



Neighborhood Reinvestment Corporation

America's Working Communities and the Impact of Multifamily Housing

*Alexander von Hoffman, Eric Belsky,
James DeNormandie and Rachel Bratt*



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Joint Center for Housing Studies of Harvard University



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**Joint Center for Housing Studies of Harvard University and the
Neighborhood Reinvestment Corporation**

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TABLE OF CONTENTS

I.	Executive Summary	1
II.	Introduction: The Importance of Working Communities	7
III.	Working Communities And Multifamily Housing In Profile: 2000.....	9
IV.	Change And Stability In Working Communities During the 1990s.....	22
V.	Mixed-Stock Working Communities In The 1990s: Six Case Studies	34
VI.	Conclusion	57
VII.	Sources	59
VIII.	Appendix A: Tables	60
IX.	Appendix B: Note on Change in Average Incomes in Affluent Tracts between 1990 and 2000	67
X.	Appendix C: Community Portraits.....	69

I. EXECUTIVE SUMMARY

This paper was prepared to provide background information for a conference sponsored by the Neighborhood Reinvestment Corporation entitled *The Vitality of America's Working Neighborhoods: Meeting the Local Challenges to Multifamily Housing* held in April 2003. The motivation for the paper was the lack of descriptive information on working communities.

Although previous studies have focused on areas of concentrated poverty, no studies have focused before on the areas where moderate-income working households predominate. The first step in studying working communities is to define them. Working communities are defined as census tracts in which median household incomes fall between 60 and 100 percent of the area median income of those tracts' metropolitan areas.

The Neighborhood Reinvestment Corporation was especially interested in distinguishing among working communities with high shares of multifamily housing, high shares of single-family housing, and more mixed housing stocks. *Mixed-housing-stock working communities* are those in which multifamily structures (defined as having five or more dwelling units) accounted for between 10 and 30 percent of the census tract's dwelling units. In *high multifamily working communities*, multifamily complexes contain more than 30 percent of all dwellings. *Single-family working communities*, in contrast, are places in which multifamily structures accounted for less than 10 percent of all housing units.

This study examines working communities defined as of 2000 and also how working communities defined as of 1990 changed over the 1990s. It relies on information from the Census of Population and Households and on case studies conducted in six metropolitan areas. The limited aims of the project did not allow for probing analysis of the reasons for observed differences among different types of communities, for differences within each type of community, or ways in which these communities changed during the 1990s. However, this report does provide a great deal of descriptive detail on working communities and raises many questions about difference among them and how they change over time.

The chief findings of the study follow.

Working Communities And Multifamily Housing In Profile: 2000

- Working communities contain a majority of the American people. Working communities in 2000 contained 157 million people or 56 percent of the population of the United States.
- More working communities are located in suburbs than in central cities. Half of all working communities' residents are suburbanites, and only a quarter live in central cities.
 - Working communities with multifamily dwellings, however, are concentrated in central cities, while single-family working communities are predominantly suburban, exurban and rural.
- Builders have constructed significant numbers of new homes in working communities. In 2000, 32 percent of all dwellings in working communities were twenty years old or less, nearly the same percentage as for the nation.
- The average income in working communities with multifamily structures tends to be higher than in single-family working communities. In 2000, average family income for the nation's high multifamily working communities was about \$66,000 and for mixed-housing-stock working communities about \$60,000, both higher than the \$53,000 average income for single-family working communities. In large measure, these income differences reflect the greater concentration of high multifamily working communities in urban areas.
- Working communities with multifamily dwellings have *higher* house values on average than other types of working communities. In 2000 the average house value in high multifamily working communities was about \$182,000 and in mixed-stock working communities was \$139,000, both higher than the \$112,500 in single-family areas.
- Although a portion of their residents earn below the poverty line, working communities are not places of high poverty nor are they becoming impoverished. In 2000 the proportion of poor people in the population of working communities was 11.5 percent. This was just barely below the figure for the United States and the same share these census tracts had had ten years earlier. Furthermore, mixed housing stock and high multifamily working communities had poverty rates that were not materially different from poverty rates in single-family working communities.
- Working communities had slightly greater proportion of whites and slightly smaller proportion of African-Americans and Hispanics as the nation as a whole. In 2000 the

working communities' population was 74 percent white, 10 percent black, and 11 percent Hispanic. In comparison, the population of the United States was 70 percent white, 13 percent black and 12.5 percent Hispanic. The slightly lower shares of minorities in working communities reflect the fact that minorities have lower average incomes.

Change And Stability In Working Communities During the 1990s

- To understand how working communities fared during the 1990s we identified different types of communities in the 1990 census, traced them in the 2000 census, and analyzed the changes in their overall characteristics.
 - Changes that occur in different types of communities may be better understood relative to those in their region or the nation. For example, median (or average) income in a tract or group of tracts can rise yet still fall in relation to the metropolitan area, if that income rose more slowly than the income of the metropolitan area.
- Working communities attracted new residents and builders of new homes during the 1990s. Their population increased by 12 percent, and their rate of homebuilding was brisk—16 percent of homes were built between 1990 and 2000. Both these figures were only slightly less than the national figure.
- The great majority of dwellings built between 1980 and 2000 in working communities were single-family houses, but more than a quarter of new residences were multifamily homes.
- Average incomes in working communities rose by 5 percent in real terms over the 1990s, only one percentage point less than the national average rate of change in income.
 - Average income in the single-family working communities rose by 8.5 percent, more than in mixed-stock working communities—where it rose by only 3 percent—and more than in high multifamily working communities, where it fell slightly—by about 1 percent.
- Between 1990 and 2000, 80 percent of working communities kept their median family incomes within the range of 60 to 100 percent of their metropolitan area's median income.

- The remaining areas closely divided between areas that exited the group of working communities as a result of rising and falling median income: slightly more exited as a result of falling incomes than rising incomes.
- The average value of owner-occupied houses in working communities rose during the 1990s by a healthy 7 percent in real terms. This may pose a problem of housing affordability for those whose incomes lagged.
- Working communities as a whole did not undergo drastic racial or ethnic transitions. During the 1990s, the proportion of African Americans and Hispanics in the working communities' population rose just slightly more than it did for the United States population.
- Among the different types of working communities, single-family areas fared the best during the 1990s:
 - Slightly smaller shares of single-family working communities exited the category as a result of income changes, but those that did exit were more likely to do so as a result of incomes gains than losses: 82 percent of the 1990 areas remained in 2000 in the same income category and 12 percent moved to higher income categories.
 - Single-family areas added more residents and homes than did high multifamily and mixed-stock working communities.
 - Home values increased in single-family working communities by 14 percent in real terms, perhaps in part due to higher rates of new home construction in these areas, as opposed to a small 2 percent rise in mixed-stock and a 3 percent decline in high multifamily working communities. Of course, these are averages, and many working communities in each category deviated from these trends.

Mixed-Stock Working Communities In The 1990s: Focus on Six Metropolitan Areas

- Case study cities represent different sizes, and economic and demographic types of urban regions: Atlanta, Austin-San Marcos, Boston-Worcester-Lawrence, Chicago-Gary-Kenosha, Cleveland-Akron, and Sacramento-Yolo.
 - For example, the Chicago-Gary-Kenosha region has a population of 8.9 million, the third most populous metropolitan area among the nation's largest metropolitan

areas, while the Austin-San Marcos region contains just 1.2 million residents, ranking thirty-eighth in population.

- Yet Austin-San Marcos was one of the fastest-growing metropolitan areas in the country in the 1990s, while the Cleveland-Akron area barely grew.
- The mixed-stock working communities were identified from the 1990 census and traced to the 2000 census to determine how their overall characteristics changed.
- In five of the six metropolitan areas the mixed-stock working communities predominantly remained mixed-stock working communities between 1990 and 2000.
- In Cleveland-Akron, a region with little population growth or homebuilding, mixed-stock working communities changed very little during the 1990s but 30 percent exited this category either as a result of income changes or changes in the mix of housing units.
- In the booming Austin-San Marcos metropolitan area, prosperity in the form of rising incomes and new housing development actually reduced the number of mixed-stock working communities.
- In high-growth regions such as Austin-San Marcos, Atlanta, and Sacramento-Yolo, development of single-family houses was a major reason that mixed-stock working communities in 1990 exited the category: they became predominantly single-family areas in 2000.
- In the large but economically vital urban regions of Boston and Chicago, diverse trends were at work. In some tracts, incomes rose quickly; in others, incomes lagged; in some, single-family homes came to predominate, but in others, multifamily construction was the order of the day.
- In Atlanta, Boston, Chicago, Cleveland, and Sacramento median incomes in mixed-stock working communities grew so slowly—relative to their regions—that 30 percent or more of the 1990 mixed-stock working communities dropped out of the category by 2000.

Community Portraits

To understand the reality beyond the statistics, Community Portraits—summarized in Sidebars and in complete form in Appendix C—describe areas with mixed-stock working communities in the six focus regions listed above. These profiles illuminate the ways that multifamily dwellings contribute to neighborhood life. Although some homeowners

continue to feel apprehensive about new multifamily projects, the Community Portraits suggest, such housing often provides refuges of affordability, opportunities for upwardly mobile families, entryways to homeownership, and facilitates economic and racial diversity. Furthermore, the existence of multifamily housing encourages the population density needed for retail outlets and other forms of economic development.

II. INTRODUCTION: THE IMPORTANCE OF WORKING COMMUNITIES

Low and moderate waged workers are crucial to the success of the economy of the United States. Their jobs run the gamut from heavy labor such as moving cargo or cleaning floors to skilled jobs such as operating machinery in factories or filing data in offices. Although wages are often low, this work is important to the operation of vital sectors of the economy.

Just as working people are crucial to the economy, so are the areas in which they live. Neighborhood environments are important to well being and success in life. Economically stable neighborhoods can provide a place where ownership of a home will be a sound investment. The communities where they live provide these working people and their families shelter, access to indispensable services such as schools and stores, and the opportunities to form bonds with friends and neighbors. Some such communities have mixed populations and offer the opportunity of exposure to people from different walks of life. We call these places working communities. *Working communities*, then, are the neighborhoods where America's low and moderate income working households predominate.

The question remains, however, whether working communities are secure or unstable places. In metropolitan areas in which housing costs are high, for example, such communities may become too expensive for the members of the work force to live in without stretching their incomes and sacrificing worthy alternative investments or expenditures.

This following study is an exploratory attempt to understand the conditions in working communities and how well these places have fared in the recent past. To identify the kinds of neighborhoods that are home to families with low and moderate incomes, we defined working communities as census tracts in which median incomes fall between 60 and 100 percent of the area median income (AMI) of those tracts' metropolitan area. Although not everyone who lives in such an area earns between 60 and 100 percent of the area median income—some may have less or more—a large proportion of the residents' annual earnings are in that range.

Working communities contain different kinds of dwelling places and different mixes of those dwelling types. In some working communities, there are mainly single-family houses, others have large numbers of apartments; and still other working communities have a mix of multifamily structures and single-family houses. We were particularly interested in discovering

how the presence of multifamily units might relate to the characteristics of working communities.

To compare these different kinds of places, we categorized them as *mixed-stock*, *high multifamily*, and *single-family* working communities. *Mixed-housing-stock working communities* are those in which multifamily structures (defined as having five or more dwelling units) contained between 10 and 30 percent of the census tract's dwelling units. In *high multifamily working communities*, multifamily complexes contain more than 30 percent of all dwellings. *Single-family working communities*, in contrast, are places in which multifamily structures accounted for less than 10 percent of all housing units. In this study we were interested in the stability and health of working communities with multifamily homes, particularly mixed-stock working communities.

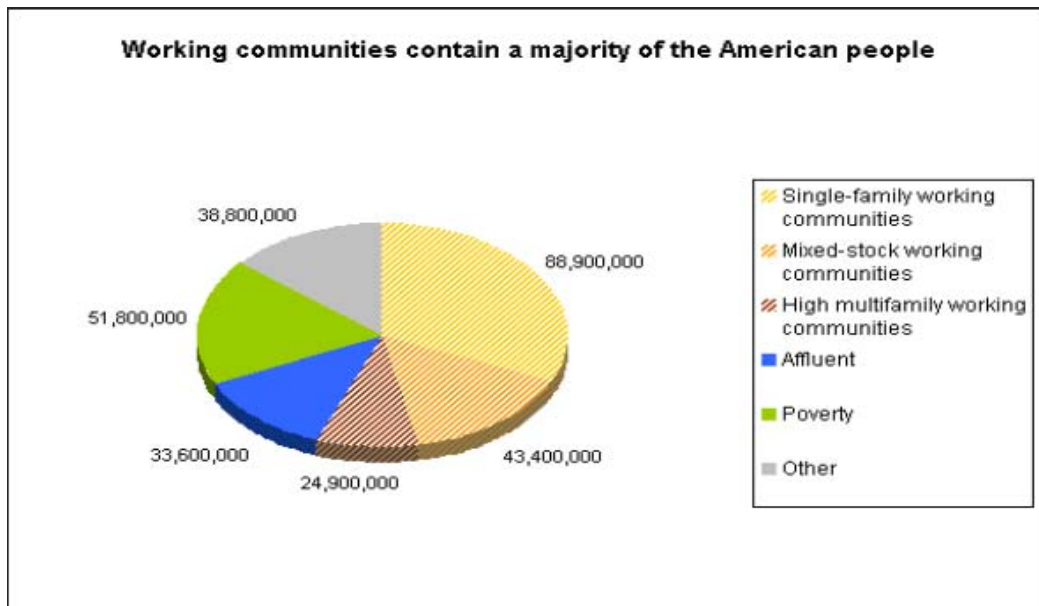
The report is divided into three main sections. The first is a profile of a set of working communities culled from the 2000 United States census. The second analyzes a set of working communities drawn from the 1990 census and how they fared in 2000 according to that year's census. The third section is a series of six case studies of the metropolitan areas of Atlanta, Austin-San Marcos, Boston-Worcester-Lawrence, Chicago-Kenosha, Cleveland-Akron, and Sacramento-Yolo. The investigation focused on what changes occurred in mixed-stock working communities from 1990 to 2000, especially those changes that pushed the areas out of the working communities category.

III. WORKING COMMUNITIES AND MULTIFAMILY HOUSING IN PROFILE: 2000

The Population of Working Communities in 2000

Working communities are vital to American society not only because they contain neighborhoods of low- and moderate-income workers and their families, but also because they are home to a majority of the American people. According to the 2000 census, working communities in 2000 contained 157 million people or 56 percent of the population of the United States in 2000.¹ Working communities held a much greater share of the nation's population than either affluent census tracts (those in which the median income equaled or exceeded 120 percent of the AMI), which contained 12 percent, or poverty tracts (in which 20 or more percent of inhabitants earned less than the federal poverty measure), which held 18 percent. These areas are compared and contrasted with working communities. (Census tracts in which the median income falls between 100 and 120 percent of AMI are not discussed in this report, but of course make up a component of all census tracts in the United States.) Their great population makes working communities among the most important of the nation's residential areas. (See Figure 1.)

Figure 1



Communities identified as of 2000

Source: U.S. Census, 2000

¹ Working communities contained the majority of Americans in 1990 as well: working communities identified in the 1990 census contained 55 percent of the national population in both 1990 and 2000.

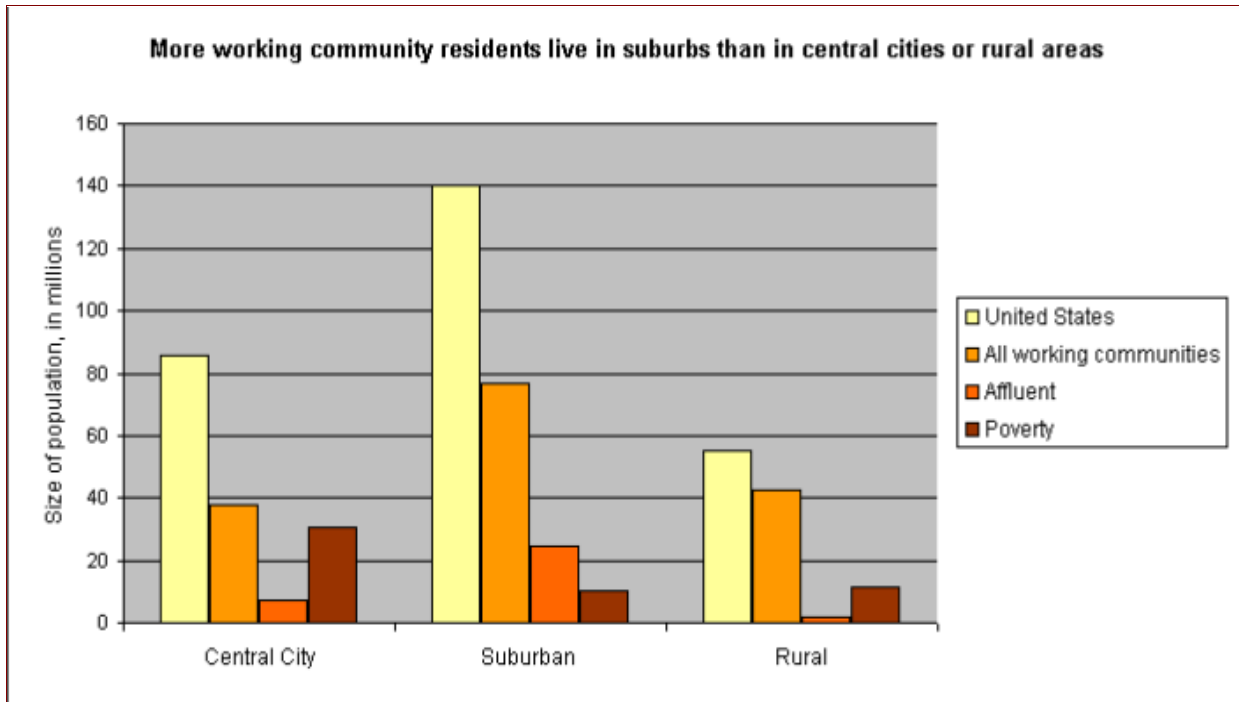
Of the three types of working communities, those with large amounts of multifamily housing held a significant portion of the population of the United States, but predominantly single-family areas were by far the most populous. In 2000, single-family working communities contained approximately 89 million residents. This equaled 32 percent of the nation's total, while 15 percent of the national population lived in mixed-stock working communities and 9 percent in high multifamily working communities. Nonetheless, mixed-housing-stock and high multifamily working communities together were home to more than 68 million people, which meant that nearly one in four Americans resided in a working community with 10 percent or more multifamily units.

Where Are Working Communities Located

Because working communities contain a high proportion of working-class people, some might assume that residents of these communities are disproportionately located in cities. On the contrary, greater numbers of residents of working communities live in suburbs and rural areas than in central cities. Among all working communities, 76.6 million people live in suburban areas and 42.8 million live in rural districts², both of which populations exceed the 37.9 million who live in central cities. Indeed, the population of working communities is less concentrated in urban neighborhoods than the nation as a whole: 24 percent of the inhabitants of working communities live in central cities as opposed to 30 percent of the national population. At the same time, a little less than half of the residents of working communities live in suburbs, about the same as the proportion of the general population that is suburban. Interestingly, a larger proportion of the working communities' population lives in non-metropolitan tracts than the share of the national population in these outlying areas (27 as compared to 20 percent, respectively). The relatively high proportion of working communities in exurban and rural areas reflects the location of blue-collar work such as manufacturing, but probably also indicates the search for reasonably priced housing in ever-sprawling metropolitan areas. In contrast to working communities, affluent tracts were heavily suburban and poverty tracts were predominantly urban. (See Figure 2.)

² The term "rural" is used here to refer to areas the U.S. Census Bureau categorizes as "non-metropolitan."

Figure 2



"Rural" refers to those areas which the U. S. Census Bureau refers to as "non-metropolitan."

Communities identified as of 2000

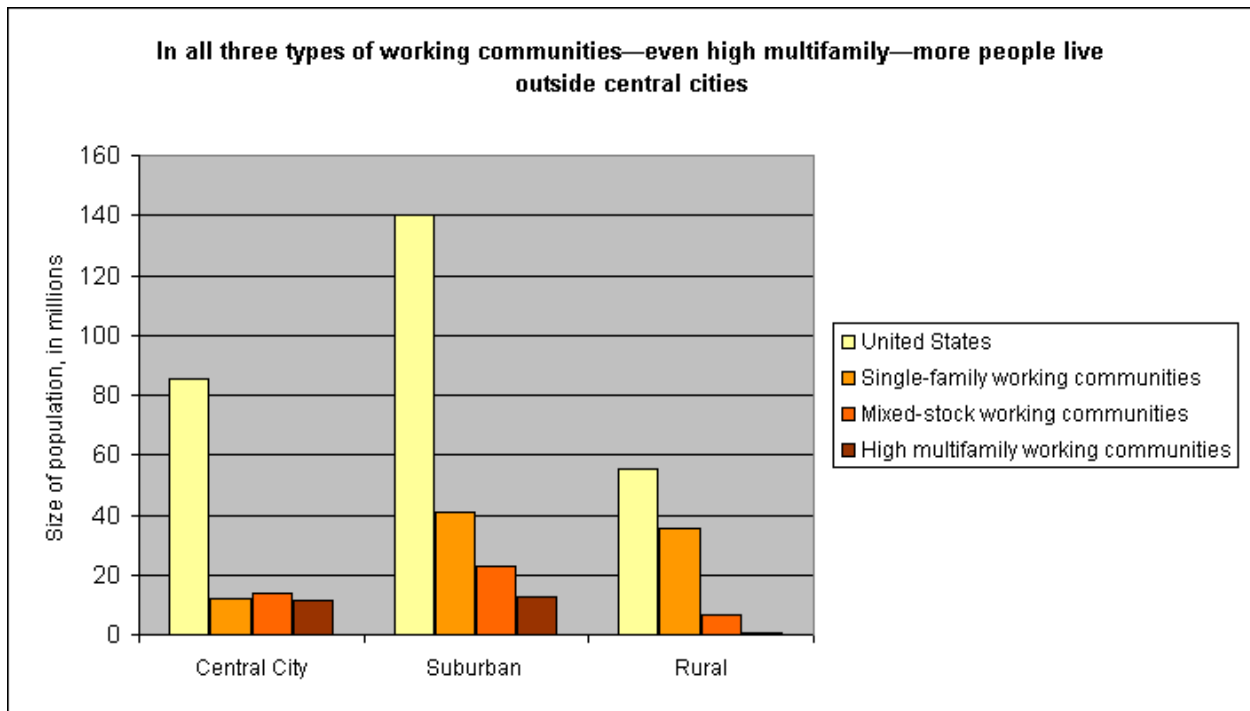
Source: U.S. Census, 2000

Although one might expect that mixed-stock and high multifamily working communities are predominantly urban places, all three types of working communities have greater population in the suburbs than in central cities. High multifamily areas were the most urban, with 11.7 million residents of central cities (or 47 percent of the total), but even these working communities had a bare majority living in suburbs, 12.6 million (51 percent), as well as another .6 million people in rural areas. Of all inhabitants of mixed-stock working communities, 22.8 million (53 percent) lived in suburban areas and another 6.7 million (15 percent) in rural areas, while only 13.9 million (32 percent) resided in central cities. The overwhelming majority of single-family working communities residents lived outside central cities, 41.2 million (46 percent) in suburbs and 35.5 million (40 percent) in rural areas, far more than the 12.2 million (14 percent) single-family dwellers in central cities. (See Figure 3.)

Of course, the population distribution between central city and suburb varied considerably among metropolitan areas. In the highly suburbanized Atlanta region, for example, an overwhelming 87 percent of the general population lives outside the city of Atlanta. Yet an

even greater proportion of working-community residents—94 percent of mixed-stock, 92 percent of high multifamily, and a staggering 97 percent of single-family working communities—live in outlying suburbs and towns. In the older eastern metropolitan region of Boston, in contrast, noticeably lower proportions of the population of multifamily working communities lived on the outskirts. In 2000, 62 percent of the residents of mixed-stock and 53 percent of the residents of high multifamily working communities lived outside the Boston region’s central cities, lower than the 68 percent figure for the regional population. Yet even in the Boston metropolitan area, the majority of working communities’ residents lived in suburbia.

Figure 3



"Rural" refers to those areas which the U. S. Census Bureau refers to as "non-metropolitan."
 Communities identified as of 2000
 Source: U.S. Census, 2000

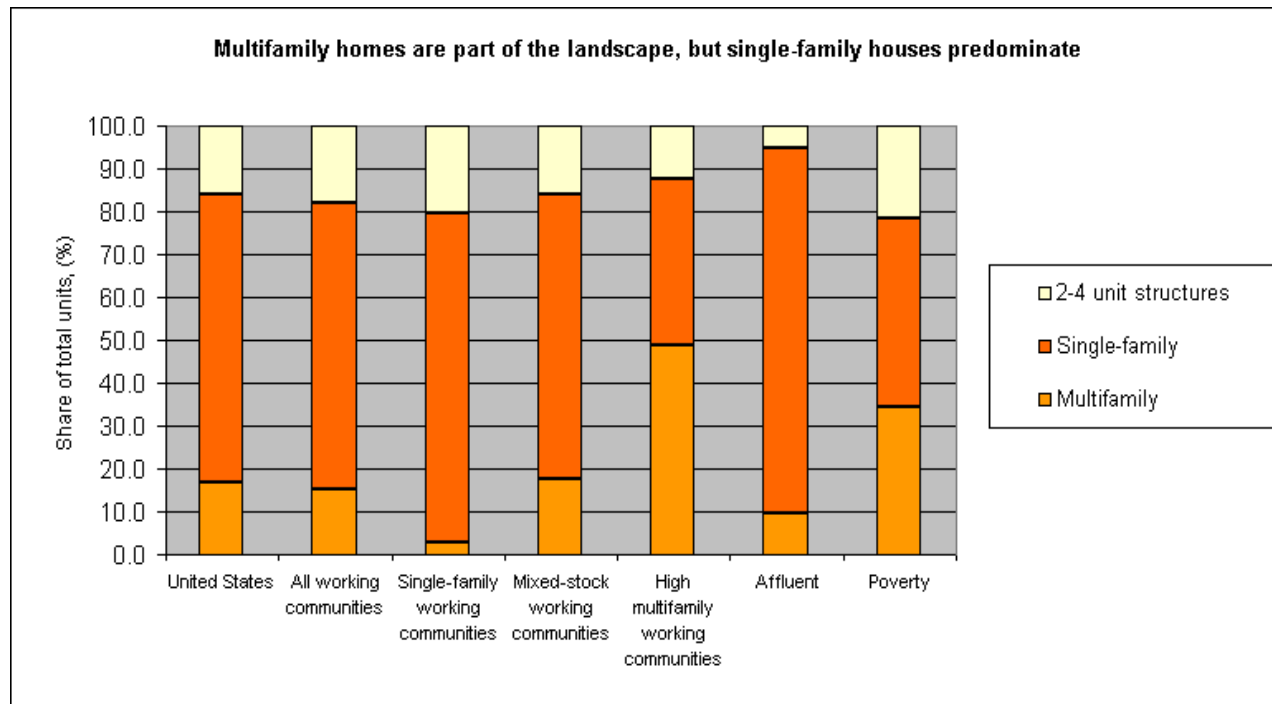
Housing Stock in Working Communities

In working communities, the single-family house is far more plentiful than multifamily and other types of dwelling structures (such as two or three-plexes). As of 2000, single-family homes constituted two-thirds and multifamily units about a sixth of the dwellings in working communities, shares that were very close to the proportions for the nation as a whole. In affluent

areas, however, single-family homes accounted for fully 85 percent of dwellings and multifamily buildings for only 9.5 percent. In contrast, more than a third of the housing in areas of high poverty was in multifamily homes—a major reason for the popular association of multifamily dwellings with poverty—and less than half was in single-family houses.

When we specify the distribution of housing stock in the census tracts based on their housing mix, we find an interesting fact about single-family and high multifamily working communities. In single-family working communities, 77 percent of homes were in single houses, a measly 3 percent came in multifamily dwellings, and the remaining 20 percent were in 2-, 3-, and 4-unit complexes. In the high multifamily areas, in striking contrast, about half the units were part of multifamily buildings, and almost 40 percent were single-family houses. The proportion of multifamily units in the high multifamily working communities exceeded that of the high poverty census tracts—where multifamily comprised about a third of all housing—yet as shown below the high multifamily areas had a higher average income than single-family working communities and far more than the poverty areas. (See Figure 4.)

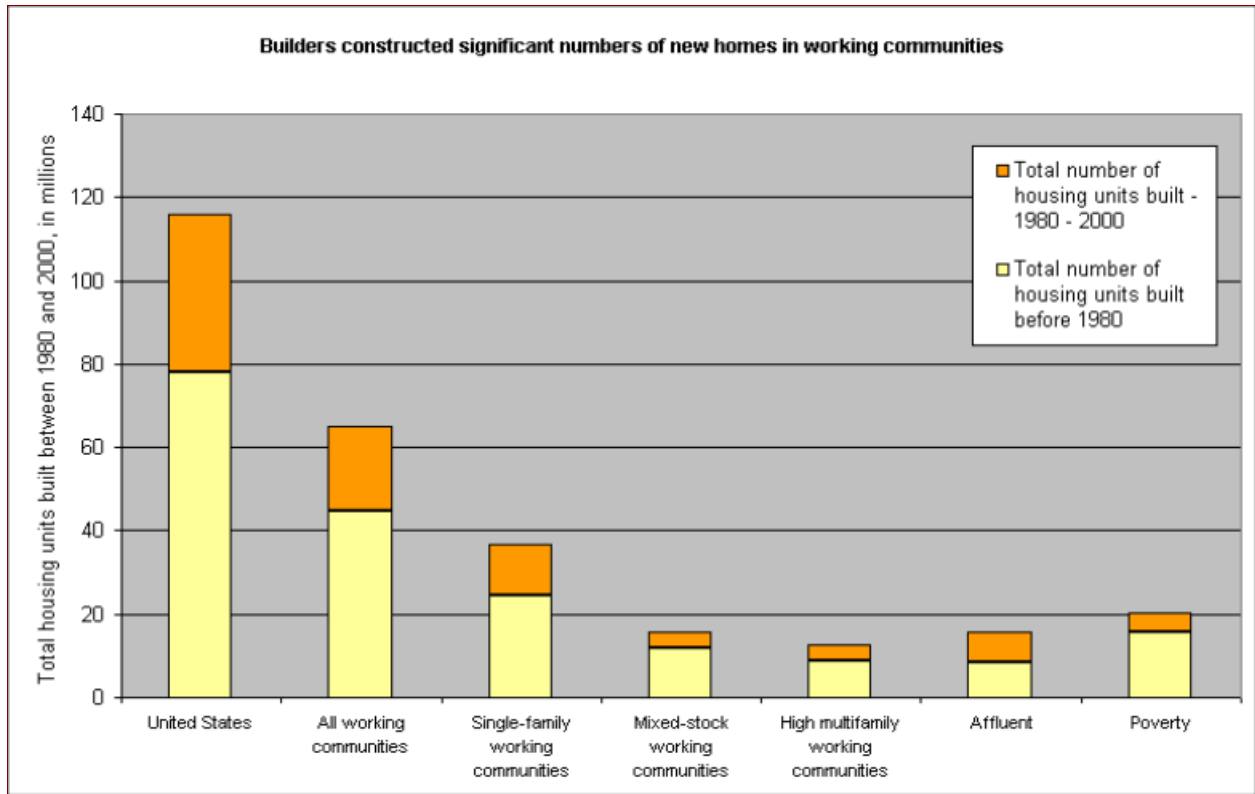
Figure 4



Communities identified as of 2000
 Source: U.S. Census, 2000

Working communities are growing, changing places, and thus a significant portion of the housing stock in working communities was built recently. As of 2000, there were 66.5 million dwelling units in working communities in the United States, and of these 21.1 million had been constructed within the previous twenty years. New homes in working communities thus made up 32 percent of the total, a mere one percent below the national percentage (33 percent of 115.9 million units). In contrast, the share of new construction in affluent areas—where one would expect most new building to take place—was a strikingly high 50 percent and in poverty areas—where one would expect it to lag—a low 21 percent. (See Figure 5.)

Figure 5



Communities identified as of 2000
 Source: U.S. Census, 2000

Of the three types of working communities, single-family areas both held the most homes and attracted the most new construction. In 2000 single-family working communities contained 37 million dwellings, and a third of these were built between 1980 and 2000. The high multifamily working communities were the least populous of three types of working

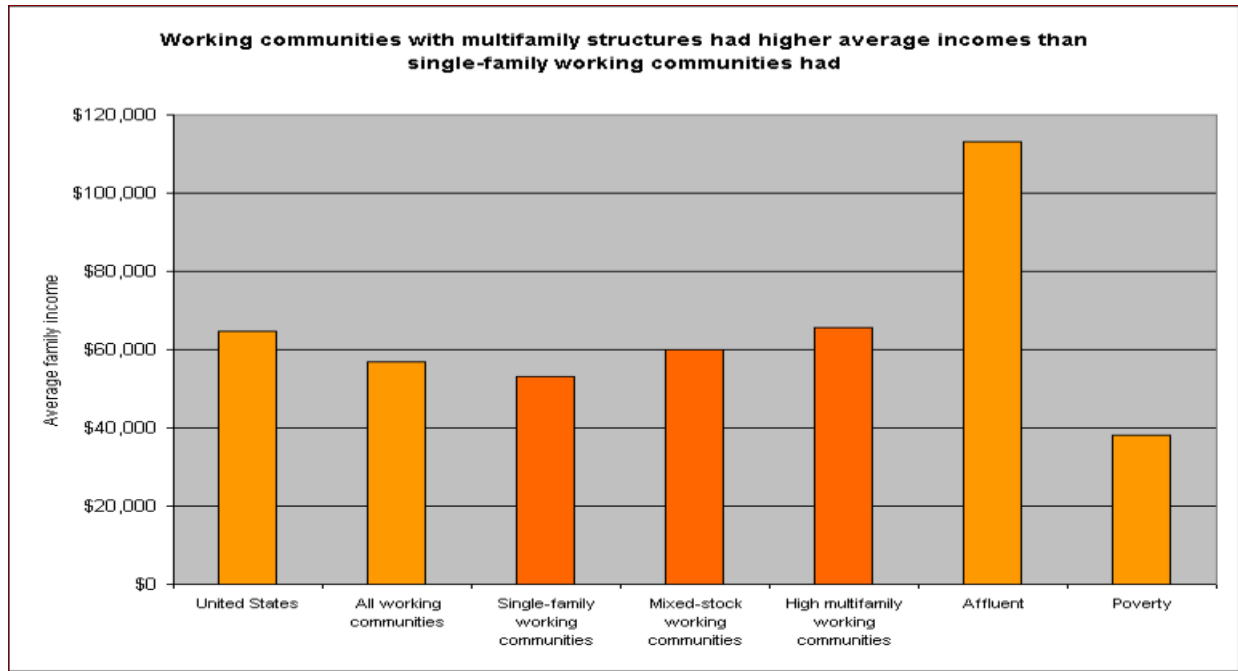
communities—only 11.6 million people inhabited them—but they also attracted homebuilders: largely thanks to a multifamily building boom in the 1980s, 35 percent of their homes were new. Mixed-stock working communities contained 17.9 million units, more than did the high multifamily areas, and a slightly smaller share—although still large—27 percent—were built between 1980 and 2000. Regardless of the type of area, then, new homes are part of the landscape of working communities. (See Figure 5.)

Income in Working Communities

The average income of all households in a census tract reflects the distribution of incomes in the tract. It is important to remember that the average masks the range of incomes within the tract. Thus, a particular working community may contain not only households that earn within the 60 to 100 percent of the AMI (the definition of a working community median income) but also low-income and/or high-income households.³

That said, it is not surprising to learn that people in working communities on average earn only modest incomes. Since by definition the median income of a working community is 60 to 100 percent of the AMI, it follows that the average family income in working communities would likely be somewhat lower than average family income of the nation or metropolitan areas, much lower than that of affluent tracts—defined as those whose median income equals or exceeds 120 percent of the AMI—and considerably higher than that of in poverty areas. As it turns out, according to the census, inhabitants of working communities in 2000 made about half the money on average that the inhabitants of affluent areas made. Yet they earned more than those in poverty tracts, where the average income was about two-thirds of what it was in working communities. (See Figure 6.)

Figure 6



Communities identified as of 2000
Source: U.S. Census, 2000

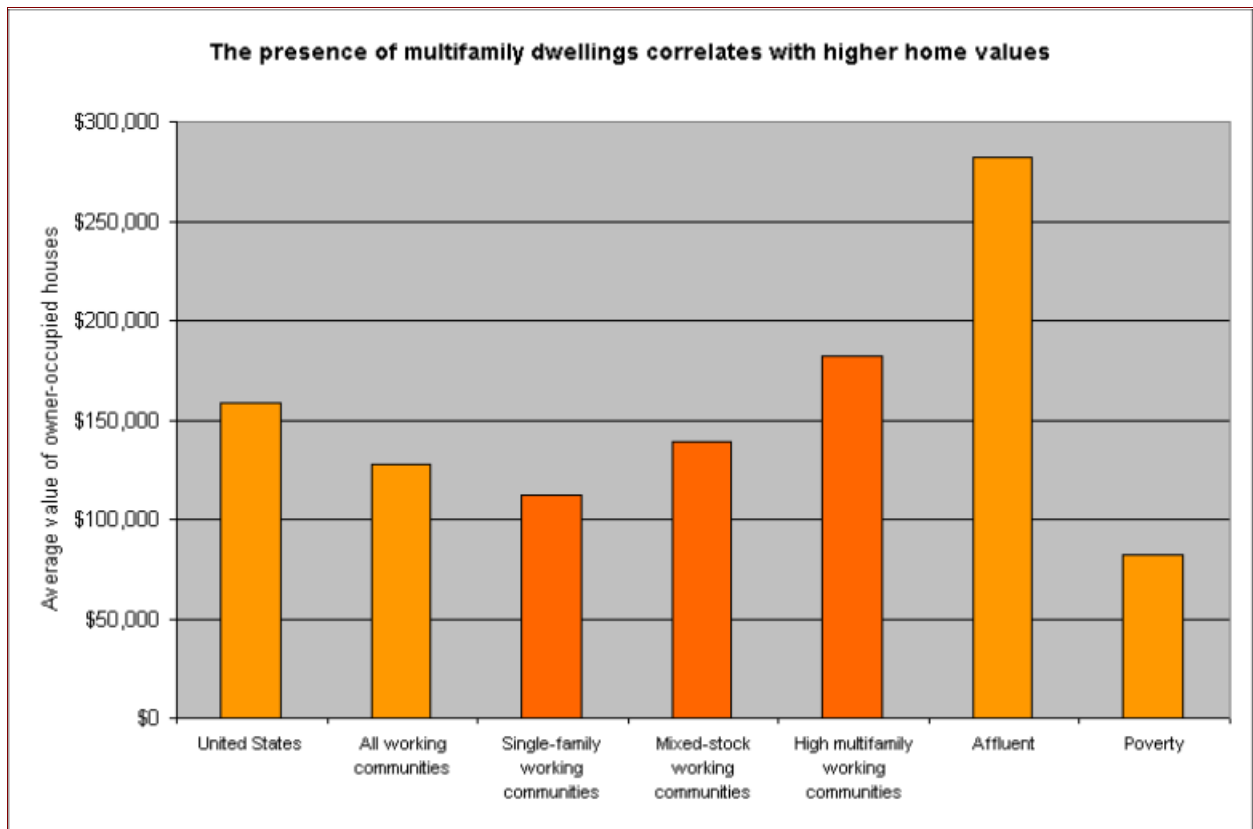
Many people, and especially those who oppose new multifamily projects in their neighborhoods, assume that the presence of multifamily housing correlates with low incomes and property values. Yet the average income in working communities with apartment buildings and other multifamily structures tends to be higher than in single-family working communities. (See Figure 6.) In 2000, according to the census, average family income for the nation's high multifamily working communities was about 66,000, and for mixed-housing-stock working communities about \$60,000. Both these numbers exceeded the \$53,000 average income in single-family working communities. The average incomes are higher in multifamily districts because multifamily dwellings are typically located near employment, cultural, or recreational centers or major transportation routes, which proximity also attracts higher-income households.

³ Because the U.S. Census provides aggregate family income data for each census tract, we calculated average family income when determining the economic status of groups of tracts (rather than calculate an average of a median).

House Values in Working Communities

As with incomes, the average value of owner-occupied homes in working communities was modest when compared to the average house value of the nation and especially of affluent areas. The average house value in working communities was much lower—about 55 percent less—than in affluent tracts. Nonetheless, the average house value in working communities was about a third higher than it was in neighborhoods of high poverty. (See Figure 7.)

Figure 7



Communities identified as of 2000

Source: U.S. Census, 2000

Despite invidious assumptions about multifamily housing, census data for 2000 show that working communities with multifamily dwellings have *higher* house values than other types of working communities. The average value of owner-occupied houses was highest in working communities with the most multifamily units. Among working communities, the high multifamily areas had the highest home values, the mixed-stock areas the next highest, and the single-family areas had the lowest. As with average incomes in high multifamily areas, the

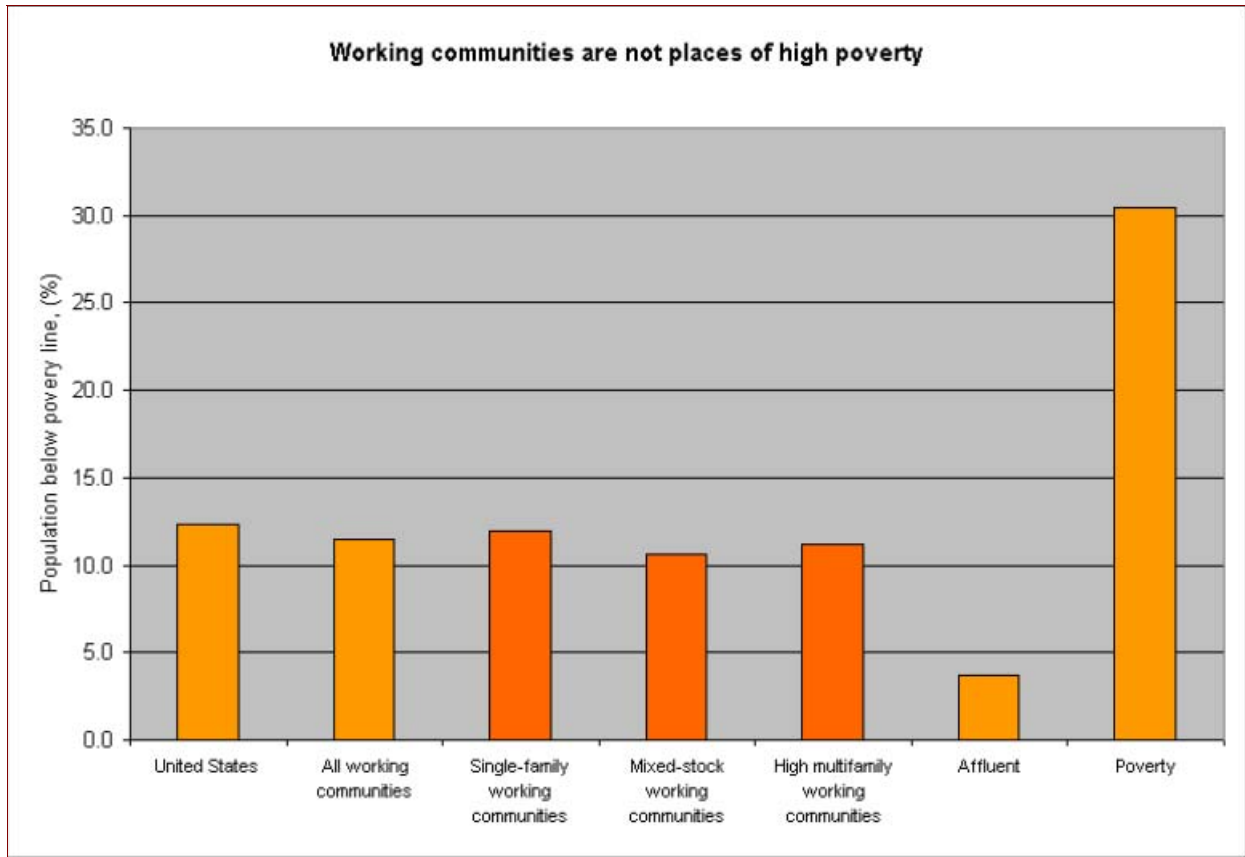
relatively high average house value may reflect the great demand for land in locales many consider advantageous. Moreover, single-family houses are generally scarcer in high multifamily areas, which again would tend to raise their values. Regardless of the reasons, however, the evidence contradicts common fears about the negative impact multifamily structures might have on home values in their vicinity. In fact, the presence of multifamily dwellings correlated with higher home values in working communities. (See Figure 7.)

Poverty in Working Communities

Although working communities have a portion of residents who earn below the poverty line, working communities are not places of high poverty nor are they rapidly becoming impoverished. In 2000 the proportion of poor people in the population of working communities was 11.5 percent, just barely below the poverty share of the national population, 12 percent. Ten years earlier these same census tracts had the same share of poverty, 11.5 percent.

Again contradicting fears of multifamily structures as places of great poverty, the poverty rates in working communities with some or many multifamily structures were no higher than the poverty rate in single-family working communities. In 2000 the shares of poverty in the different types of working communities were very close to one another (within 1 percentage point), but—again contrary to popular expectations—poverty was slightly lower in high multifamily and mixed-stock working communities than in single-family areas. Of course, poverty in working communities far exceeded that in affluent tracts and fell well behind that in poverty tracts. (See Figure 8).

Figure 8



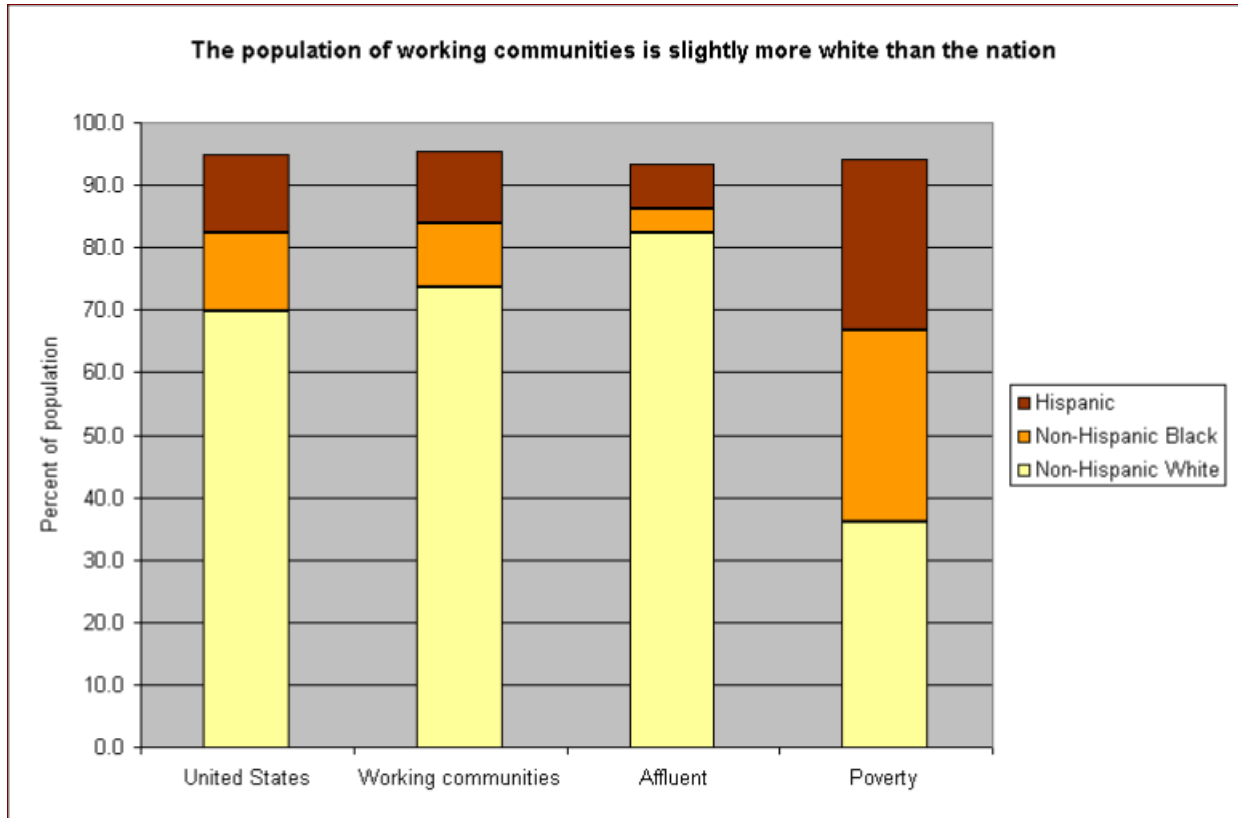
Communities identified as of 2000
Source: U.S. Census, 2000

Race in Working Communities

The racial composition of working communities in 2000 was similar to that of the nation, except that working communities had a slightly greater proportion of whites and a slightly smaller proportion of African-Americans and Hispanics than did the nation as a whole. The American population in 2000 was about 70 percent white, while the population of working communities was about 74 percent. The black share of the working community population was 10 percent, as compared to 13 percent for that of the United States. The proportion of Hispanics among the population of working communities was even closer to the national share: 11 percent Hispanic in working communities and 12.5 percent in the nation. Among the different types of working communities, the single-family areas had the highest proportion of whites, 83 percent, as opposed to 78 percent for mixed-stock and 69 percent for high multifamily working communities. Conversely, the high multifamily working communities had the greatest

proportion of African American and Hispanic and single-family working communities the least. (See Figure 9.)

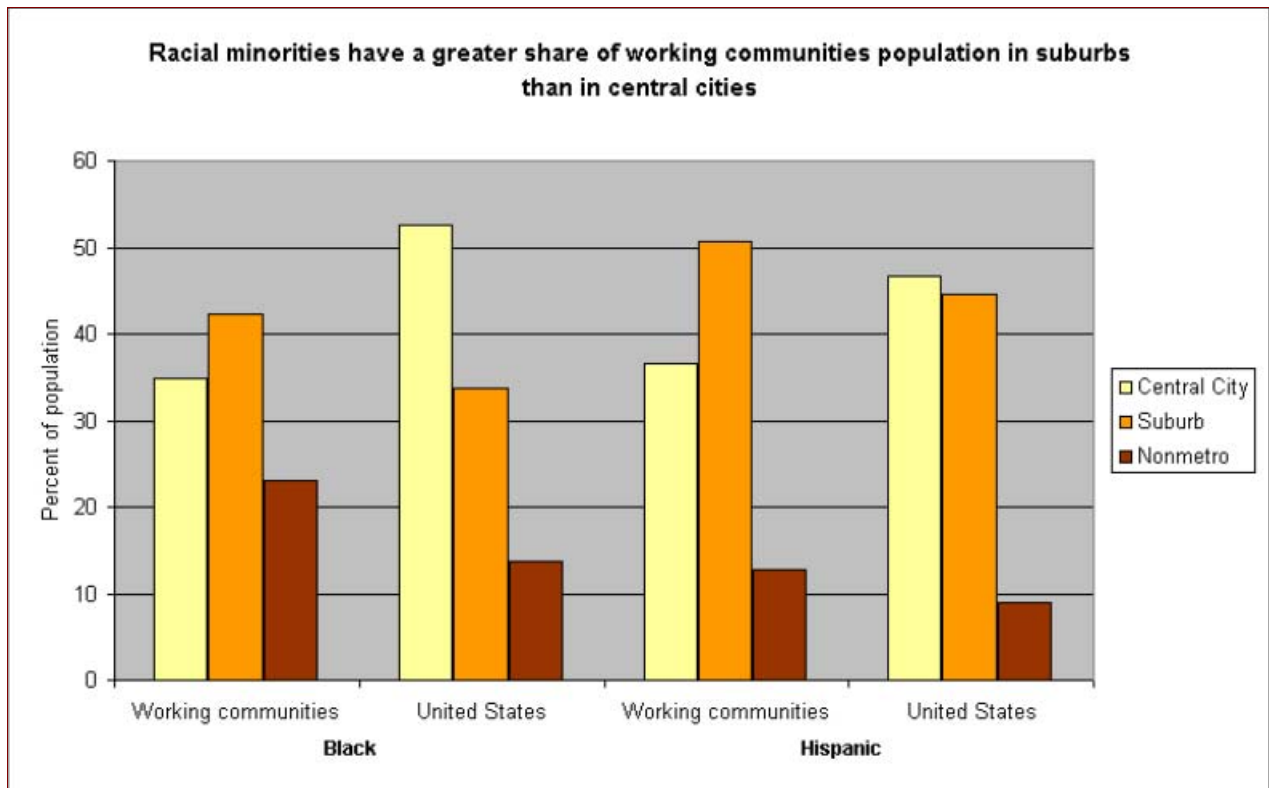
Figure 9



Communities identified as of 2000
Source: U.S. Census, 2000

Breaking the data down by location reveals, somewhat surprisingly, that the slightly smaller segment of racial minorities in the working communities' population was not an artifact of suburban or exurban settlement patterns. Minority, particularly African American, residents of working community concentrate less in central cities than minorities do in the nation at large. Conversely, greater proportions of African-American and Hispanic residents of working communities lived in suburban and non-metropolitan tracts than did the shares of the national populations of African-American and Hispanics dwelling in suburbs and rural areas. (See Figure 10.)

Figure 10



Working communities identified as of 2000
Source: U.S. Census, 2000

IV. CHANGE AND STABILITY IN WORKING COMMUNITIES DURING THE 1990s

How many working communities remain so over time? Do average changes in working communities with high multifamily shares deviate from those with low multifamily shares? To answer these questions, we identified census tracts that fit the working communities' definition in 1990 and analyzed how they fared between 1990 and 2000 and between 1970 and 1990. In particular, we examined changes in population, income, housing values, poverty rates, and racial composition.

Although there was some turnover in working community census tracts between 1990 and 2000, information about the earlier set of working communities is pertinent to the latter. The 1990 set of working communities contained close to the same number of people as the 2000 set of working communities, which were analyzed above (138 million in the 1990 set as opposed to 141 million in the 2000 set). Moreover, a detailed comparison of the sets of mixed-stock working communities indicates that there was substantial overlap between the 1990 and 2000 sets of working communities: 72 percent of the census tracts that fit the working communities' criteria in 2000 had been working communities in 1990. Finally, the socio-demographic characteristics of the two sets were remarkably similar.

In the midst of the great demographic changes of the 1990s, working communities (defined as of 1990) were remarkably stable. Yet the different types of working communities—high multifamily, mixed-stock, and single-family working communities—followed different trajectories in recent years. In particular, single-family areas fared better than the other types of working communities as measured by such variables as population, income, and housing values. As the statistical measurements for the different sorts of working communities converged, single-family working communities have almost caught up with the other types of areas in average income and housing value.

In considering what has occurred in working communities in recent years, we should remember that major population movements have occurred in all decades of American history. Some of these population shifts are more noticeable than others. During the decade of the 1970s, for example, scholars documented two exoduses, one from the inner city and another into non-metropolitan areas. During the 1980s, the conspicuous trends were the flow of affluent people into central cities and the continuing mass movement into the suburbs. The 1990s were another

decade of great changes, in particular the departure of poor people from areas that had contained large amounts of poverty. Thus, changes that working communities registered in the 1990s reflect the population movements of this particular decade.

The Growing Population of Working Communities

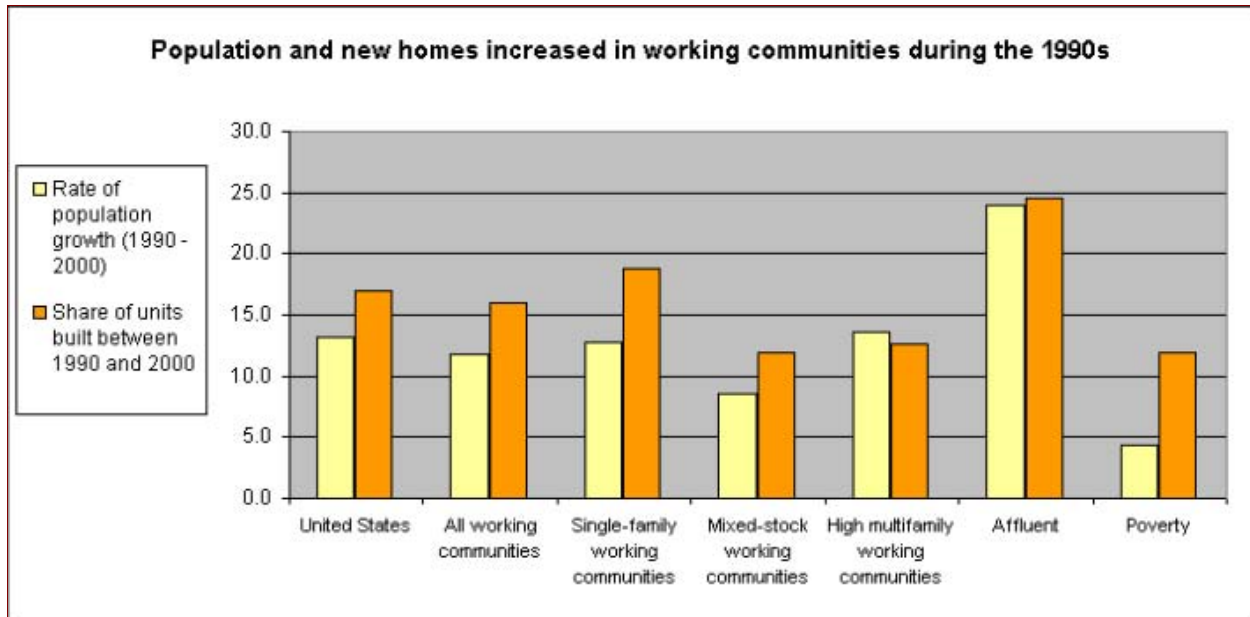
Despite the modest incomes of their residents, most working communities in the 1990s were dynamic, growing places that attracted new residents and builders of new homes. The working communities of 1990 increased their population by 16 million during the 1990s. Their growth rate of 12 percent was just a percentage point less than the growth rate of the nation as a whole. Similarly the rate of homebuilding in working communities during the 1990s was both brisk—in 2000, 16 percent of homes had been built within the prior decade—and slightly behind that of the nation. (See Figure 11.)

These population increases and rates of home construction continued earlier trends. During the previous two decades the population of working communities grew at about the same rate as the national population.⁴ And during the 1980s, new homes were built in the 1990 set of working communities just a percentage point below the rate for the United States.

Not surprisingly, the pace of growth in working communities fell between the rates for wealthier and poorer communities. Between 1990 and 2000, the population of working communities grew only half as much as it did in the burgeoning affluent areas. During the same period, however, they increased population about three times faster than did poverty tracts, which lost residents who were absorbed by other types of communities. Similarly, the working communities' 16 percent share of homes built in the 1990s was considerably less than the 24.5 percent in affluent areas and more than the 12 percent in poverty areas. (See Figure 11.)

⁴ The “traced” census tracts that fit the definition of a working community increased population by 21 percent while the United States population increased by 22 percent. Within the nation’s consolidated metropolitan areas, the “traced” working communities matched the national population growth rate of 15 percent. The population of all census tracts that fit the criteria for working communities in 2000 (the 2000 working communities set) lagged the national growth rate somewhat more than these other sets. Between 1990 and 2000, the

Figure 11



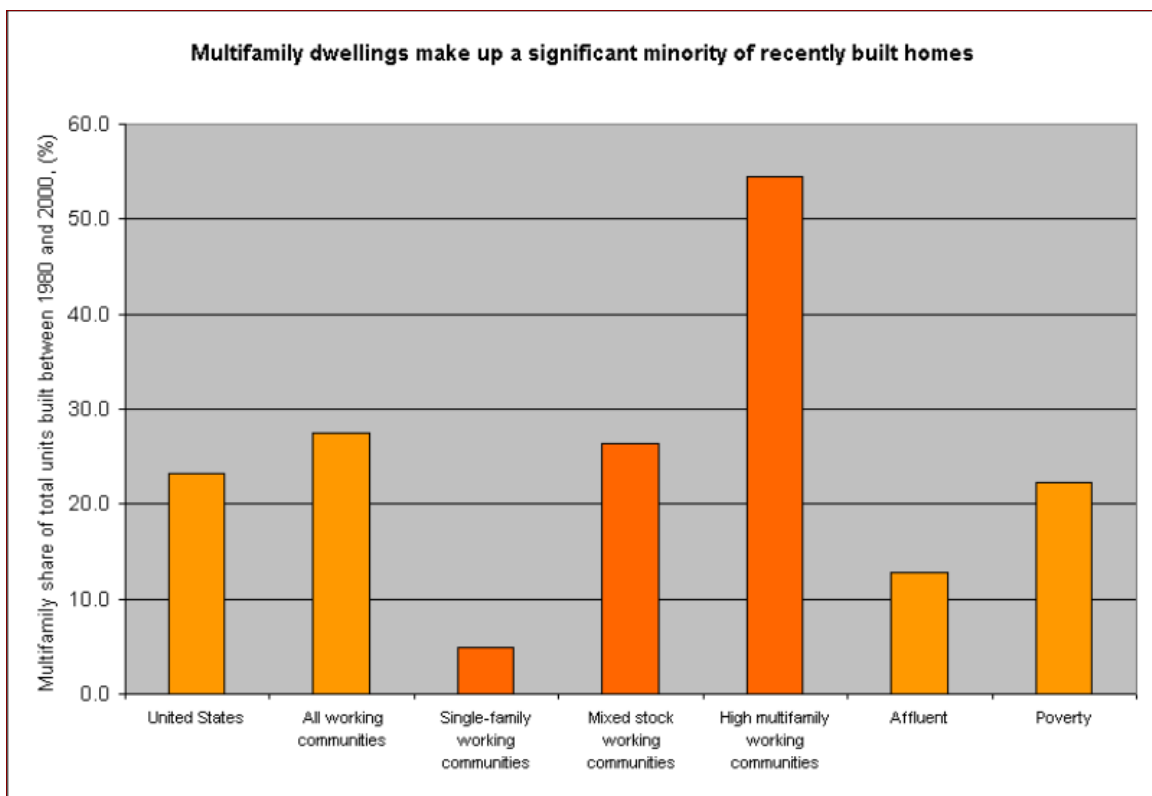
Communities identified as of 2000
Source: U.S. Census, 2000

Although all three types of working communities added population and new homes during the 1990s, single-family areas grew in absolute terms more than did high multifamily and mixed-stock working communities. Already the most populous of the three types, single-family working communities added almost 10 million people, a rate of about 13 percent, and—in a time of dropping interest rates—almost 7 million new homes. High multifamily areas, the least populous of the working community types, increased population by 3.3 million, a 14 percent rate that exceeded that of the other two types of working communities. After a building and population boom in high multifamily working communities during the 1980s, builders constructed only about 1.6 million new units in these areas during the 1990s. Mixed-stock working communities grew the slowest, probably because they tended to lack both the valuable central locations of the high multifamily areas and the open land possibilities for new large-scale homebuilding of some of the single-family working communities. Mixed-stock working communities added 3 million people at an 8.5 percent rate, and about 1.5 million new homes. Hence, the single-family working communities were the most attractive to new residents and homebuilders during the 1990s.

population of the 2000 set grew 11 percent, as compared to a national population growth rate of 13 percent. An unknown fraction of these tracts, however, did not fit the criteria of working communities in 1990.

The new residences that were built in the 1990 set of working communities came in the form of both single-family and multifamily structures. By far the majority of dwellings built between 1980 and 2000 in working communities were single-family houses, but more than a quarter of these new residences were multifamily homes. More of the multifamily units were built in the 1980s—partly as a result of the boom that preceded the removal of the depreciation incentive in the 1986 tax law and partly because high interest rates created a barrier to single-family homeownership. How many single-family or multifamily residences were built varied according to the type of neighborhood. As might be expected, the preponderance of new multifamily dwellings appeared in high multifamily working communities—more than half of the units built there between 1980 and 2000 were multifamily—and a small fraction—5 percent—of the new homes in single-family working communities were multifamily. The mixed-stock working communities held an intermediate share—26 percent—of newly built homes in multifamily structures. (See Figure 12.)

Figure 12



Communities identified as of 2000
 Source: U.S. Census, 2000

The Stability of Income in Working Communities

The average income in 1990 working communities was at the end of the 1990s, as it was at the beginning, less than the average income for the total population of the United States. During the decade of the 1990s, these working communities fell slightly further behind, their average income rising by 5 percent, which lagged by one percentage point the increase for the nation. (Again it is helpful to remember that these figures are average incomes, not the individual incomes of families who may have moved in or out or experienced changes in their finances.) In addition, from 1970 to 1990, the evidence suggests, the 1990 set of working communities increased average income much more slowly than affluent areas and the nation as a whole—although better than the poverty tracts in which average income dropped substantially. The large increases in incomes among those at the top of the income structure outpaced those below, so that the more modest gains among residents in working communities appear to be losses.

A break down of the changes in average income by type of working community reveals that the single-family working communities fared better. Average income in the single-family working communities rose by 8.5 percent. In contrast, in mixed-stock working communities the average income rose by only 3 percent, and in high multifamily working communities, average income fell slightly by about 1 percent. The vast majority—79 percent—of working communities in 1990 continued to be working communities, that is to say, their median family incomes remained between 60 and 100 percent of the area-wide median income. (As mentioned at the outset, working communities were defined by median income as well as proportion of housing stock.) Of the residual areas—where median income ceased to fit the criteria for working communities—slightly more did so because median incomes fell than those in which median incomes rose. Twelve percent of the working communities in 1990 shifted into a lower income category in 2000, while about 9 percent moved into a higher income band. (See Table 1.)

Table 1. Distribution of communities by income group

Community Type as of 1990	Income Group in 2000, by percent of area-wide median income				
	0 - 60%	60 - 100%	100 - 120%	120 - 150%	>150%
All working communities	11.6	79.2	7.9	1.1	0.2
Mixed-stock working communities	14.6	79.6	4.7	0.9	0.2
Single-family working communities	6.2	82.1	10.3	1.2	0.2
High multifamily working communities	26.3	68.4	3.9	1.1	0.4
Affluent	0.3	10.4	27.1	37.3	25.0
Poverty	59.9	36.3	2.8	0.6	0.3

Mixed-stock working communities identified as of 1990
Source: U.S. Census, 1990, 2000

The stability and improvement of median income in working communities is especially striking when compared to other kinds of communities. Whereas between 1990 and 2000, 79 percent of working communities remained in the income band of working communities and another 9 percent rose to higher income groups, surprisingly only 62 percent of the affluent areas of 1990 maintained their median incomes above 120 percent of AMI in 2000.⁵ Although the shifts in median income in areas of high poverty are not comparable to other communities (because high poverty areas are defined by the percentage of people earning less than the federal poverty threshold rather than median income), these too may have been volatile: by 2000, a relatively large share—40 percent—of the 1990 poverty tracts had a median income above 60 percent of AMI. This finding is consistent with a study by Paul Jargowsky released by the Brookings Institution on the deconcentration of poverty in the 1990s.⁶

Among the different types of working communities, the single-family areas fared the best and high multifamily the worst during the 1990s. (See Table 1.) The single-family were the

⁵ Since the well-to-do benefited highly from the prosperity of the 1990s, median family incomes in affluent areas grew surprisingly slowly between 1990 and 2000. An examination of changes in median income reveals that although a majority of 62 percent of affluent communities maintained or increased median income over the decade, a relatively high proportion of tracts slipped below the 120 percent of AMI level that we used to identify them. Jargowsky's findings (see note 6 for citation) that a significant number of poor households dispersed from high poverty areas during the 1990s and our investigation of affluent tracts in the Boston metropolitan area indicates that households with lower incomes entered enough affluent census tracts in sufficient number to lower or slow the rise in median income. (See Appendix B for further information.)

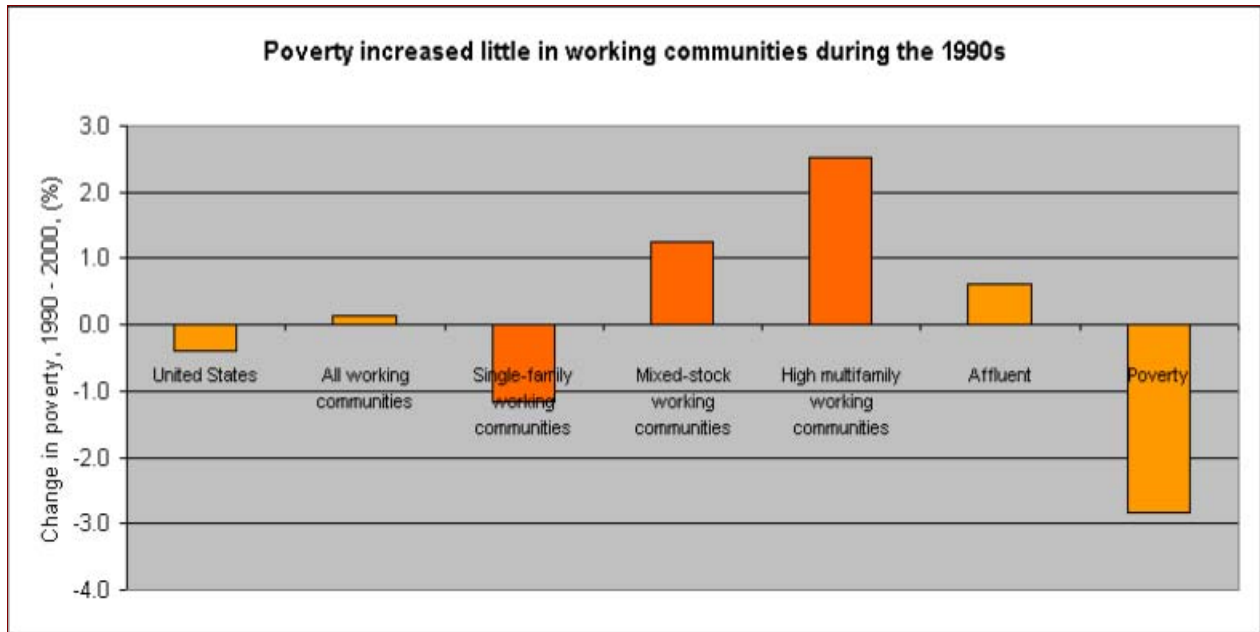
most stable in terms of income categorization—as 82 percent remained in the same income category in 2000—trailed closely in this regard by mixed-stock working communities, which had about an 80 percent persistence rate. Of working communities, the high multifamily had the most turnover, with 68 percent of these remaining in the 60 to 100 percent of AMI group in 2000. More single-family working communities, moreover, increased median income than did working communities with multifamily units (12 percent for single-family as opposed to 6 percent for mixed-stock and 5 percent for high multifamily areas). Meanwhile, only 6 percent of the single-family tracts dropped into a lower income category, as compared to 15 percent of the mixed-stock working communities and 26 percent of the high multifamily.

Little Increase in Poverty in Working Communities

If the evidence of median incomes indicates that working communities tended to be stable during the 1990s, the minimal increases in poverty in working communities bolster that conclusion. Between 1990 and 2000, the working communities' poverty rate virtually stood still as was the case for the national poverty rate. Interestingly, the proportion of poverty in high poverty areas actually decreased a little—by 3 percent—which is again consistent with Jargowsky's report of a deconcentration of poor people during the 1990s.⁷ (See Figure 13.) Between 1970 and 1990, the statistics for the available tracts suggest, the proportion of the working communities' population below the poverty line barely rose (by 2 percent), just slightly more than the increase (of .8 percent) for the entire nation. In contrast, during the same earlier period (1970 to 1990), poverty census tracts increased their poverty population markedly (10 percent). At no time in recent history, the census data tells us, did poverty increase rapidly in working communities.

⁶ Paul Jargowsky, "Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s," Brookings Institution, May 2003.

Figure 13



Communities identified as of 1990
Source: U.S. Census, 1990

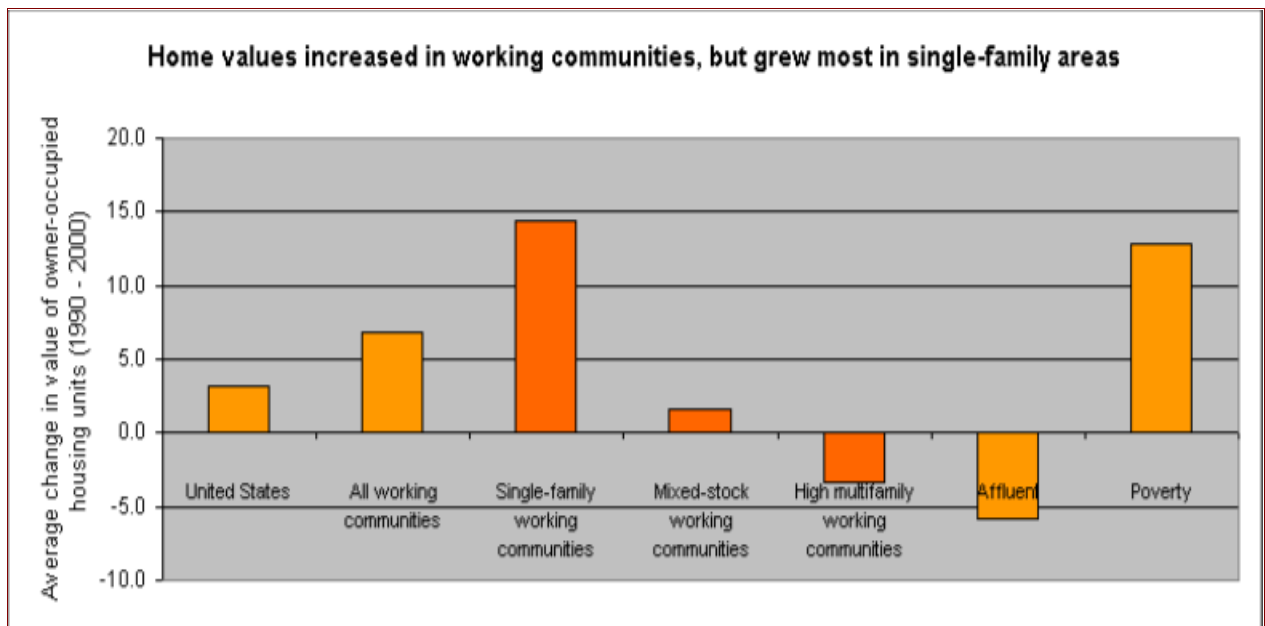
Among the three types of working communities, the initial poverty rates were close together and the increasing growth and prosperity of single-family working communities brought the poverty rates still closer together. In 1990, the high multifamily and mixed-stock working communities contained about the same proportion of people below the poverty line—about 11 percent—while the single-family working communities actually had a slightly larger share of poor—13.5 percent. In the following ten years, the proportion of poor people increased slightly in high multifamily working communities—by 2.5 percent—and in mixed-stock working communities—by 1 percent. In contrast, the poverty rate in single-family working communities declined ever so slightly—by 1 percent. As a result, by 2000 the ranking in degree of poverty among the three types of working communities shifted, so that high multifamily working communities now contained a slightly larger proportion (13.5%) of poor inhabitants than single-family working communities (12.5%).

⁷ Jargowsky, "Stunning Progress, Hidden Problems."

Housing Values Appreciate

According to the respondents to the U.S. census, housing values in working communities appreciated during the 1990s. The average value of owner-occupied houses in working communities, the census reports, rose by a healthy 7 percent, from \$115,300 to \$123,200.⁸ This is especially notable in comparison to the average value of owner-occupied homes nationwide, which the census recorded increasing by only 3.2 percent, from \$154,000 to \$159,000. If the rise in property values in working communities was a positive development, it also had a potentially negative effect. Since, as mentioned above, average incomes in all working communities rose 5 percent, the gap between the rate of income and house value suggests that purchasing homes for some residents may have become more difficult. (See Figure 14.)

Figure 14



Communities identified as of 1990
Source: U.S. Census, 1990

That said, it must be noted that the changes in housing value for poverty and affluent areas are somewhat anomalous. According to the census, the average home value dropped in affluent areas by 6 percent (from \$282,800 to \$266,100) and rose in the poverty areas by 13

⁸ As explained above, the home values recorded by the U.S. Census reflect what homeowners report as the worth of their house, not an actual sales price or official assessment. The house value figures are rounded to the nearest hundred.

percent (from \$71,600 to \$80,850). One factor that may have depressed the figures for affluent areas is the “top-coding” of house value prices tends to lower average figures for high-end real estate below their actual values, but the reason for the figures in affluent areas remains obscure.⁹ The 13 percent rise in values in poverty areas may reflect that in general real estate values in poverty tracts were so low in 1990 that even modest dollar value increases in the value of some properties would calculate as a significant percentage of the original value. These factors are less likely to have affected values in working communities or their reported increases during the 1990s.

To understand better how home values performed over the long haul, we examined data for census tracts in the period 1970 to 1990.¹⁰ It revealed a somewhat different pattern: between 1970 and 1990, real estate values in working communities climbing by a healthy 40 percent, but not nearly as steeply as in affluent areas, which recorded an 82 percent hike or the nation as a whole, which experienced a 71.5 percent increase. In poverty tracts in this period, the average home value rose by 38 percent, a figure in line with the increases in the 1990s.

Between 1990 and 2000, home values increased more steeply in single-family working communities, although property values in working communities with multifamily housing grew also. (See Figure 14.) During the 1990s the average housing value appreciated by 14 percent in single-family working communities (from \$95,800 to \$109,600), much more than it did in mixed-stock working communities, where house values increased by only 2 percent (from \$131,400 to \$133,500), and in high multifamily, where the house values declined by 3 percent (from \$176,100 to \$170,200). This pattern represents a shift from the pattern in the recorded census tracts in the period 1970 to 1990, in which the average house value rose highest in the high multifamily areas (48.6 percent increase), followed closely by the mixed-stock working communities (45 percent), and most slowly in single-family working communities (33 percent). Even with the higher rate of home appreciation in single-family working communities during the 1990s, high multifamily and mixed-stock working communities still had higher housing values (\$170,200 and \$133,500, respectively) in 2000 than did single-family working communities (\$109,600).

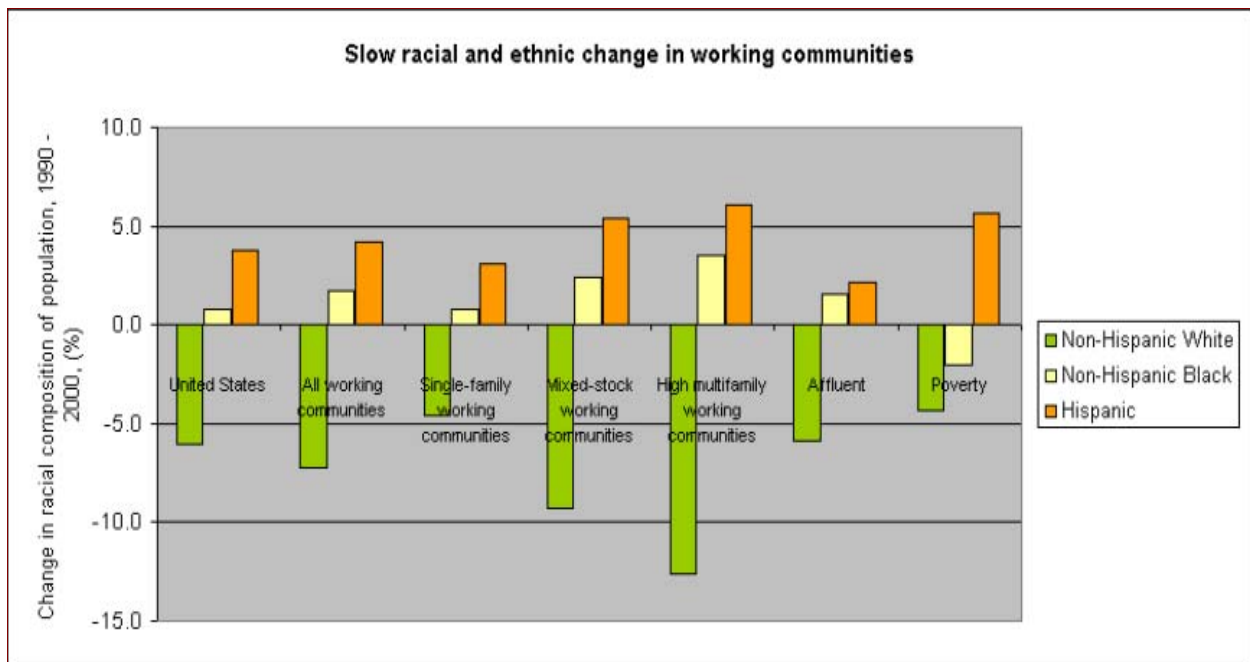
⁹ For a more detailed explanation of “top-coding,” see below in Sources.

¹⁰ Please note that these figures reflect only the areas which the census bureau had placed in 1970 into census tracts; these were by and large urban and suburban areas.

Few Racial and Ethnic Transitions

Just as working communities in the aggregate did not change much in such areas as income or level of poverty, neither did they undergo any drastic racial or ethnic transitions. As the United States became more racially and ethnically diverse, so did the working communities of 1990, but only to a limited extent. Over the course of the decade, the white share of the working communities population declined by 7 percent, just slightly more than the drop in the white share of the national population. At the same time, the proportion of African Americans and Hispanics in the working communities population rose just slightly more (by 2 and 4 percent, respectively) than it did for the United States population (by 1 and 4 percent, respectively). (See Figure 15.)

Figure 15



Communities identified as of 1990
 Source: U.S. Census, 1990

These changes continued a long-term trend toward racial diversity in working communities—a significant accomplishment in light of the discriminatory practices, such as redlining, that have promoted segregation. (Please note, however, that these aggregate figures do not reflect the composition of a particular census tract.) Between 1990 and 2000, the gap

between the racial composition in working communities and that of the nation narrowed slightly, leaving working communities in 2000 with proportionately a few more whites and a few less blacks than the nation. Hispanics, however, in 2000 lived in working communities in the same proportion that they lived in the United States. Earlier data suggest that the 1990 working communities underwent somewhat greater racial and ethnic change in the prior two decades. From 1970 to 1990 the decreases in the proportion of whites and increases in the proportion of African-Americans were greater in working communities than in the United States.

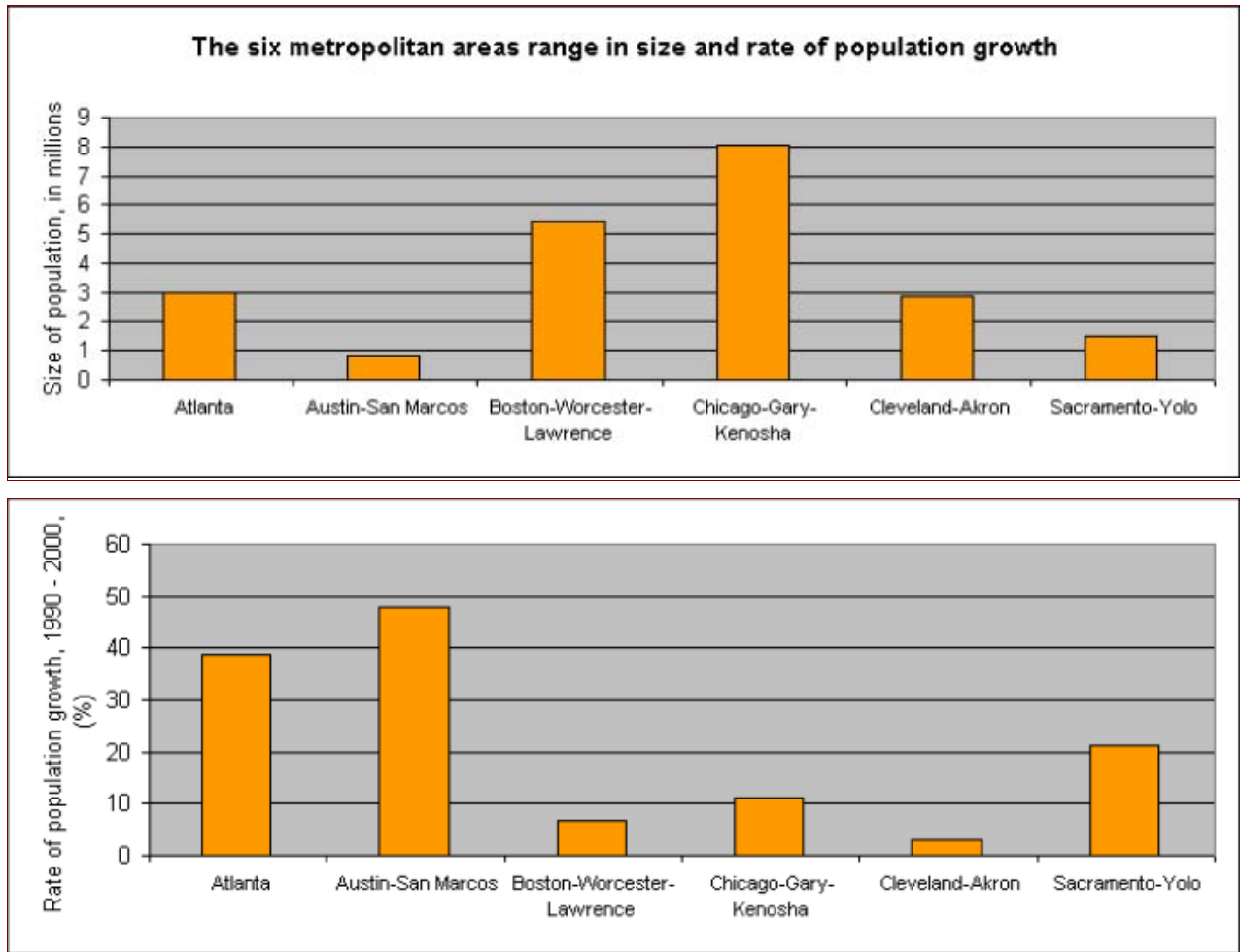
The racial and ethnic composition of the different types of working communities also changed very little during the 1990s. The single-family working communities had the highest proportions of whites in 1990, and these working communities proportionally lost fewer whites than did both the working communities with more multifamily units and the nation as a whole. The black and Hispanic growth in the share of the single-family areas' population matched that of the nation during the 1990s—barely any growth by blacks and a small increase by Hispanics. In contrast, the high multifamily working communities had the largest decline in the proportion of whites and largest—although still modest—gains in the minority groups' shares of the total population.

V. MIXED-STOCK WORKING COMMUNITIES IN THE 1990S: SIX CASE STUDIES

We wanted to gain a better understanding of mixed-stock working communities, those working communities that contain 10 to 30 percent multifamily units, and especially how they fared in different types of metropolitan areas and in the face of different metropolitan economic trends. Therefore, we investigated mixed-stock working communities in six metropolitan areas chosen to represent different geographic, economic, and demographic types of urban regions: Atlanta, Austin-San Marcos, Boston-Worcester-Lawrence, Chicago-Gary-Kenosha, Cleveland-Akron, and Sacramento-Yolo. The investigation focused on what changes occurred in mixed-stock working communities from 1990 to 2000, especially those changes that pushed the areas out of the working communities' category. It suggests that the size and pace of growth in a metropolitan area influences what happens to mixed-stock working communities, but in different ways. Although most of these census tracts in these six communities maintained their status as mixed-stock working communities, single-family housing development and lagging family incomes, in particular, helped pull some tracts out of the category of mixed-stock working communities.

The six metropolitan areas examined here ranged in population size and growth rate. The Chicago-Gary-Kenosha region is a metropolis that is home to 8.9 million people, making it is the third most populous metropolitan area in the United States. In contrast, the Austin-San Marcos metropolitan area with just 1.2 million residents ranked thirty-eighth in population. Nonetheless Austin-San Marcos was one of the fastest-growing metropolitan areas in the country in the 1990s—among the 50 largest metropolitan areas, only Las Vegas outpaced it. At the other extreme was the Cleveland-Akron area, which barely grew: its 3 percent increase of population ranked 47th among the largest metropolitan areas. (See Figure 16.)

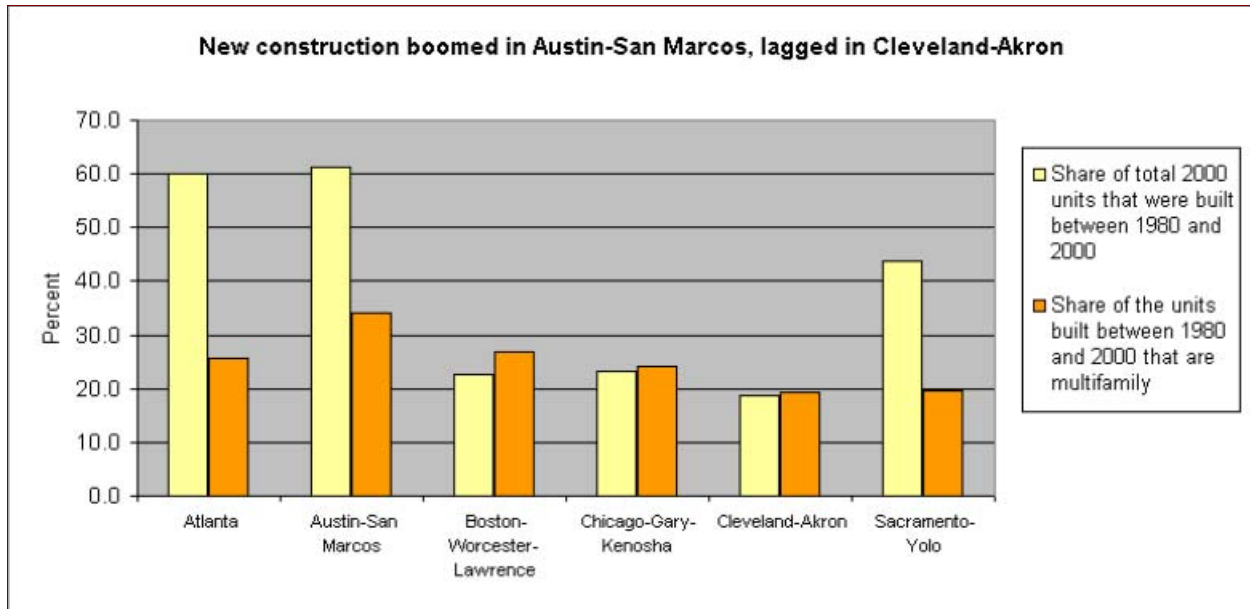
Figure 16



Metropolitan area boundaries defined as of 2000
Source: U.S. Census, 1990, 2000

The numbers of homes in 2000 and rates at which they have been built also varied widely. As with the number of inhabitants, the Chicago region in 2000 had the most dwelling units overall, 3.4 million, whereas the Austin-San Marcos had fewer than a half million homes. Yet the booming Sunbelt regions of Atlanta and Austin had the highest rate of building homes. In these two metropolitan areas an amazing 60 percent of homes in these regions were built in the previous twenty years. In contrast, only about 19 percent of the units in the slow-growth Cleveland-Akron metropolitan area had been built since 1980. (See Figure 17.)

Figure 17



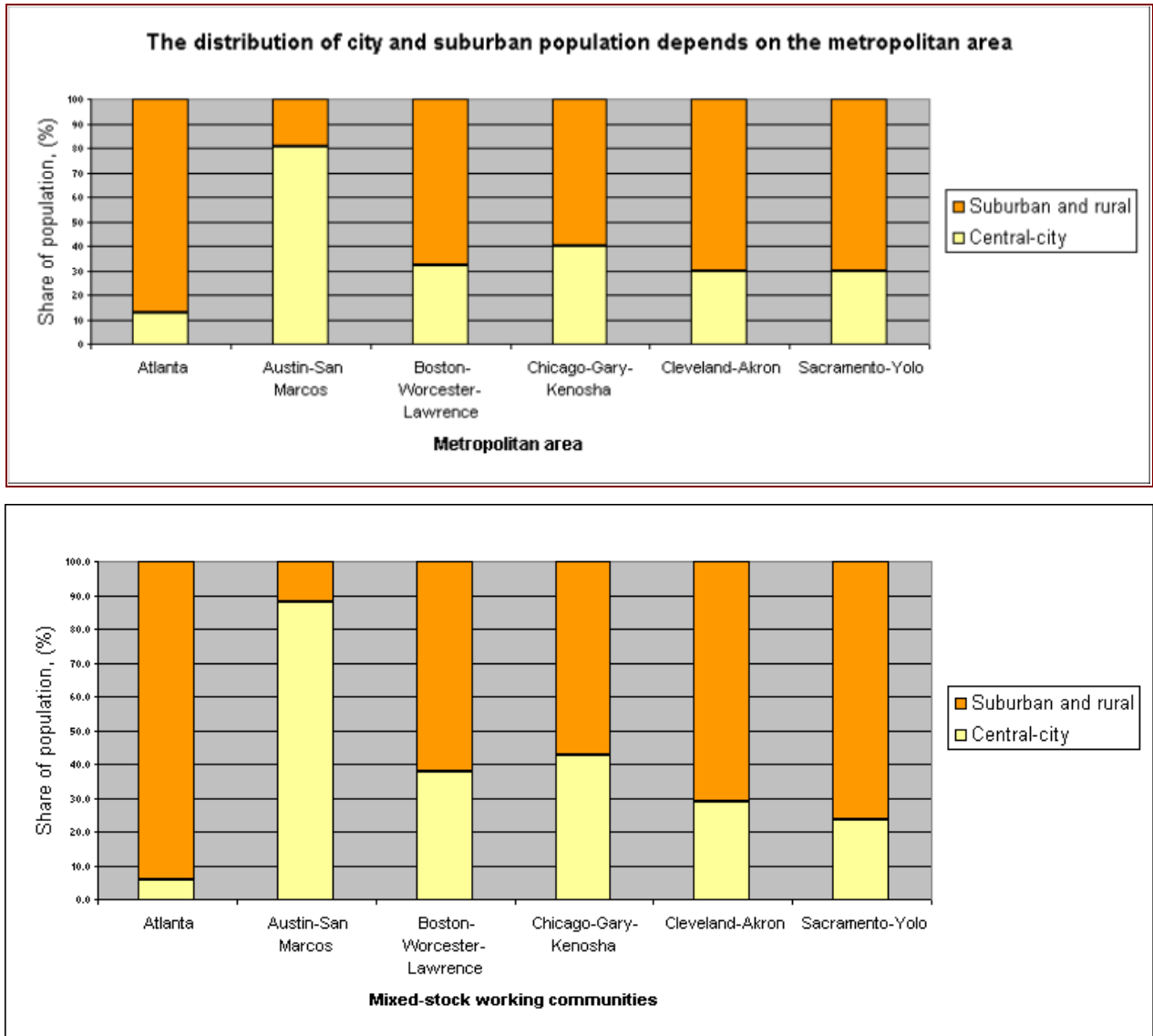
Source: U.S. Census, 1990

Although most new homes were single-family structures, a large minority of the new construction belonged to multifamily dwellings. Interestingly, in the growing southwest region of Austin more than a third of new construction took the form of multifamily units, the highest among the six metropolitan areas. Yet even at the lower end in this category, the Sacramento and Cleveland regions built about a fifth of their new homes in multifamily complexes, a significant share. (See Figure 17.)

The degree to which the population of a metropolitan area lived in the central cities or suburbs diverged as well, although some of the variation was due to the extent of the primary city's (or cities') boundaries. Living up to its reputation as one of America's most sprawling metropolitan areas, the Atlanta region had the highest percentage of its population outside the central city.¹¹ The Austin-San Marcos region, in contrast, has the highest percentage—some 80 percent—of its population within city limits. This was largely a function of the City of Austin's ample 274 square miles of land area, a product of recent annexations of neighboring territory. Yet population of the Chicago metropolitan area, which contained extensive cities, was far more centralized than that of Austin-San Marcos. Despite the City of Chicago's 227 square mile territory, only 40 percent of the region's inhabitants lived in central cities. Thus, even despite

the extent of urban boundaries, the degree of population concentration or dispersal varied from region to region. (See Figure 18.)

Figure 18



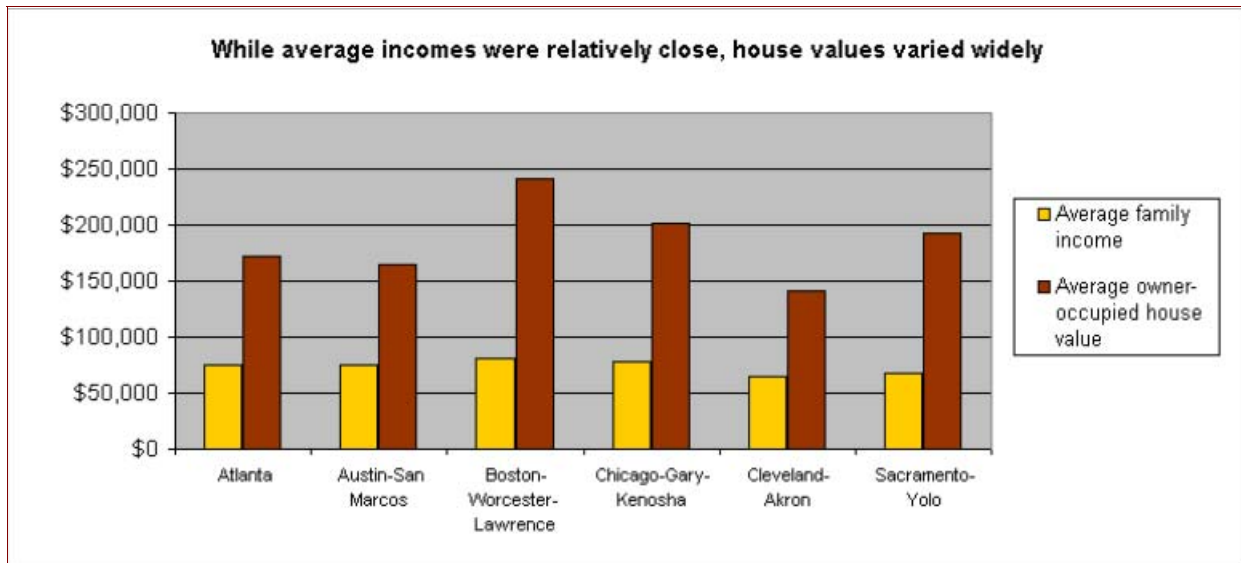
"Rural" refers to those areas which the U. S. Census Bureau refers to as "non-metropolitan."
 Communities identified as of 2000
 Source: U.S. Census, 2000

¹¹ The city of Atlanta extends over 131 square miles, a substantial if not huge size compared to other large cities.

These concentration/dispersal settlement patterns carried over to the mixed-stock working communities. In the Atlanta and Sacramento regions, the mixed-stock population lived outside the central cities to a somewhat greater degree than in the metropolitan areas. In the Austin, Chicago, and Boston regions, which had relatively higher share of population in central cities, the mixed-stock working communities had even higher proportions of urban dwellers. Hence, the degree of suburbanization of the mixed-stock working communities' population depended upon its metropolitan area.

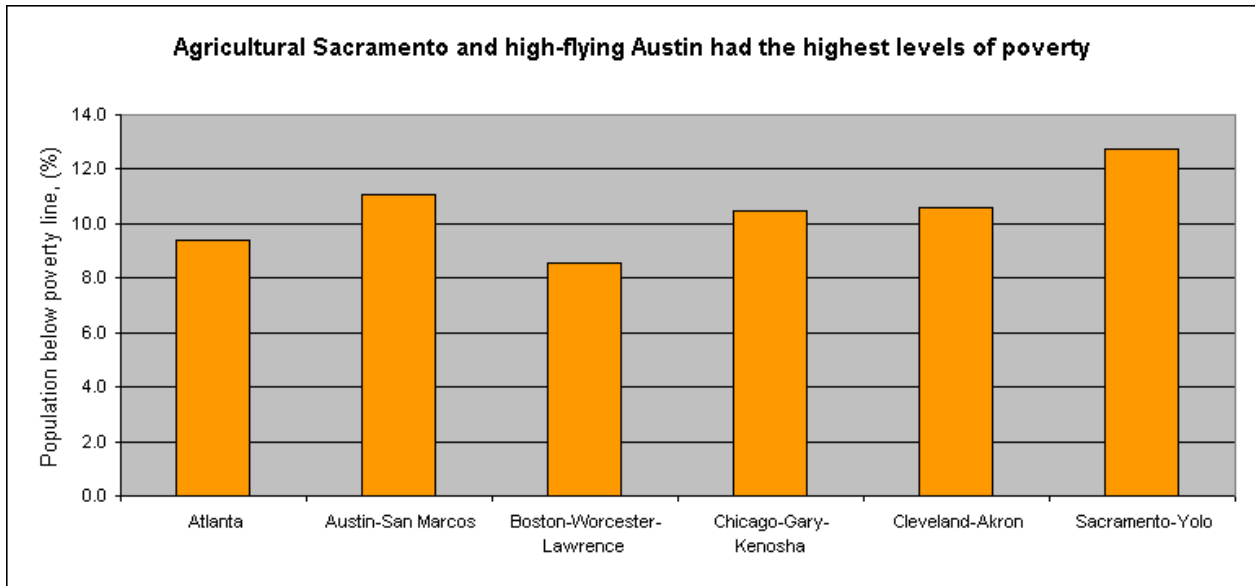
The average income and average house values diverged in interesting ways. Of the six metropolitan areas, greater Boston had the highest income in 2000, followed by Austin, Atlanta, and Chicago. The Sacramento and Cleveland regions lagged behind these high-income areas. The metropolitan areas of Sacramento and high-flying Austin had the highest proportions of their population living in poverty. In regard to home values, the Boston metropolitan area was the highest by far, and Cleveland was the lowest. These facts indicate that finding affordable homes was more difficult in Boston and easier in Cleveland. But the ratio of house value to income was as high in the Sacramento region as it was in Boston's and as low in Austin as it was in Cleveland. (See Figures 19 and 20.)

Figure 19



Working communities identified as of 2000
 Source: U.S. Census, 2000

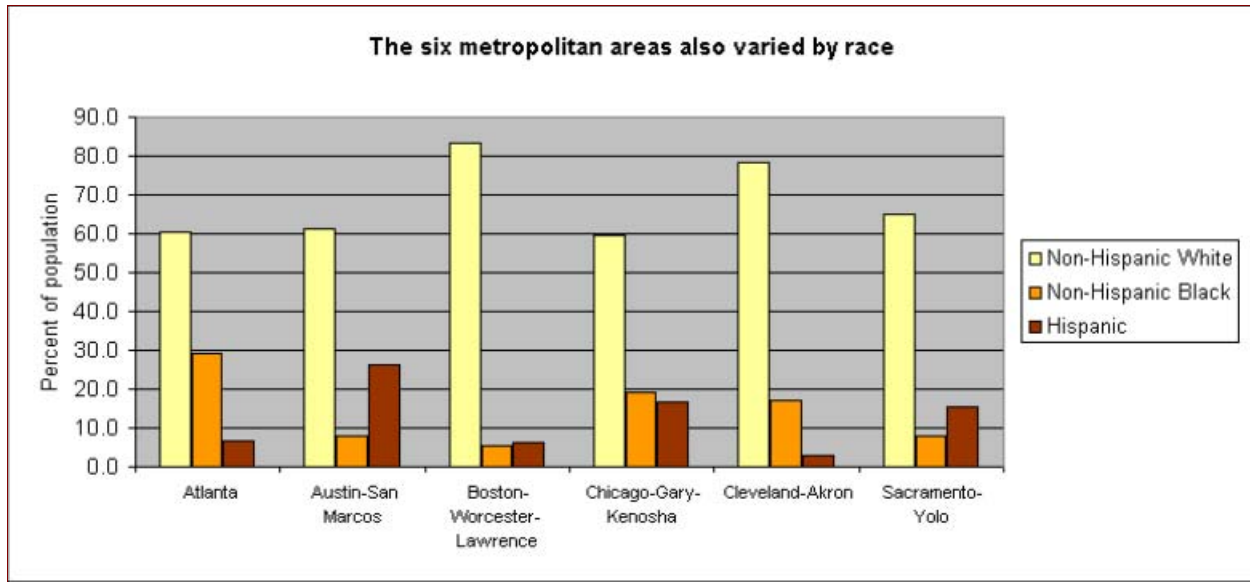
Figure 20



Working communities identified as of 2000
Source: U.S. Census, 2000

The six areas also varied a great deal in their racial characteristics. Although the Chicago region—the third largest in the nation—had more black and Hispanic residents than any of the other six metropolitan areas, its proportion of minority groups was smaller than some of the other metropolitan areas. The Atlanta region, for example, had the highest proportion of African Americans—about a third—whereas Austin-San Marcos had the highest proportion of Hispanic residents, more than a quarter of the total population. The metropolitan areas with the highest proportion of white residents were Boston-Worcester-Lawrence, which was four-fifths white, and Cleveland-Akron area, where the white share was more than three-quarters of the total. (See Figure 21.)

Figure 21



Working communities identified as of 2000
Source: U.S. Census, 2000

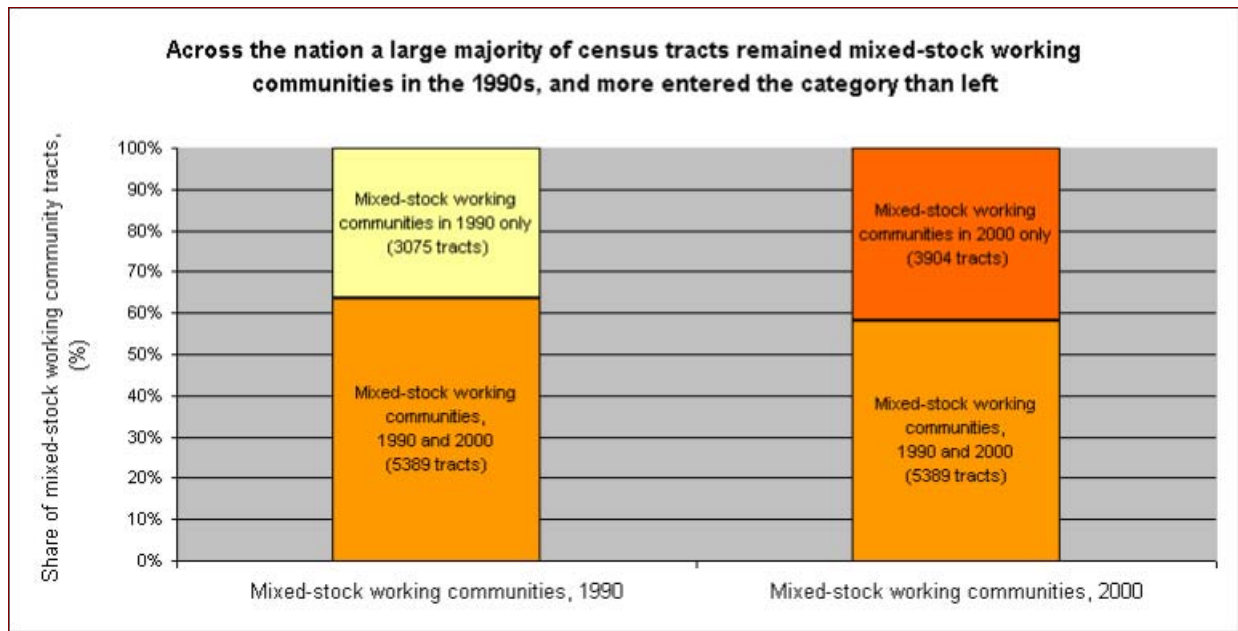
For perspective on what occurred to mixed-stock working communities in these six metropolitan areas, it is helpful to consider first how they fared across the nation. As with working communities generally, most mixed-stock working communities (64 percent of census tracts) remained mixed-stock working communities between 1990 and 2000. Shifts in median income and housing stock pulled the remaining 36 percent of tracts out of the category of mixed-stock working communities.

Of those that ceased to be mixed-stock working communities, most either gained single-family homes or lost income. Nationally, almost 40 percent of the tracts that no longer fit the criteria for mixed-stock working communities became predominantly single-family areas (containing less than 10 percent multifamily units). Also, in a small portion of tracts, many of which also became predominantly single-family communities, median income increased above the 100 percent AMI ceiling.

At the same time, about 40 percent of the former mixed-stock working communities fell below the criterion of median income of 60 percent of AMI. The remaining census tracts that left the mixed stock working community category increased their share of multifamily units above the 30 percent limit, which happened in about 20 percent of all the former mixed-stock

working communities. Thus, while stability was the general rule for mixed-stock working communities, most of those that left the category did so either because median incomes dropped or the proportion of single-family homes rose. (See Figure 22 and Appendix A Table 1.)

Figure 22



Working communities identified as of 1990 and 2000
 Source: U.S. Census, 1990, 2000

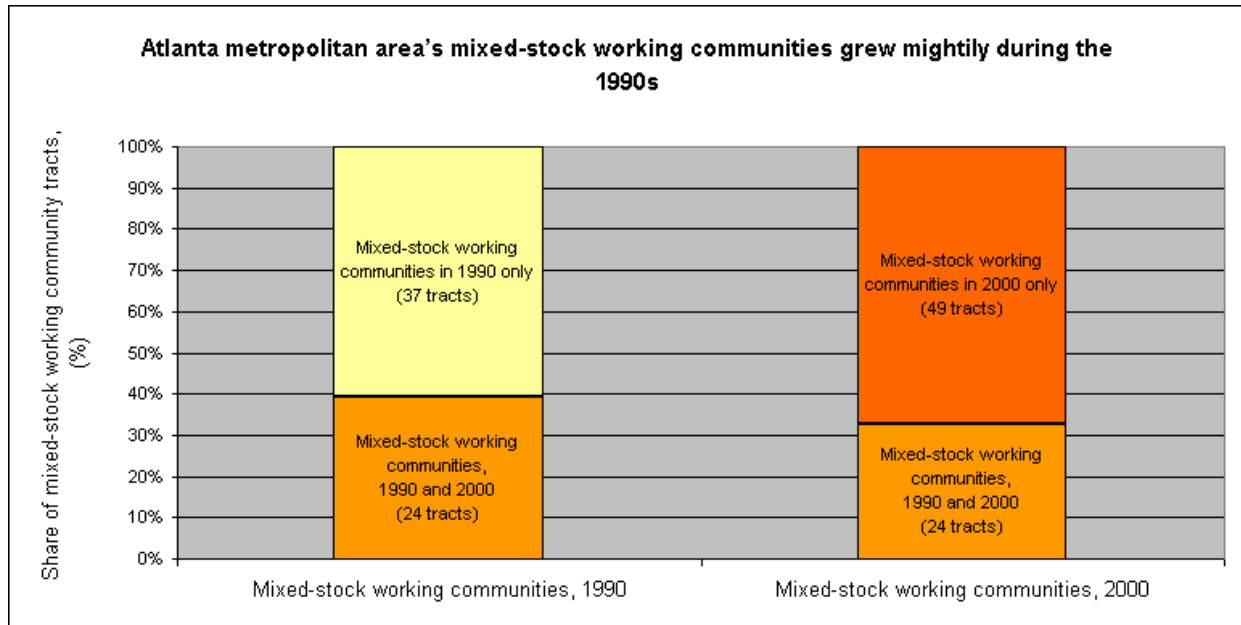
Atlanta, Georgia

The prosperous Atlanta region has become synonymous with metropolitan sprawl. From 1990 to 2000, the region added about 1.2 million people to reach a population of 4.1 million. As noted above, African-Americans made up a large proportion of the Atlanta population, and their numbers in the region grew during the decade from 743,000 to 1.2 million. At the same time, developers built 365,000 new homes for a total of almost 1.6 million homes. Despite the highly suburban quality of the region, a quarter of the new homes were multifamily units.

Although Atlanta metropolitan area's mixed-stock working communities grew mightily during the 1990s—their number rose from 61 to 73—a remarkable number of census tracts turned over in the process. (See Figure 23.) In the other five metropolitan areas a majority of the 1990 mixed-stock working communities' tracts remained mixed-stock working communities in 2000, but in the Atlanta region a greater number of tracts, 37, left the category of mixed-stock

working community than remained in, 24. The overall total of mixed-stock working communities nonetheless increased because more tracts (49) entered the category than left.

Figure 23



Working communities identified as of 1990 and 2000

Source: U.S. Census, 1990, 2000

The Atlanta region's large amount of new home construction contributed to the turnover of mixed-stock working communities. So many single-family houses appeared in 21 mixed-stock working communities that they became predominantly single-family areas in 2000.¹² At the same time, 7 mixed-stock working communities of 1990 gained so many multifamily units that they became high multifamily working communities in 2000. The region's rising average income (a 7 percent hike in the 1990s), however, did not lift the income of mixed-stock working communities as a whole (which dropped by 1 percent). Indeed, median incomes grew so slowly in 11 of the mixed-stock working communities that they dropped out of the working communities category altogether.¹³

¹² In tracts that had not been mixed-stock working communities in 1990 but *became* mixed-stock working communities by 2000, a notable 63 percent of all homes were built between 1980 and 2000, even higher than the 60 percent figure for the metropolitan area.

¹³ The average income lagged even more in high multifamily working communities. See Appendix A Table 8.

SOUTH DEKALB, GEORGIA

In the Atlanta region, where in the past racial discrimination limited the neighborhood choices of African Americans, mixed-stock working communities provide homes to African Americans who are migrating to the suburbs in search of the American dream. In particular, blacks have flocked to the green acres of South DeKalb, just east of Atlanta, where subdivisions and apartment complexes continue to multiply. South DeKalb experienced a startling growth of population during the 1990s, and almost all of the new people who moved in were African American. From 1990 to 2000, South DeKalb added 26,000 people to reach a total population of 98,300, a 36 percent increase from 1990. In the decade of the 1990s, South DeKalb became almost all-black: its white percentage of total population dropped by 11 percent while the African American share rose by 10 percent to 92 percent.

The growth and development of South DeKalb's working communities illuminates the attraction of suburban areas with an assortment of housing to upwardly mobile African Americans. In 2000, eight of fourteen census tracts located south of Interstate 20 (considered by some to be the northern boundary of South DeKalb), met the definition of working communities. Six of these were mixed-housing-stock working communities, two more than in 1990, but the gain in mixed-stock working communities, involved more than simple addition. During the 1990s two tracts shifted out of the category of mixed-stock working communities: new subdivisions turned a fast-growing section of southeastern DeKalb into a single-family working community; new arrivals shifted a working community next to the Atlanta border into a poverty tract. Yet similar construction trends and population movements apparently brought three new tracts into the category of mixed-stock working communities in 2000: two of them had been high multifamily working communities whose percentages of multifamily dropped, while one tract's median income had dropped enough to fit the criteria of a working community.

Thanks to the movement of people and building of homes, South DeKalb has both affluent and working communities, areas of mainly single-family houses and areas with multifamily projects. The multifamily homes in South DeKalb run the gamut from upscale townhouses to decrepit apartment buildings, but the latter—found in Central DeKalb and the western part of South DeKalb—have upset the homeowners, who oppose any new multifamily projects because they fear that the new apartment buildings will go the way of the old, lowering property values and undermining the kind of hard-working community they are building. Interestingly, the churches of South DeKalb have opened the door to new multifamily projects for low- and moderate-income households and, at least in some cases, persuaded the subdivision residents to accept new multifamily housing for the elderly. Thus, suburban South DeKalb and its mixed-stock working communities offered African Americans both enclaves of homeownership for the upper-middle class and a rental opportunities for those moving out of the city and away from poverty.

See Appendix C for more on South Dekalb, Georgia

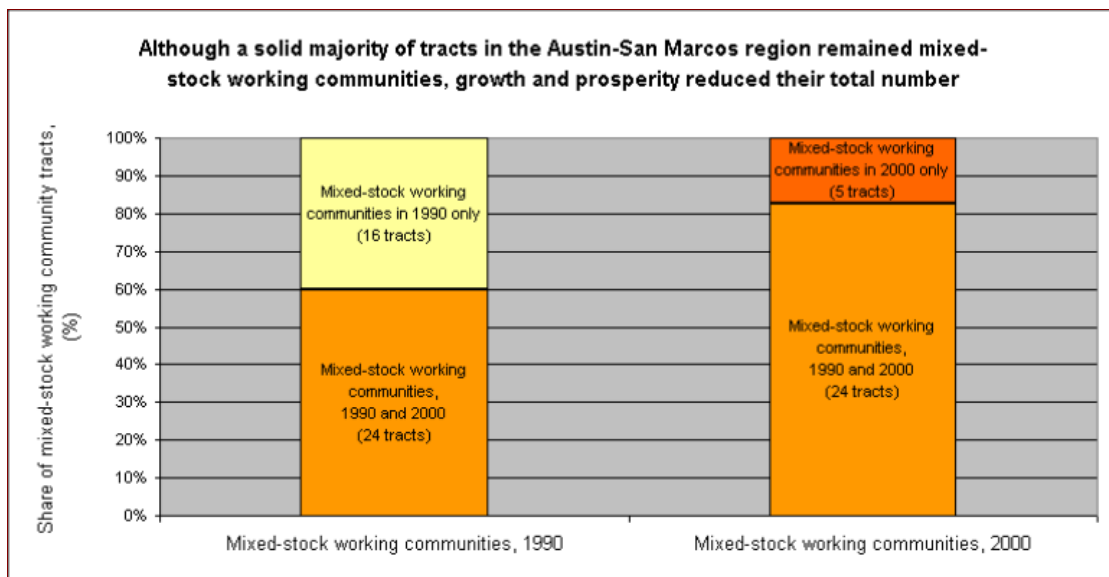
In 8 of the 11 tracts that dropped out, the housing stock remained between 10 and 30 percent multifamily units and their average income decreased by 2 percent. In the remaining 3 tracts, the housing stock shifted to predominantly

Austin, Texas

Although relatively small, the Austin-San Marcos metropolitan area is one of the fastest growing metropolitan areas in the country. The region contains the capital of Texas, the state's major public university, the University of Texas at Austin, and a prosperous technology industry. Thanks to their expansion, in Austin-San Marcos the population increased, incomes rose, and single-family houses proliferated. These positive trends affected large numbers of mixed-stock working communities somewhat perversely, either by changing them into single-family working communities or raising their income so high they were no longer working communities at all.

During the 1990s the mixed-stock working communities experienced the growth and prosperity of the Austin-San Marcos region. (See Figure 24.) Although population growth in the 1990 mixed-stock working communities did not quite keep up with that of the region (42 percent growth versus the region's 48 percent), an amazing 60 percent of homes were constructed between 1980 and 2000, about the same as of the region (61 percent). Moreover, during the 1990s average income in the mixed-stock working communities increased by 20 percent, almost as much as the metropolitan area's rate of 24 percent growth.¹⁴

Figure 24



Working communities identified as of 1990 and 2000
Source: U.S. Census, 1990, 2000

single-family areas and the income dropped on average by 6 percent.

¹⁴ Those mixed-stock working communities that remained in the category in 2000 were not quite as vital: their population grew by only 18 percent and average income by 11 percent.

Rather than stabilizing the mixed-stock working communities, however, economic vitality in the Austin-San Marcos region reduced their numbers. Although 24 census tracts remained mixed-stock working communities between 1990 and 2000—a solid 60 percent majority of the 1990 total—the metropolitan area experienced a net loss of mixed-stock working communities. Their numbers dropped from 40 to 29, and their population declined from 187,000 to 121,000. In contrast to the national trend of mixed-stock working communities during the 1990s, Austin-San Marcos lost more census tracts in the mixed-stock working communities category than it gained (16 lost; 5 tracts added).

Rising incomes and the development of single-family houses helped trim the number of mixed-stock working communities. In the tracts that left the mixed-stock working communities category between 1990 and 2000, income soared at a 29 percent rate, five percentage points more than it did in the prospering Austin-San Marcos metropolitan area. New single-family construction also apparently helped move tracts out of the working communities category. Most tracts that dropped out of the mixed-stock working communities' category did so because of a greater share of single-family houses (5 of 16), a rise in median income (2), or both (5). It is likely that the inhabitants of the new single-family houses helped raise the median income of the mixed-stock working communities. In only two tracts did the portion of multifamily units increase, and in one of these, in which the share of the white population jumped up, the average income decreased.

SOUTH AUSTIN, TEXAS

In the southern section of South Austin that we will call Far South Austin, dynamic growth has created an invigorating mix of working people, racial groups, and housing. Indeed, the area has grown so quickly that a remarkable 60 percent of its housing units were built since 1980. During the 1990s the number of residents grew from 59,000 to 69,000 and homebuilders erected 4,000 new dwellings to reach a total of nearly 28,000 units. Meanwhile, Far South Austin evolved into an ethnically diverse community: its population in 2000 was 53 percent white, 38 percent Hispanic, and 6 percent African American. Of its sixteen census tracts in 2000, nine were mixed-stock working communities, three were single-family and one was a multifamily working community.

Far South Austin contains a mix of housing types unusual for the Austin region. Besides single-family subdivisions, it has multifamily and condominium complexes, usually located on and behind main thoroughfares, as well as duplex houses. The multifamily properties take the form of wood frame garden apartments and include amenities such as swimming pools and community rooms. Generally well maintained, the district's apartments provide homes to small households, including single young adults, single parents, young couples and families who need to rent, and retired elders.

Thanks in part to the multifamily housing, Far South Austin has the population density to support many sorts of commercial enterprises, which line its major streets. Despite the inevitable grumbling from homeowners, developers will continue to create apartments and condominiums along the thoroughfares, further contributing to the vibrant mix of the far South Austin district.

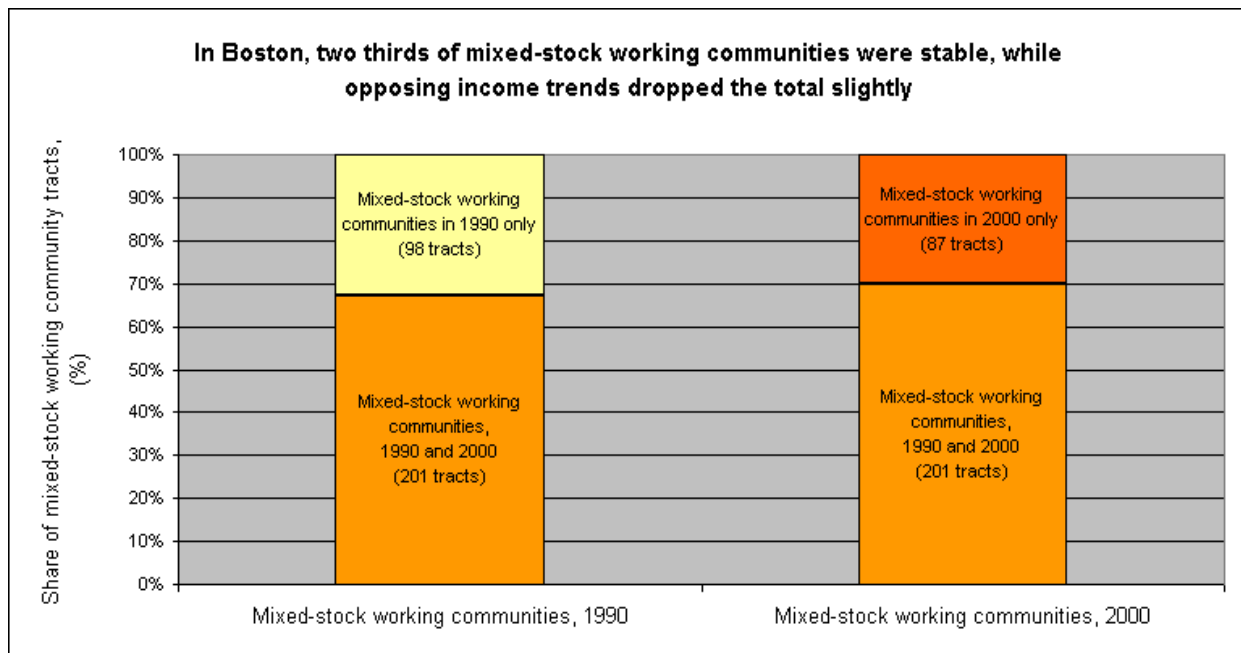
See Appendix C for more on South Austin, Texas

Boston, Massachusetts

During the 1990s a mixed bag of factors affected the mixed-stock working communities in the Boston-Worcester-Lawrence metropolitan area. The prosperity of the region, growing gap in income between the working class and the middle and upper classes, high costs of housing, and a relatively low rate of new building produced somewhat contradictory influences on the region and mixed-stock working communities in particular.

Overall, the number of the Boston region's mixed-stock working communities dropped only slightly in the 1990s from 299 to 288. Likewise, the numbers of their inhabitants declined by a small fraction from 1,452,000 to 1, 443,000. Two-thirds of the 299 original 1990 tracts remained mixed-stock working communities in 2000, while 98 dropped out and 87 dropped into the category. (See Figure 25.)

Figure 25



Working communities identified as of 1990 and 2000
 Source: U.S. Census, 1990, 2000

Two opposing income trends were at work in the mixed-stock working communities. On the one hand, some tracts apparently gentrified. In 23 of the tracts that dropped out, median income rose above 100 percent of AMI, a criterion of the mixed-stock working communities.

On the other hand, in a greater number of tracts—33—median incomes fell so much that they dropped below the minimum 60 percent AMI for working communities. In these latter tracts, the portion of the population earning poverty incomes was significantly greater than the other tracts that dropped out of the category. In the tracts where median income fell below 60 percent of AMI the poverty rates were at least 20 percent, as opposed to less than 10 percent in the other tracts.

Similarly, shifts of the housing stock that moved census tracts out of the mixed-stock working communities went in two opposite directions. Of the former mixed-stock working communities, 23 tracts became predominantly single-family working communities and 23 others became high multifamily working communities.

The result of the forces at work in the greater Boston area is that although mixed-stock working communities have just about held their own, they have been tugged in different directions. The expanding upper-middle class has encroached on their territory, and at the same time, the lag in income growth for working class people has undermined the economic position of their inhabitants.

PEABODY, MASSACHUSETTS

The Boston suburb of Peabody, Massachusetts suggests the kind of mottled conditions that may accompany multifamily housing construction in a built-up and expensive housing market such as the Boston-Worcester-Lawrence area. Peabody is an old industrial town whose original economic activity—leather tanning—has all but disappeared, leaving behind obsolete industrial buildings. Yet the town has experienced a renaissance, thanks to a regional shopping mall, new high-technology industries, and two of the metropolitan area’s major highways.

Despite being a developed suburb, Peabody has attracted and continues to attract real estate developers who build not only single-family subdivisions but also multifamily rental housing for different income groups. Renovated tanning factories and recently built multifamily complexes offer well-located apartments at reasonable rents. In the Boston region, where housing costs have soared into the stratosphere, Peabody’s multifamily housing provides a moderately priced haven in an overpriced housing market.

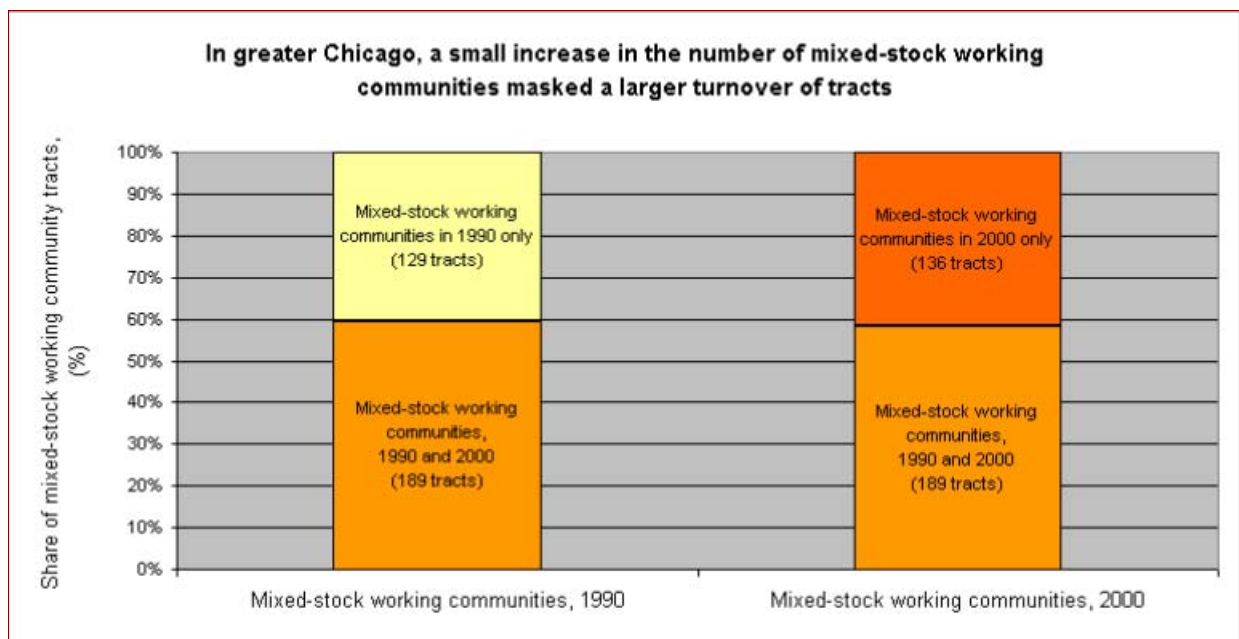
See Appendix C for more on Peabody, Massachusetts

Chicago, Illinois

In the massive urban agglomeration that has Chicago at its center, the components of the mixed-stock working communities shifted during the 1990s, although on the whole the mixed-stock areas seemed surprisingly stable. The number of mixed-stock working communities increased between the 1990 and 2000 by only 7, rising from 318 to 325.

This seeming overall stability, however, masked a great deal of change. To begin with, the increase in tracts added close to 300,000 to the total of 1.6 million residents of mixed-stock working communities in greater Chicago. Moreover, a great turnover in working community tracts had brought the small increase: 129 tracts—or 40 percent of the 1990 total—had left the category by 2000, while 136 new ones entered it. (See Figure 26.)

Figure 26



Working communities identified as of 1990 and 2000
Source: U.S. Census, 1990, 2000

As in Boston, diverse forces that helped push mixed-stock working communities out of the group in 2000. In 64 of the 129 mixed-stock working communities that dropped out, median income fell below the threshold of 60 percent of AMI. In contrast, in a small group of 18 tracts median income rose above the 100 percent of AMI limit. In 44 tracts that ceased to be mixed-stock working communities, new construction created predominantly single-family areas. Yet a

smaller group of 24 mixed-stock working communities dropped out of the category for the opposite reason: they increased the share of multifamily housing above the 30 percent qualification.

Thus, apparently the greater Chicago region was so vast that it encompassed diverse forces that pushed working communities in different directions during the 1990s. In some places, incomes rose quickly; in others they lagged. Some areas were built out with single-family homes, others with multifamily structures. Yet as a result, these trends appeared to have changed the actual number of mixed-stock working communities hardly at all.

BEVERLY-MORGAN PARK, CHICAGO, ILLINOIS

The southeastern Chicago neighborhood of Beverly-Morgan Park is a racially and economically mixed area near the boundary between predominantly black and predominantly white communities. Even as the neighborhood has integrated racially during the last thirty years, it has maintained the middle- and upper-middle class—and white—component of its population. As well as the neighborhood's amenities such as handsome parks and good schools, the persistent efforts of progressive community leaders and strong local institutions have helped to preserve its diversity of population.

Beverly-Morgan Park also contains a wide-range of housing alternatives including imposing mansions, modest bungalows, and multifamily housing in the form of rental apartments. These apartment buildings, for the most part built in the 1920s, generally are accepted as decent places for working class residents to live; they themselves are not controversial, even though they tend to be located in the area of greatest African American settlement. Furthermore, the multifamily units provide an opportunity for families of moderate income to establish a toehold in the community, which might lead later to purchase of the new house.

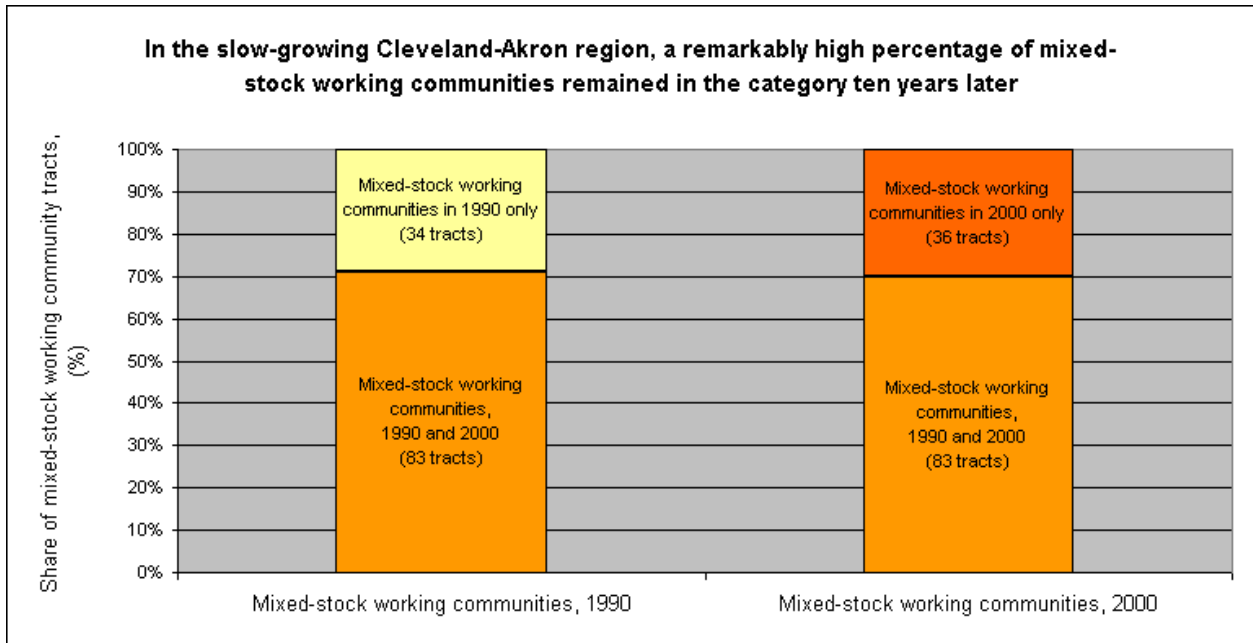
See Appendix C for more on Beverly-Morgan Park, Chicago, Illinois

Cleveland, Ohio

Among the six metropolitan areas examined here, Cleveland-Akron is the best representative of America's old industrial region where cities lost jobs and people as factories shrank or disappeared altogether. With more than 2.8 million people in 2000, the Cleveland-Akron region is large; it ranked sixteenth in population among the largest metropolitan areas. Nonetheless, like other Rustbelt areas such as Buffalo-Niagara Falls and Pittsburgh, it has been losing population. The number of people in Cleveland-Akron region grew only slightly, by 3 percent in the decade of the 1990s, which did not make up an 8 percent decline between 1970 and 1990. The slow growth of the Cleveland-Akron area apparently helped stabilize mixed-stock working communities, although housing and income in a minority of mixed-stock tracts changed extensively.

More than in any other of the five metropolitan areas, mixed-stock working communities in the Cleveland-Akron region persisted during the 1990s. A remarkably large portion, 83 of the 117 mixed-stock working communities, remained in the category ten years later. Meanwhile, 34 tracts dropped out of the category and 36 entered, bringing the total number of mixed-stock working communities to 119 in 2000. (See Figure 27) Although the Cleveland-Akron area is smaller than greater Chicago, the results were similar: the number and population of the mixed-stock working communities stayed about the same during the 1990s.

Figure 27



Working communities identified as of 1990 and 2000
 Source: U.S. Census, 1990, 2000

And as in Chicago, a combination of changes in income and housing affected the 34 mixed-stock working communities that left the category in greater Cleveland. In 13 cases, increases in the share of single-family structures pushed them out. In most of these areas, the portion of new construction was modest compared to the region, yet residents of these developing single-family areas did relatively well financially: average income grew by 14 percent, about twice the rate of that of the metropolitan area.

Another large group of 11 former mixed-stock working communities saw median income fall below 60 percent of AMI. In these tracts, average family income rose—by 4 percent—but more slowly than it did in the Cleveland-Akron metropolitan area (7.5 percent) – resulting in the comparative drop below 60 percent of AMI. In 7 mixed-stock working communities’ tracts, the median income rose above 100 percent of AMI during the 1990s. In these tracts, there was a great deal of building new homes—more than a third of the units were built between 1990 and 2000—and as a result, the population increased by almost 40 percent and the average income jumped by 25 percent.

SHAKER HEIGHTS, OHIO

Originally designed as an exclusive suburb with a wide mix of housing stock, Shaker Heights, just outside of Cleveland, contained in 2000 nearly 30,000 residents, about one-third of whom were African-American. The city government is committed to racial diversity, which it feels is “maintained when all neighborhoods are stable and attractive, and the housing stock is updated and competitive.”¹ In recent years, many in Shaker Heights are concerned that other suburbs will lure away the kind of young professional families that the city used to attract, and the city has been looking for ways to maintain its appeal.

Shaker Heights has long been a suburb that offered housing accommodations to a wide range of household incomes. It contains a wide range of housing, from mansions to middle-income single-family homes, to “Cleveland doubles” (a type of two-family dwelling), as well as moderate-income multifamily housing. Despite its suburban character, multifamily housing has a long history in Shaker Heights: most apartment buildings were built near the retail traffic circles during the 1920s and 1930s and boast handsome architectural details, courtyards, and flower gardens.

The government of Shaker Heights considers the multifamily to be an asset. To ensure that this will continue in the future, the government recently adopted an innovative inspection and escrow program, which requires either the buyer or seller fix all code violations requirements within 90 days of the sale of all properties in the city.

As an official commented, “The City of Shaker Heights has a diverse population because it has a diverse housing stock. Multifamily housing is an important housing option, especially for young professionals and senior citizens. This diversity is a key element of our vibrancy.”¹

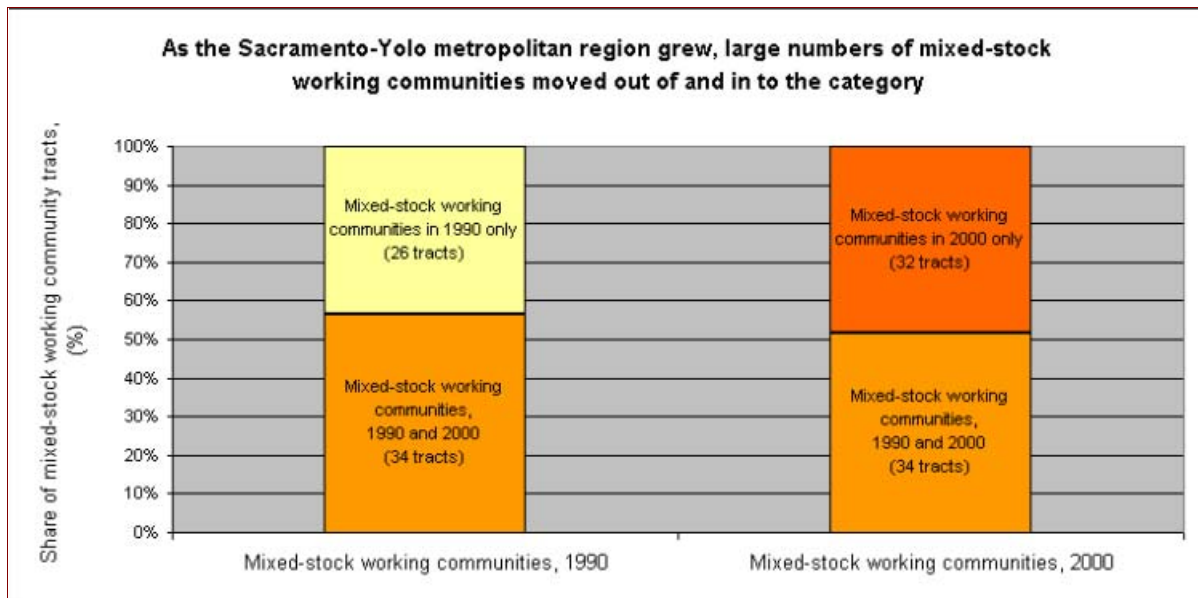
See Appendix C for more on Shaker Heights, Ohio

Sacramento, California

The Sacramento-Yolo metropolitan area is medium sized in population; its 1.2 million residents rank 24th among the largest metropolitan areas. It has a long history as an agricultural center; and, with Sacramento as the state capital and a large branch of the University of California located in Davis, in recent decades has come to rely as much on government and education for jobs. In addition, the area has become a major retail distribution center for northern California. As a result, between 1970 and 1990 the population of the region grew at a torrid rate of more than 70 percent, and in the 1990s, it continued to grow at brisk, if a little slower, rate of 21 percent. Vigorous growth in population and home construction pushed mixed-stock working communities in the Sacramento region in different directions, depending upon which sector of the economy influenced them the most.

The growth of the Sacramento-Yolo metropolitan area caused a significant movement in and out of the category of mixed-stock working communities. Between 1990 and 2000 26 tracts (or 43 percent of all 1990 mixed-stock working communities) left the category and 32 tracts entered. These changes, however, had very little impact on the overall number of mixed-stock working communities, which rose from 60 to 66. In the process, the working communities of Sacramento gained 50,000 people to reach a total of 302,000. (See Figure 28.)

Figure 28



Working communities identified as of 1990 and 2000
Source: U.S. Census, 1990, 2000

The complex nature of the economy of the metropolitan area—including white-collar professions and low and moderate wage blue-collar work—had a diverse effect on the census tracts that moved out of the mixed-stock working communities’ category. They divided almost evenly into groups in which the proportion of single-family dwellings increased (10 tracts), median income rose (8 tracts), and median income fell (8 tracts). Among these groups, the greatest number of people lived in the tracts that became primarily single-family areas. This was presumably because of new construction of single-family homes—a third of all dwellings in the census tracts that left the mixed-stock category were built in the 1980s and 1990s. The next largest number of people lived in tracts where the median income dropped below 60 percent of AMI and a smaller but still significant number of people lived in tracts where the median income rose above the AMI. Reflecting opposite economic trends, in the 26 tracts that left the mixed-stock category (taken as a whole) average income rose by 5 percent—close to the regional rise—while simultaneously the percentage of those in poverty increased by 3 points, slightly above the regional figure.

WOODLAND, CALIFORNIA

The small city of Woodland dramatically illustrates the diverse economic base of the Sacramento-Yolo region and the need and, surprisingly, even desire in such places—even if agriculture is part of the economic mix—for multifamily residences as a component of their local housing stock.

Woodland was originally a place that processed agricultural products, but lately has emerged as a regional distribution center. In addition to producing such foodstuffs as tomatoes, rice, and almonds, Woodland constructs manufactured homes and is a major distribution center for such consumer product companies as Target, Walgreens, and Radio Shack. Because many of its agricultural, industrial, and warehousing jobs pay relatively low wages, Woodland has a substantial working class, many of whose members are Hispanic. Therefore, as its economic base shifts, Woodland has a need for low-cost housing.

At the same time, the recent arrival of commuters from nearby Davis, the home of a growing campus of the University of California, and Sacramento, the state capital, has spurred the market for single-family houses.

Thus, even as it serves as a bedroom community to Sacramento and Davis, Woodland is increasing the number of homes—both single- and multifamily—affordable to working-class families. Real estate developers, with the encouragement of the city’s planning and development agency, are producing reasonably priced multifamily dwellings, with and without subsidies. Surprisingly, proposals to build multifamily projects in Woodland engender relatively mild opposition, partly because they are often located in previously undeveloped areas and partly because they fill an obvious need. Woodland teaches the lesson that in growing working communities multifamily dwellings can be seen as necessary and desirable.

See Appendix C for more on Woodland, California

VI. CONCLUSION

This exploratory venture in describing working communities reveals that the places where low- to moderate-income people live are an important and enduring feature of the American landscape. Working communities contain a majority of the population of the United States. And during the decade of the 1990s, working communities attracted new residents and builders of new homes at close to the national rate.

With or without multifamily housing, most working communities remained so over the 1990s. Across the nation, four-fifths of working communities maintained a median income between 60 and 100 percent of area medians during the 1990s. In five of the six metropolitan areas studied here, the same or more tracts remained mixed-stock working communities as in the nation at large. And in large and slow-growing metropolitan areas such as Boston and especially Cleveland, the number of mixed-stock working communities changed very little.

Poverty is present in working communities, but less so than in the respective metropolitan areas. Working communities are not extremely poor, and furthermore, during the 1990s they did not experience significant increases in poverty.

Nor did working communities undergo drastic racial or ethnic transitions. Working communities in the aggregate have slightly greater proportions of whites than does the United States as a whole. The demographic changes during the 1990s narrowed the racial gap. By 2000, the proportion of whites was only a little greater and that of blacks only a little less than in the nation, and the proportion of Hispanics was the same in working communities as in the United States. The populations of working communities have evolved slowly, not changed abruptly.

Their stability aside, working communities face economic challenges. Their inhabitants earn on average modest incomes—compared to the soaring earnings of upper-income Americans—and their houses have lower values than more affluent areas. During the 1990s, moreover, working community incomes on the whole slid further behind that of the general population. Meanwhile, average house values climbed. As a result, it appears, a growing gap emerged between earnings and ability to purchase a home.

Multifamily dwellings continue to provide a significant minority of the homes in working communities. Although the proportion of multifamily units varies from one region to another, multifamily units make up about a quarter of recently built homes in working communities.

The working communities with multifamily homes have higher incomes and housing values than predominantly single-family working communities. In the 1990s single-family working communities appreciated faster and attracted relatively higher income households than multifamily districts, yet in the previous two decades those homes in census tracts with more multifamily housing appreciated more quickly. Hence, the presence of multifamily housing continues to correlate with higher home values.

Nonetheless, mixed-stock working communities faced encroachments from single-family developments and better-off households. In all the metropolitan areas, but especially in the rapidly growing metropolitan areas of Atlanta and Austin-San Marcos, the construction of single-family homes and a rise in household incomes pulled significant numbers of tracts out of the mixed-stock working communities category.

Diverse trends worked simultaneously in the mixed-stock working communities of the large and economically vital regions such as Boston and Chicago—and also the small but complex region of Sacramento-Yolo. In some tracts incomes rose quickly, in others incomes lagged; in some single-family homes came to predominate, but in others, multifamily construction was the order of the day.

Given these findings, government officials, planners, and housing advocates could benefit from further study of working communities. It would be helpful to build on this preliminary study and analyze more closely why the changes in housing and population composition occur in some working communities more than others. It would also be interesting to examine the reasons why some working communities experience greater or lesser rates of income and house value growth than others within the same metropolitan areas. It would be of interest to explore why, as a group, working communities fare better relative to other types of communities in some metropolitan areas but not in others. It would be of interest to know what attracts new multifamily housing for working people in the face of the overwhelming development of single-family houses. With that knowledge it might be possible to encourage affordable multifamily housing to grow where already it exists and help spread it to other communities where it has not. Lastly, it would benefit be of great benefit to find ways to increase the incomes or at least ameliorate the living conditions of financially pressed households in working communities.

VII. SOURCES

The research presented here is based on analyses of data from the United States 1970, 1990, and 2000 censuses. These data were drawn primarily from the products of the Geolytics company, which has adjusted changes in census tract boundaries to allow comparisons between census tracts. All dollar values are reported in constant 1999 dollars.

Like all data sources, the United States census is an imperfect tool. Thus, the analysis of its data is best viewed as indicative of the relative direction of trends, not their precise extent. As is well known, for example, the census often underestimates the numbers of certain groups within the population, particularly immigrants and low-income people.

Various factors skew the census recording of housing costs. The average house value is a respondent's estimate of the value of his or her home, not an actual value determined at the time of sale or from an appraisal. In addition, the house value statistic calculated by the census is a "top-coded" statistic, in which all house value prices that are higher than a certain figure are reported as that figure, potentially depressing the mean home value price though generally leaving the median unaffected.¹⁵ Such top coding is likely to affect the figures from census tracts with higher home values. Therefore, the following generalizations about census data are offered as indications of the relative relationship of changes in population and housing, not an exact rendering of facts on the ground.

Generally speaking, the average owner-occupied house value is calculated by dividing the aggregate household value for specified owner-occupied units by the number of specified owner-occupied housing units. (Specified owner-occupied dwelling units include only one-family houses on less than 10 acres without a business or medical office on the property.¹⁶)

¹⁵ In 1990, all home value prices higher than \$600,000 were reported as \$600,000; in 2000, the top code of house value was set at \$1,125,000.

¹⁶ This definition also applies to "specified vacant-for-sale" dwelling units. In either case, the definition of "specified units" excludes mobile homes, houses with a business or medical office, houses on 10 or more acres, and housing units in multi-unit buildings.

VIII. APPENDIX A: TABLES

Appendix A - Table 1. Former mixed-stock working communities, percent distribution in 2000 by housing and average income: United States

Housing Stock	Median Income		
	>100 AMI	Working community income	<60% AMI
High multifamily	0.7 (21 tracts)	15.3 (469 tracts)	5.5 (168 tracts)
Mixed-stock	8.7 (267 tracts)	NA	30.7 (941 tracts)
High single-family	6.6 (204 tracts)	28.5 (874 tracts)	4.1 (125 tracts)

Total tracts, 3,069

Mixed-stock working communities identified as of 1990

Source: U.S. Census, 1990, 2000

Note: The above census tracts were identified as mixed-stock working communities in 1990 and found to be absent from the 2000 set of mixed-stock working communities

Appendix A - Table 2. Former mixed-stock working communities, percent distribution in 2000 by housing and average income: Atlanta

Housing Stock	Median Income		
	>100 AMI	Working community income	<60% AMI
High multifamily	0.0	18.9 (7 tracts)	0.0
Mixed-stock	2.7 (1 tract)	NA	21.6 (8 tracts)
High single-family	2.7 (1 tract)	45.9 (17 tracts)	8.1 (3 tracts)

Total tracts, 37

Mixed-stock working communities identified as of 1990

Source: U.S. Census, 1990, 2000

Note: The above census tracts were identified as mixed-stock working communities in 1990 and found to be absent from the 2000 set of mixed-stock working communities

Appendix A - Table 3. Former mixed-stock working communities, percent distribution in 2000 by housing and average income: Austin-San Marcos

Housing Stock	Median Income		
	>100 AMI	Working community income	<60% AMI
High multifamily	0.0	6.3 (1 tract)	6.3 (1 tract)
Mixed-stock	12.5 (2 tracts)	NA	12.5 (2 tracts)
High single-family	31.3 (5 tracts)	31.3 (5 tracts)	0.0

Total tracts, 16

Mixed-stock working communities identified as of 1990

Source: U.S. Census, 1990, 2000

Note: The above census tracts were identified as mixed-stock working communities in 1990 and found to be absent from the 2000 set of mixed-stock working communities

Appendix A - Table 4. Former mixed-stock working communities, percent distribution in 2000 by housing and average income: Boston-Worcester-Lawrence

Housing Stock	Median Income		
	>100 AMI	Working community income	<60% AMI
High multifamily	1 (1 tract)	21.4 (21 tracts)	1 (1 tract)
Mixed-stock	21.4 (21 tracts)	NA	31.6 (31 tracts)
High single-family	1 (1 tract)	21.4 (21 tracts)	1 (1 tract)

Total tracts, 98

Mixed-stock working communities identified as of 1990

Source: U.S. Census, 1990, 2000

Note: The above census tracts were identified as mixed-stock working communities in 1990 and found to be absent from the 2000 set of mixed-stock working communities

Appendix A - Table 5. Former mixed-stock working communities, percent distribution in 2000 by housing and average income: Chicago-Gary-Kenosha

Housing Stock	Median Income		
	>100 AMI	Working community income	<60% AMI
High multifamily	0.8 (1 tract)	16.3 (21 tracts)	1.6 (2 tracts)
Mixed-stock	7 (9 tracts)	NA	40.3 (52 tracts)
High single-family	6.2 (8 tracts)	20.2 (26 tracts)	7.8 (10 tracts)

Total tracts, 129

Mixed-stock working communities identified as of 1990

Source: U.S. Census, 1990, 2000

Note: The above census tracts were identified as mixed-stock working communities in 1990 and found to be absent from the 2000 set of mixed-stock working communities

Appendix A - Table 6. Former mixed-stock working communities, percent distribution in 2000 by housing and average income: Cleveland-Akron

Housing Stock	Median Income		
	>100 AMI	Working community income	<60% AMI
High multifamily	0.0	11.8 (4 tracts)	0.0
Mixed-stock	17.6 (6 tracts)	NA	32.4 (11 tracts)
High single-family	2.9 (1 tract)	35.3 (12 tracts)	0.0

Total tracts, 34

Mixed-stock working communities identified as of 1990

Source: U.S. Census, 1990, 2000

Note: The above census tracts were identified as mixed-stock working communities in 1990 and found to be absent from the 2000 set of mixed-stock working communities

Appendix A - Table 7. Former mixed-stock working communities, percent distribution in 2000 by housing and average income: Sacramento-Yolo

Housing Stock	Median Income		
	>100 AMI	Working community income	<60% AMI
High multifamily	0.0	7.7 (2 tracts)	7.7 (2 tracts)
Mixed-stock	23.1 (6 tracts)	NA	23.1 (6 tracts)
High single-family	7.7 (2 tracts)	30.8 (8 tracts)	0.0

Total tracts, 26

Mixed-stock working communities identified as of 1990

Source: U.S. Census, 1990, 2000

Note: The above census tracts were identified as mixed-stock working communities in 1990 and found to be absent from the 2000 set of mixed-stock working communities

Appendix A - Table 8. Profile in brief: Atlanta

	Metro-wide	All working communities	Single-family working communities	Mixed-stock working communities	High multifamily working communities	Affluent	Poverty
Average family income, 1990	\$72,821	\$61,697	\$58,904	\$59,500	\$64,190	\$113,869	\$32,526
Average family income, 2000	\$77,829	\$61,799	\$63,111	\$59,048	\$62,185	\$120,502	\$38,894
Rate of change in income, 1990 - 2000	6.9	0.2	7.1	-0.8	-3.1	5.8	19.6
Average owner-occupied house value, 1990	\$160,727	\$128,440	\$109,885	\$115,945	\$149,200	\$240,719	\$79,145
Average owner-occupied house value, 2000	\$179,702	\$143,272	\$127,547	\$124,990	\$168,728	\$256,643	\$109,809
Rate of change in house value, 1990 - 2000	11.8	11.5	16.1	7.8	13.1	6.6	38.7
Share of population below poverty line, 1990	9.9	8.4	7.5	8.9	8.7	2.4	35.4
Share of population below poverty line, 2000	9.8	10.3	7.8	10.3	11.6	2.7	32.9
Change in poverty, 1990 - 2000	-0.1	1.9	0.4	1.4	2.9	0.4	-2.5

Communities identified as of 1990

Source: U.S. Census, 1990, 2000

Appendix A - Table 9. Profile in brief: Austin-San Marcos

	Metro-wide	All working communities	Single-family working communities	Mixed-stock working communities	High multifamily working communities	Affluent	Poverty
Average family income, 1990	\$63,441	\$57,667	\$54,107	\$54,654	\$67,429	\$120,622	\$37,741
Average family income, 2000	\$77,893	\$66,485	\$68,319	\$62,854	\$69,999	\$140,393	\$44,910
Rate of change in income, 1990 - 2000	22.8	15.3	26.3	15.0	3.8	16.4	19.0
Average owner-occupied house value, 1990	\$136,412	\$110,898	\$105,538	\$99,694	\$140,964	\$236,212	\$84,782
Average owner-occupied house value, 2000	\$181,068	\$134,000	\$133,364	\$119,677	\$165,329	\$307,860	\$116,101
Rate of change in house value, 1990 - 2000	32.7	20.8	26.4	20.0	17.3	30.3	36.9
Share of population below poverty line, 1990	15.5	11.0	12.5	10.2	10.7	3.7	31.6
Share of population below poverty line, 2000	12.6	9.7	8.7	11.1	9.0	3.2	26.7
Change in poverty, 1990 - 2000	-2.8	-1.2	-3.9	1.0	-1.7	-0.5	-4.9

Communities identified as of 1990

Source: U.S. Census, 1990, 2000

Appendix A - Table 10. Profile in brief: Boston-Worcester-Lawrence

	Metro-wide	All working communities	Single-family working communities	Mixed-stock working communities	High multifamily working communities	Affluent	Poverty
Average family income, 1990	\$77,012	\$66,505	\$64,083	\$64,733	\$73,663	\$123,040	\$40,700
Average family income, 2000	\$82,179	\$68,374	\$66,294	\$65,879	\$77,093	\$134,234	\$40,315
Rate of change in income, 1990 - 2000	6.7	2.8	3.5	1.8	4.7	9.1	-0.9
Average owner-occupied house value, 1990	\$270,689	\$222,400	\$207,932	\$220,688	\$254,375	\$383,486	\$186,255
Average owner-occupied house value, 2000	\$250,986	\$193,225	\$173,606	\$190,769	\$237,331	\$382,129	\$149,342
Rate of change in house value, 1990 - 2000	-7.3	-13.1	-16.5	-13.6	-6.7	-0.4	-19.8
Share of population below poverty line, 1990	8.5	8.4	7.5	8.3	9.3	2.5	28.6
Share of population below poverty line, 2000	9.2	9.5	7.8	9.4	11.1	2.9	28.6
Change in poverty, 1990 - 2000	0.7	1.1	0.3	1.1	1.8	0.3	0.0

Communities identified as of 1990

Source: U.S. Census, 1990, 2000

Appendix A - Table 11. Profile in brief: Chicago-Gary-Kenosha

	Metro-wide	All working communities	Single-family working communities	Mixed-stock working communities	High multifamily working communities	Affluent	Poverty
Average family income, 1990	\$71,954	\$63,002	\$58,950	\$61,821	\$69,935	\$123,759	\$34,920
Average family income, 2000	\$77,393	\$66,215	\$61,894	\$64,928	\$73,651	\$126,508	\$42,141
Rate of change in income, 1990 - 2000	7.6	5.1	5.0	5.0	5.3	2.2	20.7
Average owner-occupied house value, 1990	\$177,395	\$131,727	\$111,568	\$132,026	\$174,305	\$292,832	\$76,758
Average owner-occupied house value, 2000	\$201,323	\$153,472	\$132,475	\$152,976	\$196,781	\$311,214	\$115,867
Rate of change in house value, 1990 - 2000	13.5	16.5	18.7	15.9	12.9	6.3	51.0
Share of population below poverty line, 1990	11.2	7.8	8.4	7.8	7.3	1.9	35.7
Share of population below poverty line, 2000	10.5	9.0	9.5	8.8	8.6	2.5	30.4
Change in poverty, 1990 - 2000	-0.6	1.1	1.2	1.0	1.3	0.6	-5.2

Communities identified as of 1990

Source: U.S. Census, 1990, 2000

Appendix A - Table 12. Profile in brief: Cleveland-Akron

	Metro-wide	All working communities	Single-family working communities	Mixed-stock working communities	High multifamily working communities	Affluent	Poverty
Average family income, 1990	\$61,217	\$55,703	\$53,002	\$56,086	\$62,051	\$107,051	\$31,718
Average family income, 2000	\$65,835	\$58,706	\$56,925	\$60,158	\$60,641	\$109,895	\$34,193
Rate of change in income, 1990 - 2000	7.5	5.4	7.4	7.3	-2.3	2.7	7.8
Average owner-occupied house value, 1990	\$116,971	\$96,498	\$88,044	\$98,637	\$120,688	\$210,221	\$50,955
Average owner-occupied house value, 2000	\$143,174	\$118,903	\$109,984	\$122,636	\$140,148	\$233,703	\$70,719
Rate of change in house value, 1990 - 2000	22.4	23.2	24.9	24.3	16.1	11.2	38.8
Share of population below poverty line, 1990	11.6	7.4	7.4	7.3	7.3	2.3	35.3
Share of population below poverty line, 2000	10.5	7.6	7.0	7.9	8.5	2.5	31.6
Change in poverty, 1990 - 2000	-1.1	0.2	-0.5	0.5	1.2	0.2	-3.8

Communities identified as of 1990

Source: U.S. Census, 1990, 2000

Appendix A - Table 13. Profile in brief: Sacramento-Yolo

	Metro-wide	All working communities	Single-family working communities	Mixed-stock working communities	High multifamily working communities	Affluent	Poverty
Average family income, 1990	\$63,583	\$56,572	\$55,745	\$56,494	\$57,855	\$92,186	\$41,542
Average family income, 2000	\$66,397	\$57,217	\$57,355	\$57,412	\$56,770	\$94,138	\$43,561
Rate of change in income, 1990 - 2000	4.4	1.1	2.9	1.6	-1.9	2.1	4.9
Average owner-occupied house value, 1990	\$218,197	\$187,662	\$178,299	\$187,355	\$204,601	\$305,236	\$143,405
Average owner-occupied house value, 2000	\$191,153	\$165,594	\$166,326	\$162,767	\$168,463	\$253,449	\$130,478
Rate of change in house value, 1990 - 2000	-12.4	-11.8	-6.7	-13.1	-17.7	-17.0	-9.0
Share of population below poverty line, 1990	11.7	11.4	11.4	10.9	12.2	4.3	29.9
Share of population below poverty line, 2000	13.2	14.2	13.7	13.7	15.4	5.0	31.2
Change in poverty, 1990 - 2000	1.5	2.7	2.3	2.8	3.2	0.7	1.3

Communities identified as of 1990

Source: U.S. Census, 1990, 2000

IX. APPENDIX B: NOTE ON CHANGE IN AVERAGE INCOMES IN AFFLUENT TRACTS BETWEEN 1990 AND 2000

Average family incomes in affluent areas grew more slowly between 1990 and 2000 than might be expected. According to the calculations based on the U.S. Census for those years, the affluent group underwent a modest 5 percent increase in average income in comparison to the 12 and 14 percent changes recorded in single-family working communities and high-poverty areas, respectively. This result is surprising given the generally accepted belief that the affluent benefited from higher income growth than other groups did in the 1990s.

Further exploration of the census income data revealed another striking finding: between 1990 and 2000, almost 38 percent of the affluent communities shifted from the affluent group into lower-income categories (see Table 1). Most of these tracts (27 percent) shifted into the next lower income group, 100-120 percent of AMI, while a smaller number (10 percent) fell into the working community category.

Some of this shifting of the affluent communities is due to the simple shifting of the median income figure between 1990 and 2000. Many of the tracts that “dropped” out of the affluent communities did well in terms of their income and house value increases, but did not keep pace with increases in other tracts in the metropolitan area.

Nonetheless, to investigate further the relatively small rise in average family income in affluent census tracts, we took a closer look at the Boston metropolitan area and found that a small but significant minority of affluent areas—located in what might be called inner-ring suburbs—experienced an influx of poor and minority households. The affluent communities of 1990 were broken into three categories: those whose median income fell below the 120 percent area-wide median income threshold in 2000, those that stayed between 120 and 150 percent of the area-wide median income, and those above 150 percent of the area-wide median income. In the Boston region, 16 percent of the 1990 affluent tracts dropped from the affluent definition by 2000. This group as a whole had income growth that was 15 percentage points lower than that of the highest income group (greater than 150 percent of the area median income) and eight points lower than the average for the metropolitan area. In addition, the percentage of African-Americans, Hispanics, and those under the poverty level increased more than in either of the

high income groups. Many of the affluent communities in which the average income decreased were located inside the I-495 commuter belt.

These statistics accord with recent research conducted by Paul Jargowsky (“Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s,” Brookings Institution, May 2003) in which he found a dispersion of poor people out of inner-city neighborhoods. Jargowsky reported that in the 1990s the number of people living in high poverty neighborhoods (those where the poverty rate is 40 percent or higher) declined dramatically while the poverty rates increased—although staying well below 40 percent—in many older, inner-ring suburbs. We recommend that, although beyond the scope of this project, further study of these patterns should be undertaken.

X. APPENDIX C: COMMUNITY PORTRAITS

COMMUNITY PORTRAIT: AUSTIN, TEXAS

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Introduction

To the uninitiated, a “Bubba” would not have much meaning. But if you are from South Austin, you know that a “Bubba” is a term of endearment. It means you are a “good ol’ boy—a regular guy.” You are probably a working person or a small businessman, not rich, but if you are, you probably would not flaunt it. And South Austin is the land of the Bubbas—it is filled with longtime residents who are very much a part of the community. In October 2002, the founder of the South Austin Culture Club organized a celebration to bring out the “Best Bubba in Us All.”

In one of those weird and wonderful South Austin moments of inarticulate clarity, several hundred residents, musicians, and politicians of all stripes, gathered at the Broken Spoke [local country music bar and dance hall] ... for a raucous sort of non-denominational affirmation... The march was about having fun and being serious, about honoring diversity, and keeping in touch with what makes Austin unique... ‘It’s not about having your pickup truck up on blocks in your front yard. We’re beyond that. It’s about helping your brother-in-law get his pickup down off the blocks and getting it running again—even if you don’t like your brother-in-law.’¹⁷

A good measure of South Austin’s diversity can be attributed to its relatively affordable housing stock—mostly modest single-family homes—but also a significant number of multifamily dwellings. While some people do not view the multifamily units as positively as the single-family dwellings, the types of housing available give a range of South Austin residents the opportunity to live in this vibrant, appealing area whether they are young or old, or have low incomes.

¹⁷ “March Brings Out Best Bubba in Us All.” <http://www.southaustincultureclub.org//BBMarch.html>

The Growth of Austin

There are three distinct parts to Austin, Texas. The first is east of Interstate 35 and the other two are west of the highway, divided between the north and south sections, with the point of demarcation being the Colorado River, which is also known as Town Lake. The downtown areas, state capitol, and the sprawling University of Texas are located in the northern section, which is also more affluent than the neighborhoods in the south.

Austin is very much part of the “Sunbelt” and its growth was substantial during the second half of the 20th century. From 1940 to 1990 the population grew from about 88,000 to over 465,000 people, an average increase of 40 percent per decade, and between 1977 and 2003, the population of City of Austin nearly doubled. There are now over 650,000 Austin residents and the present metropolitan area population is over 1.2 million, an increase of 48 percent since 1990.

Three major factors fueled Austin’s growth. First, the University of Texas is partially responsible. Between 1960 and 1970 the student population doubled, reaching 39,000 students by the end of the decade. Today, with over 50,000 students, it is one of the largest universities in the country. And, along with the students come 20,000 faculty and staff, as well as all kinds of support services, small businesses, and food suppliers.

Second, Austin has come to be known as the “Silicon Hills,” with its proliferation of electronic and semiconductor firms. Austin or its environs is the home or a major location of such corporate giants as Dell, Texas Instruments, Motorola, 3M and IBM. As of 1999 there were about 1,800 technology companies in the Austin metropolitan area with some 115,000 employees—one out of every five workers in the area.¹⁸

And, third, as the state of Texas grew during the post-war years, so too did state government. Since Austin is the state capitol, this created a further boom in the City’s population. The number of government employees in the county tripled between 1950 and 1970 to over 47,000 workers.¹⁹

Austin’s growth can be measured in another way: by the actual increase in its geographic area. As with many other states with historically small cities and vast tracts of land, Texas’ cities

¹⁸ “Fostering the Digital Economy: Perspectives for Internet Clustering.” H. Meng, July 2000. Chapter 17, p. 5.

¹⁹ AUSTIN, TX. The Handbook of Texas Online. <http://www.tsha.utexas.edu/handbook/online/articles/view/AA/hda3.html> p. 6.

grew by incorporating large parcels of land adjacent to their population centers. Between 1891 and 1940 Austin's size doubled, totaling nearly 31 square miles. But in the following fifty years, the City grew more than sevenfold, to over 225 square miles.

Two-thirds of Austin's population is white. Mexican-Americans, the largest minority group, comprising about 25 percent of the city's population, can be found living in areas all across the city. The African-American population, however, is much more concentrated. Comprising 10 percent of the population, most of this group lives in East Austin. As of 2003 the median family income in the Austin metropolitan area was just under \$67,000 and about nine percent of families fell below the official poverty level. Austin's more affluent white residents cluster in the western hilly parts of the city.

Perhaps the clearest indication of the enormous growth in Austin over the past few decades is that more than 80 percent of the City's housing units were built after 1970; 21 percent were built between 1990 and 2000.²⁰

But this growth has not been without controversy. According to one source:

Austin's rapid growth generated strong resistance by the 1970s. Angered by the proliferating apartment complexes and retarded traffic flow, neighborhood groups mobilized to protect the integrity of their residential areas. By 1983 there were more than 150 such groups...City election campaigns during the 1970s and 1980s frequently featured struggles over the management of growth, with neighborhood groups and environmentalist on one side and business and development interests on the other. In the early 1990s Austin was still seeking to balance the economic development it had long sought with the kind of life it had long treasured.²¹

From Ranchland to Subdivisions in South Austin

In South Austin, the areas closest to the river were developed first, between the Civil War and pre World War II, and in many respects look like older city neighborhoods. At the end of the second world war, much of South Austin was still undeveloped, largely consisting of ranches and mobile homes. Starting slowly in the 1950s, and continuing to the present, South Austin has been

²⁰ http://factfinder.census.gov/bf/_lang=en_vt_name=DEC_2000_SF3_U_GCTH7_ST7_geo_id=04000US48.html
and

http://factfinder.census.gov/bf/_lang=en_vt_name=DEC_2000_SF3_U_DP4_geo_id=16000US4805000.html

²¹ AUSTIN, TX. The Handbook of Texas Online.

<http://www.tsha.utexas.edu/handbook/online/articles/view/AA/hda3.html> pp. 6-7.

the site of numerous subdivisions. Not surprisingly, the first areas to be developed were those closest to the already-existing pre-war neighborhoods, closest to the Colorado River. In view of the proximity to downtown, there has been significant gentrification of these areas in recent years.

About 3 miles from the Colorado River, going south, is Ben White Boulevard, which runs east to west, and which forms the northern boundary of the area being studied. Continuing south, after another 7 miles, you come to Slaughter Lane, another east to west major thoroughfare, which forms the southern boundary. The western boundary is Brodie, which runs north to south, and which is just east of the major highway, MoPac. The eastern border of the area being studied is interstate 35, which bisects the eastern and western parts of both North and South Austin. In fact, I-35, also known as the NAFTA highway, runs almost from our borders with Canada to Mexico. For the purposes of the current study, we are calling this particular subsection of South Austin “Far South Austin.” We are describing this large area because it captures a repeated green-field development pattern, rolling out across America’s southern and western high-growth cities, which has produced a mix of multifamily and single family housing.

Development of “Far South Austin” came later and was something of a patchwork; vacant land was by-passed as plots became subdivided at different times and by different developers. But the general pattern of north to south development prevailed. Going south, the area from Ben White to Stassney Lane was largely developed in the 1960s and 1970s, the area from Stassney to William Cannon Drive was developed in the 1970s and 1980s and the area south to Slaughter Lane was developed starting in the 1980s, and continues today. Further south, in areas outside the “Far South Austin” area, is where the newest developments are being built. Sixty percent of the units in the study area were built after 1980, with 15 percent added since 1990 alone.

“Far South Austin” is somewhat more diverse than the City of Austin as a whole. As of 2000, 53 percent of the population was white, 38 percent was Hispanic, and 6 percent was black. In 1990, the corresponding figures were: 65 percent, 28 percent, and 6 percent. This amounted to a 12 percent decline in the white population and a 10 percent increase in the Hispanic population over this ten-year period. Overall, the population of “Far South Austin” grew by over 17 percent from 1990 to 2000, from 59,000 to 69,000 residents. Along with this increase in the population,

it is not surprising that there was a net addition of housing units in “Far South Austin”; some 4,000 units were added for a total number of housing units in 2000 of nearly 28,000.

Typically, single-family subdivisions in “Far South Austin” have been built first, then the land bordering the main thoroughfares have been filled in with multifamily dwellings. Office buildings and commercial enterprises, as well as multifamily housing, line the major streets of South Austin. Developers in South Austin realize that most homeowners do not want their driveways on main streets. As a result, it is likely that what little land of this type that is still available will continue to be used for apartments and condominiums.

East Austin has always been the area with the most affordable housing. “Far South Austin” and the rest of South Austin have always been viewed as a relatively affordable part of the city. Despite the availability of modestly priced single-family homes and rental units in that area and elsewhere throughout the City, there is still a significant need for more affordable housing in Austin. In recent years the issue has gained attention due in part to the efforts of The Austin/Travis County Community Action Network, a group that has highlighted the high costs and the gap between supply and demand. One of their reports notes that between 1990 and 2000, average single-family home prices rose more than 120 percent and average rents increased an average of seven percent every year between 1990 and 1999. And, further, half of the renters in the Austin metropolitan area could not afford the average two-bedroom unit, while paying 30 percent of their income for housing.²²

There is a small stock of subsidized housing in Austin. Out of nearly 266,000 households, only about five percent (14,000) receive assistance through a tenant-based or project-based federal, state or local program. At the same time, however, more than 34,000 households pay more than 30 percent of their incomes for housing and there are long waiting lists for public housing units and Section 8 rental assistance vouchers.²³ There is not much project-based assisted housing in “Far South Austin.”

South Austin tends to get fewer municipal services and amenities, such as parks, recreational facilities, and road improvements, than the more affluent sections of the City, generally north of the river, and particularly in the northwest section, which has the highest

²² Austin/Travis County Community Action Network, Urgent Issues Action Plan Report, Affordable Housing. May, 2001. See also, “Through the Roof: A Report on Affordable Homes in Austin.” Austin/Travis County Community Action Network, Working Group on Affordable Housing, August 1999.

household income. Similarly, the schools are thought to be of lesser quality. Crime in South Austin is lower than in the poorest section of the City, which is in the east, but higher than in the north and the west. It is far from being viewed as a “silk-stocking” part of town; it is primarily a working-class area.

Most of the development in “Far South Austin,” the other parts of South Austin, as well as the rest of the City, has been single-family homes. For the City as a whole, more than half the population (55 percent) rents their dwellings. However, the majority of the housing stock (51 percent) is comprised of single-family residences; 37 percent of the housing units in Austin are in buildings with five or more units.

Multifamily Housing in “Far South Austin” and Other Sections of South Austin

When land is annexed in Texas, it automatically becomes zoned for single-family housing. Unincorporated land is not subject to zoning. In order to receive a permit for multifamily housing, or for commercial or industrial uses, the developer must request a zoning change and the land has to be rezoned accordingly. Starting in the 1980s “NIMBY” concerns (not in my back yard) made it more difficult for developers to get approvals for multifamily developments.

One of South Austin’s neighborhoods, Zilker, although not in Far South Austin, presents the following history of how its local association began:

It was a dark and scary night when ZNA (Zilker Neighborhood Association) was founded on May 30, 1981 in response to a proposal to build the Kinney Avenue Condos. Then the rains came in biblical quantities and on the next day we had the Memorial Day Flood. The condos were built two years later, and are now the Ashton Green Condos, but we took the message of the flood as incentive to get involved in sensible planning. Since then we have worked with developers and city staff to influence designs and do what we could to keep Austin as the very livable city that it is.²⁴

²³ “Through the Roof,” Chapter 1, pp. 9-10; and http://factfinder.census.gov/bf/_lang=en_vt_name=DEC_2000_SF3_U_DP4_geo_id=16000US4805000.html

²⁴ Zilker Neighborhood Association web site: <http://members.tripod.com/~znaweb/history.html>

Aside from neighborhood opposition to multifamily housing, there also appears to have been a strong bias in favor of single-family development on the part of city officials. According to Dick Lillie, who presided over the City's planning department from 1970-1984:

My goal was to protect inner city neighborhoods from high density and commercial development. I felt that the long-range strength of the neighborhoods and the tax base of the City should be protected from re-zoning for higher end uses, such as multifamily housing and commercial development. I wanted to protect the neighborhoods and to add amenities to make them more attractive. I also felt that if mixed development occurred, it should not negatively impact the neighborhood proper. I helped put into place a series of compatibility standards for multifamily developments that were located next to single-family homes. These standards included, for example, additional setback and height requirements, and the need for exterior lighting around the multifamily development.

Prior to 1986, the zoning rules in effect meant that a significant amount of vacant land was eligible for multifamily development, without the need for a zoning change. Now developers need to seek permits one neighborhood at a time. According to Stuart Hersh, Coordinator of the City's S.M.A.R.T. program (to be discussed below), if the pre-1986 rules had stayed in effect, about 55 percent of the vacant land in Austin would be zoned for multifamily housing, compared with only eight percent today.

In order for a multifamily zoning change to be approved, four of the seven City Council members must support the change at three separate City Council meetings.²⁵ However, if at least 20 percent of the adjacent property owners oppose the zoning change through what is called a "valid petition," then at least six of the seven Council members must support the change by the third time the Council considers the zoning change. In the past, individual Council members have announced that they would generally not support a zoning change if neighbors have filed a valid petition.

Over the past forty years, the percentage of the City of Austin's housing stock that is multifamily has increased steadily. In 1960, only 16 percent of the total number of units in the city were in multifamily buildings, including two-family houses and larger. By 2000 this figure

²⁵ If the zoning request receives five favorable votes at the first meeting, the Council may waive the requirement to vote on the proposal a second and third time and, instead, it may approve the request at the first meeting.

had increased to 47 percent of the total housing stock. Just over one-half (51 percent) of the units in the City of Austin are single-family residences.

Of the more than 276,000 housing units in the City of Austin at the present time, over one-third are in buildings with more than 5 units--57,000 (21 percent) are in buildings with 20 or more units and another 45,000 (16 percent) are in buildings with 5-19 units.

The majority of the housing stock is comprised of single-family residences (51 percent), and another 10 percent of the stock is in buildings with 2-4 units.

Although the City of Austin's Consolidated Plan, notes that "the large majority of new units constructed in the coming years will continue to be multifamily units,"²⁶ very little new market rate multifamily housing is currently being built in the City. An important initiative aimed at addressing the overall housing needs in Austin, however, is the S.M.A.R.T. program (Safe, Mixed-Income, Accessible, Reasonably Price and Transit-Oriented). Adopted by the City Council in April 2000, the program provides development fee waivers and a fast-track review process for developments that commit to set aside at least 10 percent of their units to families who earn no more than 80 percent of median family income, spending no more than 30 percent of income on housing.²⁷ The S.M.A.R.T program has far exceeded its production goals and in its first two years about three quarters of the 1,444 units completed were multifamily units.

Most of the multifamily housing stock in the "Far South Austin" area is quite new and well maintained; there are not a lot of dilapidated units. In the 1990s as the economy boomed, with soaring housing prices and very low vacancy rates, most of the apartments in need of repairs were rehabilitated in order to be competitive with newer developments that were being produced. The recent downturn in the economy, with major layoffs by the largest employers in the City, has created a substantial decrease in rents (about 25 percent) and an elevated vacancy rate (about 13 percent).

The typical multifamily properties in the "Far South Austin" area have about 150-300 units and are garden apartments—3-story wood frame construction, with either interior or exterior hallways. Pools, community rooms, and security gating are typical amenities. In addition, somewhat unique to the study area, are a number of sections of duplexes built in the

²⁶ "City of Austin, 2000-2005 Consolidated Plan," December 2000, p. 35. The plan also points out that "multi-family construction is not necessarily rental housing, but could be more dense homeownership options in the form of townhomes and condominiums."

1970s and 1980s – small neighborhoods entirely comprised of 2-family homes—which create a family-friendly, low density type of multifamily housing. This mix of multifamily properties was developed for and continues to serve smaller households of all types. Apartments serve young adults, single adults, retired elders who have lost their spouse, and single parents. Duplexes tend to serve young couples starting a family, larger families who need to rent, and some retired elders who no longer want the responsibility of homeownership.

There are sixteen census tracts in “Far South Austin.” Based on the 2000 census, nine can be classified as a “mixed housing stock working community.” That is, an area whose residents’ incomes are 60-100 percent of area median and with multifamily housing comprising 10-30 percent of the housing stock. Three additional census tracts also have households at the same income level, but two are predominantly single family and one has a higher percentage of multifamily units. In 1990, all nine of “Far South Austin’s” current “mixed housing stock working communities,” plus two more, fell into this category. As of 2000, there were about 27,700 housing units in “Far South Austin.”

According to several people knowledgeable about South Austin, most homeowners have a negative view of multifamily housing and they would rather not live adjacent to such developments, even if they are better quality than the neighboring single-family residences. Recently, a group of residents in “Far South Austin” organized around a proposed multifamily zoning change. They said they would support the

multifamily zoning on a major street if the applicant agreed to place a restrictive covenant in perpetuity that would prohibit mixed-income housing that met the City’s S.M.A.R.T. housing standards and to also prohibit any other government assisted housing such as Section 8. The applicant agreed to do so, and the neighborhood supported the multifamily zoning change. After the City staff exposed the agreement, the applicant withdrew the offer of the restrictive covenant and the neighbors filed a valid petition in opposition to the zoning change.²⁸

²⁷ See “S.M.A.R.T. Housing Policy Resource Guide.” Prepared by Neighborhood Housing and Community Development, City of Austin, January 2003.

²⁸ Email community from Stuart Hersh, April 7, 2003. Quoted with permission.

Although the Council voted to approve the zoning change, against the will of the neighborhood, the development could not move forward because the “density limits were so restrictive that the multifamily development did not meet S.M.A. R. T. housing standards.”²⁹

Earline Wakefield, an affordable housing expert who served for many years in state and local government, and is now a real estate broker, questioned the general attitudes against multifamily housing:

Why do we have the perception that multifamily housing is undesirable? Where does that come from? Why do we have a knee-jerk reaction to these types of buildings? It’s not about income. So where in our culture did we decide that higher density is not good? If a potential homebuyer’s new property is close to a multifamily complex, their reaction is always negative. I try to get them to ask the relevant questions: Is the property well maintained? Is it the best that it can be? I try to make them understand that multifamily housing is not inherently bad, but that they need to look at the quality of the specific property.

A nonprofit developer of affordable housing in Austin, Walter Moreau, acknowledged the negative attitudes about multifamily housing on the part of homeowners, but also added that there are a number of things that he does to work with residents to try to educate them about this type of housing.

We have done three multifamily projects in South Austin over the past five years. I knew that the residents would have an initial negative reaction. And I knew that we better go and talk to them early in the process. I know that people are worried about their property values. But if we show them other multifamily properties that we own and manage that are well-run, most people end up feeling O.K. about the proposed new development. My faith has been restored that if the concerns of the neighbors are addressed as legitimate, there is room to work. People can change their mind, particularly if they understand that the newcomers will not be so different from themselves.

At the same time that the negative attitudes about multifamily housing persist, there is tremendous pride in the community’s diversity. As the organizer of the South Austin Culture Club put it, “South Austin has more culture in a 16-mile swath than in all America.”³⁰ While it

²⁹ Email community from Stuart Hersh, April 7, 2003. Quoted with permission

³⁰ South Austin Culture Club web site: <http://www.southaustincultureclub.org/SACCLnch.html>

seems clear that at least some of the diversity in the community can be attributed to the range of housing options, this connection does not appear to be made.

Concluding Note:

Whether or not people identify themselves as South Austin “Bubbas,” the sense of community does not seem to extend to welcoming more multifamily housing into the area. In South Austin, as well as in so many parts of the country, there appears to be a strong sense that multifamily dwellings are less desirable than single-family homes. While it would seem self evident that the diversity of housing contributes to South Austin’s vitality by providing opportunities to a wide spectrum of the population, this logical link doesn’t seem to be sufficient to overcome NIMBY. But through the efforts of a number of community leaders, it appears that anti-multifamily attitudes can be changed. Echoing the comments of the realtor, above, we question where, exactly, the negative views about multifamily housing come from? When did we decide that all Bubbas needs front yards, with or without pickup trucks up on blocks? And, finally, how can we continue to make inroads to create a new image of multifamily housing?

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COMMUNITY PORTRAIT: BEVERLY-MORGAN PARK, CHICAGO, ILLINOIS

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Introduction

For the residents of Chicago's Beverly-Morgan Park, a sure sign of autumn is the sight of hundreds of children running after soccer balls on the green fields of Dan Ryan Woods. Every year about a thousand of the neighborhood's youth, from four years of age up, don their bright uniforms and take to the fields to play in the local soccer league. Like their parents who run the league, the youthful soccer players come in different colors and from different backgrounds. In a city such as Chicago where the issue of race arises painfully and often, the unselfconscious diversity of the soccer players is a testament to the best spirit of American neighborliness.

It did not come about by chance. Almost 20 years ago, Barbara Vick, a white mother in the Beverly area of the neighborhood whose children wanted to play soccer, organized out of her kitchen a local affiliate of the American Youth Soccer Organization. At the time African American families had just begun to move to Beverly, which until very recently had been an overwhelmingly white middle and upper-middle class community. In most Chicago white neighborhoods, the arrival of even a few blacks is enough to start a stampede of fleeing whites. Yet Vick made an effort to invite newly arrived African American parents to help found and run the neighborhood soccer league. It was but one of many efforts that reflected a commitment to stay and maintain the vitality of Beverly-Morgan Park even as its population becomes more diverse.³¹

Today Beverly-Morgan Park is a racially diverse, mixed-income, and highly organized neighborhood. It contains lively cultural institutions, has healthy schools, and is relatively safe. The neighborhood has a wide variety of types of housing, including architectural historic landmarks, stolid bungalows, and a number of multifamily buildings. The neighborhood's apartment buildings are accepted as a fact of life, without much thought given to them. Nonetheless, the fears that the introduction of more poor people might threaten the hard-won racial harmony that prevails here would probably stymie any proposals for new multifamily development.

³¹ Charles Shanabruch, telephone interview by author, Chicago, Ill., February 11, 2003.

A Brief History of Beverly-Morgan Park

The Beverly-Morgan Park neighborhood is located in far southwest corner of Chicago. Its land once belonged to two adjacent small towns, Washington Heights, later renamed Beverly (according to legend after Beverly, Massachusetts), and, to the immediate south, Morgan Park. In the years following the Civil War, the Rock Island Railroad linked the area to Chicago, and developers subdivided and sold off the land for homes. The early residents included New Englanders, who founded a number of important religious and educational institutions in the towns.

During the late nineteenth and early twentieth centuries, the towns attracted families of prosperous professionals and businessmen who commuted downtown. On a desirable high ridge that ran through both towns, the affluent residents built mansions and large single-family houses in an array of architectural styles. Here practiced Chicago's best-known residential architects, including in the early twentieth century, Frank Lloyd Wright and Walter Burley Griffin.

In the area's lowlands settled middle- and working-class people, who lived in more prosaic dwellings. From 1910 to 1940, hundreds of brick bungalow houses, a type of home that can be found in great number in midwestern cities, were built to accommodate the working people of the neighborhood. Lately the Chicago Bungalow has begun to be recognized as a worthy type of building in its own way, thanks in large part to the Historic Chicago Bungalow Association. In September 2000 this group joined with the City of Chicago and the Chicago Architecture Foundation to run a program that gives grants and architectural assistance to the owners of bungalows. A little more than a year later, 182 bungalow owners in Beverly-Morgan Park had signed up for the program.³²

From the 1920s into the 1930s, developers built apartment buildings to house smaller households who wanted to take advantage of the suburban atmosphere and convenient transportation into the city. These multifamily structures varied from the brick three- and six-flats that were built all over the Chicago region to large apartment complexes. During the Depression, the construction of multifamily structures came to a halt, although a few more were built in the 1950s and 1960s. In the early decades of the twentieth century, the multifamily structures were popular among those who wanted to build up the neighborhood. The pastor of

³² Charles Shanabruch, "Bungalow Owners Build on New City Program," April 2002, <http://www.bapa.org/apr02/04ShanabruchBungalow.html>.

St. Rita's parish, for example, preferred apartment buildings to the bungalows then under construction. He felt the apartment buildings would increase the local population of Roman Catholics and thereby contribute to the development of Catholic institutions.³³

Into the early twentieth century, most of the neighborhood's residents were white Protestants, some from elsewhere in Chicago and the Midwest, others from New England. European immigrants, most of whom came from Germany and Sweden, also moved to Beverly-Morgan Park. From the 1920s onwards the Beverly section of the neighborhood became a beacon for middle and upper-middle-class Catholics, mainly of Irish descent, who then became the predominant ethnic group in that area. As early as the 1910s a small group of African Americans moved to a marshlands section of Morgan Park, creating one of the earliest African-American settlements in Chicago. Attracted by jobs in the Pullman car and other large factories of Chicago's South Side, African Americans continued to move to the Morgan Park section of the community, where they made up about a third of the population. Even as the overall population grew from 1930 to 1960, the black share of the population remained the same – about 30 percent.

The Campaign for Beverly-Morgan Park

In the 1970s, however, population movements in the Chicago area threatened to change the racial and economic character of Beverly-Morgan Park. Other South Side neighborhoods had changed seemingly overnight when whites fled the moment blacks began to arrive.

In fact, a number of trends were at work. The inhabitants of the white neighborhoods were aging, as were their homes. The real estate market softened in the white neighborhoods as many in the older generation died or retired to other communities and their children chose to live in the suburbs. At the same time, the civil rights movement, fair housing laws, and improved economic standing allowed blacks, who had previously been bottled up in Chicago's ghettos, to move to neighborhoods which had previously been all-white. When the African American arrived, the remaining whites, many of whom were anxious about property values and crime, decided to move out. In a startlingly short time—sometimes in just a few years—the racial

³³ Harold T. Wolff, "Book Review: Local Scholars Dominate 'The Chicago Bungalow'" <http://www.bapa.org/dec01/12wolffbookrev.html>.

makeup of many communities completely changed, creating a new pattern of residential segregation.

By the 1970s, Beverly-Morgan Park seemed ripe for resegregation: it was situated near a band of neighborhoods which had recently turned from white to black and the number of African Americans living in the neighborhood was increasing.

When the prospect of racial transition loomed over Beverly-Morgan Park, a number of white residents determined to stay and try to maintain the character of the neighborhood they loved even as its racial composition changed.

“People liked living here and they didn't want to move,” said Larry Stanton, the son of the man who revitalized BAPA (Beverly Area Planning Association). “They knew that either they accepted that there would be complete change or they accepted that there would be blacks and that they could make it work -- that, with the understanding that people hadn't really made it work anywhere else, especially on the South Side.”³⁴

Working through the local community organization, the Beverly Area Planning Association (BAPA), the group of citizens committed to staying worked to prevent the wholesale exodus of white people from changing neighborhoods with a campaign they called “Beverly Now.” They went door to door, urging the white residents not to flee. They wrestled with local real estate agents to prevent them from “panic peddling” to white homeowners and helped persuade the state legislature to pass a law that barred real estate agents from communicating with homeowners who did not want to be pestered into selling.

The leaders of BAPA fought resegregation by working to prevent the concentration of one group in any one area. On the one hand, they filed lawsuits against realtors for practicing racial steering. On the other hand, they set up a referral service to encourage new residents of either race to disperse throughout the neighborhood.

Above all, the leaders of BAPA preserved Beverly-Morgan Park by organizing the residents on a nonracial basis. They mobilized civic and homeowners’ associations, worked to create a local school integration plan, and organized annual events such as the Ridge Run, a 10-kilometer foot race, the Snowflake Ball—which 2000 people attended last year, Falling Leaf Festival, an historic homes tour, and a farmers’ market. For the children, and their parents too,

³⁴ Ben Grove, “Profile: Beverly,” *Chicago Tribune*, May 6, 1996.

the active citizens promoted the Little League and, of course, the American Youth Soccer Organization, which Barbara Vick initiated.

The campaign was successful. Even as the number of African Americans living Beverly-Morgan Park increased, the neighborhood experienced neither white flight nor rapid racial change.

Beverly-Morgan Park Today

Some thirty years after Patrick Stanton and his colleagues initiated the Beverly Now campaign, the community of Beverly-Morgan Park has continued to thrive, and its future is bright.

From 1990 to 2000, the population of Beverly-Morgan Park was essentially stable, declining slightly, by 2.8 percent (113 people), to 37,763. By most people's measure, in 2000 it was a racially integrated district, with a population that was 57 percent white, 39 percent black, and 3 percent Hispanic. In the 1990s, the African American share of the population had grown by 7 percent, and the Hispanic portion increased by 1 percent. Yet despite the change in the racial composition of the neighborhood, the poverty rate was almost unchanged (increasing by less than 1 percentage point).

Indeed the census numbers indicate that in general the residents of Beverly-Morgan Park kept up economically during the 1990s. In that decade, average family income rose 10.5 percent to \$84,500, and the average value of an owner-occupied house rose by 26 percent to \$170,400, both figures well above the corresponding numbers for the Chicago-Gary-Kenosha metropolitan area. About 8 percent of the population fell below the poverty line in 1990 and, with the number of those in poverty decreasing by 42 to a total of 3,703, stayed about the same. Nonetheless, the average income dropped in two of the 11 census tracts in the neighborhood during the 1990s—one tract went from above 120 percent median to between 100 and 120 percent and another tract went from between 100 and 120 percent to the between 60-100 percent of area median. As a result in 2000 seven tracts were working communities (average income between 60-100 percent of area median income), two were affluent (120 and more percent of area median income) and the remaining three fell in between (between 100 and 120 percent of area median income).

Even as Beverly-Morgan Park became less affordable for homebuyers, it was more affordable for renters who saw the average rents there decline by 10 percent during the 1990s.

The lower rents may have made Beverly-Morgan Park more accessible to moderate-income families. Four of the working-communities census tracts had a mix of housing stock (with from 10-30 percent multifamily) and a fifth had a large component of rental apartments.

Statistics do not do justice to the numerous amenities of Beverly-Morgan Park. The community enjoys service on the commuter rail to downtown Chicago. As a result of its legacy of elegantly designed homes, the neighborhood today has an abundance of architectural landmark districts and homes, including the Ridge Historic District, one of the country's largest districts in the National Register of Historic Places, which contains more than 3,000 buildings registered as historically significant. The Beverly Art Center, a surprisingly diverse art complex that presents dance and music concerts, art exhibitions, foreign and art films, as well as offering a full curriculum of art and music classes for all ages.

Schools are one of the key attractions to prospective residents, and Beverly-Morgan Park has a large array of good private, parochial, and public schools. Local private institutions include three Montessori schools and Morgan Park Academy, a 125 year-old liberal arts and college preparatory school that runs from kindergarten to twelfth grade. Five Roman Catholic parishes run elementary schools, and outside but nearby on the Southwest Side are Brother Rice, Mount Carmel, and Marist High Schools.

Beverly-Morgan Park's public schools, according to a writer for the *Chicago Tribune* "rank among the best in the city."³⁵ Among the neighborhood's five local elementary schools, the Kellogg Electronic Research Academy, the Clissold School, which offers both traditional and Montessori learning programs, and the Sutherland school, which sends academic teams to compete in state tournaments, produce academic scores that compare well with those of suburban schools. A sixth elementary school is a successful magnet school, concentrating on the humanities, which draws approximately a third of its students from Beverly/Morgan Park and the rest from other South Side communities. BAPA and other neighborhood activists have strenuously tried to keep these schools racially integrated, even promoting programs to make Catholics feel comfortable in them.

Morgan Park High School is one of the better performing public high schools in the city. It demonstrates the tendency of the races to cluster to a much greater extent than in the elementary schools. Because many white graduates of the public elementary schools enroll in

³⁵ Grove, "Profile: Beverly."

Catholic high schools, Morgan Park High School is predominantly black. Also a significant number of the school's students come from the eastern section of Morgan Park, outside what BAPA considers the boundaries of Beverly-Morgan Park.

The other great marker of urban neighborhoods is safety, real and perceived. People who know Beverly-Morgan Park well consider it safe. The records of the Chicago Police Department show that it is safe, especially relative to nearby communities. In 2001, for example, the police recorded 1 murder, 5 criminal sexual assaults, and 70 robberies in the Beverly section of the neighborhood, whereas they counted 5 murders, 19 criminal sexual assaults and 192 robberies in adjacent Washington Heights, and 17 murders, 55 criminal sexual assaults, and 514 robberies in nearby Auburn Gresham.³⁶ For most residents, local crime means burglaries and minor crimes such as bicycle thefts and car break-ins.

In a close-knit community, nonetheless, any serious crime reverberates. In Beverly-Morgan Park it also causes people to take action. In the early 1990s, a series of murders galvanized residents to organized a community-action policing program that soon quickly expanded to become one of the largest in the city.

As for the leaders of BAPA, they feel their biggest challenge is to revive the dying commercial boulevards. On the one hand, automobile access to the shopping centers has drained shoppers away from the old neighborhood stores. On the other hand, Beverly-Morgan Park lacks a dense population of a high income or ethnic group that usually provide the customers for successful urban shopping strips today.

In the end, the vitality of a neighborhood can be measured by the demand for living in it. A recently completed survey of homebuyers by BAPA show that new homebuyers in Beverly-Morgan Park are well educated, the great majority having completed college and about half of them holding a graduate or professional degree. Close to half of the households surveyed earned more than \$100,000 and a fifth of the households earned between \$75,000 and \$100,000. Close to three-quarter of the respondents were white, a fifth were African-American, and the rest belonged to mixed or other races. They included teachers, attorneys, policemen, firemen, nurses, accountants, college professors, operating engineers and physicians. About half of the new

³⁶ Chicago Police Department, *2001 Annual Report*, 21. (The community area designated Morgan Park, which is located both inside and outside the BAPA boundaries of Beverly-Morgan Park recorded 8 murders, 8 criminal sexual assaults, and 108 robberies.)

homebuyers came to Beverly-Morgan Park from other Chicago neighborhoods, about 15 percent from Chicago suburbs, and 30 percent from Beverly-Morgan Park.³⁷

Multifamily Dwellings in Beverly-Morgan Park

Apartment buildings have been a valuable part of the available housing in Beverly-Morgan Park. Like the single-family houses in Beverly-Morgan Park, most of the community's apartment buildings are old. Most date from the 1920s, although a few were built in the 1950s. Today rental apartments make up from 10 to 15 percent of the approximately 17,000 dwellings that make up the total.

Apartments have helped to introduce newcomers to the community, often serving as first step to a purchase of a home. One of the community's most revered figures is Major J. Patrick Donovan, a highly decorated former U. S. Marine Corps helicopter pilot and Vietnam veteran. In 1966, a couple of years before he flew a series of heroic missions to save wounded soldiers in Vietnam, Donovan came to visit Beverly-Morgan Park and decided to stay until he had to report to his Marine assignment. Donovan rented an apartment, found a temporary job, and got to know a number of local people as he exercised in the local parks. After the war, he returned to the neighborhood where he met his wife and they bought a home and raised a family in Beverly-Morgan Park.

Donovan's story of apartment living as a springboard to homeownership is by no means unique. The BAPA housing survey states that 41 percent of new homebuyers who were surveyed had owned a home or rented in the neighborhood before.

Taking advantage of the demand for homeownership in Beverly-Morgan Park, a few building owners have converted their rental properties to condominiums. A notable recent example of condominium conversion took place at an unusual two-story courtyard complex of 22 flats, originally named the Beverly Maisonettes, and completed in 1936 in the Art Moderne style.³⁸

Like the schools and institutions of Beverly-Morgan Park, some of the apartment buildings are all-white, some are all-black, and some are integrated. Of late, nonetheless, the rental units in the multifamily buildings of Beverly-Morgan Park have attracted African-

³⁷ Marcia Walsh, "Housing Survey, A 2001 Survey of New Home Buyers Confirms It: Beverly Hills-Morgan Park Has Great Value and Beautiful Homes," 2001, < <http://www.bapa.org/housing-survey-2001.html>>.

³⁸ Harold T. Wolff, "The Beverly Maisonettes," August, 2000; <http://www.ridgehistoricalsociety.org/wolff/8-00wolff.html>.

Americans of low- and moderate-income who see it as relatively inexpensive shelter in good neighborhood.

The neighborhood's apartment buildings are generally perceived as part of the landscape, not seen as particularly good or bad. Certainly the leaders of BAPA, who carefully watch over the neighborhood, do not consider them a problem. They judge that most of the buildings are run well, and blame bad management for the couple of buildings that are not.

Despite the overall health of the Beverly-Morgan Park community and the contributions of the rental apartments to its housing stock, BAPA's leaders feel it is unlikely that any more multifamily dwellings, particularly mixed-income, will be built in the neighborhood for the foreseeable future. Aside from the question of whether there is enough demand to induce a developer to build such housing, residents would probably resist a multifamily development and any relaxation of zoning laws that would allow it. As with most middle-class neighborhoods in the United States, the homeowners—who are most active in civic affairs—instinctively oppose any project that might increase population density and traffic. In Beverly-Morgan Park in particular, many identify their community as a suburban or outer city type of place, where single-family houses, lawns, and parks are the dominant characteristic. Although recently some townhouses were built here, active residents would likely consider a large multifamily development as antithetical to the neighborhood's character.

In addition, the unique history and circumstances of Beverly-Morgan Park work against new high multifamily development. The modern history of the community is a successful story of beating back the white flight and undertaking racial integration whole-heartedly. Maintaining the neighborhood as a bi-racial community took tremendous energy by local leaders and commitment from residents who chose to stay or moved. They would probably resent any efforts that appeared to them to import and cluster poor people, thus increasing the chances of losing the racial balance and collective harmony they have spent the last three decades achieving.

Nor is the threat remote. Immediately to the east, neighborhoods, such as Roseland, Auburn Gresham, and Washington Heights, shifted within recent memory from all-white to all-black. Although the leaders of Beverly-Morgan Park are confident that their community is healthy and will remain so in the future, they fear resegregation and strive to create a racial balance in apartment buildings, public schools, and other community facilities. While they might accept new luxury apartments, they would probably fear new rental dwellings that brought

in more low-income African-American residents and thus threatened to undermine social stability that they worked so hard to establish. (Middle- and upper-middle class African-Americans have resisted low-income projects in south Chicago neighborhoods and suburbs, and so might well oppose an increase in low-income residents in Beverly-Morgan Park.)

Beverly-Morgan Park is a vital mixed-income and mixed-housing-stock working community, held together by strong ties of neighborhood organizations and institutions. Even as the neighborhood has integrated racially during the last thirty years, community leaders have succeeded in maintaining the middle- and upper-middle class—and white—component of its population. Beverly-Morgan Park provides a wide-range of housing alternatives including imposing mansions, modest bungalows, and rental apartments. This last alternative provides an opportunity for families of moderate income to establish a toehold in the community, which might lead later to purchase of the new house. Yet as content as leaders and residents are with the multifamily, it is doubtful that they could overcome their fears of resegregation and disorderly poor people enough to support more such housing.

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COMMUNITY PORTRAIT: PEABODY, MASSACHUSETTS

Still Growing After All These Years

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Introduction

In the heart of the historic industrial district in Peabody, Massachusetts, a small city eighteen miles north of Boston, stand the old factory buildings of the A.C. Lawrence Leather Company, once the largest tannery in a city of tanneries. Today these factory buildings contain more than 450 apartments, which rent at moderate prices to market-rate, low-income, elderly, and disabled tenants. Their conversion to mixed-income multifamily residences some thirty years ago was one of the early examples of recycling old mill buildings for new uses in New England.

The Tannery Apartments and Tannery II multifamily projects symbolize the adaptability of Peabody, a city, which emerged out of the ruins of the old industrial economy to enjoy a renaissance as part of the new industrial and commercial society. In providing decent homes at a reasonable cost, these factory buildings also symbolize the vital role the city plays in the overheated Boston housing market. For Peabody is a developed suburb where real estate developers want to come to build not only single-family homes but also rental housing for all different income groups. It is the kind of healthy, mixed-income community that is too often overlooked.

Peabody: Diverse and Ever-Changing

At first glance the city of Peabody appears as just another growing suburb in the prosperous and expensive Boston metropolitan region. It contains highways and subdivisions of single-family houses, and the overwhelming majority of its 48,000 residents is white.

But Peabody is far more complex than the ordinary suburb. It is at once an industrial blue-collar town, a white-collar bedroom community, a commercial center complete with a regional shopping mall and busy shopping corridors, and a highway crossroads. The city encompasses a range of income groups and a wide variety of ethnic groups who celebrate their foreign heritages each year at the weeklong International Festival. Housing in Peabody is

similarly diverse, including mobile homes, single-family houses, and luxury, moderate-, and mixed-income apartment developments.

A History of Dynamic Economic Growth

The history that created modern Peabody is one of great changes. Settled by the English Puritans in the 1620s, Peabody began as an agricultural province of the seaport of Salem called Brooksby. As its name implied, many streams ran through Brooksby, and their waterpower encouraged industries; by the late 1600s its tanneries served the many shoemakers in the towns north of Boston.³⁹

Brooksby broke away from Salem in 1752 to be a part of the new town of Danvers, and prospered so much that in 1855 it seceded from Danvers to become a separate town. Named after native son George Peabody, a renowned merchant, banker, and philanthropist, the town's population grew so large that in 1916 it dropped the town meeting form of government and became a city, with a mayor and legislature.

During the nineteenth century, as New England became a humming industrial region, Peabody became known as "Tanner City," a center of leather manufacturing that fed the booming boot-and-shoe industry in Lynn and other nearby towns. At mid-century, the leather industry had become the chief industry, with 27 tanneries and 24 currying establishments employing more than 500 workers.

By the early twentieth century, Peabody had become, along with Philadelphia, one of the two largest leather producers on America's East Coast. In 1919, 91 tanneries and leather byproduct factories operated in Peabody and employed more than 8,600 men and women. The largest tannery was the A. C. Lawrence Leather Company, which operated in three sites and employed 2,150 workers.⁴⁰ Almost all of the tanneries were located in and around the town's old center, on its eastern boundary next to Salem, while farmers still worked the land in the western part of town.

³⁹ Unless otherwise stated, the historical information in this section is drawn from "Leather City History," City of Peabody Web Site, <http://www.ci.peabody.ma.us/global/cityhistory.htm>.

⁴⁰ City of Peabody, Downtown Riverwalk & Leather City Historic Trail, Adopted as a Planning Guide by the City of Peabody in the Year 2001, 5.

The wars of the twentieth century were a boon to Peabody's leather factories. Government contract orders for boot leather during World War II kept the town's many small tanneries humming. Peabody's tanneries continued to produce even during the Korean War.

The great engine of leather production, however, shut down in the Cold War era. By the 1960s the town's tanneries faced competition from less expensive foreign factories. Then in the 1970s environmental regulations boosted the cost of producing leather in the United States. By 1980, 85% of all leather sold in the United States was imported from abroad. Peabody's once mighty leather manufacturing was reduced to making leather for footballs and Nike sneakers. Today only two small leather factories survive in Peabody, and the question is how much longer can they stay in business. The major remnant of the heyday of the leather industry started as an offshoot of the tanning process: the Eastman Gelatine Company, a seventy-year old firm founded by George Eastman, each year converts more than 45,000 tons of cattle bones into gelatin for use in photographic film and printing paper.⁴¹

Even as its major industry collapsed, however, Peabody transformed itself into a thriving, economically diverse community based on modern industrial and commercial development.

The Roads to Prosperity

Roads were key to the creation of the new Peabody. The town had long benefited from its location along main thoroughfares that connected it to Boston, Salem, and nearby towns. Route 1, the old road that threaded the East Coast, was its first connector. In the postwar era Route 1 evolved into a prototypical commercial strip, which bestowed small businesses on Peabody. Another highway that passed through the town, Route 114, also developed a long string of roadside stores. Boston's primary belt road, Route 128, and the passageway to northern New England, U.S. Interstate 95, both cut across Peabody as well.

The presence of transportation routes inspired the development of two major centers of employment for Peabody and the surrounding area. One is the North Shore Shopping Center, built in 1958, and expanded in 1978 as an indoor mall that is one of the largest in the Boston metropolitan region. With five nationally known department stores as anchors and capacity for parking 7,700 cars, its stores employ more workers than any other locale in Peabody. The other

⁴¹ Peter Torigian, telephone interview by author, Peabody, Massachusetts, March 1, 2003; Sean Corcoran, "A New Era Has Come for Eastman Gelatine," *Salem News*, February 20, 2003.

is the Centennial Industrial Park, which was developed in the late 1970s in conjunction with a major highway exchange. With such tenants as a sports clothing firm, a pharmaceutical company, regional food supplier, and Analogic, a high-tech company producing magnetic resolution imagery machinery used for airport security and medical purposes, the industrial park brought local jobs and tax revenues to Peabody and stimulated the city to develop another industrial park, now home to a large seafood processor and a nationally known high-fidelity sound equipment manufacturer. In addition, private developers have created four small industrial/office parks. The transportation corridors that cut through Peabody have enabled the town to move out of the old industrial economy into the new consumer and high-technology economy.⁴²

The highway and crowded commercial strips have not been an unmixed blessing for the city of Peabody. From the 1950s onwards, they contributed to the town's growth as real estate developers built housing for both local workers and commuters to the growing number of jobs in the Boston metropolitan area. The movement of the region's workers and shoppers through the town has made traffic congestion a permanent feature of life in Peabody. In addition, competition from nearby shopping centers has reduced Route 1 to a seedy area with adult entertainment parlors, cheap motels, and mobile home parks.

Peabody's vigorous economy has attracted workers from all over. Early on Yankees from New England came to produce leather, but over time, foreign immigrants found their way to Tanner City. The Irish, of course, came to Peabody as they did to all the industrial regions of the Boston region. In the late nineteenth and early twentieth centuries, Greeks, Turks, Armenians, Italians, and Albanians were among the many nationalities that arrived to work in the tanneries. In the 1960s and 1970s, Portuguese immigrants from the Azores came to Peabody, and the more recent arrival of Hispanics from the Dominican Republic and Puerto Rico contributed to the town's ethnic mix. Unlike the neighboring town of Lynn, an old industrial town whose Hispanic population jumped in the 1990s to 18%, Peabody has remained

⁴² Peabody Department of Community Development, City of Peabody, Massachusetts, *Peabody Master Plan Update: Existing Conditions and Trends Analysis* (Peabody, Massachusetts: September 2002), I-1, I-6, II-2; Torigian, interview.

predominantly white—93%. Its proportion of Hispanics grew in the 1990s but at 3% is still quite small. African Americans make up only 1% of the city’s population.⁴³

Peabody’s development over time has brought it a range of income groups—working-, middle-, and upper-middle class, which places it economically in a middle category between the impoverished industrial communities and wealthy suburbs. When their income is calculated together, the families of Peabody earn on average, \$74,500, less than the \$82,000 average for the Boston metropolitan area. Peabody’s average family income of \$74, 500 is significantly higher than comparable figure, \$54,000 of its neighbor, Lynn, which is more heavily working-class and has a greater proportion of recent immigrants. Yet it is far less than the adjacent affluent town of Lynnfield, where the average family income was a robust \$122,000.⁴⁴

The Diverse Housing of Peabody

The historic course of Peabody’s development has brought it a strikingly diverse mix of housing, distributed across the town. Peabody’s oldest built-up district is downtown, where the tanneries were located, and the adjacent East End, where the early tannery workers lived, often in workers’ cottages and boardinghouses. Here the lots are small—sometimes as small as 3,000 square feet—and occupied by one, two, and three-family buildings. Yet the old downtown is also the site of considerable numbers of condominiums and rental apartment buildings. Multifamily dwellings—developed by converting former tanneries or constructing them from scratch—now occupy almost a third of the downtown’s land parcels.⁴⁵

In South Peabody there are modest single-, two-, and three-family houses, where many of the town’s blue-collar residents traditionally lived. In the older sections are relatively old and small homes, but there are also medium sized homes built after World War II on 10,000 square-foot lots. During the long economic boom of the 1980s and 1990s, hundreds of larger, expensive houses were added to South Peabody, many on granite ridges that previously were deemed too

⁴³ City of Peabody, *Downtown Riverwalk & Leather City Historic Trail*, 5; City of Peabody Web Site, Community Profile, <<http://www.ci.peabody.ma.us/global/commprofile.htm>>; Sean Corcoran, telephone interview with author, Peabody, Massachusetts, February 26, 2003; U.S. Census, 2000.

⁴⁴ U. S. Census, 2000. Median income figures are lower-- In 1999, Peabody’s median household income was \$54,829, Lynn’s was \$37,364 and Lynnfield’s \$80,626. Summary of Income Characteristics: Massachusetts, 1999; <<http://www1.miser.umass.edu/datacenter/Census2000/6threlease.html>>.

⁴⁵ This section is drawn from Peabody Department of Community Development, *Peabody Master Plan Update: Existing Conditions and Trends Analysis*, III 1-10. It stated the rent ceiling in Peabody was \$1,500, but this may not have taken into account the Avalon Essex project where, according to the *Salem News*, the rents started at that figure and went up to \$2,000. (See below).

expensive to blast for building. With the exception of a condominium complex and retirement community, few large multifamily buildings have been developed in South Peabody.

The Central Peabody district, located between Interstate 95 and Route 128, has attracted both single-family and multifamily residences, many of which were developed in recent decades. The single-family homes were built in the vicinity of the city's largest greenbelts, the Salem Country Club and Brooksby Farm, a combination of working farm and nature sanctuary. These houses are large—by Peabody's standards—often built on 15,000 square-foot lots. Central Peabody contains most of the city's large multifamily developments. These are located near the North Shore Mall, I-95, and, in the case of the Brooksby Village retirement community, Brooksby Farm.

West Peabody is a land of single-family houses, although of very different character. Where once the town's farms were located, developers since World War II have spread out new subdivisions of homes for middle- and upper-middle-class residents. Like the single-family homes in Central Peabody, these houses take up sizeable lots, usually 15,000 square feet. In stark contrast, West Peabody also contains more than 600 mobile homes, one of largest concentrations of mobile homes in Massachusetts. These are found in twelve mobile home parks located along Route 1 and are occupied in large part by elderly people and upper-middle class people who use the mobile homes as an inexpensive second residence. In addition, Route 1 has several inexpensive hotels, which lately the government has used to house homeless families.

Finally, Peabody has several residences for the city's growing number of elderly. The aging trend can be seen in the 26% growth from 1990 to 2000 of the portion of Peabody's inhabitants over the age of 65, a group which now makes up 17.5% of the city's population. Dwelling units designed for elderly residents are located in both publicly and privately owned complexes, and the city also has a private retirement community on a 90-acre campus.

Multifamily Housing: A Thriving Sector

Given that the construction of single-family homes over the last few decades has given Peabody a suburban image, it may surprise some to discover that the city contains a large and increasing number of multifamily units. In 2000, five of Peabody's nine census tracts are mixed-stock working communities, where the average income is 60-100% of the Area Median Income and multifamily dwellings make up from 10-30% of total residences. Just less than 30% of

Peabody's 18,500 dwelling units were rented in 2000, which—despite the development of numerous single-family homes in the 1990s—was virtually the same proportion of rentals as ten years earlier. Rents rose during the 1990s by 57%, according to the Peabody Planning Department, and in 2002 the charge for one, two, and three bedroom apartments ranged from \$600 to \$2,000 per month. The rental apartments, and to some extent the condominiums, serve a range of household incomes. Although some are geared toward the luxury market, others have moderate and, in some cases, subsidized rents.⁴⁶

Two adjacent privately owned apartment complexes demonstrate the possibilities of moderately priced multifamily living in the suburban city of Peabody. Terrace Estates and Kross Keys Apartments are located next to one another, across from the North Shore Mall, near Boston's belt road, Route 128. Terrace Estates aims especially for retirees, while Kross Keys rents to a range of householders, including some families with rental subsidies.

Built about forty years ago, Terrace Estates is a two-story townhouse-garden apartments, with entrances that open to up to four units, grouped around well-maintained landscaped areas. Despite its low-rise design, Terrace Estates is quite large: it contains 521 units. The tenants include blue-collar workers, physicians and other professionals, singles and couples, and retirees. Young couples live there, but usually for a short time before moving on. One reason is that the complex lacks children's recreational facilities such as swing sets and prohibits wading pools, which discourages families from staying. The rents are market-rate: a one-bedroom apartment starts at \$925; the two-bedroom apartments range from \$1050-1125; and a three-bedroom apartment lets for between \$1125 and \$1160. Rents are reduced, however, for tenants who stay at Terrace Estates for a few years. Thus, a one-bedroom unit (heat and air conditioning included), which lets for \$925 a month, now costs one long-time tenant only \$825 a month, a bargain in the Boston area.⁴⁷

Across the way is Kross Keys Apartments, another low-rise complex that takes the form of 2½ story townhouses, with twelve units to a typical entryway. Kross Keys Apartments was

⁴⁶ City of Peabody Web Site, Community Profile; Peabody Department of Community Development, *Peabody Master Plan*, 31; Peabody Department of Community Development, *Peabody Master Plan Update: Existing Conditions and Trends Analysis*, III 1-3.

⁴⁷ Terrace Estates management office, telephone interview, Peabody, Massachusetts, March 7, 2003; Paul O'Connor, telephone interview with author, Peabody, Massachusetts, February 28, 2003. According to the management office, the third renewal of the ten-month lease at Terrace Estates brings a \$50 discount; the sixth renewal, a \$100 discount. Since rents are raised periodically, this may translate to a rent freeze rather than a rent reduction.

built in 1969 and contains 286 units, most of which are one- and two-bedroom apartments. It too contains a mixture of young couples and seniors, but also a small proportion of low-income families with Section 8 rental vouchers. The rents at Kross Keys Apartments start lower than its neighbor: a one-bedroom apartment lets for between \$800 and \$875; a two-bedroom apartment, \$975 to \$1000; and the large townhouse unit for \$1300. The complex is not fancy: there is one washer-dryer appliance for every twelve apartments, maintenance is not always immediate, and one recent tenant complained that her building's outdoor door did not lock. Yet Cross Keys has a fine swimming pool and the master bedrooms and closets are spacious. One tenant called it a decent place to live and a great place to save money. "The rent is the reason to live there," the tenant observed. "It's a lot of space for the money, and increases are minimal if any."⁴⁸ Even more than Terrace Estates, Kross Keys Apartments offers reasonably priced rental homes in Boston's overheated housing market.

Peabody continues to attract developers who want to build multifamily buildings for a wide variety of incomes. In the last five years, numerous developers have built or proposed plans for building multifamily dwellings. One recently completed project is Avalon Essex, a 154-apartment complex located near the North Shore Mall. Although it is not far from Terrace Estates and Kross Keys Apartments, Avalon Essex is geared to the high end of the market, usually either single professionals or empty-nest couples. Its amenities include not only a swimming pool, but also a fitness center and a dry cleaning pickup and drop-off service. One-bedroom apartments at Avalon Essex start at \$1,500 per month without utilities and rents for two-bedroom apartments and townhouses can cost more than \$2,000.⁴⁹

The developer of this complex is now pursuing another much larger mixed-income multifamily project on the cleaned-up grounds of a former chemical company along the Peabody-Danvers border. The project would place about 300 units in each town, mainly in three-story buildings. A quarter of the units would be set aside for low-to-moderate income households (no more than 80% of the area median income), so as to comply with state's 40 B law that allows developers to bypass local zoning regulations—in this case, building residences in an industrial zone—if they provide affordable housing. Although the apartments will have

⁴⁸ Kross Keys Apartments management office, telephone interview by author, Peabody, Massachusetts, March 7, 2003; Apartment ratings Peabody, Massachusetts, <http://www.apratings.com/rate/v/978531434301960/kross_keys_apartments.html>.

⁴⁹ Julie Kirkwood, "Luxury Apartments Slated for Morton Property," *Salem News*, October 2001.

luxury amenities like those at Avalon Essex—each is supposed to have a washer and dryer and multiple telephone lines, and some will have 18-foot ceilings, balconies and lofts—a family of four with an annual income of \$35,000 might pay only about \$875 per month for a unit.⁵⁰

Downtown Peabody, including the adjacent old industrial area, where the Tannery Apartments and Tannery II projects are located, has also attracted a number of other multifamily projects at one stage or another of development. Members of the Zolotas family, the town's venerable hardware merchants, are currently building 51 moderate-market-rate apartments on a vacant lot across the street from their store. A new condominium building opened this year on an old industrial street near other condo complexes in renovated old factories; its units were sold in the moderate range of \$150,000. On Main Street developers have proposed a high-rise apartment building containing about 200 one- and two-bedroom market-rate rental apartments, two floors of indoor parking, and a store, which they hope to put on the fast zoning track by contributing to an affordable housing fund.⁵¹

And next to the Tannery apartments, a local developer plans to build a multi-story complex of about 100 apartments, mostly two-bedrooms, with some of the apartment rents reduced for low-income tenants. Yet the developer will not resort to the 40B law; he wishes to serve low-to-moderate-income families and believes his proposal is allowable under current zoning.⁵²

Peabody residents often oppose the proposals for multifamily developments, but not necessarily because of hostility to rental apartments and their residents. Like many in the Boston metropolitan area, they are wary of any large residential projects. Developments of single-family homes also engendered opposition in Peabody. In either type of development, residents worry about overuse of the water supply, increased traffic, and whether newly arrived children overwhelm the schools. Despite the general anti-development feelings, however, the City of Peabody usually approves both single-family and multifamily projects.⁵³

⁵⁰ Kirkwood, "Luxury Apartments;" "Developer Plans To Put 311 Apartments on Morton Site," November 2001.

⁵¹ Julie Kirkwood, assorted articles, *Salem News*, 2000-2002.

⁵² Julie Kirkwood, "Tax law helps low-cost home builder," *Salem News*, November 2002.

⁵³ Julie Kirkwood, telephone interview by author, Peabody, Massachusetts, March 7, 2003.

Peabody Today

Today, long after the collapse of the leather industry, Peabody can boast of many assets. Crime is not an issue in Peabody, for the simple reason that there is very little of it there. In 2001, for example, there were no murders, 16 robberies, and 137 motor vehicle thefts. In these and other serious crime categories, Peabody's rate of crime per 100,000 people was a fraction of the national rate and well below many other Massachusetts cities.⁵⁴

Neither is the quality of schools in Peabody a matter of great debate. They have a good reputation, but parents worry that they have become overcrowded in a community whose population is growing. Building safety—recently the high school had air quality problems that caused sickness—and whether to disperse homeless public school students who stay in the hotels on Route 1 are the largest issues.

Transportation is a problem, but mainly because of the popularity of the highways that crisscross the city. The roads that helped stimulate Peabody's economic and population growth are crowded with people—many from other communities—traveling to work and shopping places in and around Boston's North Shore. Some residents complain of the lack of public transportation, but the congestion itself is a sign of success.⁵⁵

Finally, the property taxes are relatively low in the Tanner City. The city's long-standing policy under Peter Torigian, mayor for twenty-three years, was to encourage development by keeping down the cost of doing business in Peabody. This formula has succeeded, although it now faces a challenge from the need for new school buildings and severe cuts in the funds customarily provided by the state government. Yet the former mayor says there is every reason to believe that the city will continue to grow and predicts the transformation of the seedy Route 1 shopping strip into a hotel and service corridor to Boston's Logan International Airport, only minutes away.⁵⁶

Peabody, Massachusetts is a small but complex city that plays important, if unheralded, roles within the greater Boston metropolitan area. It serves as a nexus and crossroads of three of the area's major highways. These roads are part of the reason that Peabody has attracted businesses. Like nearby sections of neighboring towns, Peabody is a locus for a variety of businesses—from

⁵⁴ Peabody, MA Crime Statistics (2001) based on Federal Bureau of Investigation Crime Reports, <<http://peabody.areaconnect.com/crime1.htm>>

⁵⁵ O'Connor, interview.

⁵⁶ Torigian, interview.

high-tech firms to the national stores in the North Shore shopping mall—that fuel the Boston region’s vigorous economy.

The transportation routes that make Peabody readily accessible to other locales in the Boston metropolitan area also make it a convenient place to live. People in the Boston area have come to Peabody seeking different types of residences, including single-family houses, condos, and rental units. Thus, developers not only converted former farmlands into conventional single-family subdivisions, but they also turned the city’s vacant factories into apartments. Here there is continued demand for multifamily dwellings at a range of prices, and so developers continue to build them. As a result, Peabody contributes to Boston’s economy in yet another way. In Boston’s extremely expensive housing market, the Tanner City today offers reasonably priced rental dwellings to working and elderly people with low and moderate incomes.

COMMUNITY PORTRAIT: SHAKER HEIGHTS

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Introduction

In the late 1960s, a lead article in *Cosmopolitan* magazine said it all: “Where Americans Live Best” was about Shaker Heights, Ohio. This image has not changed over the past forty years. Say the words “Shaker Heights” and most people would probably conjure up the image of an exclusive suburb of Cleveland. Dig a little deeper into its history and its priorities, and you find an exquisite suburb committed to diversity—diversity of income groups, racial groups, and housing stock. Shaker Heights is a unique and special place to live. And its significant stock of multifamily housing contributes to its overall sense of community and well-being. By providing housing at a wide range of costs, Shaker Heights is a welcoming community—one that can accommodate a diverse group of people at many phases of their lives.

As an older suburb, in the first ring of towns abutting the City of Cleveland, Shaker Heights is also encountering a variety of challenges. With a strong school system, good public transportation, and a high level of community services and amenities, the property taxes in the town are the highest in the state. This has the potential of discouraging potential new residents from choosing to live in Shaker Heights. Long-timers are understandably concerned about protecting the value of their homes and are vocal about the need for a comprehensive strategy to preserve the town’s housing stock. But there is a sense of mission among town officials to work on the problems facing the town, by devising innovative solutions that will enable Shaker Heights to continue to provide a high quality of housing and services to its residents.

Shaker Heights—Always a Visionary Community

Shaker Heights is a planned community, with development beginning during the second decade of the 20th century. The Van Sweringen brothers were the key developers and were committed to creating an exclusive new residential area. Prior to its development as a suburb, the land on which Shaker Heights grew was occupied by Shakers, a religious sect. Even then, the community was somewhat utopian, but by 1889 the population had declined and most of the settlers disbanded.

The Van Sweringen brothers can be credited for their vision for the new community. They enlisted some of the area's most prominent architects to design 16 model homes, they planned a series of neighborhoods with coherent architecture and with a concern for the natural characteristics of the land, and they enforced stringent planning and design standards. They also were committed to including a variety of housing types at a variety of costs.

Shaker Heights, located 10 miles southeast of Cleveland's Public Square and now covering 6.5 square miles, grew and thrived throughout the 20th century. Until the late 1980s it was one of the wealthiest communities in the United States. As of 2000 its median income was nearly \$64,000, some \$25,000 more than the median household income for the county.

With a wide range of housing, from mansions to middle income single family homes, to two-family dwellings, as well as moderate income multifamily housing, Shaker Heights, essentially from its inception, has been a suburb that offers housing accommodations to a middle, as well as a high income population. Most of the multifamily housing in Shaker Heights is concentrated along Van Aken Boulevard, Warrensville Center Road and near Shaker Square. Despite its name, Shaker Square is in the City of Cleveland. About 1,000 of the nearly 4,000 apartments and condominiums in what is known as the Shaker Square apartment district are in the City of Shaker Heights; the rest are in the City of Cleveland, although two thirds of these latter units are in the Shaker Heights City School District.

One of the most important amenities in Shaker Heights is its public transportation system. Commuters can board a train in Shaker Heights and be in the center of Cleveland within about 15 minutes. This was all part of the vision and planning of the Van Sweringen brothers.

While Shaker Heights may have been somewhat utopian in its physical design, it was not envisioned as a racial, ethnic or religious melting pot. In fact, as with many other exclusive communities in the U.S., during the first half of the 20th century restrictive covenants were used to limit entry by "undesirable" minorities. But after these covenants were ruled unenforceable by the U.S. Supreme Court in 1948, black families started moving in to areas of Shaker Heights bordering Cleveland.

Starting in the 1950s, Shaker Heights became proactive when it came to racial integration. Community associations in three neighborhoods abutting Cleveland and Warrensville Heights were formed between 1957 and 1963 to address white flight by encouraging white households to purchase homes on blocks with low white demand. In addition,

black households were encouraged to settle in predominantly white areas of Shaker Heights. These programs were formalized in 1967 when the City established its Housing Office. However, in 1978 and then again in 1992, the City's pro-integrative efforts were challenged; black households charged that preferential treatment was being given to white clients.⁵⁷ While some changes were made in the program as a result of these challenges, it continued.

Other pro-integrative efforts were also made in Shaker Heights during the 1970s, 80s and 90s, such as the creation of a voluntary school busing plan, the adoption of a city-wide fair housing ordinance, redistricting the elementary schools to promote racial balance, and creating a pro-integrative mortgage lending program. Concerning the latter, the "Fund for the Future of Shaker Heights" raises money from corporate and philanthropic donors in order to provide downpayment loans to black and white homebuyers who move into areas of the city where their race is underrepresented.

Today, about one-third of the nearly 30,000 residents and slightly more than one-half of the school population is African-American. Contributing to the differential in racial composition between the City and the Schools is the fact that virtually all of the Shaker School children living in the Cleveland portion of the Shaker School District are African-American or Asian-American. Most of these children live in apartment buildings near Shaker Square. While over time many of the pro-integration efforts met with success, the majority of the Moreland neighborhood population was African-American by 1970 and remains so in 2003. At the same time, several other neighborhoods are still predominantly white.⁵⁸

In the late 1990s, many residents and officials in Shaker Heights became concerned about competition from outlying areas: new homes with low taxes were proving attractive to younger families that, at one time, would have chosen to live in Shaker Heights. And while Shaker Heights is attractive to many residents because of its racial diversity, and although its schools are highly rated, many white families are reportedly reluctant to send their children to integrated schools, prompting moves elsewhere.

While Shaker Heights is more integrated than many suburbs, if not most, concerns about discrepancies in academic performance between white students and African-American students have been debated over the years. Recently, a number of African-American parents have

⁵⁷ See W. Dennis Keating, *The Suburban Racial Dilemma: Housing and Neighborhoods*. Temple University Press, 1994, p. 101.

questioned why their children perform less well on proficiency tests than their white counterparts. In response, a study was carried out by University of California/Berkeley, Professor John Ogbu, who asserts that much of the disparity is due to differences connected to the children's upbringing. As reported in *The Plain Dealer*, Ogbu contends that "unlike many white parents, many black parents do not stress homework, attend teacher conferences or guide their children to Advanced Placement classes that can lead to college." In addition, according to Ogbu, lower performance can be explained by mistrust of the white-run schools, discrimination, and lower expectations on the part of teachers.⁵⁹

This view is countered by many observers and educators who say that the proficiency results are not specifically race related. They can be explained by other key variables, such as income, how long the children have been attending school in Shaker Heights, the number of family moves, and the number of books in the child's home. According to this view, it is not the racial gap, but the income gap in Shaker Heights that explains differences in performance. Even so, African-American children in the Shaker Heights school system outperform their counterparts across the state and the nation. The same is true for the white children in Shaker Heights schools.

City officials and residents take great pride in their diverse community. The City's web site and its "pamphlets welcoming new residents scream diversity as the faces of black and white children jump out from the pages promoting the suburb's public school district."⁶⁰ Over time, the views of City officials on how to maintain racial diversity have evolved. New City programs reflect the belief that "racial diversity in the community does not come solely from efforts to attract residents of a specific race. Instead, diversity in all its forms, is achieved and maintained when all neighborhoods are stable and attractive, and the housing stock is updated and competitive."⁶¹

Since the 1960s crime rates in Shaker Heights have fallen. In the year 2000 the incidence of serious crimes in Shaker was at its lowest point in more than 30 years. Crime rates in Shaker Heights are considerably lower than in the City of Cleveland, but generally higher than some of the other suburban communities.

⁵⁸ Keating, 1994, p. 113.

⁵⁹ "Black parents can make a difference, book says." Rosa Maria Santana. *The Plain Dealer*, February 12, 2003.

⁶⁰ "Shaker Heights: City works at integration." *The Detroit News*. January 28, 2002.

⁶¹ Interdepartmental memo provided by the City of Shaker Heights, 2003.

Crime in Shaker Heights in 2001 Compared With Surrounding Jurisdictions⁶²

(per 100,000 people)

	Burglaries	Motor Vehicle Thefts	Aggravated Assaults
Shaker Heights	614	278	14
Cleveland	1,656	1,205	506
Solon	160	5	9
South Euclid	335	170	38

In view of the fact that many of the structures in Shaker Heights were built more than 50 years ago, it is not surprising that the aging housing stock is prompting concern about the need to create programs to repair deteriorating properties, in order to maintain property values. For example, in a survey of 500 Shaker Heights residents, 58 percent responded that “introducing programs to fix-up properties in order to maintain property values” would help a lot.⁶³

The Shaker Towne Centre is also receiving attention and the City has created a redevelopment plan that will include new residential lofts and condominiums, as well as public art, green space and other amenities. Part of the new plan involves the City’s purchase of blighted apartment buildings which are to be sold to a private development company. In place of the old buildings, 157 condominiums and townhouses will be built with sale prices of about \$175,000. Apartment residents were given \$2,000-3,000 for relocation expenses, as well as assistance in finding other low-rent apartments. While some of those who were displaced voiced concerns that they were being squeezed out by more affluent residents,⁶⁴ city officials contend that the re-development was applauded by residents once it got underway.

In addition to a focus on improving the housing in the town center, the redevelopment is also being fueled by a concern to increase the amount of commercial activity in the area, as a way to increase the city’s tax base. The desire to raise additional tax revenues is stimulated, in

⁶² Crime statistics from areaConnect websites, for example: <http://shakerheights.areaconnect.com/crime1.htm>

⁶³ Triad Research Group, December 2002, “A Community Attitude Survey with Residents of the City of Shaker Heights,” p. 21.

⁶⁴ See *The Plain Dealer*, May 30, 2002. Excerpted in “Smart Growth News,” <http://www.smartgrowth.org/news/article.asp?art=2680&state=36&res=800>

large part, by the recent reduction and possible elimination of the state of Ohio's estate tax, one of the key sources of revenue for the City.⁶⁵

In 2000 Shaker Heights adopted a "Strategic Investment Plan" that was developed through a multi-year, public process facilitated by a consulting team. The plan summarized the strengths and weaknesses of the city. According to the final report, the major assets of Shaker Heights include: its streets and parkways, the quality of its institutions and open spaces, its transit and commercial areas, and the diversity of housing and community. Concerning the latter, the report states:

Houses are the glory of Shaker Heights...The inventory of house types includes a wide range of sizes, configurations and prices. They range from huge mansions, to large houses, to medium size houses, to small cottages, to two family houses, to apartments that were designed to look like mansions, and large apartment structures with a monumental character. This diversity of type of housing makes it possible to provide for a diverse population both in age and income. This is an essential attribute of a stable and successful community.⁶⁶

The plan also listed some of the key challenges facing Shaker Heights: inadequate north/south streets; racial and economic segregation by neighborhood, with the more stable, affluent neighborhoods in the north of the city; significant problems in the commercial areas located between the north and south portions of the city; and poor designs of commercial areas and their links to public transportation. In addition, the report highlighted particular problems in areas abutting "less desirable areas of Cleveland [where] physical decay threatens to spill over Shaker Heights' borders. The perception is that this area is in decline, is unsafe, and is not able to attract people who will enable property owners to make much needed investment."⁶⁷

⁶⁵ Shaker Heights also participates in the First Suburbs Consortium, "the largest government-led advocacy organization in the country working to revitalize mature, developed communities and raise public and political awareness of the problems associated with urban sprawl and urban disinvestment." Specifically, the Northeast Ohio group, in which Shaker Heights is a member, "believes that the well-being of the Greater Cleveland region requires public and private 'smart growth' policies and practices that combat economic erosion of mature communities, social costs associated with abandonment and disruption of traditional neighborhoods, wasteful duplication of infrastructure, environmental degradation and loss of farmland open space." <http://www.firstsuburbs.org/> and <http://www.firstsuburbs.org/neohio/mission.htm>

⁶⁶ Urban Design Associates, "Shaker Heights Strategic Investment Plan. Final Report." Prepared for the City of Shaker Heights. July 2000, p. 8.

Multifamily Housing in Shaker Heights

As a planned community, multifamily housing was built during the period of the town's overall growth and development. It is an integral part of the areas in which these structures are located. One explanation for the multifamily housing being located along Van Aken Boulevard was that the Van Sweringen brothers wanted to make sure that there was sufficient population in Shaker Heights to make the transit line viable. Other more idealistic explanations relate to the desire for Shaker Heights to be a community that could accommodate households with a variety of income levels and at various stages of their lives.

Out of the approximately 13,000 housing units in Shaker Heights, 3,686 (28 percent) are in structures with five or more units; 2,000 (15 percent) are in two-family buildings; and the remaining 57 percent are single family homes. The multifamily buildings typically have between 40 and 170 units and are located in three of Shaker Heights's nine neighborhoods. There are a total of 93 buildings with five or more units in Shaker Heights.

Tenants in the multifamily housing have somewhat lower incomes than the overall Shaker Heights population. Average incomes of the residents of the multifamily housing are between 20 and 32 percent lower than the median household income for Shaker Heights as a whole. But their incomes are 10-13 percent higher than median household incomes for the county. Residents of these buildings also tend to cluster in the 25-44 or over 75 age ranges.

There are eleven census tracts in Shaker Heights; four contain the majority of the multifamily housing. As of the 2000 census, only one census tract would be classified as a "mixed housing stock working community." That is, an area whose residents' incomes are 60-100 percent of area median and with multifamily housing comprising 10-30 percent of the housing stock. The other three census tracts have resident incomes at the same level, but the multifamily stock comprises 30-100 percent of the housing stock in the area. There were no census tracts that fell in the "mixed housing stock working community" category in 1990.

Although the multifamily housing in Shaker Heights is neither the dominant house type, nor scattered across the entire city, it has made a significant mark on the overall quality of life. According to Kamla Lewis, director of the Shaker Heights Department of Neighborhood Revitalization, the multifamily housing in Shaker Heights has been a key component to the city's overall beauty and economic well-being:

⁶⁷ "Shaker Heights Strategic Investment Plan. Final Report," p. 17.

The City of Shaker Heights is distinct because of its urban feel, beautiful green spaces, and historic architecture. Multifamily housing greatly contributes to this “sense of place” because of its designed density. In addition, most of our apartments and condominiums were built before 1950 and have fine architectural details, and beautiful courtyards, flower gardens, and landscaping. [And, further], the city’s multifamily developments are concentrated near retail and commercial areas. This is mutually beneficial for both the retailers and the residents, as multifamily developments are more dense developments (i.e. stores are provided a larger pool of potential customers).⁶⁸

Shortly after Mayor Judy Rawson took office in January 2000, a new code enforcement program aimed at the multifamily housing stock was initiated. Prior to that time, there had been no systematic apartment inspection program; now every building is inspected every third year. The early inspections revealed a staggering 22,000 housing code violations, but within about two years 95 percent of the violations were corrected and 80 percent of the multifamily stock is now in full compliance with the housing code.

As an added incentive for landlords to fix up their properties above and beyond the minimal requirements of the housing code-- to modernize their buildings-- the city created a new “Certified Shaker” designation. This enables a landlord who has significantly upgraded his property and has received the city’s certification, to advertise any available apartments on the city’s web site, at no charge. The program is viewed as extremely successful and is reportedly making a dent in upgrading the multifamily housing stock. Seventeen buildings, comprising 653 units (about 18 percent of the overall multifamily housing stock), are now “Certified Shaker.”

The multifamily housing in Shaker Heights ranges in quality from excellent, to fair, to dilapidated. One of the worst buildings, Oliver House, was sold to a new buyer two years ago. A substantial investment has yielded positive results. Two other dilapidated buildings, totaling 65 units, in the Town Centre, however, were recently demolished, making room for mixed use commercial and residential space.

Shaker Heights’ philosophy about its housing is summarized by Mayor Rawson: “When you have a mix of housing types, you have to work harder to make sure that each unit in its price range is the best it can be.”⁶⁹ Shaker Heights appears committed to figuring out solutions to make sure that this becomes a reality. For example, the city boasts an aggressive inspection and

⁶⁸ Email communication, February 27, 2003. Quoted with permission.

⁶⁹ Interview with Mayor Rawson, February 19, 2003.

escrow program whose goal is the upgrading of the entire housing stock. All properties, upon sale, are inspected by the city and the costs of all violations are estimated. Either the buyer or the seller must place 150 percent of this amount into an escrow fund, to be used by the buyer to meet all code violations within 90 days after assuming ownership.

The multifamily housing in Shaker Heights is, for the most part, unsubsidized, although it is estimated that nearly 50 percent of this housing is affordable to households earning area median income. The only subsidized building, an elderly development, was built with assistance from the federal Section 202 program. In addition, there are about 250 Section 8 voucher holders in Shaker Heights.

The range of housing types and prices in Shaker Heights provides easy entry into the community. More than one-third of the total households in Shaker Heights who move, move to a new location within the city. And this type of mobility is made possible because of the range of housing options the city provides. According to Kamla Lewis the diversity of the population, attributed in large part to its varied housing stock, is a major contributor to the city's vitality:

The City of Shaker Heights has a diverse population because it has a diverse housing stock. Multifamily housing is an important housing option, especially for young professionals and senior citizens. This diversity is a key element of our vibrancy. Specifically, the rental housing market is a way of introducing a variety of people to the community. Often times, renters become homeowners, which further promotes community vitality. This cradle to grave housing market allows us to accommodate residents throughout the life cycle.⁷⁰

It appears that most of the multifamily housing in Shaker Heights does not get much attention, either positive or negative, from area residents. The buildings have, essentially, been there "forever" and are an integral part of the city's landscape.

While there has not been much new multifamily housing produced in recent years, several condominium townhouse developments have been built. While attached townhouses are single family homes, not multifamily housing, they are not terribly different in appearance from garden apartments. Therefore, gauging the community response to this type of housing may provide some approximation for how new multifamily in Shaker Heights might be greeted. And the response has ranged from support to opposition.

⁷⁰ Email communication, February 27, 2003. Quoted with permission.

Recently, a 50-unit condominium complex, with units selling for \$275,000, was supported by residents in the neighborhood; their homes were valued around \$200,000 and the new units were seen as an opportunity to raise the overall image and home values of the area. In contrast, residents in one of the more affluent sections of the city opposed a new condominium complex, even though the units were to sell for \$450,000, more than twice the value of the average single family home in the area. The city ultimately prevailed, but they had to do a great deal of work, and expend a great deal of energy to convince local residents that the new homes would be an asset to the community. Despite the longstanding familiarity with higher density housing, due to the large stock of multifamily housing in Shaker Heights, there may still be opposition to such new development.

Conclusion

Shaker Heights is not without challenges. But as a racially and economically diverse community, it presents a compelling picture of a thriving American suburb. The city boasts that “Housing is Product #1 in the City of Shaker Heights”⁷¹ And the multifamily housing in Shaker Heights represents an important community asset by providing affordable access to this incredibly special place to live. The multifamily housing also strengthens the street life along the major thoroughfares and contributes to the overall feeling of vibrancy—words that are only rarely associated with suburban life in most locales.

⁷¹ “Housing Preservation Plan,” The City of Shaker Heights. Draft Executive Summary. Prepared by Hunter Morrison, November 14, 2001.

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COMMUNITY PORTRAIT: SOUTH DEKALB, GEORGIA *Working Communities, Race, and the Expanding Metropolis*

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Introduction

It was August 2001, and the building boom rolled on in South DeKalb, a section of one of several fast-growing counties that surround Atlanta, Georgia.

That August, like so many months before it, brought announcements of new residential developments. Construction was ready to begin, the community newspaper reported, on a \$9 million, 132-apartment complex called the Villas at Friendly Heights, while developers of another apartment complex at the corner of Panola and Thompson Mill roads sought a variance to reduce their parking requirements. The Dozier Development Company received permits to develop three subdivisions—Fairington Station, Fairing Farms, and Fairington Enclave—containing 709 homes on the former Metropolitan Golf Club in Lithonia.⁷²

All this activity was typical of the development that has made Atlanta a poster child for urban sprawl. Yet South DeKalb is a little different than what many Americans might envision a fast-growth suburban region to be. For its population is about 90 percent African American, and it contains several working communities.

It is an environment where many are getting their first taste of the suburban American dream, and as a result, multifamily housing has become a highly controversial issue.

Growth and Race in DeKalb County

In the vast expansion of the Atlanta metropolitan area since World War II, DeKalb County has provided prime territory, and South DeKalb has played its own part in the churning population movements that have propelled Atlanta's growth.

After World War II, Atlanta's civic and political leaders pushed to annex the large areas of unincorporated land that surrounded the city, not only in Fulton County, which then encompassed the city's boundaries, but also in DeKalb County, which lay directly east of the city and where the city had already acquired some territory. In 1949 the city's leaders succeeded in

⁷² [Jennifer Parker], "More Housing Developments Get Go-Ahead," *Crossroads News*, August 2001. All articles from *Crossroads News* can be found at the web site, <<http://www.crossroads.com>>.

getting the state legislature to set up a Local Government Commission to propose an expanded Atlanta and its form of administration. Many in DeKalb County objected to being “swallowed up” by Atlanta, however, and prevailed upon the legislature to remove their county from the commission’s jurisdiction and to give their representatives half the positions on the commission. When the commission’s Plan of Improvement was adopted on January 1, 1952, the City of Atlanta annexed 81 square miles of new territory containing 100,000 people, but the government of DeKalb County remained independent and stronger than ever.

As with much of Atlanta’s politics, there was a racial component to the jockeying for control of local government. Most of DeKalb’s population at the time of the Plan for Improvement and in the following decades were white, and a desire to keep it that way probably was at least one motive for the county’s insistence on independence. In the postwar decades, the civil rights movement in Atlanta pressed the powers-that-be to end racial segregation, especially in public facilities and public schools. Maintaining residential segregation was one way of avoiding the questions facing Atlanta, which one mayor dubbed “the city too busy to hate.”

The full impact of the decision to maintain DeKalb’s autonomy became apparent decades later when the population had grown so large that the county government had jurisdiction over as many people as would live in a large city, indeed a city larger than that of Atlanta. Located next door to Atlanta, DeKalb County was one of the first areas to undergo large-scale suburban development, thus helping to make the Atlanta metropolitan region a prime example of urban sprawl. The expansion of Emory University and the federal government’s Centers for Disease Control in the northern part of the county propelled DeKalb’s growth, as did the county’s attractive recreation areas such as Stone Mountain. Even during the last twenty years, when distant counties such as Cobb and Gwinnett became magnets for the region’s population, people continued to swarm to DeKalb. By 2000, the county’s population had swollen to 666,000, surpassing by 250,000 the number of people who lived in the city.⁷³

As the Atlanta region grew, so too did the African American population. Immediately after the war most African Americans moved to Atlanta proper, but by the 1960s blacks had begun moving to the suburbs. A number of factors encouraged this migration. The postwar economic boom and the gains of the civil rights movement allowed some blacks to prosper and

⁷³ Bradley R. Rice, “If Dixie Were Atlanta,” in Richard M. Bernard and Bradley R. Rice, eds., *Sunbelt Cities, Politics and Growth Since World War II* (Austin: University of Texas Press, 1983), 35, 36.

seek the American Dream of a home in the suburbs. At the same time, urban redevelopment programs displaced the residents from the African American neighborhoods in the center of the city, causing a migration to other quarters. The African American population movement went east, south, and west, while the white migration continued to the north, through Buckhead and the suburbs beyond.⁷⁴

As part of their move out of town from the 1960s onwards, African Americans settled in DeKalb County. The settlement patterns in DeKalb reflected the racial geography of Atlanta and the metropolitan area generally, in which northern precincts tend to contain the white and affluent and the southern areas attract more blacks, affluent and working class. Most African Americans established homes to the southern and central section of the county, starting with the areas closest to Atlanta. In the central part of DeKalb County, blacks moved in large numbers to the small city of Decatur, Georgia and the Atlanta neighborhood of East Lake Meadows, a former resort town famous for its historic golf course.

As in other parts of the South, in DeKalb County the acceptance by whites of African Americans as full and equal citizens came slowly and grudgingly. After all, during the 1950s and 1960s parts of the county were a bastion of the Ku Klux Klan, which held cross-burning rallies on Stone Mountain. In the areas where African Americans arrived, the response of many whites was to flee. By the end of the 1970s whites were departing DeKalb in large numbers and moving further out to Gwinnett County, which became one of the fastest-growing areas in the country. Whites nonetheless continued to predominate in north DeKalb in such highly affluent communities as Dunwoody. Even in sections of the county where the racial composition of the population changed, some whites stayed, and today a number of neighborhoods in DeKalb are integrated.

The schools of DeKalb illustrate the long journey the county has traveled in racial matters. The DeKalb County School System ran a segregated school system from 1954 to 1969, when a federal court placed the schools under direct supervision. Even though at the time of the court's decision, African Americans made up only about 5 percent of DeKalb's population, the County operated a few all-black schools, which were then closed and their African-American students integrated into existing white schools. In the 1980s, as African-American families

⁷⁴ Clarence N. Stone, *Regime Politics: Governing Atlanta, 1946-1988* (Lawrence, Kansas: University Press of Kansas, 1989), 58.

moved to south DeKalb and white families moved to the north, the school system became re-segregated, prompting numerous programs to integrate teaching staff, administration, and student bodies throughout the county. In the 1990s, however, African-American parents resisted bussing of their children and demanded that each and every neighborhood school become excellent. Responding to recent court decisions and the sentiment of the parents, the county school system abandoned race balancing and in the late 1990s offered magnet, themed-elementary, Montessori schools, and charter schools in an effort to provide excellent education to all students.⁷⁵

With their growing numbers, African Americans have been increasingly able to influence the county's politics. Their votes helped defeat a rapid transit referendum in 1968 and pass a second one in 1971.⁷⁶ By 2000, African Americans made up a little more than half of the total population in DeKalb County and had the ability to elect their own to important governmental positions. The current chief executive officer of DeKalb County, Vernon Jones, was the first African American to be elected to the post. In 2003, black officials for the first time formed a majority of the seven-member DeKalb Board of Commissioners.

African Americans have made an impact in the cultural realm as well. Black churches dot the landscapes of DeKalb County; indeed in South DeKalb alone there are said to be hundreds of churches, some whose congregations number in the thousands.⁷⁷ Arts centers and historic programs related to black history are part of the life of DeKalb, as well as African American dance companies and theaters. Perhaps the most striking cultural project is the current effort to transform a former five-screen cinema into the Tupac Amaru Shakur Museum, dedicated to chronicling the career of the late rap artist and actor and conduct classes on subjects such as the business of the arts.⁷⁸

Recently northeast DeKalb County has become a growing immigrant area, started by the United States government, which used it to resettle political refugees from Bosnia, Somalia, Sudan, Iraq, Kurdistan, and Afghanistan. These groups have added a Muslim element to a region dominated by Protestant Christians, both black and white.

⁷⁵ <<http://www.dekalb.k12.ga.us/about>>

⁷⁶ Stone, *Regime Politics*, 74, 100.

⁷⁷ Eric Stirgus, telephone interview by author, Atlanta, Georgia, April 16, 2003; Jennifer Parker, telephone interview by author, Atlanta, Georgia, April 19, 2003.

⁷⁸ Diane James, "Work To Start Soon on Tupac Arts Center," *Crossroads News*, January 15, 2003.

South DeKalb

South DeKalb, an early stronghold of the black population in DeKalb County, has a distinctive character in the suburban environment of greater Atlanta. It is a mix of widely varying landscapes, including subdivisions, commercial strips, and plentiful open spaces, such as the Sugar Creek Golf Course which offers vistas of the South River and the Davidson-Arabia Mountain Nature Preserve, 570 acres containing granite boulders, marshes, pine and oak forests, several streams, and a lake.

Instead of neighborhoods with a strong sense of historic identity—like many communities in Atlanta proper—South DeKalb is made up of a string of subdivisions and apartment complexes among large areas of open space. Some of the places of South DeKalb have fanciful names—Wishing Wells Hills, Moonlight Forest, and Snapfinger—but others are suggestive of real estate brochures—Leisure Woods, Cherry Ridge, and Royal Oaks.

Yet South DeKalb is less an exclusive suburb than a loosely defined region that serves a variety of purposes. Of the fourteen census tracts located south of Interstate 20, the 2000 census indicated eight met the definition of working communities: places where the average household income falls between 60 and 100 percent of the area median income. In 2000, six of these tracts were mixed-housing-stock working communities (in which 10 to 30 percent of all dwellings were situated in multifamily structures), a gain of two since the 1990 census.

The gain in mixed-stock working communities, however, involved more than the simple addition of two census tracts. Two census tracts shifted out of the category of mixed-stock working communities: a fast-growing census tract in southeastern DeKalb, became a single-family working community, thanks no doubt to new subdivision development; another tract next to the Atlanta border, became a poverty tract (meaning one in which the income of 20% or more of the population equaled or fell below the poverty figure set by HUD). Yet similar construction trends and population movements apparently brought three new tracts into the category of mixed-stock working communities in 2000: two of them had been high multifamily working communities but the percentage of multifamily dropped, while a more affluent tract's average income had dropped enough to fit the criteria of a working community.

Indeed South DeKalb experienced a startling growth of population—almost all African American—during the 1990s. The combined population of South and Central DeKalb, for example, grew by 19%, or a total of 50,399 people, almost all of whom were black. The number

of African Americans who arrived in these sections of the county was about 100,000 or twice the additional population, because at the same time the number of whites fell by 49,671. According to the 2000 census, South DeKalb by itself, defined as those areas south of Interstate 20, added 26,000 people to reach a total population of 98,300, a 36 percent increase from 1990. In the decade of the 1990s, South DeKalb became almost all-black: its white percentage of total population dropped by 11 percent while the African American share rose by 10 percent to 92 percent.⁷⁹

A boom in residential construction fueled the rapid population growth in South DeKalb. In the 1990s almost 7900 new dwellings were built in the fourteen census tracts located south of Interstate 20, which made up 29% of all units. Almost half—46 percent—of all the homes in South DeKalb were built between 1980 and 2000. And since 2000 new housing construction has continued to roll on.

The population has expanded so quickly that the public schools have been unable to keep up with it. Particularly hard hit were the schools of Lithonia, a town located just north of Interstate 20. The school system constructed a new Lithonia High School designed to handle 1,600 students, but on the day it opened in October 2002, 200 students more than the intended number enrolled. In fact, the county had built nine schools over the last five years, but was still forced to use more than 600 portable classrooms. Principals have been forced to scramble—hiring new teachers, moving students around, and changing class schedules—but still had little hope that they could keep up with the steadily increasing number of students.⁸⁰

South DeKalb has a substantial number of upper-middle-class African Americans. Most of this population resides in the eastern part of South DeKalb in residential enclaves that include houses worth between \$500,000 and \$1 million. Although available land is abundant throughout South DeKalb, most new growth is expected to take place in the eastern area, where the Stonecrest Mall opened about a year and half ago.⁸¹

The successful migrants to South DeKalb often seek to live in an area with other achieving African Americans. Tarance and Mavis Goodridge exemplify the attitude. Once the

⁷⁹ Many in DeKalb draw the northern boundary of South DeKalb at Interstate 20, but others would extend it to Memorial Drive. For consistency in this portrait, I have referred to this larger territory as South DeKalb and Central DeKalb.

⁸⁰ Diane James, "Overcrowding Still a Problem for Schools," *Crossroads News*, December 2002; "Brand New Lithonia High Is Already Overcrowded," *Crossroads News*, November 2002.

⁸¹ Rick Heermans, telephone interview by author, Decatur, Georgia, April 15, 2003.

Goodridges, both computer database managers, decided they needed a bigger house, they considered moving close to their jobs in Gwinnett County. Instead they chose to purchase a home in Sandstone Estates, off Browns Mill Road in southeast DeKalb, where some houses have sold for a \$1 million.

“We feel at home here,” Mavis Goodridge commented, “There are a lot of positive African Americans around us.” The Goodridges chose their neighborhood in South DeKalb, in part to be around other successful African Americans.⁸²

The influx of upper-middle-class African Americans helped boost the values of homes in certain areas of South and Central DeKalb. According to the community newspaper’s analysis of the census returns, the number of homes valued at \$500,000 or more in these areas catapulted from 30 in 1990 to 254 in 2000, and 77 of those homes were said to be worth at least \$1 million.⁸³

South DeKalb is also home to many members of the working and middle classes, who make up a significant portion of the population in the working communities census tracts located in the southwestern or central sections of the county. They may be bus drivers who work for the regional transit authority, nurses at Grady Hospital, or clerical workers at Bell South. Often they own homes in the more modest subdivisions or they may rent in some of the market-rate apartment complexes. Some of the subdivision houses of the more modest variety were poorly built or sited on unsuitable grounds, such as former landfills, and the county had to tighten construction standards for subdivisions.⁸⁴

South DeKalb also has a growing low-income population. Beginning in the late 1960s, working-class and poor African Americans began to move across the Atlanta line into Central DeKalb where they took up residence in the apartment buildings originally inhabited by white workers. They moved in greatest numbers in and around the East Lake Meadows public housing project and such main streets as Glenwood Avenue and Memorial Drive. Soon these areas began to resemble declining inner-city neighborhoods plagued by property abandonment, drug traffic, and crime.

Over time low-income people have filtered into other sections of the county, including South DeKalb. In 2002 conditions along South DeKalb’s commercial roads, such as Gresham

⁸² “Affluency Right at Home in South DeKalb,” *Crossroads News*, November 2002.

⁸³ “Affluency Right at Home.”

Road and Columbia Drive, had deteriorated so much that the county's Board of Commissioners unanimously voted to include them in a federal Enterprise Zone—which provides funds and business tax incentives to areas of high crime, poverty and unemployment rates. As yet these remain pockets of distress—most census tracts in South DeKalb have poverty rates of less than 10 percent.⁸⁵

Multifamily Housing in South DeKalb

Throughout DeKalb County, the majority of homes are single-family detached structures, usually taking the form of the ever-popular suburban ranch house. Nonetheless, garden apartment buildings were built in DeKalb in the 1960s and 1970s, and multifamily structures have continued to multiply. From 2000 to 2002, DeKalb County approved the construction of 367 multifamily projects, containing almost 7000 units or 35 percent of the total units (including multifamily and attached and detached single-family units).⁸⁶

This same pattern holds for South DeKalb, where not only new single-family subdivisions but also multifamily projects abound. One area of recent multifamily development, for example, is the eastern part of South DeKalb south of the interstate highway, US 20. At the intersection of Panola Road and Thompson Mill Road are located both Turnberry Place, a complex of 440 apartments that opened in February 2000, and the future site of Cavalier Creekside, four five-story buildings containing 280 one-, two- and three-bedroom apartments, ranging in size from 700 to 1,700 square feet. The developers of Cavalier Creekside, who began clearing the site in November 2002, clearly intend to attract a working communities population, attested to by their plan to include 80 fewer parking spaces than units because they expect their tenants to rely on public transportation.⁸⁷

As in working communities in other parts of the country, market-rate rents set by commercial developers in South DeKalb could be reasonable. For example, the one- to three-bedroom apartments at the Villas at Friendly Heights, the new development mentioned in the introduction, were pegged to lease for \$580 to \$830 a month (although some of these units were

⁸⁴ Stirus, interview; Heermans, interview.

⁸⁵ “Enterprising Solutions for Urban Blight,” *Crossroads News*, February 2002.

⁸⁶ Information provided by DeKalb County Development Department.

⁸⁷ “Work Begins on High-Rise Apartments,” *Crossroads News*, November 2002.

subsidized). Recently, in addition, the soft apartment market has served to keep rent levels from rising.

The flow of low-income families out of Atlanta into DeKalb County, however, created a demand for truly low-rent apartments. Some of this demand has been met in Central DeKalb and along certain commercial boulevards in apartment buildings that soon became plagued by deterioration and crime. To solve the problems of multifamily buildings, the federal Department of Housing and Urban Development acquired buildings and offered investors subsidies through the Section 8 and other programs. More recently, the state of Georgia has provided a state bond program, which allows the sale of bonds to get equity in a building as long as a minimum percentage of the units are leased to low-income households. In the 1990s, in addition, the county had federal HOME funds to help rehabilitate deteriorated properties. Nonetheless, observers have complained that once investors have obtained the cash from the subsidies, they often sell to new owners who do not maintain the properties, and thus the cycle of poor maintenance, drug dealing, and crime begin again.

One result of the deteriorated and dangerous apartment buildings in Central DeKalb has been the virulent opposition by homeowners to new multifamily projects. This does not reflect racial prejudice as much as the perceived self-interest of the property-owning class. The opponents of multifamily developments are African American homeowners, many of whom are first-time homebuyers who are anxious to protect their investments. Yet, according to observers, the homeowners of South DeKalb will fight as ferociously as suburbanites anywhere to prevent multifamily projects.

The controversy in January 2001 over the development of 573 apartments and townhouses in the middle of two single-family subdivisions, Cherry Ridge and Brook Glen, illustrates the tensions. The African American residents of Cherry Ridge and Brook Glen detested the idea of the apartments and turned out in force to stop them. The developer tried to reassure the residents by telling them that the project would have market rate units, not ones subsidized by HUD. This did not mollify the residents who feared the properties would go downhill anyway. Because the area had been zoned to allow apartment buildings before the subdivisions were built, however, the project went through.⁸⁸

⁸⁸ “Residents Unable To Stop Grandfathered Apartments,” *Crossroads News*, January 2001.

Instead of simply objecting, South DeKalb's churches have attempted to address directly the problem multifamily projects and the needs of low-income housing generally. Several churches have formed community development corporations to develop subsidized family and elderly housing, either through rehabilitation or new construction. A community development corporation started by the Greenforest Community Baptist Church, for example, carried out a \$9 million renovation of an apartment complex for 161 low- to moderate-income families, which the State of Georgia awarded a prize for excellence in housing. The New Birth Missionary Baptist Church and the Ray of Hope Christian Church are among those that have developed senior housing. Significantly such church-sponsored developments for elderly residents have engendered approval or, at least, lack of strong opposition, which represents an exception to the general anti-multifamily attitude in South DeKalb.⁸⁹

The county agency in charge of community development encourages such efforts to renovate and introduce good management of existing multifamily developments that have fallen into disrepair and disrepute. Agency officials hope to repeat the impressive reconstruction of the East Lake Meadows public housing project, carried out by a foundation started by Atlanta real estate magnate, Tom Cousins, and the Atlanta Housing Authority. Caught between a desire to fulfill a social mission yet not raise the ire of the homeowners, the community development agency recently has adopted a policy against multifamily projects, unless they are located on sites near existing apartment buildings and are of high-quality and mixed-income. The staff explicitly wants to prevent any more concentrations of poverty in areas of existing multifamily housing.⁹⁰

The Issues of South DeKalb

The distinct circumstances of South DeKalb have given rise to its own set of concerns and political issues. In general, the residents of South DeKalb feel aggrieved that their section is not served as well the northern part of the county, with its affluent white residents. South DeKalb, for example, has a large number of landfills (indeed it even has a street named Sewage Plant Road), which are considered a nuisance and a health hazard. There are tales of first-time

⁸⁹ Georgia Department of Community Affairs, "*Georgia's Housing Success Stories: a Closer Look at 2001 Magnolia Awards for Excellence in Housing*," <<http://www.dca.state.ga.us/housing/01MagAwards.pdf>>; Heermans, interview.

⁹⁰ Heermans, interview; Chris Morris, telephone interview with author, Decatur, Georgia, April 18, 2003.

homebuyers who move into their new homes only to discover when the wind shifts, the stench of the giant garbage dumps hidden in the trees a mile away. Many feel the landfills pose environmental and safety issues, and in the case of the Live Oak landfill, which takes in more waste materials than any other in the state, the state's environmental agency found so many problems that the government is trying to close it. Another objection is the lack of infrastructure in South DeKalb, particularly the absence or only minimal sidewalks, which present a safety hazard.

Finally, the residents of South DeKalb wish for good restaurants. The area has seen the opening and closing the franchises of national chains such as Shoney's and Three Dollar Café and fashionably named cafés of local entrepreneurs. The problem is slack weekday patronage—a sign that the families of South DeKalb are working too hard during the week to dine out of their homes on any day but the weekend. The inability to keep high quality eating establishments, it seems, is another problem for growing suburban working communities.

Conclusion

South DeKalb is a place that challenges many peoples' conceptions about our cities and, in particular, urban sprawl.

Usually urban sprawl is seen as a simple process in which new homes and roads overrun old farmlands. The assumption of most critics of sprawl is that it is a white phenomenon; race is rarely mentioned. Housing advocates may raise the issue of class in regard to sprawl, usually as a way of urging that low-income families be given a chance to live in the suburbs where affluent people predominate. Yet South DeKalb demonstrates that urban growth involves a complex set of attitudes and processes.

African Americans are very much part of the great migration to the suburbs, and outside Atlanta they have sought the American dream. In particular, blacks have flocked to the green acres of South DeKalb, where subdivisions and apartment complexes continue to multiply. As a result, South DeKalb has both affluent and working communities, areas of mainly single-family houses and areas with multifamily projects.

The multifamily homes in South DeKalb run the gamut from upscale townhouses to decrepit apartment buildings, but it is the latter—found in Central DeKalb and the western part of South DeKalb—which has upset the homeowners. They vociferously oppose any new

multifamily projects because they fear that the new apartment buildings will go the way of the old. The newly arrived middle- and upper-middle income African Americans would then close the door to poor blacks who they fear might lower property values and undermine the kind of hard-working community they are building.

Interestingly, the churches of South DeKalb have opened the door to new multifamily projects for low- and moderate-income households and, at least in some cases, persuaded the subdivision residents to accept new multifamily housing for the elderly.

South DeKalb makes us rethink our understanding of suburban growth. More importantly, it reminds of the obvious truth that African Americans like other Americans want stability and peace of mind in their neighborhoods. When it comes to multifamily dwellings, the story of this dynamic section of the Atlanta metropolitan region underscores the need for carefully planning and good management of low-income multifamily buildings. The county government understands this need and has promoted the renovation of distressed multifamily properties and the development of new mixed-income multifamily projects. These policies demonstrate an understanding of the relationship between housing and community health.

COMMUNITY PORTRAIT: WOODLAND, CALIFORNIA

Working Communities and Multifamily Housing on the Rural-Urban Fringe

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Introduction

In the heart of northern California's wide swath of rich farmlands known as Central Valley lies the picturesque community of Woodland. For most of its history Woodland's location in the agricultural belt has defined the kind of place it is, even more so than the lush shade trees that arc above its historic streets and for which it is named.

Despite the agricultural setting that is still a point of local pride, however, Woodland in recent years has been gradually incorporated into the modern urban economy of northern California. Thanks to the construction of an interstate highway through the town, Woodland has become a major product warehouse and distribution center and, increasingly, a bedroom community for Davis, home to a growing campus of the University of California, and for Sacramento, the state capital.

The result has been a steady pulsation of population and physical growth that transformed the sleepy seat of rural Yolo County into a small city. Surprisingly, the building-out of Woodland brought not only new single-family houses, but also many new multifamily structures. Today multifamily residences make up more than a fifth of all dwellings in Woodland. The private interests of commercial real estate developers and the public policy of government planners ensure that such residential compounds will be a part of Woodland's future growth. Woodland teaches the lesson that in growing working communities multifamily dwellings can be seen as necessary and desirable.

From Farms to Factories, Warehouses, and Split-Levels

Woodland was founded in 1853 and named for the majestic Valley Oak trees that surrounded the settlement. Three years later the first irrigation canal was built, opening up the land in and around the town for agriculture. In 1862 Woodland became the capital of Yolo County, which brought more business its way. The town flourished as men who had made money in California's Gold Rush came to Woodland and invested their new wealth in farming. Woodland's farmers grew tobacco, peanuts, grapes, rice, and sugar beets, and in addition,

developed wineries, dairies, and cattle farms. The construction of railroad lines along the Central Valley boosted the marketing, processing, and distribution of agricultural products in Woodland.

Woodland prospered, so much so that, according to figures in the 1890 U.S. Census, its 3000 residents enjoyed the highest per capita income in the United States. In the late nineteenth century this affluence produced numerous elegant Victorian-style houses and imposing downtown buildings such as the Opera House, Hotel Woodland, Elks Lodge, and the Bank of Woodland, which today comprise a Historic District listed on the National Register of Historic Places.⁹¹

Woodland continued to prosper as a small market town and county seat into the twentieth century. Direct railroad freight and passenger service between Woodland and Sacramento, initiated in 1912, encouraged the further growth of an industrial area of warehouses and factories between East and Fifth Streets along the railroad tracks. As elsewhere, the depression of the 1930s hurt the agricultural economy of Woodland, but still the population of the town slowly but steadily increased. Nevertheless, Woodland was not a large community: in 1950 the number of inhabitants was still less than 10,000.⁹²

It was after World War II, particularly since the 1960s, that Woodland's pace of growth transformed the market town into a small city. Between 1960 and 1970, Woodland's population rose by 7,000 to reach 21,600 people. In the following twenty years, the number of inhabitants almost doubled to about 39,800. In recent years the population of Woodland has grown steadily, by an annual rate of more than 2 percent. In the 1990s, the population increased by almost 10,000 people, bringing the community's current numbers today to 51,000, just over the census bureau's threshold definition of an urban place of 50,000 inhabitants.⁹³

To keep up with the growth in population, Woodland has expanded physically. Almost 40 percent of the city's residences were built since 1980. Much of the new building occurred in

⁹¹ Woodland, California Tour of the City, <http://www.woodlandcdc.org/tour.html>; "A Brief History of Woodland," 1996 Woodland General Plan, <<http://www.ci.woodland.ca.us/history.pdf>>.

⁹² "A Brief History of Woodland," Demographic Research Unit, California Department of Finance, *Historical Census Populations of Places, Towns and Cities in California, 1850-1990*, <<http://www.dof.ca.gov/HTML/DEMOGRAP/Histtext.htm>>.

⁹³ *Historical Census Populations of Places, Towns and Cities in California*. The original 2000 census data release placed Woodland's population at 49,151, but the current count, according to the town is 50,614. See <http://www.ci.woodland.ca.us/geninfo.htm>. Calculating the 2000 population of the census tracts that contain Woodland—one of which extends outside the current bounds of the city—yields 51,641.

Southeast, a previously undeveloped section, which today is about three-quarters built out. The town planned the development of the Southeast section as mixed-income and mixed-housing-stock. Most of the units were single-family residences, but two apartment complexes built in the 1990s, Woodmark Apartments and Sycamore Pointe, were multifamily buildings with subsidized affordable units. Planning for a future population growth rate of about 1.7 percent per year, the city's Community Development Department is planning the future development of 1000 acres of annexed territory called Spring Lake. As Spring Lake is built out, the planners hope to create a mix of housing types, with a ratio of about one affordable and/or multifamily unit for every three single-family houses.⁹⁴

The construction of two highways, State Route 113 and U.S. Interstate 5, and their intersection on the east side of the town, played a crucial role in reorienting Woodland to a modern urban economy. Although work on the roads started fourteen years earlier, the opening of Interstate 5 in 1973 began a new era for Woodland by providing the community with speedy links to Davis, Sacramento, and points beyond. The completion in 1990 of the construction of State Route 113, connecting the two major interstate roads, I-80 and I-5, further accelerated the pressures for growth in Woodland.⁹⁵

The growth of two neighboring urban centers paralleled and spurred Woodland's development. As the size of state government burgeoned in the postwar era, so too did the state capital of Sacramento, twenty miles southeast of Woodland. Sacramento's population multiplied almost four times between 1940 and 2000; its inhabitants now number more than 400,000. The increase in government business and population brought more administrative activity as well as commuters to Yolo's county seat.

Even closer—about ten miles south of Woodland—was the once-tiny town of Davis, California. Thanks to the rapid expansion of the campus of the University of California, Davis by 1970 had surpassed Woodland in population and today has about 10,000 more people than Woodland. Realizing that only a ten or fifteen minute car trip separates the two communities, people who work in Davis have been attracted to Woodland by its rural setting, historic homes, and reasonable housing prices.⁹⁶

⁹⁴ Ron Pinegar, telephone interview by author, Woodland, California, April 2, 2003.

⁹⁵ The City is currently undertaking a study to complete the connection between SR 113 and I-5. "A Brief History of Woodland."

⁹⁶ *Historical Census Populations of Places, Towns and Cities in California.*

An Economy with a Blue-Collar Base

Today Woodland's economy stands on many legs. Woodland continues its traditional role as a center of agricultural production and processing. Surrounded by fields of vegetables and row crops, rice patties, and almond orchards, Woodland's silos and plants process, among other foodstuffs, tomatoes for the Contadina Company, sugar beets for Holly Sugar, and rice for Pacific Grain Products. In addition, Woodland is an industrial center, in particular of manufactured housing. Companies such as Silvercrest/Western Homes and Fleetwood Homes construct mobile homes here.

Making use of its location along northern California's main highway thoroughfare, Woodland also has developed into a major distribution center for consumer products. Since 1965 more than 150 manufacturing and warehouse distribution facilities have been established in and around the city. Among the companies that have built large distribution centers are the drug and consumer retail chain stores such as Walgreens, Payless Drugstore, and Target; the preeminent manufacturer of household and personal care products, Proctor and Gamble; and large computer and electronic equipment companies, Hewlett Packard and Tandy Corporation (which supplies the Radio Shack chain).

Finally, Woodland profits by being a center of government. Its position as the county seat and administrative center of the Unified Woodland School District generates both white- and blue-collar employment in government and ancillary services

Although Woodland's diverse economy has increased the number of businesses and jobs in the city, it also produces what might be called low-end employment. Many of the jobs in agricultural processing, manufacturing, and warehousing offer wages, in the range of \$10 to \$20 an hour. The economic evolution of Woodland and the surrounding area thus has brought members of a new working class to complement the traditional working class composed of farm workers.⁹⁷

The People of Woodland

With such a heavy concentration of blue-collar employment in Woodland, working communities—places where the average household income falls between 60 and 100 percent of the area median income—make up most of the city. In 2000 eight of Woodland's 12 census

⁹⁷ Pinegar, interview.

tracts fit the requirement for working communities. None of the census tracts was an affluent community, defined here as having an average household income of 120 percent or more of the area median income. In the previous decade, the poverty rate rose slightly—by 2 percent—making two of the working communities also poverty districts (with at least 20 percent of the population in poverty) and the average family income slipped by 6 percent, bringing the income in one census tract down below the affluent level. On the other hand, a census tract, which in 1990 had been a single-family working community, raised its average income level above the criterion of 100 percent of the area median income.⁹⁸

Woodland's primary racial groups are whites and Hispanics. In 2000, the white population constituted about 53 percent of the total and Hispanics made up about 39 percent. The next largest group was Asians, who represented about 4 percent of the population. Although new arrivals from Mexico helped to swell Woodland's Hispanic population by about 8 percent in the 1990s, Mexicans have migrated to Woodland since the 1920s. Second and third generation immigrants are an established part of Woodland society and government. Recently, for example, Mel Lasoya served as the city's first Hispanic mayor.

The Homes of Woodland

The homes of Woodland are predominantly single-family houses, but multifamily and other types make up a significant minority of the city's housing stock. In 2000, some 70 percent of the city's 17,000 housing units were single-family houses (and 90 percent of these were detached structures). Yet a substantial portion, 22 percent, of the homes was in structures with 5 or more units. A little less than 6 percent were two to four unit houses and the remainder was mobile homes.⁹⁹

Despite the preponderance of single-family houses, a large portion of Woodland's households rent their homes. As of 2000, 41 percent of households in Woodland rented. Homeowners made up 59 percent, a lower share than the proportion of single-family houses among all dwellings.¹⁰⁰

⁹⁸ Calculations by Joint Center for Housing Studies from U. S. Census.

⁹⁹ Table I.7, Housing Stock by Type and Vacancy for Woodland, Yolo County and California, 1990-2000; California Department of Finance, *City/County Population and Housing Estimates, 2000*; courtesy of Community Development Department, City of Woodland.

¹⁰⁰ City of Woodland, Department of Housing and Community Development, Review Draft Housing Element Update, Table I.2, Woodland Age, Sex, Race and Ethnicity, Household Type, and Housing Tenure, 1990-2000.

Woodland's housing comes in a range of types. In the old inner section of town there are Victorian homes that rival in their historic beauty the famous "painted ladies" of San Francisco. Low-income families, many of whom are Hispanic, inhabit small California bungalows, stucco-covered versions of the type found up and down the state. The bulk of recent residential construction has been in subdivisions of single-family homes, most of which are in one form or another of the suburban ranch house.

Woodland's Multifamily Housing

Homes in multifamily developments, although fewer in number than single-family houses, are an important and growing part of Woodland's housing. In 2000 four of the city's eight working-community census tracts were mixed-housing-stock working communities (in which 10 to 30 percent of all dwellings were situated in multifamily structures) and two were high multifamily working communities (30 percent and more of all dwellings in multifamily structures).

Most of Woodland's current multifamily housing stock was built in the late 1970s and 1980s. These developments were the product of a local version of the large boom in multifamily construction that took place during this period. Tax depreciation laws fueled this boom, and when the new federal tax law was passed in 1986 eliminating the depreciation provision, the boom came to an abrupt halt. In California, developers had overbuilt for existing demand, and in the following years multifamily construction slumped. In Woodland, this pattern was in evidence: only two large multifamily developments were built there in the 1990s.

In many, perhaps most, communities, multifamily buildings are located in one area or along certain corridors, but multifamily housing in Woodland is dispersed in different sections of town. This unique pattern is due in large part to the influence of the city's planners who adhere to an ideal of mixed land uses and building types and resisted the idea of concentrating multifamily residences.

The multifamily developments in Woodland are typically two to three stories high, have pitched roofs, and stucco facades that are painted in earth tones to reflect the summer's blistering sunshine. The complexes usually provide tenants carports and patios, and some also come with garages.

As the great majority of units have only one or two bedrooms, the multifamily developments have attracted mainly single people, couples, and small families. In addition, Woodland has a few projects aimed towards or restricted to the elderly. Rents in Woodland tend to be moderate. In 2001, the highest price for a two-bedroom, two-bathroom apartment was more than \$900 per month, but most two-bedroom apartments went for between \$600 and \$800, and a few could even be found for \$550.¹⁰¹

Although there are a significant number of market-rate projects in town, most of Woodland's multifamily units seem to be geared toward low-income households. Of the 1,631 units in multifamily (5 or more units) projects constructed between 1983 and 1990, a period of brisk multifamily development, the city's Community Development Department estimated that 1,361 units were affordable to low-income households (50-80 percent of the area median income), 200 units were affordable to very low-income households (30-50 percent of the area median income), and the remaining 70 units were affordable to moderate income households (80-120% of area median income).¹⁰² (In contrast, 130 of the city's detached single-family houses built in that period were affordable to low-income households, 727 units were affordable to moderate-income families, and the rest were aimed at households with above-moderate incomes.) Today Woodland contains at least 545 subsidized multifamily residences, which make up 15 percent of all multifamily units, and there are additional subsidized units that the City does not monitor.¹⁰³

Recently, developers have renewed their interest in building multifamily structures in Woodland. A plan has been submitted for a 150-200-unit market-rate project to be built in the Southeast section. It would include some twenty low-and very low-income units that would enable the developers to obtain a higher population density than they would otherwise. The city's planning agency has received numerous calls about other plans, especially to renovate downtown buildings as multifamily residences.¹⁰⁴

¹⁰¹ Woodland Chamber of Commerce, "Apartment Complexes in Woodland," July 2001.

¹⁰² Community Development Department, Table IV, Estimated Affordability of Housing Constructed from January 1, 1983 to July 1, 1990; Housing Element of General Plan of Woodland, 1996.

¹⁰³ According to Aaron Laurel of the Woodland's Department of Housing and Community Development, the city monitors 545 subsidized multifamily units—that were developed since the monitoring regulation took effect—out of a total of 3,668 multifamily units. Aaron Laurel, telephone interview by author, Woodland, California, April 4, 2003.

¹⁰⁴ Laurel, interview.

The city government strongly supports the development of multifamily housing, and tries to assist developers through the regulatory process. One reason that the city supports multifamily development is that local officials are personally committed to developing relatively dense developments and affordable housing. Another reason is that state regulations encourage planning for multifamily and low-income developments. The California Department of Housing and Community Development requires that each jurisdiction in the state prepare a section of its general plan, called the Housing Element, that shows how that town or city will meet its fair share allocation of its region's housing, including homes for low- and moderate-income households as well as market rate units. As a result of the city's support of relatively dense, affordable, and multifamily housing, officials are setting aside more than a quarter of the 4037 new dwelling units planned for the recently annexed Spring Lake territory for multifamily structures.¹⁰⁵

Unlike in many communities, proposals to build multifamily projects generally do not engender enough opposition to stop their development. In general, few people oppose multifamily housing projects when they are proposed for the undeveloped sections of town, because the developments are not highly controversial and they lack immediate neighbors at the time they are proposed.

The story is different if an area is already developed. Then citizens come out to meetings to resist. Opponents express fears that the new multifamily developments will bring traffic congestion and burdensome taxes to pay for additional services. Yet much of this opposition is neither deep-seated nor strictly focused on multifamily projects. Often concessions in regard to the design—such as creating an entrance separate from the neighborhood, providing landscape amenities, or using a particular color of the buildings—assuage the objections. In addition, both city planners and nonprofit housing developers note that not-in-my-backyard sentiments are not exclusively focused on the multifamily developments; they are triggered by proposals for new single-family housing as well.¹⁰⁶

There may be less virulent opposition to multifamily housing in Woodland because it is seen as filling a housing need for local residents. With its large working-class population, it is self-evident that many Woodlanders cannot afford to purchase new houses. Yet as the city

¹⁰⁵ Pinegar, interview; Wendy Ross, telephone interview with author, Woodland, California, April 3, 2003; Laurel, interview.

grows, people who earn low or moderate wages need homes, and multifamily rental units are often the most efficient way of providing them. Certainly this view prevails in the town government.

Woodland in Perspective

Like many towns and cities, Woodland faces a variety of issues with which it must deal.

Safety is a concern, as it is in most urban areas, but is not seen as a large problem here. Woodland has a small amount of youth gang activity and some crime, including occasional murders. In 2000, for example, six homicides were recorded in Woodland, although the following year, only one homicide occurred. In response to the crimes, Woodland's residents have established about 300 neighborhood watch groups, and the police run programs to prevent young people from getting into trouble as well as monitoring and arresting illegal gang members who commit crimes. The number of other serious crimes are relatively low—in 2001, the city logged 48 robberies. The perception that most serious crimes occur in the old, poor section of town helps contain general fears of crime.¹⁰⁷

The quality of schools is considered acceptable, for the most part. Woodland's public schools suffer from comparison with schools in neighboring upscale Davis, especially in regard to student's achievement test scores. All else being equal, however, the large proportion of students from less-educated working-class families would make it difficult for Woodland's schools to match a school system with many students whose parents are highly educated professionals. Although improvement in academic performance is a goal in Woodland as it is in most places, the more pressing problem for the school system is the rising number of school-aged children. The increase in the number of students has spurred a school construction program, which includes building a second high school for the city and the attendant disruption of programs as high school students are reorganized into two schools.¹⁰⁸

Other issues facing Woodland include the controversial plan of the Army Corps of Engineers to impose an expensive solution to the threat of floods, the preservation of historic

¹⁰⁶ Greg Sparks, telephone interview with author, Woodland, California, April 3, 2003; Ross, interview.

¹⁰⁷ City of Woodland crime statistics, Woodland Police Department, <<http://yolo.net/wpd/statistics.html>>; Woodland Police Department Youth Services, <http://yolo.net/wpd/divprevention.html>>; Pinegar, interview; David Wilkinson, telephone interview with author, Woodland, California, April 4, 2003.

¹⁰⁸ Sparks, interview; Pinegar, interview; Wilkinson, interview.

homes, and the redevelopment of the old downtown, which has suffered from the large discount retailers—known as big box stores—out of town.

But above all, growth—its size and shape—is and will continue to be the major issue. Woodland attracts blue-collar workers who hold jobs in the area’s farms, factories, and warehouses and, increasingly, white-collar workers who toil in the education, government, and administrative centers of nearby Davis and Sacramento, and as a result, new homes have been built to accommodate them. Residents have begun to debate whether the new growth will threaten the farms that made Woodland attractive. The city government’s policy is to keep a manageable rate of growth and channel new development to certain areas such as downtown and the annexed territory of Spring Lake.

Yet Woodland’s government—supported by state agencies—also encourages the development of both single-family and multifamily homes affordable to a wide range of incomes. In particular, city planners work with developers to smooth the way for their multifamily projects. Thus, as new homes are built in Woodland, it is heartening to see, multifamily complexes will continue to be in the mix.

Woodland teaches a number of lessons to other communities that might wish to develop multifamily dwellings without engendering too much local opposition. First, when state and local planners promote multifamily and affordable housing, it helps developers create such housing. Second, it is easier to encourage denser developments—such as multifamily structures—in undeveloped areas, where few people have a stake in preserving the status quo in places that have yet to take shape. Finally, in towns and cities that are home to large number of blue-collar and/or low- and moderate-income households, many will be more amenable to producing additional housing, including the multifamily variety, in the local working communities.

Its historic homes notwithstanding, Woodland has been the kind of place that outsiders often drive by without noticing. As this portrait shows, more of us should pay attention to Woodland and working communities like it.



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