

## A RUSH TO JUDGEMENT

*Jonathan Diskin*

*Thomas A. Dutton*

*Introduction by Mary Burke*

## Introduction To *A Rush To Judgement*

On June 20, 2001 Cincinnati City Council Member John Cranley introduced a motion calling for, among other things, an *Impaction Ordinance* that would “forbid the City of Cincinnati from spending, approving or in any way condoning more subsidized low-income development in those areas deemed impacted, except for projects needing rehabilitation that currently contain subsidized low-income housing...” On October 31, 2001 the *Impaction Ordinance* was adopted by a majority of Cincinnati City Council.

During the summer of 2001, professors Thomas A. Dutton and Jonathan Diskin reviewed research related to the ordinance, analyzed the stated rationale, and presented their findings in this working paper. In addition to their academic roles, Dutton and Diskin are board members of the community-based development corporation, Over-the-Rhine Housing Network, where I have been the business manager for the for the past nine years. In that capacity I have a working knowledge of affordable housing finance and development and have begun to see the impact of the *Housing Impaction Ordinance*. By way of introduction to *A Rush to Judgment*, I review the status of affordable housing, the financing of affordable housing, *NIMBYism*, and the effects of the *Impaction Ordinance* one year later.

### **Status of Affordable Housing**

The affordability and ownership of the housing stock in the neighborhood of Over-the-Rhine have changed significantly over the past year. These changes may be more a result of federal housing policy than the *Impaction Ordinance*. Either way, the changes are significant and affect the context the ordinance seeks to address.

On Saturday October 26th 2002 over 560 units of formerly affordable housing located in Over-the-Rhine were auctioned off



as part of a bankruptcy foreclosure. Those units were financed and made affordable through HUD and the Section 8 Program over 20 years ago. In the late 1990s and early in 2000 many of the Section 8 developments around the city, state, and country lost their project-based Section 8 subsidy. This was the result of the end of the 20-year federal commitment to the individual developments, congress' refusal and/or inability to continue funding for all these developments, and the owner's decisions to "opt-out" of the program. Locally Tom Denhart, the principal owner of the 560 units referenced above, decided to opt-out. Without the project-based subsidy the units were no longer affordable and many of his units were vacated. The subsequent lack of income led Mr. Denhart to file for bankruptcy, which led to the auction. Additionally, some of his units were sold prior to the auction and the process of converting those units to upscale housing had already begun. Over the course of one summer in this specific case alone, the community lost over 560 units of affordable housing. Regretfully, as the stock of affordable housing is collapsing, the Impaction Ordinance restricts the development of new low-income/affordable housing.

### **Financing Affordable Housing**

Financing affordable housing development and preservation has become complicated. The financing tools alone require hours of training and well paid, specialized consultants to assist a developer through the process. Without project-based Section 8, owners must try to subsidize the development within the confines of complicated financing tools that are not able to reach the very low-income housing market. Virtually no subsidies are available to meet the operating costs of low-rent housing. The complexities of affordable housing preservation and development cannot be overstated. At a statewide housing conference in October 2002, I had the opportunity to speak to Sheila Crowley, Director of the National Low-Income Housing Coalition. We agreed the process is nearly prohibitive and could lead cynics to believe that it is so for a reason. Additionally, a developer must work in a negative



political climate that sees affordable housing as a problem and not part of the solution to many of the community's problems. The Impaction Ordinance does not acknowledge these challenges and in fact adds additional burdens.

### **Not in My Backyard**

We may not know all the damage the Impaction Ordinance has caused but in general terms it contributes to the virulent rhetoric surrounding housing for people of low incomes. When the ordinance was introduced, it called upon communities outside the city to “do their fair share” and to “take some of the burden.” Those communities responded with vigor in a very reactionary sense. Anne Langdon, a Delhi Township Trustee, lobbied against the ordinance at City Hall and on radio talk shows. On October 10, 2001, *The Cincinnati Post* reported that “suburban leaders are worried that Cincinnati is trying to force a shift in low-income housing without their input.” The article quoted the Delhi Township Trustee as saying, “We are pretty much being forced here with something that is being kicked down our throats.”

Then, on July 8, 2002, *The Cincinnati Enquirer* reported that Anderson Township, Sycamore Township, Green Township and the city of Deer Park would refuse future allocations of federal CDBG dollars for fear it would mean they may have to accept low-income housing developed by the Cincinnati Metropolitan Housing Authority.

On October 7, 2002 *The Cincinnati Enquirer* reported that Cincinnati Metropolitan Housing Authority's plans to demolish 700 units of public housing in the English Woods development is meeting resistance from neighbors in Westwood who fear those displaced by the development will move to their community. Westwood residents cite their experience with displaced residents from Over-the-Rhine and the West End as reason for their concern.



Regretfully, the Impaction Ordinance contributes to this *NIMBYism* and therefore limits choice for low-income residents. The ordinance hardly establishes an environment that encourages development of affordable housing. Instead, it breeds hostility. Denying development of affordable housing does not create choice or mixed income communities.

### **One Case Study**

A specific example of the challenges presented by the Impaction Ordinance is Community Views, a fifteen-unit, mixed-income development by the Over-the-Rhine Housing Network. The Impaction Ordinance made the development of this project a veritable Rubik's cube in light of the ordinance's demand that there be "no net gain in affordable housing" (ironic given our long held belief that there should be "no net loss of affordable housing" as the community redevelops). Our fifteen-unit development involves the rehabilitation of three occupied buildings and three vacant buildings. The sites were carefully selected so that in each of the occupied buildings, one unit was eliminated, making the remaining units larger and more livable. Given that we now had reduced the number of low-income units by three, we were able to develop three low-income units in the three vacant buildings. According to the author's interpretation of the ordinance, we are not permitted to develop "new" low-income units in vacant buildings. But, we can develop low-income units in a vacant building if the units do not increase the net number of current low-income units within the project. All this maneuvering feels like a game and the reality of our community gets lost in the political twists. Eventually, due to unforeseen circumstances, we were forced to drop a building from the development leaving us with a thirteen-unit project of ten low-income and three market-rate units.

The challenge in this development was further complicated by the necessity to develop market-rate units. While we learn to make use of the complicated financing tools for affordable



housing, we do not have access to funds to develop market-rate or unrestricted housing. While city officials mandate that we develop market-rate housing if we develop affordable housing, the funds are not available to make that possible. (Incidentally, there is no legislation or inclusionary zoning that requires market-rate projects to include affordable housing. Perhaps inclusionary zoning is a more productive way to diversify neighborhoods.) We restructured our deal a few times and increased rents so that we could support the debt that would make the development of three market-rate units possible.

The ordinance to fund this project, as well as several market rate projects, went before city council in November 2002. There was concern among some council members that of the project's ten affordable units, three are new, and therefore is not in compliance with the ordinance. Council members advised that the Impaction Ordinance is applicable to project specifics only and does not relate to the increase or decrease in the community as a whole. So while the community loses at least 560 units, the "increase" of three units is not compared against that loss but is viewed as an increase within the project; hence, out of compliance. In the end we were able to negotiate successfully that the development is consistent with the Impaction Ordinance and funding for Community Views was approved by a vote of 6 to 3 on November 20, 2002. Of note is that the ordinance that funded Community Views included funding for four other developments. Of the 89 units to be developed, only our ten units are affordable.

The impact one year later can be described as difficult to enumerate yet palpable. We feel the harm yet it is difficult to name the effects with certain specificity. In fact, the city itself has yet to adopt guidelines for the implementation of the ordinance so city staff, council members, developers, and community leaders continue to interpret the ordinance differently. We are losing affordable housing at a rapid rate and the climate for



affordable housing development is more hostile than ever. This presents a depressing scenario for those of us concerned about justice and peoples' rights to housing and the role of affordable housing in the development of safe, healthy neighborhoods. Our hope lies in our ability to refute the myths, to responsibly analyze the problems and then to seek solutions that build on our hopes instead of our fears. Solutions lie in creating more resources for affordable housing that will responsibly increase the supply and choice for low-income residents. Other cities recognize this and political leaders take positive action. Charlotte, North Carolina is one example. According to a story in the October 31, 2002 issue of the Charlotte Observer, city leaders there asked voters to help pay for affordable housing. A \$20 million bond package was on the November 2002 ballot. The bond package will pay to build new low-rent apartments, refurbish existing ones, and help potential homeowners make down payments. Interestingly, these are some of the same goals included in the Impaction Ordinance. While Charlotte seeks to meet these goals in a positive proactive way, Cincinnati chooses to use those goals to disguise its intentions and limit production of desperately needed housing. On Wednesday November 6th, the Charlotte Observer reported the housing bond issue passed 60% to 40% and quoted Katischa Hood, who voted for the bond: "There are a lot of low-income people who don't want to live in the projects. We need a way to give choices to those people."

*A Rush to Judgment* provides us with a responsible analysis of assumptions and facts, and suggests ways we can move forward. I hope you will keep this paper with you and that when good people make false assumptions about affordable housing, you will use this information to help them re-think the issues. For people who care about Cincinnati and our future, it is good to be prepared with facts and sound analysis. Then, with a spirit of hope and inclusion, we can act responsibly and with deliberation without rushing to judgment in the name of "doing something."

*Mary Burke*  
*January, 2003*



## A RUSH TO JUDGEMENT

*Jonathan Diskin*

*Thomas A. Dutton*

Since the explosion of community outrage in Over-the-Rhine in April, the drive to “get something done” to solve Cincinnati’s problems is palpable. Mayor Luken mobilized Cincinnati Action Now (CAN) with the charge to have recommendations for action by the end of summer. The Over-the-Rhine Comprehensive Plan Steering Committee voted by a slim margin just after the uprising to move the Plan’s completion date up from November to September. Even City Beat, lamenting this summer as the “season of waiting,” has offered its own nine-point program—Cincinnati Must—to jumpstart the languishing CAN process.

There are real systemic problems in Cincinnati, as in many cities, and we understand the desire to do something, to get results, to not appear unconcerned. Still, we are troubled by proposals that seem to rush to identify the key causes of Cincinnati’s troubles and to fix those problems in sweeping terms. Rushes to judgment may be motivated by the best intentions, but as the old adage goes, the road to hell is often paved with the best of intentions.

Case in point: Freshman Democratic City Council member John Cranley’s Motion to create an *Impaction Ordinance*. Introduced June 20, 2001, Mr. Cranley’s Motion identifies the concentration of subsidized housing in certain “impacted” neighborhoods in the city as the core problem and proposes to deal with it by “forbid[ding] the City of Cincinnati from spending, approving or in any way condoning more subsidized low-income development in those areas deemed impacted.” His Motion also directs the City to “identify the neighborhoods that are impacted by an over-saturation of low-income residents,” to “require the new Zoning Code to facilitate owner occupied units,” and to “require that CDBG [Federal Community Development Block Grant] monies that are designated for new low-income development not be spent inside of the City of Cincinnati until there is more equitable regional affordable housing.”

Why should the city do this? What problem, precisely, is



being addressed here? “One of the biggest problems facing the city,” Mr. Cranley claims, “is a housing pattern that overly concentrates low-income development in the City.” This in turn creates a “domino effect of declining property values,” increases “social ills,” and taxes “too strongly city services.” Then comes the punch line: “Studies have long shown that over-saturation of low-income residences are often correlated with higher crime, litter, less economic opportunity for social mobility, blight, and an overall lower quality of life.”

We acknowledge that to many, Mr. Cranley’s Motion to place a moratorium on new low-income housing in the city and to promote its development outside city limits seems like “common sense.” Yet we are convinced that his proposal will do more harm than good because it reduces the complex issues that cause poverty and neighborhood decline to one singular point: housing. Mr. Cranley’s exclusive focus on low-income housing rests on faulty assumptions about its causes and implications, and consequently his solution would treat only symptoms of deeper trends at the expense of the (mostly black) poor.

We believe this to be true even if Mr. Cranley backs off his proposal to eliminate all city administered funding for new low-income housing development. As his Motion is translated into an Ordinance, rumors are that Mr. Cranley might propose that the city spend no more than twenty or thirty percent of its housing funds on low-income housing. Any arbitrary limitation of city funding for low-income housing is still grounded on faulty assumptions and makes the poor pay to solve problems not of their making. The following analysis and critique, therefore, focuses on Mr. Cranley’s proposed moratorium as written.

Let us take a look at these faulty assumptions embodied in Mr. Cranley’s Motion before we turn to the consequences of his proposal and suggest alternative approaches to Cincinnati’s problems.





## Assumptions

Three significant assumptions lurk behind Mr. Cranley's text that we would like to pull out for closer analysis: 1) that concentrations of low-income housing cause neighborhood decline; 2) that such housing deters investment and keeps such "impacted" neighborhoods poor, and; 3) that there are no differences between the intentions and affects of non-profit and for-profit low-income housing developers. Our research has been principally in the Over-the-Rhine neighborhood and we use it as an illustrative case in examining these assumptions.

### *Assumption One: Neighborhood Decline Results From Concentrations Of Low-Income Housing.*

This assumption is Cincinnati's new mantra. One hears time and again in Cincinnati's media about urban planning studies "that indicate whenever an area has more than 30 percent low-income housing, it begins an economic and social decline" (*Cincinnati Post*, June 28, 2000). It is interesting to note that no such studies are ever cited, and a recent search by city planning staff to find any came up empty. Yet this appeal to uncited, and perhaps non-existent, studies is being used to buttress the view that subsidized low-income housing caused the decline of poor neighborhoods and OTR in particular. On this basis, denying more low-income housing appears to be common sense.

One short polemical essay—that in no way can be considered a study—that supports this assumption is *Over-the-Rhine: A Permanent Ghetto?* by Housing Opportunities Made Equal (HOME), a fair housing organization that has a venerable history of pushing outlying communities to accept more low-income housing. Circulated in 1991, HOME considers the over-concentration of low-income housing in OTR as the "primary contributor" to decline and argues that city efforts to support low-income housing in OTR will turn it into a "stagnant, decaying 'reservation' for the poor at the doorstep of downtown."



*Fact:*

HOME's report presents a distorted picture. It conveniently begins its statistical presentation of population and income decline in OTR in 1970 in order to establish a correlation between the rise in subsidized housing and concentrated poverty. The distortion? Over-the-Rhine lost most of its income and population in the 1960s, *before much subsidized housing existed in OTR*. According to census figures, white households began to move from OTR starting in the 1950s and reached a critical mass in the 1960s when an amazing 63% of the white households left OTR.<sup>1</sup> Thus, from 1950–1970, the white population in OTR fell from roughly 30,000 to just over 9,000 while the proportion of households considered poor increased from 38% to over 50%. Clearly the real story of Over-the-Rhine's population and income decline, as has been true for many inner city neighborhoods all across the country, is white middle and working class flight to the suburbs. This exodus was facilitated by FHA's liberalization of the mortgage market as well as its regulations favoring new construction (over rehab), the single-family detached house (over apartments), and a neighborhood appraisal process that amounted to redlining, which ensured a segregated landscape by race and class.

In contrast, subsidized housing, especially the Section 8 buildings owned by Hart Realty that constitute the vast majority of low-income housing in OTR, increased dramatically in the 1970s, after the sharp declines in population and rise in poverty in OTR. The common sense assumption that neighborhoods decline because of concentrations of low-income housing, on which Mr. Cranley's Motion rests, has it backwards. Had HOME's statistical analysis begun in 1950, it would have been obvious that the biggest absolute population loss occurred before 1970 and that the increase in low-income housing followed from these urban dislocations.

In OTR, population decline continued in the 70s and 80s, but



clearly the problems of poverty, building abandonment, and deterioration, cannot be traced to an increase in subsidized housing. After the boom in Section 8 subsidized housing in the 1970s, most new low income housing has been built by small community based non-profit organizations that have been responding to the serious problem of deterioration and poverty in OTR. Such housing and community building, as we shall see, does not deter private investment at all.

*Assumption Two: Low-Income Housing In Over-the-Rhine Has Destroyed The Housing Market And More Low-Income Housing Will Deter Private Investment Of All Kinds.*

*Fact One:*

First, as in Assumption One, virtually no evidence is ever offered for this claim. If this were true, the movement back to older poor neighborhoods by more affluent folks that typically leads to the displacement of the poor (gentrification), wouldn't ever occur. In point of fact, the private market for housing is far from dead in OTR. According to Francis Wagner, then acting director of Neighborhood Services, in his memo to the city's Finance Committee (October 10, 2000), quite a bit of private development is happening in the lower Vine Street area in particular. Further, as development on Main Street attests, low-income housing has not deterred private investment in OTR.

Mr. Cranley's Motion seems to assume that the city fosters only low-income housing in poor neighborhoods when in fact city support of market rate housing in Over-the-Rhine over the last five-to-six years has been vigorous. According to city officials, the records show that from January 1995 through the first quarter of year 2000, 63% of that invested by the Department of Neighborhood Services for all housing programs in Over-the-Rhine has supported market-rate development. This is almost a two-to-one margin. To turn to the lower Vine Street area in particular, and again to refer to Mr. Wagner's memo, much of



the development there is supported by city money and future projections show an even larger public commitment.

*Fact Two:*

Far from deterring new investment, recent studies that look at community controlled, non-profit housing development conclude that the value of property near such development *typically increases*. Far from hurting local property values, non-profit development, by taking abandoned buildings, rehabbing them and filling them with regular tenants often improves the social and economic climate in the surrounding areas. The research is very clear on this point.<sup>2</sup> For example, a study by the Center for Urban and Regional Affairs in Minneapolis shows clearly that “nonprofit developed subsidized housing does not depress property values, it does not increase crime, and it does not concentrate poverty by attracting more poor families to the central city. *Thus, the dispersal of subsidized housing is not necessary for the sake of inner-city neighborhoods.*”<sup>3</sup> Those who are able to move into apartments in non-profit developed buildings are significantly better off than before. Further, the construction of such housing does not attract poverty from elsewhere in the city or region, but tends to fill the need of those already living in the area.

One deterrent to private investment is the abandonment of buildings that leads to vacancies and physical deterioration of the public space. The irony of Mr. Cranley’s Motion is that it will consign many buildings owned by the area’s non-profits to vacancy. By eliminating the funding that community based non-profits depend upon to develop housing in the area, Mr. Cranley’s proposal will ensure that more buildings stand idle and will contribute to the forces that deter private investment.

*Assumption Three: There Are No Differences In Intentions And Affects Between Non-Profit And For-Profit Low-Income Housing Developers.*



Mr. Cranley's proposal, in calling for a complete moratorium on new low-income housing development treats all low-income housing development the same. He fails to distinguish between community controlled, non-profit housing development and the for-profit Section 8, project-based properties (now switching to vouchers) that are spread throughout the neighborhood.

*Fact One:*

Non-profit housing developers are community based organizations whose work has different affects on the community than does for-profit development. The non-profits involve themselves in more than just housing development: they are community building tools trying to help people move out of poverty. The non-profits resist becoming standard housing development corporations that merely collect monthly rents and evict people when necessary. Their mission is deeper and multi-dimensional—whether through artistic projects, gardening, the development of play spaces, and after school programs, to name a few, the intention is to address tenants' everyday needs and to help them gain access to alternative economic options such as homeownership, land trusts, or cooperatives. We doubt that for-profit, Section 8 landlords are interested in such matters.

*Fact Two:*

In contrast to the widespread view that much housing in OTR is controlled by non-profits such as ReSTOC, among others, the fact is that only eight percent of the existing housing stock in OTR is actually owned by the non-profits. Non-profit housing development organizations and the institutions they rest upon would be eviscerated by Mr. Cranley's proposed Ordinance. To pull the plug on new financing for non-profit housing development in Cincinnati's poorest neighborhoods would effectively destroy the community based institutions that have been laboring for years, at extremely low levels of compensation, to meet the needs of Cincinnati's poorest citizens. Further,



community based, non-profit ownership is the only guarantee against the possible waves of gentrification and abandonment to ensure that economic mix has any purchase.

*Fact Three:*

Without an active non-profit housing sector, Mr. Cranley's Motion implies that a full range of housing options will be provided by the market alone. This is not true. The unregulated private market has no track record of providing low-income housing within our public standards of health, safety, and welfare.

Our examination of the assumptions implicit in Mr. Cranley's proposal leads us to conclude that he is taking aim at the wrong target in general—housing—and the wrong housing providers in particular—non-profits. Non-profit housing organizations have been the bulwark of investment and social work in Cincinnati's poorest neighborhoods for 30 years. These are the very institutions we should support.

### **Lack Of Social Analysis**

No social analysis of any kind accompanies Mr. Cranley's Motion to help us understand in any complexity what he considers to be the problem. The association between low-income housing and neighborhood decline is not supported by evidence and mistakes outcomes for causes. He is certainly clear about what he identifies as the problem: low-income housing and its over-concentration in impacted neighborhoods. Return for a moment to Mr. Cranley's punch line: "Studies have long shown that over-saturation of low-income residences are often correlated with higher crime, litter, less economic opportunity for social mobility, blight, and an overall lower quality of life." Notice that Mr. Cranley's proposal fails to identify what we believe are the more fundamental issues: the disappearance of jobs with actual futures for low-skilled workers, declining wages,



poor education, persistent patterns of racial discrimination in all walks of life, government rollbacks in social service supports (including “welfare reform”) and the list can go on. In short, housing has become the identified issue, while the broader causes of poverty and its concentration remain repressed and therefore unaddressed.

The causes of concentrated poverty in inner cities in the United States are many—consider the systematic (first legal, then informal) exclusion of the poor and especially black residents from middle class communities in this country, the outward movement of jobs, deindustrialization, and transportation dispersal; in short, the creation of the American suburb. Federal housing policy aided this process. Mr. Cranley mistakes housing itself for the broader social problems of suburbanization and urban disinvestment and thereby wrongly targets the funding for low income housing as the solution.

For us the primary issue is not concentrated, low-income housing. It’s not even concentrated poverty. It is poverty itself. And it is a poverty that is drastically different and horrifically more punishing today as compared to that which families experienced in the 1950s and 60s. Back then families may have been poor but they were working. Back then families could live on the minimum wage, manufacturing jobs were available, housing was more affordable, and wage earnings for the bottom two-fifths of the population grew the most over that time. Such cannot be said today. Now the reality is what many sociologists term “jobless poverty,” a phrase emphasizing the fact that labor force participation in the poorest neighborhoods is not what it used to be. To be sure, many of the poor work (recent statistics from Cincinnati’s Coalition for the Homeless show that sixty percent of homeless men in Cincinnati hold at least a part-time job). But the work is intermittent and many are caught in dead-end jobs with low pay, no healthcare coverage, and no future.

If any of this were on Mr. Cranley’s radar, why would he single



out low-income housing as the culprit in inner city decline? Where are the motions and ordinances to address the new forms of poverty? Where are the motions and ordinances to address unemployment and underemployment, job training, homelessness, education for lifelong learning, artistic and cultural production, livable wages, relief from chemical addiction, and access to affordable healthcare?

### **Class And Race Effects**

As if this weren't enough, matters get worse when we adjust our lens to focus on the reality of race. Today's poverty disproportionately afflicts the urban black population specifically and people of color more generally. Does Mr. Cranley understand the class and race implications of his motion?

Mr. Cranley's Motion, by singling out low-income housing, discriminates against a particular user: poor people in need of housing. Moratoria are allowable, of course, on specific kinds of land uses that pertain to specific zoning categories, such as multi-family housing or even single family housing. But this Motion does not try to control a land use category, but tries to control development by targeting a specific income class and therefore discriminates against the poor.

This motion also discriminates against people of color. This may not be the intention, but the impact is clear. Insofar as the majority of lower income folks in OTR are of color, this motion disproportionately affects poor black Cincinnatians. It becomes racist by default.

Perhaps most damning about Mr. Cranley's motion is the concept of dispersion. His motion accomplishes this by restricting all new low-income housing in the city and by urging outlying communities to create more such housing. Clearly the logic that drives this Motion is that the city will improve if poor black residents can be moved out of the city by manipulating the





housing market.

This message reinforces three other fallacious, mainstream assumptions about Over-the-Rhine and its residents: (1) that there is no true community in OTR, i.e., all that exists is the urban pioneering effort of some dedicated white business owners on Main Street and at Findlay Market who are struggling against all odds in a wilderness of drugs, crime, dives, and prostitutes; (2) that all residents desire to “escape” OTR; and (3) that black folks will become better people if they move to white, middle class environments. Here the standard of evaluation for measuring the good life is white society, which is another form of racism.

Why do blacks have to move? Is this their fate in life—to be moved around at the behest of white society for purposes that may not be in their best interest? Notice that the charge is not for white folks to stop living in the suburbs and begin moving to Over-the-Rhine. The hope may be that affluent whites will be attracted to Over-the-Rhine, but the charge is phrased the other way around—in order for Over-the-Rhine to be a better place, blacks must move out.

To us, Mr. Cranley’s Motion constitutes the latest episode in white society’s long and sad historical saga to destroy black civil space and to mold it to its own purposes. Think of slavery, the original dispersion; Jim Crow legislation that “legally” enforced segregation; “urban renewal” that came to be called “Negro Removal” because it razed many black neighborhoods to make way for freeways, sports arenas, and corporate redevelopment, all the while displacing blacks to other (often slum) neighborhoods and into high-rise public housing projects; and now more recently gentrification, which exhibits the full, displacing power of urban renewal, only now exercised mostly through the private sector. We suspect that these are not Mr. Cranley’s intentions, but we believe these are likely to be the results of his proposal.



## Ways Forward

To solve a problem it must be properly identified. As we have shown, the assumptions as well as the lack of a social analysis that underlie Mr. Cranley's motion mistakes symptoms for causes, with debilitating racial effects. Such a narrow and drastic approach to solving complex social problems amounts to a meat-axe approach and is likely to produce new and even worse problems.

By way of summary, Mr. Cranley's Motion, first, will punish and effectively gut community based institutions that have struggled to provide services in the wake of poor public policy and exclusionary cultural and racial attitudes since World War II. As suburban investment resulted in urban disinvestment, non-profit housing organizations, such as the Over-the-Rhine Housing Network, Franciscan Home Development, ReSTOC, and Tender Mercies, among others, stepped in and did more than provide housing for the poor in Cincinnati. These organizations are part of the institutional framework that builds community by addressing the social needs within everyday life beyond housing. If the city is serious about fostering a process that is inclusive and builds on the institutional infrastructure rather than tearing it down, Mr. Cranley's Motion guarantees the opposite.

Second, Mr. Cranley's Motion overlooks the important role played by the non-profits in fighting building abandonment and vacancy in Over-the-Rhine. Building abandonment deters private investment and attracts illicit activities.

Third, Mr. Cranley's Motion does not support a bridge of understanding with the outlying communities to which he would like to direct low-income families and households. Mr. Cranley's proposal would push low-income residents out of their current neighborhoods. As units are converted or torn down via gentrification he clearly envisions that such displaced tenants will move to outlying communities that will be induced



to provide more low-income housing. But his proposal doesn't have any mechanism to produce such housing and we have no reason to think that outlying communities will react charitably to his wishes. Mr. Cranley's proposal makes demands without any real dialogue and agreement about how to share the costs of dealing with urban poverty in the city. We are very much in favor of outlying communities bearing some of the costs to ameliorate urban poverty, but Mr. Cranley's approach promises political gridlock on this point. In the ensuing NIMBYism that is all but guaranteed, low-income tenants will surely pay the price of the stalemate when funds for low-income housing in the city dry up and as no new low-income housing is constructed elsewhere.

In order to develop a long term strategy to promote strong local neighborhoods, residents of poor neighborhoods need real housing options. Further, we believe that the long term causes of segregation and the patterns of poverty are the result of region-wide patterns of housing, employment, and social policy. Therefore solutions must entail providing residents of poor neighborhoods with opportunity on a variety of fronts, including housing, employment, education, as well as returning both public and private investment to poor communities. This is a tall order and we will not propose a grand integrated strategy here. But we do want to close with a few general points that we believe are good guidelines for solutions based on equity and dignity for people in poor neighborhoods.

First, solutions must not make an end-run around ongoing community based planning efforts. With regards to Over-the-Rhine, City Council needs to respect the Comprehensive Planning process, and link its motions and timelines to that being developed in that process. Mr. Cranley's Motion clashes with provisions of the Over-the-Rhine Comprehensive Planning process that has been going on for months. What is the point of an inclusive planning process if City Council passes legislation that contradicts its conclusions? Worse, as some members of the



OTR planning process have been told by Mr. Cranley, some City Council members regard the Comprehensive Planning process as ineffective and a “waste of time.” Obviously, these sentiments work contrary to the building of trust and dialogue within Over-the-Rhine and between OTR and the city administration and will not inspire confidence in other poor communities. Residents and leaders who have been active in Over-the-Rhine for decades—think of the 30-plus year history of the Over-the-Rhine People’s Movement—will rightly see these sentiments as part of the city’s continuing pattern of neglect and ineffective leadership towards Over-the-Rhine.

Second, Over-the-Rhine and other so-called impacted neighborhoods need motions and ordinances that address the systemic circumstances of jobless poverty. The city should consider ordinances that address the need for livable wages, job production and training, art and cultural development, continuing education, community gardens and alternative food production systems as forms of economic development, and so on. Mr. Cranley’s Motion touches on none of this. Isolating one issue—low-income housing—then distorting it, and further failing to understand the racial ramifications of its possible implementation is not going to move us forward intelligently. Non-profit, community-controlled low-income housing development did not cause the decline of Over-the-Rhine, does not lower property values or deter private investment, nor is it in itself harmful for the residents of OTR. The city should avoid the false tradeoff that pits such development against private development.

Third, regional solutions should be sought. As planners such as Michael Gallis, Myron Orfield, and other regional voices such as the Sierra Club have been emphasizing in their analyses of Cincinnati, regional parts are linked and long-term solutions cannot be applied to pieces in isolation. We are glad that Mr. Cranley’s proposal seeks to create more low-income housing in outlying districts, though we disagree with his top down



declarations on the subject. Outlying areas have reaped the benefits of subsidized roads, sewers, and schools and have isolated themselves from social problems. While some claim that as their “choice,” we believe that all communities are ethically obliged to participate in funding solutions for dire urban problems. Creating more low-income housing throughout the metropolis is one means to that end, but there are others. For example, the Twin Cities of Minneapolis and St. Paul in Minnesota have created a widely lauded tax sharing system in which outlying areas pay taxes to the city center to insure adequate public services for the poor in a way that strengthens the relationship between the two.

Fourth, the city and region should take the lead modeled by Over-the-Rhine residents and leaders to distinguish between gentrification and development. Gentrification entails displacement. Development is inclusive. The mainstream buzz now is “economic mix.” We assert with neighborhood leaders and residents that economic mix has to be carefully planned for and monitored. It does not come about naturally, certainly not through the market that tends to produce single income enclaves. While mainstream rhetoric about investment in Over-the-Rhine seems to favor the inclusive development model, it is especially incumbent on the powers that be—corporate, commercial, and city—to proffer concrete financial mechanisms and strategies to ensure, without doubt, low and moderate income tenure into the future. To date, no such mechanisms or strategies have been offered for consideration. Until this happens, there can be no trust because good intentions never get beyond the level of mere rhetoric.

Fifth, in this effort to coordinate market forces with the ongoing efforts to provide housing and to establish clear mechanisms that will curb displacement in the face of possible, runaway gentrification, the strategy must build upon the rootedness and experience of the community based, non-profits to ensure that



balance. Even though the city's own Consolidated Plan still spells out a citywide need for 30,000 affordable housing units, and the non-profits are doing their best to address that need (which the private sector needs to address as well), they are not merely development corporations. Because of their close ties to the tenant base, the non-profits address the many circumstances that affect residents' daily lives. Often these efforts run only on goodwill because there is no budget. Hence, local non-profits must be supported, not gutted. These institutions have been the principal sources of new low-income housing and other vital services for the very poor since the mid-1970s. They are crucial resources of social capital, knowledge, trust, and human relationships that must be built upon as more comprehensive solutions to urban poverty are worked out. The community-building non-profits need much more operating support.

Sixth, the city must not worship markets above all. The poor simply cannot afford decent housing in our society and there will be a need for private as well as public investment to fund adequate long term solutions. The city must not be afraid to spend money to foster solutions, and it must be creative in its approach to housing issues in Over-the-Rhine and other poor neighborhoods. The declaration of bankruptcy by Mr. Denhart and his near-1000 units in OTR should be seen as an opportunity for the city to experiment. Cleveland, for example, regularly buys property in poor neighborhoods in order to regulate development against the swings of the market. The city could buy Mr. Denhart's properties and sell them to tenants, creating wealth for tenants, community stability, and increased homeownership, things the city claims to want. Such thinking seems anathema to those City Council members who seem bent on letting the market sort out the mess. But as we have argued, the market will not provide housing (nor many other services) for the poor without transfers or subsidies. The market can reach only to a certain level. And below that level is where American society subjugates too many of its citizens of color. Hence, relying on



market forces to solve the problems we have discussed here will likely reinforce racist patterns.

Lastly, if the city is still intent in pursuing Mr. Cranley's Motion, it should submit the Motion to the fullest extent of public hearings in order to foster a truly democratic process. As has already been called for by several neighborhood groups, public hearings should take place at least in the neighborhoods deemed impacted as well as in the communities under consideration for relocation. Such a democratic process is the only way to counter the paternalism of Mr. Cranley's proposal. By simultaneously telling outlying communities they must host more low-income housing as well as telling low-income residents of "impacted" neighborhoods they must move to improve their lives, Mr. Cranley totally ignores the important aspects of community that knit people together, even in the poorest communities. We do not wish to romanticize poverty, but we likewise believe it is not John Cranley's place to be telling the poor what is good for them without any genuine dialogue nor a basis of evidence and research for his assertions.

We believe that Mr. Cranley can best serve Cincinnati by withdrawing his motion. By not rushing to judgment, we have faith that citizens and leaders can overcome the rancorous end-run that Mr. Cranley has so hurriedly proposed, and craft anti-poverty and housing affordability strategies that are principled, inclusive, and build on community strengths.

Population Data Drawn From:

1. *Over-the-Rhine: A Description and History*, by the Cincinnati Planning Department, Historic Conservation Office. September, 1995.
2. *There Goes The Neighborhood: The Impact of Subsidized Multi-Family Housing on Urban Neighborhoods*, by E. Goetz, H.K. Lam, and A. Heitlinger, a publication of the Center For Urban And Regional Affairs, 1996; and "The Impact Of Neighbors Who Use Section 8 Certificates On Property Values," by G. Galster, P. Tatian, and R. Smith in *Housing Policy Debate*, Vol. 10, No. 4, 1999.
3. *There Goes The Neighborhood*, by Goetz, et al, p. 81.



**Jonathan Diskin**, Associate Professor of Economics

*Department of Social Sciences  
Earlham College*

**Thomas A. Dutton**, Director

*The Miami University Center for Community  
Engagement in Over-the-Rhine*

**Mary Burke**, Business Director

*The Over-the-Rhine Housing Network*

This article was originally published in *City Beat* web issue of October 11-17, 2001, accessible at: <http://www.citybeat.com/2001-10-11/editorial.shtml>

Copyright © 2002 Jonathan Diskin, Thomas A. Dutton, and Mary Burke.  
All Rights Reserved.

