About COWS

COWS is a nonprofit think-and-do tank, based at the University of Wisconsin-Madison, that promotes “high road” solutions to social problems. These treat shared growth and opportunity, environmental sustainability, and resilient democratic institutions as necessary and achievable complements in human development. Through our various projects, we work with cities around the country to promote innovation and the implementation of high road policy. COWS is nonpartisan but values-based. We seek a world of equal opportunity and security for all.

About the Mayors Innovation Project

The Mayors Innovation Project, based at COWS, is a learning network among American mayors committed to “high road” policy and governance: shared prosperity, environmental sustainability, and efficient democratic government.

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INTRODUCTION

The U.S. is among the most unequal societies in the world. This is true in income and in access to quality of life opportunities (water, food, shelter, mobility, communication, education, healthcare, recreation). But it’s especially pronounced in wealth. The term “wealth gap” describes inequality in the distribution of household wealth. In the U.S., it has sharply increased over the last 30 years.

The wealth gap in the United States is a complex problem that reflects a long history of the disenfranchisement of working people, particularly people of color. Its causes are as diverse as its consequences: inequities in public education, predatory lending practices, uneven access to banking institutions, mass incarceration, and stagnating wages with dwindling job benefits are just some of the reasons for this gap. Cities have contributed to the wealth gap primarily through land use and zoning policies that have created concentrated poverty, especially in urban areas. Any solution to building community wealth should therefore start with a built-in consideration for equity that addresses these legacies.

What, if anything, can city leaders do about this?

One thing they can do is build their own community’s wealth in more intentionally equitable ways. Community wealth building is an approach to municipal economic development that balances opportunities for growth with community benefit. Too often, economic development practices in cities place an emphasis on investor profit to the exclusion of the communities directly impacted by these investments. As the wealth gap continues to grow, cities can do more to ensure that new development projects create direct economic benefits for all. Furthermore, cities can serve as powerful intermediaries between private interests and organized community voices to find solutions that are both profitable and equitable.

This brief lifts up three examples of cities who are in the early stages of projects that show promise in helping to build community wealth. These examples span geographic regions, involve a wide range of actors, and are situated in markets where real estate prices are both on the rise and where they are falling or stagnant as well. Consistent across all examples, however, is an intentional commitment by municipal leaders to invite community voices to the table and create economic opportunity for those most vulnerable and disenfranchised. Mayors and cities who want to address the wealth gap must build relationships with developers and organizers, listen to and incorporate community needs, and take risks by trying new things. This approach can appear daunting for even the most innovative city leaders. This work stands to benefit historically disenfranchised communities, the families that live in them, and the cities that they call home.

City leaders, including mayors, play a critical role in community wealth building and are this brief’s intended audience. However, as highlighted in each example, this work requires multiple actors, including community organizers and developers. This brief is useful to anyone committed to equitable economic development in their community but is intended primarily for city leaders.

Since 1989, the total net worth of U.S. households quadrupled in nominal terms, but virtually all that gain went to the top of the income distribution. The share of total wealth held by the richest 10% of households rose from 60 to 70% and within that group the share held by the top 1% of households rose from 23 to 32%. Lower down the distribution, those households in the 50-90th percentiles saw some modest absolute increases in wealth but a decline in share from 36 to 29%. And for the remaining half of all U.S household – the bottom 50% – there was virtually no absolute gain at all; their share of total wealth tumbled from just 4% to just 1%.
TRADITIONAL ECONOMIC DEVELOPMENT VS. COMMUNITY WEALTH BUILDING

The following chart illustrates key differences between a traditional economic development model and the community wealth building model. In each example, cities play an active role in making community wealth building possible.

<table>
<thead>
<tr>
<th>TRADITIONAL ECONOMIC DEVELOPMENT</th>
<th>COMMUNITY WEALTH BUILDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>The free market drives investment to areas that stand to turn the greatest profit.</td>
<td>States and cities work collaboratively to intentionally steer investments to areas in strategic and equitable ways.</td>
</tr>
<tr>
<td>City rules and financial incentives prioritize profit and growth, typically awarding development rights and incentives to influential private actors.</td>
<td>Cities adopt rules like inclusionary zoning and form based codes to change the rules of development, and prioritize contracts for local companies and local hiring to make better use of taxpayer dollars.</td>
</tr>
<tr>
<td>Constituents are informed of new developments and may play a small role in providing feedback.</td>
<td>Cities help build community’s capacity to organize and advocate for community needs; community constituents are an equal partner at the table with cities and developers.</td>
</tr>
<tr>
<td>New investments and developments occur with little regard to community identity or culture.</td>
<td>Cities use placemaking as an economic tool by capitalizing what makes the community unique and working with existing community skills and strengths.</td>
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<tr>
<td>City economic development occurs in direct partnership with private developers but without further engagement of other partners.</td>
<td>Cities cultivate private, public, community based partnerships to build an infrastructure that helps identify, develop, and build community capacity to engage in economic development projects.</td>
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Community Wealth Building in Detroit, MI

Background

Detroit once boasted a booming manufacturing industry, which famously contributed to an auto-industry upturn that peaked in the mid-20th century. International competition, deregulation, and decades of union busting, have since contributed to Detroit’s devastating decline.

Today Detroit is a sprawling metropolis: less than 15 percent of the metropolitan area population lives within city limits. Urban sprawl has increased in recent years, as wealthier and predominantly white residents have sought opportunities and brought resources to suburban areas, while the inner city has increasingly become more black and poor. This sprawl is further exacerbated by an extensive network of freeways often cutting directly through urban neighborhoods, increasing accessibility for suburbanites but decreasing for those living in the urban center.

A short drive practically anywhere just beyond the city’s downtown quickly reveals the physical devastation that this sprawl has created on communities. Boarded up small businesses sit next to vacant lots crowded with debris and overgrown foliage. Off main thoroughfares, many homes sit vacant. It is difficult to imagine that just a few decades before, these neighborhoods were bustling with activity. From historic Motown buildings to converted Ford Motor Co. factories, Detroit so spiritedly once represented American culture and economy.

In 2013, after a scandal involving city leadership and the worst of the Great Recession had passed, the city declared bankruptcy. This ushered in a new era of Detroit political leadership and a fresh vision for the future of the city.

From historic Motown buildings to converted Ford Motor Co. factories, Detroit so spiritedly once represented American culture and economy.
Vacant Land as an Asset: the Wealth-Building Model in Detroit

The most innovative aspect of Detroit's community wealth building model is that, in areas of high vacancy and low market activity, it does not prioritize large-scale development projects or even traditional notions of “development” at all. Grounded within the reality of its declining population, the city and community actors recognize that there is no way to eradicate the existence of vacant lots. Those who long for Detroit’s heydays as a densely-populated urban mecca will be left forever yearning. Instead, the focus has shifted to how vacant lots can be transformed into public or private spaces that enhance their communities rather than detracting from them. Though Detroit may be unique in the amount of vacant land that it holds, there are many lessons here for similar and smaller cities struggling with abandoned properties and vacant lots.

A number of actors are responsible for advancing Detroit’s community wealth building model. Here we examine the efforts of the city, private sector, and the Detroit Land Bank Authority.

The City’s Vision - Building Infrastructure and Setting Policy Priorities

Under Mayor Mike Duggan’s administration, the land use approach for economically distressed areas is small scale, incremental, and neighborhood-focused. The City’s decision to hire Maurice Cox, former mayor of Charlottesville, VA, as Planning Director in 2015 ushered in new life to the city’s planning processes. Cox has described the Planning Department’s strategic objective as building small commercial hubs within each neighborhood, with transportation corridors that connect them. This approach has been codified into department-wide strategic planning.

The City’s Community Benefits Ordinance, passed in 2016, changes development rules and dynamics, requiring large-scale developers to proactively engage with the community and identify potentially negative consequences of development. Century Partners Development is a black-owned business with longtime ties to Detroit that was recently approved for a large development on the city’s Northwest side after undergoing a rigorous community-centered approval process.

Detroit Land Bank Authority - Granting Access to Vacant Lots

Following city bankruptcy in 2013, the Detroit Land Bank Authority rose to prominence as the ownership body of all publicly-owned, residentially zoned property. Today, it is the largest land bank in the country. While created by the city, it operates as a separate entity and maintains a memorandum of understanding with the city to align respective priorities. The Land Bank acts in the city’s public interest; profit is not its operating objective. For this reason, it strategically chooses not to flood the market with vacant land or property, as this would negatively impact the local economy. Instead, it collaborates with the city to determine which parcels to sell or auction. It aims to bring properties and vacant lots “back to productive use,” and avoids selling land that will continue to sit in its current condition. The term “productive use” can be interpreted in a number of ways and includes community or private gardens, urban farms, and small businesses. Important to note is that the goal of the Land Bank is not necessarily to encourage traditional types of built development on the parcels of land that it sells. Productive use encompasses a wide range of land stewardship and, in fact, reimagines notions of what makes land and property valuable assets.
The Land Bank also facilitates cooperative ownership models. This allows conglomerates of people to own a piece of a parcel. This reduces the economic barriers that traditional models of land and property ownership present, and creates a sense of community accountability. For individuals pursuing the ownership of parcels, the Land Bank seeks to create minimal barriers to ownership through first time homebuyer programs, small grants, and non-predatory lending practices.

**Detroit Future City - Building Community Capacity to Steward Vacant Lots**

Detroit Future City was formed during a city-wide strategic planning process and emerged as an independent non-profit following the city’s bankruptcy. One of its main objectives is to build community capacity to be good stewards of vacant land. Its objectives are incredibly harmonious with the city and Land Bank’s objectives, in part because the three entities share an excellent rapport. They meet regularly and sit on committees together to ensure that their work is well-aligned.

One of Detroit Future City’s most successful projects is a resource called the “Field Guide to Working with Lots.” It contains templates that give the user ideas to determine which kinds of land use developments are a good fit for a given vacant lot. In addition, DFC administers a mini grant program to help community groups and individuals implement designs in the Field Guide, the most popular of which has been rain gardens or small agricultural plots. The environmentally sustainable focus of DFC has been intentionally crafted to counteract the urban heat island effect, as well as the psychosocial, health, and economic implications of community blight.

Though Detroit may be unique in the amount of vacant land that it holds, there are many lessons here for similar and smaller cities struggling with abandoned properties and vacant lots.
Detroit: Main Takeaways and Best Practices

**Codify community engagement into citywide policy**, especially for large-scale development. Ensure that the city sets aside real resources (even minimal resources, such as a budget for community meeting food, childcare, and other incentives for participation) for community engagement. In Detroit, the Community Benefits Ordinance establishes a standard for community engagement between developers and residents that creates a dialogue about what kinds of development will reap the most benefit for all.

**Establish minimal barriers to land ownership**, especially for first time homebuyers. This can include first time home buyer programs that educate homebuyers on the often daunting and complicated process of purchasing a home and creating cooperative ownership models.

**Align city, quasi-governmental agency, and NGO priorities** to ensure collaboration, co-benefits, and to build capacity from the community level up. You might consider convening monthly committee meetings with representatives from all parties.

**Build and cultivate relationships with community-responsive developers** (often local) who have a vested interest in the community in which they want to build.

**Infill development is not always the right answer for a blighted community.** Reframe the connotations of a “vacant” lot as something economically productive and even beautiful.

**Distribute resources more equitably among neighborhoods and build and support comprehensive, inclusive, and vibrant neighborhoods** that incorporate mixed use development, transit, and active transportation infrastructure. In some places, this means reversing historical isolation of poor, minority, marginalized communities. Detroit’s approach to neighborhood-centered development facilitates a sense of social cohesion, as one example.
Community Wealth Building in the Wedgewood-Houston Neighborhood in Nashville, TN

Background

Nashville is one of the fastest-growing metropolitan areas in the U.S. This has driven up area housing and real estate prices, threatening long standing residents who don’t want to leave their neighborhoods or homes. The Wedgewood-Houston neighborhood, which sits just south of the City’s downtown, is a historically working class neighborhood. In 1979, the neighborhood was slated for rezoning as an industrial neighborhood. Community organizers, who still organize today as “South Nashville Action People” protested the rezoning and were largely successful. Thus began a tradition of grassroots organizing in the neighborhood, sometimes growing to become city-wide efforts.

In 2017, the City proposed that the old State Fairgrounds and Racetrack, which sit on the southeast side of the Wedgewood-Houston neighborhood, be the site of the new Major League Soccer stadium. The Fairgrounds, as well as a 10-acre development site that sits adjacent, are publicly owned by the city. Elected officials, community organizers, and developers alike saw an opportunity to pursue land use projects on the 10-acre development site with various (and arguably competing) priorities. For community organizers, the site presented an opportunity to leverage the capital of any new developers to build community wealth; though there were early concerns that a new development might exacerbate the already rising property values in the neighborhood and lead to further displacement of low-to-moderate income residents. For the city, the land presented an opportunity to attract more capital to the area. And for prospective developers, the land seemed versatile and strategically positioned within the city for a wide range of profitable projects.

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What has since unfolded in the old Fairgrounds lot is a confluence of the community’s, city’s, and developer’s vision. But instead of placing all three parties’ priorities at odds with one another, the development project in Wedgewood-Houston is both profitable and a unique mechanism for equitably building community wealth that has met all three parties’ needs.

**Infill Development with Community Benefits: The Wealth-Building Model in Nashville**

Council approved that Nashville Soccer Holdings, the MLS team ownership group redevelop the 10-acre development site on the Fairgrounds through a long-term ground lease in late 2017. Due to an intersection of community organizing, city prioritization of equity, and developer cooperation, what started as a simple real estate transaction unfolded as anything but. The wealth-building model in Nashville is about responsible infill development that encourages shared economic growth while imparting institutionally embedded wealth building opportunities for the community. At the heart of this model is a community benefits agreement (CBA) with three main priorities: local hiring with fair wages, affordable housing for families, and cultural preservation.

The goal of the community benefits agreement is to create concentrated economic opportunity for working class people in one of Nashville’s most quickly gentrifying areas.

**Spotlight: Council Member Colby Sledge**

A Wedgewood-Houston Neighborhood resident for the last 10 years, Council Member Colby Sledge was elected to the Metro Nashville Council in 2015 to serve District 17. District 17 covers the entirety of the Wedgewood-Houston neighborhood. He was reelected unopposed in August 2019. Sledge has a strong background in community organizing, which is part of why he was elected to the council. “I want to bring capital to my community, but I want it to benefit my community as well,” Sledge said. “We needed to do things in a way we hadn’t done before.”

Sledge’s background in organizing combined with his past work in policy and planning helped him to recognize, understand, and navigate the many different interests at stake in the project. “Just because there is conflict doesn’t mean that anybody is wrong. There are times where we can be combative, and good things can happen.”

*Image Source: https://www.nashville.gov/Metro-Council/Metro-Council-Members/District-17-Council-Member.aspx*
The City’s Vision: Equitable Economic Development in a Preempted Policy Landscape

Nashville is a progressive city in a conservative state, which often means that city policy finds itself facing state opposition. According to Metro Nashville Councilman Colby Sledge, who represents and resides in the neighborhood where the development occurred, the city faces great limitations in terms of its ability to pass progressive legislation due to preemption. Though there was enough political support for creating the agreement, the city had to think creatively about other levers of change for ensuring community benefits that didn’t risk state preemption. A letter signed by two-thirds of the council encouraged the developer and the community to create an agreement for development. In this way, the council weighed in but the actual agreement was developed between private parties. In this way, they supported community benefits in a way that the state could not preempt.

Community Organizing and Activism: Building Community Capacity for Change

The CBA was the culmination of many long-fought battles over equitable development in the growing metro area and across the state. Community groups had made prior efforts at improving the lives of workers, such as lobbying for a local hiring ordinance and a living wage. Both were ultimately preempted by the state and thus never adopted by the city. Nevertheless, these campaigns built the capacity of local groups to organize and began to build community consensus on policy priorities. This laid the groundwork for the MLS CBA. During the development of the CBA, Stand Up Nashville, a coalition of local organizing community groups, surveyed community members within the affected neighborhood to identify community priorities. This is how the three main priorities within the CBA were selected.

Developers: Local Ties Lead to Greater Accountability

Nashville Soccer Holdings, the main owner behind the MLS development, is primarily led by Nashville-based Jon Ingram. The Ingrams are a prominent Nashville family with historic ties to the city. Nashville Soccer Holdings did not initiate talks with the community, nor did the company have any prior experience with CBAs. Today, community organizers and elected officials alike attribute success in large part to Nashville Soccer Holdings’ cooperation with the CBA process, their commitment to the city, and their understanding of city needs. Though Nashville Soccer Holdings declined to officially comment for this piece, they voiced that they are pleased with the outcome of the CBA and state that the company’s record “speaks for itself” when it comes to its sensitivity to community benefits with each of its developments. John Ingram has released a statement regarding the agreement, calling it “a terrific step forward for our city and its Major League Soccer team.”
Nashville: Main Takeaways and Best Practices

Establish requirements for public land sales or leases to developers.

- Include community benefit agreements. Where possible, cities should require and enforce these; in states where these are likely to be preempted, find ways to encourage private actors to negotiate over and agree upon community benefits.

- Work to build political will among elected officials. In the case of Nashville, city council members stated that they would not vote to pass the rezoning legislation needed for construction on the stadium site to start unless the CBA passed.

Establish good working relationships with community organizers and understand that although you may not see eye-to-eye on every issue, they can often execute aspects of your vision in ways that you cannot.

Aim to attract, support, and build the capacity of local investors for development projects. Local investors tend to have a deeper understanding of community needs, stronger ties to community groups, and a greater responsibility to benefit the area in which they are working.

Consider putting together an Investment Prospectus to market targeted sites for redevelopment that represents the city’s vision for the land, whenever possible based on input from robust community engagement. Cities that have a strong sense of place and vision are more successful at attracting the types of development that they wish to see.
Community Wealth Building in the Four Corners Neighborhood in Lafayette, LA

Background

Lafayette is the fourth-largest city in the state of Louisiana. A part of the “Cajun Heartland,” it boasts the largest Cajun community concentration in the state. Settlement in Lafayette spans several centuries. Originally an agrarian region, it was home to several plantations (primarily for cane sugar and tobacco). Like much of the post-Civil War South, it had a sizeable freedman population. Oil discovered in the 1940s led to an oil boom. The city of Lafayette found a stronghold in the oil economy as a home to many oil processing sites. But, like many oil-dominated economies in the south, an oil bust followed in the late 1970s. Though the city has since reinvented itself as a regional tech and telecom hub, the economy has not bounced back to pre-bust glory. City planning efforts have therefore contended with the aftermath of population decline, sprawl, and blight familiar to many post-industrial cities.

The Four Corners Neighborhood sits just northeast of the city’s central business district. It is 90 percent African-American, has a 48 percent poverty rate, and a median income half of the citywide average. In short, Four Corners shows all of the hallmark signs of chronic economic distress. But the neighborhood wasn’t always like this. During the oil boom, several African-American-owned businesses bloomed in the area including textile stores, car mechanics, movie theaters, and dance halls. The neighborhood was historically acclaimed for its arts scene and community of jazz musicians. The oil bust has led to extreme neighborhood blight, economic decline, and pervasive brownfields. Many areas, especially old oil processing sites, are all but uninhabitable. Nearly all historical businesses in the neighborhood have since closed, but the old buildings remain. A walk through the residential area tells this story: though now boarded up and covered in overgrown weeds, the density of the neighborhood and old charm hints at better times.

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Using Community History to inform Future Development: The Community Wealth-Building Model in Lafayette

In Lafayette, the community wealth building model is informed by the lived experiences of an intergenerational sample of residents, and strengthened by a democratic placemaking process. The Acadiana Planning Commission, a regional entity that encompasses Lafayette and the surrounding parishes, partnered with a land use policy nonprofit called Groundworks USA to harness the history of the Four Corners neighborhood in its planning processes. Through a technique called PhotoVoice, Groundworks USA gathered stories from elder residents about what the neighborhood was like during its heyday. Paired with interviews with younger residents, they used this data to create a plan for future redevelopment. By harnessing both community memory and a vision for the future, Lafayette has simultaneously created a space for closure around the wounds of decades of economic decline while crafting a path forward to heal.

The Planning Commission’s Role: Radical Allyship to the Community it Serves

Lafayette’s next steps involve leveraging funding to improve infrastructure in the neighborhood and making the case for capital investment in local businesses and developments. The oral histories and community-based proposals for investment will mold the city’s pitch to investors. The viability of the proposals that surfaced from the oral history and future visualization projects are supported by data: The city launched a market study that confirmed that these projects would perform well in the area, with no need for a larger population or stronger economy. As of the end of 2019, a developer had closed on a property in the neighborhood to build 40 affordable artist housing units, as well as gallery spaces and shared studio space. The development will meet an explicitly stated need for artist spaces elicited through the PhotoVoice exercise and other community engagement efforts.

Democratizing Placemaking

City leaders often think of placemaking as an approach to city planning that capitalizes on local community assets, including assets in the natural and built environment, culture, and identity. The development process in Lafayette democratizes placemaking by making community identity part of a diverse, people of color-centered, conversation. Community members themselves, especially those most marginalized, define the community’s identity. If you are a city leader who is interested in using placemaking in your planning process, consider whether your placemaking is truly democratic and centers a wide range of experiences to determine what makes your city unique.
Lafayette: Main Takeaways and Best Practices

Use democratic placemaking as an economic development tool. There is value in distilling what makes a community unique, and trusting the community to define what makes the community unique. When given the right opportunities, communities can determine what will help them thrive.

Seek to identify rich cultural heritage rooted in marginalized communities, and build an economic development strategy that will tap into that. In Lafayette, investment in the arts stood to disproportionately benefit the black community due to a long legacy of jazz and art rooted in the black community.

Invest in building long term community engagement capacity. Building trust and rapport needed to elicit strong community feedback requires time.
Conclusion

Cities play a critical role in creating opportunities to build community wealth. They also are uniquely positioned to undo legacies of racism and displacement that have contributed to the modern-day wealth gap. The three early stage examples explored here offer cities many guiding principles in wealth building practices through land use, including:

1. Move beyond community engagement to recognize, support and work with strong, independent, and organized community and neighborhood groups. Equitable wealth building projects through land use require an earnest investment in community engagement processes. Such processes should center communities of color and other communities traditionally excluded from decision-making. But cities must also be willing to work with and support independent and organized community capacity. Even when this means that a city must compromise on their own priorities, development projects and their outcomes are strengthened through this process.

2. Use democratic placemaking as an economic development tool. When residents participate in defining what makes their community unique and telling their community’s story, they can better meet community needs while pursuing development opportunities that build community wealth and power.

3. Work collaboratively with partners. It is imperative that cities recognize their role as the intermediary between private interests and organized community voices. Building positive relationships with all stakeholders ensures that, to the greatest possible extent, there is alignment between all parties’ priorities.

Endnotes


2. City of Detroit, Strategic Plan for Transportation (Detroit, MI: The City of Detroit, 2018), https://detroitmi.gov/Portals/0/docs/deptoftransportation/DetroitStrategicPlanForTransportation.pdf


