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# Ohio's Mahoning Valley Regional Metropatterns

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**Ohio's Mahoning Valley Regional Metropatterns:  
A Regional Agenda for Community and Stability  
in the Mahoning Valley Region**

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DRAFT

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MARC was created in 1995 by Myron Orfield, a Minnesota legislator and law professor, who has been a nationally recognized leader in promoting reform around the issues of land use, social and fiscal equity, and regional governance. MARC's objective is to study the relationship between common regional development patterns and growing social and economic disparities in regions throughout the country, and to assist individuals and groups in fashioning local remedies that address these concerns. Since its inception, MARC has studied more than 30 U.S. regions, including the 25 largest metropolitan areas in the country.

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## I. INTRODUCTION AND SUMMARY

Social and economic polarization and wasteful development patterns threaten the Mahoning Valley Region.<sup>1</sup> Poverty and economic and social need is heavily concentrated in the City of Youngstown and several of its inner suburban communities, the City of Warren, and a few outlying townships and villages. Elementary schools in the Youngstown School District, for instance, had fewer than 14 percent of the region's elementary students in 1999 but 30 percent of its poor children. Overall, 66 percent of the elementary students in the Youngstown School District were eligible for free lunches—more than twice the regional average. School-age poverty rates also exceeded regional averages by significant amounts in the Warren (56 percent) and Alliance (49 percent) districts. Suburban areas however, cannot afford to be complacent—schools in some inner suburban districts like Campbell (47 percent) and Struthers (48 percent) already have higher than average poverty rates, while others, such as the Liberty and South Range districts, showed poverty increasing at greater than average rates.

The region is also highly segregated by race. In 1998, 59 percent of non-Asian minority elementary school students attended schools in the Youngstown School District compared to just 14 percent of all students. As a result, minority students were much more likely than white students to attend schools with large numbers of poor students. Seventy-two percent of Hispanic elementary students and 78 percent of Black elementary students attended high-poverty schools—the equivalent percentage for white students was just 12 percent.<sup>2</sup>

The ability of local governments to raise revenues for important local services is also distributed very unevenly across the region with places with the greatest needs showing the lowest local tax capacities. The City of Youngstown stands out by this measure as well. Home to 30 percent of the regions households in 1998, Youngstown commanded just 19 percent of regional tax capacity—translating into a tax capacity just 65 percent of the regional average. Its suburban neighbors to the east, Campbell (76 percent of the regional average) and Lowellville (76 percent), stood out as well. Outlying areas in the southeastern and western parts of the region also controlled tax bases significantly well below regional averages—tax capacities per household in Beloit, East Liverpool and Salineville for instance were just 47, 71 and 85 percent of regional averages respectively.

Despite the fact that the population of the Mahoning Valley has continued to decline, the region continues to expand spatially, consuming more and more land. Between 1970 and 1990, the population of the Youngstown-Warren area declined by 9 percent but its urbanized land area grew by 30 percent—corresponding to a 30 percent decrease in overall population density. And these statistics include only those areas in the innermost portions of the region that are densely settled enough to be considered urbanized. Several much less densely settled townships and villages at the fringes of the region are also growing at high rates (albeit from small bases). The Mahoning Valley region is sprawling.

These patterns are predictable outcomes of the incentives embedded in the region's highly fragmented system of local governance. By placing responsibility for land use planning and a wide range of important local public services in the hands of the region's cities, villages and townships, this system creates overwhelming incentives for fiscal issues and competition for tax base to dominate land use planning. Places with the greatest needs for public services are often

the places least able to compete effectively for valuable residential and business tax base while those with the fewest needs flourish.

The result is a regional mosaic of social and economic polarization and sprawling development that ultimately harms everyone in the region by exacting costs in terms of waste of human resources, deterioration of neighborhoods in Youngstown and Warren, as well as inner suburbs and satellite cities, fiscal stress in those places and in fast-developing, moderate tax base communities, increased infrastructure costs, loss of agricultural and fragile lands, and increased miles traveled and automobile trips. Policies that treat the symptoms (crime, poor economic growth, low educational attainment, high taxes, the loss of open spaces) without dealing with the underlying causes (a governance system that encourages social separation, sprawl and fiscal inequities) will inevitably fail in the long run. The only way to deal with problems that have region-wide implications is with region-wide policies.

Only through a strong, multifaceted, regional response can social and economic polarization and wasteful development patterns be countered. To stabilize central city neighborhoods, inner suburbs and satellite cities and to minimize unplanned outward development, there are three areas of reform that can be achieved only on a metropolitan scale: 1) greater fiscal equity among jurisdictions of the region, 2) smarter growth through better planning practices, and 3) structural reform of metropolitan governance to allow for fair and efficient implementation of other reform measures.

The purpose of this report is threefold: 1) to document social separation and wasteful development patterns in the Mahoning Valley region; 2) to identify the effects of these patterns on local governments and the region as a whole; and 3) to introduce strategies for addressing the challenges facing the Mahoning Valley region in a comprehensive manner. It is MARC's hope that the information provided in this report will assist regional efforts toward policy reform and ultimately lead to a more socially and economically sustainable future.

## II. METROPATTERNS

### A. SOCIAL SEPARATION

It is often assumed that the effects of poverty and other social needs in a region can be confined to a few small neighborhoods. In reality, the concentration of poverty at the core of the Mahoning Valley region serves as an important warning signal of declining health and stability—not only in the neighborhoods where the poverty is concentrated but also in nearby communities. As poverty intensifies in any particular neighborhood those who can afford to will often choose to move away—depressing property values in these neighborhoods and surrounding areas. Coupled with ample land for new housing and expanding transportation networks in other parts of the region, the socioeconomic decline of communities in the core of the Mahoning Valley region contributes to a self-reinforcing pattern that threatens even greater disinvestments in the future.

Studies have found that poor individuals living in concentrated poverty are far more likely to become pregnant as teenagers,<sup>3</sup> drop out of high school,<sup>4</sup> and remain jobless<sup>5</sup> than if they lived in socioeconomically mixed neighborhoods. These types of outcomes dramatically diminish the quality of life and opportunities. Similarly, the concentration of poverty and its attendant social isolation leads to the development of speech patterns increasingly distinct from mainstream English.<sup>6</sup> These speech differences make education, job search, and general interaction with mainstream society difficult.<sup>7</sup> Thus the impact of concentrated poverty also extends into the larger regional economy by reducing the regional pool of skilled workers and otherwise creating a less attractive environment for economic growth and development.

Social and economic decline is often foreshadowed by trends in public schools. Schools are a powerful prophecy for communities. Deepening poverty and other socioeconomic changes show up in schools before they do in neighborhoods and in elementary schools before middle and high schools. Elementary school enrollment patterns therefore sound an early warning of impending flight by the middle class, the first group to leave a neighborhood when schools fail. Perceived school quality is a key factor in attracting or retaining middle-class residents (and the businesses that cater to them), and thus in maintaining property values and income, which in turn fund schools and municipal governments. When the perceived quality of a school declines, it can set in motion a potentially vicious cycle that ultimately affects the entire community.

The most widely used measure of student poverty is eligibility for free lunches, which are available to children of families whose household income is at or below 130 percent of the federal poverty line. In U.S. metropolitan areas poverty is most evident in central cities and older suburbs—often near the core. On average in the 25 largest U.S. metropolitan areas the percentage of students eligible for free lunches in central cities in 1998 was roughly 185 percent of regional averages.<sup>8</sup> The ratio in Youngstown in 1999 was significantly worse at 219 percent of the regional average (66 percent compared to 30 percent).

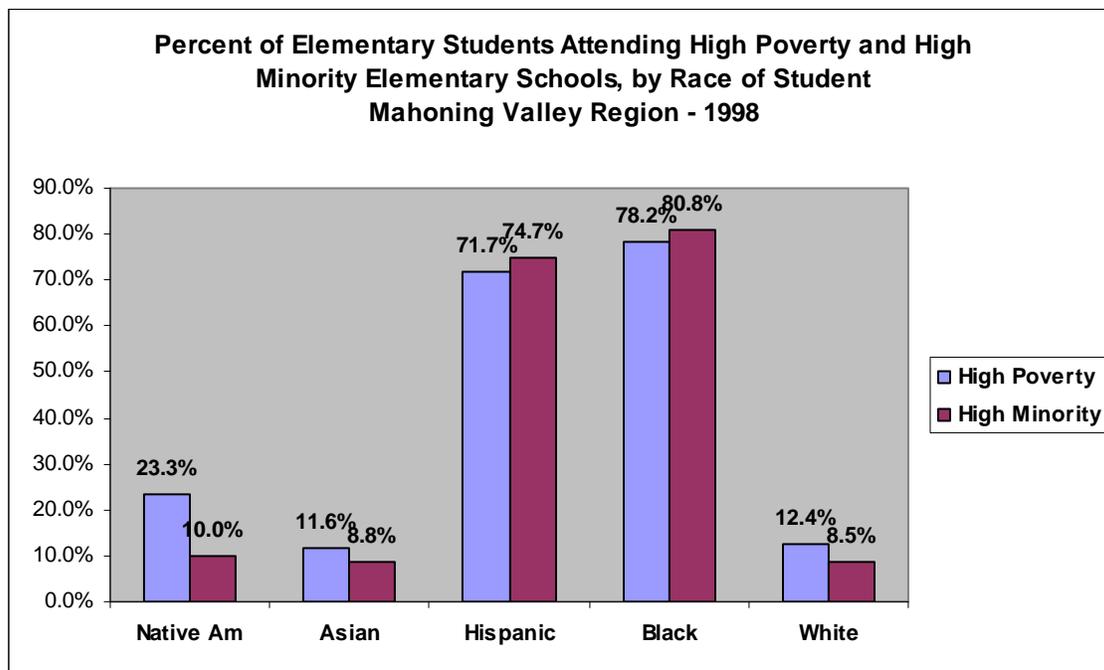
The dissimilarity index is a more general measure of the extent to which poor students are segregated. The index shows the percentage of poor students who would have to change schools in order to achieve a perfectly equal distribution of poverty among the region's schools. Mahoning Valley fares well compared to larger metropolitan areas with this measure. In 1998, the dissimilarity index for poor elementary school children in the Mahoning Valley metropolitan

area was 46 compared to an average of 54 in the 25 largest metropolitan areas.<sup>9</sup> The region's dissimilarity index also improved between 1991 and 1998 while it was constant in the larger metropolitan areas—it decreased from 55 to 49 in the Mahoning Valley region and remained constant at 54 in the largest metropolitan areas.

The Mahoning Valley region does not fare so well however, in comparison to other regions in the extent to which minority students are segregated in the elementary school system. While its dissimilarity index declined slightly from 74 in 1991 to 73 in 1998, these indices were well above national averages. The average for the 25 largest metropolitan areas in the U.S. was 60 in 1992 and 61 in 1998. Chart 1 shows the degree of segregation in another way. In 1998, 81 percent of Black students attended schools with high percentages of minority students while less than 9 percent of Whites attended such schools.

Further, poverty and race are related in ways that are very disadvantageous for minority students. Chart 1 shows this very clearly. The percentage of Black students that attend high poverty schools is six and-a-half times higher than the equivalent percentage for White students—78 percent compared to 12 percent. The percentages for Hispanic and Native American students also compare poorly with that for White students.

**Chart 1**



In 1999, about 30 percent of the region's elementary students in the Mahoning Valley region were eligible for free lunches<sup>10</sup> (**Map 1: Percentage of Elementary Students Eligible for Free Lunch by School District, 1999 and; Map 2: Percentage of Elementary Students Eligible for Free Lunch by School, 1999**). Schools with the highest concentrations of poor students were primarily found in the Youngstown School District, which contains 14 percent of the region's students, but 30 percent of its students eligible for free lunches. Overall, 66 percent of students in the Youngstown district were eligible for free lunches. Elementary student poverty rates also exceeded regional averages by significant amounts in the Warren (56 percent) and Alliance (49

percent) districts. Further, inner suburban districts like Campbell (47 percent) and Struthers (48 percent) also have higher than average poverty rates. Overall, 60 percent of the region's poorest elementary students attended school in one of these five districts despite their having just 29 percent of the overall regional enrollment.

Historical data on eligibility for free or reduced cost lunches points to relatively rapid growth in student poverty in many of the inner-suburban school districts of the region. Between 1991 and 1999, the overall percentage of students eligible for free or reduced cost meals in the Mahoning Valley region grew by less than two percent (**Map 3: Change in Percentage Points of Elementary Students Eligible for Free Lunch by School District, 1991-1999** and **Map 4: Change in Percentage Points of Elementary Students Eligible for Free Lunch by School, 1991-1999**). Map 3 shows that some of the most significant growth took place in districts stretching to the south of Youngstown—including the Struthers (+10 percentage points) and South Range (+7 points) districts. Youngstown (+8 points) and Warren (+16 points) also saw significant increases beyond their already high poverty rates. Other areas of rapid growth in student poverty were located in the outlying areas of the region—including the Alliance (+10 points), Lisbon (+9 points) and Beaver (+6 points) districts.

Students of color are even more concentrated in the core of the region (**Map 5: Percentage of Non-Asian Minority Students by School District, 1999** and **Map 6: Percentage of Non-Asian Minority Elementary Students by School, 1999**). In 1998, 17 percent of all elementary school students in the Mahoning Valley region were non-Asian minorities.<sup>11</sup> Schools with the highest percentages of non-Asian minority students were heavily concentrated in the region's poorest schools, including those in the Youngstown School District, where 74 percent of students were non-Asian minorities. Other schools with above average non-Asian minority enrollments could be found in districts such as Campbell, Warren and Alliance.

Significant increases in the percentage of minority students between 1991 and 1998 occurred mostly in Youngstown and its adjacent suburban districts, including the Campbell, Liberty and Austintown districts (**Map 7: Change in Percentage Points of Non-Asian Minority Elementary Students by School District, 1991-1999** and **Map 8: Change in Percentage Points of Non-Asian Minority Elementary Students by School, 1991-1999**). Several of the schools in these districts experienced increases between 10 and 15 times as high as the regional average. Schools in the Warren and Alliance districts also experienced higher than average increases in the percentage of non-Asian minority students, further concentrating these students in schools with high poverty rates.

The amount of money that school districts spend per student on educational costs can be used as an indicator of the financial resources available to each school district. School districts facing higher costs—those serving high poverty student populations or that are experiencing very rapid increases or decreases in enrollments for instance—need greater resources in order to provide services commensurate with low cost districts. Thus, simply equalizing the available resources per student across school districts will not truly equalize the educational opportunities available to students in a region like the Mahoning Valley where cost factors are very unevenly distributed.

Spending per pupil does vary significantly across the region (**Map 9: Total Expenditures per Student by School District, 1999**). The lowest spending district (Joseph Badger) is 20 percent below the regional average, while the highest spending district (Lordstown) exceeds the regional

average by 47 percent.<sup>12</sup> Further, as Maps 1 through 4 show, costs are not spread nearly as evenly. The district facing the highest cost structures are clearly those at the core of the region, with very high poverty and declining enrollments. For instance, although the Youngstown School District controls greater than average resources, its spending per pupil exceeds the regional average by only 21 percent, a rate hardly commensurate with a poverty rate more than twice that of the regional average. Other districts showing signs of higher costs include Beaver (higher than average poverty), Campbell (higher than average poverty), Niles (declining enrollments) and Leetonia (declining enrollments) actually spend less than the regional average per pupil.

## **B. SPRAWL**

Despite the fact that the population of the Mahoning Valley region has been steadily declining for a long period of time, the region's households continue to consume more and more land (**Map 10: Change in Urbanized Area, 1970-1990**). The population of the Youngstown-Warren urbanized area has declined by nine percent between 1970 and 1990, dropping from about 395,500 to 361,600 by 1990.<sup>13</sup> At the same time however, the land area considered urbanized rose by over 30 percent. This resulted in an overall decrease in the population density of the region of nearly 30 percent—dropping from 3,075 people per square mile in 1970 to 2,162 in 1990. These numbers do not compare well with larger metropolitan areas. On average in the 25 largest metropolitan areas, population in urbanized areas grew by 20 percent, urbanized land area grew by 46 percent and population density fell by 18 percent.<sup>14</sup> The Mahoning Valley is sprawling, even compared to larger areas that are growing rapidly.

In addition to the overall decrease in population density for the Youngstown-Warren urbanized area, it is also important to note how the population is shifting from the region's cities (primarily Youngstown and Warren) to more rural locations. For instance, the city of Youngstown lost nearly 12 percent of its population between 1990 and 1999 while neighboring Canfield Township gained about 1 percent. Similarly, Warren's population dropped by 6 percent while nearby Lordstown gained 9 percent. In Columbiana County, nearly every outlying village or city lost population over the decade—including East Liverpool, Wellsville, Salineville, Lisbon and Rogers—while nearby townships gained residents or remained stable. This shifting of the population from places where public infrastructure already exists to those where it must be built contributes to a number of regional problems—including higher costs associated with public infrastructure such as roads, sewers, and school buildings and greater pressure on roadways and the local environment.

## **C. FISCAL DISPARITIES**

Tax capacity measures the ability of a local government to generate revenues at reasonable local tax rates. The primary tax for municipal governments in the Mahoning Valley region is the property tax. For the purposes of this study, a locality's tax capacity is therefore the revenue that would be generated if the locality assessed the regional average property tax rates against its

actual tax base. Large disparities in local tax capacities imply that low capacity places must assess relatively high tax rates in order to generate the revenues needed to finance local services on a par with other, higher capacity places. This disadvantage can be amplified if low capacity places also have characteristics that increase the costs of providing a given level of public services. For instance, a given level of safety (measured perhaps as an average crime rate) is likely to be much more expensive to achieve in a very high poverty/high density neighborhood than in a low poverty/moderate density neighborhood. Similarly, older infrastructure may be more expensive to maintain than newer infrastructure.

When high costs and low capacities occur together—as they often do—economic development patterns tend to increase disparities over time. High cost/low capacity places must assess very high tax rates in to provide services competitive with those in low cost/high capacity places. The resulting tax rate disparities tend to push future development (and tax base) away from the low capacity places to the higher capacity places, widening the disparities and generating further pressures on tax rates in low capacity areas. In the short run, some places win and some lose but in the longer run, vicious cycles of this sort hurt the entire region by concentrating poverty and social problems in just a few areas of the region, increasing the overall costs of dealing with them.

Directly related to this decline in the older, poorer parts of a region is another kind of stress that threatens to harm those communities that are expanding. In these fast-growing communities fiscal stress results from relatively rapid population growth that requires large public expenditures to provide new roads, schools, parks, public safety services, and all of the other services and infrastructure required to support a growing community. Often, without a strong core of commercial or industrial tax base, these places are only able to maintain a fragile balance between their revenue sources and their expenditure needs. Eventually they must make the difficult choice between cutting needed services and raising tax rates to cover their new costs. In this way, the initial attraction of these places (low taxes, low poverty) can soon become lost to the high costs their development patterns create.

The preferred alternative to cutting services or raising taxes, of course, is to increase the local tax base and generate additional revenues. Communities thus have an obvious incentive to attract the commercial buildings, highly valued homes, or higher income families that generate greater revenues than they do costs. With only a limited amount of these types of developments to go around, communities within the region must engage in fierce competition with each other to attract such development. Success in this competition depends largely on whether a community can provide desirable conditions for wealthier homeowners and potential businesses—good schools, low tax rates, a stable community and sufficient buying power.

In 1998, the average municipality in the Mahoning Valley region had a property tax capacity of \$109 per household<sup>15</sup> (**Map 11: Property Tax Capacity per Household, 1998**). Communities with lower-than-average property tax capacity in the region tended to be concentrated in Youngstown and its inner suburbs. In addition to Youngstown (\$60 per household), these communities include places like Campbell (\$70), Lowellville (\$71) and Struthers (\$78). Outlying places, including East Liverpool (\$65), Wellsville (\$53), and Beloit (\$44) also had a comparatively low property tax base. By contrast, communities with access to larger resources included Lordstown (\$238), Boardman Township (\$192), and Canfield (\$300).

A more detailed picture showing the property tax capacity of individual neighborhoods in Mahoning County provides a clear illustration of the patterns that are taking place throughout the Mahoning Valley region (**Map 12: Mahoning County: Property Tax Capacity per Household by Neighborhood, 1999**). The lowest capacities are highly concentrated in the core of Youngstown with only slightly higher capacities in surrounding neighborhoods on the west side of Youngstown and in Campbell, Struthers, Boardman Township and Lowelville.<sup>16</sup> The further one moves away from the concentration of low capacities at the core, the higher the capacities are. The highest capacities are located in Canfield and the southwestern parts of Boardman Township.

Between 1988 and 1998 the average tax capacity per household in the Mahoning Valley region grew by about 17 percent, after adjusting for inflation. (**Map 13: Percentage Change in Property Tax Capacity per Household, 1988-1998**) Cities that saw their property tax capacity decline over the period were at the core (Youngstown: -3 percentage points, Struthers: -1 point) and in outlying areas (Sebring: -10 points, Beloit: -13 points). Warren (-0.3 points) and Lordstown (-25 points) also saw declines in their tax capacity—although in Lordstown the 1998 property tax capacity was still among the highest in the region. Besides those places with declining capacity, inner suburban cities saw their capacity grow at rates below the regional average—including Campbell (+4 points), Niles (+9 points) and Girard (+10 points).

The most striking feature of the tax capacity map is how closely lower than average capacities correspond to higher than average poverty rates in elementary schools (Maps 1-4). The Mahoning Valley region shows much the same pattern found across the country—the places with the greatest needs for and costs of public services have the least capacity to finance those services from local resources.

This can be seen more clearly by dividing the municipalities in the region into four groups—the city of Youngstown which contains 27 percent of regional households; 17 places with lower than average tax capacity per household representing 53 percent of the region's population; 12 localities with moderate capacities (higher than average) encompassing 21 percent of the households; and four places with very high tax capacity per household with the remaining 6 percent of households (**Table 1: Tax Capacity and Need by Community Type**).

The city of Youngstown stands out dramatically when comparing the four groups. Its tax capacity is just 65 percent of the regional average and its poverty rate 34 percent higher than the regional average—nearly twice the rate of suburban areas alone (excluding Warren). Youngstown's seriously disadvantaged position has implications for the entire region. In separate studies, William Barnes and Larry Ledebur, Richard Voith and H. V. Savitch have all found evidence of the strong interconnectedness of regional economies. In a study of 78 metropolitan areas, for example, Ledebur and Barnes found that in most U.S. metropolitan areas median household incomes of central cities and suburbs moved up and down together—and the strength of this relationship appears to be increasing.<sup>17</sup> In an earlier study of 48 metropolitan areas, they also found that metropolitan areas with the smallest gap between city and suburban incomes had the greatest regional job growth.<sup>18</sup> These and other scholars argue that cities and suburbs within a metropolitan area are interdependent and that when social and economic separation is minimized, the region is stronger.

**Table 1**

**Tax Capacity and Need by Community Type**

<u>Community Type</u>	<u>Number of Municipalities</u>	<u>1998 Tax Capacity per Household*</u>	<u>1999 Percent of Students Eligible For Free Lunch*</u>	<u>1999 Share of Regional Households</u>
City of Youngstown	1	65	134	30
Low Tax Capacity Places	17	87	108	41
Moderate Tax Capacity Places	12	127	70	24
High Tax Capacity Places	4	246	22	6

\*Tax capacity per household and students eligible for free/reduced lunch are reported as percentages of the regional average.

The low capacity places show tax capacities at about 87 percent of the regional average and poverty at 108 percent of the average. While these areas may not be showing the same degree of stress as Youngstown, they must deal with relatively high (and often increasing) service needs and costs with relatively low (and often declining) resource bases. About half of these places are also fully developed and relatively densely settled, meaning they face extra costs associated with redevelopment (compared to green field development).

Finally, the 12 moderate capacity places have tax capacities 27 percent above the regional average and poverty at just 70 percent of the average. Although these places, as a group, face considerably fewer obstacles than Youngstown and the region's low capacity places, their situations are not trouble free. For instance, this group includes inner ring suburbs, such as Niles, McDonald and Hubbard, with elementary schools showing increasing poverty. In addition, many of the less densely settled, outlying places in this group must deal with the fiscal stresses associated with rapidly growing populations.

Overall, Table 1 shows a very clear pattern—the greater the needs, the lower the capacity to generate revenues to meet those needs. This is exactly the situation most likely to generate the vicious cycle of decline described at the beginning of this section.

### **III. METROPOLICY: STRATEGIES FOR REGIONAL REFORM**

The information presented in this report demonstrates the need for a regional approach to stabilize communities struggling with social and economic disinvestments, reduce fiscal disparities and dependence on the local tax base to fund basic public services, and to discourage sprawling development patterns. It is becoming increasingly clear that the problems facing the Mahoning Valley region cannot be effectively addressed without revisiting the various policies and incentives that shape public and private investment decisions.

Researchers, public policy experts, and a number of local organizations in the Mahoning Valley region are beginning to call for a strong, multifaceted, regional response to the challenges facing the region as it grows. The Mahoning Valley is not alone. Similar issues face regions across the country. Citizens, businesses, public officials, and policy leaders are working together to better address the negative impact of unplanned and inequitable growth. Many are reviewing existing public policies and reforming them as necessary to promote more equitable and sustainable growth patterns. Several regions have had policies addressing these issues in place for many years.

To combat the patterns that lead to social separation and wasteful sprawl, MARC has identified at least three broad issues where strategies and discussions are most needed: 1) greater fiscal equity among local jurisdictions to reduce wasteful competition for economic investment; 2) a comprehensive, regional approach to land use planning in the region; and 3) a stronger focus on governance from a regional perspective to shape the development of the region. In addition to addressing individual challenges, these strategies are mutually reinforcing. Successfully implementing one strategy makes implementing the others much easier, both substantively and politically.

#### **A. GREATER FISCAL EQUITY**

Disparities in the abilities of local governments to generate revenue are among the primary causes of social separation and sprawling development patterns in the Mahoning Valley region. By placing responsibility for land use planning and a wide range of important local public services in the hands of the Valley's fragmented local governments, there are overwhelming incentives for fiscal issues to dominate local land use planning. Rather than encouraging coordinated local land use planning, this system encourages cities to compete amongst each other for revenue-generating land uses. Further, the places that are most in need of additional resources and stability because of high or increasing social stresses in local schools or a rapidly growing population are those that are losing the fiscal "game" being played out throughout the region.

In order to reduce these disparities and create a more level playing field, local governments in the Mahoning Valley region will need to push for reforms that shift them away from dependence on local fiscal resources and land use decisions and toward a more equitable distribution of the costs and benefits of regional growth. This shift not only helps to create equity, reduce wasteful competition, and foster cooperation, but it also makes regional land use planning more possible and creates the potential for both improving services *and lowering taxes* for a majority of citizens in the region.

Equalization programs are already being used in nearly every state, primarily through state funding of basic educational costs. Ohio has been working to address inequities in local school funding formulas for several years, and as mandated by two court orders since 1997. Such efforts to equalize school funding in Ohio could potentially serve as a catalyst for similar reform in the funding of local services in the Mahoning Valley region.

A number of states have taken the equalization concept further by creating programs that address inequities not just in education, but also in municipal finances. These include Wisconsin, Michigan, and Massachusetts. Using various redistribution formulas, these programs have helped communities with few local resources of their own provide the basic services and infrastructure they need.

In the Twin Cities region of Minnesota, a regional tax-base sharing program helps to address the underlying conditions that create disparities in the first place. In a community that receives more tax base than it contributes, the program effectively increases the local tax base. Hence, all local governments who generate funds from that tax base benefit—including counties, school districts, cities, and special districts. Thus, the benefit of sharing regional resources can be felt more widely and equitably than other forms of redistribution. Finally, tax-base sharing also reduces the incentives fueling wasteful competition among local governments for revenue-generating development.

#### **Tax Base Sharing Simulations in the Mahoning Valley**

One of the most aggressive efforts to equalize the fiscal capacity of metropolitan communities has been through a tax base sharing program in the Twin Cities region of Minnesota. Adopted in 1971, this equity system requires each city and county in the region to contribute 40 percent of the growth of its commercial and industrial property tax base since 1971 to a regional pool. This 'regional' tax base is then distributed back to each city and county based on their net commercial tax capacity, with low tax capacity communities receiving a higher percentage of the tax base. As a result of this program, fiscal disparities in the Twin Cities have been reduced for cities with a population of over 9,000 from 15:1 to less than 5:1.<sup>19</sup>

A simulation of a similar tax base sharing program in the Mahoning Valley region shows that 68 percent of the region's population would benefit from such a program. **(Map 14: Redistribution of 40% of 1998 Commercial/Industrial Property Tax Base)** Such a program could help to reduce taxes and ensure that all cities are able to provide basic public services, as well as reducing the wasteful practice of inter-local competition for economic development and the exclusion of affordable housing near large employment centers.

## **B. REGIONAL LAND USE PLANNING**

As has been shown throughout this report, there are many costs associated with the inequitable, inefficient, sprawling growth seen in the Mahoning Valley region and so many other regions throughout the country. If the patterns that result in social separation, disinvested central cities, and growing fiscal stress in many parts of the region are allowed to continue, the economic and

social stability of the region will be at risk. The Mahoning Valley region is already struggling with a few of the negative impacts—including worsening traffic congestion, loss of valuable open space and habitat, and increasing social separation.

Many states and regions are beginning to create a cooperative framework for land use planning that encourages regions to plan together for their common future and to consider the regional consequences of local decisions. The states of Oregon and Washington have developed the most comprehensive and evolving growth management frameworks. Other states, such as Maryland, Tennessee and Florida have developed frameworks to address the common problems involved in rapid growth and the need to stabilize older communities. The energy behind these efforts, and growing support across the country for similar efforts point to the desire for a coordinated, regional approach for addressing local and regional land use issues. In Ohio, groups such as the First Suburbs Consortium have been instrumental in advocating for more cooperative policy making by bringing together cities with common interests and goals.

### **C. METROPOLITAN STRUCTURAL REFORM**

One of the primary themes of this study is that social separation and sprawling development patterns are having an impact not just in a few cities, but also throughout the region. As with most metropolitan regions, however, the fragmented nature of land use planning and local governance has meant that there are few if any coordinated strategies for dealing with these problems on a *region-wide* scale. Without a governance structure that provides the power to shape regional land use and public investment patterns, the ability to effectively address regional problems is greatly reduced.

Some analysts have asserted that effective, long-term regional cooperation is impossible. However, experience shows that multi-jurisdictional governance has been occurring in every metropolitan area of the country for more than 30 years. Every metropolitan region with a population of at least 50,000 people has in place a Metropolitan Planning Organization (MPO) that was created to allocate federal resources and plan for the construction and maintenance of the regional transportation system.

The Eastgate Development and Transportation Agency (EASTGATE), as the Mahoning Valley's MPO, is primarily responsible for long-range transportation planning and transportation improvement programs and the use of federal funds for these purposes. Despite its ability to approve billion-dollar highway and transportation plans however, EASTGATE does not have the authority to coordinate these investments with land use and economic development decisions made by the many local governments in the region. Broadening the authority of EASTGATE to address these issues comprehensively is a key way in which the Mahoning Valley region can more effectively and equitably address regional challenges. In granting more power to address regional issues however, it is important that EASTGATE be held directly accountable for its actions to ensure that all residents of the region are represented. Over time, a fairly apportioned, accountable, directly elected regional body could help to ensure that EASTGATE represents the best interests of the entire region as it coordinates strategies to address regional challenges.

Obviously, any strategies to achieve these ends should be developed by those who live and work in the Erie region to ensure that they are tailored to its unique cultural, economic and political

environment. To foster lasting regional prosperity however, these strategies must address the structural and economic realities that create social and economic disparities and contribute to wasteful competition between Erie communities. They must promote coordination and collaboration among regional communities toward addressing their common concerns.

## ENDNOTES

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- <sup>1</sup> The Mahoning Valley region is defined for the purposes of this study as the three counties designated by the Federal Office of Management and Budget as the Youngstown-Warren, OH Metropolitan Statistical Area (MSA). It includes Columbiana, Mahoning and Trumbull counties.
- <sup>2</sup> High poverty schools are defined as those with 150 percent of the student poverty rate for the entire Mahoning Valley region. Elementary schools with at least 45.3 percent of students eligible for free lunches in 1998 met this criterion.
- <sup>3</sup> Jonathan Crane, “The Effects of Neighborhoods on Dropping Out of School and Teenage Childbearing,” in *The Urban Underclass*, eds. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991), 299-320; Susan E. Mayer, “How Much Does a High School’s Racial and Socioeconomic Mix Affect Graduation and Teenage Fertility Rates?” in *The Urban Underclass*, 321-41; Massey and Denton, *American Apartheid* 169-70; Dennis P. Hogan and Evelyn Kitagawa, “The Impact of Social Status, Family Structure, and Neighborhood on the Fertility of Black Adolescents,” *American Journal of Sociology* 90, no. 4 (1985): 825-55; Frank F. Furstenburg, Jr., S. Philip Morgan, Kristen A. Moore, and James Peterson, “Race Differences in the Timing of Adolescent Intercourse,” *American Sociological Review* 52 (1987): 511-18; Elijah Anderson, “Neighborhood Effects on Teenage Pregnancy,” in *The Urban Underclass*, 375-98; Sara McLanahan and Irwin Garfinkel, “Single Mothers, the Underclass, and Social Policy,” *The Annals of the American Academy of Political and Social Science* 501 (1989): 92.
- <sup>4</sup> Crane, “The Effects of Neighborhoods,” 274-320; Mayer, “Graduation and Teenage Fertility Rates,” 321-41; Massey and Denton, *American Apartheid*, 169-70.
- <sup>5</sup> Massey and Denton, *American Apartheid*, 180-82.
- <sup>6</sup> John Baugh, *Black Street Speech: Its History, Structure and Survival* (Austin: University of Texas Press, 1983): 11-22; William Labov, *Language in the Inner City: Studies in the Black English Vernacular* (Philadelphia: University of Pennsylvania Press, 1972); Id., “The Logic of Nonstandard English” in *Black American English: Its Background and its Usage in the Schools and in Literature*, ed. Paul Stoller (New York: Dell Publishing Company, 1975); William Labov and Wendell Harris, “De Facto Segregation of Black and White Vernaculars,” in *Diversity and Diachrony*, ed. David Sankoff, Current Issues in Linguistic Theory Series, vol. 53 (Philadelphia: Benjamins, 1986), 1-24; William Labov, *Locating Language in Space and Time* (New York: Academic Press, 1980).
- <sup>7</sup> Joleen Kirschmen and Kathryn M. Neckerman, “‘We’d Love to Hire Them, But...’: The Meaning of Race for Employers” in *The Urban Underclass*, eds. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991): 203-32; Roger Shuy, “Teacher Training and Urban Language Problems,” in *Black American English: Its Background and Its Usage in the Schools and in Literature*, ed. Paul Stoller (New York: Dell Publishing Company, 1975): 168-85.
- <sup>8</sup> Myron Orfield, *American Metropolitanities*, Brookings Institution, Washington D.C., 2001, forthcoming.
- <sup>9</sup> Orfield, *American Metropolitanities*.
- <sup>10</sup> Elementary school level data on free lunch eligibility is from the National Center for Education Statistics. School district level data is from the Ohio Department of Education.
- <sup>11</sup> Elementary school and school district level data on race is from the National Center for Education Statistics.
- <sup>12</sup> School district spending data is from the Ohio Department of Education, Division of Finance.
- <sup>13</sup> Urbanized area data is from the U.S. Census Bureau. The Mahoning Valley region has two urbanized areas, as designated by the U.S. Census Bureau—the Youngstown-Warren urbanized area and a portion of the Sharon (PA-OH) urbanized area. An urbanized area is defined as “a continuously built-up area with a population of 50,000 or

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more. It comprises one or more places—*central place(s)*—and the adjacent densely settled surrounding area—*urban fringe*—consisting of other places and nonplace territory” (US Bureau of the Census (1994). *Geographic Area Reference Manual*. Washington, D.C., US Bureau of the Census: Chapter 12.) The Census Bureau defines a place as “densely settled” if it has a population density of at least 1,000 people per square mile.

<sup>14</sup> Orfield, *American Metropolitcs*.

<sup>15</sup> Property tax data is from the Ohio Municipal Advisory Council.

<sup>16</sup> Neighborhood property tax data is from the Mahoning County Office of the Auditor.

<sup>17</sup> 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).

<sup>18</sup> William R. Barnes and Larry C. Ledebur, *City Distress, Metropolitan Disparities, and Economic Growth* (Washington D. C.: National League of Cities, 1992).

<sup>19</sup> Citizens League, “26<sup>th</sup> Annual Tax Base Sharing Analysis”, *Minnesota Journal*, January 2000. Available at: [http://www.citizensleague.net/mj/2000/01/fiscal\\_disparities.htm](http://www.citizensleague.net/mj/2000/01/fiscal_disparities.htm)