

## UNIGOV'S UNFINISHED BUSINESS

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What would the city of Indianapolis be today without city-county consolidation? What if Indianapolis had remained within the 71 square miles of its 1970 borders rather than expanding to 362 square miles by consolidating with the balance of Marion County? Adding up the city neighborhoods comprising the old city, how would the old Indianapolis compare today with the new Indianapolis (“Unigov”)?

The old City of Indianapolis would have shrunk from 422,000 to 328,000 residents since 1970, losing 22 percent of its population. Old Indianapolis would be an increasingly minor player on the metropolitan scene with only 26 percent of its region’s 1.25 million inhabitants. Though the old city’s black population would have declined (from 128,000 to 113,000), the old city’s white population would have dropped faster; today 34 percent of the old city’s residents would be black. Almost one in five residents of Old Indianapolis would be poor (18.4 percent). Per capita income would be \$13,485 — almost 15 percent lower than suburban levels. The old city government’s general obligation bond rating would probably have been downgraded to A1.

By contrast (Table I), Unigov Indianapolis is a AAA community in both its bond rating and by many other indicators. Consolidation joined many of Indianapolis’ growing suburbs to the old city, expanding Unigov Indianapolis’

population to 731,000 by 1990. With almost 60 percent of the metropolitan area's population, Unigov Indianapolis dominates central Indiana and is the nation's 12th most populous city. Though the black population has grown also, blacks are only 23 percent of Unigov Indianapolis' residents. Per capita income of \$14,478 is fourth highest among major midwestern cities<sup>1</sup>, and only 13 percent of the residents fall below the poverty line.

TABLE I  
PRE-CONSOLIDATION INDIANAPOLIS  
COMPARED WITH  
POST-CONSOLIDATION INDIANAPOLIS:  
HOW BOTH WOULD HAVE BEEN IN 1990

	The Old City in 1990	The Unigov City in 1990
Total Population	328,021	731,327
Population Change 1970-90	-94,035	309,271
Pct Population Change	-22%	73%
City Pct of Metro Population	26%	59%
Black Pct of City Population	34%	23%
City Poverty Pct	18%	13%
City Per Capita Income	\$13,485	\$14,478
City Pct of Suburban Income	86%	90%
City Bond Rating	A1 <sup>2</sup>	AAA

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<sup>1</sup> Lexington-Fayette, KY (\$14,962) — another consolidated city — , Minneapolis, MN (\$14, 830), and Wichita, KS (\$14,516) slightly outrank Unigov Indianapolis (\$14,478).

<sup>2</sup> An A1 bond rating is consistent with the average credit rating of other cities with Old Indianapolis' socio-economic profile.

Without city-county consolidation, Old Indianapolis' social and economic indicators today would probably be even lower. Indianapolis survived the loss of manufacturing jobs better than most other major midwestern cities.

“Consolidation has created a wider sense of community,” William Hudnut, Unigov's second mayor, has explained, “that helps you sell your city.” Unigov spearheaded a 40 percent growth in total employment over the last two decades despite the loss of 21,000 manufacturing jobs. Without Unigov, the Indianapolis area would probably not have achieved such growth. Local poverty would have grown more rapidly, concentrated in old city neighborhoods. Old Indianapolis would have been caught in a death spiral of falling population, shrinking tax base, increasing tax rates, declining public services, and further middle class flight.

City-county consolidation achieved its major social, economic, and fiscal goals. That is a record the area's political, business, and civic leadership can be proud of. What Unigov has failed to do is close the gap between black and white residents of the Indianapolis community. A great opportunity has been missed during Unigov Indianapolis' first quarter-century. Closing that gap now has become an imperative, or Unigov Indianapolis will slide slowly down the common path of central city decline that it avoided with city-county consolidation almost twenty-five years ago. Of greater concern Unigov will fail to have helped its black citizens achieve the goal of social equality and economic advancement for themselves and the generations to come.

### Doing Better, But Losing Ground

In no major American community has economic equality been achieved between blacks and whites. However, Indianapolis' black residents are doing better economically than, for example, black residents of Cleveland and Detroit (Table II).

TABLE II  
THE BLACK COMMUNITY IN  
INDIANAPOLIS, CLEVELAND, AND DETROIT

	Indianapolis	Cleveland	Detroit
For the Central City:			
—Black Population Pct	23.0%	46.0%	75.0%
—Pct of Poor Blacks	26.4%	39.1%	35.2%
—Black Per Capita Income	\$9,150	\$7,369	\$8,809
—Black Median Family Income	\$23,147	\$17,123	\$21,283
For the Metro Area (MSA):			
—Black Population Pct	13.8%	19.4%	21.5%
—Pct of Poor Blacks	26.2%	31.6%	33.0%
—Black Per Capita Income	\$9,207	\$9,093	\$9,409
—Black Median Family Income	\$23,453	\$22,026	\$23,099
—Black Pct of White			
Per Capita Income	57.0%	54.7%	53.7%
—black Pct of White			
Median Family Income	59.2%	54.6%	51.6%

Black residents of Unigov Indianapolis have higher average incomes than black residents of the city of Cleveland or the city of Detroit. Within the three cities the level of poverty among black Unigov Indianapolis residents is one-quarter to one-third lower than among black residents of Detroit and Cleveland. Even measured on a metropolitan basis Indianapolis area blacks have better incomes and lower poverty levels than Cleveland or Detroit area blacks.<sup>3</sup> And in

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<sup>3</sup> Nominal black per capita income in metro Detroit (\$9,409) does slightly exceed black per capita income in metro Indianapolis (\$9,207). However, in 1990 the cost of living in metro Indianapolis (an index of 94) was somewhat

the other two metro areas the economic gaps between blacks and whites are somewhat greater. (For metro Indianapolis median black family income, for example, is 59.2 percent of the median white family income as compared with 54.6 percent and 51.6 percent in metro Cleveland and metro Detroit.)

Indianapolis blacks may view city-county consolidation has having frustrated black hopes of gaining control of local government.<sup>4</sup> Cleveland and Detroit, after all, have often had black mayors and majority black city councils during these two decades. However, the emergence of black political control in such territorially-constrained central cities as Cleveland and Detroit reflected, in part, the abandonment of such cities by white residents, businesses, and investors.<sup>5</sup> Political control achieved in the context of racial and economic isolation of the central city is often a bitter bargain. Black mayors of such cities usually have few assets with which to try to better economic opportunities and the quality of public services for black constituents.<sup>6</sup>

As a central city Unigov Indianapolis has avoided similar social and economic isolation. Unigov Indianapolis remains the regional flagship and has spearheaded a 32 percent growth in real income for the whole region over the past two decades. By contrast, metro Cleveland and metro Detroit's real growth rates were 23 percent and 26 percent, respectively. (During that same period real incomes went *down* three percent for Cleveland city residents and *down* thirteen

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lower than metro Cleveland (96) or metro Detroit (99). Thus, adjusted for cost of living, the *real* per capita incomes of blacks in the three metro areas are Cleveland (\$9,471), Detroit (\$9,501), and Indianapolis (\$9,795). All other income statistics could be adjusted accordingly, widening the economic edge for Indianapolis area blacks.

<sup>4</sup> According to the calculations in Table I, the pre-consolidation city of Indianapolis would now have a 34 percent black constituency rather than the current 23 percent black constituency of Unigov Indianapolis.

<sup>5</sup> See the author's *Cities without Suburbs*. Woodrow Wilson Center/Johns Hopkins University Press: Baltimore, MD; 1993.

<sup>6</sup> By 1991, for example, though the city of Detroit still contained 22 percent of its region's population, the city's share of the metro area's residential, commercial, and industrial tax base had dwindled to just seven percent through massive disinvestment over the decades.

percent for Detroit city residents; city resident incomes went *up* 24 percent in Indianapolis.)

Does a rising tide, however, really lift all boats? Stronger economic growth in Indianapolis has kept its black population from sinking to Cleveland or Detroit levels, but the local black community's boat has been dead in the water. Over the last two decades the gaps between black residents and white residents of metro Indianapolis have widened.

TABLE III  
LOSING GROUND  
IN INDIANAPOLIS

	1970	1980	1990
No. of Poor Black Persons	30,383	35,994	43,798
No. of Poor White Persons	66,286	69,565	71,777
Pct of Poor Black Persons	22.6%	23.4%	26.2%
Pct of Poor White Persons	6.8%	7.1%	6.9%
Ratio of Black/White Poverty Pct's	3.3	3.3	3.8
Black Pct of White Per Capita Income	N/A	63.1%	57.0%
Black Pct of White Family Income	70.9%	67.6%	59.2%

Over the twenty year period the absolute numbers of poor blacks in metro Indianapolis have increased by 44 percent, and the rate of poverty within the black community has gone up from 22.6 percent to 26.2 percent. Over the period black median family income has declined from 70.9 percent to 59.2 percent of white median family income. In 1970 the poverty rate among blacks was a little over three times (3.3) the poverty rate among whites; by 1990, the black poverty rate has risen to almost four times (3.8) the white poverty rate.

What has caused the increase in poverty? The major economic factor has been the loss of industrial jobs driven by global competition and technological change. Between 1973-1988 the Indianapolis economy lost 21,000 factory jobs (about 16 percent of its total manufacturing employment). At first glance the loss of factory jobs seems to have hit the black and white labor forces in equal measure. Between 1970-90 about 40 percent of both black and white machine operators, assemblers, and inspectors lost their jobs. However, two factors made loss of these generally well-paid, often unskilled or semi-skilled jobs much more serious for the black community than the white community.

First, a much higher proportion of blacks than whites, especially black males, worked in factory jobs than in other employment. In 1970 almost one-quarter of black males (23 percent) were employed as “operatives” compared to 15 percent of white males. Another 11 percent of black males were laborers, often in local factories; only four percent of white males were laborers. Moreover, many of these factory jobs were among the highest paying jobs held by blacks. Only six percent of black males were professional and technical workers; three percent were managers and administrators; and 16 percent were craftsmen and foremen. For white males these higher paying occupational categories accounted over half of all jobs. Working black women were highly concentrated in lower-paid occupations. (The ranks of black women professional and technical workers were largely swelled by black public school teachers.)

TABLE V  
THE INDIANAPOLIS LABOR FORCE  
IN 1970

Job Category	Black Males	White Males	Black Females	White Females
All Jobs	25,975	246,998	23,672	147,484
Professional & technical	6%	15%	10%	15%
Managers & administrators	3%	12%	2%	4%
Sales workers	2%	8%	3%	8%
Clerical & kindred workers	10%	8%	27%	41%
Craftsmen, foremen. etc.	16%	24%	N/A	N/A
Operatives, except transport	23%	15%	15%	13%
Transport equipment operators	8%	6%	N/A	N/A
Laborers, except farm	11%	4%	3%	3%
Farm workers	0%	2%	1%	0%
Service workers	19%	6%	29%	14%
Private household workers	0%	0%	11%	1%

During these twenty years, therefore, factory layoffs eroded the economic foundations of black residents to a much higher degree than of white residents. However painful layoffs could be to individual white households, the white labor force had a much more diversified economic base. It was better able to absorb the loss of good factory jobs.

The second factor — and the crucial factor — in escalating black poverty was racial segregation. The segregation of most blacks in a limited number of older Indianapolis neighborhoods concentrated and magnified the impact of factory layoffs. Segregation first created the black ghetto. Joblessness, magnified within

the ghetto, created black “underclass” neighborhoods that are now in social meltdown.

### Segregation and Black Poverty

For over half a century Indianapolis has been a highly segregated society.<sup>7</sup> This does not mean that a state of total, South African-style apartheid has existed. Table V summarizes studies which characterize the degree of “unevenness” of the distribution of Indianapolis’ black population among different neighborhoods. A score of “0” represents an absolutely evenly distributed black population, or total residential integration; a score of “100” would represent absolute “unevenness”, or total residential segregation, where all blacks (and only blacks) live in certain neighborhoods, and only whites everywhere else.

For 1940-70 ,segregation is measured on a block to block basis only within central cities. Indianapolis’ scores (i.e. 90.4-88.3) were generally above the average for both 18 northern and 12 southern cities. Only from 1960-70 was there the slightest indication of a lessening of segregation.

From 1970-90 a slight trend toward lesser residential segregation continued, as the index for the Indianapolis metro area as a whole dropped from 81.7 in 1970 to 74.2 in 1990. However, measured not only by the unevenness of black population distribution but by four other common demographic measures, the Indianapolis area is classified as one of the country’s 16 “hypersegregated” metropolitan areas.<sup>8</sup>

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<sup>7</sup> Indianapolis was calculated to be the most “ghettoized” of 17 major cities in 1890. However, with its small black population, the average black resident lived in a ward that was only 12.9 percent black. See pages Douglas S. Massey and Nancy A. Denton. *American Apartheid*. (Cambridge, MA; Harvard University Press, 1993), pages 23-24.

<sup>8</sup> See Massey and Denton, *American Apartheid*, pages 42-49, 63-67, and 74-78. Indices for 1990 are taken from a study by Roderick J. Harrison and Daniel H. Weinberg, “Racial and Ethnic Segregation in 1990” (Washington, D.C.: U.S. Bureau of the Census, April 1992.) The data for segregation in the cities (1940-70) is calculated on a block-by-block basis. The later studies cover whole metro areas on a census tract-by-census tract basis. Since census tracts are larger geographic areas than blocks, the later studies will statistically reflect more “integrated” communities. Comparing 1970 indices by block with 1970 indices by census tract yields a rough measure of the statistical distortion.

TABLE V  
BLACK RESIDENTIAL SEGREGATION  
1940-90

	Indianapolis City/Metro	Northern City/Metro Average	Southern City/Metro Average
For Cities Only:			
1940	90.4	87.0	87.3
1950	91.4	88.4	90.1
1960	91.6	85.6	91.9
1970	88.3	81.7	89.1
For Metro Areas:			
1970	81.7	84.5	75.3
1980	76.2	80.1	68.3
1990	74.2	77.8	66.3

Moreover, almost all progress towards residential integration has occurred within Indianapolis-Marion County. The seven other counties that constitute the rest of the Indianapolis metro area are the “whitest” suburbs around any major city in America. Moreover, there has been no measurable progress in black suburbanization (Table VI).<sup>9</sup>

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<sup>9</sup> The apparent decline in the numbers of black “suburbanites” between 1970 and 1990 is caused almost entirely by cutbacks in the black student population at the national Atterbury Job Corps Center in Johnson County.

TABLE VI  
METRO INDIANAPOLIS —  
THE WHITEST SUBURBS IN AMERICA

	Black Residents 1970	Pct of Black Residents 1970	Black Residents 1990	Pct of Black Residents 1990
Suburban Total	2,849	0.90%	2,672	0.59%
Boone County	28	0.09%	83	0.22%
Hamilton County	272	0.50%	676	0.62%
Hancock County	42	0.12%	44	0.10%
Hendricks County	348	0.64%	685	0.90%
Johnson County	1,834	3.00%	845	0.96%
Morgan County	7	0.02%	9	0.02%
Shelby County	318	0.84%	330	0.82%

For black Indianapolis the end result of the convergence of loss of traditional sources of higher paying jobs and residential segregation is dramatically shown in Table VII. Demographers traditionally classify census tracts where 20-40 percent of the residents are poor as “poverty neighborhoods” and where 40 percent or more of the residents are poor as “extreme poverty neighborhoods.” In Indianapolis’ seven counties there are *no* poverty neighborhoods. All are located in Indianapolis itself.

In 1970, for example, there were 13 “black poverty neighborhoods” where a majority of all residents were blacks and 20-40 percent of them were poor. In addition, there were two “extreme black poverty neighborhoods” (i.e. majority black neighborhoods where poverty levels exceeded 40 percent.) By 1990, the

number of black poverty neighborhoods had increased to 19 and of extreme black poverty neighborhoods to eight — almost a 50 percent increase in the geographic

TABLE VII  
GROWTH OF POVERTY NEIGHBORHOODS  
IN INDIANAPOLIS  
1970-90

	1970	1980	1990
Indianapolis Suburbs			
—Total No. of Census Tracts	81	90	98
—Poverty Census Tracts	0	0	0
Indianapolis Unigov			
—Total No. of Census Tracts	176	182	198
—Black Poverty Neighborhoods	13	16	19
—Black Extreme Poverty Tracts	2	3	8
—Transitional Poverty Neighborhoods	N/A	2	8
—Transitional Extreme Poverty Tracts	N/A	1	0
—White Poverty Neighborhoods	N/A	14	16
—White Extreme Poverty Tracts	N/A	2	2

extent of the black ghetto!

There are many poor white neighborhoods in Indianapolis as well. In 1990 there were 16 white poverty neighborhoods and 2 extreme white poverty

neighborhoods. However, their numbers have not grown to the extent that black poverty neighborhoods have grown. Moreover, by 1990, there were eight “transitional” poverty neighborhoods. These are relatively racially integrated neighborhoods where white residents are still a majority but poverty among whites is below 20 percent. It is higher poverty levels among black residents that throw these neighborhoods into the poverty category. Such neighborhoods are typically the frontier of the black ghetto’s expansion.

The existence of a significant number of white poverty neighborhoods (though few extreme white poverty neighborhoods) may suggest that the concentration of poverty is as big a problem for whites as for blacks. Certainly the levels of crime, drug abuse, illegitimacy, joblessness, welfare dependency, and other indicators of social breakdown are high in poor white areas as well as poor black areas.

However, poor conditions of life in poor neighborhoods are the norm for almost half of all blacks residents (of whatever income level) in metro Indianapolis (Table VIII)! In 1990 about 49 percent of all blacks lived in poverty neighborhoods, and almost 11 percent of all blacks lived in extreme poverty neighborhoods. By contrast, only seven percent of all whites in metro Indianapolis lived in poverty neighborhoods, and a minuscule 0.4 percent of all whites lived in extreme poverty neighborhoods.

TABLE VIII  
 IMPACT OF CONCENTRATED POVERTY  
 ON WHITE AND BLACKS RESIDENTS  
 1980-90

	Whites 1980	Blacks 1980	Whites 1990	Blacks 1990
Living in Poverty Area	58,915	61,560	78,479	84,389
Pct Living in Poverty Area	6%	39%	7%	49%
Living in Extreme Poverty Area	4,598	11,796	4,484	18,459
Pct Living in Extreme Poverty Area	0.5%	7.5%	0.4%	10.7%
Poor Living in Poverty Area	13,555	21,596	18,617	31,004
Pct Poor Living in Poverty Area	20%	60%	26%	71%
Poor Living in Extreme Poverty Area	1,560	5,590	958	9,284
Pct Poor Living in Extreme Poverty Area	2.2%	15.5%	1.3%	21.2%

Moreover, almost three-fourths of all poor whites live in middle class neighborhoods scattered throughout the Indianapolis metro area. Only 26 percent of poor whites live in poverty neighborhoods. On the other hand, the black poor are highly ghettoized economically. Almost 71 percent of poor blacks live in poverty neighborhoods; almost one in five poor blacks live in extreme poverty neighborhoods (compared to slightly over one percent of poor whites).

Living in poverty surroundings is the dominant condition of both poor blacks and all blacks of whatever income level in Indianapolis. By contrast,

poverty conditions are largely not experienced by white residents. Ninety-three out of every 100 whites in metro Indianapolis live in middle class neighborhoods. Even three out of every four poor whites live in middle class areas.

Segregation and poverty march hand in hand. The black ghetto has grown significantly in Indianapolis, and serves as an environment which transmits economic and social deprivation from generation to generation. Over the past two decades nothing Unigov has done has been sufficient to reverse the overall downward trend.

### What Doesn't Work

Community development has been the dominant theme of rescuing declining city neighborhoods and their residents. Community action programs, model cities target areas, community development corporations, neighborhood business development, and now empowerment and enterprise zones — the variations on community development strategies are endless.

The community development approach is politically popular. Most whites support community development (enthusiastically by some, begrudgingly by many). In white eyes community development programs leave the problems “over there” to be solved by throwing tax dollars at them. Liberals (Big Buckers) throw hard money (i.e. program grants and transfer payments). Conservatives (Big Bootstrappers) throw soft money (i.e. tax incentives, etc.). In either case traditional liberal and conservative prescriptions are just variations on the same community development theme.

Community development is even more popular among minority groups. It appeals to important values — community and racial pride, local initiative, self-

reliance, self-determination. It is a major source of economic position and political influence for many minorities. The community development industry employs hundreds of thousands of people. It has perhaps the highest proportion of blacks and Hispanics in executive, management, and professional roles of any industry in America. In many ways community development programs have replaced the old city political machines as the source of ward-level patronage and services.

There is, however, one unanswered question: *where has it worked?*

At the metropolitan level there is an answer — nowhere! Thirty-four central cities have reached an advanced state of racial and economic isolation; they have passed a Point of No Return. *From decade to decade not one of these cities has ever closed the economic gap with its suburbs by even one percentage point !*

At the neighborhood level the inadequacy of community development is more masked. In almost every major city there are always model efforts underway to show visitors, researchers, and local constituents — renovated older housing, new low-income housing projects, new recreation and community centers, job training centers, a newly-opened neighborhood shopping center.

The trick is not to visit today's model projects *but to visit yesterday's model projects*. That almost invariably demonstrates the relentless process of physical and social deterioration within a segregated society.

Community development strategies are inherently unstable. Key volunteer and professional leadership generally tires, ages, or moves on. Many successful clients of job training programs move out. Young people who struggle

upward from poor neighborhood schools through college into professional careers never return to the old neighborhood.

In effect, relying on community development as the sole strategy is akin to helping a man run up a down escalator. No matter how hard he runs, the escalator often comes down faster and faster. Some individuals (through some programs) may be able to run so hard that they are able to scramble to the top — and jump off. But the rest are carried backwards down to the bottom — and the neighborhoods they live in with them.

The issue is how to rewire that escalator so that it is moving upward with, not downward against, opportunities for poor blacks. This requires confronting head-on the forces, practices, and development patterns that maintain racial and economic segregation.

### What Does Work — Some Recommendations

Integration works — racial and economic integration. For every 100 residents of the Indianapolis area about six are poor and white. And for every 100 residents of the Indianapolis area about three are poor and black. The core of the problem is that 97.2 percent of all poor blacks live within Unigov Indianapolis — and are concentrated in about one-quarter of the city's neighborhoods.

There are numerous studies which have shown that integration works. However, the best evidence is the example of the Indianapolis area's own experience. As noted above, three-quarters of poor whites are scattered throughout middle class neighborhoods. Only one-quarter of poor whites live in poverty neighborhoods. Children of poor white households in middle class neighborhoods, having attended middle class neighborhood schools, will show

better test scores, higher graduation rates, higher college attendance rates, better adult employment records, and corresponding lower levels of delinquency, crime, drug abuse, and illegitimacy than children of poor white households in poverty neighborhoods.

The author has not examined specific laws and programs in Indianapolis though he has some familiarity with the organization of governmental responsibilities in the Indianapolis area. Nor is he under any illusion that the recommendations that follow are politically easy or popular. What to do about the black ghetto is the toughest political problem in America. For whites it goes right to the heart of fears about race and class that crouch in darker corners of the white psyche. For many blacks integration is an implicit affront to racial pride or threat to position and power. But the responsibility of the present is to solve today's problems for the benefit of tomorrow's generations. There is no honor in adhering to failed policies (however politically attractive) and rejecting policies that succeed (however politically uncomfortable initially).

Ultimately, Unigov must make the whole eight-county metro area part of the solution. Within its metropolitan context Unigov Indianapolis is slowly losing ground. Its population has dropped slowly from 744,000 in 1970 to 731,000 in 1990. In those same twenty years the ratio of average city income to average suburban income has declined from 107.4 percent to 89.8 percent. Over the same period the city's "fair share of poverty index" has moved upward from 107 to 130. Despite being still a highly successful city, Unigov is slowly declining as a place to live relative to its suburban counties. (And as Table VI showed, Indianapolis' seven suburban counties aren't a place to live for any blacks!)

However, Unigov still dominates the Indianapolis area demographically, economically, and politically. What it does within its formal jurisdiction has a direct impact on most metropolitan residents. It can influence independent suburban counties. Through its role as county government Unigov can influence enclave municipalities within Marion County, like Speedway, Beech Grove, and Lawrence. And its elected representatives are the largest delegation in the Indiana legislature (though hardly unified politically or automatically ready to follow Unigov's lead). Therefore, these recommendations will focus on what policies and programs can be carried out directly by Unigov itself within its jurisdiction.

a. Implement an aggressive fair housing policy. All lessening of racial segregation in the metro area has been achieved solely within Unigov Indianapolis itself. However, the city remains highly segregated. For example, out of 198 census tracts, whites are 90 percent or more of the residents in 103 tracts — more than half the city's neighborhoods. Almost 20 percent of the census tracts (i.e. 36 of 198) are 99 percent white! At the other end of the spectrum, in a city with a 23 percent black population, there are 17 census tracts where 90 percent or more of the residents are black (including three which are 99 percent black). If Unigov does not have its own fair housing ordinance, it should enact one. Clearly federal and state mechanisms for promoting non-discriminatory housing practices are not working very well in Indianapolis.

b. Enact a "fair share" low- and moderate-income housing policy. The model should be the Moderately-Priced Dwelling Unit (MPDU) policy in Montgomery County, MD. One of the nation's ten wealthiest urban counties and a suburb of Washington, DC, Montgomery County adopted its policy in 1972. It requires that any housing development of 50 or more units (whether single family homes, townhouses, or apartments) must provide ten percent of its units for sale or

rent by moderate income households (i.e. those making less than 80 percent of the county's median household income). In addition, the development must allow the county's housing authority to purchase five percent of the units as permanent additions to the housing authority's supply of scattered site public housing units. Both moderate- and low-income units are typically indistinguishable physically from their more affluent neighbors' homes. They are simply owned or occupied by families with lower income levels. However, by all reports, with such modest percentages of poor families integrated into "MPDU" developments, neighborhood social problems have been minimal, and school and employment success rates for the tenant families have been high. Moreover, an independent study has shown that resale values of all units in MPDU-policy projects were slightly higher than in projects (typically, smaller developments) that were not affected by the policy.

Table IX shows what the net result would have been had such a policy been in effect for Unigov Indianapolis (and, for illustrative purposes, adjacent counties) over the past two decades. Within Unigov Indianapolis 108,237 new housing units were actually built. In roughest terms, the policy would have assured availability in the city of 5,400 units of new housing for moderate income, working class families, and 2,700 widely scattered units for purchase by the public housing authority (or rental to its clients).<sup>10</sup>

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<sup>10</sup> These calculations are only a rough approximation. First, the actual number of units in larger developments (i.e. 50 or more units) is unknown. The author has applied the assumption that half of all units are in larger developments (based on Montgomery County's experience). Thus, the number of housing units targeted for low-income households is only 2.5 percent of all new units built. Second, the calculations do not take into account the proportion of new units built that were themselves subsidized housing for low and moderate income families. They should be deducted from the calculations.

TABLE IX  
 HYPOTHETICAL RESULTS  
 OF MPDU-TYPE POLICY  
 FOR INDIANAPOLIS AREA  
 1970-90

	Total Housing Units Actually Built 1970-90	Additional Moderate Income Units Under MPDU Policy	Additional Low Income Units Under MPDU Policy
METRO INDIANAPOLIS	201,121	10,056	5,028
Marion County	119,119	5,956	2,978
— Indianapolis City	108,237	5,412	2,706
Boone County	5,701	285	143
Hamilton County	26,117	1,306	653
Hancock County	6,747	337	169
Hendricks County	13,071	654	327
Johnson County	17,287	864	432
Morgan County	8,536	427	213
Shelby County	4,543	227	114

And had the policy been in effect in the suburban counties, (through a state statute, for example) there would have been an additional 4,000 units of housing for moderate-income families and 2,000 units for low-income families in Indianapolis' suburbs.

c. Reorganize the local housing authority to be both the public housing agency (for assisting poor households) and the housing finance agency (for providing low-cost financing to moderate income families). Combining both

functions would allow Unigov to implement housing assistance programs that would allow the agency to support continuous upward mobility in the housing market toward ultimate self-sufficiency. In the author's experience, both Montgomery County's Housing Opportunities Commission and the Dakota County (MN) Human Resources Agency are excellent models. In fact, the Dakota County agency has been so innovative that it now generates 40 percent of its revenues from locally-initiated, highly entrepreneurial projects.

d. Fund the new housing agency to acquire 125-150 new scattered site units a year generated through the MPDU policy. Median new housing price in Marion County would be about \$75,000, so that under the MPDU policy the county's acquisition cost would average about \$60,000 per unit.<sup>11</sup> That would cost about \$8-10 million per year. A substantial part of that money could be secured through aggressive negotiations with the federal Department of Housing and Urban Development, which is increasingly committed to scattered-site public housing. The balance must come from state and county funds. (Though \$60,000 plus to acquire good housing may be politically objectionable to many, the county and state are probably paying \$100,000 per cell, or \$25,000-30,000 per bunk in building new jails and prisons. As anti-crime policy, integrating poor households into middle class communities works; as anti-crime policy, building more prisons doesn't.)

e. Demolish high-density public housing projects or remodel them as lower-density, mixed income housing. Under Chairman Vince Lane's leadership, the Chicago Housing Authority is undertaking a vast program to dismantle the public

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<sup>11</sup> Montgomery County's Housing Opportunities Commission purchases its units at the same price as moderate-income buyers (i.e. prices which are no more than 30 percent of the income of a family earning less than 80 percent of median household income). Developers are compensated for potential economic loss by being awarded a "density bonus" by the county planning commission. The additional units built on, in effect, "free" land offsets the financial effect of selling 15 percent of the development at below market rate prices.

housing ghettos that it has created over the decades. As notorious projects as Robert Taylor Homes and Cabrini-Green are scheduled for partial demolition and redevelopment as mixed income projects. Their target is a mix of about 30 percent low-income families and 70 percent moderate- and middle-income households. The market strengths of such a plan are price and location. The renovated housing will be a better buy than available elsewhere in Chicago, and the projects (ironically) are located within easy access of The Loop and adjacent to very prestigious Northside Chicago neighborhoods and lakefront areas.

f. Carry out all housing assistance programs on a non-discriminatory, but racially balanced basis. Though poor whites are substantially scattered throughout the eight-county metro area, in 1990 the census reported 45,727 poor whites to 42,570 poor blacks within the city. And as Table VII showed, there are a significant number of white poverty neighborhoods. All the housing assistance strategies recommended will benefit poor and working class whites as well as poor and working class blacks. And they will relieve the pressures of ghettoization in transitional neighborhoods and encourage long-time middle class homeowners to stay as stabilizing influences. Equity, balance, stability — those are the unifying watchwords of these recommendations.

Indiana is known for its conservative politics. There are certainly ways in which these recommendations can be clothed in conservative themes — for example, reliance on private housing construction, promoting housing choice, rewarding personal initiative and advancement, race-neutral programs, cost-effectiveness, etc.

But let us not deceive ourselves. Race and poverty are the most politically explosive issues in America. Adopting these recommendations (which work

consistently elsewhere) will be highly controversial locally. It is much more comfortable to rely solely on community development programs which, absent progress towards racial and economic integration, don't work. The issue for political leadership is what is our primary responsibility? The author would suggest that the primary responsibility is to leave your community better off than you found it.

For black citizens, Unigov has cushioned them somewhat against the economic and fiscal shocks experienced by black communities in other industrial cities. But black citizens are losing ground. The policies of successive leadership of Unigov have not left black citizens better off than they were. And ultimately, left uncorrected, the decline of the black community's well-being will be the undoing of Unigov's success story.

This is Unigov's unfinished business.