

## **North Omaha Development Project**

*(This is the next in a series of weekly articles focused on individual visions for the economic future of North Omaha. This week we feature the comments of committee member Michael Maroney).*

### **Motivation:**

“Perhaps this is the first time in 35 years of my working in this community that I’ve seen a major effort with this many people willing to get involved.” Omaha executive, Michael Maroney realizes that this kind of concerted effort, when done with real meaning and passion, is what it’s going to take to move the North Omaha community forward.

### **Career:**

He took his first real job in the same community back in the late 60s, working for the United Methodist Community Center, now known as the Wesley House. Maroney assumed a number of different positions there during a 14-year period.

In 1992, he co-founded an organization called the New Community Development Corporation, creating affordable housing in community developments – primarily in North Omaha.

Several years ago Maroney took advantage of an opportunity to work for the Omaha Economic Development Corporation, the oldest community development corporation in the city – one that has funded \$30 million in inner city real estate development since 1977. Serving as president of that company for the past two years he is well acquainted with the dynamics of economic change.

### **Success Steps:**

An important step for success in implementing the North Omaha Development Project is the creation of a broad base of support, he said. “What I mean by that is that there is a steering committee, of around 45 individuals, made up of all types of people from inside and outside of our community. They come from all walks of life: from ministers to

human service agencies, nonprofits to for-profits, African-American and non-African-American, businesses and banks. And the project is being initiated by the Greater Omaha Chamber of Commerce,” he added. “There is even political involvement. So, there's a very broad base of support both in and outside of the community.”

Another vital component is represented by the fact that serious financial commitments were made from the onset – funding for the initial research and beyond. “Believe me, that was a concern for a lot of people who looked at it as just another study,” Maroney said. “But I think it's more than just another study. Dollars were actually raised to hire individuals to work full time implementing the results of that study over the next several years.” According to Maroney, the NODP has real teeth, something that was lacking in the past.

### **Why Now?**

“I guess I could be cynical and say now is the right time because maybe the city, for the most part, is running out of space to do development and the last bastion or enclave that has not been developed is North Omaha,” he offered.

“And I think the city leaders, both corporate and political, are now understanding that if they're really going to make Omaha the first-class city that they've been striving towards for the last 20 years, it has to include paying attention to North Omaha. The old saying is that a chain is only as strong as its weakest link. And if you want to make Omaha a strong city, you've got to make all parts of Omaha strong. So perhaps maybe one could say now it's our turn.”

### **Why So Long?**

“The first part of my answer would be racism. But the second part is, I don't think that we as a people have done all that we should be doing to further our own cause.” Conversely, Maroney sees definite progress in that area and with similar projects. The Omaha Empowerment Network is really black people, for black people and about black people. Which is as it should be, he said.

"So, as the Chamber-led movement occurs, it gives me renewed hope that maybe for the first time in my lifetime there exists real serious commitment to change North Omaha and the black community for the better."

### **Before The Decline:**

Maroney described North Omaha in earlier days as a very vibrant community. "You could walk from 24<sup>th</sup> and Cuming streets, down past 24<sup>th</sup> and Lake streets, and on both sides of the street you wouldn't see a single vacant lot," he said. "You saw all kinds of businesses. We had cab companies, grocery stores, movie theaters and professional offices. Anything a community wants and needs in order to survive, North Omaha had it."

That begs the question; why such a dramatic change in conditions? "Well, back then there was something called gerrymandering [a term describing the deliberate rearranging of the boundaries for congressional districts to influence the outcome of elections]," Maroney said. "Black people could only live within a certain boundary, at least when I was coming along in the 50s and early 60s, and basically 36<sup>th</sup> Street was as far west as black folks could live." Apparently African-Americans could not move outside of that area because realtors and bankers would not show or sell them property.

"But also in the 70s, something called open occupancy made it illegal to deny people of color the right to live where they want to live," he said. "Now that was something we asked for, but it also contributed to the downfall of black communities, because many people who had decent incomes were seeking a better life and better homes and had to go outside of this community to get that." That exodus, according to Maroney, facilitated the eventual decline of the North Omaha community.

Another significant factor was the riots of the late 60s and early 70s. "Some people refer to them as riots. I don't, because riots are associated with negative behavior. On the contrary," Maroney added, "I look at them as rebellion, as people, out of a certain sense

of frustration, reached a boiling point. And it got to the place where they couldn't take it anymore, and they lashed out. Unfortunately, they lashed out at their own community. Those actions destroyed businesses in our own community and those businesses never rebuilt or came back. That was the real decline of the economic base.”

So, rebellion and unrest coupled with new open occupancy resulted in professional people and others with a decent income moving further and further out. As that happened there was a culmination of negative behavior, boarded up buildings and vacant lots, Maroney concluded.

**Justification:**

“Having been a native and a product of North Omaha, I know a lot of people. And I knew there were black people who had the wherewithal to buy better homes and who chose to move out. I knew some who had it, but stayed in North Omaha and chose to live well below their ability to live.” Why? Because they wanted to be in North Omaha – that is where their home was.

“And that's why we created a development called Miami Heights, which really attempts to address those affluent African-Americans who were in North Omaha or wanted to come back, but they didn't have the opportunity because the housing wasn't there.” It's very difficult to build a \$300,000 home in an area where other properties are only valued at \$30,000, he said.

In creating an environment that would support significantly higher property values, Maroney saw that a subdivision like Miami Heights would potentially make that kind of thing happen.

“Although [Miami Heights] is a project still in progress, I think it has demonstrated that there are people with income who will invest in North Omaha. And the challenge that we had in terms of value, is that we could build a \$300,000 house, and it would never have an appraised value of its cost to build,” he said.

According to Maroney, when appraisers look at real estate they consider comparable properties in the surrounding area. Before Miami Heights, there were no \$300,000 homes in North Omaha. By the time an appraiser finds a comparable unit the final estimate of value has been discounted based on distance and geography. “That \$300,000 house may now have an appraised value of only \$180,000,” he said. “But no bank is going to loan a person \$250,000 on a house appraised at \$180,000, even though it cost \$300,000 to build.”

Fortunately, Maroney was able to find a bank and a chief executive who saw and believed in the fact that this kind of housing was needed in North Omaha. The lender elected to waive the appraisal as a condition for making the loan. This way, each buyer qualifying under normal underwriting criteria has the ability to build a \$300,000 home.

“The first two or three pioneers of the Miami Heights [subdivision] understood exactly what they were doing,” he said. “They weren't interested in looking at selling in five years. That's where they wanted to make their home. And I'm pretty sure that by the time they do decide to leave, their property will have appreciated.”

**Displacement:**

Maroney focuses on one clear benefit of the NODP: an opportunity to understand the impact that changes – even incremental changes – might have on north-side residents.

The key would be to minimize any negative repercussions that might come, he said.

“Now we have to be real about this, there is no gain without some pain. But I think there needs to be a real strong effort made to ensure that any negatives will, wherever possible and as much as possible, be eliminated.”

It is reasonable to assume that some will feel that they didn't get what they should have.

“I often say that if we want progress, if we want to grow and develop, we've got to look at it comprehensively,” Maroney added. “We have to look at it in terms of what's good for the whole, but make sure we take care of, as best we can, all the individual parts.”

The issue of displacement has to be addressed. “I don’t believe you can just wholesale displace people. That's not fair. I think you can find ways to mitigate the displacement.” It may be necessary to relocate individuals for a period of time in order to accomplish a greater objective, and then bring them back.

“Those are the kinds of comprehensive approaches that we've got to be looking at as we move forward. We have to be sensitive to people's needs. But we also have to understand and recognize that progress is going to cause some disruption,” Maroney said. “We’re not going to get around that, so we don't need to sugarcoat it. But we do need be sensitive to people as they move forward.”

**New Look:**

“The biggest changes have got to be inclusive of the people who are already here. They have got to be full participants in this development project. When we think we have achieved, whether it's 10 years from now or 30 years from now, we've got to be able to look back and say that the people who lived here – those who labored for those 10 to 30 years were not cut out of the process.”

The life-long residents of North Omaha must be a part of the process of growth. “We must be owners and we must be participants,” Maroney warned, “and not just consumers. It must happen because if it doesn't, this project will be a failure. I'm looking forward to the challenge,” he said, “and I'm ready to get on with it.”

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