REGIONALISM
Growing Together to Expand Opportunity to All

REGIONALISM AND REGIONAL EQUITY
Chapter 2: Regionalism and Regional Equity

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

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

1. Understanding and Defining Regionalism:

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

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

From a historical vantage point, regional policy making dates back to early watershed management programs, such as those initiated in the Miami Valley and Tennessee Valley in the first half of the 20th century. In a metropolitan context, New York was one of the first major regions to regionally plan, with the New York transportation planning activities of the early 1930s, continuing with New York’s merger from a series of Burroughs into a metropolitan city.
The establishment of the metropolitan planning programs for transportation and the subsequent establishment of metropolitan planning organizations in the 1960s and 1970s, have solidified mechanisms for setting regional policy across the nation. These initiatives continued into the late part of the 20th century as regional planning agencies expanded their roles to look at issues outside of transportation, such as the environment, housing and economic development. Outside of regional governance, regional policy innovation expanded with numerous regional based policy and cooperative initiatives in many metropolitan areas throughout the U.S., including Cleveland. The Cleveland region contains several examples of regional coordination, such as the Northeast Areawide Coordinating Agency (NOACA), Team NEO, the First Suburbs consortium, the Port Authority, the water and sewer district, the Gateway Redevelopment Corporation and local examples of tax base sharing.2

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

- **Coordinating Regionalism**: Strategic regional planning and coordinated planning activities and coordinating agencies such as Metropolitan Planning Organizations (MPOs) and Council’s of Government fit within this example of regionalism. Occasionally these regional organizations can utilize federal funds to leverage control and influence implementation of planning goals. Generally most MPOs do not have any statutory authority. The exceptions to this are the Minneapolis-St. Paul and Portland regions, where regional agencies are given statutory control. Cleveland’s MPO, the Northeast Ohio Areawide Coordinating Agency, is the most relevant local example of coordinating regionalism.

- **Administrative Regionalism**: Administrative regionalism is a common form of regionalism that involves shared service delivery or administration for a specific regional function. Examples of administrative regionalism could include regional water and sewer districts, a regional housing authority, regional economic development entities or a special conservation district. Administrative regionalism is a popular form of regionalism because it can perform regional functions without significantly interfering with most local decision making. The Cleveland water and sewer district is a local example of administrative regionalism.

- **Fiscal Regionalism**: This type of regionalism involves the sharing of municipal revenues and liabilities among multiple local governments. Common examples of fiscal regionalism include local tax base and revenue sharing, and special asset districts. The most commonly cited example of local tax base sharing is the Minneapolis-St. Paul local revenue sharing policy, which pools 40% of growth in tax base valuations to be redistributed among the region’s seven counties, based on each county’s need. Montgomery County, Ohio also has a smaller scale revenue sharing policy. Asset districts generally utilize special sales taxes or other
special assessments to fund shared regional resources, like cultural facilities. Alleghany County’s cultural asset district is a commonly cited example of this form of regionalism. A local example of a shared asset district would be Cleveland’s Gateway Redevelopment Corporation. Cleveland’s earning tax also represents a mechanism for promoting shared tax capacity in the region.

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

2. **Regionalism and Racial/Social Equity:**

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

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

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

Because regional dynamics and regional fragmentation are so powerful in producing or denying regional and racial equity, many equity advocates have focused on regional solutions as the primary means to achieving equity and reducing racial disparity in our
As summarized by Policy Link in *Regional Equity and Smart Growth: Opportunities for Advancing Social and Economic Justice in America*:

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

3. **Fundamental Principles to Guide Equity-Based Regionalism:**

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

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

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

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

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

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

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

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

**3.2 Connecting people to opportunity:**

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

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

The segregation of African Americans in metropolitan areas is not just segregation from Whites, but also segregation from opportunities critical to quality of life, stability and social advancement. Bruce Katz and Margery Turner synthesized the impact of this opportunity segregation in the 2003 Brookings Institute research brief *Rethinking Affordable Housing Strategies: An Action Agenda for Local and Regional Leaders.*
“Residential segregation denies families of color full and free choice about where to live, while often denying minority neighborhoods the services and resources they need to thrive and grow. As a consequence, minorities’ access to quality schools, jobs, and economic opportunity is limited. The most extreme consequences of residential segregation are found in the central cities’ large urban areas. Because communities of color experience higher poverty rates than Whites, the concentration of minorities in inner city neighborhoods also concentrates poverty and compounds its social costs. As jobs, wealth and economic opportunities have migrated to the suburbs, poor minority communities in the central city have become increasingly isolated and cut off from access to the mainstream of our society and economy. Thus, housing segregation helps sustain economic inequality and contributes to the persistence of urban poverty.”

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

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

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

3.3 Managing growth and sprawl:

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

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

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

- **Portland (Urban Growth Boundaries):** Oregon’s urban growth boundary (and its extensive use in the Portland region) is one of the most widely cited and most successful policies to manage sprawl in the nation. By restricting growth outside of the region’s growth boundary, demand for middle- and upper-income housing is redirected back into Portland’s existing neighborhoods. Economic decentralization in Portland is also not as significant due to the directed growth. There is evidence that the Urban Growth Boundary, as a powerful regional land-use planning tool, has created a more balanced pattern of redevelopment and shared economic growth. Portland has also invested in extensive transit projects and downtown revitalization, which has increased the amenities available to Portland’s neighborhoods, thus contributing to their vitality and desirability. The benefits of Portland’s growth policies have been generally positive for the region’s African American population, due to the enhancement of opportunity structures in urban areas and increases in home equity. Although Portland’s African American population is relatively small, affordable housing issues remain a concern of the planning process. The region has made significant efforts to use regional fair-share housing plans to counter the rising housing costs associated with limited growth. Compared to other west coast housing markets, Portland remains one of the most affordable housing markets for a major West Coast metropolitan area, according to research conducted by Wells Fargo Bank.

- **Maryland (State Smart Growth Policies):** Under the leadership of Governor Parris N. Glendening, the state of Maryland initiated statewide smart growth reform in 1997. The Smart Growth and Neighborhood Conservation Initiative was implemented to revitalize Maryland’s existing communities, preserve open space and to prevent inefficient infrastructure development. A primary focus of the Maryland legislation is the removal of state subsidies for infrastructure in non-designated areas, instead focusing investment in “Priority Funding Areas” that target development in existing developed areas or in close proximity to existing...
infrastructure and development. The Maryland approach does not mandate land use controls, but instead uses financial incentives and disincentives to manage growth, and the market has responded to this policy. Maryland’s policy has been successful in preventing more than a quarter million acres of sprawling development since it was enacted. This type of incentive/disincentive-based growth management strategy is more appropriate for Ohio than the strict land use controls utilized in Oregon. An infrastructure-based growth management policy manages growth, preserves public funds for infrastructure and still respects Ohio’s home rule dominated land use policies.27

- **Michigan (Emerging Land Use Reforms):** Michigan and Ohio share many characteristics and land use challenges. Both states are highly fragmented “home rule” states, experiencing tremendous sprawling growth, despite limited population growth. Unlike Ohio, Michigan has begun a series of statewide reforms and enacted several state policy initiatives to slow the state’s sprawling growth and unsustainable land use trends. These initiatives began with the election of the Granholm administration in 2002. In 2003, the newly elected governor appointed a bipartisan land use task force (the Michigan Land Use Leadership Council).28 After holding a series of public meetings, the commission released findings in 2003 and the Granholm administration quickly enacted several of the reform policies. Although it is too early to judge the effectiveness of these policies, many of the reforms have the potential to help cure the state’s dysfunctional land use trends. Some of the key policies included:

  - The state’s “fix it first” policy for road investments, which prioritized transportation spending for existing road networks (usually in urban areas)29
  - Establishment of the Coordinated Planning Act which created an official process for local governments to collectively plan, while preserving local control30
  - The “Cool Cities” initiative which targeted state funds to improve the cultural and economic health of Michigan’s urban communities (profiled in depth in Chapter 8)
  - A series of legislative reforms dramatically reshaping the state’s ability to recapture and reuse vacant land by establishing land banks and fast-track land acquisition for tax delinquent properties31

While growth management remains a critical issue to improving conditions for the African American community, we do not focus extensively on growth management in the recommendations and policy analysis for this study. This omission is not to deemphasize the importance of growth management in the Cleveland region. However, a central component of the various growth management strategies discussed above is statewide reform and statewide political leadership.32 Usually these land use reforms were enacted through special legislative action or policies initiated by a state governor. For example, Portland’s urban growth boundaries and other land use policies were established via legislative action and voter initiatives. In both Maryland and Michigan, land use reforms were spearheaded by pro-smart growth governors and involved statewide policy change and legislation.33
This progressive elected state leadership is not currently present (or dominant) in Ohio, and efforts to build momentum for land use reform are growing but need more time to mature. A study released in 2004 by the Exurban Change project at The Ohio State University found even the state’s most basic planning and zoning tools were inadequate and outdated, and state legislative infrastructure was lacking to implement more progressive land use policies found in other areas of the nation. As a “home rule” state with extreme regional political fragmentation, locally led land use initiatives will meet significant resistance and impediments without the assistance of state policy reform.

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

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

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

4. Linkages: Regional Equity and Regional Economic Health

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

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

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

- **Wasted Creative Capacity**: The wasted creative capacity associated with disparity drags down the competitive strength of the entire region. Inequitable educational systems and concentrated poverty produce widespread educational disparities. A high school dropout often becomes an unprepared and unskilled worker. These undereducated workers are unable to expand their creative capacity in today’s knowledge-based economy; meanwhile, economic opportunities for non-skilled labor continue to decrease. As a result, more of the region’s labor force is economically marginalized and the region’s unskilled labor becomes an impediment to attracting businesses and employers.

- **Fragmented Economic Voice**: To attract investment in the global economy, regions must collectively promote themselves and align key infrastructure and assets to create space for expansion of the region’s economic base. Extreme jurisdictional/political fragmentation impedes the region from collective economic development action. Fragmentation also creates interregional economic competition, when the region should be focused on competing with other regions. These conflicts result in economic development “cannibalism,” with local governments fighting to attract existing businesses from one community to another. Interregional economic competition is a zero sum game providing no real benefits to the region’s economic health. Instead of growing the region’s economic base, tax abatements and other incentives cost the region’s local governments in uncollected tax revenues and subsidies.

- **Paying for Exclusion**: The residential segregation in the Cleveland region is fueled by exclusionary housing policies, but these exclusionary policies come at a price for suburban residents. Exclusionary zoning artificially increases the cost of housing, creating housing cost burdens for moderate-income families seeking opportunities in Cleveland’s suburbs. This unnecessary housing cost defers disposable income from middle-income families that could be spent elsewhere in Cleveland’s economy. Conversely, Cleveland’s segregated African American neighborhoods do not see the home equity gains that their suburban peers receive due to the opportunity isolation associated with these segregated neighborhoods.
This lost home equity is lost wealth and assets for many of Cleveland’s low- and moderate-income families.

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

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

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

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

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

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

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

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

With respect to promoting fairness for urban and African American communities, consolidations and mergers have not shown positive results. Generally, consolidations and mergers have ignored administration of key issues impacting equity (schools, land use, fiscal policy) and resulted in power dilution for urban communities and communities of color. A study released by the National Research Council in 1999 looked at consolidation in Indianapolis, Nashville, Jacksonville and Miami. They found that the new consolidated governments were good at improving government efficiency but not successful in dealing with social issues such as fiscal disparities, race relations and open-housing policies. The study found that the new government entities had not “eliminated the biases of the multi-centered metropolis on social access issues of zoning, schools and housing.”

Another critique of consolidations is related to their geographic extent. Many consolidations are not large enough to capture the full metropolitan area and thus are limited in accessing the fastest growing and most exclusionary areas of the region. For example, if Cuyahoga and its municipalities merged, the merged governmental entity would not include the fast-growing suburban counties in the region, such as Medina County.

Indianapolis’s Unigov and Louisville’s Consolidation:

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

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

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

6. **Equity vs. Efficiency:**

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

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

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

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

Equity and improved efficiency is where regionalism holds the most potential for improving the future of the Cleveland region. A steadfast dedication to keeping equity at
the forefront of the regionalism discussion and collaboration between existing regionalism advocates --economic development advocates, environmental advocates--to promote equity issues will be central to improving both conditions for Cleveland’s African American community and the region as a whole.

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

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

7.1 Coordinated Regionalism:

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

- Directly tying regional planning goals to community capacity-building goals such as improving inner city economic development and investment, development of regional affordable housing opportunities, increasing growth management and enhancing public transportation

- Granting more statutory control to regional planning authorities to assure that fair and balanced planning goals are enacted and achieved

- Linking the delivery of federal and state funds for transportation investments and economic development to other opportunity-enhancing goals such as coordinated land use management and the increased provision of affordable housing

- Creating a regional entity to plan for and coordinate economic development activities throughout the region and assure economic development is equitable and accessible to all

- More collaborative arrangements to manage growth and infrastructure expansion in the region, via the use of impact fees and by restricting public subsidies for regional infrastructure from non-developed areas

7.2 Administrative Regionalism:

Many examples of regional administration of specific regional programs and functions are in place in some regions. The use of administrative regionalism to address issues of regional equity would target special administration of key regional issues that could promote increased opportunity for all residents. For example:
• Establishing regional administration of public transportation to assure regional financial support for public transportation; and to assure that public transportation is fully connected to the entire region’s neighborhoods and employment centers, and not impeded by overlapping services provided by multiple transit providers. An assessment of Cleveland’s regional transit administration is discussed in Chapter 10.

• Establishing regional administration of affordable housing and assuring that a regional affordable housing authority has the authority and capability to provide units throughout the metropolitan region, especially in communities lacking adequate affordable units.

• Regional administration of land use authority and infrastructure development. In an ideal scenario, regions could utilize a regional land organization (such as Portland’s Metro) to manage regional land use decisions (especially in new growth areas). In more fragmented and home rule dominated states like Ohio, regional administration of infrastructure development (water, sewer services and septic systems) could work to manage growth and development without interfering with local control over land use.

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

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

8. Conclusion: Reflections of Primary Research Question
• What kind of regional policies and cooperative efforts would best benefit Cleveland’s African American community, increase opportunity and fairness for all residents, and effectively grow the region as a whole?
• To produce greater regional growth for everyone, initiatives must work to reduce disparities that result in a less competitive region, and to grow the “pie” for all residents. Regional cooperative efforts should proactively connect people to opportunity structures and restrict the greenfield development incentives which take resources away from existing communities. It is important to note that advancing diverse human and community capabilities is key to promoting efficient and robust regional growth, while the converse is not necessarily true. Therefore, policies that link regional fairness with regional growth must guide the regionalism conversation and the implementation of regional policies in the Cleveland region.

• The Cleveland-Akron region already has existing resource-sharing policies which could be expanded upon to decrease regional disparities. These innovative arrangements, such as the “Joint Economic Development” districts, provide examples of the benefits of fiscal equity initiatives. They could be expanded upon, and provide inspiration for more extensive revenue sharing strategies, such as Montgomery County’s government equity program or Minneapolis’s tax base sharing policies.

• Remedying opportunity segregation and decline and proactively seeking to remove impediments to opportunity for marginalized communities are critical to producing greater regional growth. In particular, housing policies must be enacted in the region to assure this goal is met. Policies to remedy this opportunity segregation will be instrumental in improving conditions for Cleveland’s residents.

• Better growth management is a critical regional goal for Cleveland and its African American community. Both locally-led initiatives and statewide action are needed to reform Ohio’s land use policies. Local initiatives, pilot programs or special cooperative arrangements to better manage land use can be implemented in the Cleveland region. For example, local governments in the Cleveland region could agree to institute development impact fees in sprawling areas to restrict growth and reduce subsidies for infrastructure. Another potential locally-based policy would be more regional collaboration with respect to water and sewer system policy and expansion.. This relationship could be fostered by the City’s control over the region’s water system.

• Statewide legislative action and policy reform will also be critical to implement better growth management for Cleveland and for Ohio. Given Ohio’s home rule status and deference to local governments for land use decisions, an infrastructure-based growth management policy similar to Maryland’s (see Maryland discussion earlier in this chapter) could be politically feasible and practical.. A long-term recommendation is collaboration with organizations pursuing statewide land use reform, such as Greater Ohio and the First Suburbs Coalition, and collaboration with advocates of land use reform in other Ohio regions, such as the Gamaliel organization, to produce effective statewide pressure.
• By addressing Cleveland’s racial, social and regional inequities, regional initiatives can improve conditions for all residents by making Cleveland a more vibrant, competitive and economically thriving region. Given the region’s recent economic distress, this fact is a significant point of opportunity for the Cleveland region. Equitable workforce development and community building, including improved opportunities for education and training, are the keys to creating a sustainable future for the Cleveland region in an age of global competition. Collaboration with other regionally-scaled advocacy groups (such as regional economic development institutes and environmental stewards) to promote equity issues is central to improving conditions for Cleveland’s African American community and, therefore, the region as a whole.

• County-wide government consolidation is not a recommended policy to produce greater regional growth and competitiveness. Research on the impact of consolidation in other regions indicates consolidation rarely addresses key equity issues and usually results in power dilution for urban communities, in particular urban communities of color. Further, if a key aspect of developing a region’s competitiveness in the global economy is left out, such as education, little progress is made in advancing opportunity for all residents. If governmental consolidation is considered in the future, it must address equitable growth management and workforce training issues, such as the lack of affordable housing in areas of opportunity, access to high-achieving educational systems by underserved and motivated students, and infrastructure needs for existing communities. Without addressing these issues, consolidation provides no mechanism to address equitable and inclusive development. Further, governmental consolidation must provide creative solutions to protect minority political engagement, such as cumulative voting.

• Regional efforts based solely on efficiency considerations (such as shared government services) might dominate early regional dialogues. However, efficiency-based regional efforts often have little impact on deeper considerations of long-term, quality education and neighborhood capacity building. Advocates for advancing opportunity for all in the Cleveland region will need to ensure that long-term investments in people (through addressing inequities in educational and community resources, connecting people to opportunity, and managing inefficient growth) remain central to the regional development plan. Although equity issues will require significant energy, strategic communication and political capital to address, these issues are critical if the region wants to see region-wide improvements in social and economic health, and not just marginal improvements in efficiency for local government.
Chapter 2: References and End Notes

4 All examples adapted directly from the Ratner Miller Center Notes, *Regional Governance for Economic Development*, Cleveland State University, Winter 2003.
6 Rolf Pendall, Local Land Use Regulations and the Chain of Exclusion, 66 (2) J. American Planning Association (Spring 2002)
16 Statement based on analysis for projected job trends for transportation analysis zones in the Cleveland region, TAZ job projections received from the Northeast Ohio Areawide Coordinating Agency.


26 Source: NAHB-Wells Fargo Housing Opportunity Index (HOI). Based on the 2005 Wells Fargo Housing Opportunity Index, the Portland Metropolitan Area is the 19th most affordable (and most affordable large metropolitan) Western housing market in the nation (out of 62 regions).


42 Ratner Miller Center Notes, Regional Governance for Economic Development, Cleveland State University, Winter 2003.

