2002

Ohio Metropatterns Part II

Myron Orfield
University of Minnesota Law School

Thomas Luce

Columbus

Home to state government, the Ohio State University and a significant white-collar private sector, the Columbus region, by most measures, is Ohio's healthiest. With a 15 percent increase in population during the 1990s, the region was Ohio's fastest growing, and the only one to grow faster than the nation as a whole. The region has average household incomes second only to Cleveland, and the lowest school poverty rate among the study's six regions.

Supported by a traditionally strong annexation policy, the city of Columbus has been better able to enjoy a share of the region's overall growth, and in fact, Franklin County was the only central-city county among Ohio's large metropolitan areas to gain population at all.

But despite these signs of health, growing social separation and sprawl threaten the region. Outlying communities are making disproportionate gains in most measures. For example, Delaware County experienced the most explosive population growth, 64 percent, during the 1990s, as well as the most explosive employment growth from the late 1980s to the late 1990s, more than doubling the total number of jobs.

Social segregation is severe as well. In 2000, 54 percent of the region's free-lunch eligible students would have had to change schools to achieve an identical mix of poor and non-poor students in each building. In the South-Western district alone, free-lunch eligibility rates in individual elementary schools ranged from 2 percent to 70 percent. Racial segregation is also rampant. Over three-fourths of the region's minority elementary students attend Columbus city schools, although the district enrolls less than 27 percent of all the region's elementary students.

The way the region is growing affects all its parts:

Central city: The city of Columbus has more than quadrupled in area since 1950.[20] This expansion has allowed the city to continue to benefit from new homes and commercial developments. But the city still suffers from below-average household incomes and property tax base. In fact, although starting with a relatively high base, its tax base grew the slowest of any of the regions' central cities in the late 1990s.

At-risk, developed: These slow-growing places, largely inner suburbs and outlying small cities and towns, have incomes and per-capita property tax bases just slightly below the regional average. As a group, their tax bases are growing slower than the region as a whole. These are the densest of suburbs.

At-risk, developing: On average, tax bases in these low-density places, dotting the region's outskirts, are just below the regional average. Household incomes, on the other hand, are just above the average. These places are experiencing relatively rapid population growth.

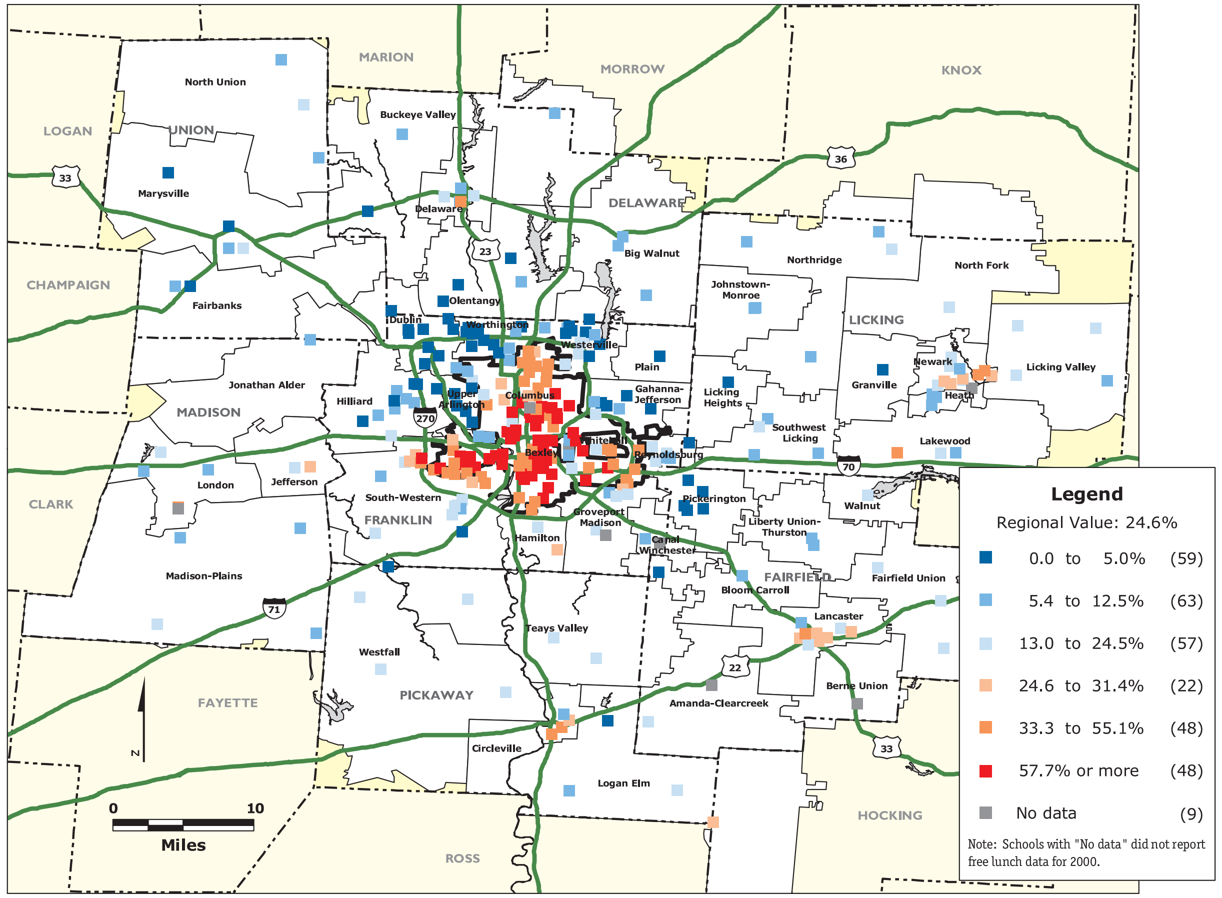
Bedroom-developing: These very low-density places, scattered around the region's exurbs, have above-average household incomes and tax bases. But they are struggling to keep up with growth — their tax bases are growing more slowly than average and their commercial-industrial bases are just a fraction of the regional average.

Affluent: These places are the Columbus region's boomtowns, with high and fast-growing tax bases, and the highest average household incomes and fastest population growth of any group in the region. Just 3 percent of their homes are affordable to households making the region's average income.

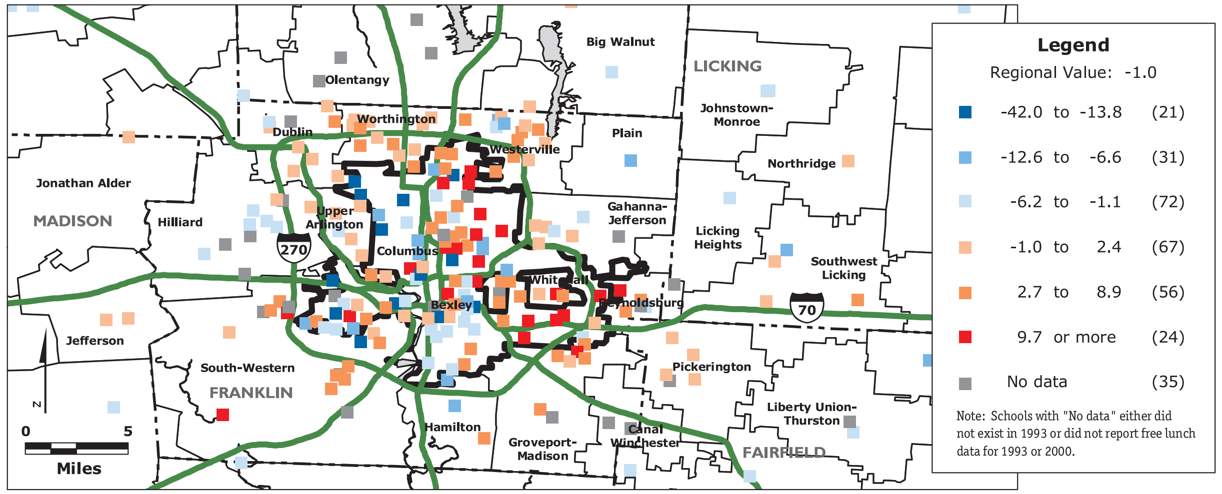
Communities often seek development that pays more in taxes than it costs in services.

Photo credit: Jim Baron/The Image Finders©

Map 17: Percentage of Elementary Students Eligible for Free Lunch by School, 2000



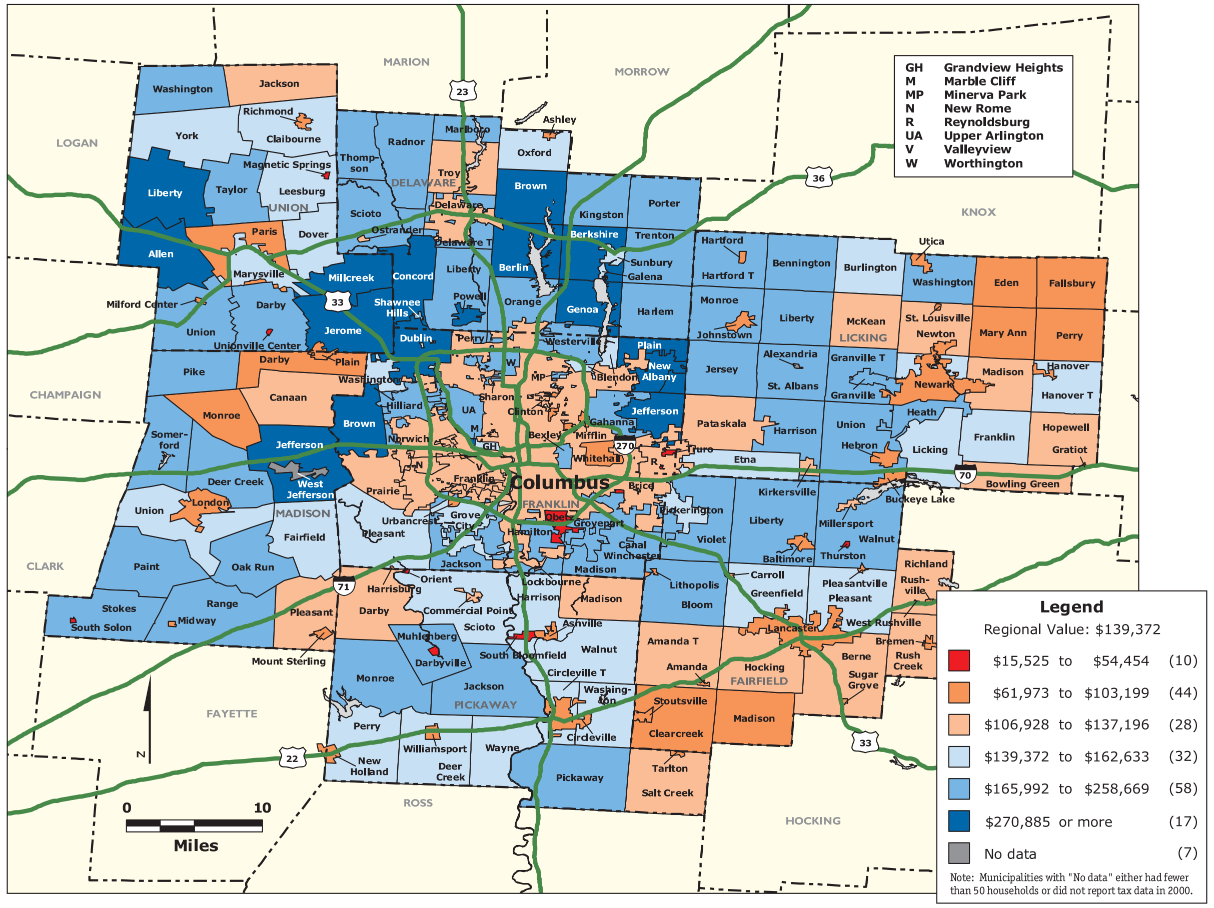
Map 18: Change in Percentage Points of Elementary Students Eligible for Free Lunch by School, 1993-2000



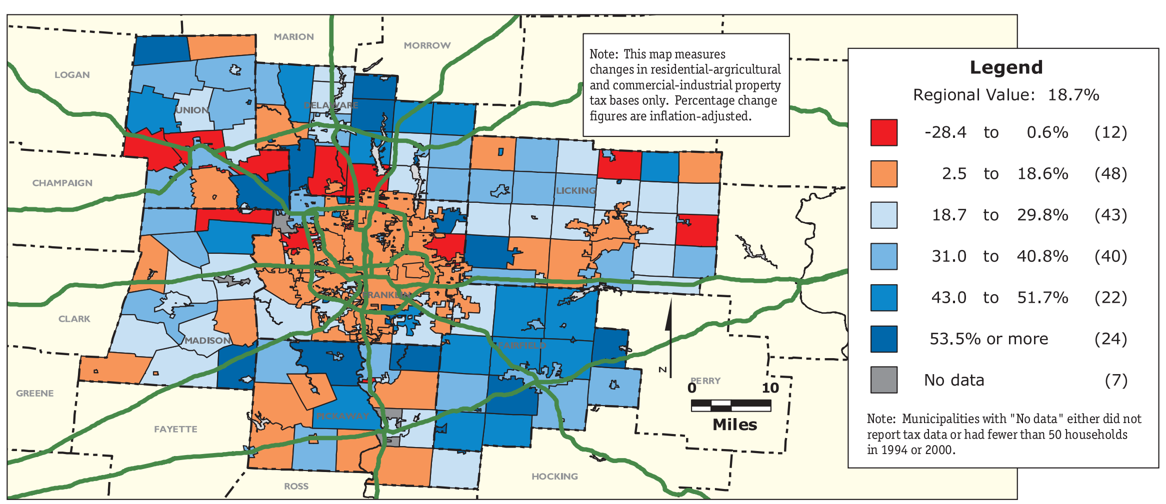
Data Source: National Center for Education Statistics.

Student poverty in the Columbus region is highly concentrated within Columbus schools, as well as in several outlying districts, including Lakewood, Circleville and Lancaster. Poverty increased in the Columbus district from 1993 to 2000, but the most significant growth occurred in the suburban districts of Groveport-Madison, Whitehall and Grandview Heights.

Map 19: Total Property Tax Base per Household by Municipality and Township, 2000

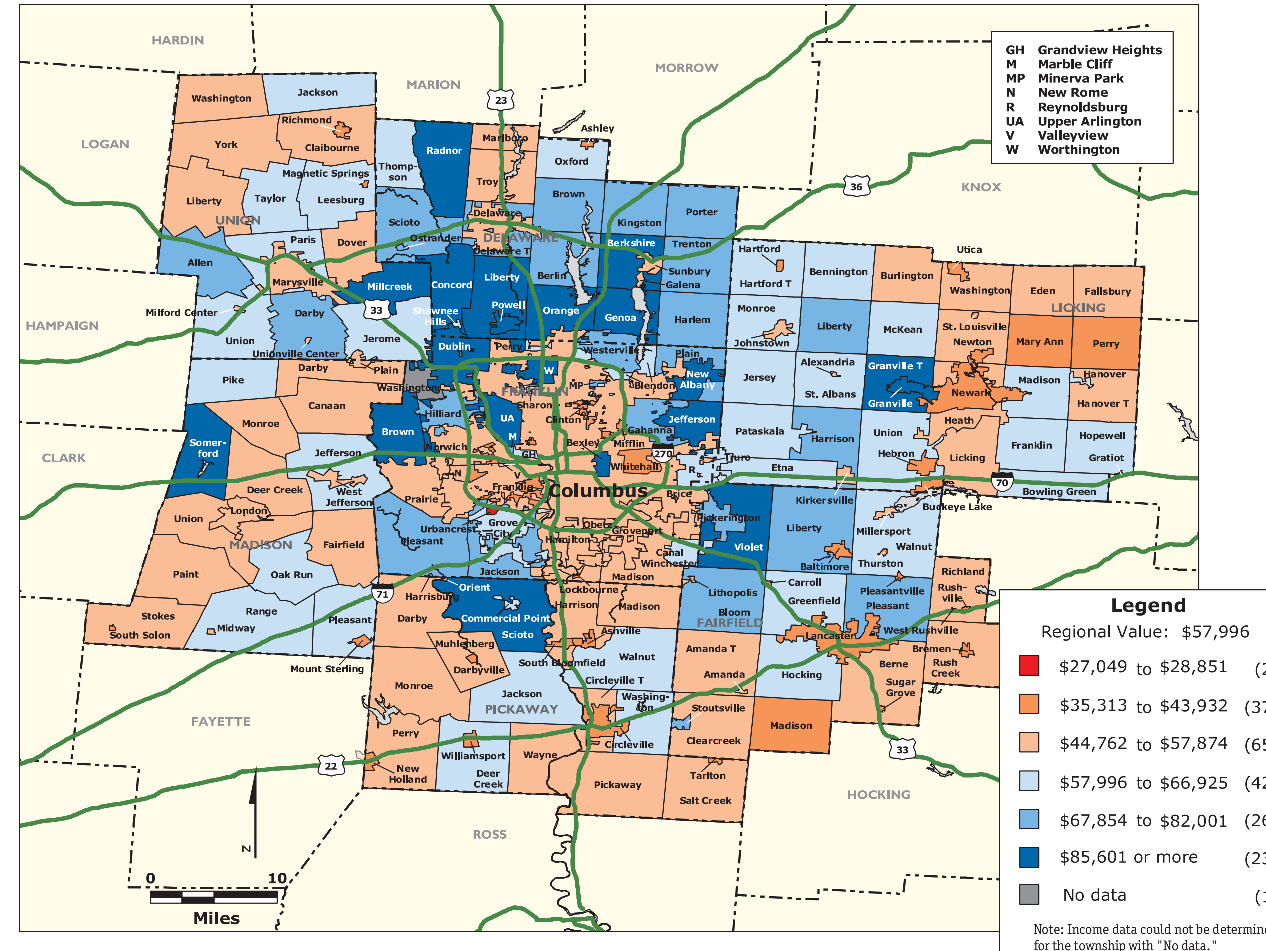


Map 20: Percentage Change in Property Tax Base per Household by Municipality and Township, 1994-2000

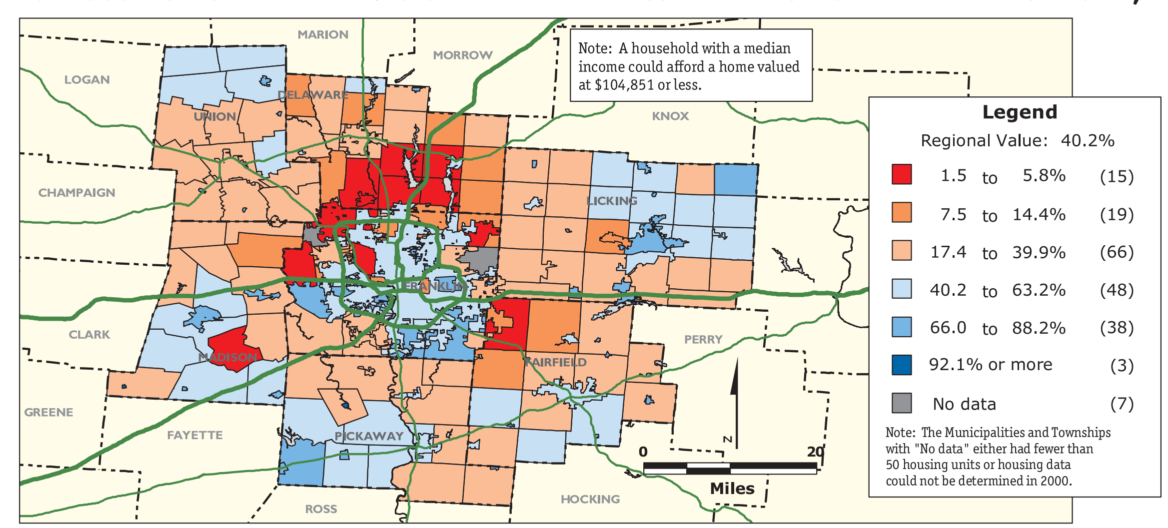


Data Sources: Ohio Department of Taxation; Ameregis.

Map 21: Income per Household by Municipality and Township, 1999



Map 22: Percentage of Single-Family Housing Units Affordable to Households with the Regional Median Income by Municipality and Township, 2000

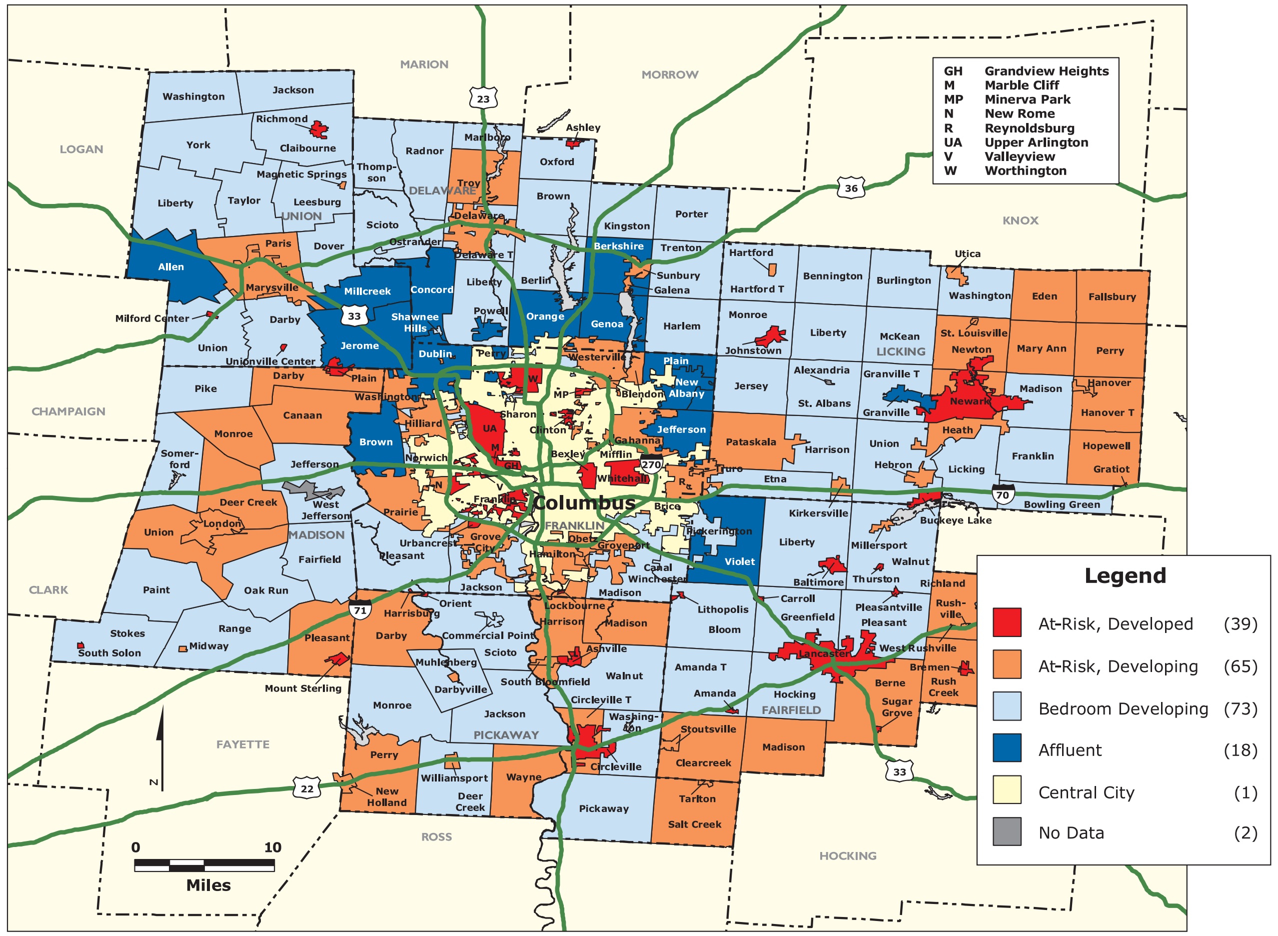


Data Source: U.S. Census Bureau.

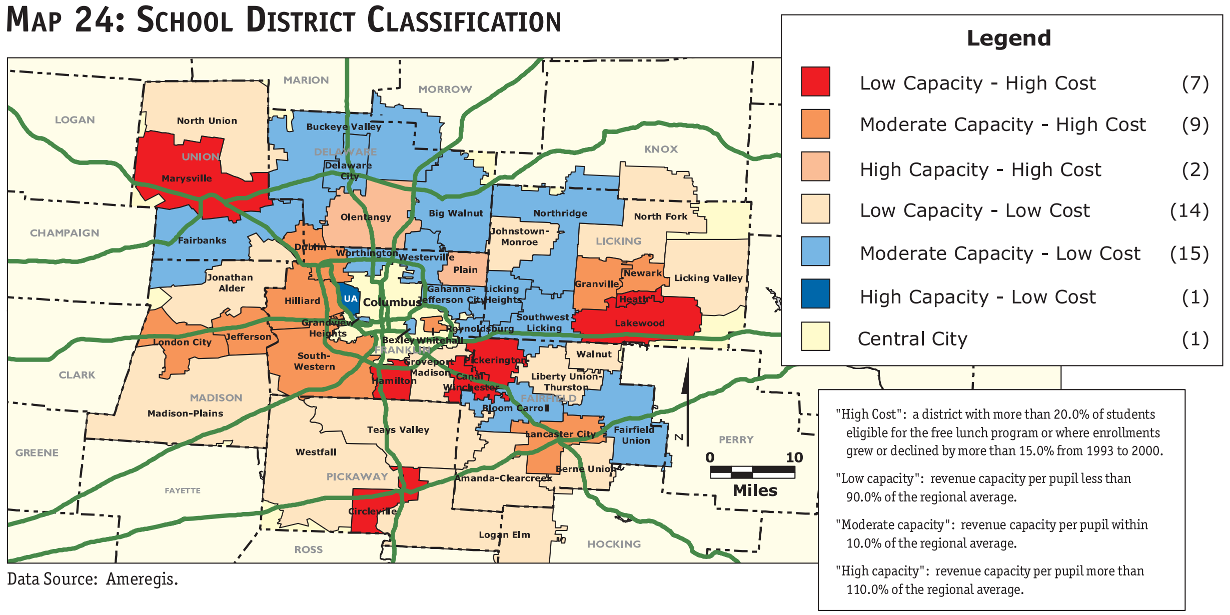
The ability of a community to provide public services depends on its capacity to raise revenues from its tax base. The city of Columbus and a number of its inner suburbs — places with growing social and physical needs — must pay for needed services with low tax bases that are losing ground relative to outlying communities. The largest cluster of high tax-base communities in the Columbus area is in the northern metro, with an arc of very wealthy communities running from Jefferson Township in Madison County to Jefferson Township in Franklin County. Exurban communities in eastern Licking and southern Fairfield counties also had low tax bases in 2000, but many are growing faster than the region as a whole.

Most high-income places in the Columbus region offer very little in the way of affordable home ownership, a fact that limits the ability of low-wage workers to live near fast-growing suburban employment centers. High-income communities with little affordable housing in the Columbus area are scattered throughout the suburbs, with a sizable cluster in the north metro. Affordable housing is concentrated in many of the same places with low average household incomes — small towns, very outlying townships and some inner suburbs (see footnote 18 for a description of the affordable housing calculation). Because of the level of new development in Columbus proper, the city has a slightly lower share of affordable housing than most other Ohio central cities.

Map 23: Community Classification



Map 24: School District Classification



Data Source: Ameregis.

The health of a municipality or school district is determined by both its ability to raise needed revenues and the costs of services it must provide. Many local governments in the Columbus area are struggling with at least one of these factors. In fact, 84 percent of the region's residents — those in Columbus and at-risk suburbs — live in places facing fiscal stresses or social stresses (see the table on page 39 for characteristics of each type of community). In addition, one-third of all students attended school in districts exhibiting clear signs of stress — high poverty rates or significant enrollment growth or decline, along with low- or moderate-revenue capacities. Another 37 percent attended districts with warning signs: either high costs or low capacities.

Dayton-Springfield

The Dayton-Springfield region continued to physically expand outward despite flat population change during the 1990s. The core counties of Montgomery and Clark, home to Dayton and Springfield, each lost population during the decade, and saw employment gains from the late 1980s to late 1990s of just 9 percent and 5 percent respectively. Meanwhile, Greene County, in the southeast quadrant of the metro, saw population growth of 9 percent, and employment growth of 50 percent. Miami County, in the northwest, saw population growth of 6 percent, and employment gains of 20 percent.

The way the region is growing causes stress on both the "winners" and "losers." Nearly half the region's students attend districts stressed by either social stress — high poverty or rapid enrollment drops — or rapid enrollment growth. Although enrollment in the region declined 6 percent overall from 1993 to 2000, several districts experienced significant growth — for example, Sugarcreek grew by 24 percent and Oakwood by 27 percent. In that same period, six districts, including Dayton and Springfield, experienced significant enrollment declines. These changes lead to high costs, as fast-growing districts strain to keep up with needed facilities, and declining districts struggle to manage growing social need and increasingly empty buildings.

Recognizing the interconnectedness of regions, Montgomery County has led the state in its efforts to improve equity among local governments. Its Economic Development/Government Equity (ED/GE) program redistributes a portion of communities' tax base growth so that all benefit from growth, no matter where it takes place (see pages 36-37 for a discussion of this program). But despite its promise, the overall effect of the program is small, because it covers only one of the region's four counties, and redistributes a relatively small pool of money.

Communities in the Dayton region are responding to these patterns in a variety of ways:

Central cities: The cities of Dayton and Springfield continue to suffer from below-average household incomes and property tax bases. Like other central cities, they also have high levels of poverty in their schools — nearly 80 percent in Dayton and 48 percent in Springfield.

At-risk developed: At-risk, developed suburbs in the Dayton-Springfield area have below-average property tax bases growing at slower-than-average rates. On average their residents have below-average incomes. These places, experiencing slight population growth, are home to an even mix of affordable and non-affordable housing units.

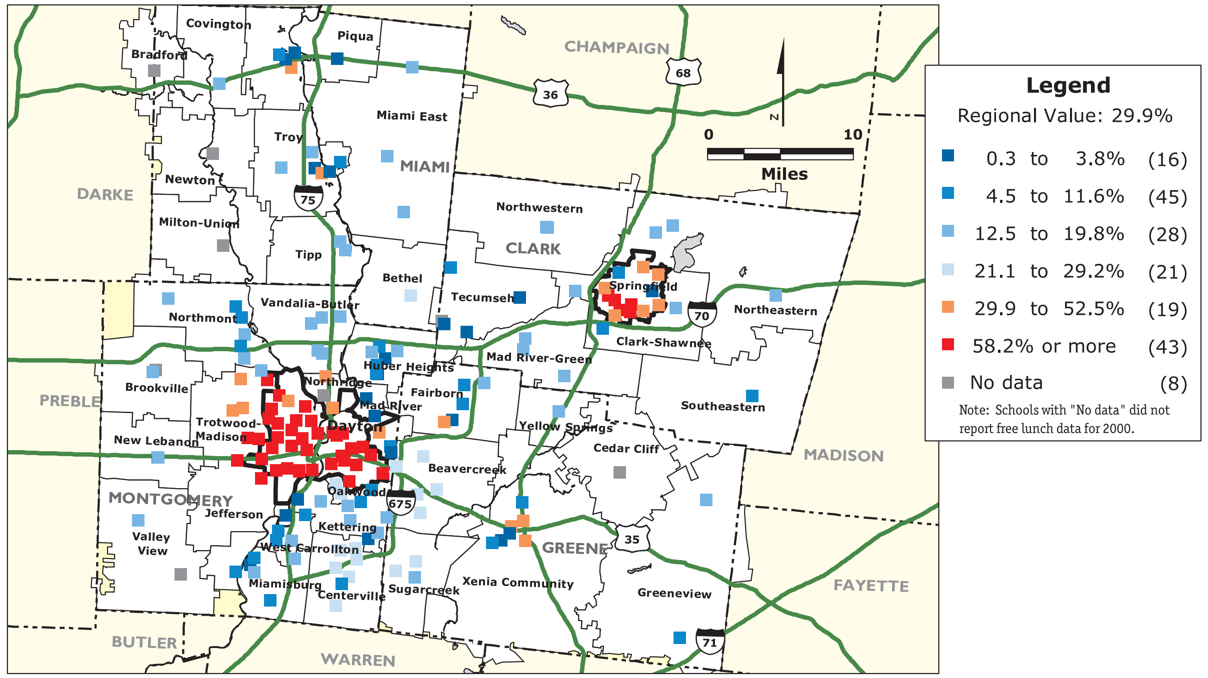
At-risk developing: These places are similar to at-risk high-density places in a number of ways — they also have below-average tax bases and incomes and are experiencing slight population growth. But tax bases in these communities are growing faster than average, and they are more than 10 times less dense.

Bedroom-developing suburbs: These low-density places (as a group lower density than even the at-risk low-density communities) have above-average household incomes and tax bases, and the highest number of kids per household of any community type in the region.

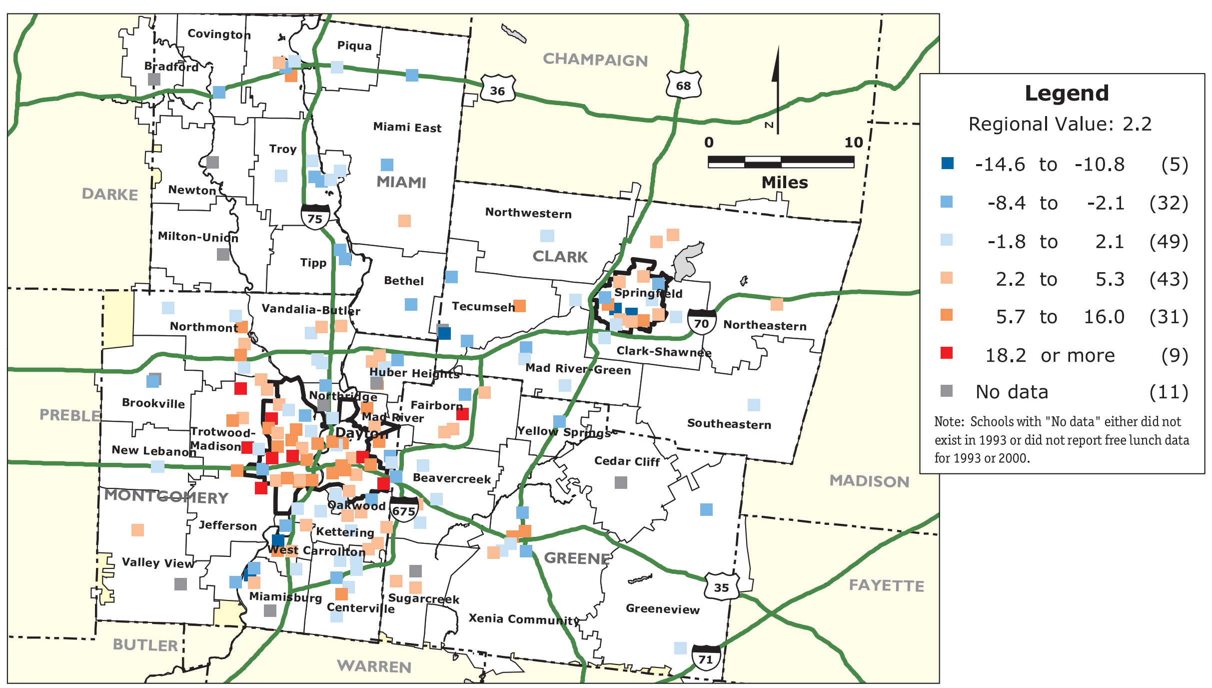
Affluent: These suburbs also have above-average tax bases and household incomes and are experiencing the fastest population growth of any of the groups in the region. Just 8 percent of their housing units are affordable to households with the region's average income of $54,375.

Photo credit: ©daytonskyline.com

Map 25: Percentage of Elementary Students Eligible for Free Lunch by School, 2000



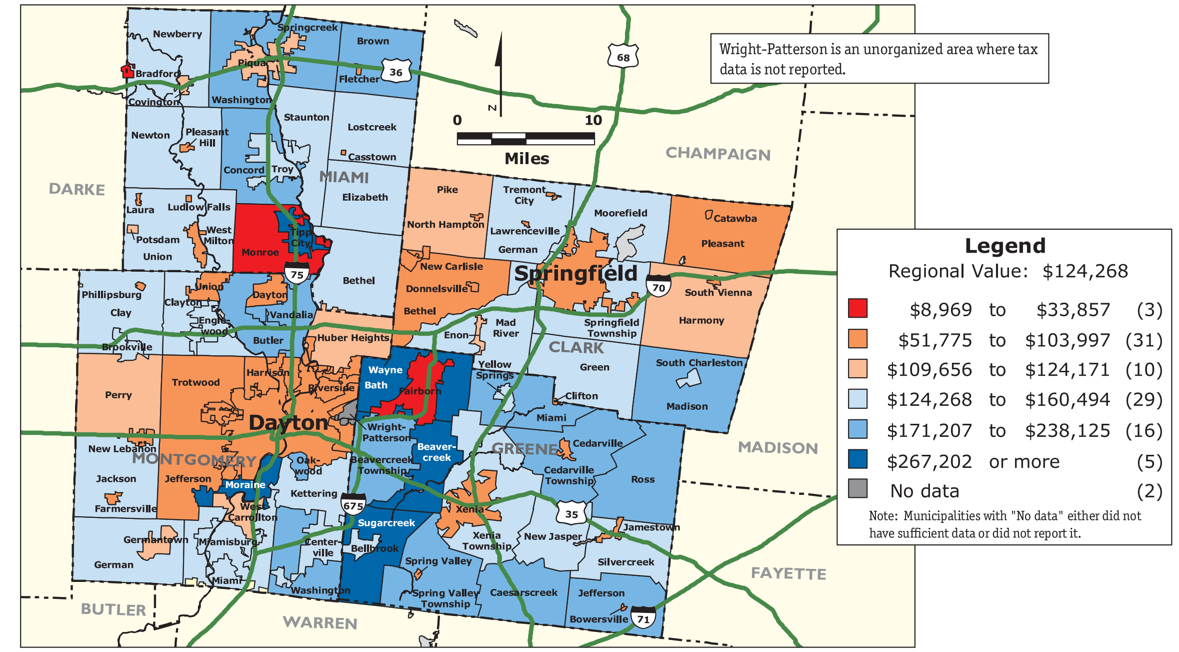
Map 26: Change in Percentage Points of Elementary Students Eligible for Free Lunch by School, 1993-2000



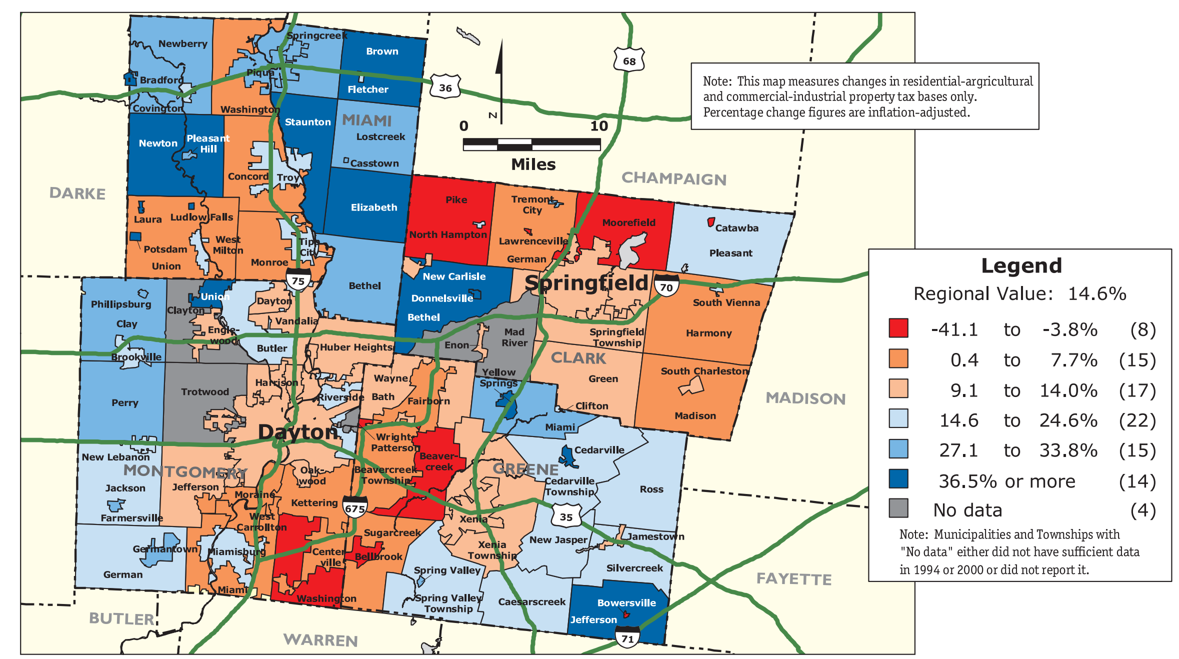
Data Source: National Center for Education Statistics.

Changes in the social make-up of elementary schools provide an early warning signal for the community as a whole. As schools grow poor, whole communities may follow. Student poverty levels are very high in the region's two central city districts, Dayton and Springfield, as well as in Dayton's inner suburbs. The proliferation of student poverty from the urban core out into inner suburbs is also evident. While Dayton experienced a 9-point increase in poverty from 1993 to 2000, inner suburban districts, including Jefferson, Trotwood-Madison, Mad River and Fairborn, themselves saw even more extraordinary increases, ranging from four to 22 points.

Map 27: Total Property Tax Base per Household by Municipality and Township, 2000



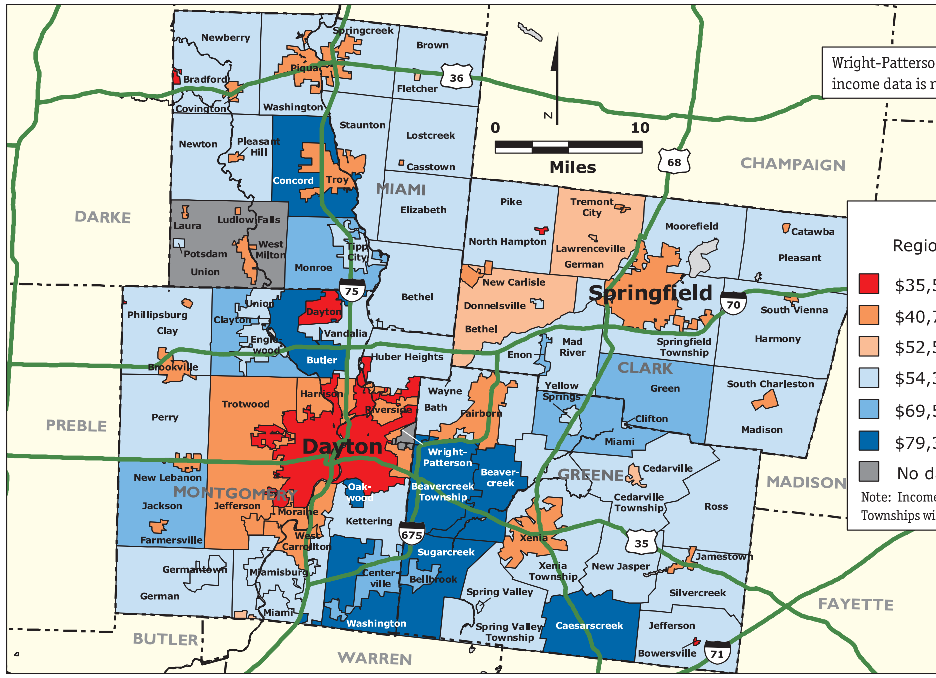
Map 28: Percentage Change in Property Tax Base per Household by Municipality and Township, 1994-2000



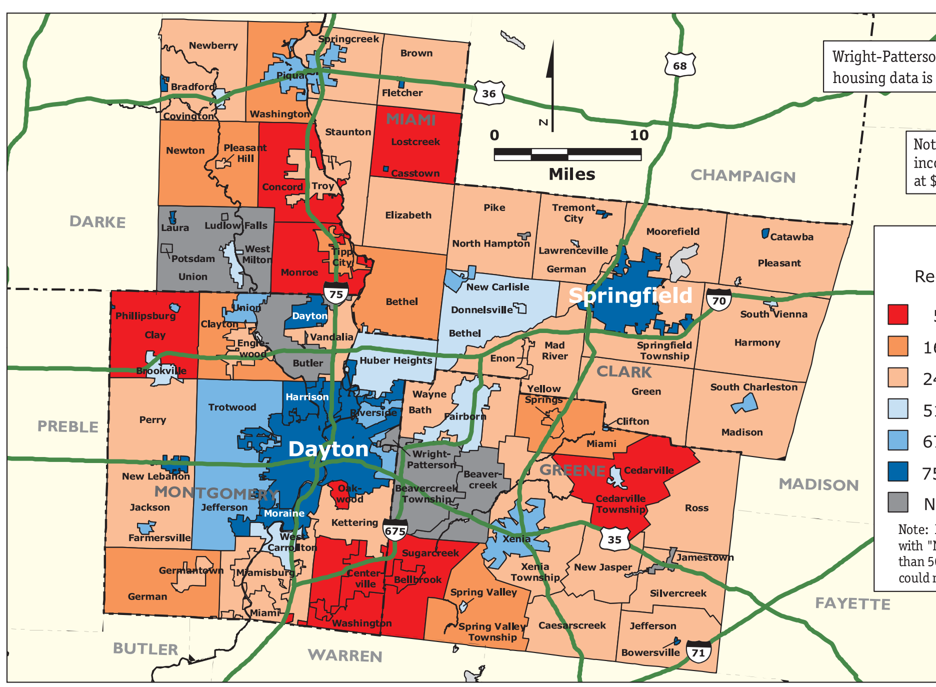
Data Sources: Ohio Department of Taxation; Ameregis.

When a municipality's tax base stagnates or shrinks, officials must choose either to provide fewer, or lower quality, services or raise taxes in order to maintain services. Either choice puts them at a disadvantage in the regional competition for jobs and residents. This dilemma is in play in Dayton, Springfield and growing numbers of older suburbs with low and slow-growing tax bases. Meanwhile, places with high and fast-growing tax base, like many outlying Miami and Green County townships, are able to maintain or improve public services without raising tax rates.

Map 29: Income per Household by Municipality and Township, 1999



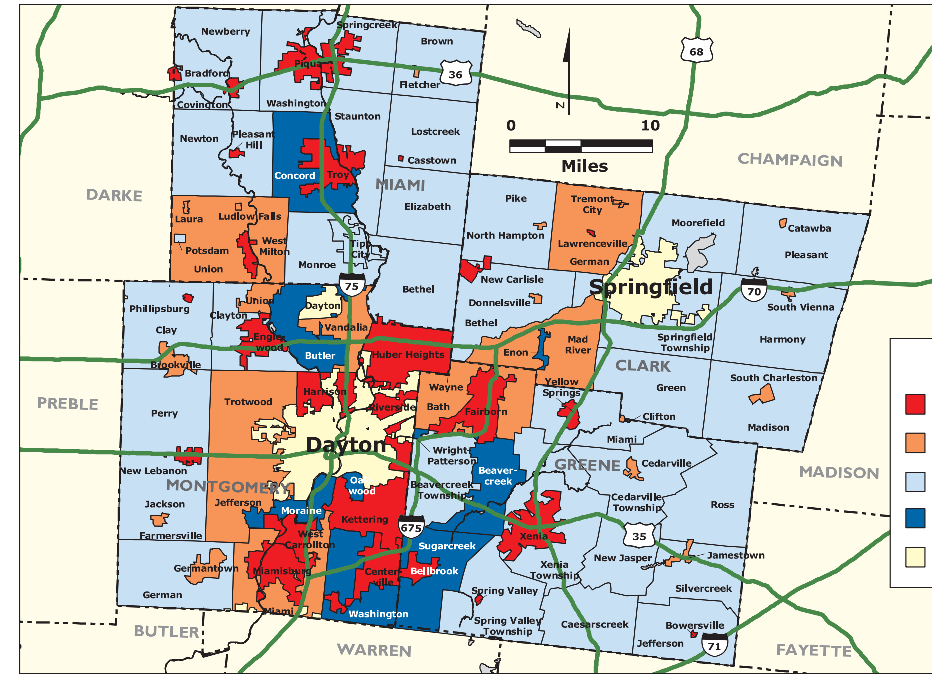
Map 30: Percentage of Single-Family Housing Units Affordable to Households with the Regional Median Income by Municipality and Township, 2000



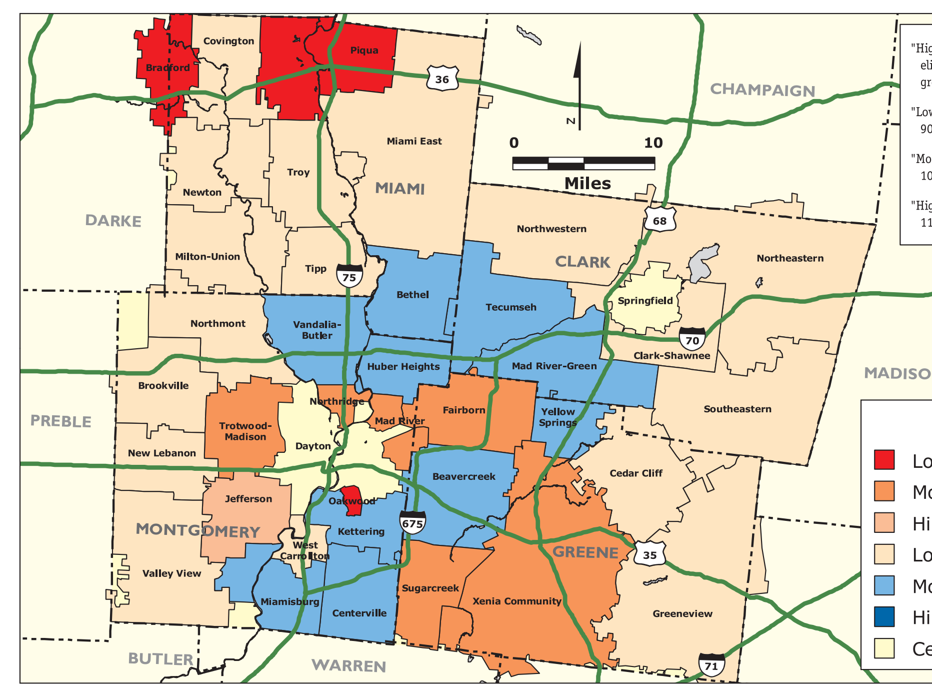
Data Source: U.S. Census Bureau.

The ability to reduce racial and economic segregation in a region depends on the availability of affordable housing units in all communities. The distribution of high incomes and expensive housing in the Dayton region demonstrates the difficulty of meeting that challenge. The cities of Dayton and Springfield both face low household incomes and high shares of affordable housing units, as do a group of suburban communities, including Harrison Township and Riverside. High-income communities with very little affordable housing cover many of the region's outskirts, including Centerville, Sugarcreek and Concord townships (see footnote 18 for a summary of how affordable housing was calculated).

Map 31: Community Classification



Map 32: School District Classification



Data Source: Ameregis.

A look at Dayton-Springfield-area municipalities and school districts shows that "the suburbs" are not an affluent monolith. Instead, many of them are facing fiscal or social stress. In fact, over two-thirds of suburban residents — those in two at-risk categories — live in communities facing fiscal stresses, marked by low or slow-growing tax bases, or social stresses, denoted by low or slow-growing income or population (see the summary table on page 39 for characteristics of the community types). A quarter of the region's residents live in one of its struggling central cities. In addition, 43 percent of area students attended school districts exhibiting at least one high-cost stressor — either high rates of student poverty, significant enrollment growth or serious decline. No district in the region enjoys both high fiscal capacity and low costs.

Toledo

Growing social separation and sprawl threaten the Toledo region. In 2000, the region had the highest share of elementary students eligible for free lunches of any of the six regions included in this study, and its schools, and neighborhoods, suffered from significant economic and racial segregation as well.

Fiscal disparities among Toledo-area municipalities are great as well. In fact, if all communities in the region levied the same tax rates, the place with the tax base at the 95th percentile would generate five times the revenue as the place with a tax base at the 5th percentile.

Toledo's social and fiscal condition is exacerbated by near-stagnant population growth. Lucas County, home to the city of Toledo, lost nearly 2 percent of its population during the 1990s, while outlying Fulton and Wood counties both gained people. The result was a net population gain in the region of less than 1 percent.

The Toledo region is unique because of the large share of the population in the central city — 53 percent, compared with just 31 percent in all six regions. While many larger regions in the state have areas of social stress that extend beyond the central city's boundaries to older suburbs, in greater Toledo, the growing core of stress is still largely contained within the city. As a result, its suburbs look quite healthy overall in comparison. However, some of these places are exhibiting subtler signs of stress, like per-capita tax base that is growing more slowly than in the region as a whole.

Here's a summary of the different community types in the region:

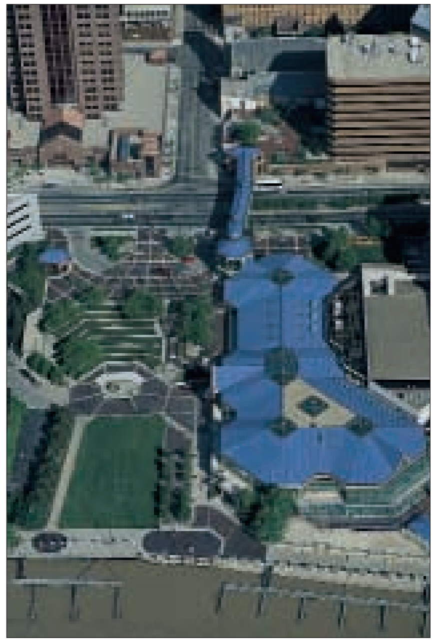
Central city: Toledo's tax base is below the region's average and grew more slowly than any other community type in the region during the late 1990s. The year 2000 free-lunch rate in the city's schools, 63 percent, was over three times higher than the next poorest district, and between 1993 and 2000 poverty grew the fastest of any of the region's school districts. Two of every three housing units in the city are affordable to households with the region's average income.

At-risk developed: The at-risk, developed suburbs in the Toledo region — especially those located next to the city of Toledo — look healthier than their counterparts in other regions. On average, this group of communities is experiencing slight population growth and has higher-than-average household incomes. Their tax bases are still above average, but are growing more slowly than the region as a whole.

At-risk developing: These places also appear to be in better shape than their counterparts in other regions, with above-average property tax bases and household incomes. They also have the greatest share of housing units affordable to households with the region's average income, 41 percent, of any suburban community type.

Bedroom-developing: These places have even higher average household incomes and tax bases than their at-risk low density neighbors (although they also have the smallest commercial-industrial bases of any suburban group). Growing at twice the rate as the region as a whole, bedroom-developing communities are the lowest-density communities in the region.

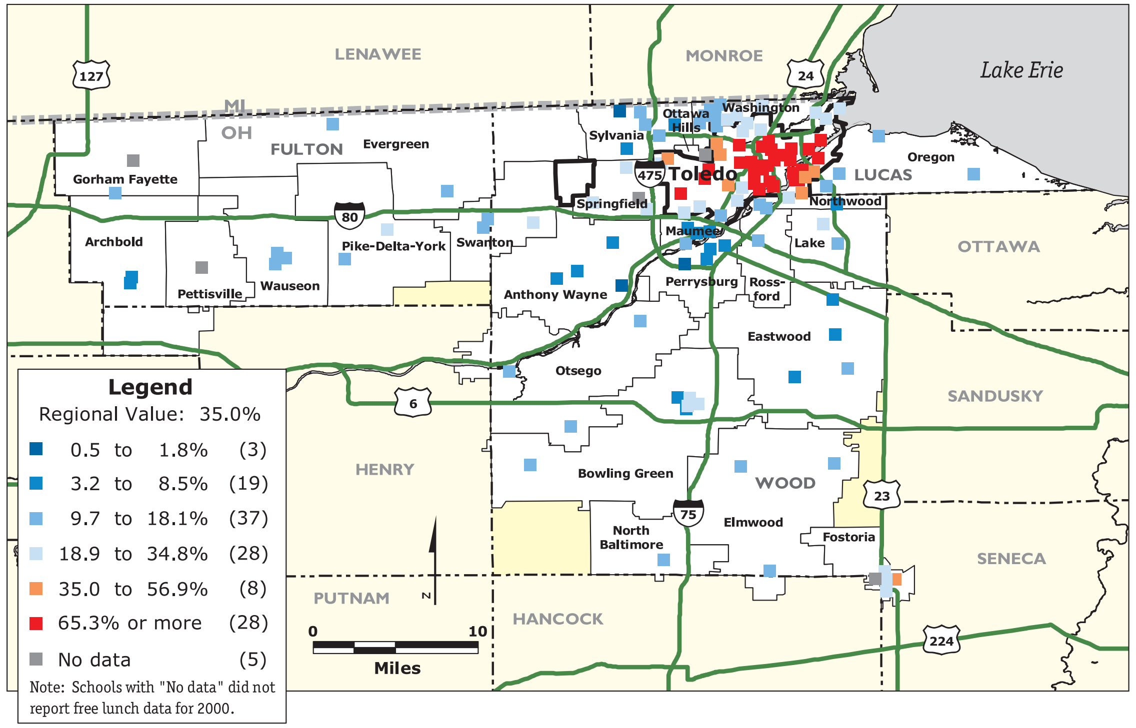
Affluent: With their large tax bases and hefty average household incomes, these places are attracting growing numbers of residents. In fact, they are experiencing the fastest population growth of any of the groups in the region. They also have the largest number of school aged kids and the lowest share of affordable homes — just 14 percent are affordable to households with the region's median income.



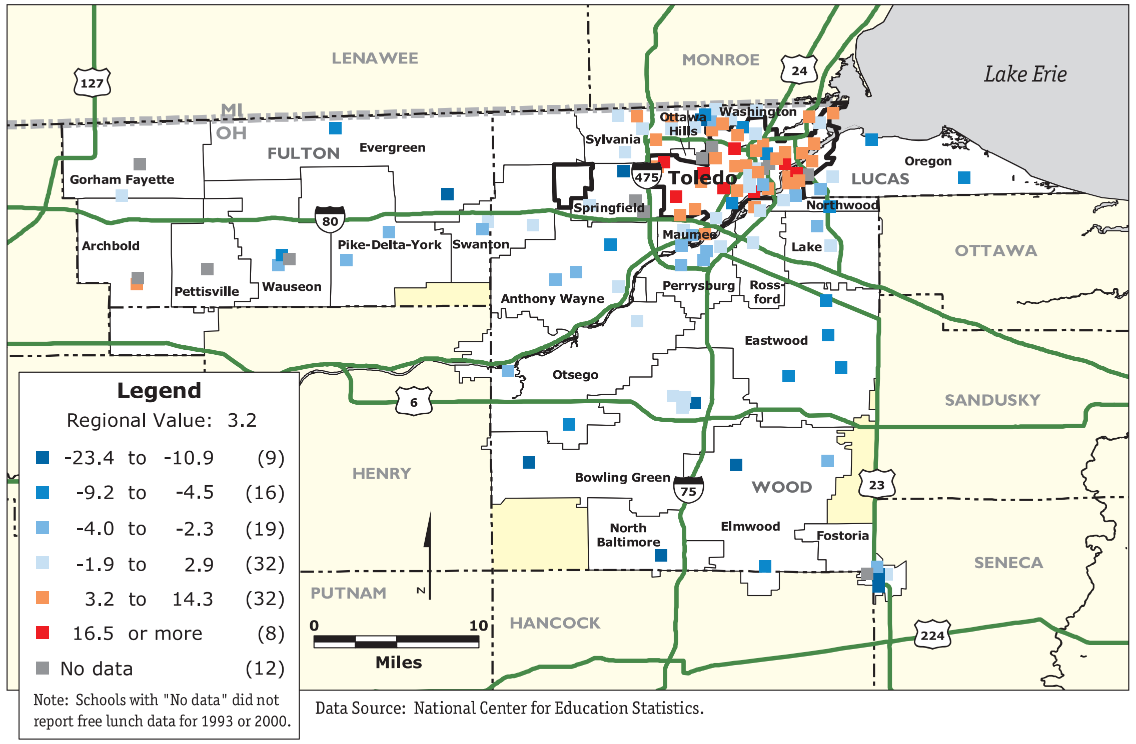
Revitalization efforts in Toledo have included building public attractions, like a children's science center.

Photo credit: Airphoto – Jim Wark

Map 33: Percentage of Elementary Students Eligible for Free Lunch by School, 2000



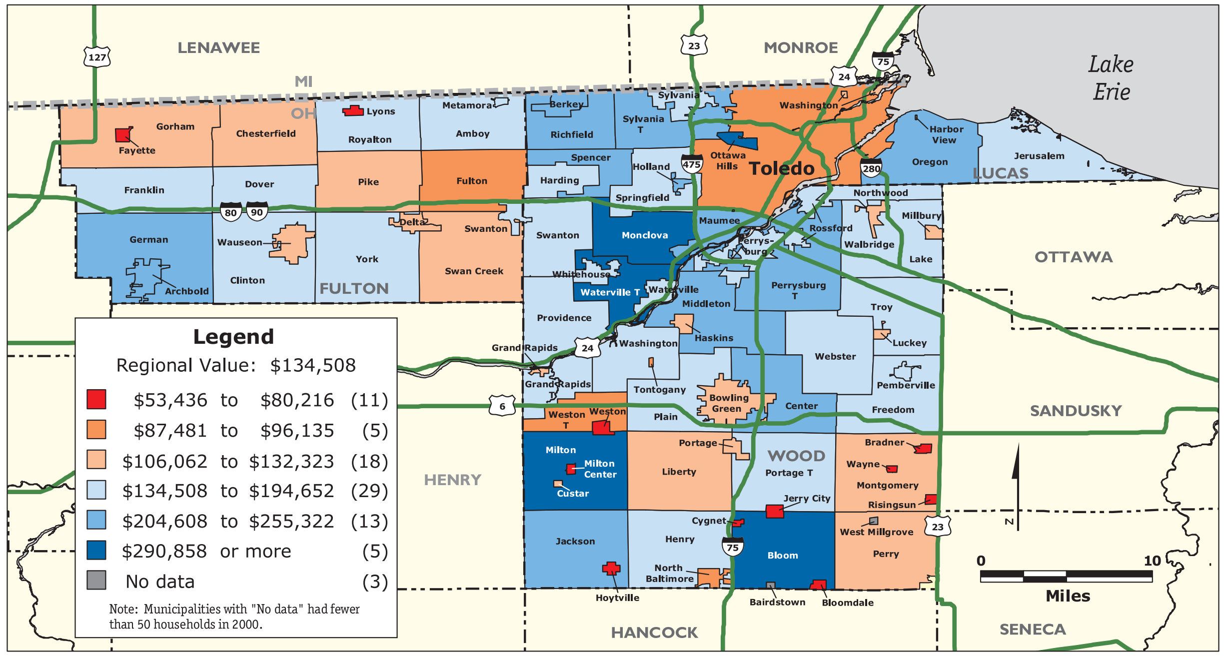
Map 34: Change in Percentage Points of Elementary Students Eligible for Free Lunch by School, 1993-2000



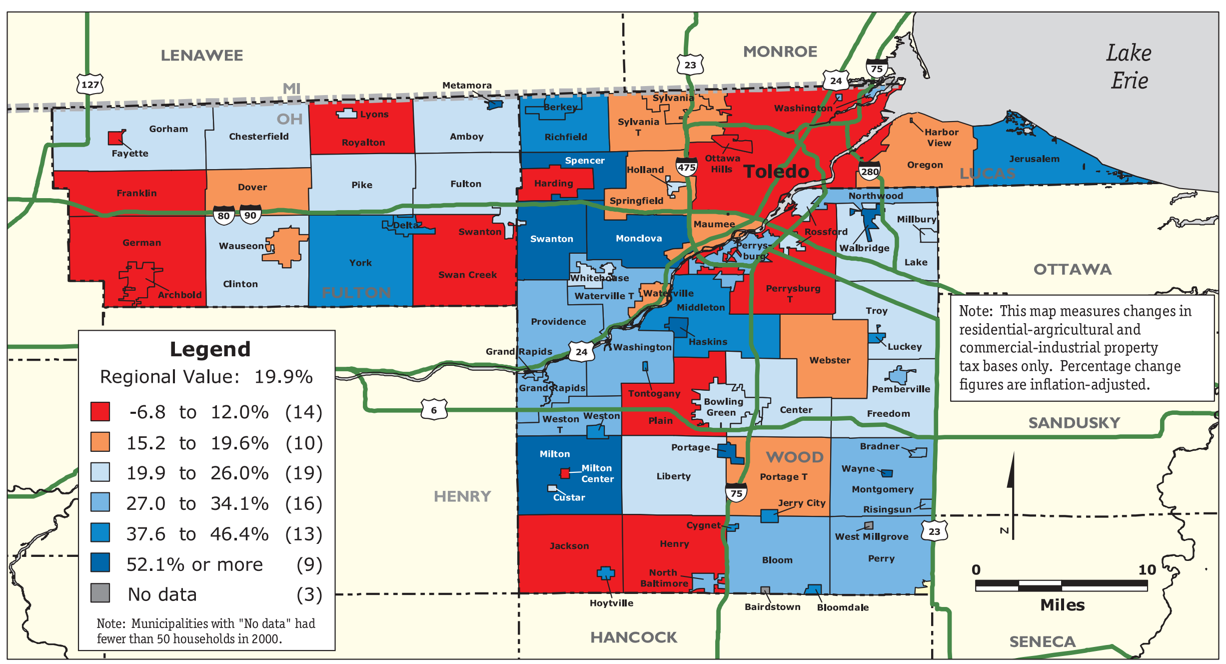
Data Source: National Center for Education Statistics.

The lack of regional cooperation in metropolitan Toledo helps create great extremes in wealth among places. Patterns of income segregation in area schools reflect broader community trends of segregation. Student poverty is highly concentrated within Toledo, where 63 percent of students are eligible for free lunch — nearly twice the regional average, and three times higher than in the next poorest district, Fostoria, a moderate fiscal-capacity district on the region's fringe. During the 1990s, the Toledo schools experienced a substantial increase in poverty — eight percentage points, or 2.5 times greater than the regional increase.

Map 35: Total Property Tax Base per Household by Municipality and Township, 2000

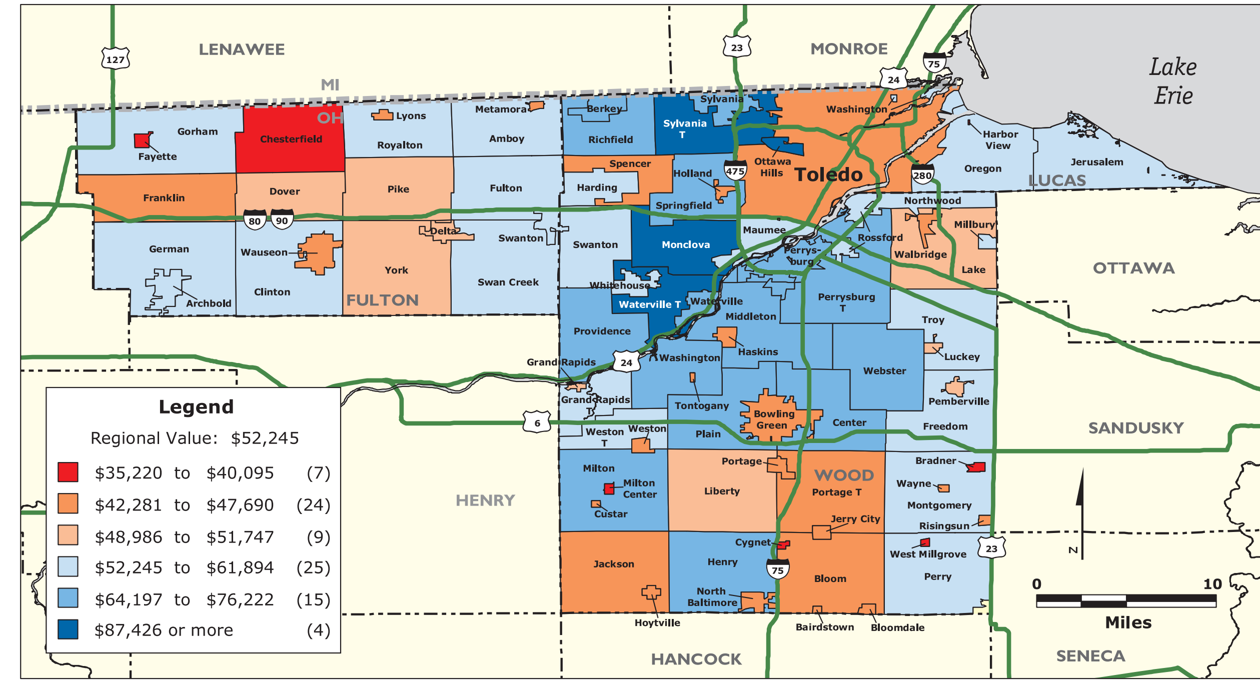


Map 36: Percentage Change in Property Tax Base per Household by Municipality and Township, 1994-2000

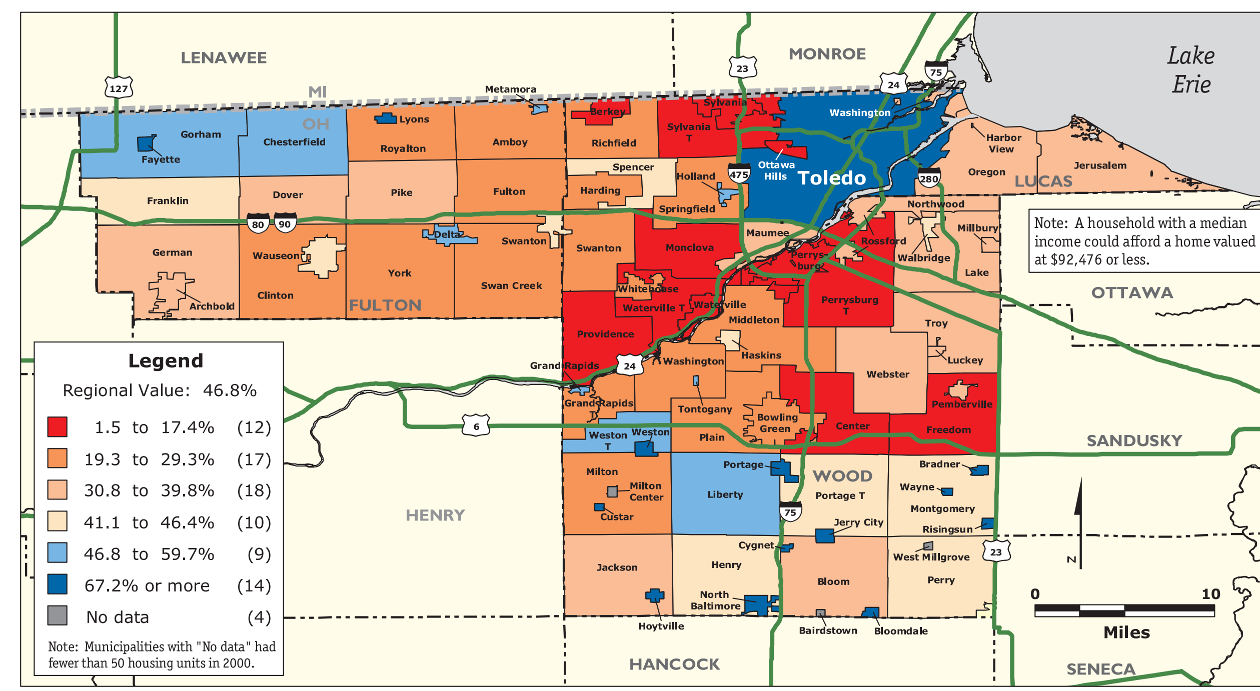


Data Sources: Ohio Department of Taxation; Ameregis.

Map 37: Income per Household by Municipality and Township, 1999



Map 38: Percentage of Single-Family Housing Units Affordable to Households with the Regional Median Income by Municipality and Township, 2000

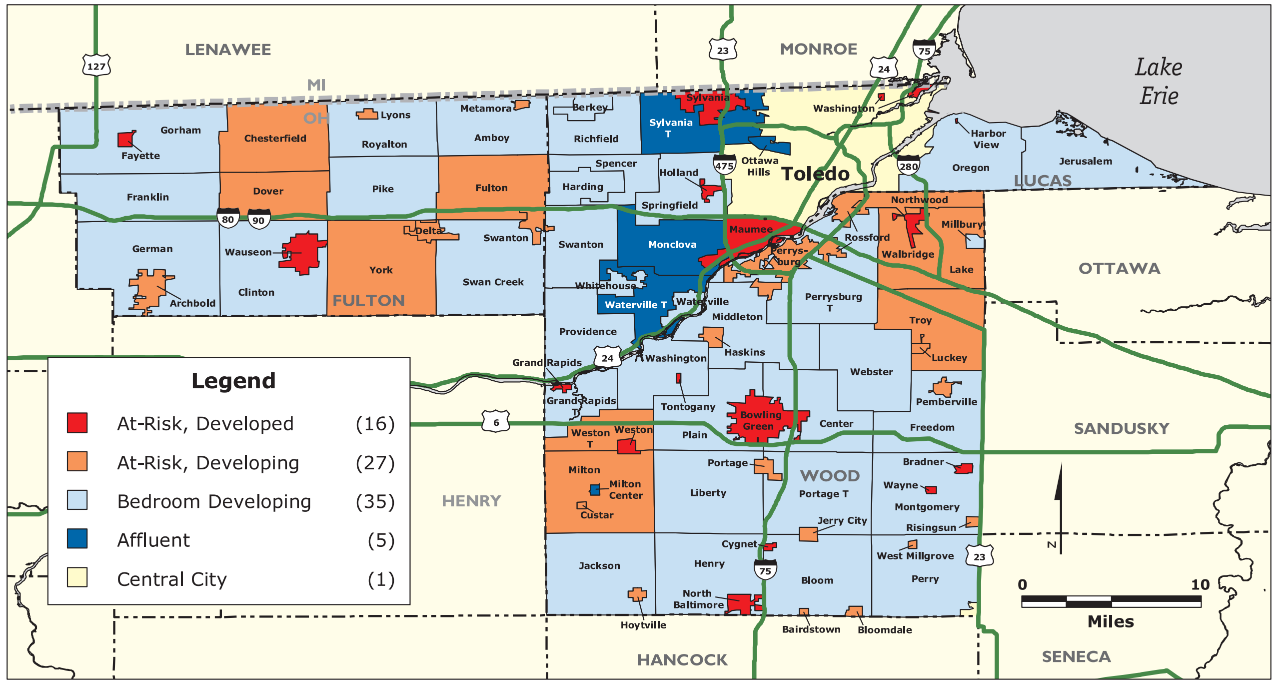


Data Source: U.S. Census Bureau.

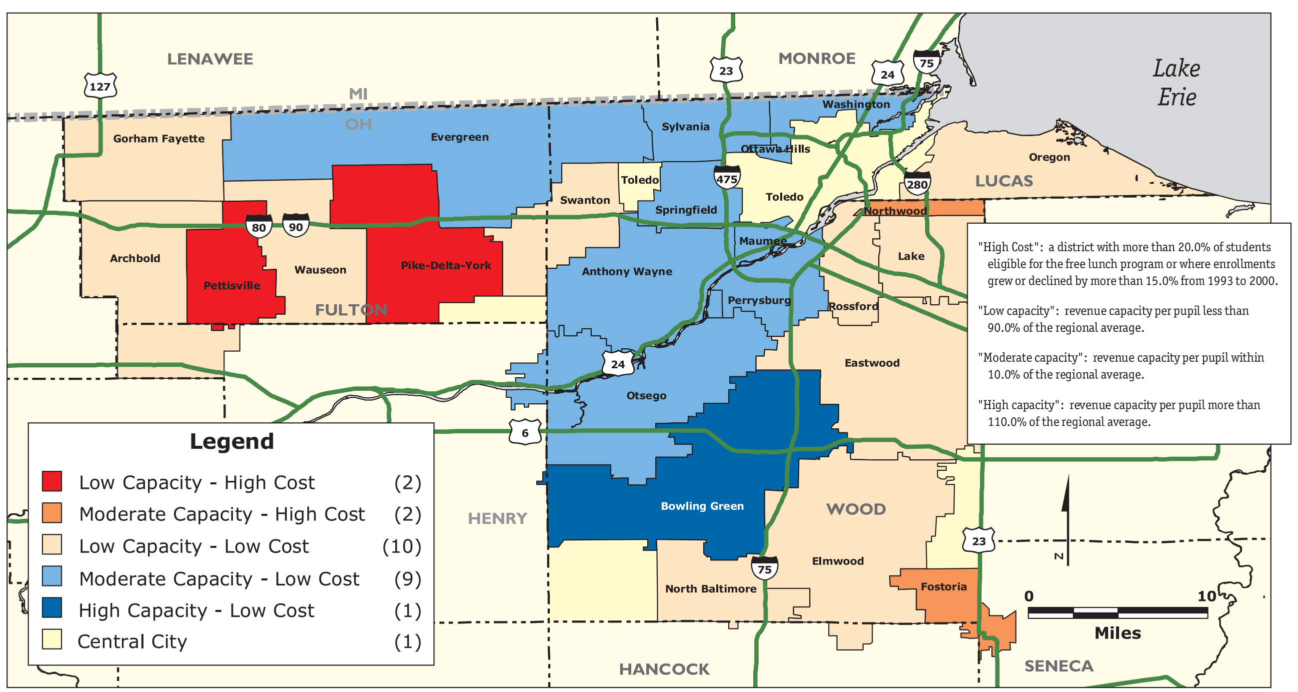
These maps show the disparate fiscal conditions of Toledo-area local governments. The city of Toledo bears the bulk of the region's social strains, along with a low and slow-growing tax base. Many small outlying towns also must provide public services with very low tax bases. Although Toledo's inner suburbs still enjoyed above-average bases in 2000, changes in the late 1990s foreshadow problems — many of them experienced slow-growing tax bases compared to their outlying neighbors. For example, although still above average in 2000, Perrysburg Township's tax base grew just 4 percent in the preceding six years, well below the regional average. The big gains took place in the next tier of suburbs, including Monclova and Middleton townships.

The distribution of high household incomes and expensive housing in the Toledo region follow very similar patterns. The co-mingling of these two factors keeps most low and moderate wage earners out of communities with quality public services and good schools. Communities with high incomes are concentrated in the western and southern suburbs of Toledo, from Sylvania Township in the north to Webster and Center townships in the south. Most of these places also offer very little in the way of affordable home ownership. Communities with plentiful affordable housing and low average household incomes are largely located in Toledo and in outlying small towns (see footnote 18 for a summary of how affordable housing was calculated).

Map 39: Community Classification



Map 40: School District Classification



Data Source: Ameregis.

Classifying municipalities and school districts can show the combined effects of a local government's fiscal capacity and the costs it faces in providing services. Such an exercise demonstrates that three out of four area residents — those in the city of Toledo and its at-risk suburbs — live in communities facing fiscal stresses, low or slow-growing tax bases, or social stresses, denoted by low or slow-growing income or population (see table on page 39 for characteristics of each community type). In addition, 44 percent of Toledo-area students were enrolled in school districts with low or moderate revenue capacities and high costs — indicated by high rates of student poverty, significant enrollment growth or decline.

Youngstown

Social and economic polarization and sprawling development threaten the greater Youngstown region. Social stress is highly concentrated in Youngstown, several nearby suburbs, Warren and a few outlying townships and villages. Outlying communities are making the biggest gains in most measures, including tax base, household income and population growth.

That outward movement is evident in population changes within the region. Overall the area's population fell 1 percent between 1990 and 2000. But Mahoning and Trumbull counties lost 3 percent and 1 percent of their residents, respectively, while Columbiana County grew by 4 percent.

Social segregation is severe as well, although Youngstown's position is slightly better than in some other Ohio regions. Half of the region's poor elementary students would need to change schools to achieve an equal mix of poor and non-poor students in each building. That compares with figures of 55 percent to 61 percent in other regions. Similarly, three-quarters of the region's minority students would need to change schools to achieve an identical mix of students in each one. That's slightly better than in Cincinnati or Cleveland, but worse than Dayton, Columbus or Toledo. The links between race and poverty are strong. In 2000, 81 percent of non-Asian minority students attended high-poverty schools, while only 13 percent of white students did.

The region displays a relatively high level of stress overall. The Youngstown region has both the lowest average per-household tax base, and the lowest average household income of any of the regions in this report. Between the late 1980s and late 1990s, employment in the Youngstown area grew more slowly than in any of the other regions in the report.

Here's how the different types of communities in the region are responding:

Central cities: Youngstown and Warren continue to struggle, with total property tax bases less than two-thirds the regional average (and residential tax bases just half the regional average), high levels of school poverty and disproportionate shares of the region's affordable housing — 81 percent of their units are affordable to median-income households, compared with just half of all units in the region.

At-risk developed: Although less severe than in the central cities, many of these places are facing pressures of low tax bases and low household incomes. Because they are largely developed, they face extra costs associated with redevelopment, as opposed to traditional "greenfield" development. These communities display varying levels of stress, from Austintown and Boardman townships where tax bases are still above average but growing slowly, to Campbell and Struthers, where there are significant levels of student poverty and larger-than-average shares of affordable housing.

At-risk developing: These outlying places look similar to their high-density kin in some ways, such as tax base and income, but they show stronger tax base and population growth.

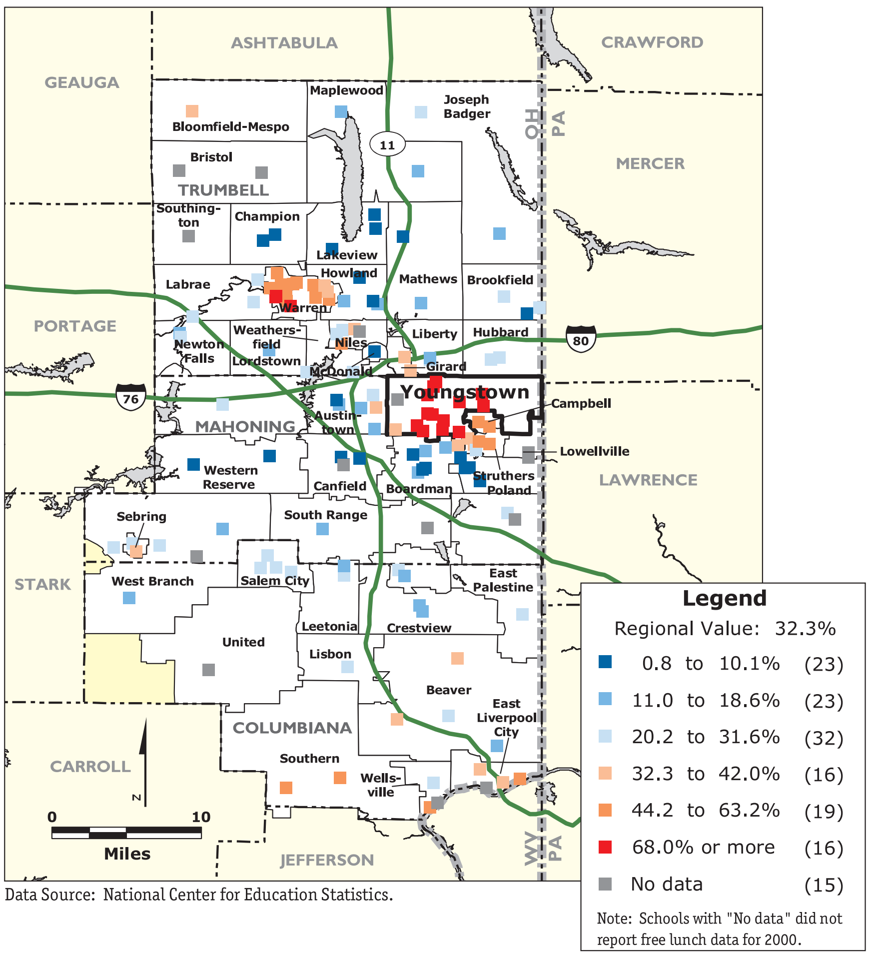
Bedroom-developing suburbs: This very low-density group, consisting entirely of unincorporated communities, enjoys household incomes and tax bases above the regional average and is growing at a moderate rate.

Affluent: Filled with residential neighborhoods, these communities, home to just 3 percent of the region's residents, have among the highest number of school-aged kids per household. They are also experiencing the region's fastest population growth — over three times the rate of any other group. Only 15 percent of their housing units are affordable to households with the region's average incomes, the lowest share of any group.

Unbalanced growth further strains the Youngstown region, which has yet to fully recover from past economic losses.

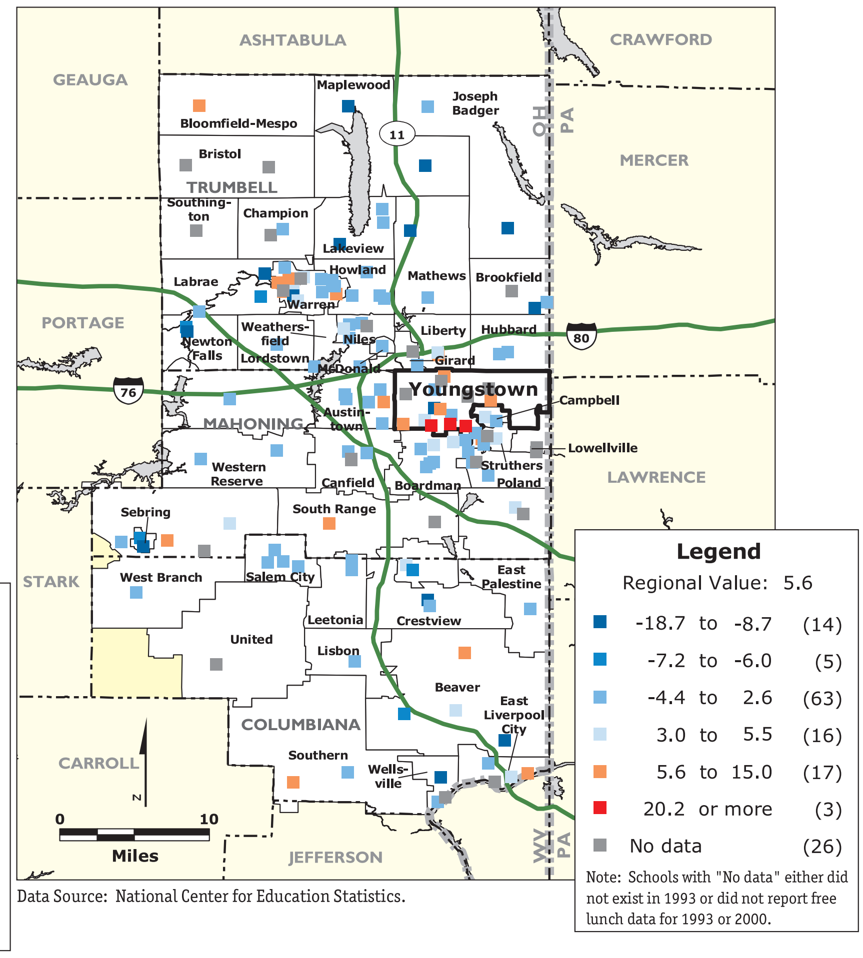
Photo credit: Airphoto – Jim Wark

Map 41: Percentage of Elementary Students Eligible for Free Lunch by School, 2000



Data Source: National Center for Education Statistics.

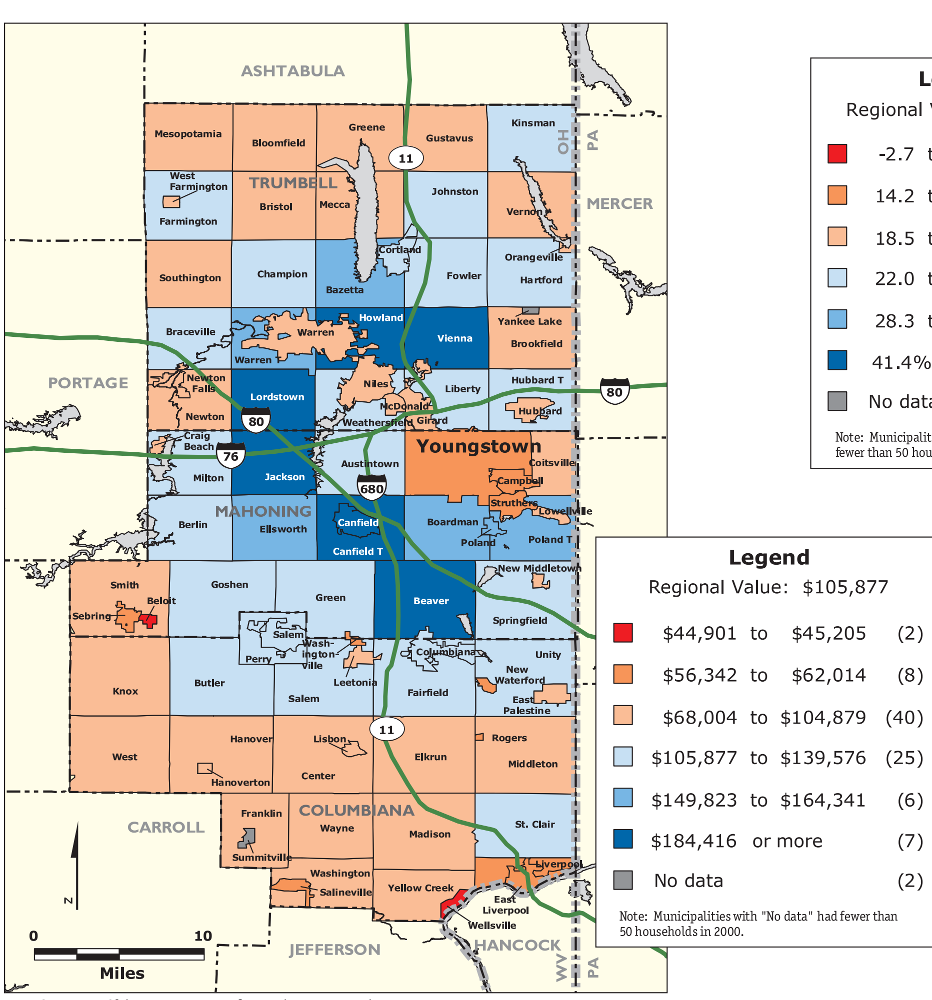
Map 42: Change in Percentage Points of Elementary Students Eligible for Free Lunch by School, 1993-2000



Data Source: National Center for Education Statistics.

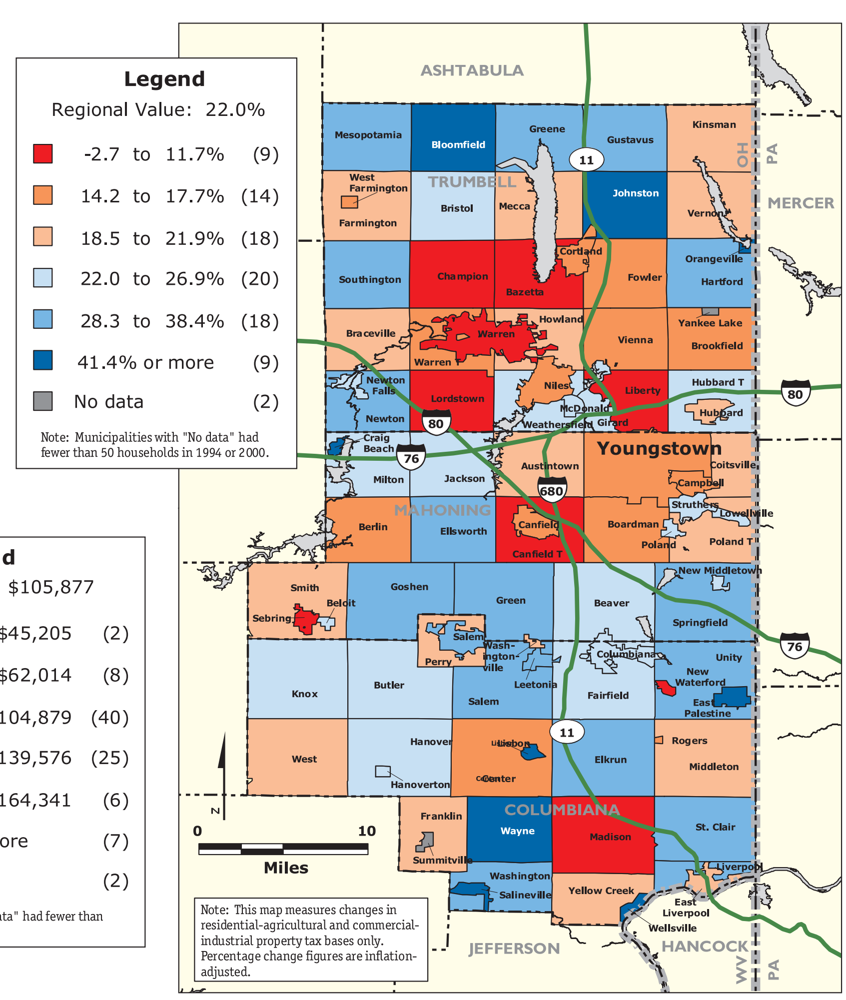
Problems associated with concentrated poverty — everything from high crime to poor health — dramatically limit the opportunities of residents, discourage investment in neighborhoods, and place a burden on city resources. Patterns of income segregation in Youngstown-area schools reflect broader community trends: student poverty is largely concentrated within the region's two central cities, the at-risk inner ring suburbs, and two outlying districts: Bloomfield-Mespo and Southern. Changes in free-lunch eligibility from 1993 to 2000 illustrate that poverty is no longer constrained to central cities — scattered suburban schools also experienced substantial increases in poverty.

Map 43: Total Property Tax Base per Household by Municipality and Township, 2000



Data Sources: Ohio Department of Taxation; Ameregis.

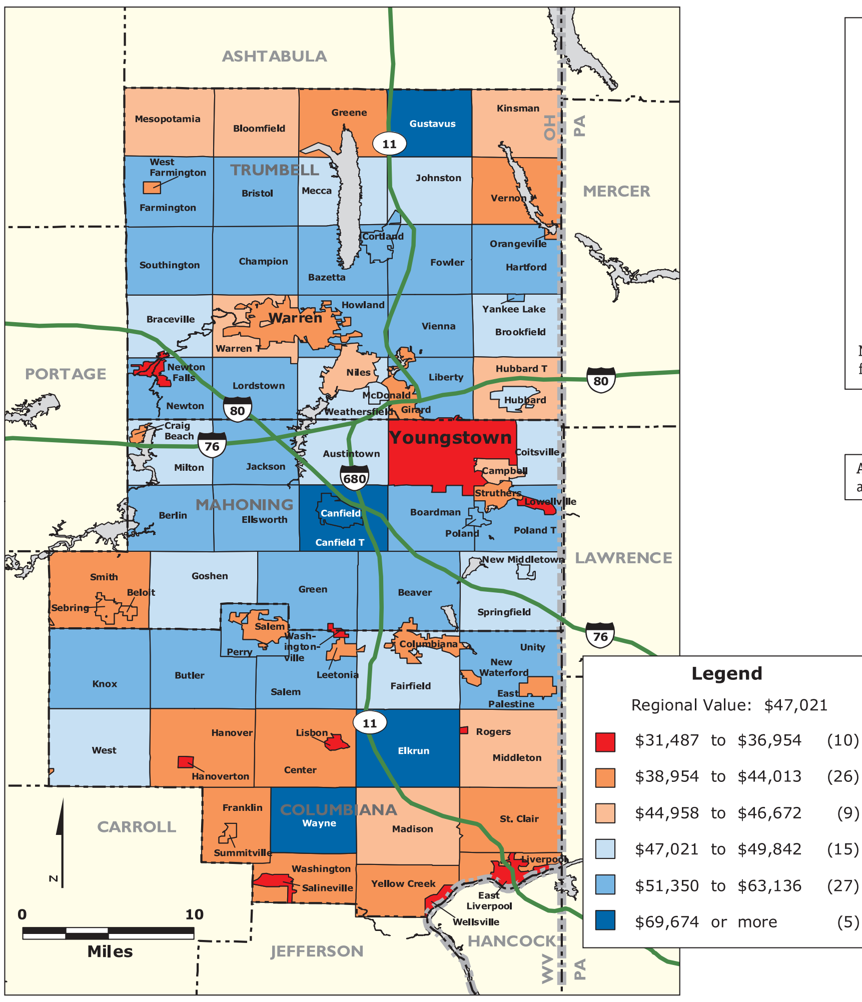
Map 44: Percentage Change in Property Tax Base per Household by Municipality and Township, 1994-2000



Data Sources: Ohio Department of Taxation; Ameregis.

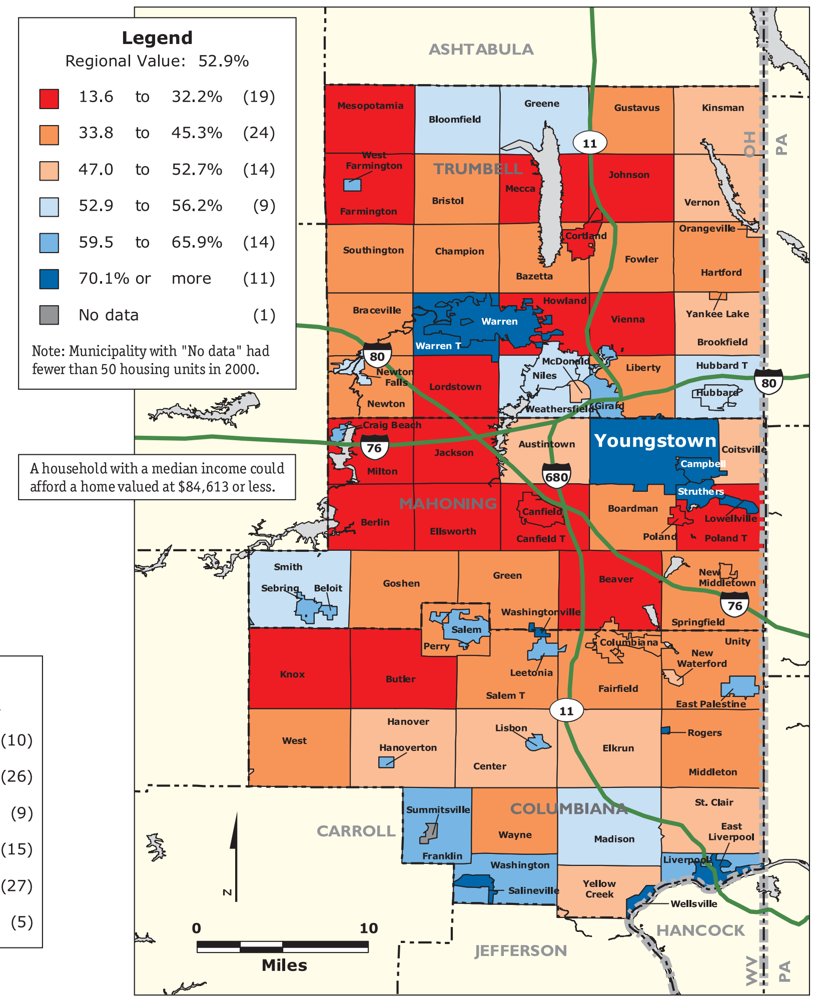
In the Youngstown region, the tax bases communities depend on to support public services vary widely from place to place. High tax bases were concentrated in an arc south and west of Youngstown, from Lordstown and Milton townships to Poland Township. Many northern outlying communities also had above-average bases. The smallest per-capita tax bases were found in Youngstown, the adjacent communities of Campbell and Lowellville and scattered outlying towns. Communities with slow-growing and in some cases even declining tax bases in the late 1990s (adjusted for inflation) were largely in and around the cities of Youngstown and Warren. Communities enjoying the largest gains were primarily in outlying areas of the region.

Map 45: Income per Household by Municipality and Township, 1999



Data Source: U.S. Census Bureau.

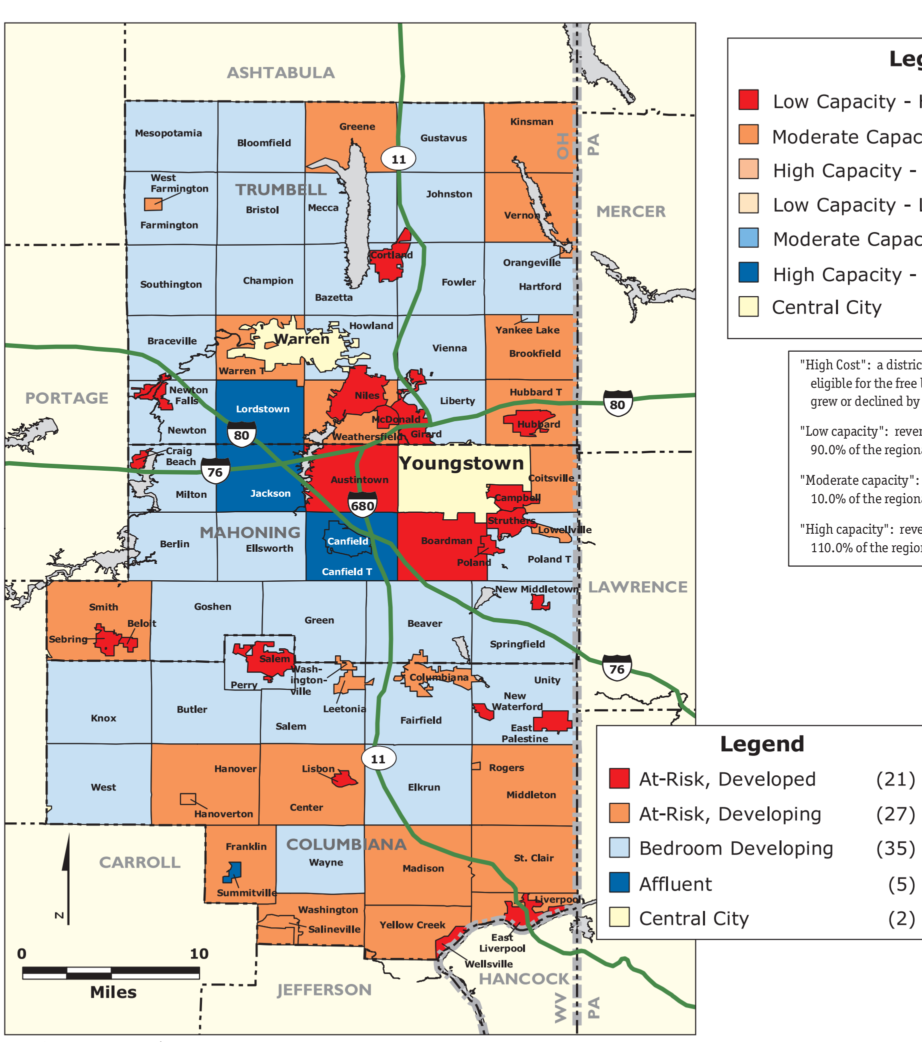
Map 46: Percentage of Single-Family Housing Units Affordable to Households with the Regional Median Income by Municipality and Township, 2000



Data Source: U.S. Census Bureau.

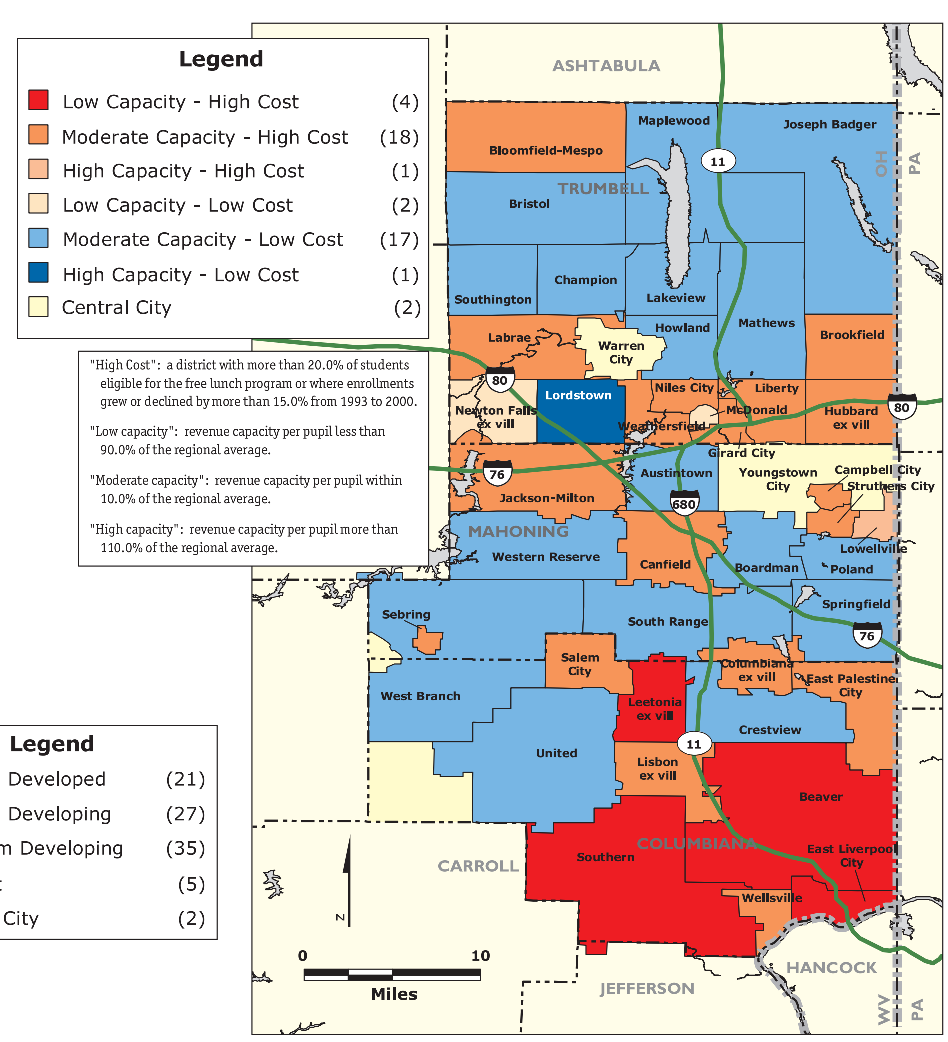
Low incomes and affordable housing units in the Youngstown region are both largely concentrated in the cities of Youngstown and Warren, the region's small towns and outlying townships. High incomes and expensive housing are prevalent in suburban communities outside the central cities, like Canfield and Jackson and Howland townships. The similar patterns of these two factors mean that low- and moderate-income residents are largely locked out of communities with growing job bases and desirable schools (see footnote 18 for a summary of how affordable housing was calculated).

Map 47: Community Classification



Data Source: Ameregis.

Map 48: School District Classification



Data Source: Ameregis.

Analysis of Youngstown-area municipalities and school districts shows that "the suburbs" are not a monolith. Instead, suburbs face a variety of social, physical and economic needs. Many of them are facing fiscal or social stress. In fact, near three-fourths of the region's residents — those in Youngstown, Warren and at-risk suburbs — live in places with low or slow-growing tax bases and income, and stagnant or declining population (see the table on page 39 for characteristics of each community type). Likewise, 40 percent of Youngstown-area students — all in the suburbs — were enrolled in districts exhibiting clear signs of stress — either high rates of student poverty, significant enrollment growth or significant decline — along with low or moderate revenue capacities.

Looking forward:

Strategies for Regional Reform

Regional competition for tax base and uncoordinated growth are hurting almost every city and suburb in Ohio's metropolitan areas — leading to concentrated poverty and abandoned public facilities in central cities; growing social and fiscal strain in at-risk suburbs; and traffic snarls, overcrowded schools and degraded natural resources in communities on the urban fringe.

These problems diminish the quality of life throughout a region. They require region-wide solutions. Broad policy areas where reforms are most needed to combat social separation and wasteful sprawl include:

- Greater **fiscal equity** to equalize resources among local governments.
- Smarter **land-use planning** to support more sustainable development practices.
- Accountable **metropolitan governance** to give all communities a voice in regional decision-making.

These reforms offer relief to all types of metropolitan communities. For central cities, regionalism means enhanced opportunities for redevelopment and for the poor.

For at-risk developed suburbs, it means stability, community renewal, lower taxes and better services.

For at-risk and bedroom-developing communities, it means sufficient spending on schools, infrastructure and clean water.

For affluent suburban communities, regional cooperation offers the best hope for preserving open space and reducing congestion.

In addition to addressing individual problems, these strategies are mutually reinforcing. Successfully implementing one makes implementing the others much easier, both substantively and politically.

Specific policies can be tailored to reflect the special circumstances of individual metropolitan areas. A number of analysts in Ohio — from the nonprofit community to academia and the public sector — are providing expertise and advocacy on specific metropolitan areas and policies. Examples include the organizations that assisted in preparing this report (see inside back cover for a list); the First Suburbs Consortium, coalitions of inner-ring suburbs in the Cleveland, Cincinnati, Columbus and Dayton areas; and the Urban Universities Program, a program that provides research and technical assistance in all eight of Ohio's major urban universities.

Fiscal Equity

In Ohio, the nature of residential and commercial development largely determines a community's local tax capacity, because local governments are highly dependent on locally generated taxes for their revenues.

This produces a wide variation in the ability of local governments to generate revenue from their tax bases. It also creates large incentives for communities to compete against their neighbors for tax-generating developments, regardless of how they would best fit into regional land-use patterns.

One way to measure the disparities among communities is the ratio of tax base in a high-capacity place (the one at the 95th percentile) to the tax base in a low-capacity community (the one at the 5th percentile). Of the regions in this report, Columbus-area municipalities show the greatest inequality in property tax base (see table on page 36). Its 95th-to-5th percentile ratio, 6.0, means that if all places in the Columbus area levied the same property tax rate, the high-capacity place would generate six times the revenue per household of the low-capacity place. Even in the most equitable metropolitan area, Dayton, the high-capacity place would still generate nearly four times the revenue per household as the low-capacity place would. And these disparities would be even greater if local income taxes were added to the comparison.

There are regional policies that can both reduce the inequalities between local governments and decrease the incentives for them to engage in wasteful competition for tax base.

In fact, the seeds of equity-based fiscal reform are already in place in Ohio. Montgomery County has established what it calls the Economic Development/Government Equity (ED/GE) program to "share some of the economic benefits … resulting from new economic development among the jurisdictions of Montgomery County."[21] The program provides an annual countywide funding pool for economic development projects, as well as a "government equity" fund that shares a portion of growth in municipalities' property and income tax revenues each year. Currently all 30 of Montgomery County's cities, villages and townships have chosen to participate.

Each one contributes to a regional pool based on its growth in property and income tax bases. Funds in the pool are redistributed back to communities based on population. This process has a redistributive effect — tax-base poor communities get back more than they paid into the pool, while tax-base rich communities get back less. Because all communities keep a majority (but not all) of the growth within their borders, the program reduces the incentives for inter-local competition for tax base while still allowing communities to cover the local costs of development.

ED/GE has limitations. Due to the relatively small size of the pool — around $800,000 in recent years — the tax-sharing elements of the program are largely symbolic, making a negligible effect on overall tax base equity in the region. In addition, much of the region's most vigorous growth is taking place outside of Montgomery County. But the program is a good start toward building fiscal equity, creating a mechanism that encourages local governments to work together on issues of economic development and growth.

Expanding the ED/GE concept to encompass entire metropolitan areas has tremendous potential in Ohio. In a simulation of a similar program in the six metropolitan areas, tax-base sharing would have increased the tax base available to municipalities home to over two-thirds of the state's population. In that scenario, 40 percent of the growth in commercial-industrial property tax base from 1994 to 2000 was pooled and redistributed back to communities based on population. Communities kept 60 percent of the tax base growth within their borders.[22]

The tax-base sharing scenario reduced tax base disparities among communities. The ratio between the 95th and 5th percentile places dropped by anywhere from 4 percent to 8 percent in the six regions after sharing, using a pool that, after six years, equaled just 2 percent to 3 percent of the total tax base. These effects would grow over time because tax-base sharing reduces the incentives for municipalities to engage in the inefficient competition for tax base.

The tax-base sharing model is just one way to create more equitable fiscal relationships among local governments. Another important means is state-aid reform. This is especially important for school funding. The current turmoil around this issue provides an opportunity for significant reform in this very important area.

Regional Land-Use Planning

In addition to the great disparities in the fiscal capacity of local governments, there are many other costs associated with the inequitable and inefficient growth occurring in much of Ohio. Valuable agricultural land and sensitive open space is destroyed. Traffic congestion increases. Expensive public infrastructure is built on the urban edge, while existing facilities within cities are underutilized, and sometimes abandoned.

The localized nature of planning in the state — with power fragmented among thousands of governments — contributes to unbalanced growth patterns. To cite just one example, in Medina County alone planning duties are divided among three cities, seven villages and 17 townships.[23]

Such an arrangement makes it very difficult to implement coherent policies in areas with regional implications, such as housing, economic development, transportation or environmental protection.

Outward growth, combined with state policies that focus on building new infrastructure over maintaining the facilities already in place, hurt older places in and near the urban core.[24] Considering that significant investments in infrastructure and housing have already been made in those areas, state (and often federal) investments in roads in previously undeveloped areas are a waste of taxpayers' limited resources. They not only encourage additional growth in outlying communities, they further divert resources from existing communities that arguably need them the most.

Tax reforms can reduce the incentives for communities to compete for new development.

Photo credit: © 2002 David Sailors

Light rail transit, like in Cleveland, helps support balanced regional growth.

Developing a cooperative framework for land-use planning that encourages places to plan together for their common future and to consider the regional consequences of local decisions is an essential aspect of a regional reform agenda. This kind of thinking has been implemented in several states over the last 25 years and is receiving increasing attention across the country.

"Smart growth" is an efficient and environmentally friendly pattern of development that focuses growth near existing public facilities. Smart growth provides people choice in where they live and work and how they get around. Based on the premise that regions can make more efficient use of their land through cooperation rather than competition, smart growth initiatives essentially call for local planning with a regional perspective.

At least 16 states have already adopted comprehensive smart growth acts, and their ranks are growing. Regional land use planning efforts, like those required in Oregon's statewide program, help officials coordinate investments in roads, highways, sewers and utilities. Concurrency requirements like those in Florida mandate that infrastructure be on-line by the time development takes place. In addition, there are also a variety of agricultural and open-space preservation programs available, as well as incentives for the use of New Urbanist design principles.[25]

All these initiatives share goals: to reduce the destruction of open space and agricultural lands; to ease traffic congestion by creating an accessible and balanced transportation system; and to make more efficient use of public investments.

Ensuring that all communities in the region, particularly those with new jobs and good schools, strengthen their commitment to affordable housing is another essential component of smart growth planning because it helps to reduce the consequences of concentrated poverty on core communities. It allows people to live closer to work and provides them with real choices concerning where they want to live.

Regional Governance

A primary theme of this study is that social separation and sprawling development patterns harm not just central cities, but all parts of Ohio's urban centers. As in most places, however, the fragmented nature of land-use planning and local governance has discouraged creating coordinated strategies for dealing with these problems.

There are already regional institutions in place that can serve as a backbone for regional reform.

Regional planning commissions and councils of governments in Ohio already have the power to undertake many planning functions, among them conducting studies, contracting with governments to provide planning assistance and coordinating local activities with other regional bodies and levels of government.[26]

In addition, all of the state's major urbanized areas have Metropolitan Planning Organizations, appointed bodies of local officials with power to make billion-dollar decisions on planning and funding regional transportation systems. But despite this power, their ability to address broader land-use patterns—often patterns that contribute to the very congestion they are trying to ameliorate—is very limited.

Armed with greater powers, these existing organizations could make headway on a whole host of regional issues, such as land-use planning, housing and redevelopment efforts, and the protection of agricultural lands and other open spaces. Other models of governance, including establishing new, freestanding bodies to oversee regional issues from land-use planning to transit—the model established in Portland, Oregon and Minneapolis-St. Paul regions—exist as well. But regardless of the mechanism chosen, representation in regional institutions must be fairly apportioned, and ideally, its members directly elected.

The current system is fragmented with powers divided among different actors, none of which have the mandate to exercise strong oversight functions. There is a clear need to develop accountable regional institutions to address the best interests of the state's diverse regions.

Table 1: Characteristics of the Community Types by Metropolitan Area

Community Type	Number of Jurisdictions	Percentage of Regional Population	Total Property Tax Base per Household 2000	Residential Tax Base per Household 2000	C-I Tax Base per Household 2000	Change in Total Tax Base per Household 1994-2000	Income per Household 2000	Population Growth 1994-2000	Population Density 2000
Six Metro Areas									
Central Cities	9	31	32,843	16,324	11,065	11	42,633	2	1,578
At-Risk, Developed	180	30	41,884	27,211	8,922	12	53,296	4	1,165
At-Risk, Developing	287	14	43,155	27,052	8,335	23	52,134	7	112
Bedroom-Developing	298	18	60,854	45,123	7,548	18	70,192	14	77
Affluent	95	7	111,343	70,907	22,783	9	101,109	18	178
Total	**869**	**100**	**47,396**	**30,021**	**10,183**	**16**	**56,121**	**6**	**224**
Cleveland									
Central Cities	2	24	31,886	14,502	10,281	13	37,957	-2	2,010
At-Risk, Developed	42	34	42,035	26,864	8,746	8	51,579	2	1,596
At-Risk, Developing	87	15	45,558	29,599	8,583	22	52,450	9	35
Bedroom-Developing	82	18	65,316	48,110	9,062	17	70,146	15	143
Affluent	46	8	121,408	74,905	26,848	6	104,783	14	203
Region	**259**	**100**	**51,044**	**32,224**	**10,662**	**15**	**56,297**	**5**	**317**
Cincinnati									
Central City	1	24	36,519	17,001	12,421	8	44,655	-2	1,899
At-Risk, Developed	29	23	39,991	23,850	8,572	11	51,454	1	1,260
At-Risk, Developing	66	22	44,623	27,046	9,080	17	54,554	12	140
Bedroom-Developing	38	25	64,438	47,525	8,206	13	78,403	19	141
Affluent	14	6	125,168	62,437	32,278	4	100,306	6	333
Region	**148**	**100**	**51,220**	**31,014**	**10,924**	**13**	**60,026**	**7**	**264**
Columbus									
Central City	1	48	35,851	19,116	14,666	7	48,252	13	1,434
At-Risk, Developed	39	15	44,578	32,485	9,833	14	57,614	2	995
At-Risk, Developing	64	20	45,626	32,881	9,491	18	60,720	17	125
Bedroom-Developing	73	10	58,833	49,040	4,481	26	71,029	13	31
Affluent	17	6	398,506	88,576	17,714	27	110,843	50	115
Region	**194**	**100**	**46,006**	**31,032**	**11,999**	**17**	**58,163**	**13**	**167**
Dayton-Springfield									
Central Cities	2	25	28,063	13,187	7,070	10	39,209	-4	1,197
At-Risk, Developed	25	38	38,926	25,140	7,907	11	52,924	2	942
At-Risk, Developing	24	14	39,535	22,883	8,507	14	50,650	2	191
Bedroom-Developing	35	16	52,270	39,668	5,787	25	67,323	7	56
Affluent	8	7	79,516	53,400	12,393	2	86,537	17	160
Region	**94**	**100**	**41,531**	**26,362**	**7,766**	**15**	**54,083**	**2**	**212**
Toledo									
Central City	1	53	31,684	17,312	8,149	12	42,298	1	1,599
At-Risk, Developed	16	14	48,393	28,058	12,485	19	53,349	10	825
At-Risk, Developing	27	10	53,801	33,466	10,069	30	58,774	13	90
Bedroom-Developing	35	17	63,009	39,798	8,251	19	62,800	13	44
Affluent	5	6	85,269	67,136	10,208	22	54,688	7	173
Region	**84**	**100**	**44,756**	**27,262**	**9,077**	**20**	**52,217**	**6**	**172**
Youngstown									
Central Cities	2	22	21,455	11,187	4,907	13	36,482	-7	1,035
At-Risk, Developed	21	37	34,522	21,356	7,649	22	46,002	3	821
At-Risk, Developing	27	14	33,836	20,127	4,445	23	44,363	2	72
Bedroom-Developing	35	24	44,377	32,794	4,943	20	55,968	9	61
Affluent	5	3	73,277	47,446	12,228	11	74,753	24	101
Region	**90**	**100**	**35,214**	**22,556**	**6,103**	**22**	**47,026**	**2**	**145**

Table 2: Social and Fiscal Characteristics by Metropolitan Area

Social Separation

	Percentage of Elementary Students Eligible for Free or Reduced Lunch		Percentage of Poor Students Required to Move to Achieve Parity		Percentage of Non-Asian Minority Students		Percentage of Non-Asian Minority Students Required to Move to Achieve Parity	
	1993	2000	1993	2000	1993	2000	1993	2000
Cleveland	32	31	61	60	25	28	75	77
Cincinnati	26	28	57	61	21	25	76	78
Columbus	25	24	54	54	17	21	67	66
Dayton-Springfield	28	30	54	55	20	21	68	69
Toledo	32	35	50	58	23	26	63	65
Youngstown	27	32	43	50	12	17	74	75

Fiscal Inequality

	Property Tax Base per Household		Property Tax Base per Household 95th to 5th Percentile Ratios	
	1994	2000	1994	2000
Cleveland	134,919	154,887	6.4	5.5
Cincinnati	133,873	151,276	6.6	5.5
Columbus	117,415	139,372	6.1	6.0
Dayton-Springfield	108,436	124,268	4.7	3.7
Toledo	112,183	134,508	5.4	5.0
Youngstown	76,636	85,986	4.1	3.9

1994 property tax base per household assumes that tangible and public utility tax base grew at the same rate as residential, agricultural, commercial and industrial tax base. 95th to 5th percentile ratios exclude tangible and public utility tax base.

Endnotes

1 You can also visit www.ameregis.com for a detailed spreadsheet listing the characteristics of each jurisdiction.

2 Jason W. Reece and Elena G. Irwin, “Land Cover in Ohio’s Townships: An Analysis of Township Land Cover and Population Change” (Columbus: Ohio State University Extension Ohio Agricultural Research and Development Center, February 2002).

3 Ibid.

4 www.sierraclub.org/sprawl/report98

5 Bob Downing, “Polio, hepatitis in Cuyahoga,” Beacon Journal, June 26, 2002; and Tom Breckenridge, “Cuyahoga River is unsafe, study shows,” Plain Dealer, June 27, 2002.

6 DeRolph v. State (2000), 88 Ohio St.3d is the most recent of these rulings.

7 See James S. Coleman, Equality of Educational Opportunity (Washington, D.C.: Government Printing Office, 1966); Gary Burtless, ed., Does Money Matter? The Effect of School Resources on Student Achievement and Adult Success (Washington, D.C.: Brookings, 1996); James Traub, “What No School Can Do,” New York Times Magazine, January 16, 2000.

8 For a general discussion of housing discrimination, see John Yinger, “Testing for Discrimination in Housing and Related Markets,” A National Report Card on Discrimination in America, ed. Michael Fix and Margery Austin Turner (Washington, D.C.: The Urban Institute, 1998).

9 High-poverty schools are those with free lunch eligibility rates of 40 percent or greater.

10 Asians were not included in the analysis of racial segregation because research has shown that they tend to experience less educational and housing segregation than blacks, Latinos and Native Americans. See Douglas Massey, “The Residential Segregation of Blacks, Hispanics, and Asians: 1970 to 1990,” in Gerald D. Jaynes, Ed., Immigration and Race: New Challenges for American Democracy (New Haven: Yale University Press, 2000); and Gary Orfield and John T. Yun, “Resegregation in American Schools” (Cambridge, Mass.: The Civil Rights Project, Harvard University, 1999).

11 Researchers have found, for example, that median household incomes of central cities and their suburbs move up and down together in most regions and that the strength of this relationship is increasing. They have also found that metropolitan areas with the smallest gap between city and suburban incomes had greater regional job growth. Another researcher found that in large metropolitan areas income growth in central cities results in income growth and house-value appreciation in the suburbs. See Larry C. Ledebur and William R. Barnes, “All In It Together: Cities, Suburbs and Local Economic Regions” (Washington, D.C.: National League of Cities, 1993); William R. Barnes and Larry C. Ledebur, City Distress, Metropolitan Disparities, and Economic Growth (Washington, D.C.: National League of Cities, 1992); and Richard Voith, “Do Suburbs Need Cities?” Journal of Regional Science 38(8) 445-464, 1998.

12 Grouping was accomplished using the K-means clustering procedure in SPSS. All variables were calculated as percentages of the regional average and standardized by the number of standard deviations from the mean so that that the effects of variables with very wide variations did not overwhelm the effects of variables with narrower variations. For more on cluster analysis in general, and K-means clustering in particular, see StatSoft, Inc. Electronic Statistics Textbook (Tulsa, OK: StatSoft, 2002) at www.statsoft.com/textbook/stathome.html.

13 In addition, because of their density, several suburban communities — Grove City, Delaware, Westerville, Gahanna, Hilliard and Reynoldsburg outside Columbus, and Perrysburg and Rossford near Toledo — were classified in the clustering process as “at-risk developed” due to their relatively high density. But because these communities are still growing, they were moved to the “at-risk developing” category after consultation with local reviewers.

14 Myron Orfield, American Metropolitics: The New Suburban Reality (Washington, D.C.: Brookings Institution Press, 2002).

15 Bureau of Labor Statistics, 1999.

16 Ibid.

17 John Horton, “Study committee in Kenston recommends new high school,” Plain Dealer, June 22, 2002.

18 A housing unit is considered affordable to a household with the region’s average income if the household had no other debt, made a 10 percent down payment, had closing costs of 5 percent, a mortgage rate of 7 percent, faced statewide average property taxes, and was spending 28 percent of gross income on mortgage, taxes and home insurance (the cut-off normally used by realtors and lenders to determine affordability). Calculations were made using the Fannie Mae Mortgage Calculator at www.homepath.com.

19 These percentages are dissimilarity indexes, commonly used statistics to measure the degree to which two groups are evenly distributed in a given geographic area. In this case, they can be interpreted as the percentage of one of the groups that would have to change schools to achieve a perfectly integrated enrollment — for example, an equal mix of black and non-black students, or poor and non-poor students, in each school building. For more information on school and residential segregation in U.S. metropolitan areas, see John R. Logan, “Choosing Segregation: Racial Imbalance in American Public Schools, 1990-2000” (Albany: Lewis Mumford Center for Comparative Urban and Regional Research, University at Albany, 2002). It is available at www.albany.edu/mumford/census/.

20 City of Columbus Department of Development, www.columbusinfobase.org.

21 Montgomery County Economic Development/Government Equity (Ed/Ge) Handbook: 2001-2010 (Dayton: Montgomery County, Ohio, 2001).

22 Maps showing the distribution of benefits from the simulated programs are available at www.ameregis.com.

23 Patricia Burgess and Thomas Bier, “Public Policy and ‘Rural Sprawl’: Lessons from Northeast Ohio” (Cambridge, MA: Lincoln Land Institute of Land Policy, 1998).

24 First Suburbs Consortium, “Ohio’s Aging Communities: A Call for State Attention by the Ohio First Suburbs Consortium” (March 2002, www.firstsuburbs.org).

25 See Orfield 2002 for more discussion of land-use planning tools.

26 Stuart Meck, “The Structure of Planning and Land-Use Controls in Ohio.” Presentation to the Ohio-Kentucky-Indiana Council of Governments, June 2000, Fairfield, Ohio.

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FOR MORE INFORMATION:

Ameregis
1313 Fifth Street SE, Suite 108
Minneapolis, MN 55414
(612) 379-3926
www.ameregis.com

Alliance for Congregational Transformation Influencing our Neighborhoods (ACTION)
221 Elm Street
Youngstown, OH 44505
(330) 744-7979

Citizens for Civic Renewal
Rockwood Tower, Suite 549
3805 Edwards Road
Cincinnati, OH 45209
(513) 458-6736
www.queencity.com/ccr

Greater Dayton Regional Transit Authority
600 Longworth Street
Dayton, OH 45402
(937) 226-1333
www.greaterdaytonrta.org

Sierra Club–Ohio Chapter
36 W. Gay St., Suite 314
Columbus, OH 43215
(614) 461-0734
ohio.sierraclub.org

Mid-Ohio Regional Planning Commission
285 East Main Street
Columbus, OH 43215
(614) 228-2663
www.morpc.org

Northeast Ohio Alliance for Hope (NOAH)
3510 West 41st Street
Cleveland, OH 44109
(216) 398-0374

The Urban Affairs Center
The University of Toledo
Toledo, Ohio 43606
(419) 530-3591
uac.utoledo.edu