



# BRIDGING THE ECONOMIC DIVIDE:

**Cincinnati's Crisis**

**Presents New Opportunities**

In April 2001, Cincinnati was the scene of several days of violent protest following the killing of an unarmed African American teenager by a city police officer on April 7. Rioting quickly erupted in several minority neighborhoods such as Over-the-Rhine, Avondale, West End, and Walnut Hills, prompting city officials to declare a state of emergency, imposing nightly curfews and dispatching police and state troopers throughout the city.

When the violence subsided, storefronts had suffered widespread damage, and more than 800 people had been arrested for rioting, looting, and curfew violations. A second outburst followed in late September when the police officer was acquitted. The total cost to the city has been estimated at \$13.7 million, and a number of businesses were unable to reopen for weeks and months afterward.

CONTINUED ON NEXT PAGE >

AN EXCHANGE OF COMMUNITY DEVELOPMENT ISSUES AND IDEAS

8 **4th District Profile**  
Summit Targets  
Housing Strategies

10 **In My Opinion**  
Community Voices

12 **Resources**

> CONTINUED FROM PAGE 1

While these events—the most recent episode in Cincinnati’s long history of civil unrest—were sparked by a single incident, underlying social and economic disparities helped to set the stage. To many Cincinnati residents, the unrest seemed to develop overnight. In reality, years of social, political, economic, and geographic isolation are woven into the historical fabric of these neighborhoods, fostering a sense of

disenfranchisement that provided the framework for civil unrest to erupt.

### Setting the Stage: Immigration and Outmigration

**C**incinnati’s Over-the-Rhine neighborhood, where much of the rioting occurred, is a community of extremes. During the nineteenth and early twentieth centuries, working-class German immigrants heavily populated the

This issue of *CR Forum* is a special edition highlighting one Fourth District city: Cincinnati, Ohio, and the civil unrest experienced there this year. We believe it is important to understand what occurred in the Queen City last April, and why, from a community economic development perspective. Because some of the underlying causes of the Cincinnati riots are shared by other American cities, there are valuable lessons to be learned by practitioners in the many fields of community development.

The views expressed in these articles represent those of the authors and not necessarily those of the Federal Reserve Bank of Cleveland or the Board of Governors of the Federal Reserve System. Much of the information found in this issue of *CR Forum* was obtained in a series of 15 interviews conducted with individuals representing Cincinnati’s corporate, government, and nonprofit sectors.

The Federal Reserve Bank of Cleveland is uniquely positioned to play a role in helping to rebuild neighborhoods in Cincinnati and throughout the Fourth District. Some of the resources we offer include our capacity for research, convening a diversity of stakeholders, providing technical assistance, facilitating community development in collaboration with other players committed to neighborhood revitalization, and catalyzing change in a neutral manner.

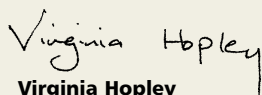
In 2002, we will provide an in-depth analysis of 2000 Census and Home Mortgage Disclosure Act (HMDA) data and investigate access to credit and capital throughout some of Cincinnati’s neighborhoods. We believe there is a promising future for the neighborhoods of Cincinnati most affected by the civil unrest: A time of crisis also represents an opportunity for change if acted upon, as the following articles suggest.

Due to the special nature of this *CR Forum*, we have suspended our regular “Of Interest” and “Compliance Corner” columns. These features will reappear in the spring 2002 issue of our newsletter.

We welcome your comments regarding this edition of *CR Forum*; please e-mail them to [virginia.l.hopley@clev.frb.org](mailto:virginia.l.hopley@clev.frb.org)



**Ruth Clevenger**  
Community Affairs Officer



**Virginia Hopley**  
Research Analyst and Managing Editor



*Findlay Market.*

area just beyond the Miami and Erie Canal. The area experienced several waves of German immigration, and by 1850, over one-third of Cincinnati’s population was German. Over-the-Rhine’s population peaked at nearly 44,500 in 1900, and many of the structures built during that period are still standing. Over-the-Rhine remains a mix of residential, commercial, religious, and civic structures from this era, exhibiting unparalleled architectural integrity and detail, largely uninterrupted by modern construction.

As prosperous residents moved out of the city, new immigrants arrived in the 1930s and 1940s, primarily rural Appalachians from eastern Kentucky. Population and standards of living began to decline rapidly in the mid-twentieth century. By 1970, Over-the-Rhine’s population had declined to approximately 15,000, although its ethnic composition remained fairly balanced between white (60 percent) and African American (40 percent). But by 1990, the neighborhood’s

annual median household income had plunged to about \$5,000, an estimated 84 percent of its residents were classified as low income, and over 95 percent of housing units were rentals. Today, Over-the-Rhine is home to just over 7,600 people, the majority of them (77 percent) African American; in contrast, African Americans make up approximately 43 percent of the city of Cincinnati’s population.

### Cultural Resources, Private Investment, and Failed Urban Policies

**S**ections of Over-the-Rhine are prime candidates for revitalization: They are adjacent to downtown Cincinnati and other improving urban neighborhoods, they have been designated historical districts, and they offer an abundance of available space. Civic and cultural landmarks, such as Music Hall (1878) and the open-air Findlay Market (1853), draw visitors from around the city. Vestiges of private investment during the 1980s and 1990s remain: Entrepreneurs

opened restaurants and arts and entertainment establishments. Over-the-Rhine's chamber of commerce has a membership of 600. And last year, 90 dot-com businesses, replete with venture capital, cropped up on Main Street in an area known as "Digital Rhine." Some urban homesteaders have renovated Italianate row houses, and Firststar opened a branch in Over-the-Rhine, the only bank in the neighborhood.

This wave of investment energy, however, has not been enough to overcome the effects of failed urban and housing policies of the 1960s and 1970s. In 1960, urban renewal resulted in the construction of Interstate 75, displacing a large number of African American residents from the West End neighborhood. With little relocation assistance, many migrated to nearby Over-the-Rhine, which offered available and inexpensive space.

*Over-the-Rhine, circa 1916.*

A combined effect of the newly constructed Interstates 71 and 75 was the concentration and geographic isolation of the city's poor, African American population.

In the 1970s, as population decline and increasing poverty became starkly evident, Over-the-Rhine was a target of federal and city programs to rehabilitate the dilapidated housing stock. By this time, the typical housing structure had become a three- to four-story multifamily building dissected into several apartments, with only a few single-family houses interspersed.

Programs designed to create affordable housing—including HUD Section 221 and 236—awarded subsidies to landlords to provide low-income rental housing, further exacerbating the dearth of home ownership and new housing construction. Federal aid shifted and was allocated directly to cities to disburse to their communities.

Although Over-the-Rhine had the third-highest number of subsidized units in Cincinnati, the city continued to award rent subsidies as the primary tool for increasing affordable housing.



1888 Centennial Convention at Music Hall.

Cincinnati Historical Society Library

Today, Section 8 housing vouchers are given directly to tenants; while this gives them more freedom to choose where to live, it has proven problematic for stabilizing neighborhoods. Following the April unrest, many residents used Section 8 vouchers for quick relocation, causing occupancy rates in Over-the-Rhine to decline

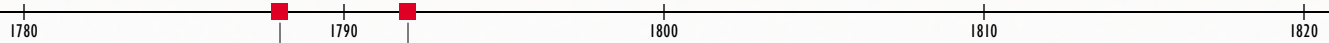
nearly 20 percent. Two nearby public housing projects have recently been razed and will be replaced by two HOPE VI mixed-income housing projects. While the original residents will be given priority to live in the

new housing, many have permanently relocated, and a number are estimated to be homeless.

Public policy has contributed to the inadvertent consequence of "tipping" Over-the-Rhine toward poverty and segregation. The area's physical and social isolation has resulted in "impaction"—an intense

# Cincinnati's History of Civil Unrest

Civil unrest has been a part of Cincinnati's history since it was founded along the Ohio River in 1788. Riots were a way of life in the 1800s, not just in Cincinnati, but in many urban centers: More than 1,200 riots occurred in the United States in the four



**1788**  
Cincinnati founded.

**1792**  
50 people riot after a soldier beats a merchant.

decades leading up to the Civil War. In the nineteenth century, some of Cincinnati's riots were racially charged, though not all. Residents erupted in the streets over bank closings, injustice, corruption, tensions with immigrants, and religious issues, as this timeline illustrates.

Timeline is excerpted from John Kieseewetter, "Civil Unrest Woven into Cincinnati's History," *The Cincinnati Enquirer*, July 15, 2001. The full text of the article is available at [www.enquirer.com/editions/2001/07/15/tem\\_civil\\_unrest\\_woven.html](http://www.enquirer.com/editions/2001/07/15/tem_civil_unrest_woven.html).

concentration of poor, elderly, and minority residents in an area that is cut off from the economic mainstream. Many of these residents do not have the means to migrate out or to improve their community from within.

at 3 percent to 4 percent, compared to a citywide rate of 39 percent. There is, however, no shortage of space for housing in Over-the-Rhine: An estimated 500 buildings are vacant, as are 2,500 residential units (278 have been condemned as uninhabitable), 250 storefronts, and numerous undeveloped parcels.

Converting these large structures back into single-family residences and transforming multifamily buildings into owner-occupied condominiums would be challenging, although not impossible. For those who want to own homes, banks are skeptical of lending in a neighborhood with declining property values and associated disinvestment. Many residents, over generations of being economically marginalized, have little or no borrowing capacity through traditional mortgage brokers or lenders. Advocates point to discriminatory lending practices in this predominantly African American neighborhood.

And developers have no incentives to invest in a neighborhood that shows little potential for a return on investment and that lacks parcels large enough to make new construction cost effective.

Cincinnati's political system may not be structured to respond well to neighborhoods in crisis. Prior to the November 6, 2001, election, the mayor was one of nine members of the city council, determined as the candidate who garnered the highest number of votes. Decisionmaking power was vested in the city manager. This arrangement will change in 2002, with a stronger mayor representing the city. City council representatives are elected at large and do not have political districts, creating a geographic disconnect between residents and representation from council.

City residents naturally look for representation in their 52 neighborhoods, many of which are segregated racially and economically, creating a fragmented political system.

And multiple, overlapping layers of governance further complicate policy and regulation implementation: The 13-county Greater Cincinnati metropolitan region is notable for its 340 municipal, county, and federal jurisdictions and districts.

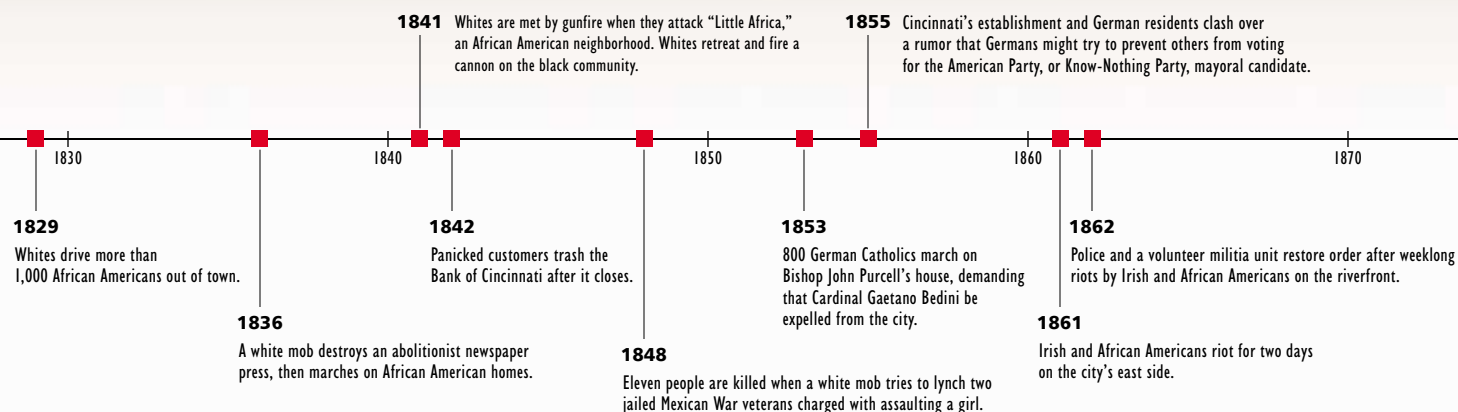
## The Queen City Economy: Prosperity and Decay

In contrast to Over-the-Rhine, Cincinnati's economy has performed very well since the 1980s. Unlike many of its peer cities in Ohio and the Midwest, it has not relied heavily on manufacturing and, for that reason, has not suffered sharp downturns in employment and plant closings. In 2001, unemployment remained low at 3.5 percent, and the city's economy is well diversified, comprising consumer products, finance, services, and a manufacturing base in transportation, food, and kindred products. Several Fortune 100 and 500 companies are headquartered in



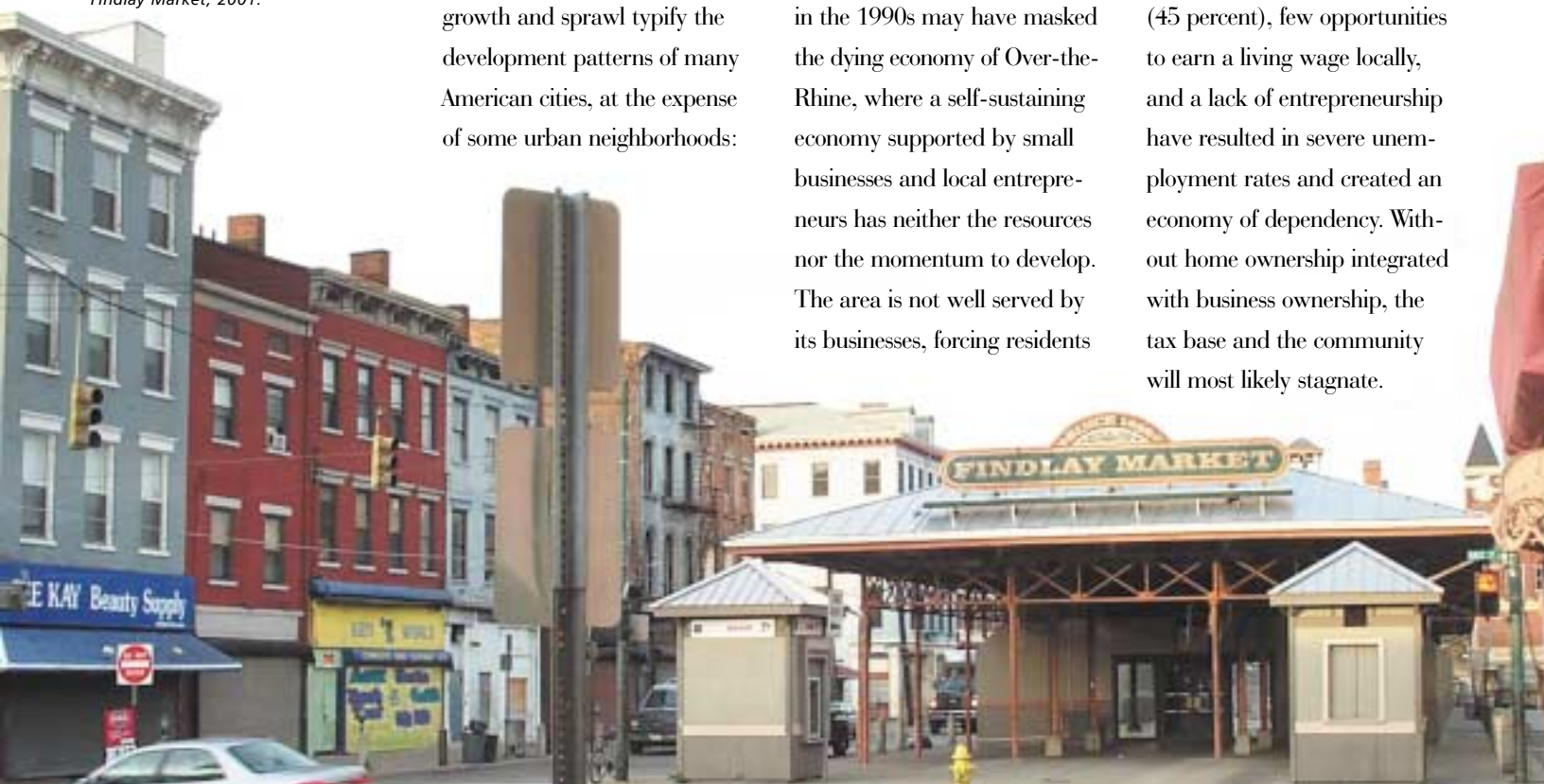
Cincinnati Historical Society Library  
Over-the-Rhine, circa 1960.

With generations of low home ownership rates, a majority of structures carved into multifamily rental units, and few mixed-income housing options, there is little sense that residents own their community. Current home ownership rates in the neighborhood are estimated



Cincinnati, including Proctor & Gamble, The Kroger Company, and Federated Department Stores. Banks have a prominent presence in the city, and an emerging biotechnology sector in the highly regarded hospitals at the University of Cincinnati and Children's Hospital Medical Center is gaining stature. An estimated \$1 billion has been invested in development along the Ohio River, including two new professional sports

Findlay Market, 2001.



stadiums and infrastructure for future mixed-use development along the riverfront. These prominent assets and investments are just blocks from Over-the-Rhine, but residents there do not directly benefit from them.

Distinct from many Ohio cities, Cincinnati contains some very wealthy neighborhoods within its municipal boundaries, yet much of the population and employment growth of the past decade has occurred north and south of the city. Suburban growth and sprawl typify the development patterns of many American cities, at the expense of some urban neighborhoods:

During the 1990s, the Greater Cincinnati metropolitan area grew almost 9 percent, while population in the city declined by the same amount. Employment, too, has followed population to the suburbs. Together, these trends paint a troubling picture: According to the latest census data, the Greater Cincinnati area is now the eighth most racially segregated metropolitan region in the nation.

Cincinnati's economic prosperity and demographic growth in the 1990s may have masked the dying economy of Over-the-Rhine, where a self-sustaining economy supported by small businesses and local entrepreneurs has neither the resources nor the momentum to develop. The area is not well served by its businesses, forcing residents

to shop outside the community, further impeding local employment opportunities. Social and economic exclusion also have permitted an underground economy to grow and other illegal activities to thrive. An exception to this trend is the recent gentrification of Main Street, where new service and retail businesses have created an arts and entertainment district boasting over a million visitors a year.

Unusually high drop-out rates in Over-the-Rhine schools (45 percent), few opportunities to earn a living wage locally, and a lack of entrepreneurship have resulted in severe unemployment rates and created an economy of dependency. Without home ownership integrated with business ownership, the tax base and the community will most likely stagnate.

1880

1890

1900

1910

1920

1884 &gt;

56 people are killed and 300 wounded, and the Hamilton County Courthouse burned, in a weekend riot involving about 10,000 people.



Cincinnati Historical Society Library

To assist the disenfranchised population, social service agencies have sprung up throughout Over-the-Rhine. But instead of advocating self-sufficiency and empowerment, an unintended consequence has resulted in dependency, further pinching residents off from the mainstream. Operating in a closed system has diminished Over-the-Rhine's capacity to thrive and has made the area a tinderbox for civil unrest.

### Opportunities for Political, Civic, and Financial Institutions

This year's events in Over-the-Rhine represent a crisis that can be a unique opportunity for Cincinnati. All entities—corporate, government, non-profit, and residential—have a vested interest in this community realizing its potential, and resources must be poised to reconnect the city and its neighborhoods. The disequilibrium that has been created by social,

economic, and political isolation necessitates this type of action to prevent other neighborhoods from reaching the tipping point of poverty.

Cincinnati's 52 neighborhoods need a sense of strong leadership that will unite them. Creating city council districts so that residents have representatives who are responsible and responsive to them is one approach. Another is to create a comprehensive plan for the city (the last was completed in 1948) that includes voices from each neighborhood; Cincinnati's Department of City Planning is now advising the city manager of such a plan. Creation of a policy agenda with funding for implementation is essential. A regional plan also would articulate the role and relationship of Cincinnati and its neighborhoods with the county, the Greater Cincinnati metropolitan area, and its multitude of other jurisdictions.

Policies also must be enacted to deal with the past effects of impactation, as well as to

discourage further intense segregation. Cincinnati's city council has passed an ordinance to prohibit Community Development Block Grant recipients from concentrating subsidized housing. But this initiative must be coupled with subsidies that encourage housing development and rehabilitation across the spectrum of incomes. A sustainable urban neighborhood is one that offers mixed-income housing (including affordable housing); employment encompassing a variety of skill and wage levels; and a mix of zoning, including retail, commercial, residential, and industrial, where appropriate. Maintaining this mix is as critical as creating it. Balancing preservation and development is just as crucial.

A coalition of community development corporations (CDCs) can more effectively accomplish large and small development projects citywide. Currently, each neighborhood has at least one community-

based organization, if not several, each competing over turf and funding. Such small operations may not be able to effectively and efficiently sustain long-term progress. CDCs also must strengthen their capacity building, as organizations in other cities have done. The result will be CDCs empowered to participate in citywide development and to leverage other resources. A much higher degree of cooperation is required among *all* players—including the public and private sectors—and the CDCs.

Financial institutions should consider creating new products and undertaking aggressive marketing strategies to promote home ownership and small business development. Education about home ownership and financial literacy are requisite for the survival of declining urban neighborhoods. Similar to the Cincinnati Development Fund, which has been offering nontraditional financing for years, the creation of a loan

1930

**1935**

A fight between a black and white student at Oyler School ends with 16 arrests.

1940

**1941**

A crowd riots outside a West End store.

1950

**1955**

About 1,000 people gather when two African American women fight on a West End street. Two days later, 500 gather when police help a disabled black woman.

1960

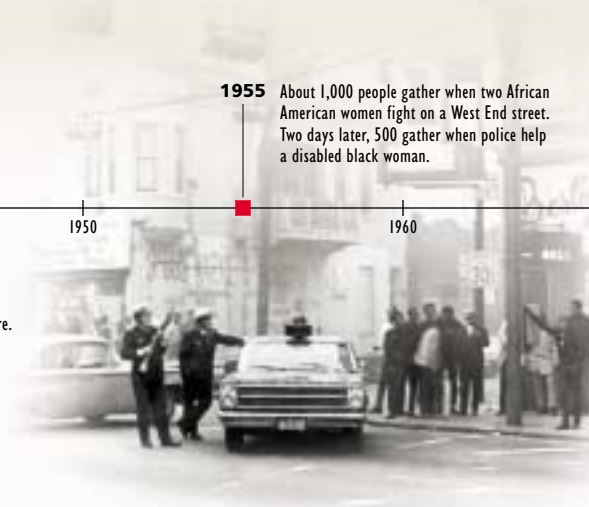
**1967**

More than 400 people are arrested in June riots in Avondale, which leave one dead and injure 63.

1970

**< 1968**

Two people die and 220 are injured in riots after the death of Rev. Martin Luther King, Jr. 260 were arrested during two nights of violence.



Cincinnati Historical Society Library

consortium for unique development projects will mitigate risk among participants while allocating funds for larger or more customized products and programs.<sup>1</sup>



Randall B. Marx

Dean Zaidan, owner of Mediterranean Imports, Findlay Market.

As for Over-the-Rhine's future, Mayor Charlie Luken has convened the Community Action Now Task Force to examine some of the issues presented here (among others) and to propose an action plan to address them.

In 2000, the city began a comprehensive master neighborhood plan for Over-the-Rhine that advocates mixed-income housing, entrepreneur-

ship, and preservation/rehabilitation of prominent civic institutions to return the area to productive use. Two thousand housing units are proposed, including a combination of rehab projects and new construction on 300 vacant lots. All stakeholders—residents, business owners, CDCs, and faith-based and social service organizations—in the neighborhood have been invited to participate in this planning process. And most recently, the Urban Living Loan Fund has been established for new housing in the West End, Over-the-Rhine, and downtown Cincinnati. Seven area banks, the city of Cincinnati, and local foundations have contributed to the fund, which will provide loans for rental projects, condominiums, and new home construction. The fund is targeted to reach \$38.4 million, and to date, 75 percent of that amount has been raised.

The underlying conditions in Over-the-Rhine that precipitated the events of last April

are not unique to Cincinnati. What transpired was partly a consequence of national trends: older cities facing persistent racial and economic segregation, declining urban populations and employment, and pockets of poverty that did not share the prosperity of the 1990s, resulting in economic polarization and political disenfranchisement. Reversing these conditions will require investment and community involvement to create economically successful neighborhoods.

The Federal Reserve Bank of Cleveland can help to address these challenges through its Community Affairs program. By probing some of the social and economic causalities that triggered the civil unrest in Cincinnati, we are all in a better position to consider *how* to improve the social and institutional infrastructure of declining neighborhoods. Long-term solutions for a well-functioning neighborhood must address a myriad of issues,

including home ownership, workforce development, entrepreneurship, building rehabilitation coupled with historical preservation efforts, public safety, and creation of a sense of community ownership. Financing tools such as loan funds, tax incentives, and tax increment financing must be in place to support such efforts. Other cities have formulated successful solutions for urban revitalization, and they should serve as examples for Cincinnati to do the same. Clearly, the momentum for action is already beginning to build in some of Cincinnati's neighborhoods.

Urban neighborhoods historically have played an important role for cities, and we believe they hold the promise to do so in the future. Together, the public and private sectors can stimulate social and economic restabilization in our urban neighborhoods, and the Federal Reserve Bank of Cleveland is committed to being an active part of this process.

**1.** The Federal Reserve Bank of Cleveland is available to assist banks with the creation of this type of consortium.

# 4th district proof

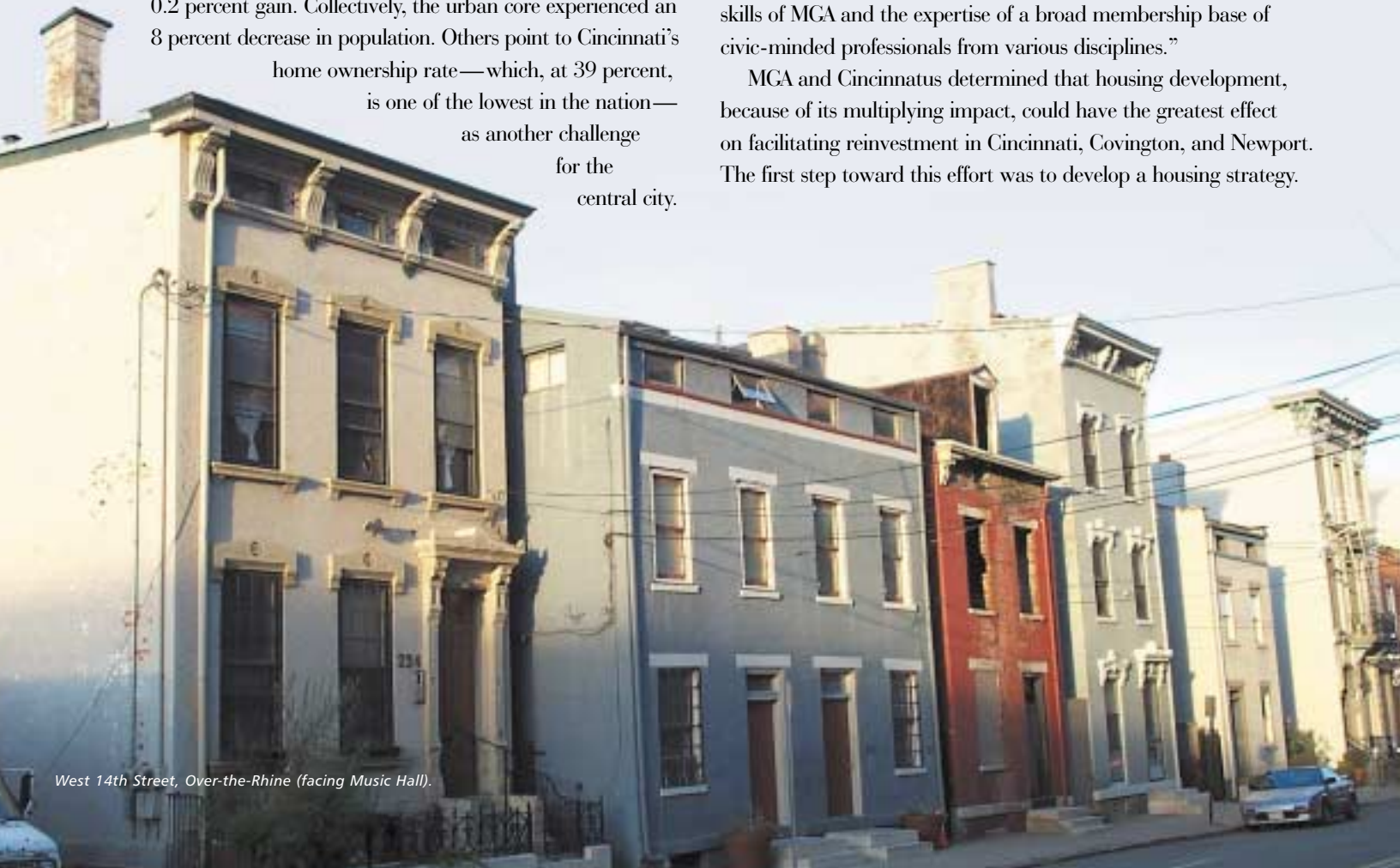
## Summit Targets Housing Strategies to Stimulate

**L**ike other urban core cities, Cincinnati and its neighbors, Newport and Covington, Kentucky—which together represent the urban core of the Greater Cincinnati/Northern Kentucky region—have experienced significant population declines and a dearth of housing investments in the past several years. Meanwhile, suburban areas continue to prosper.

Recent census data reveal that between 1990 and 2000, Greater Cincinnati's population increased 9 percent, while the population of the City of Cincinnati declined 9 percent—one of the highest rates in the country. Figures show a 10 percent decline for Newport, while Covington did not fare much better, reporting a nominal 0.2 percent gain. Collectively, the urban core experienced an 8 percent decrease in population. Others point to Cincinnati's home ownership rate—which, at 39 percent, is one of the lowest in the nation—as another challenge for the central city.

Recognizing that a region is only as healthy as its urban core, the Metropolitan Growth Alliance (MGA), an organization that serves as a catalyst for regional collaborations, and the Cincinnati Association, one of the city's oldest civic organizations, came together to take action. About the same time that MGA was adopting urban core revitalization as one of its primary vehicles for promoting regional vitality, Cincinnati was also beginning to focus more of its attention on such issues in a regional context. Rather than approaching the problem separately, they formed a partnership. According to Pat Timm, MGA's executive director, "It's an excellent partnership because it combines the leadership and collaboration skills of MGA and the expertise of a broad membership base of civic-minded professionals from various disciplines."

MGA and Cincinnati determined that housing development, because of its multiplying impact, could have the greatest effect on facilitating reinvestment in Cincinnati, Covington, and Newport. The first step toward this effort was to develop a housing strategy.





# file

## Reinvestment in Greater Cincinnati/Northern Kentucky Urban Core

In June 2001, the two organizations initiated the process by sponsoring a Housing Strategy Summit, whose goal was to develop strategies targeting system-level changes to expand housing options at all price points, with an emphasis on home ownership. Cincinnati Mayor Charlie Luken, George Schaefer, Jr., of Fifth Third Bank, and Kathy Merchant of the Greater Cincinnati Foundation—representing the partnership among the region’s public, private, and philanthropic sectors—chaired the event. Participants were selected for their ability to influence system-level changes in legislation, regulation, and public/private financing that will be necessary to facilitate development.

Although the organizations’ initiatives to expand housing options and increase home ownership within the region’s core were not direct results of this year’s civil disturbances, many feel the timing couldn’t be better. Some see the housing strategy as a way to create mixed-income neighborhoods and to address some of the underlying *housing opportunity* issues that have contributed to Cincinnati’s long history of unrest.

Before the summit, participants were asked to share their thoughts on the primary barriers to and opportunities for enhancing housing options in the region’s urban core. Participants identified a lack of developable land in the area, deteriorated housing stock, limited and inflexible gap financing, and outdated zoning codes.

They also identified a number of opportunities for stimulating reinvestment: creating new tax incentives, developing a land assembly program, creating a development authority with bonding and eminent domain powers, and providing core operational support for nonprofit development corporations. These themes established the framework for the summit.

More than 70 participants from the private, public, and nonprofit sectors came together to tackle the task at hand: creating a housing strategy for Greater Cincinnati/Northern Kentucky’s urban core. Using the key themes of financing, legislation, and regulation, which had been identified in the pre-summit survey, participants divided into work groups for further discussion.

During the breakout sessions, summit leaders urged the group to be creative and to draw on best practices. After a series of discussions, each group was instructed to prioritize their “strategies” for responding to the barriers and opportunities they had identified. The final session reconvened participants to identify the key components of what would become a regional housing strategy. Five strategies were chosen:

- ◆ Create a regional development authority
- ◆ Identify and develop new sources/methods of funding
- ◆ Advocate the passage of pending legislation and develop new legislation
- ◆ Review and modify building and zoning codes, processes, and practices
- ◆ Plan and implement a regional housing pilot project.

To harness the energy generated by the summit, organizers asked participants to volunteer to work on committees that would research resources and develop detailed work plans to address each strategy, an effort bolstered by Mayor Luken’s Community Action Now Task Force. The task force, whose mission is to identify and drive actions that will provide greater equity, opportunity, and inclusion for everyone, elected to join organizers as a cosponsor of the housing strategy initiative. Key members will be recruited and added to the current committees to ensure successful implementation of the plan.

The Federal Reserve Bank of Cleveland staff is currently involved with this housing strategy initiative and is committed to assisting with the implementation of those issues that will increase housing opportunities for all residents. It will be interesting to follow the progress of this effort over the next several months, as well as other endeavors initiated to respond to the issues facing the Greater Cincinnati/Northern Kentucky region.

# in my opi

*In preparing this issue of CR Forum, the Federal Reserve Bank of Cleveland's Community Affairs staff spoke extensively with individuals from a broad spectrum of the community about Cincinnati, including the corporate, nonprofit, academic, philanthropic, and residential sectors. Those interviewed were asked to express their views from a community economic development perspective—although many found it difficult to limit their comments to this viewpoint. All were gracious, thoughtful, and forthright in their assessment of the city's*

*problems and its potential, and we are grateful for their honesty and insight.*

*Several common themes emerged during our interviews. One of the most prominent is that Cincinnatians love their city and are saddened by the recent disturbances, but they are hopeful for the city's future. The Federal Reserve Bank shares this sentiment, and it is committed to working together toward this goal.*



**Mark E. Lenear**  
Executive Director,  
Miami Purchase Preservation Fund



**Lois Broerman**  
Executive Director,  
North Fairmount Community Center



**V. Daniel Radford**  
Executive Secretary-Treasurer,  
Cincinnati AFL-CIO, and Director,  
Federal Reserve Bank of Cleveland,  
Cincinnati Office



**Cecil L. Thomas**  
Executive Director,  
Cincinnati Human Relations  
Commission



**Jim Moll**  
Partner,  
Urban Sites Properties,  
Over-the-Rhine resident

## **What are the underlying economic conditions that precipitated the civil unrest in April?**

### **Mark E. Lenear**

Two things come to mind, education and poverty. Poor education is a direct result of poverty. Before you work on housing or anything else, we need to make sure that people are adequately educated and trained. It doesn't help that a number of technical and training centers are located in suburban areas, making it difficult for inner city residents to get needed training.

### **Lois Broerman**

It happened in an area that consists mainly of rental and public housing. People basically are being warehoused and are too close together. They feel powerless, with no real sense of community.

### **V. Daniel Radford**

Circumstances included an abnormally high rate of unemployment in Over-the-Rhine, one of the hardest hit neighborhoods. This neighborhood also suffers an extremely high poverty rate because many residents in this area hold jobs that barely pay a poverty-level wage, let alone a living wage with benefits. These factors created a situation that seems frustrating at best, and hopeless at worst.

### **Cecil L. Thomas**

Although the economic outlook for much of Cincinnati and the surrounding area is optimistic, the conditions in some of our neighborhoods, like Over-the-Rhine and the West End, do not engender the same confidence. While there has been an influx of business and housing development in some communities, including downtown, others have been neglected and are deteriorating. Just as there is a call for a vibrant and attractive downtown, there must also be strong infrastructures in low-income neighborhoods that encourage development and growth. Among young, African American men,

there is a pervasive feeling of being shut out; as a result, they have created their own "economy." Many of these issues have continued to rage just below the surface, and in April we witnessed the result of decades of frustration and hopelessness.

### **Jim Moll**

The number one, most important, top-of-the-list condition is that of warehousing the poor. Local policies to house the poor have not allowed residents to benefit from economic opportunities.

# minion



**Jeanne M Gollither**  
Executive Director,  
Community Development Fund



**Linda Brock**  
Over-the-Rhine resident



**Charles Whitehead**  
President,  
Ashland Inc. Foundation and  
Director, Federal Reserve Bank of  
Cleveland, Cincinnati Office



**Karla Irvine**  
Executive Director,  
Housing Opportunities Made Equal

## How can the situation be fixed?

### Jeanne M. Gollither

I believe that one step would be to bring residents of all income levels into the urban core to create mixed-income neighborhoods, continue to create job opportunities and improve the tax base which will lead to improving the quality of our schools. It will also improve the quality of life.

### Linda Brock

We need to admit there is a problem. Neighborhood groups need to recognize the issues affecting the neighborhood. Most residents are caught between ineffective neighborhood groups and the city. We need to strengthen community organizations so that they represent the residents and get more residents involved. We need to change the minds of residents. We need to be able to give them opportunities so that they can see that change is possible.

### Charles Whitehead

An action agenda that puts people to work must be developed. A significant number of African American males between the ages of 18 and 32 are out of work. They have had problems with the judicial system, are poorly educated, have access to fewer programs, jobs, and opportunities, and are the products of the desperate effect of the city school system. Issues like riverfront development versus continued deterioration of the residential areas of the city, coupled with the lack of trust between the African American community, the police, and the power structure only intensified the existing problematic conditions. We need activities and programs that build trust.

### Karla Irvine

We must end public policies that have the effect of concentrating low-income African American residents in a few city neighborhoods. Concentrations of poverty by race breed isolation from the mainstream, despair, and anger—the ingredients for violence.



**Debbie Mays**  
Over-the-Rhine resident  
and President, EZ Non-Profit  
Housing Corporation

### Debbie Mays

First, identify the reasons why many residents of Over-the-Rhine are not self-sufficient. Too many young, black males are not working and have lost hope. We have to determine how we can get people interested in pursuing small business opportunities. I think the Over-the-Rhine Comprehensive Plan, which preliminarily has targeted food specialty (Findlay Market) and building restoration (historic structures) as possible areas for small business development can assist with this effort.



**Darrick Dansby**  
Executive Director,  
SmartMoney Community Services

### Darrick Dansby

Many residents in Over-the-Rhine and other low-income neighborhoods in the city have good business skills but lack the capital, resources, and education to put them to good use. There should be more grants and forgivable loans available to help individuals get the chance to start a small business and get back on their feet.

CONTINUED ON PAGE 12 >

CR FORUM  
ACKNOWLEDGMENTS

Please contact the following members of the Community Affairs staff if you have questions or would like additional copies of this publication.

CLEVELAND

**Mark Sniderman**  
Senior Vice President  
and Director of Research  
216/579-2044

**Ruth Clevenger**  
Assistant Vice President  
and Community Affairs Officer  
216/579-2392

**Virginia Hopley**  
Research Analyst  
216/579-2891

**Laura Kyzour**  
Administrative Assistant  
216/579-2846

CINCINNATI

**Jeff Gatica**  
Senior Advisor  
513/455-4281

**Candis Smith**  
Community Affairs Liaison  
513/455-4350

PITTSBURGH

**Jacqueline King**  
Community Affairs Manager  
412/261-7947

**Althea Worthy**  
Community Affairs Liaison  
412/261-7943

Visit us on the World Wide Web  
[www.clev.frb.org](http://www.clev.frb.org)

We welcome your comments and suggestions.

The views stated in *Community Reinvestment Forum* are those of the individual authors and are not necessarily those of the Federal Reserve Bank of Cleveland or of the Board of Governors of the Federal Reserve System.

Materials may be reprinted provided that the source is credited. Please send copies of reprinted materials to Community Affairs, Federal Reserve Bank of Cleveland, P.O. Box 6387, Cleveland, Ohio 44101-1387.



**Phillip R. Cox**  
President and CEO,  
Cox Financial Corporation  
and Director, Federal Reserve  
Bank of Cleveland



**Dr. David Varady**  
Professor, School of Planning,  
University of Cincinnati

> CONTINUED FROM PAGE 11

**Who are the players that can make this happen?**

**Phillip R. Cox**

We must all understand that the solution to our community problems is a shared one. Joint responsibility, commitment, and accountability must be taken by all. There isn't enough money, time or volunteers to solve the problems without the engagement of a parental head of each family unit taking the lead. The parental head may be a grandparent, older sibling, aunt or uncle, or a traditional mother or father. No effort outside of that structure will work. Countless hours by volunteers and special programs cannot offset the impact of what happens in each home when the volunteers and programs go away.

**Dr. David Varady**

Events that occurred in Cincinnati could have happened in other places. Efforts need to be made to improve the trust level between the community and police. A variety of players can help this happen: politicians, policymakers, and community leaders. Unfortunately, leadership on this issue has been sorely lacking in Cincinnati.

**Jeanne M. Gollhofer**

Business leaders, city leaders, religious leaders, and social agencies must collaborate. It's happening now through the efforts of Community Action Now. Several committees have been formed to develop solutions.

**Jim Moll**

I'm concerned about the number of agencies in Over-the-Rhine that believe people can be helped by warehousing the poor. Agencies—including faith-based and government-supported—need to provide more than handouts. They should establish self-development goals for individuals.

**Cecil L. Thomas**

While I am cognizant of the need to involve government, business, civic, community, religious, and civil rights leadership, of far greater importance is the involvement and participation of the "average" citizen. There is so much at stake; the very life of our community depends on how we respond, and more importantly, how we come together to resolve these challenges.

Randall B. Marx



Elder Street, Over-the-Rhine.



**RESOURCES**

**Cincinnati Historical Society**  
1301 Western Avenue  
Cincinnati, Ohio 45203  
800/733-2077  
[www.cincymuseum.org](http://www.cincymuseum.org)

**Cincinnati Association**  
Jim Peterman,  
President  
2 P&G Plaza  
Cincinnati, Ohio 45202  
513/986-6198

**Community Action Now**  
200 West Fourth Street  
Cincinnati, Ohio 45202  
[www.cincinnati.org](http://www.cincinnati.org)

**Metropolitan Growth Alliance**  
Patricia Timm,  
Executive Director  
2000 West Fourth Street  
Cincinnati, Ohio 45202  
513/241-2880

Randall B. Marx