

Summary of Remarks of David Rusk¹
Trenton and Princeton, New Jersey
April 5-6, 2000

Sprawl, Race, and Concentration of Poverty
in Trenton-Mercer County

This is my first visit to Trenton and Mercer County, so in no way am I an expert on this community. However, I have analyzed five decades of census data for all of America's 300 plus metro areas and 500 plus central cities, including trends at the neighborhood level in about 70 communities. So I'll try to put my overview of Trenton-Mercer County trends in a national context.

Two factors shaped how our metro areas grew over the past five decades: sprawl and race. Sprawl and race are interconnected. They are clearly linked through the concentration of poverty that creates push/pull effects that feed sprawl.

Concentrated poverty's effects – high crime rates, poorly performing schools, falling property values, high tax rates – help *push* middle class families out of urban neighborhoods. Lower crime rates, better schools, rising property values, and lower tax rates that *pull* middle class families out into newer suburban neighborhoods reflect their low poverty rates.

Concentrated poverty is itself a racially skewed phenomenon. Throughout metropolitan America in 1990 there were almost as many poor whites (10.8 million) as poor blacks (6.9 million) and poor Hispanics (4.8 million) combined. Yet poor whites rarely lived in slums. Only one out of four poor whites lived in census tracts with greater than 20% poverty. By contrast, three out of four poor minorities lived in poverty-impacted ghettos and barrios.

Suburban Sprawl

Let's examine the Trenton-Mercer County region's suburban sprawl in the context of race and concentrated poverty. From 1950 to 1990 your urbanized population grew 58% while the amount of urbanized land expanded 268%. In other words, with only modest population growth, suburban sprawl consumed land at about five times the rate of population increase. Nationally, sprawl consumed land at three times the rate of population growth.

¹ David Rusk is a former mayor of Albuquerque and New Mexico legislator who has consulted and spoken on urban policy in over 90 metro areas. He is author of *Cities without Suburbs*, *Baltimore Unbound*, and *Inside Game/Outside Game* as well as numerous studies and articles.

Such a high land growth-to-population growth imbalance reflects both very low-density development on the urban fringe and steady abandonment of the urban core. And that's just what has happened here. Since 1950 Trenton has lost 34% of its population. The city's population loss accounted for 30% of suburban gains.

Racial and Economic Segregation

To measure the degree of racial segregation, demographers use an index on a 0 to 100 scale with 100 equaling total apartheid. In other words, the higher the number, the more segregated the area. On that scale, residential segregation of African Americans in Trenton-Mercer County measured a high 68 in 1990 (with no improvement over the previous two decades. Now 68 is not as high as metro Detroit's 88, yet it is not metro Raleigh-Durham's 48 either. (African Americans form 20% of the population in all three metro areas.) And the residential segregation index for Hispanic Americans actually *increased* from 48 in 1970 to 57 in 1990.

What will the 2000 census show? During the last decade the high school segregation index dropped both for black students (67 in 1989 to 61 in 1998) and for Hispanic students (60 to 50). This suggests there may have been some modest progress away from a highly segregated regional housing market during the 1990s.

But while barriers based purely on race are slowly coming down in most metro areas, barriers based on income are rising. Applying the same index to measure the segregation of the poor shows Trenton-Mercer County's economic segregation index rising steadily from 36 (1970) to 45 (1980) to 46 (1990).

Once again, we can gain some insight into trends in the 1990s by studying school enrollments. In the 1998-99 school year the segregation of low-income students throughout Trenton-Mercer County's elementary schools measured a high 69, suggesting that the upward trend in economic segregation has continued.

Why is the economic segregation index (46) lower than racial segregation indices (57 and 69)? I've already given you a hint earlier. Most poor white people are not segregated, but live scattered in middle-class neighborhoods throughout the region. Poor minorities live in poor ghettos and barrios. Typically, the higher the proportion of a region's poor that is white, the lower the economic segregation index.

The racial profile of economic segregation holds true for Trenton-Mercer County. There were 8,000 poor whites in 1990; only 6% lived in poverty neighborhoods (i.e. greater than 20% poverty). By contrast, of 11,000 poor blacks, 74% lived in poverty-impacted ghettos. And of 3,000 poor Hispanics, 56% lived in poverty-impacted barrios.

Why is the relative concentration of poverty significant? Let's talk about neighborhoods and schools

Neighborhoods

Living in Trenton's nine poorest neighborhoods (where the poverty rate exceeds 20%) are only 60 married couples with children for every 100 single mothers and their children. In all the rest of Mercer County there are 527 married couple families for every 100 families headed by a single mother. In other words, there is an almost nine-fold shift in family structure between Trenton's poorest neighborhoods and everywhere else.

This is important because in Trenton-Mercer County 99% of white married couple families, 95% of black married couple families, and 88% of Hispanic married couple families are *not* poor. By contrast, 14% of white single mothers, 36% of black single mothers, and 43% of Hispanic single mothers – and their children, of course, – are poor.

As a society we know what the successful anti-poverty strategy is: the two-parent, often two-earner family. And despite the fact that many single mothers (often with great sacrifice) are making it and successfully raising their children, the surest ticket to poverty is to be the child of a single mother.

Yet in Trenton's poorest neighborhoods single mothers outnumber married couples almost two to one. These children are being raised with few examples of the path to family success.

Schools

One of the most constant findings of educational research is that the greatest factors affecting academic success are the socioeconomic status of a student's family and the socioeconomic status of classmates' families. The percentage of each school's enrollment that qualifies for a free or reduced price lunch typically explains from 65% to 85% of the variation in average school-by-school test scores.

What would happen if a poor child's family is moved from a poverty-impacted neighborhood where, for example, 80% of classmates are also poor to a middle-class neighborhood where only 20% of classmates are poor? My research shows that the result will be a 13 to 16 percentile increase in the poor child's test scores solely because of the change in neighborhood and school environment.

What are a poor child's odds of that happening in Trenton-Mercer County? If you are a poor white child, the odds are wonderful. Almost 95% of poor white children live in middle-class neighborhoods. In the schools they attend, they are surrounded by middle-class classmates.

But if you are a poor Hispanic or black child, half of all poor Hispanic children and three-quarters of all poor black children live in poverty-impacted neighborhoods. In their local schools they are surrounded by other poor children.

What is the biggest difference between going to Dutch Neck elementary school or Hawk or Wicoff or the Village School (all of whom have less than 5% low-income pupils) in the West Windsor-Plainsboro district? Or to Johnson Park (only 10% low-income) or Littlebrook (11%) or Riverside (15%) or Community Park elementary (24%) in the Princeton regional district?

Or, by contrast with those two high-income suburban districts, going to Columbus, Grant, Parker, Robbins, or Wilson (all with over 95% low-income pupils) in the Trenton City district?

The big difference – the one that really counts – is not the quality of teachers or principals or school buildings or how much money is being spent per student. The big difference is who are the kids. Out in the West Windsor or Princeton schools the children are immersed in a climate of high expectations and access to opportunity. With Trenton the children are fenced in by examples of failure and isolated from paths to realistic opportunities.

In Trenton the elementary school with the lowest percent of poor children (Franklin – 71%) has almost three times as many poor children as the elementary school with the highest percentage of poor child elsewhere in Mercer County (Community Park – 24%). That is the most telling measure of the degree of economic segregation in Trenton-Mercer County.

It takes a school, a neighborhood, and a family to raise and educate a child successfully. Where families are weak, schools and neighborhoods have to be stronger to compensate. But America – and Trenton-Mercer County – work in reverse. We surround children from the weakest families with the weakest neighborhoods and weakest schools.

Housing policy is school policy. In fact, housing policy may be your best school policy ... and anti-crime policy ... and social welfare policy.

Outside Game Strategies

I hope that the above information convinces you of one thing. For all the efforts of Trenton's city government and civic community – most notably, ISLES – you are not winning. At best you may be staying even during the last couple of decades. (Unlike Camden, from 1970 to 1990, there was no increase in the number of poverty-impacted neighborhoods within Trenton nor in the severity of poverty within them from 1970 to 1990.)

The title of my new book, *Inside Game/Outside Game*, summarizes my research findings: the downward spiral of declining central cities and poverty-impacted urban neighborhoods is rarely reversed by solely playing the “inside game” – policies and programs focused only within the boundaries of those cities and neighborhoods. You’ve got to play the “outside game” as well – policies and practices that are shaping regional growth and housing patterns. Many of the worst problems of central cities and urban neighborhoods are created by what is happening outside their boundaries.

How do you play the “outside game”?

- To combat suburban sprawl and urban abandonment, adopt strong regional growth management policies;
- To reverse growing economic segregation, carry out aggressive regional, “fair share” low- and moderate-income policies; and,
- To offset growing fiscal disparities, institute regional tax base sharing (Tax base sharing is the least important measure. Moving poor people to neighborhoods of opportunity is far more important than moving more money into poor neighborhoods.)

On its face, New Jersey looks pretty good on two of these three “outside game” strategies. You adopted a statewide land use plan in 1992 and strengthened it in 1998 with a truly impressive commitment of \$1 billion to purchase open space and preserve agricultural land over the next decade.

And, in response to the Mt. Laurel court decisions, the legislature enacted the Fair Housing Act of 1985 and set up the Council on Affordable Housing.

Thus, particularly compared to its neighbors, New York and Pennsylvania, that have nothing approaching these statewide initiatives, New Jersey looks outstanding.

But the question remains: how are you *really* doing?

The state land use plan is based on a process of voluntary “cross-acceptance” among New Jersey’s 567 cities, boroughs, and townships. It is relatively loosely drawn and generally non-binding on local zoning actions.

According to New Jersey Future, an anti-sprawl watchdog group, “there is little evidence on the ground of the Plan’s impact. The twin evils of sprawl and urban decline still live in the Garden State. Municipal application of the State

Plan has been scattered and minimal. State agency use of the Plan has been at the margins.”²

Oregon is the model for setting strong state land use goals and standards for local governments. In 1973 the Oregon legislature required that every one of its 36 counties adopt a comprehensive, anti-sprawl land use plan and that every one of its 240 municipalities must draw urban growth boundaries that sharply divide urban from rural areas.

As a result, while in the 1970s and 1980s, Trenton-Mercer County consumed 48% more land for only 9% more people (a 5:1 ratio), Greater Portland consumed only 45% more land for 42% more people (a 1:1 ratio).

And looking ahead to the year 2040 the Portland area plans to expand its urban growth boundary by only 8% to accommodate 50% more residents! There is nothing in the New Jersey State Plan that even whispers at such economic and effective land use.

Oregon’s anti-sprawl strategy is based largely on reining back the inside as it moves outward. Through its \$1 billion land acquisition fund, New Jersey may try to control sprawl by buying up the outside and directing new growth back inside.

Let’s hope that is the result. It would be if the funds were committed to a clearly defined statewide program of acquiring designated natural areas and preserving farmland.

But the intention seems to be to allocate funds, based on first-come, first served, among the 567 municipalities. And I hear background murmurs (that I cannot prove) that the intention in some municipalities is to buy up land zoned for multi-family housing – in other words, often for low- and moderate-income families.

I am reminded that over the last 25 years taxpayers in Albuquerque have voted for \$44 million in local funds to buy up 22,000 acres of mountain and volcano land on the city’s eastern and western boundaries. Our purpose was to prevent million dollar homes from being built up the sides of Albuquerque’s scenic edges and preserve them as recreational space and wilderness.

What a contrast! New Jersey may use tax dollars to keep out the poor, while Albuquerque used tax dollars to keep out the rich.

² New Jersey Future. State Plan Update: 1999, page 2.

Fair Share Housing

Which brings me directly to the issue of regional mixed-income housing and the Fair Housing Act of 1985. The state Council on Affordable Housing reports that most New Jersey municipalities have complied with COAH's fair share targets by building – or planning to build – 53,000 affordable homes. Knowledgeable observers estimate that 14,000-15,000 affordable homes have actually been built. Some 6,300 of these were actually built in high poverty urban neighborhoods as some suburbs shifted up to half of their fair share housing targets through payment of \$120 million in Regional Contribution Agreements.

As a result, a Seton Hall University study finds that only 7% of new suburban affordable housing is occupied by former city residents. Most suburban affordable housing is occupied by elderly suburbanites or children of current residents seeking “starter homes” in the communities where they grew up. These are worthwhile goals, but they are not the primary goals of the New Jersey Supreme Courts' Mt Laurel decisions that sought to eliminate exclusionary zoning.

The study concludes that “the judicial and legislative attempt to eliminate exclusionary zoning has not enabled previously urban residents to move to suburbia and has not enabled blacks and Latinos to move from heavily minority urban areas to the suburbs.”³

Let's talk about *real* fair share housing as contrasted with the *illusion* of fair share housing.

For over 25 years Montgomery County, Maryland, a wealthy suburb outside Washington, DC, has had a no-nonsense, mixed-income housing policy. In 1973 the county council (which controls planning and zoning for 88% of the county) enacted its Moderately Priced Dwelling Unit (MPDU) ordinance. It required that at least 15% of the homes in any new development of 50 or more homes must be affordable to households in the lowest third of the income scale (i.e. 65% of median household income). Furthermore, the MPDU ordinance gave the county's public housing agency the right of first purchase for one-third of the affordable homes (in effect, 5% of the total subdivision).

These are the “rules of the game” in Montgomery County. Any private, for-profit homebuilder must play by these rules. In compliance, private homebuilders have constructed over 11,000 affordable homes integrated into middle class

³ Naomi Bailin Wish and Stephen Eisdorfer, “The Impact of the Mt. Laurel Initiatives: An Analysis of the Characteristics of Applicants and Occupants,” Center for Public Service, Seton Hall University, August 1996: page 75.

subdivisions. In over 220 new neighborhoods the public housing agency has purchased over 1,500 as subsidized rentals for the county's poorest families.

As a result, Montgomery County is one of the USA's most racially and economically integrated communities. While Trenton-Mercer County's racial segregation index was stuck at 68 from 1970-90, Montgomery County's index improved from 48 to 39. While Trenton-Mercer County's economic segregation index rose steeply (from 36 to 46) in those years, Montgomery County maintained a low and stable index of economic segregation (from 27.2 to 27.8).

Furthermore, extensive study of both Montgomery County and neighboring Fairfax County, Virginia (that adopted an almost identical policy in 1991) has shown that creating mixed-income neighborhoods in such modest proportions has had no adverse impact whatsoever on resale values of market rate homes.

Trenton-Mercer County's Missed Opportunity

What if, by some political magic, Trenton-Mercer County had had a "no-nonsense" MPDU-type policy in effect for the last 25 years? And if the spirit had been to make mixed-income housing happen rather than make mixed-income housing not happen?

Applying an MPDU-type formula (Fairfax County, Virginia's 80-20 plan) and assuming that half of new construction was too small scale for the policy to apply, a "no-nonsense" fair share policy would have had the following results:

Table 1

Projected Results of "No-Nonsense" Mixed-Income Housing Policy for Trenton-Mercer County from 1970 to 1996

Community	Homes Built	Work Force Housing	Welfare-to-Work Housing
<u>Mercer County</u>	<u>41,000</u>	<u>2,700</u>	<u>1,350</u>
Trenton city	3,750	250	125
Hamilton twp	11,550	770	385
Lawrence twp	6,625	420	210
West Windsor twp	5,700	380	190
East Windsor twp	5,125	340	170
Ewing twp	3,050	200	100

Thus, a good faith inclusionary zoning policy would have resulted in about 2,700 new homes for suburban communities' own young teachers and police officers, McDonalds managers and supermarket clerks.

And some combination of local and regional housing authorities would have purchased another 1,350 new suburban homes as rentals for the region's poorest families (many from Trenton itself).

Both categories together would be five times the amount of "Mt Laurel" housing created under the Fair Housing Act of 1985.

Finally, these new homes (both for moderate income and "deep subsidy" families) would not be concentrated in identifiable projects but integrated seamlessly (and often invisibly) into middle-class neighborhoods.

How could this policy have played out in different municipalities? Table 2 projects what would have been the results in the region's larger communities based on the total number of new homes actually built from 1970-96. The difference between the "actual poverty rate" (in 1990) and the "projected poverty rate" is an estimate of the effect of having additional low-income families move into each community or, in Trenton's case, a portion of its low-income families move out.

Table 2
 Projected Results of "No-Nonsense" Mixed Income Housing Policy
 for Wealthier Local Communities from 1970 to 1996

Community	Actual Poverty Rate (1990)	Projected Poverty Rate (1996)
Trenton city	18.1%	13.8%
Hamilton twp	2.9%	4.1%
Lawrence twp	3.4%	5.4%
West Windsor twp	3.3%	6.0%
East Windsor twp	2.8%	4.9%
Ewing twp	3.3%	3.8%

Who could honestly argue that the arrival of 190 poor black and poor Hispanic families from Trenton would have damaged the quality of life in West Windsor Township with its poverty rate rising from 3.3% to 6.0% as a result? Or

that evenly scattering perhaps 200-250 children from those families throughout the West Windsor-Plainsboro district's four elementary schools, two intermediate or middle schools, and two high school campuses – where the free lunch rates average less than 5% – would have any negative impact on the quality of education for West Windsor's other children?

Yet having every community in the region genuinely doing its fair share would have allowed 3,000 poor persons (mostly young children) to move out of Trenton. That would have allowed Trenton to go “back to the future,” by lowering the city's poverty rate from 18% to 14% (its level of 1970).

Neither Trenton-Mercer County (nor any other region) will ever be able to abolish poverty completely. But it was within your power 25 years ago – and it is within your power in the 25 years to come – *to abolish the concentration of poverty.*

A “non-nonsense” regional fair share housing policy would both integrate the suburbs racially and economically and allow re-integration of the city. With a regional inventory of homes in low-poverty suburbs as alternative housing, every higher-density public housing project in Trenton, Hightstown, and Princeton Township could be razed to the ground. In their place, very attractive, very market-competitive, lower-density townhouse and apartment communities could be built. Only one-third of the new residents would be poor households (both families and elderly). Two-thirds would be middle-class households, attracted by proximity to the three major hospitals, state government office buildings, or other downtown Trenton locations.

Settling for Less than Half a Loaf

Progressive forces in New Jersey have struggled hard for “outside game” reforms – the state plan, the Fair Housing Act, the \$1 billion land fund. But assessing the results to date, I believe that, in retrospect, reformers settled for less than half a loaf. The current “rules of the game” are not slowing suburban sprawl or reversing economic segregation.

Mercer County's 13 cities, boroughs, and townships, and 8 school districts are not going to collaborate voluntarily to overcome these trends. The convergence of poverty and race create the toughest political problems in America. Facts will not overcome fear.

Reformers must focus again on those who set the rules for local governments – the state legislature and state courts. Reforms well begun a generation ago are foundering for lack of political will.

You cannot achieve metro Portland's success in controlling sprawl without Oregon's tough growth management law.

You cannot channel any significant portion of what private, for-profit homebuilders build towards low- and modest income families without Montgomery County's mandatory, inclusionary zoning law.

No voluntary arrangement for tax-base sharing can approach the magnitude of the Twin Cities Fiscal Disparities Plan – a program mandated for seven counties, 188 municipalities, and 40 school districts by the Minnesota legislature.

“That's just those tree-hugging environmentalists in Portland ... or rich liberals in Montgomery County ... socialist-minded Scandinavians in Minnesota. In New Jersey we're different. Those things cannot ever happen here,” I hear some New Jerseyites complain.

That's just an alibi for not doing the tough work of building political coalitions. Winston Churchill said that “first we shape our buildings, and then our buildings shape us.”

Oregonians, Montgomery County residents, Minnesotans all fought the tough political battles to change their “rules of the game” – to “first shape their buildings.” Then their new “rules of the game” have reshaped how their communities function.

And yet even the concentration of poverty that appears so menacing and formidable is not an insurmountable barrier. Consider this. Out of every 100 residents of Trenton-Mercer County, only three are poor and white. Basically, all three poor whites live scattered among you, struggling, I'm sure, to raise their children, but their task is made much easier by living within mainstream society.

And out of every 100 residents of Trenton-Mercer County, only five are poor and black or Hispanic. Yet three of those five live isolated in high poverty ghettos and barrios – neighborhoods where opportunity continues to vanish.

Opening up our mainstream communities to poor minorities *as we basically do for poor whites* is the true empowerment zone.

Urban sprawl adversely impacts both our natural and our human geography and challenges our ability to create more livable communities. But the primary livability issue for New Jersey is

Are you going to live together?