Putting Redlines in the Green: Economic Revitalization Through Innovative Neighborhood Markets

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Summary

The systemic effects of past redlining in more than 200 U.S. cities continue to persist. Redlining was a 20th-century policy that explicitly denied Black Americans the opportunity to secure federal mortgage loans — and future wealth. Adverse impacts of redlining not only reduce quality of life for communities of color and low-income communities, but also have spillover effects that cost taxpayers upwards of $308 million per year.

The Biden-Harris Administration can combat the impacts of redlining through a new place-based program called “Putting Redlines in the Green”. Through this program, the federal government would repurpose a fraction of its thousands of excess and underutilized properties as rent-free or rent-subsidized sites for Innovative Neighborhood Markets (INMs): multipurpose, community-operated spaces that serve as grocery-delivery hubs, house culturally significant businesses, and support local entrepreneurs in historically redlined areas. While recent federal initiatives (such as the Opportunity Zone and Promise Zone programs) have sought to stimulate development in economically distressed communities through top-down grants and tax incentives, “Putting Redlines in the Green” will give historically redlined communities access to a key asset — real estate — needed to spur revitalization from the bottom up.

Challenge and Opportunity

The term “redlining” derives from racially discriminatory practices carried out by government homeownership programs in the 1930s. The pernicious systemic effects of historical redlining continue to be felt today. Historically redlined areas, for instance, possess less urban-forest cover (and thus suffer from higher summer temperatures and greater pollution), experience poorer health outcomes and decreased earning potential, and are exploited by predatory lending practices that make it nearly impossible to rebuild wealth. Historic redlining can also be linked directly to the prevalence and distribution of “food deserts” and “food apartheid” in U.S. cities.

In 2021, the Department of Justice (DOJ) — in collaboration with the Consumer Financial Protection Bureau (CFPB) and the Office of the Comptroller of the Currency (OCC) — launched the Combating Redlining Initiative to ensure equal credit opportunity for communities of color. While laudable, this effort seeks to forestall future instances of redlining rather than to combat inequities associated with redlining in the past. Recent federal initiatives — such as the Trump-era Opportunity Zone program, the Obama-era Promise Zone program,¹ the Bush II-era Renewal Community program, and the Clinton-era Empowerment Zone program — have aimed to spur revitalization in economically distressed communities, including

¹ Promise Zones were part of a complementary suite of programs offered by the Obama administration, including Choice Neighborhoods, Promise Neighborhoods, Sustainability Partnerships; and Strong Cities, Strong Communities (SC2).
historically redlined communities, through grants and/or tax incentives. The success of this approach has proven mixed at best. Opportunity Zones, for instance, have been criticized for subsidizing gentrification and funneling benefits to wealthy private investors. Community leaders in designated Promise Zones have struggled to productively integrate federal grants into comprehensive, synergistic initiatives. Finally, the pattern of different administrations layering similar programs on top of each other has created confusion and lack of sustained buy-in among stakeholders. It is time for a new approach. The Plan of Action below describes a new vision for federal investment in historically redlined areas: one that relies on repurposing federal assets to empower community-driven enterprises.

**Plan of Action**

The Biden-Harris Administration should jointly launch “Putting Redlines in the Green”, a new, interagency, and place-based program to combat inequities of historical redlining. Historically redlined communities suffer from lack of investment and inequity in financial acquisition. Through “Putting Redlines in the Green”, excess and underutilized (E&U) federal properties in historically redlined communities would be repurposed as rent-free or rent-subsidized sites for Innovative Neighborhood Markets (INMs). INMs are envisioned as multipurpose, community-operated spaces designed to spur revitalization from the bottom up by combining elements of farmers’ markets, community banks, and business improvement districts (BIDs). For instance, INMs could provide hubs for farm-to-market grocery-delivery services (see Activity 5, below), house culturally significant businesses threatened by the impacts of gentrification and the COVID-19 pandemic, and give local entrepreneurs the retail and co-working space needed to launch and grow new ventures.

A stepwise plan of action for the program is outlined below.

**Activity 1. Assemble an interagency task force to define program targets and criteria.**

The Department of Housing and Urban Development (HUD)’s Office of Community Planning and Development is well-placed to identify redlined communities where INMs could deliver especially large impacts. The Environmental Protection Agency (EPA)’s Office of Community Revitalization (OCR) is already experienced in supporting locally led, community-driven efforts to protect the environment, expand economic opportunity, and revitalize neighborhoods. These two offices should jointly assemble and chair a task force comprising representatives from relevant federal agencies (e.g., the Departments of Agriculture, Commerce, and Justice (USDA, DOC, and DOJ); the General Services Administration (GSA)) and external stakeholder groups (e.g., civic groups, environmental-justice organizations, fair-housing experts). The task force would lay the foundation for “Putting Redlines in the Green” by:
• **Identifying and mapping priority areas.** The task force should begin by overlaying maps of historically redlined communities with maps of federally recognized food deserts. Areas lying at the intersection of these two datasets could be further prioritized for investment using tools such as EJSCREEN and CEJST, which provide governmental agencies and the public with a nationally consistent approach to the screening and mapping of disadvantaged populations and distressed communities.

• **Defining criteria for potential INM sites.** A variety of factors could promote or stymie the success and long-term sustainability of INMs. These factors run the gamut from physical characteristics (e.g., structural integrity of the building(s) intended for repurposing as an INM site) to locational characteristics (e.g., proximity to parking and public transportation) to resource availability (e.g., access to high-speed Internet) to zoning designation. The task force should identify the factors most likely to affect INM viability, and use its findings to develop a set of criteria for potential INM sites. As part of this effort, the task force should consult development finance, law, public policy, planning, and business to identify which types of INM-based enterprises would best foster revitalization and combat inequities imposed by redlining in different communities—and what resources INMs will need to be equipped with to support these enterprises.

• **Establishing relationships with funders and community groups.** Partnerships with external entities will be essential to the success of “Putting Redlines in the Green”. The task force should begin building relationships with funders willing to cover a share of the costs of converting former government buildings into INM sites, as well as with community groups that will be able to (i) confirm that the community can make use of an INM, (ii) ensure that individual INMs are tailored to the needs of residents, and (iii) raise awareness about forthcoming INMs among potential business participants and customers.

• **Defining other key programmatic elements.** The task force should explore programmatic elements that (i) entrench community governance into “Putting Redlines in the Green”, and (ii) help set INMs up to ultimately become self-sustaining entities. For instance:

  - INMs could utilize a local taxation and community profit-sharing plan. Under such a plan, all INM-associated transactions would be subject to a small community tax. Tax revenues would be earmarked to support community workforce training, greening and beautification projects, infrastructure repairs, and similar. Additionally, a barter system or non-
cash component could be used to catalyze community involvement and stimulate community enterprise.

- EPA could explore opportunities for leveraging Smart Growth Programs (i.e., Local Foods, Local Places) so as to produce customized INMs that reflect the “brand” of their home communities.

- HUD and EPA could work with the Small Business Administration (SBA), the Department of Education (Ed), DOC’s Economic Development Administration (EDA), and external partners such as Community Economics, Inc. (CEI) on technical-assistance programs that help interested local entrepreneurs develop and implement plans for INM-based businesses. The plans could include strategies for ultimately transitioning to permanent, non-INM-based locations within the community. This would (i) free up space for other local entrepreneurs, (ii) allow for expansion of community enterprise, and (iii) transform historically redlined areas into concentrated economic centers. Federally sponsored technical assistance could also be made available to INM participants on an ongoing, as-needed basis leading up to and following business launch. EPA already runs a collection of Smart Growth Technical Assistance Programs to support sustainable development in communities nationwide. The agency can build on this experience and infrastructure for “Putting Redlines in the Green”. HUD could consider creating a specialized Community Development Block Grant (CDBG) for INM-based businesses that need financial support as well as technical assistance to launch.

- INMs could include a community-based governance structure whereby local residents and representatives of regional partner organizations would collaboratively review business proposals from potential INM participants and democratically select businesses to be granted INM space. The governance body would also help manage the INM, perform oversight, and evaluate outcomes and impacts.

Activity 2. Conduct a review to identify E&U federal properties that could be repurposed as INM sites.

The portfolio of federally owned real property in the United States includes thousands of E&U properties. While the number of E&U properties catalogued in the Federal Real

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2 In the early 1990s, the historically redlined Dudley Street Neighborhood of Boston, MA successfully implemented an anti-illegal transfer zones initiative that demonstrated that effective community revitalization requires collaborative and intimate community involvement. Today, the Dudley Street Neighborhood Initiative (DSNI) has evolved into an organization that continues to utilize a community governing structure “to organize, plan for, create and control a vibrant, diverse and high-quality neighborhood in collaboration with community partners.”
Property Profile (FRPP) fluctuates from year to year (due to changes in government operations, acquisition and disposal of various properties, and inconsistencies in data reporting, among other factors), the pandemic induced a notable spike: from approximately 15,000 in FY 2020 (Figure 1). With virtual and hybrid work now firmly embedded across the federal government even as the acute phase of the pandemic has ended, it is likely that a significant fraction of these properties will not return to full utilization. With maintenance of E&U federal properties costing taxpayers tens of millions of dollars annually, there is hence a timely opportunity to augment ongoing processes for federal property reallocation.

Figure 1. Changes in federal property utilization from 2019 (top) to 2020 (bottom). Source:
The task force should work with the GSA to review the federal government's inventory of excess and underutilized properties to identify sites that could be repurposed as INMs. The goal of this review would be to generate a list of 10–15 sites for near-term repurposing and investment to pilot the INM concept, as well as a longer list of additional candidate sites that could be considered for INMs in the future. A first step for the review would be to crosswalk the E&U properties logged in the FRPP database with the map of priority areas developed in Activity 1. E&U properties located in priority areas should be downselected by building type. For instance, E&U hospital and lab buildings, as likely poor candidate INM sites, could be excluded while E&U housing, office, and warehouse space could be retained. Next, the remaining candidate sites should be screened against the criteria developed in Activity 1. This process stage would also be an appropriate time to identify and eliminate highly problematic candidate sites: for instance, sites that are in a badly deteriorated condition or that have already proven uniquely difficult to repurpose. Finally, the task force should prioritize the final list of candidate sites for investment. Prioritization should consider factors such as geographic location (striving to achieve an equitable distribution of INMs nationwide) and buy-in from funders and community groups engaged as part of Activity 1.

Activity 3. Pilot the INM model in an initial 10–15 sites.

HUD and EPA should lead on repurposing the 10–15 sites identified in Activity 2 into a network of INMs distributed across historically redlined communities nationwide. This process will involve (i) acquiring ownership of the sites; (ii) acquiring necessary permits; (iii) performing requisite site inspections and remediation; (iv) performing requisite construction and demolition needed to transform the sites into usable INM spaces; (v) establishing site-specific governance structures; and (vi) soliciting, selecting, and following through on locally led business proposals for the INMs. HUD and EPA should strive to have the initial suite of INMs operational within three years of program launch, and the federal government should allocate $1 million per site to achieve this goal. Funding could come from the bipartisan Infrastructure Investment and Jobs Act (specifically, through the Act’s $1.5 billion RAISE grant program), the Justice40 initiative, and/or from already-existing allocations at HUD, EPA, and partner federal agencies for activities related to economic development, community revitalization, and business/entrepreneurship. Funding could be leveraged with matching funds and/or in-kind support from philanthropies, nonprofits, local governments, and community organizations.

Activity 4. Ensure that E&U federal properties that become available in the future are systematically evaluated for suitability as INM sites.

Federal law governs the disposal process for properties no longer needed by federal agencies to carry out their program responsibilities. The first step in this process is for GSA to offer “excess property to other federal agencies that may have a program need for it.” A task force should work with GSA to ensure that the “Putting Redlines in the Green” program is incorporated into the federal agency stage of the process. The task force should also develop internal processes for efficiently evaluating E&U properties that become available as candidate sites for INMs. Steps of these internal processes
would likely be broadly similar to the steps of the larger review conducted in Activity 2.

**Activity 5. Launch an INM-centered “farm to neighborhood” model of grocery delivery.**

To combat the specific issue of “food apartheid” in historically redlined communities, USDA’s Office of the Assistant Secretary for Civil Rights (OASCR) should spearhead creation of an INM-centered “farm to neighborhood” model (F2NM) of grocery delivery. In the F2NM, federal agencies would partner with local government and non-governmental organizations to support community gardens and nearby (within a defined radius) farms. Support, which could come in the form of subsidized crop insurance or equipment grants, would be provided to community gardeners and farmers in exchange for pledges to sell produced crops and other foods (e.g., eggs and meat) at INMs. USDA and EPA could also consider subsidizing distributors to sell key foodstuffs that cannot be produced locally (e.g., due to agricultural or logistical limitations) at affordable prices at INMs. Finally, USDA and EPA could consider working with local partners (e.g., the Detroit Black Community Food Security Network; the Center for Environmental Farming Systems [CEF]’s Curriculum on Racial Equity [CORE]) to launch meal-kit services that provide community subscribers with INM-sourced ingredients and accompanying recipes. Such services will expand access to locally produced food while promoting healthier lifestyles.

**Conclusion**

The 11 million+ Americans that currently live in historically redlined areas deserve attention from policymakers. Historic redlining galvanizes the prevalence of food deserts, lead exposure, discriminatory practices, and other adversities, and encourages predatory markets.

Implementation of “Putting Redlines in the Green” will empower historically redlined areas through profit-driven, self-sustaining community enterprises (INMs). “Putting Redlines in the Green” would also reinforce the Combating Redlining Initiative in ensuring that historically redlined neighborhoods receive “fair and equal access” to the lending opportunities that are—and always have been—available to non-redlined, and majority-White, neighborhoods. Ultimately, transforming excess and underutilized federal properties into INMs will strengthen urban sustainability, reduce taxpayer burdens, and promote restorative, economic, and environmental justice. “Putting Redlines in the Green” will therefore not only provide restitution for historically redlined communities, but will enfranchise the people and revitalize the place.
Frequently Asked Questions

1. What does the federal government do with its excess and underutilized (E&U) properties now?

The figure below, created by the GSA, diagrams the disposal process. Generally speaking, E&U federal properties are first assessed for possible public purposes, then made available to private individuals and companies by competitive bid. Note that not every E&U federal property goes through every step of the process illustrated below.

2. Has anything like “Putting Redlines in the Green” been tried before?

Community organizations such as the Oakland Community Land Trust (CLT) in California and the Dudley Street Neighborhood Initiative (DSNI) in Boston, MA have revitalized their once economically distressed communities from the bottom up. Even initiatives such as the Wynwood Business Improvement District (BID) in Miami, which became susceptible to extreme gentrification following the recent removal of its Arts
& Entertainment district status, succeeded in economically revitalizing an area that was once herald as the “Crime Center of Miami.” However there has never been an urban policy that has attempted to recreate the success of these localized initiatives within distressed areas across the United States. Additionally, no governmental effort has attempted to achieve urban revitalization of distressed areas through the framework of financial empowerment, community autonomy, and community-owned enterprise. “Putting Redlines in the Green” is the first to amalgamate the best elements of community-driven initiatives like those cited above and convert them into implementable urban policy.

3. Could “Putting Redlines in the Green” spur gentrification? How would it ensure that the INMs it creates remain community-based and -oriented?

Gentrification occurs when new development in an area displaces current residents and business within that area through economic pressures (such as rising rents, mortgages, and property taxes). Gentrification requires urban revitalization, but urban revitalization does not inevitably lead to gentrification. “Putting Redlines in the Green” would promote “development without displacement.” To ensure that Innovative Neighborhood Markets (INMs) remain community-based and -oriented leading up to and after their launch, “Putting Redlines in the Green” would empower residents through a community-governance structure that controls development, creates economic opportunity, and vastly mitigates the likelihood of gentrification. The Dudley Street Neighborhood Initiative (DSNI) is one example of such a governance structure that has succeeded.

4. How will “Putting Redlines in the Green” establish relationships with and attract buy-in from funders?

History suggests that the creation of community enterprise within areas susceptible to “gentrification” (i.e., historically redlined neighborhoods) will systematically attract buy-in. As some economists, scholars, and historians have postulated since the 1900’s, gentrification is a consumer cycle that is heavily driven by the movement of money (usually in the form of affluent individuals looking for the newest housing stock) into areas that are nearing the end of their economic life. Thus, the new development associated with INMs will likely attract funders and buy-in from external parties.

5. Is there competition within the disposal process that could make procuring sites for INMs difficult?

According to the U.S. General Services Administration (GSA)’s Office of Real Property Utilization and Disposal (ORPUD), most excess property does not get transferred between the 34 federal agencies due to “specificity” of the buildings. Thus, there is limited interagency competition for disposed government property. In fact, most E&U federal properties move onto the surplus-property stage, where they may be acquired by state and local governments (i.e., “public benefit conveyance”). At the public benefit conveyance stage, there are currently 12 legislative actions that grant special consideration for transfer or conveyance of surplus real and related personal property to state government, local government, and certain nonprofits at
up to 100% discount for public benefit use. It is therefore preferable that E&U sites for INMs be acquired during the federal stage of the disposal process.

6. What are some examples of regional partners that would support “Putting Redlines in the Green”? What roles would regional partners play within INMs?

Regional partners could include nonprofits (e.g., Center for Environmental Farming Systems [CEF’s Curriculum on Racial Equity [CORE]]) could advise on best practices for expanding access to locally produced food while promoting healthier lifestyles) or private-sector entities (e.g., Community Development Financial Institutions [CDFIs]) could advise on how to help local entrepreneurs achieve their financial goals and how INMs can support business development by leveraging legislation like the Community Reinvestment Act of 1977). Regardless of size or sector, the role of regional partners, would be to empower the communities participating in “Putting Redlines in the Green” as they help shape, launch, and maintain INMs.

7. How does “Putting Redlines in the Green” differ from existing economic-development programs, such as EPA’s Smart Growth Program? What about economic-revitalization efforts launched under previous administrations, such as Opportunity Zones or Promise Zones?

“Putting Redlines in the Green” could be accurately described as a specialized smart-growth technical-assistance program that specifically addresses sustainable development in redlined communities. “Putting Redlines in the Green” could also be accurately described as an economic-revitalization effort. But while other federally sponsored economic-development and -revitalization programs have relied heavily on top-down grants and tax incentives, “Putting Redlines in the Green” will take a bottom-up approach based on community-led transformation of excess and underutilized federal properties into vibrant, locally grounded business enterprises.
About the Authors

Christopher Jorelle Gillespie was born in Champaign-Urbana and grew up in Douglas Park, an area historically stagnated by racial segregation and economic curtailment. Raised by a single mother, Chris was introduced to the sciences by his grandmother, a former educator and University of Illinois affiliate. Chris received a bachelor’s degree in Crop and Soil Science from Michigan State University, an M.S. in Plant and Soil Science from Oklahoma State University, and is a 3rd-year Ph.D. candidate studying soil biogeochemistry at North Carolina State University (NCSU). His research strives to promote climate mediation in the agricultural sector through the amalgamation of sustainable management practices and science-based policy. Chris is a Center for Environmental Foods Systems Fellow, as well as an AgBioFEWS Fellow with the National Science Foundation. You can connect with Chris on Twitter (@SpoilTheSoil) or through his website at https://www.gillespieconsulting.org/.

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