

Common Ground Development Corporation

Vision Paper

The vision of Common Ground Development Corp (“CG”) is to be an active participant in revitalizing underserved communities through housing and commercial development.¹ CG operates on a needs-based model pinpointing community deficiencies then providing tangible solutions. The impact of the company’s work will result in lives being transformed and families being lifted out of poverty.

Community Revitalization – Housing Solutions

The leadership of Common Ground Development believes one viable revitalization solution to both legacy cities and the urban core is to rectify housing inequality by building holistic, walkable communities with life-enhancing amenities in strategically placed locations with easy access to employment and suitable schools. CG incorporates commercial development into the master plan only when it is appropriate for the area. This thoughtful attention to a communities needs and careful infrastructure planning ensures viable, sustainable, transformational outcomes, not merely random construction.

Such integrated communities serve to promote holistic lifestyles where people live, work, learn, and play. The desired outcome is for the quality of life in the entire region to rise together. The presence of attainable housing not only allows those who work in a community to also live in the area but also gives the homeowners access to the “American Dream.” John Ingram Gilderbloom notes, “Homeownership gives more control to owners over their physical surroundings and tenure, lowers real monthly payments over time, protects against unanticipated changes in rental costs, and helps build wealth. Homeownership also provides a ready mechanism for families to borrow money and get credit to, for instance, improve their home, make purchases, or invest in education or the financial markets.”² By making ownership of attainable housing available in the community, the city leaders are simultaneously increasing the appeal of their city, allowing the homeowners to accumulate wealth, and often lifting families and generations out of poverty. Building viable communities increases the overall financial health of the city and the quality of experience for the inhabitants.³

Building decent homes in suitable environments that allow easy access to jobs and schools has numerous positive societal effects. Those lacking adequate transportation can now work in dignified jobs paying livable wages that support their families. Children can walk to succeeding schools and obtain an education in a safe environment. Moving children into a succeeding school district would help ensure the transformation of entire family systems. A study conducted by Harvard University reinforces this point, “It is a well-documented fact that where children grow up affects their long-

¹ Common Ground Development Corp is a tradename of Catalyst Collaborative, a 501c(3) organization formed to address issues related to economic growth and development in underserved communities.

² John Ingram Gilderbloom, *Invisible City: Poverty, Housing, and New Urbanism* (Austin: University of Texas Press, 2008) 175. <https://thedtl.on.worldcat.org/oclc/234186009>

³ Richard B. Peiser, *Professional Real Estate Development: The ULI Guide to the Business* (Dearborn: Urban Land Institute, 1992). ix.

term health and wellbeing. Research has found that children in families who move from high-poverty to low-poverty neighborhoods are more likely to attend college, earn more as an adult, and ultimately live in lower-poverty neighborhoods themselves.”⁴ The long-term impact of this housing strategy not only has the capacity to transform the current generation but also pass to future generations.

Collaboration with the local community is the primary means by which attainable housing can be constructed. By utilizing private, philanthropic, and government monies, the infrastructure costs of development can be reduced, thereby allowing homes to be constructed at a reasonable price range for working families. This strategy not only provides workforce housing but also offers the gift of homeownership to many families currently living in poverty and, thus, helps to break the cycle of poverty.

The Challenge

By nature, the overarching goals of a revitalization strategy include decreasing unemployment and increasing per capita incomes. However, such plans should also address how the community will both continue to attract new employers and improve the quality of life for its citizens by increasing the attainable housing supply. Research from the Greater Ohio Policy Center (GOPC) confirms this understanding, “For the most part, higher-performing cities were strong across economic, demographic, *and housing measures*” (Emphasis mine). Attracting new employers alone will not guarantee the region moves into the new economy.⁵ A fully comprehensive and effective placemaking strategy for a community needs to provide a plan to develop a supply of mixed-use quality housing available at attainable prices for the employees of the innovative industries. Unfortunately, many cities that have been successful in attracting new industries have failed to concurrently address housing needs.

Compounding the challenge is a shortage of real estate developers. This deficiency was exacerbated by the economic recession of 2008-2009, which drove many real estate developers and builders out of business. Entry into the specialized area of housing development is not easy. The complex knowledge base required to take a project from vacant land to a holistic, integrated community is not easily acquired. This reality, coupled with the fact the process takes several years and substantial capital to navigate a multifaceted number of issues, deters new entry into the industry.

⁴ Joint Center for Housing Studies of Harvard University, “The State of the Nation’s Housing 2020,” https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf.

⁵ The “new economy” is defined as a “global, entrepreneurial, and knowledge-based economy where business success comes increasingly from the ability to incorporate knowledge, technology, creativity and innovation into products and services. More broadly, it is defined by the interaction between globalization, trade liberalization, and the communications revolution, which has made geography and time less relevant, and made innovation the new currency of the global economy.” [Borowy, 7].

Collaborative Solutions

Barriers to real estate development are expertise, capital, and time. The leadership of Common Ground Development has more than 100 years of combined expertise in real estate development. This experience and multifaceted knowledge will be utilized to help communities develop the way forward in the revitalization process.

Generally speaking, site acquisition and development costs determine the price of the homes that may be built. In other words, the sales price point is determined by the price the developer must pay to acquire, entitle, and prepare the land. With skyrocketing land and infrastructure development costs, providing attainable housing is going to require collaborative solutions from businesses, philanthropic organizations, and government entities in order to see communities revitalized. By combining forces and the resources of time, talent, and capital, strategically targeted community housing developments can be established that will positively impact the entire area.

Government leaders can facilitate the process through several means; creating zoning codes that encourage and foster viable community development and supplying water and sewer services, along with utilizing a myriad of funding tools at their disposal. Several examples of funding tools are TIFs, CRAs, JEDDs, CEDAs, EZs, and OZs defined below.

TIF – Tax Increment Financing District: a designated area where property taxes from the increased value of property as a result of development are redirected to finance public infrastructure

CRA – Community Reinvestment Area: a designated area where property taxes may be abated for capital investment through renovation or new construction of buildings.

JEDD – Joint Economic Development District: a special-purpose district created among municipalities and townships to facilitate economic development and create a cooperative relationship for development activities, provision of services, and revenue sharing, including levying municipal income tax, in a designated district.

CEDA – Cooperative Economic Development Agreement: a cooperative agreement created among municipalities and townships relative to development activities, provision of services, and revenue sharing in designated areas.

EZ – Enterprise Zone: a designated area where real and/or personal property taxes may be abated on eligible investments that result in job creation and capital investment.

OZ – Opportunity Zone: a federally-designated low-income census tract where investors can benefit from tax incentives as a result of opportunity funds in which they've invested, making qualified investments in the zone.

Business and philanthropic leaders can make donations, grants, or impact investment through strategic loans to help offset the costs of site acquisition and development. When the cost of

development is reasonable, attracting builders with the capacity to finalize the projects will be greatly enhanced.

Examples of Engagement

I. Villages and Legacy Cities

One strategic area of focus for Common Ground Development is helping to revitalize communities that are either growing localities experiencing housing shortages or legacy cities.

Legacy cities are areas that were once thriving regions that experienced a drastic decline after the loss of the major employer. In the current post-industrial era, many small to medium-size cities in the United States have suffered the devastating impact of the loss of the community's single largest employer. This dramatic shift devastated local economies, causing skyrocketing unemployment and deteriorating infrastructure due to the shrunken tax base. An unintended fallout of this predicament is more people slipping into poverty.⁶

While a number of the smaller legacy cities devastated by the loss of industry and corresponding jobs have done a remarkable task of reorganizing, revamping, and attracting new industries, they have failed to address the corresponding residential needs. The result is that many of these communities have hit a stagnation point. These innovative communities are no longer able to attract more business to the area because they lack a necessary supply of attainable housing. As research conducted by the Greater Ohio Policy Center notes, "Poor housing market conditions are a large obstacle in the true recovery" of many cities.⁷ It is crucial that housing expansion be addressed side-by-side with employment growth in the overall strategic plan of the city.

Lancaster, Pennsylvania, is a good case study that reiterates this point. In 1998, the community developed a long-term strategic plan that included not only revitalization and "placemaking"⁸ strategies but also addressed housing needs.⁹ The plan involved a well-thought-out road map for accomplishing every goal except housing. As a result, when a team reconvened in 2014 to analyze the outcomes, housing remained to be an area troubling the city.¹⁰

The leadership of Common Ground Development will come alongside these struggling communities, help articulate the existing needs along with the local leaders' vision, then masterplan developments that bring holistic, sustainable solutions.

⁶ Torey Hollingsworth and Alison Goebel, *Revitalizing America's Smaller Legacy Cities: Strategies for Postindustrial Success from Gary to Lowell* (Cambridge: Lincoln Institute of Land Policy, 2017), 13.

⁷ Hollingsworth, 32.

⁸ Placemaking is an economic development strategy in which a community builds on valuable assets and institutions to create unique areas that people desire to "to use, inhabit and/or visit, enjoy, and/or remember, because they are interesting or pleasurable." As a result, new economic activity, job creation and residential occupancy often occur because the pleasant environments attract the workforce necessary to revitalize and area. [Tyler Borowy, "Public Opinion Of The New Economy, Placemaking And Economic Development Strategies For Michigan; 2012 Survey Of Residents And Local Government Officials," (Michigan University Land Policy Institute, 2012)].

⁹ Mahan Rykiel Associated, Inc. "Building On Strength Economic Development Strategic Plan For The City Of Lancaster, PA," June 2, 2015.

¹⁰ Rykiel, xi.

II. *Cities – Urban Core*

Just as prevalent and just as important as the work of revitalizing villages and legacy cities, is the task of bringing flourishing peace to the urban core of major cities. While Common Ground will focus on serving all communities in need of attainable housing, the leaders understand unique circumstances have negatively impacted the urban core of our cities and the African American population in our nation’s history. Before we can solve this housing injustice, it is important to understand and acknowledge the history.

For over one hundred years, African American families in the Columbus metropolitan area have been harmed by housing injustice. Discriminatory practices have often deterred the Black community from the benefits of homeownership or, alternatively, forced ownership in less than desirable areas. These inequalities have led to deep societal issues, including but not limited to increased poverty. It is the goal of the leadership of the Common Ground Development Corporation to generate opportunities for families to move out of high-crime, poverty-stricken areas with substandard schools into well-designed, walkable communities of human flourishing. Building neighborhoods of attainable housing in suitable environments with easy access to jobs and schools are the foundation for this effort. Furthermore, offering the benefit of homeownership will aid in breaking the cycle of generational poverty and societal injustice.

In the late nineteenth and early twentieth century, housing in Columbus, Ohio, was integrated with the classes and races living in close proximity to one another in the area now best known at the King-Lincoln District, or the Near East Side.¹¹ Both wealthy and poor families resided in Near East Side. In fact, in the late 1800s, white and black schools were merged without resistance from the community.¹² Members of both races had an opportunity to raise families and thrive. Not only were there numerous white-owned businesses, but the “city was growing in an integrated manner with 355 black-owned businesses scattered around the community.”¹³ African American families were afforded the opportunity to hold dignified jobs paying livable wages and educate their children in the best prevailing schools.

During the period of American history known as the Great Migration, the culture shifted in an unfavorable manner. By 1909, the equitable opportunities were quickly vanishing as more African Americans moved into the area, and hostility in the political climate escalated. The tragic impact, not only for the families but also for society at large, was a rise in segregation in housing, education, and other key areas of life.¹⁴

As can be imagined, the Great Depression only exacerbated the plight of the Black community.¹⁵ As Columbus experienced declining tax revenues, city services were scaled back, and needed infrastructure repairs were set aside. The massive unemployment left many homeowners

¹¹ Ed Lentz, *African-American Settlements and Communities in Columbus, Ohio*, (Columbus: Columbus Landmarks Foundation, 2014), 16.

¹² Lentz, 21.

¹³ Lentz, 21.

¹⁴ Lentz, 23.

¹⁵ The author recognizes that the entire nation suffered during this period in American history; however, the scope of the discussion is narrowed to location and people group being discussed.

unable to repair their property, resulting in further deterioration of neighborhoods. At this same time, zoning codes were changed to create rooming houses in what were once single-family dwellings.¹⁶ The convergence of these factors led to a drastic decline in what were once the premier neighborhoods in the city.

Subsequent government policies and actions did not improve the situation. The federal government intervened by razing a historic part of Near East Side and constructing the second low-income housing project in the nation (Poindexter Village). This action caused and a number of businesses to relocate, along with the accompanying jobs.¹⁷ The result was a further deterioration of community life. Moreover, after World War II, the affluent whites began building and migrating to suburbs. By this time, discriminatory laws and housing practices were well entrenched, preventing African Americans from the luxury of making that shift.

One such discriminatory policy was the practice known as Redlining. Joel Oliphant, in his article *The Color Divide*, reports,

By 1936, the Home Owners' Loan Corporation (HOLC), a federal agency, created "Residential Security" maps of major American cities, including Columbus. The maps shaded neighborhoods in one of four colors to indicate their grade; green was "best," blue was "still desirable," yellow was "definitely declining," and red was "hazardous." Citizens living in red areas, which were almost always populated by African Americans and immigrant communities, found themselves "redlined" by banks and other lending institutions.¹⁸

The practice of redlining evaporated nearly all funding sources that were once available to the Black community for homeownership and home improvements. The disastrous consequences hindered African Americans from living the American Dream and building wealth through homeownership.¹⁹ "The acquisition of wealth," notes Jawanza Kunjufu, "is predicated on homeownership."²⁰ Through this discriminatory government policy, countless Black families were thrown into a cycle of generational poverty. The city of Columbus and *all* of its residents are still suffering from the effects.

There were other destructive consequences of the Redlining policy as city leaders designed freeway systems through the red-lined sections of Columbus.²¹ The invasion of highways shattered what were once vibrant centers of city life. With the walkability of the community destroyed, residents were cut off from access to jobs, markets, and community

¹⁶ Lentz, 36.

¹⁷ Lentz, 34.

¹⁸ Joel Oliphant, "The Color Divide," *Columbus Alive*, June 27, 2018.

<https://www.columbusalive.com/news/20180627/cover-roots-of-columbus-ongoing-color-divide>

¹⁹ According to Oliphant, a 2018 study done by National Community Reinvestment Coalition concluded that segregation and inequality still exists in the redlined areas today.

²⁰ Kunjufu, Jawanza. *An African Centered Response to Ruby Payne's Poverty Theory* (Chicago, Ill.: African American Images, 2006. <https://thetl.on.worldcat.org/oclc/457041203>.

²¹ Oliphant.

life. Ed Lentz notes the demoralizing results, ²²“People were red-lined to specific neighborhoods by race and the politics of segregation led to government-assisted programs and limited housing choices.” One should not brusquely dismiss these issues as a thing of the past, for the source of our cities current woes can be traced to the decisions and actions of prior leadership.

In spite of the fact the National Housing Act of 1949 established a goal of a decent home in a suitable living environment for all, it should not be overlooked that there remain contributing policies that serve to reinforce the segregation of our community and contribute to the blight of the inner city. Modern zoning practices and restrictive neighborhood covenants also reinforce housing inequality in Columbus. Claude Alexander explains, “The growth of restricted suburbs, especially after World War II, helped European “ethnics” blend together as whites, while minorities are “marked” by urban poverty. Discriminatory policies and practices helped create two legacies that are still with us today: segregated communities and a substantial wealth gap between whites and nonwhites.”²³ Alexander is not alone in his conclusion. A study by the Joint Center for Housing Studies of Harvard University notes,

Racial disparities in housing are both a cause and a consequence of other social inequalities. Discriminatory practices have limited the opportunities for people of color to live in neighborhoods that offer good-quality schools and public services, while also increasing their exposure to crime and other environmental hazards. The nation’s long history of housing and mortgage market discrimination has also prevented generations of Black and Hispanic households from buying homes and accruing wealth. The impact of this systemic inequality is evident in the lower incomes and wealth of today’s households of color, a legacy that perpetuates their struggle to obtain decent, affordable housing in safe neighborhoods.²⁴

The results of the tragic history in Columbus can be reversed. This generation has the opportunity to make more equitable decisions and implement real, life-changing, generation-changing solutions that will impact not only African Americans but all people experiencing economic disparity in the urban core.

Master planning local communities in or near the urban core in areas with viable jobs that pay livable wages and have succeeding school systems will not only have an immediate impact on the wellbeing of those served but also aid in breaking the cycle of generational poverty.

²² Lentz, 36.

²³ Claude Alexander, “The National Discussion on Race; A Necessary and Unavoidable Conversation, “Movement Day Global Cities at Bethel Gospel Assembly in New York City, New York, October 24, 2016.

²⁴ Joint Center for Housing Studies of Harvard University, “The State of the Nation’s Housing 2020,” https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf.