

Sprawl, Race, and Concentrated Poverty: Changing the “Rules of the Game” by David Rusk¹

Over the last eight years I have crunched several decades of census numbers for all of the USA’s 320 metropolitan areas and its now 396 urbanized areas. I have been invited as speaker and consultant to over 100 metro areas and have analyzed demographic, social, and economic trends down to the neighborhood level in almost 70 such regions.

Both analysis and experience convince me that two factors have largely shaped how our metropolitan areas have developed – sprawl and race. Sprawl and race interact with each other. They are linked most clearly through the concentration of poverty.

Concentrated poverty is urban America’s core problem – both socially and geographically. Concentrated poverty creates push-pull factors. Push factors – high crime rates, failing schools, falling property values, often higher tax rates – push middle class families out of poverty-impacted neighborhoods in central cities and many older suburbs. Pull factors – safer neighborhoods, better schools, rising home values, often lower tax rates – pull such families to newer suburban areas.

It is not any “superior virtue” of suburban governments that is responsible for suburban pull factors. Pull factors simply reflect the fact that most suburbs are low-poverty areas. Both push and pull factors are largely opposite sides of the same coin – the concentration of poverty.

Concentrated poverty is also a highly racialized phenomenon. Nationally, almost twice as many residents of our metro areas are poor and white as those who are poor and black or poor and Hispanic. Yet poor whites rarely live in poor neighborhoods (where poverty rates exceed 20%). Only one quarter of poor whites live in poverty-impacted neighborhoods; three quarters live in working class or middle class neighborhoods scattered all over our metropolitan areas. By contrast, half of poor Hispanics and three quarters of poor blacks live in poor neighborhoods in inner cities and inner suburbs.

What does this mean? For one thing, if you are poor and white, the odds are three out of four that at your neighborhood school your own children’s classmates

¹ Based on the speech given to the Fannie Mae-sponsored conference on “Fair Growth: Connecting Sprawl, Smart Growth, and Social Equity” on November 1, 2000 at the Georgia World Congress Center in Atlanta.

will be primarily middle-class children. If you are poor and black, the odds are three out of four that your own children will be surrounded by other poor school children. The socioeconomic backgrounds of a child's family *and of a child's classmates* are the strongest influences shaping school outcomes.

Let's examine sprawl, race, and concentrated poverty in turn.

Thin Edges, Thinning Core

Fannie Mae has commissioned several papers that try to define "sprawl" more rigorously. That's a very welcome development. But to illustrate a very basic trend for urbanized areas, I have relied on one set of simple statistics – the ratio of the growth of urbanized population compared to growth of urbanized land.

In 157 major urbanized areas, from 1950-90, urbanized population grew 88% while the amount of urbanized land expanded 255%. In other words, nationwide, during these four decades, new development consumed land at almost three times the rate of population growth (to be precise, 2.9 to 1). A region like Orlando urbanized land far more rapidly (1,485% growth) but also had to absorb a much greater rate of population growth (1,113%). Orlando's land-to-population growth ratio was 1.3 to 1. By contrast, in the Detroit area urbanized population grew only 34% but urbanized land expanded 165% - almost five times population growth (4.9 to 1).

Which region experienced more sprawl – Orlando or Detroit? By my standards, the Detroit area: the imbalance between population growth and land consumption was greater.² High land-to-population growth ratios reflect not only low-density development on the urban fringe but also steady depopulation of the urban core. During those four decades, the city of Detroit lost 44% of its peak population (from 1,849,568 in 1950 to 1,027,974 in 1990), yet the city's hollowed out neighborhoods did not cease being counted as "urbanized." Some population loss was the inevitable (and fairly benign) result of smaller household size. But most reflected middle-class flight from the city – pushed out by the social problems rising from growing concentrations of poverty.

Jim Crow by Race – Jim Crow by Income

² By another measure, from 1970-90, new growth in Orlando's suburbs occurred at a density of 2,312 persons per square mile while Detroit's suburbs expanded at an average density of 614 persons per square mile. (The density of Detroit's "new" development was undoubtedly reduced by population loss in many of the region's older suburbs.)

During these decades residential segregation declined modestly in most metro areas. Using a common dissimilarity index (in which 100 = total apartheid), Table 1 measures residential segregation of African Americans in 16 large northern metro areas and 18 large southern metro areas.³

Table 1
Change in Residential Segregation of African Americans
In 34 Large Metro areas from 1970 to 1990
(Dissimilarity Index: 100 = total racial apartheid)

<u>Category</u>	<u>1970</u>	<u>1990</u>
Northern Metro Areas (16)	85	78
Detroit	88	88
Cleveland	91	85
Southern Metro Areas (18)	80	65
Atlanta	82	68
Charlotte	68	53

Though racial segregation is declining, as Table 2 shows, economic segregation is increasing steadily. Jim Crow by income is replacing Jim Crow by race.

Table 2
Change in Residential Segregation of Poor Persons
In 34 Large Metro areas from 1970 to 1990
(Dissimilarity Index: 100 = total economic apartheid)

<u>Category</u>	<u>1970</u>	<u>1990</u>
Northern Metro Areas (16)	36	44
Detroit	39	50
Cleveland	43	51
Southern Metro Areas (18)	37	38
Atlanta	40	40
Charlotte	38	32

³ A dissimilarity index measures the relative evenness or unevenness of the distribution of a target population across all census tracts, school attendance zones, etc. It is typically calculated by comparing the distribution of a given minority population (for example, blacks, Hispanics, poor persons) with the distribution of the dominant group (for example, whites, non-poor persons, etc.). A score of “100” indicates total segregation – that is, all blacks (and only blacks) live in certain neighborhoods and all whites (and no blacks) live everywhere else. By contrast, a score of “0” indicates that every neighborhood has the same proportions of whites and blacks as the regional averages.

Why are economic segregation indices so much lower (i.e. with scores in the 30s, 40s, and 50s) than racial segregation indices (i.e. with scores in the 50s, 60s, 70s, and 80s)? In part, the answer lies in the fact that American society has historically segregated more by race than by economic class.

But a large factor is, as discussed above, that most poor whites do not live in poor neighborhoods. Table 3 summarizes the percentage of poor whites and poor blacks that live in census tracts with greater than 20% poverty rates. The percentages are substantially lower in southern metro areas because

- 1) a proportion of southern poor blacks live in rural areas, whereas blacks are almost totally absent from northern rural areas and small towns,
- 2) in the two decades leading up to 1990, southern regions, in general, experienced stronger economic growth than northern regions, and
- 3) the combined effect of faster racial de-segregation and falling economic segregation in 10 of 18 southern regions (vs. none of the 14 northern regions) reduced the growth of poverty-impacted census tracts.

Table 3
Concentration of Poor Persons by Race
In Poverty Census Tracts
In 25 Large Metro areas in 1990

<u>Category</u>	<u>Poor Whites</u>	<u>Poor Blacks</u>
Northern Metro Areas (11)	29%	81%
Detroit	30%	90%
Cleveland	37%	91%
Southern Metro Areas (14)	22%	69%
Atlanta	10%	65%
Charlotte	10%	54%

Thus, race is the basis of concentrated poverty. In fact, race is the underlying factor that determines whether or not there are growing disparities between central cities and their surrounding suburbs. In the face of ubiquitous low-density development, a city's ability to expand its municipal territory by annexation or consolidation directly affects its success or failure in maintaining market share. "Elastic" cities (like Charlotte)

successfully defend their market share of regional growth through annexation (Charlotte, and, in the 1950s, Atlanta.) “Inelastic” cities (like Detroit and Cleveland) lose market share, with very adverse social, economic, and fiscal consequences. “Inelastic” cities cannot expand their boundaries through annexation to capture sprawling new subdivisions, shopping centers and regional malls, office complexes, and industrial parks.⁴

It is the issue of race that makes a city’s market share so vital. The way different races are sorted into different neighborhoods and jurisdictions by the operation of segregated housing markets is the reason why significant economic and fiscal disparities emerge between inelastic central cities and their surrounding suburbs.

White America vs. Diverse America

Since publishing *Cities without Suburbs*, I have examined metro areas I had characterized as “White America” in greater detail. White America is composed of 52 metro areas that have no significant black or Hispanic populations — that is, less than 2% black residents and less than 5% Hispanic residents.

From the 1990 census Table 4 compares the average income of city residents as a percentage of the average income of suburban residents, a key measure of economic disparities, between metro areas with and without minority populations.

Table 4
The Impact of Race on Metropolitan Disparities:
Contrasting City-to-Suburb Income Percentages
Between White America and Diverse America in 1990

Central City Elasticity Category	White America (52) Metro Areas	Diverse America (117) Metro Areas
Zero-Elastic	90%	66%
Low-Elastic	95%	83%
Medium-Elastic	105%	86%
High-Elastic	102%	96%
Hyper-Elastic	108%	101%

⁴ For a fuller discussion of city “elasticity” and its consequences, see the author’s *Cities without Suburbs*, Washington DC and Baltimore, MD: Woodrow Wilson Center/Johns Hopkins University Press, 2nd edition (1995).

The first column breaks these 52 “minority-absent” metro areas into my standard elasticity categories, which are determined by the territorial expansion of their central cities. In “zero-elasticity” metro areas the 6 central cities (e.g. Scranton, PA; Binghamton, NY) did not expand their boundaries at all between 1950 and 1990. The 14 “low-elasticity” cities (e.g. Spokane, WA; Sioux City, IA) expanded their territory minimally (an average of 13%). Fifteen “medium-elasticity” cities (e.g. Salt Lake City, UT; Appleton, WI) expanded more significantly (80%). Twelve “high-elasticity” cities (e.g. Boulder, CO; Rochester, MN) and 5 “hyper-elasticity” cities (e.g. Boise, ID; Redding, CA) were very aggressive in municipal annexation, expanding 278% and 479%, respectively.

What is notable is that even very inelastic central cities in White America experienced no significant disparity between average income of city residents and average income of suburban residents. White America’s zero- and low-elasticity cities averaged 90% and 95% of suburban income levels, respectively. Furthermore, in White America the more elastic cities had average incomes that were higher than their surrounding areas (i.e. 102% and 108% for high- and hyper-elastic cities, respectively).

The second column summarizes the results for 117 large metro areas with racially diverse populations, which I’ll call Diverse America. Though there were substantial variations among individual metro areas, the metro areas in Diverse America averaged 12-14% black and 7-12% Hispanic populations in different elasticity categories.

Highly segregated housing markets that concentrated most low- and moderate-income minorities in central city neighborhoods characterized the 23 zero-elasticity metro areas in Diverse America. Income levels in 23 zero-elasticity central cities averaged only 66% of suburban income levels. By expanding their city limits modestly (20%), Diverse America’s 22 low-elasticity cities succeeded in capturing a modest, but positive market share of regional growth. Their city/suburban income percentage narrowed to 83%. As Diverse America’s cities move progressively up the elasticity scale, increasing their market share, the income gap narrowed with their suburbs. The 25 hyper-elasticity cities expanded their city territories fifteen fold, captured half of all metro population growth, and finally achieved income parity (i.e. 101%).

In every elasticity classification, the minority-absent cities of White America were closer to income parity with their suburbs than the minority-present cities of Diverse America. The gap ranged around 20 percentage points for relatively inelastic cities to half a dozen percentage points for more elastic cities. In effect, the ability of highly

elastic cities in Diverse America to capture so much of their own suburban growth largely offsets the effects of their housing a moderately disproportionate share of their regions' poor, minority households.

Race and Sprawl

How does a central city's racial composition affect the rate of the region's sprawl? Table 5 contrasts 18 urbanized areas in White America⁵ with 21 urbanized areas in Diverse America (in this case, the 21 most economically segregated metro areas that are virtually identical with the 21 most racially segregated – and most “inelastic” - metro areas).⁶ Overall, White America consumed land at a rate only 2.4 times the rate of population growth compared to Diverse America's land consumption rate of 4.2 times the rate of population

Table 5
Land-to-Population Growth Ratios
For 18 White America⁷ vs. 21 Diverse America
Urbanized Areas from 1950-90

<u>Urbanized Areas</u>	<u>Population Growth</u>	<u>Land Growth</u>	<u>Land-to-Population Growth Ratio</u>
18 White America	44%	108%	2.4 to 1
21 Diverse America	59%	245%	4.2 to 1

growth. However, the average White America city gained modestly in population (6%), while the average Diverse America city lost residents (-11%). And whereas White America contained several elastic cities (Cedar Rapids, Lincoln, Salt Lake

⁵ These urbanized areas in White America are Allentown-Bethlehem-Easton PA-NJ, Binghamton NY, Cedar Rapids IA, Duluth-Superior MN-WI, Fall River MA, Johnstown PA, Lincoln NE, Manchester NH, New Bedford MA, New Britain CT, Norwalk CT, Portland ME, Salt Lake City UT (the Capital of White America), Scranton & Wilkes-Barre PA, Sioux City IA, Springfield MO, and Wheeling WV.

⁶ In descending order (from most economically segregated to less economically segregated as measured by economic dissimilarity indices), these 21 urbanized areas of Diverse America are Milwaukee (55.1), Hartford CT (52.8), Cleveland OH (51.4), Detroit MI (50.1), Chicago IL (49.8), Philadelphia PA (47.9), Baltimore MD (46.0), New Haven CT (46.0), Buffalo NY (44.8), Richmond VA (44.0), Columbus OH (43.6), Cincinnati OH (43.0), New York City-Newark NY-NJ (43.0 & 48.2), Memphis TN (42.9), Rochester NY (42.0), Springfield MA (41.6), Syracuse NY (41.3), Toledo OH (40.3), Omaha NE (40.3), Dayton-Springfield OH (40.2), and Flint MI (40.1).

⁷ Of 52 White America metro areas, these 18 were the only ones with data for urbanized areas dating from 1950.

City, and Springfield MO), so did Diverse America (Columbus OH, Dayton, Memphis, Omaha, and Toledo). There was no difference between the average territorial expansion of these White America cities (49%) and these Diverse America cities (53%). What was different was the racial composition and consequent concentration of poverty that helped drive middle class residents out of Diverse America's cities into new subdivisions in the ever expanding urban fringe.

The "Segregation Tax"

Thus far, my discussion of social equity issues and urban sprawl has focused on poverty. However, the flip side of rapid outward expansion on the urban fringe is the slow abandonment of the urban core, and this exacts its price from black, middle class homeowners as well – what I have called the "segregation tax."

To illustrate, for the first time the 1990 census provided information on both the value of the average home owned by different racial groups and the amount of the average homeowner's income by racial group. In 1990, for example, black homeowners in the six-county Baltimore metro area owned houses with a mean value of \$69,600, while black homeowners' mean household income was \$41,466.⁸ In other words, for every dollar of household income, the average black homeowner received \$1.68 worth of house.

White homeowners in Greater Baltimore (as might be expected) had a higher mean household income (\$55,429) and a higher mean home value – a *much* higher valued house (\$133,000). For every dollar of household income, the average white homeowner received \$2.40 worth of house.

In effect, for a dollar of income, the average black homeowner was getting only 70 percent (that is, \$1.68 vs. \$2.40) of the home value that the average white homeowner received. Or, inverting the mathematics, the average black homeowner was receiving 30 percent less home value per dollar of income than was the average white homeowner. Knowing that the Baltimore region was still highly segregated (a black/white dissimilarity index of 71), I characterized the 30 percent disparity as a 30 percent "segregation tax."

In America's 100 largest metropolitan areas in 1990, *comparing what black and white homeowners get for each dollar of household income*, the value of the

⁸ Technically, all income-related data in the 1990 census reflected 1989, the previous year. However, I will characterize all economic information from the 1990 census as 1990 data.

average African American homeowner's house was 18 percent less than the value of the average white homeowner's house.

That was the price exacted by the fact that the great majority of African American homeowners still lived in majority black neighborhoods. Over three-fourths of homebuyers were white. With many whites ruling out buying homes in majority black neighborhoods, competition for houses in black neighborhoods was automatically reduced, depressing home values. In effect, black homeowners were paying an 18 percent "segregation tax" on the value of their homes.

The level of "segregation taxes" on the value of African American homes covered a wide range. In the Riverside-San Bernardino, California region, one of the USA's more racially integrated metro areas, no "segregation tax" penalty was exacted. At the other extreme, in the Detroit region, the USA's second most racially segregated metro area, the "segregation tax" was 43 percent.

In-depth, neighborhood-by-neighborhood analysis of metro Philadelphia (where the segregation tax was 39 percent) shows that a neighborhood's racial composition and poverty level explained almost 60 percent of the variation in the ratio of home value to homeowner income. A neighborhood's racial composition had roughly twice the impact of a neighborhood's relative poverty level.

In fact, comparing five of metro Philadelphia's wealthiest, majority black neighborhoods with over 170 similarly wealthy, but majority white neighborhoods shows that *homeowners in wealthy, majority black neighborhoods still paid a 25 percent "segregation tax" in the form of reduced home values.*

At the other end of the scale, comparing five of metro Philadelphia's lowest income, majority white neighborhoods with almost 50 similarly low-income, but majority black neighborhoods shows that *homeowners in poor white neighborhoods received a 58 percent bonus in home values over home values in poor black neighborhoods.*

Unlike African Americans, the much lower levels of residential segregation experienced by Asians and Hispanics had no statistically significant impact on relative home values and home value-to-income gaps between whites and other minorities were small.

In short, there are two homeownership markets in America's metropolitan areas – one overwhelmingly white, the other overwhelmingly black. The higher the level of racial segregation, the higher the "segregation tax" that African American homeowners pay on the value of what is typically their biggest family

asset – their home. As a result, the “wealth gap” between blacks and whites is greater than the “income gap” – a critical hurdle to moving the next generation of black households up the economic scale.

Old Data = Current Trends?

All the trends that I have described have been based on data that ends with the 1990 census. Have these trends changed as a result of the nation’s unparalleled prosperity during much of the 1990s? Undoubtedly, many cities are in better fiscal condition today than they were in 1990. Aside from annual population estimates, between decennial censuses, the US Census Bureau provides few estimates of socioeconomic conditions for cities. However, a wider range of updated data is provided for counties. Since 13 inelastic central cities are also coterminous with their counties, we can track changes for these central cities in comparison with their suburbs.⁹

Table 6
Trends in the 1990s
For 13 Central Cities and Their Suburbs

<u>Category</u>	<u>Central Cities</u>	<u>Suburban Ring</u>
Population growth (1990-97)	-6.0%	+9.6% %
Percentage minority (1990)	42.6%	12.8%
Percentage minority (1997)	45.7%	14.4%
Building permits as pct of 1990 stock (1990-96)	+2.3%	+10.9%
Number of business establishments (1990-95)	-2.0%	+9.0%
Total jobs located in jurisdiction (1990-95)	-0.6%	+9.2%
Growth in total real personal income (1990-94)	+3.8%	+8.7%

Thus, in sharp contrast to their suburbs, over various periods of the 1990s these cities have 1) lost population, 2) become more unbalanced in terms of minority population, 3) barely replaced housing stock lost to abandonment and

⁹ These 13 inelastic city-counties are Philadelphia, San Francisco, Baltimore, Washington DC, Denver, New Orleans, St. Louis, Kansas City KS, and five “independent cities” in Virginia – Norfolk, Richmond, Roanoke, Lynchburg, and Charlottesville.

demolition, 4) lost business establishments, 5) stagnated in terms of job growth, and 6) seen total personal income increase slightly above the inflation rate.¹⁰

Thus, both based on personal observations and such analyses, I believe that the “comeback cities” of the 1990s are largely mirages – the result of a “Potemkin village” syndrome focused on city downtown areas turning into yuppie theme parks rather than on broader neighborhood trends throughout the cities. The 2000 census, I expect, will confirm that social and economic gaps have continued to widen between inelastic central cities and their suburbs.

The Regional Reform Agenda

However we define “sprawl,” the central issue really is *what gets built where for whose benefit?* It is clear that the current “rules of the game” are loaded against the interests of the poor, particularly the minority poor, and against the communities where they are concentrated.

Reversing these trends requires decisive actions to reform the regional “rules of the game.” The key reforms are

- To counteract growing fiscal disparities among local governments, institute regional tax base sharing.
- To combat accelerating urban sprawl and core community disinvestment, institute regional growth management.
- To reverse growing concentrated poverty and economic segregation, institute regional fair share low- and moderate-income housing.

Long-standing, successful models of each policy exist that can be adapted to most regions’ circumstances.

Some 188 municipalities, 60 school districts, and 40 other special districts were required to participate in the *Twin Cities Fiscal Disparities Plan* by the

¹⁰ *Personal income* is a very misleading indicator because, in addition to income received by individuals, it includes income received by “non-profit institutions serving individuals, private noninsured welfare funds, and private trust funds.” *Money income* is a much better measure of residents’ economic well-being since it excludes such “persons” as pension funds and bank trust departments. In New York County (Manhattan), the nation’s financial capital, personal income per capita was 53% higher than money income per capita in 1987. By contrast, in Hidalgo County TX (McAllen-Edinburgh-Mission TX, the nation’s poorest metro area) personal income per capita was only 30% higher than money income per capita. Relying on personal income statistics leads some researchers to conclude incorrectly that the residents of many central cities (with their big bank trust departments) are wealthier than are suburban residents.

Minnesota legislature in 1971. Under the mandatory tax-base sharing system, 40% of the increase in business property valuation is pooled and redistributed by an equalization formula among the almost 300 participating governments. By 1998, the regional pool amounted to \$410 million – about \$165 per resident of the region per year. (By contrast, the Dayton area’s ED/GE program, with its voluntarily negotiated tax-base sharing program, amounted to about \$1 per resident of the region per year.)

“You can’t get Portland’s growth management results without Oregon’s law,” I was once told. The Oregon legislature passed to the path breaking Land Conservation and Development Act in 1973. It required all 36 counties to develop comprehensive land use plans meeting state standards and required Oregon’s 240 municipalities to draw *urban growth boundaries* (UGBs) as part of the county plans. Since 1979, the Portland region’s UGB has been in effect. It was devised by Portland Metro, the USA’s only directly elected regional government. The UGB has been very effective in controlling outward sprawl. From 1980-90, Portland’s urbanized population grew 14%, but urbanized land expanded only 11%; from 1990-2000, urbanized population ballooned an estimated 20% but urbanized land grew only an estimated 6%. By 2040, Portland Metro projects a 50% population growth but only 8% more urbanized land (within a slightly expanded UGB).

What is the impact of the UGB on social equity issues? Myron Orfield, president of the Metropolitan Area Research Corporation, reports that of the 25 largest metro areas, in only the Portland region have both the central city and its older, blue collar suburbs gained regional market share of tax base, jobs, etc. during the past decade. By preventing sprawling development on the urban fringe, Portland’s UGB has turned market investment back into the core communities. Despite a rapid run-up in home prices during the mid-1990s economic boom, fiscal disparities are shrinking, racial segregation is diminishing, and region’s already low level of economic segregation may be diminishing as well.

The nation’s model mixed-income housing program is Montgomery County, Maryland’s *Moderately Priced Dwelling Unit (MPDU) ordinance*. Adopted by the county council as one of the nation’s earliest inclusionary zoning laws in 1973, the MPDU law requires that at least 12.5%-15% of any new housing development of 50 or more units must be affordable to households in the lowest third of the county’s income scale. Furthermore, the Housing Opportunities Commission, the county’s public housing authority, is given right of first purchase for one-third of the “MPDUs,” or, in effect, 5% of every new subdivision.

Complying with the changed “rules of the game,” since 1975 private, for-profit homebuilders have produced over 11,000 MPDUs integrated (generally seamlessly) into middle-class subdivisions. HOC has purchased over 1,500 scattered in 220 different low-poverty neighborhoods. The result is that Montgomery County is one of the USA’s most racially and economically integrated communities.

An Inclusionary Zoning Law for the Atlanta Region?

What would have been the impact if an MPDU-type inclusionary zoning law had been in effect for the Atlanta region over the past quarter century? Some 968,000 new housing units were built between 1970-96.

Assuming that half of the new homes were individual spec homes or part of developments too small to be covered by the inclusionary zoning requirement, an MPDU-type requirement would have yielded 64,500 “workforce” homes to be purchased or rented by modest income households.

Another 32,250 “welfare-to-workforce” homes would have been produced for purchase by public housing authorities. Of the latter homes, 5,250 would be located in generally lower-poverty neighborhoods of the “sending” cities, allowing some internal de-concentration of poor households within city limits. However, 27,000 “welfare-to-workforce” homes would be located in low-poverty, “receiving” suburbs, allowing relocation from city to suburb.

Table 7 summarizes the impact on poverty levels. In effect, using just a modest amount of new housing (i.e. 5% of new subdivisions) for de-concentrating poor households would not raise poverty levels in receiving suburbs to problem levels while it would significantly reduce poverty levels in the sending cities.

In fact, using just 18,000 of the 32,350 housing authority-purchased homes to relocate poor household from high-poverty to low-poverty neighborhoods would bring poverty rates below 20% in all 103 poverty-impacted census tracts in the greater Atlanta region.

Table 7
Impact of MPDU-type Inclusionary Zoning
On Hypothetical Poverty Levels in Atlanta Region

City/Suburb	Pre-MPDU <u>Poverty</u>	Post-MPDU <u>Poverty</u>
Sample Sending Communities		
Atlanta	27.3%	16.3%
College Park	23.3%	13.0%
Covington	23.2%	13.7%
Decatur	17.9%	10.6%
Douglasville	14.4%	9.8%
Marietta	14.2%	9.0%
East Point	16.9%	9.6%
Sample Receiving Communities		
Smyrna	6.6%	10.4%
Rest of Cobb County	4.4%	7.2%
Rest of Douglas County	4.5%	6.8%
Fayette County	2.6%	5.7%
Henry County	6.1%	9.1%
Alpharetta	3.7%	7.3%
Roswell	3.1%	7.1%
Snellville	2.8%	5.5%

Metro Atlanta combines a lesser concentration of poverty with a hotter housing market than many regions. However, a region-wide inclusionary zoning policy would have similarly dramatic results in many metro areas. Post-MPDU poverty rates would be reduced below target poverty levels in all poverty-impacted census tracts in the following metropolitan areas:

- below 40% in Chicago (182 tracts of greater than 40% poverty), Cincinnati (33), Cleveland (62), Detroit (150), and Philadelphia (70);
- below 30% in Columbus OH (47 tracts of greater than 30% poverty);
- below 20% in Charlotte (40 tracts of greater than 20% poverty), Little Rock (34), Norfolk-Virginia Beach-Newport News (61), Richmond-Petersburg (35), and Trenton (9);
- below 15% in Minneapolis-St. Paul (90 tracts of greater than 15% poverty), Portland OR (35), Seattle (48) and Washington DC (112).

These estimates, of course, are exercises in arithmetic. Human affairs never work with such mathematical exactness. However, these projections give some notion of the impact of inclusionary zoning on a regional scale.

It may not be within our capacity to eliminate all poverty in America. *It is within our capacity to eliminate the concentration of poverty.*

“Social Engineering”

The dismissive phrase “social engineering” may doubtless occur to some after reading this discussion of inclusionary zoning. “America is not very good at social engineering,” I have been told.

On the contrary, American society has been *very* effective at “social engineering.” What was slavery? What was Jim Crow (southern-style *and* northern-style)? What was the purpose of racially restrictive deed covenants? Or of FHA- and VA-sponsored mortgage market “red-lining”? Or (to be more contemporary) of large minimum lot residential zoning or of outright bans against apartment construction (both recently found unconstitutional violations of civil rights laws by a Federal District Court in Dallas)?

In my experience, when the existing rules of the game produce results that powerful beneficiaries like, the existing rules are blessed as the workings of a “free market.” When reforms in the rules of the game are proposed that would produce results they disagree with, the reforms are condemned as “social engineering.”

Changing the Rules of the Game

In regions with multiple local, independent governments, the “have-nots” typically have no leverage to get the “haves” to institute voluntarily any such policies. Regional collaboration must be mandated by a higher level of government. Though the federal government powerfully shapes the housing market, local governments’ broad land use planning, zoning, and tax policies are controlled by state governments. Regional reformers must target state legislatures and governors.

After three decades only a dozen states have adopted statewide growth management laws. In most states environmental organizations, farmland preservation groups, etc. have been unable to muster sufficient political strength to change the current rules of the game.

However, the 1990s have seen the emergence of new recruits to the cause of growth management and inclusionary zoning:

- business leadership groups like Chicago Metropolis 2020, the Silicon Valley Manufacturers Group, Greater Baltimore Committee, and Bank of America's Hugh McCall;
- alliances of declining suburbs like the First Suburbs Consortium in Ohio;
- big city mayors like Rochester's William Johnson and Grand Rapids' John Logie (mayors are often ambivalent, seeing regionalism as potential infringement of their authority or dilution of their power base); and
- faith-based coalitions, such as Northwest Indiana's Interfaith Federation, Metropolitan Congregations United for St. Louis, and MOSES in Detroit.

Environmentalists focus on man's impact on nature. Civil rights groups target injustices to our fellow man. What I have learned in the scores of communities that I have worked with over the past eight years is that the civil rights movement and the environmental movement should merge as the regional reform movement. The issues of social stewardship and environmental stewardship are inextricably interwoven. The connecting link is America's environmentally and socially destructive land development and housing patterns. To win today's civil rights battles as well as today's environmental battles one needs to change the same set of "rules of the game."

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