable but threatened neighborhoods rather than at the most deeply disinvested areas. Funding should be directed to viable neighborhood clusters, tailoring them to each city's distinctive local characteristics, while helping them build their capacity to lead local initiatives focusing on rehabilitation and reuse of existing structures. Programs should provide technical assistance to support local efforts to implement their revitalization strategies, making sure investments are made in strategic ways that will strengthen the vitality and market strength of those areas and offer viable alternatives to continued car-dependent development at the metropolitan perimeter.

Federal policy initiatives can influence state and local strategies by redirecting resources to preserving viable neighborhoods, such as upgrading private rental housing in stable neighborhoods, including restructuring the Low Income Housing Tax Credit to focus on upgrading existing housing rather than creating new units in areas of rental-housing surplus.

While categorizing areas as worthy or unworthy of particular investments is fraught with political dangers, states need to show leadership and make hard decisions, targeting resources on the basis of rigorous analysis of market and other conditions and prioritizing place-based redevelopment strategies that build on institutional and locational assets, in tandem with local targeting of neighborhood investments.

Adopt Clear Federal Definitions and Standards for Sustainability in Cities Losing Population

In a context where "growing smaller but stronger" is the ultimate goal of legacy cities,[23] sustainability of their economies and physical environments takes on a different meaning than it does in other places that are balancing continued population growth with dwindling natural resources. A revised definition of sustainability, rooted in the reality and the challenges of these cities, should be embedded in every relevant federal program and should explicitly create opportunities for strategic investments in these cities that make the natural environment, including open space, air, and water quality, central to their regeneration.[24]

Execute Cross-Agency Programs to Model Emerging Federal Cross-Agency Programs.

New federal-level cross-agency collaboration between EPA, DOT, and HUD can set a standard for similar efforts at the state level to further cost savings, more rational decision making, and increased programmatic efficiency. Federal policies can encourage such efforts by funneling part of the funding designated for oversight of new federal programs like the Sustainable Communities grant or our proposed "Race to the Top" Urban Policy Initiative through state agencies, requiring cross-agency collaboration as a condition of using funds. States should instigate "bottom-up" programs to reinforce cross-agency approaches such as Pennsylvania's Community Action Teams (CATs), under which state government offers one-stop support for catalytic revitalization projects identified by local public- and private-sector leaders. These cross-agency programs can lead or support local investment strategies.

Prioritize Federal Transportation Funds to Link Land Use and Transportation, "Fix It First" Activities, and Transit Funding

Reauthorization of the federal transportation bill provides an opportunity to benefit legacy cities by amending the federally mandated transportation planning process to reward multijurisdictional plans linking land use and transportation and set aside funds for "fix it first" infrastructure improvement projects or transit projects likely to generate significant economic development benefits. Federal transportation policy should require states to work in partnership with local leaders who would identify local priorities and provide technical assistance to help cities and metros identify

areas targeted for investment. Investments that connect vital neighborhoods with transportation programs through aligned federal and state policies will have greater impact, as well as encourage regional collaboration.

Build Capacity to Institutionalize Reform and Ensure Long-Term Change

Lack of capacity encompasses a variety of problems, ranging from weak leadership to lack of technical capacity—both in terms of the number of people and their skills—difficulty framing strategies and taking effective action, and lack of solid information for decision-making.

Modernize State Statutes to Offer More Flexible Planning and Zoning Tools at Both Local and Multijurisdictional Levels

Many states have antiquated planning and zoning laws out of sync with changing demands of city and regional planning. Land use regulation needs to be more closely linked to comprehensive planning, and inter-municipal and regional co-operation and coordination in planning and land use needs to be encouraged to establish comprehensive planning and zoning policies that successfully stimulate and guide growth. States should create task forces to review and reframe their land use policies and rules, particularly as they affect older cities and their metros.

Examples of state and federal policy recommendations organized around these principles are offered below.

Inaugurate a "Race to the Top" Urban Initiative

Modeled on the "race to the top" education initiative, where the Obama administration used federal power to "incite reform," as the *New York Times* columnist David Brooks observed, "without dictating it from the top," this initiative could also offer a "contest" to encourage state policy reforms tied to specific local results, such as building regional economic development strategies based on collaboration with anchor institutions. This approach can be catalytic, allowing states to make fundamental, transformative changes that have been blocked by embedded cultural barriers and preservation of the status quo. By tying funding to results and new ways of doing business, states would be encouraged to direct resources to build local capacity, a step that not only maximizes federal funding but reduces the need for ongoing costly state involvement in local planning and projects. Using federal funding as a lever to overcome state resistance to change and collaboration would be money well spent.

Create State-Level Data Clearinghouses

States should ensure that local governments and their partners have access to the best realistically available data for planning and decision making, including up-to-date economic and housing-market data at the neighborhood or census-tract level, and for tracking the number and location of vacant properties or mapping properties in foreclosure. In partnership with county and local governments and universities, states should create central data clearinghouses to ensure that state resources are spent wisely and effectively and that municipalities have the tools they need for planning.[26] Case Western Reserve University's Northeast Ohio Community and Neighborhood Data for Organizing (NEO-CANDO) data system, which has been recognized as a national model, has helped Cleveland conduct targeted foreclosure outreach and improve planning and targeting of community development resources. With state assistance, other cities could replicate Cleveland's system, tailored to local needs and conditions.[27] As legacy cities develop comprehensive planning strategies, they will need guideposts to help them strategically allocate resources and investments. Sound data-driven decisions can enable leaders to leverage local assets and bolster vital neighborhoods.

Create a Federal Program to Build Local Capacity
Federal planning funds for programs like the HUD Sustainable Communities initiative and others should be used to build local leadership, technical, and managerial capacity. The best-laid plans are wasted if leadership and capacity do not exist to implement them. The federal government can lead in designing programs to address these concerns, including more traditional training and technical assistance activities, as well as initiatives to engage new graduates to work in legacy cities or to "embed" experienced professional staff in those cities for fixed periods.

Advance Governance Reform to Link Cities and Their Regions.

A particular feature of legacy cities' metros is that the cities are more dependent on their regions for achieving prosperity, and the communities that make up the regions are themselves more interdependent, since they share a smaller growth pie. A proactive federal role could help states and regions find the political will to build regional collaborations, which may eventually lead to activities such as regional land use planning and regional economic development plans. This is a particularly important principle in which to get federal, state, local alignment right, since state policies that continue to offer perverse incentives for competition and fragmentation could significantly distort the effects of any federal policy that might try to encourage regional collaboration.

Prioritize State Funding to Jurisdictions Adopting Comprehensive Plans and Strategies Reflecting the Realities of Population Loss and the Need for Land Reconfiguration
Some places, although not all, are eager to adopt new approaches to economic development and land use. By linking state resources to such local strategies, states can incentivize collaboration between older cities and neighboring jurisdictions that share the same problem of too much land for too few people, or encourage strategic redevelopment approaches that stress outcomes linked to larger community and economic development planning, rather than simply put state money into discrete, unrelated transactions.

Enact State Incentives for Shared Services, Inter-municipal and Regional Planning, Joint Taxation Districts, and Where Appropriate, Local Government Consolidation
Regional fragmentation and the division of authority between municipal and county government mean that successful strategies to create stronger cities are likely to require inter-municipal cooperation, such as joint planning and program implementation by adjacent cities, villages, and townships, and city-county cooperation in areas such as land banking. The state should encourage municipalities and counties to share services, coordinate planning and land use activities, or

merge, by making it simpler and less costly to initiate such efforts, and by providing financial incentives, such as enhanced school-facility funding, for communities that undertake serious intergovernmental reforms and engage in meaningful intermunicipal and regional strategic planning.

Reward Collaboration Between Municipalities and Metropolitan Planning Organizations (MPOs) with Federal Incentives

Encouraging collaboration between municipalities and MPOs is a logical federal role—either through direct grants to localities or by tying conditions to state funding, such as the incentives in a "race to the top" initiative or as part of the HUD Sustainable Communities initiative already under way. Federal mechanisms to reward regional collaboration, as well as state policies to encourage coordinated planning, shared services, and mergers, not only unite jurisdictions to confront shared challenges but also augment local and regional capacity, providing forums for civic leaders to exchange ideas, expand dialogues, learn new skills, and collaborate in designing new practices. As metro-level decision making becomes a shared process, municipalities and townships are more likely to make sustainable growth decisions that benefit the entire region, instead of privileging some jurisdictions at the expense of others.

Leverage the Cities' Unique Assets and Innovative Capacity

State and federal policies should leverage these cities' remarkable assets, including anchor institutions such as medical centers and universities; riverbanks and lakefronts, the water resources that once drove industrial location; unique and irreplaceable historic buildings, old-fashioned main streets, and downtowns; and cultural icons such as galleries, concert halls, and museums.

Create State Anchor Institution Transformation Zone Programs

States should use economic development resources to create a network of *anchor institution transformation zones* to incentivize development around urban universities and medical centers. These zones, which would be fewer in number and more systematically targeted than enterprise zones in states like Ohio, would be designated areas surrounding universities and hospitals located in older cities' core areas. The state would offer other incentives for residential and commercial development, while state institutions would be required to target their own investments to maximize economic growth and neighborhood revitalization in their surroundings. These zones should be available to both public and private institutions. Implemented in conjunction with public-sector business-cluster policies (discussed below), they can become drivers of local economic development.[28]

Make Support of Local Business Clusters a Central Theme of Federal Policy. Many legacy cities have identified industry clusters (such as polymers in Akron or biomedical specialties in Cleveland) that build on their pasts, while some states have introduced the concept of cluster growth and development. The federal budget should include planning grants to identify local clusters, providing funds to support a federal clusters research and data-gathering center.[29] States should maximize federal assistance by strengthening workforce intermediaries, for example, to help workers and employers reinforce local business clusters.

Encourage and Support Local Efforts to Utilize Urban Waterfronts as Significant Economic and Quality of Life Assets
States should help localities repurpose their waterfronts as economic and quality-of-life assets with projects that maximize waterfront access. States could reallocate infrastructure funds to remove existing infrastructure blocking the city from the water, or could redirect downtown revitalization funds. In Milwaukee, a freeway, which for years was an ugly barrier between the city and the Milwaukee River, was razed to make way for a now-thriving commercial and residential area. The state made demolition possible by removing the freeway's designation as a "transportation corridor" and contributing funds.[30] Cities like Milwaukee have seen significant growth in commercial development, property values, and tax revenues by turning their water bodies into assets. Fostering such changes may also require additional infrastructure investment, or different ways of integrating developments into a single investment strategy. This strategy leverages local assets and also targets resources strategically.

Legacy cities are already well positioned to develop local business clusters, particularly around universities and medical centers. These institutions are often the cities' largest employers, and they continue in many cases to grow and generate the activity that can attract additional housing development, businesses, jobs, and amenities to an area. To develop robust policies that leverage the unique assets of legacy cities, the cities will have to prioritize and target their investments. Strategic investment in areas surrounding anchor institutions, industry clusters, and natural amenities like waterfronts maximizes the value of investments by building on the city's concentration of assets. Strategies that link different building blocks become powerful instruments of change.

Reshape Disinvested Areas

Urban reconfiguration also takes place through reshaping areas where market demand no longer exists into green areas integrated into the city's fabric, from community gardens and miniparks to urban farms or ecosystem restoration projects. State and federal neighborhood revitalization programs, actualized through strategic investments, work in tandem with programs that reshape disinvested areas for alternative uses. Capacity-building tools, such as comprehensive planning, modernized zoning and planning statutes, and regional collaboration, are crucial to effectively coordinate the complementary processes of strategic investment in vital neighborhoods and creative reuse of disinvested areas.

Enact Statewide Land Bank Legislation and Provide Federal Funds for Their Support

Michigan and Ohio already have strong legislation enabling counties to create viable land banks, while Pennsylvania and New York are actively pursuing similar legislation. Land bank policies at the federal and state levels should complement and reinforce each other. Existing land banks in Michigan's Genesee County and Ohio's Cuyahoga County have demonstrated that well-run land bank entities provide benefits to the city and county far greater than the laissez-faire practice of allowing land and buildings to be held indefinitely by speculators. Where land bank statutes already exist, states should help metropolitan counties create land banks and build their capacity to exercise public control over their land. Where they do not, states should pass legislation that gives counties the ability to acquire, hold, and dispose of properties. Land banks are powerful and multifaceted tools that can target resources strategically to vital areas and encourage planning for alternative uses in disinvested areas, as well cross-jurisdictional collaborative planning. While these land banks are organized to be self-financing in the long run, a modest federal funding stream would provide critically needed capital early in their formation and provide some impetus for passage of land bank statutes in states that have not yet done so. Federal funding would allow new land banks to lay the groundwork for redevelopment, particularly in neighborhoods where vacant properties are concentrated and can be aggregated. Federal funding could also help them undertake the demolition as well as the site preparation needed to make possible green land uses such as urban agriculture. This would help avoid the transactional, "single parcel" approach that has dominated redevelopment in legacy cities in transition, and pave the way for future private-sector activity.

Encourage Collaboration at State and Local Levels to Foster Innovative Planning and Implementation Strategies for Land Reconfiguration

Federal competitive grant programs should be targeted in whole or in part to communities with substantial population losses and large inventories of vacant properties. Through legislation and/or departmental action, the federal government should support the development of strategic regeneration plans and demonstration projects for vacant property renewal in these cities in order to facilitate targeting and leveraging of governmental and nonprofit resources in distressed communities.[31] Federal funding for land banks should be part of a larger effort to encourage meaningful local planning and be linked with other proposed initiatives, such as neighborhood revitalization funding, to target viable neighborhoods, so that local efforts result in coherent rebuilding strategies rather than in piecemeal efforts.[32]

Create an Urban Agriculture and Greening Extension Program Within State University Extension Services

States can promote conversion of vacant and abandoned properties to open and green space by developing an urban extension program to provide municipalities, community groups, urban farmers, and environmental planners with technical support for greening activities such as urban agriculture, storm water management,and ecosystem restoration.[33] While urban agriculture could potentially exist at a scale sufficient to become an economic development as well as food security resource in these places, commercial-scale agriculture is unlikely to be achieved without a support infrastructure linked to processing and distribution networks and without information provided by extension services to urban farmers on soil conditions, crop alternatives, and market opportunities, as well as creative ways to address both the challenges and opportunities unique to agriculture in an urban setting. The state can also provide local governments with information on revising their land use regulations to permit urban agriculture, and help school districts develop agricultural education programs and use locally grown produce to feed their pupils. While some urban agriculture will take place on large vacant properties, looking much like conventional farms except for their urban setting, other models of urban agriculture should also be explored, such as farming that can utilize vacant industrial structures, and aggregated microfarming, where a single operating and distribution network creates economies of scale in farming numerous small, separate properties—a model pioneered in San Francisco and Portland, Oregon.

Conclusion

An ambitious policy agenda has been outlined in this chapter. To accomplish even a fraction of the recommendations laid out here would be great progress. At the same time, the future of these legacy cities still hangs in the balance. While impressive local innovations are emerging, there is little hope for a comprehensive, sustained recovery without state policy reforms and parallel federal policy interventions. This chapter is a call to action to build state and local networks to advocate for these policy reforms and create the policy climate that will enable legacy cities to participate in the global economy.

Notes

1. This chapter draws on prepared under the auspices of a grant from the Rockefeller Foundation to the Greater Ohio Policy Center in 2009–2010. See Mallach and Brachman (2010).
2. See also Katz, Bradley, and Liu (2010).
3. The author of this chapter owes a debt of gratitude to Brookings Senior Fellow, Alan Mallach, with whom she coauthored two papers that form a partial basis for this chapter and whose deep understanding of these issues and great insights helped shape this author's thoughts on this topic. The author also thanks Alison Goebel for her editing assistance and advice.
4. This universe of cities includes at least sixty American cities with a population over fifty thousand in 2000, that have lost over 20 percent of their peak population.
5. Mallach and Brachman (2010a), p.11.
6. This section derives in part from Mallach and Brachman (2010).
7. CDBG, for example, which has survived largely unchanged since 1974, is distributed by formula to 1,177 separate towns, cities, and counties and can be used for almost any purpose plausibly related to benefiting low-income households or reducing slums and blight. While meeting that modest standard, therefore, it can be used for any activity that reflects local political wishes. As a result, it has built a strong national constituency, rather than one concentrated in a single region or type of community.
8. See chapter 4.
9. Due to the unusual number of cities and metropolitan areas in Ohio, this section uses Ohio and its cities, in particular, as prominent examples to illustrate the importance of state policy, but the points can be generalized to include other similarly situated states.
10. Vey (2007), p. 17-19.
11. Hill Brennan (2005), p.4
12. This relationship has been identified in a variety of separate studies; see Vey (2007), p.80.
13. A 2000 study of the economic impact of the Cleveland Museum of Art found that it generated directly and indirectly 656 jobs in the Cleveland region, as well as $20.1 million in annual personal income and $5.2 million in annual state and local government revenues. See Robey and Kleinholtz (2000).
14. Tripp Umbach Consultants (2002).
15. Berube (2007), p.45.
16. Brookings Institution and Greater Ohio (2007), p.17.
17. In Ohio, a minimum acreage requirement in the original design of the state's Job Ready Sites program, designed to develop sites for new businesses, and the scattershot nature of the state's urban enterprise zone program are examples.
18. Brookings Institution Metropolitan Policy Program (2007), p.6.
19. Orfield, Luce, and Ameregis (2008).
20. Hinton and Beazley (2005), p. 5. Available at http://uac.utoledo.edu/Publications/public-service-delivery-fiscal-impact.pdf
21. ReBuild Ohio and Community Research Partners (2008).
22. Greater Ohio & Brookings Institution (2010); Mallach and Brachman (2010a)
23. Mallach and Brachman (2010a)

24. During the 111th Congress, several proposals redefined the meaning of sustainability, while at least one bill addressed the needs of cities in transition by providing funds to cities and their metropolitan areas experiencing large-scale property vacancy and abandonment.
25. Brooks (2010).
26. The office of former Ohio Secretary of State Jennifer Brunner instituted a new website, http://www.sos.state.oh.us/SOS/betterLives.aspx, that tracks some statewide economic data and trends useful to local and regional planning efforts, although it appears not to be particularly place-based or localized except in a few instances, such as the foreclosure and green space data, which are by county.
27. Using a wide range of data sources and data sets, including foreclosure filings, recorded sheriff's deeds, scheduled sheriff sales, water shutoffs, code-enforcement reports, and building data, NEO CANDO's neighborhood data system provides an "early warning system" for at-risk vacant and abandoned properties on a parcel-by-parcel basis for a seventeen-county region. See http://neocando.case.edu.
28. Ohio has over sixty-nine private, four-year colleges; thirteen public universities, with twenty-four branch and regional campuses; and fifteen community colleges and eight technical colleges scattered throughout the state. Many are located in shrinking cities, including Cleveland, Cincinnati, Dayton, and Springfield, to name a few.
29. Introduction of the Strengthening Employment Clusters to Organize Regional Success(SECTORS) Act by Ohio senator Sherrod Brown in 2009 recognized the importance of the labor force, or supply side, of cluster development and offered federal grant support for aggregating worker-training needs by industry and developing post-secondary curricula that match industry demand.
30. New Urban News (2004)
31. A similar recommendation appears in Vey and Austin (2010).
32. In addition to creating new programs, federal policy makers should reexamine and revise current federal programs, such as the Low Income Housing Tax Credit (LIHTC) and CDBG. Current statutory provisions or guidelines may undercut their intended results by, for example, encouraging construction of additional low-income housing in already-saturated weak markets or increasing concentrations of poverty.
33. A model of state support for development of local food systems can be found in the Illinois Food, Farms, and Jobs Act of 2007, which established the Illinois Local and Organic Food and Farm Task Force to study and recommend strategies that the state could take in the development of local food systems. It included identifying land preservation and acquisition opportunities for local and organic agriculture in rural, suburban, and urban areas and explored financial incentives, technical support, and training necessary to help farmers to transition to local, organic, and specialty crop production, and other strategies.

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Case Study: Building a Coalition to Pass a State Land Bank Statute

Lavea Brachman, Greater Ohio Policy Center

In February 2010, the Greater Ohio Policy Center—a statewide nonprofit think tank, advocacy, and stakeholder involvement group—issued a pathbreaking report, *Restoring Prosperity to Ohio: Transforming Ohio's Communities for the Next Economy*, in partnership with a national think tank, the Brookings Institution Metropolitan Policy Program, that laid out a comprehensive blueprint for state policy reform and made thirty-nine recommendations aimed at transforming Ohio's metropolitan areas to better compete in the next economy. Within two months of the report's release, Ohio's General Assembly (GA) passed one of the report's cornerstone policy recommendations, providing for countywide land banks in counties with a population of sixty thousand or more—essentially covering all sixteen major metropolitan areas in the state. Cuyahoga County (Cleveland) already had a land bank, since the GA passed the bill in April 2010, three counties have set up land banks—Lucas (Toledo), Montgomery (Dayton) and Mahoning (Youngstown) Counties—while at least two more are seriously investigating it, including Franklin (Columbus) and Hamilton (Cincinnati). *What is the importance of the land bank? How did the Greater Ohio Policy Center, which was instrumental in getting the land bank legislation passed, accomplish this task? And what are lessons for future state-level policy making?*

What is the Land Bank's Critical Role and How Is It Formed?

A land bank is a critical tool in a state like Ohio, where the vast majority of the cities are experiencing significant population loss and associated high property vacancy and abandonment rates—as high as 20 to 30 percent in some neighborhoods. A land bank provides counties with the ability to acquire vacant and abandoned properties—primarily but not exclusively through tax foreclosure—and hold and dispose of the properties in ways that strategically promote development and are responsive to market activities. A land bank has the additional value of acting as a repository for properties unattractive to developers. The land bank has the power to hold and efficiently manage and maintain properties pending reclamation, rehabilitation, and reutilization, thus reducing the chance of properties languishing and further blighting their neighborhoods. Additionally, a land bank can also undertake countywide land use planning to maximize single-vacant-property reuse and area- and neighborhood-wide redevelopment potential. In Ohio, land banks are a separate nonprofit governed by a board comprised of statutorily identified local representatives, but Ohio's county treasurers play a uniformly critical role, because they hold the power to foreclose on properties.

How Was Passage of the Land Bank Statute Accomplished?

Strong Local Partnerships. A nonprofit advocacy organization, The Greater Ohio Policy Center, established a land bank advisory group early on that developed into a strong network of partnerships with key local leaders around the state and deployed that network strategically, particularly county treasurers in the key urban counties, to advance the land bank cause. Ohio has traditionally been a fragmented state, with eight major cities and metropolitan areas that—while in decline for almost three decades (according to traditional measures of economic vitality and growth)—still retain unique cultural and economic identities as well as a cadre of separate business and civic community leaders. So successfully passing legislation requires support from multiple metropolitan areas in order to demonstrate its relevance across regions and the political spectrum. Local advocates from the land bank advisory group came to Columbus, the state capital, to testify multiple times before different GA committees about the importance of this tool to revitalizing their cities. Some of the strongest supporters in Greater Ohio's network were county treasurers, who tapped their state representatives. These "inside game" players advocated for the bill through channels the nonprofit could not itself access and galvanized local support that the representatives needed.

Narrowly Scoped Statutory Jurisdiction. Responding to concerns about potentially unknown financial and staff burdens that could arise from implementation of this new tool as well as to a perception that this tool was primarily targeted at the urban areas, application of the statute's scope was narrowed. Surprisingly, despite Ohio's multiple metro regions and urban cores, the GA's leadership positions are traditionally dominated by legislators with rural roots, due to the proliferation of small-unit governments, called "townships." Therefore, while a county's decision to to operate a land bank under the statute is completely permissive—and thus it would have made the most sense to advocate for passage of a land bank statute applicable to all Ohio's eighty-eight counties—emerging objections from the "rural" legislators (or the nonurban area representatives representing counties outside the immediate metros) caused advocates to construct the legislation to apply only to counties with certain threshold population levels, thereby hoping to ensure passage.[1] In doing so, advocates sacrificed some quality for expediency, at least for the time being; however, on the positive side, this left the door open later to make statutory modifications that would enlarge the land bank's scope in several ways.

Existing Land Bank Models. The neighboring state of Michigan had passed a land bank statute in 2003 that provided a compelling model for Ohio, because of Michigan's proximity as well as its similarities (despite an intense sports rivalry!) in governance structure, population demographics, and political composition to Ohio. National experts could be brought in who talked about the success of the land bank in Michigan and other places and its relevance for Ohio's cities. Also, Cuyahoga County (Cleveland) had managed to get its own land bank statute passed the previous year, which paved the way and piloted the concept for the rest of the state, although due to the fact that it was not fully functioning yet and to Cuyahoga's dominant urban politics and culture, its fledgling land bank was not viewed universally in Ohio as the best statewide model. Nevertheless, these models collectively set clear examples the financial requirements of land banks, the savings generated by land banking, what responsibilities land banks do and do not undertake, and how land banking can stabilize distressed neighborhoods.

Acting as an Effective Intermediary Between Local Interests and State Policy Makers and with National Experts. Related to the use of models, Greater Ohio was able to play a unique role as an effective intermediary, due to its connections both within and outside Ohio. As a nonprofit, it not only used its own advocacy and education capability but also served as an interface between local interests and state policy makers as well as with national experts and those from other states who could make the case for the land bank, based on real experience and expertise.

Limited Opposition from the Usual Suspects. A strong banking lobby, for instance, in Ohio often defeats legislation that is perceived as posing government interference in the housing or financial markets. However, the banking and related interests were distracted by other bills being proposed that were more "activist" from their perspective (e.g., a moratorium on foreclosures, requiring bank ownership of foreclosed properties, etc.) and were potentially more targeted at stable neighborhoods.

Mechanisms Maximize Local Control. Finally, the Ohio land bank statute is notable for its ability to be tailored to each local jurisdiction—an extremely important element in a state whose constitution contains a strong "home rule" provision and where there is a deep-seated tradition and culture of local control and small-box active local government. The land bank board's composition allows for local discretion over how many comprise the board and also its exact composition (from a designated array of choices, including private sector appointees, and municipal and township representatives).

What Are the Lessons For Future State-Level Policy Making?

In many ways, a fortuitous set of circumstances came together to spark passage of the land bank statute—including existing models, a strong statewide network, willing sponsors, and a respected advocacy group with strong bipartisan ties to coordinate the field support and advocacy. However, the process of passing this statute also exemplifies how a legislative process should ideally work.In this instance, advocates were willing to compromise and recraft language in the midst of the process and sacrifice less important elements—such as the composition of the board and the number of counties included—for the greater good of the larger land bank concept. The true heroes of the process were the local leaders and local elected officials who saw the urgent need for a new tool to address the exploding problem of vacant and abandoned properties and pressed for state policy changes to make way for their need to innovate for the benefit of their communities.

Notes

1 Rural representatives' constituent counties apparently were concerned about being pressured to form a land bank for which they lacked capacity and potentially sufficient properties to make it financially feasible.