



# **The Brookings Institution**

**Center on Urban and Metropolitan Policy**

**Bruce Katz, Director**

## **Presentation to Grow Smart Rhode Island**

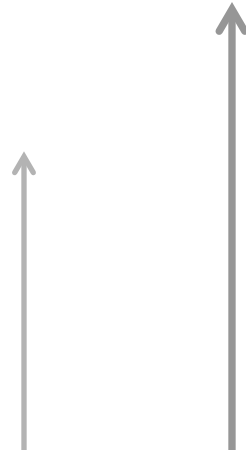
**May 21th, 2003**

# Major Questions

- **What are the general trends affecting Rhode Island, it's cities, and metropolitan areas?**
- **What are the consequences of those trends?**
- **Why is decentralization happening?**
- **What do these trends mean for state policy?**



**I. What are the general trends affecting Rhode Island, it's cities, and metropolitan areas?**

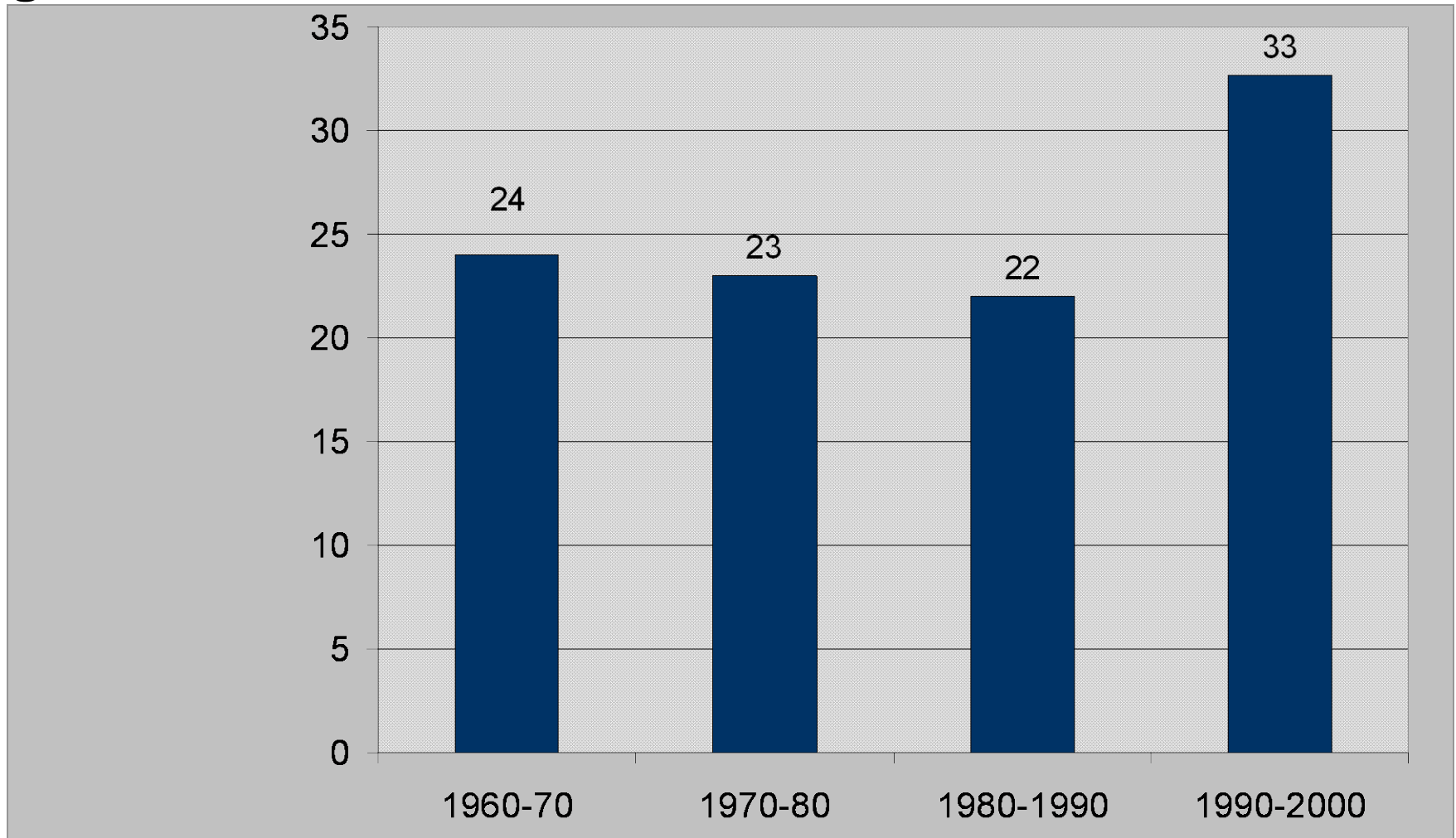


# **1. Rhode Island Grew Modestly During the 1990s**



## Rhode Island Grew

**For the nation, the 1990s presented the strongest growth in four decades**





## Rhode Island Grew

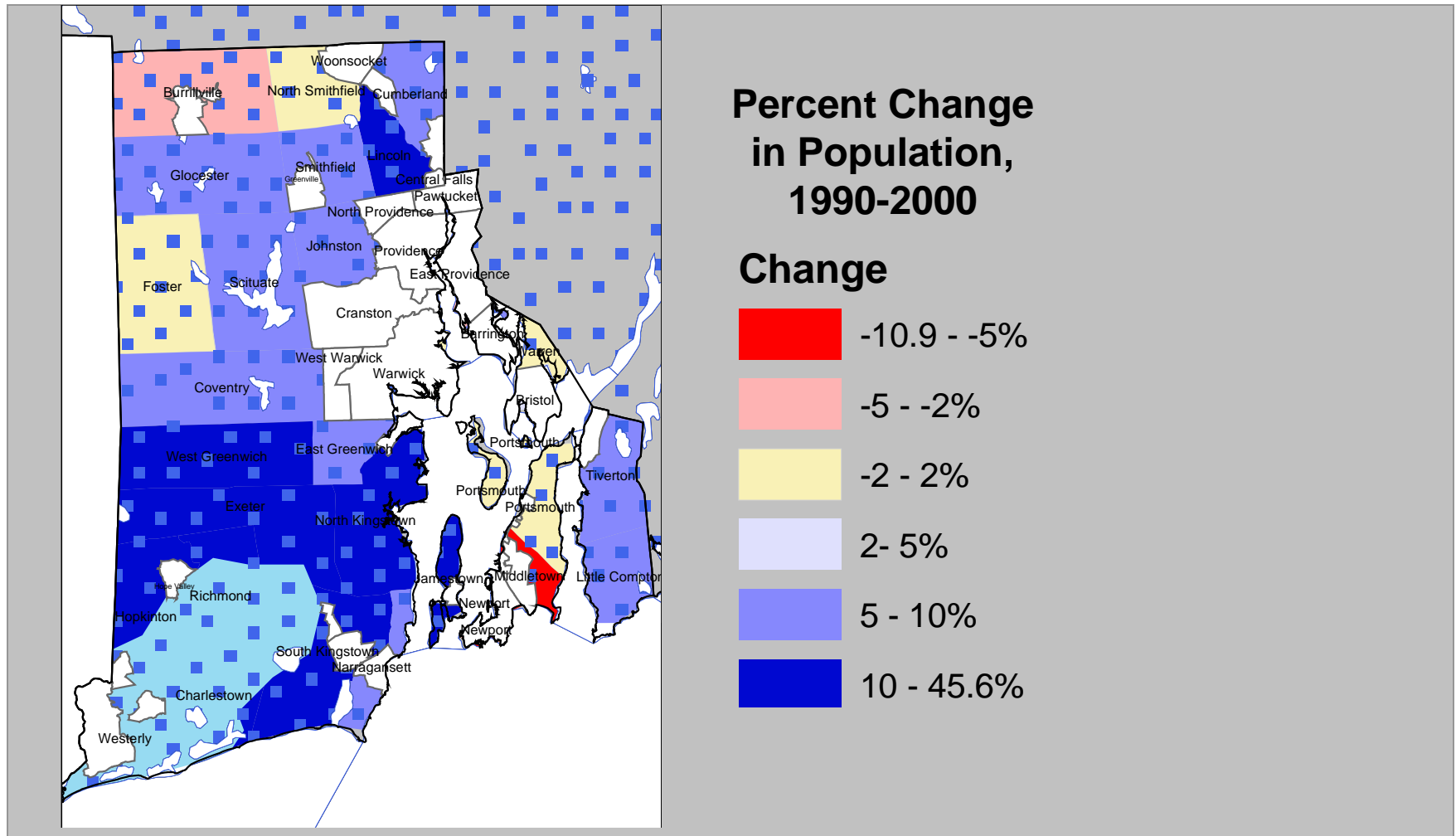
Rhode Island grew moderately during the 1990s adding 44,855 new residents. Its 2000 population is 1,048,319.

	Population Growth	
	1990s	Rank
Massachusetts	5.5%	41
New York	5.5%	42
Iowa	5.4%	43
Ohio	4.7%	44
→ <b>Rhode Island</b>	<b>4.5%</b>	<b>45</b>
Maine	3.8%	46
Connecticut	3.6%	47
Pennsylvania	3.4%	48
West Virginia	0.8%	49



# Rhode Island Grew

**Southwest Rhode Island grew at the fastest pace**





## Rhode Island Grew

Rhode Islands Hispanic growth was the 23rd largest in the nation

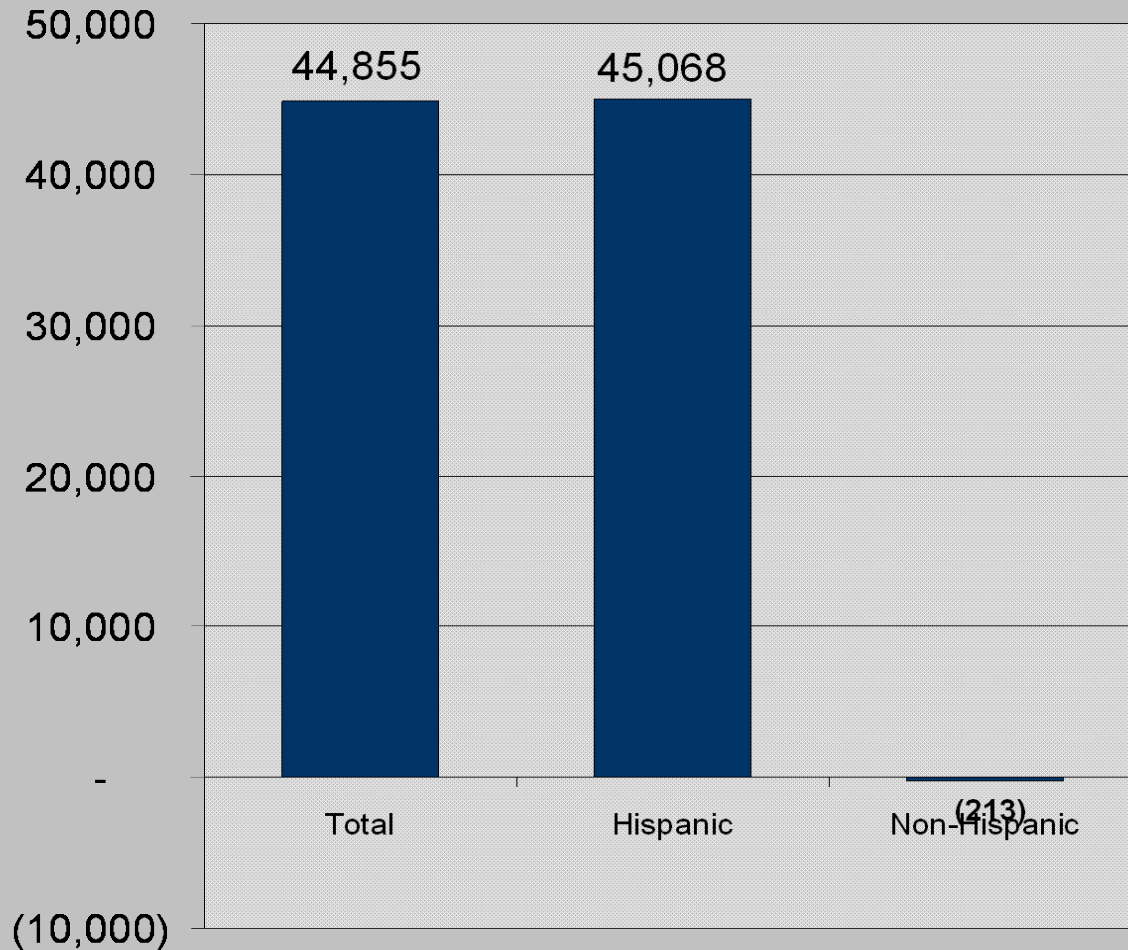
	Hispanic Growth	
	1990s	Rank
Wisconsin	107.0%	19
Washington	105.8%	20
Virginia	105.6%	21
Kansas	101.0%	22
→ <b>Rhode Island</b>	<b>98.5%</b>	<b>23</b>
Missouri	92.2%	24
Idaho	92.1%	25
Arizona	88.2%	26
Maryland	82.2%	27

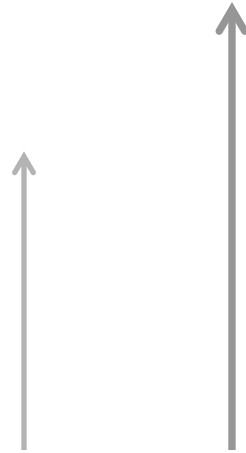




# Rhode Island Grew

**In fact, all of the states growth can be attributed to Hispanics**



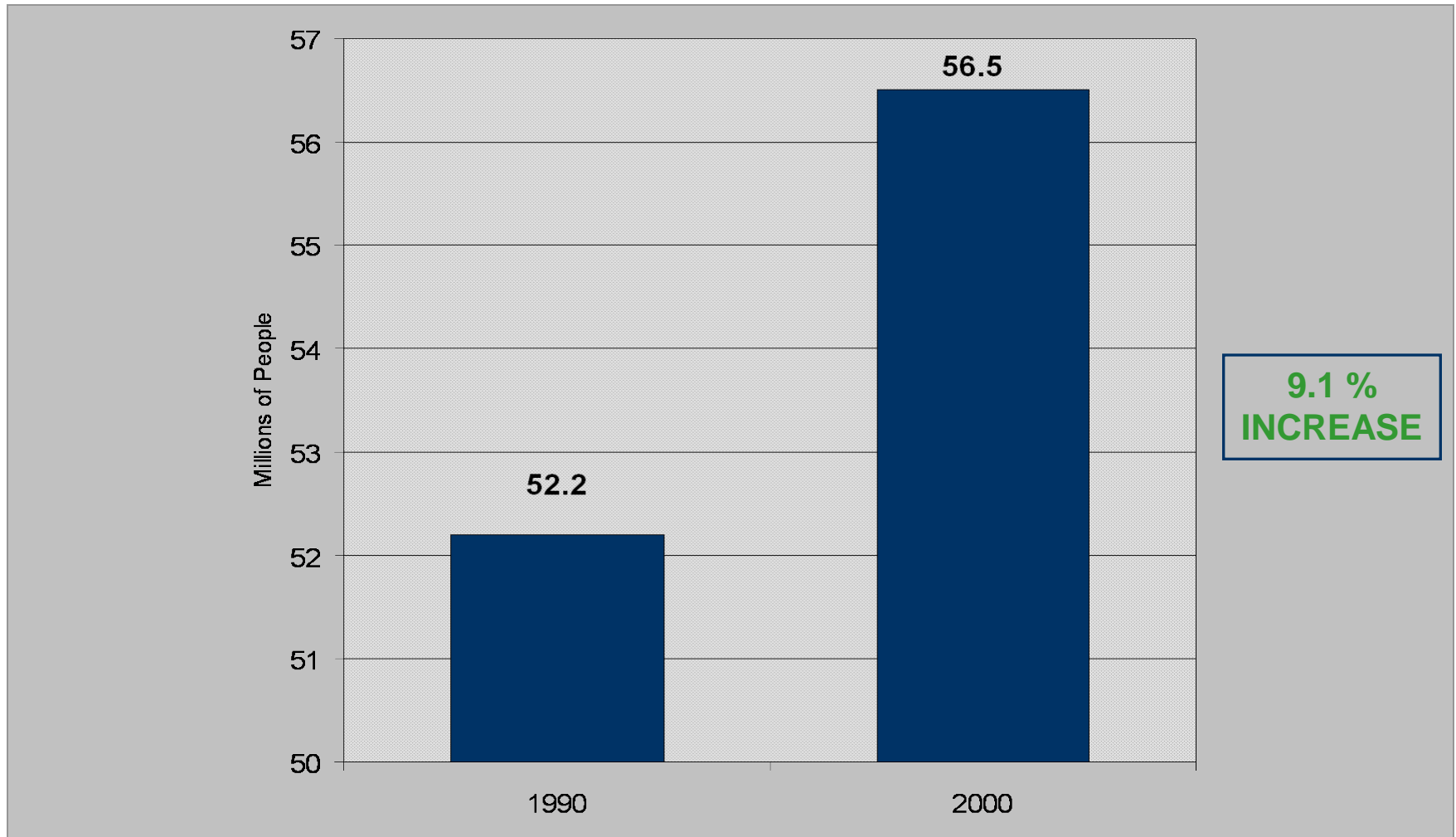


## **2. City Growth is Uneven**



# City Growth is Uneven

**Overall, city population grew during the 1990s**

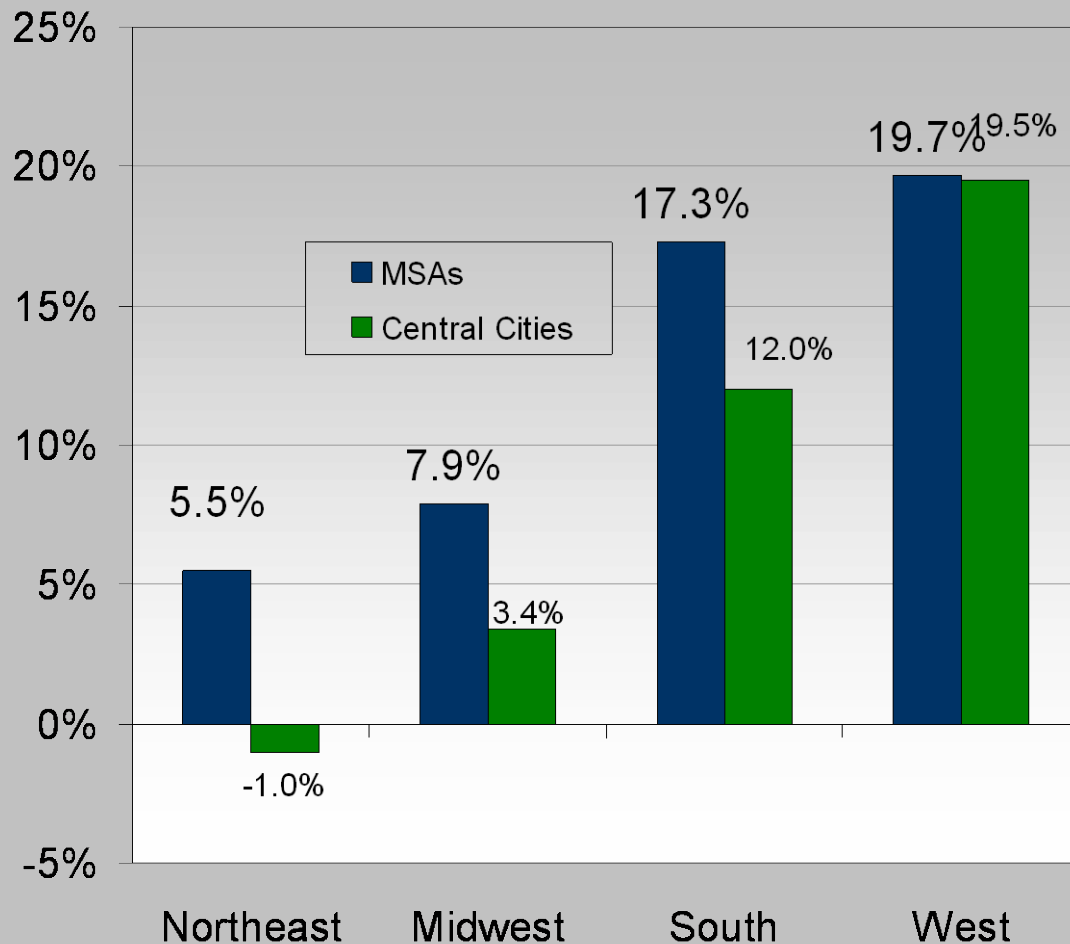


Source: U.S. Census Bureau, largest 100 cities in 1990



# City Growth is Uneven

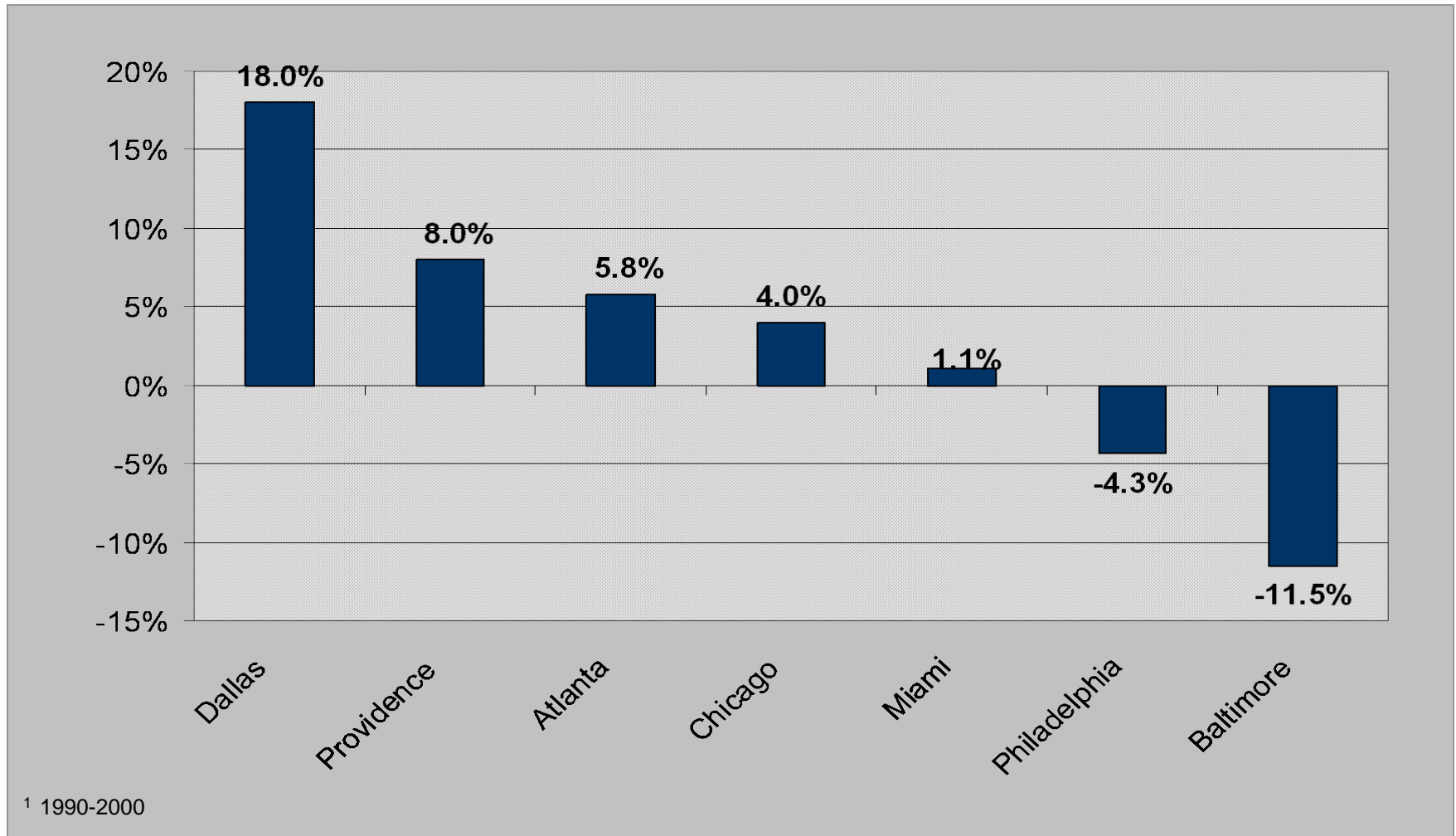
Across the US, there was significant regional variation in growth<sup>1</sup>



<sup>1</sup> Cities with populations over 100,000 in 1990

# City Growth is Uneven

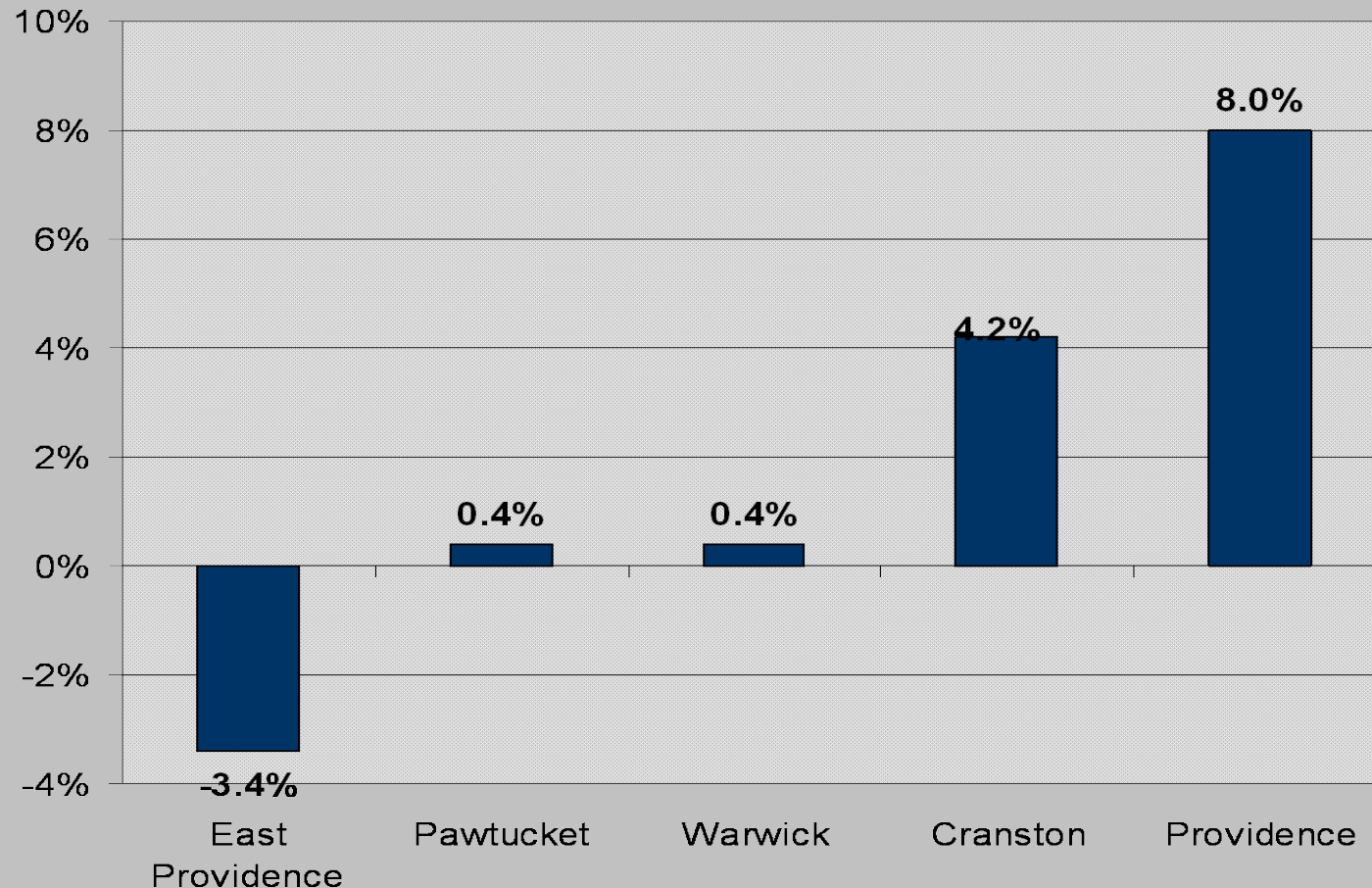
Many cities grew, but some cities lost population <sup>1</sup>





# City Growth is Uneven

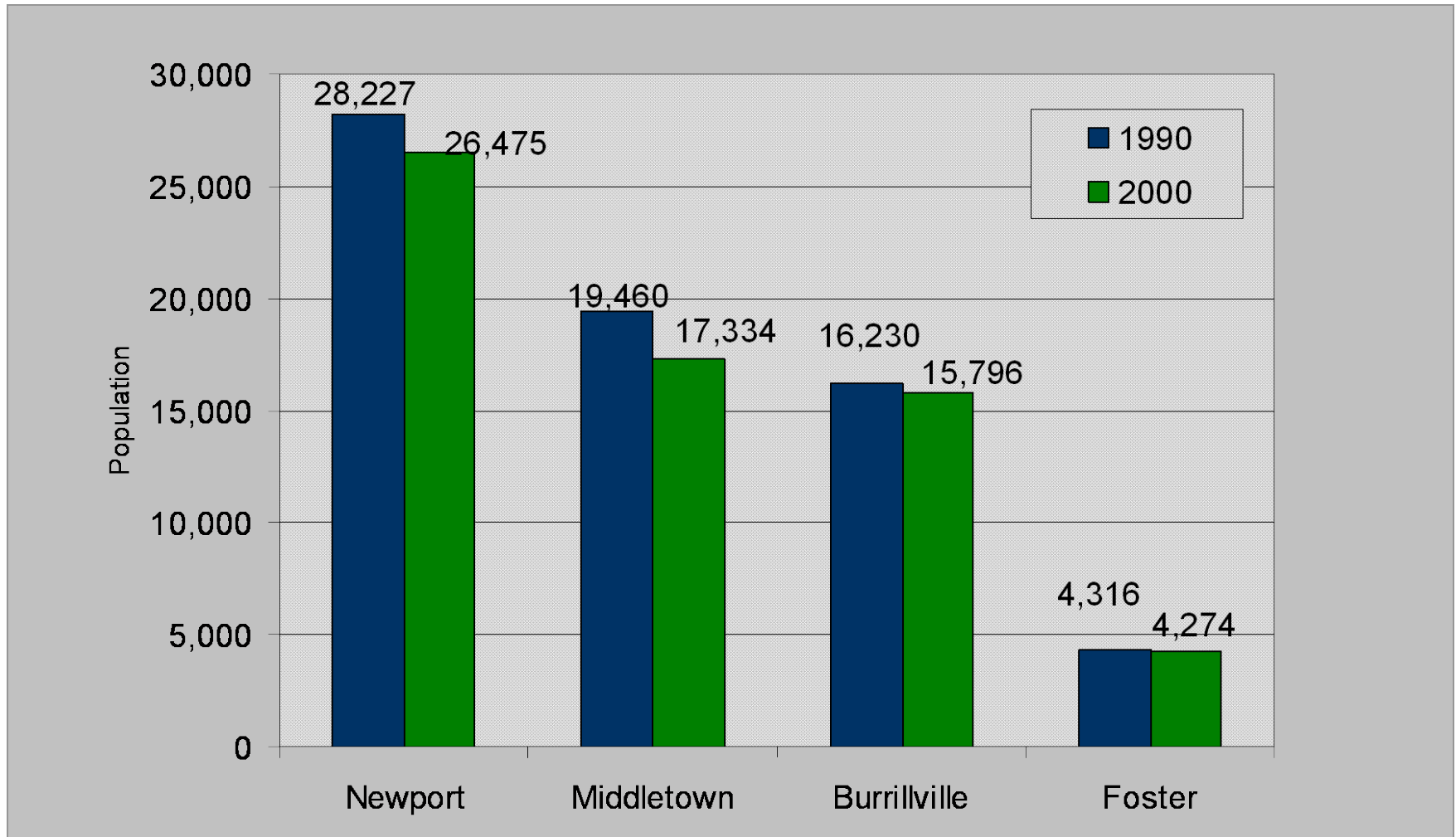
Rhode Island's cities grew at varying rates during the 1990s





# City Growth is Uneven

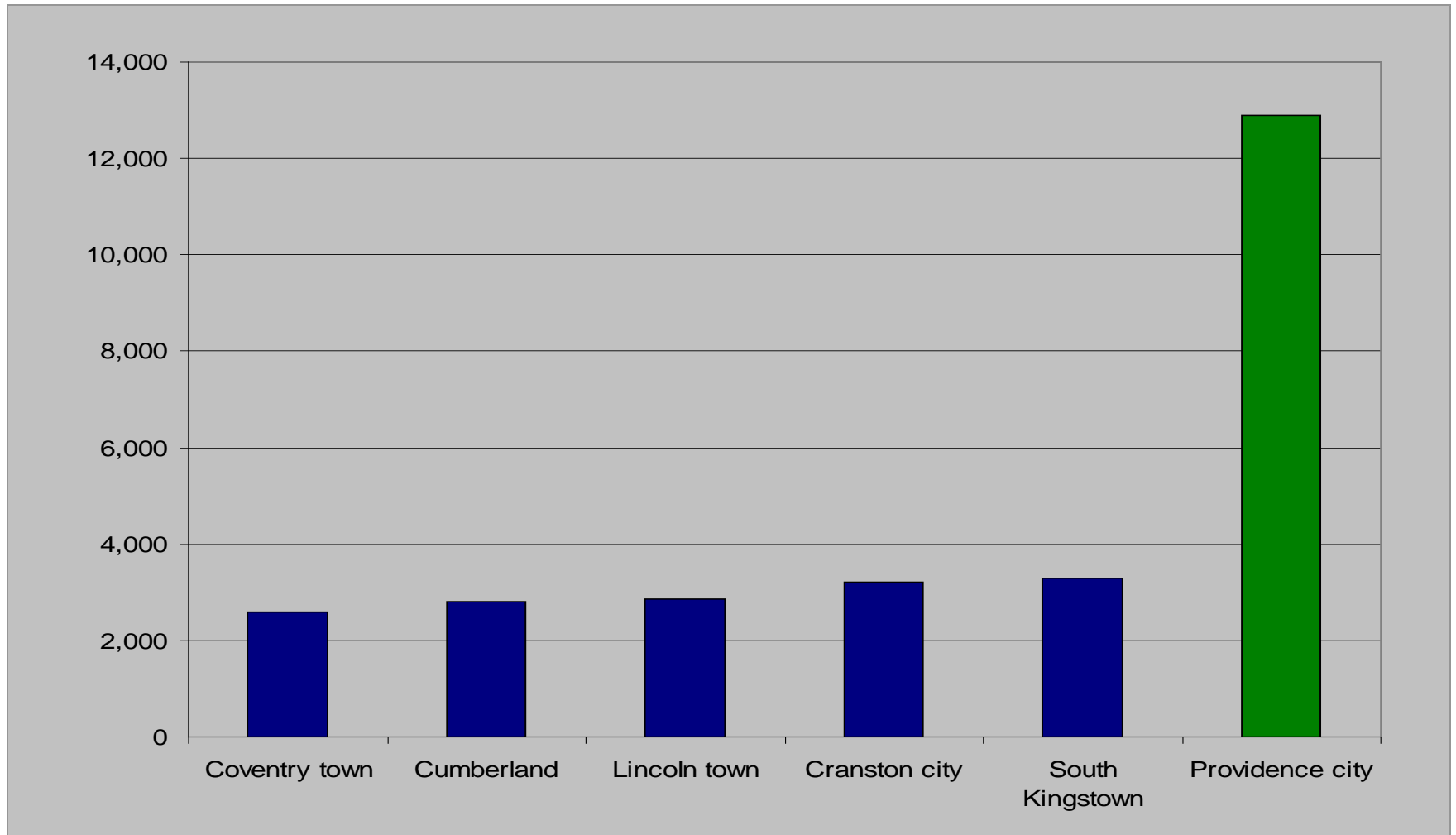
**Some of Rhode Island's smaller cities are experiencing population loss**





# City Growth is Uneven

**Providence gained the most residents of any jurisdiction in the state**



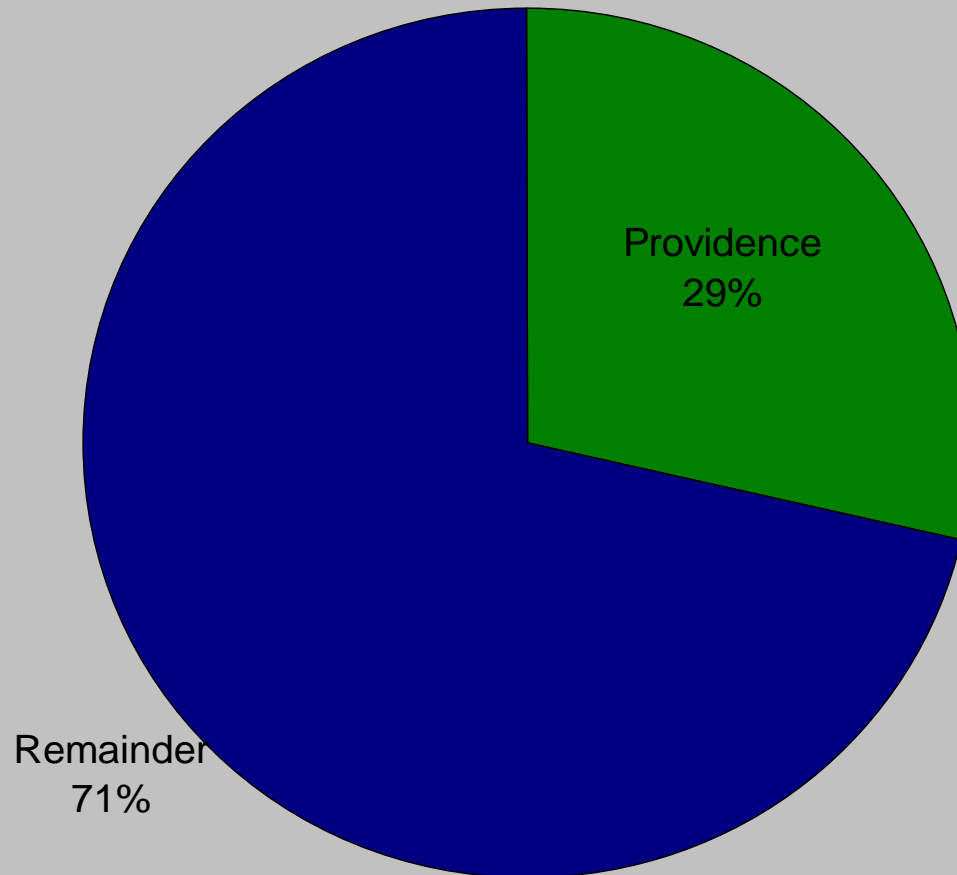
Source: U.S. Census Bureau





## City Growth is Uneven

**In fact, Providence garnered more than 1/4 of the state's population growth during the 1990s**





# Fiscal and Economic Health Varies

Compared to the largest 200 cities in the nation, providence's growth was moderate

	Population Change	
	1990s	Rank
Tampa	8.4%	116
Stamford	8.4%	117
Glendale	8.3%	118
Virginia Beach	8.2%	119
→ <b>Providence</b>	<b>8.0%</b>	<b>120</b>
Springfield, MO	7.9%	121
Corpus Christi	7.8%	122
Montgomery	7.7%	123
Rockford	7.7%	124



# Fiscal and Economic Health Varies

Providence went from being the 108th largest city...

	Population	
	1990	Rank
Modesto	164,730	104
Orlando	164,693	105
San Bernardino	164,164	106
Syracuse	163,860	107
→ <b>Providence</b>	<b>160,728</b>	<b>108</b>
Salt Lake City	159,936	109
Huntsville	159,789	110
Amarillo	157,615	111
Springfield	156,983	112

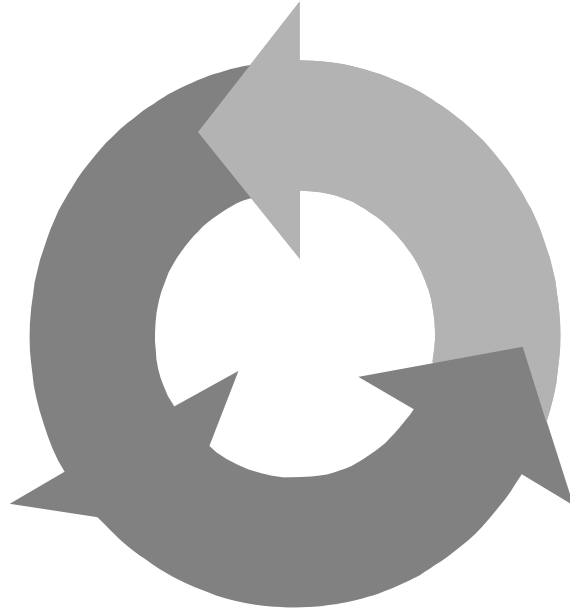


# Fiscal and Economic Health Varies

To the 121st largest city

	Population	
	2000	Rank
Laredo	176,576	117
Henderson	175,381	118
Knoxville	173,890	119
Amarillo	173,627	120
<b>Providence</b>	<b>173,618</b>	<b>121</b>
Chula Vista	173,556	122
Worcester	172,648	123
Oxnard	170,358	124
Dayton	166,179	125



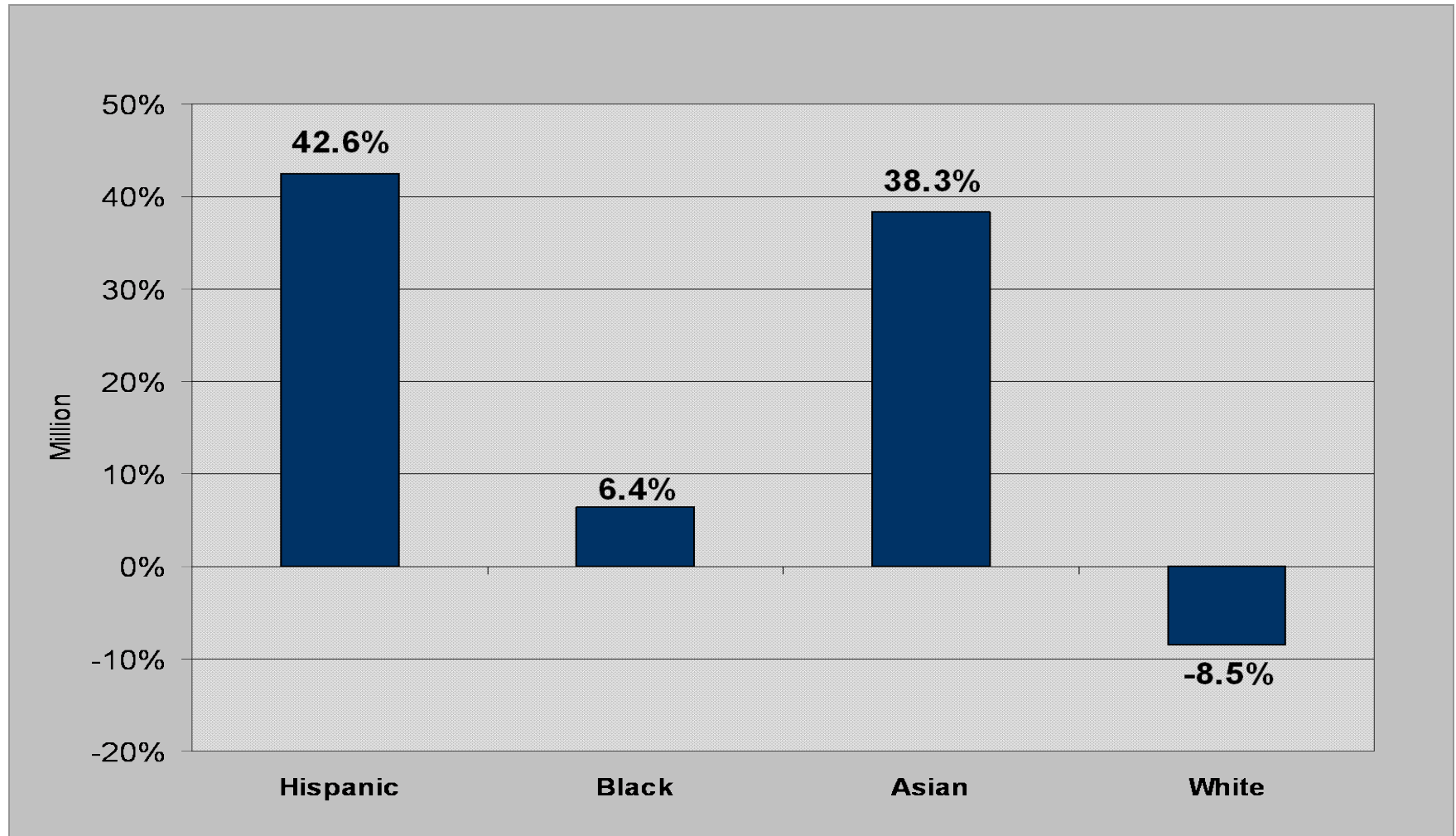


### **3. Urban Demographics Changed Markedly**



# Demographics are Changing

**Cities experienced major demographic change during the 1990s**

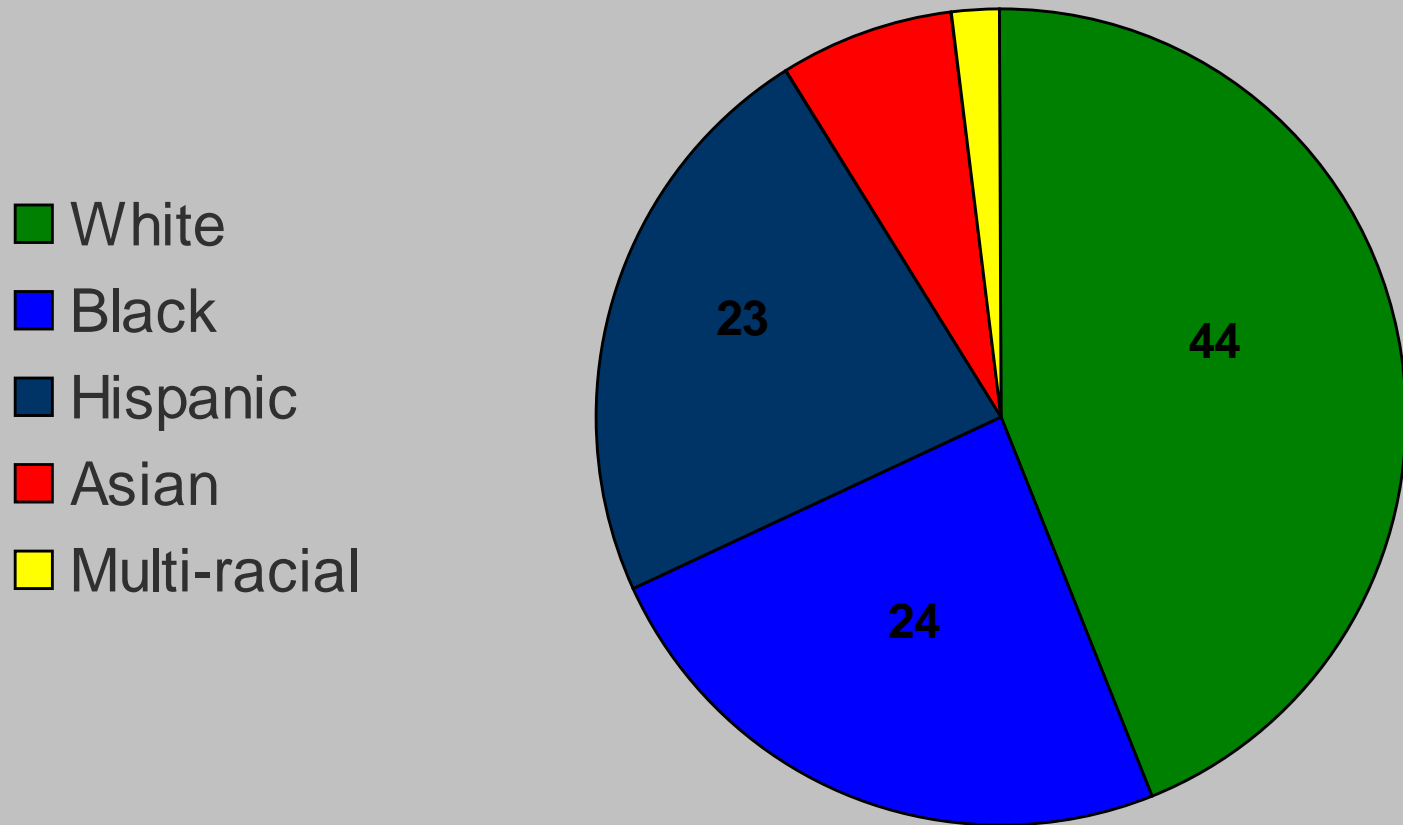


Source: U.S. Census Bureau; 100 largest cities



# Demographics are Changing

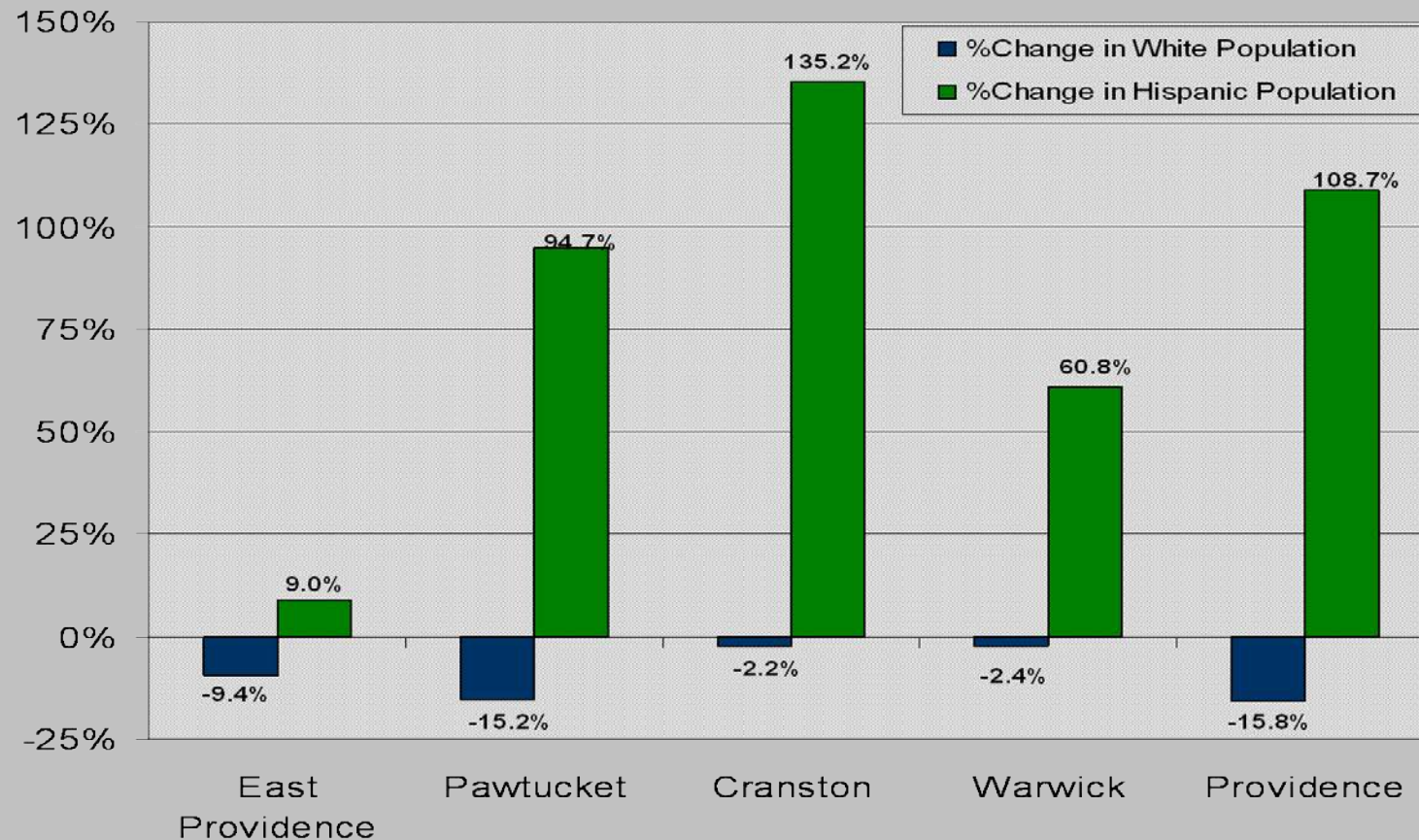
**In 2000, the top hundred cities became majority minority**





# Demographics are Changing

**Rhode Island's largest cities lost white residents; at the same time, their Hispanic population soared**

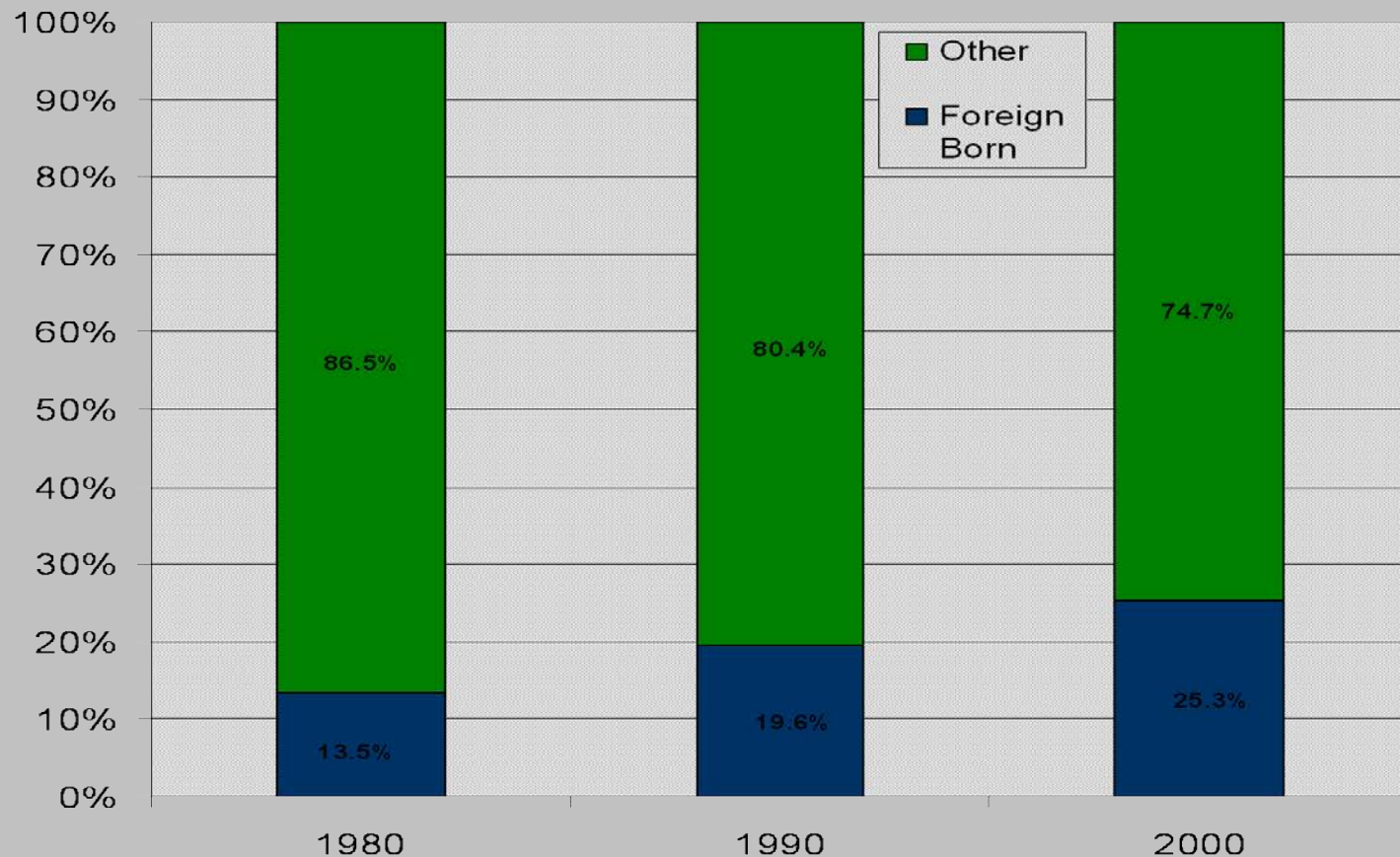






# Demographics are Changing

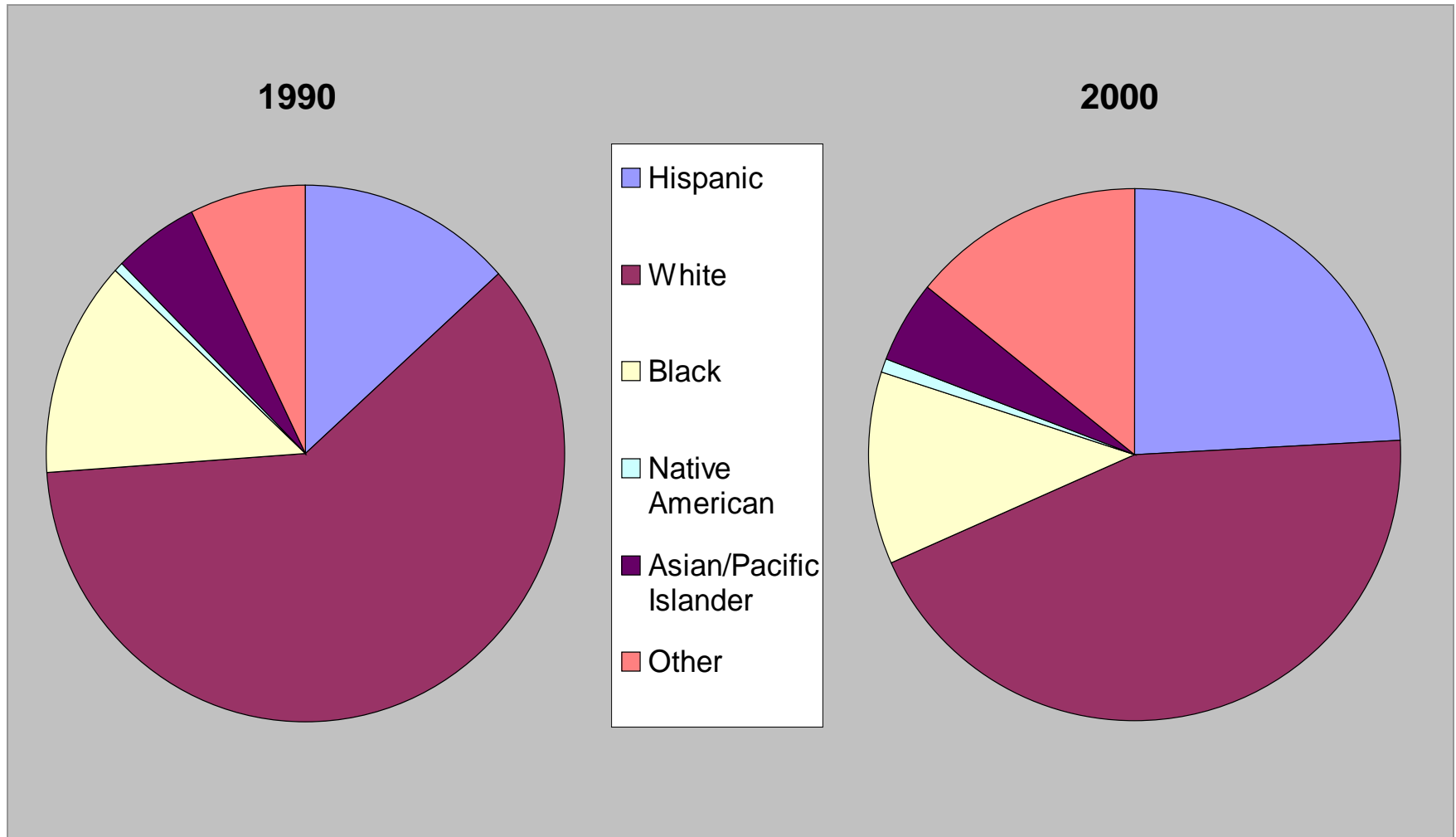
**Strong immigration during the last two decades has made Providence population 25% foreign born**





# Demographics are Changing

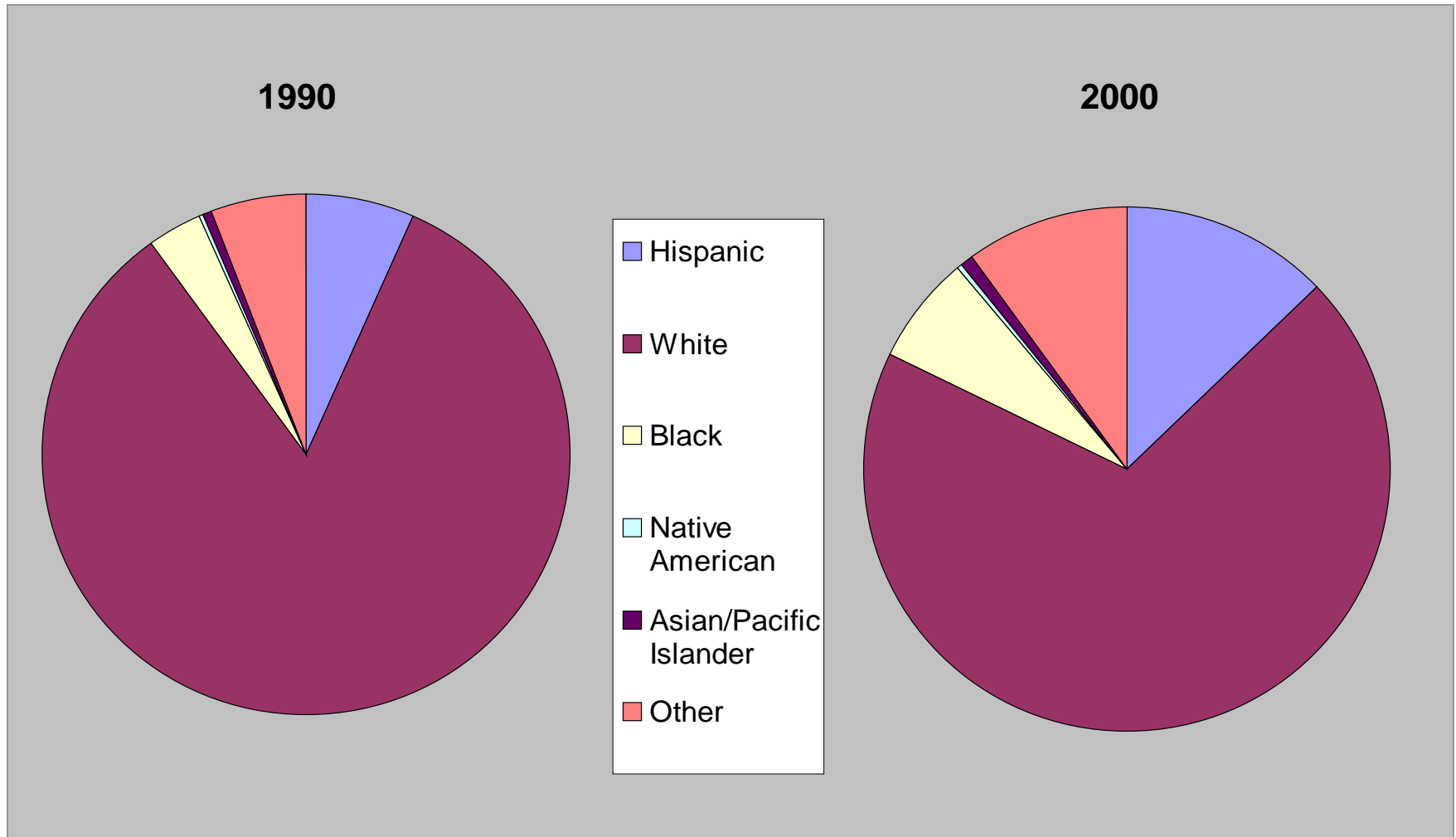
**Growth in the Hispanic population was apparent in Providence**





# Demographics are Changing

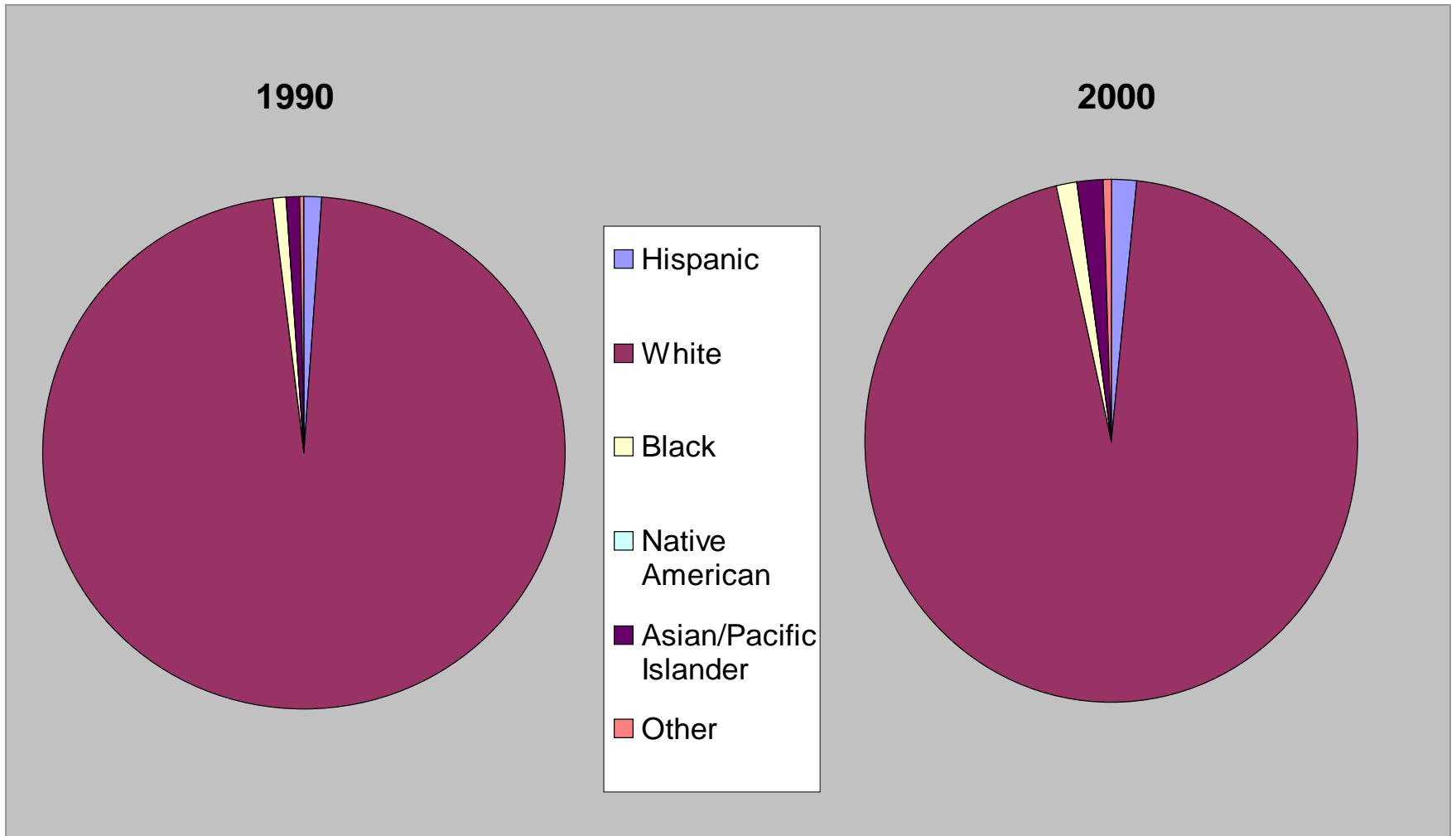
**Growth in the Hispanic population was also apparent in Pawtucket**





# Demographics are Changing

**But not in Warwick**



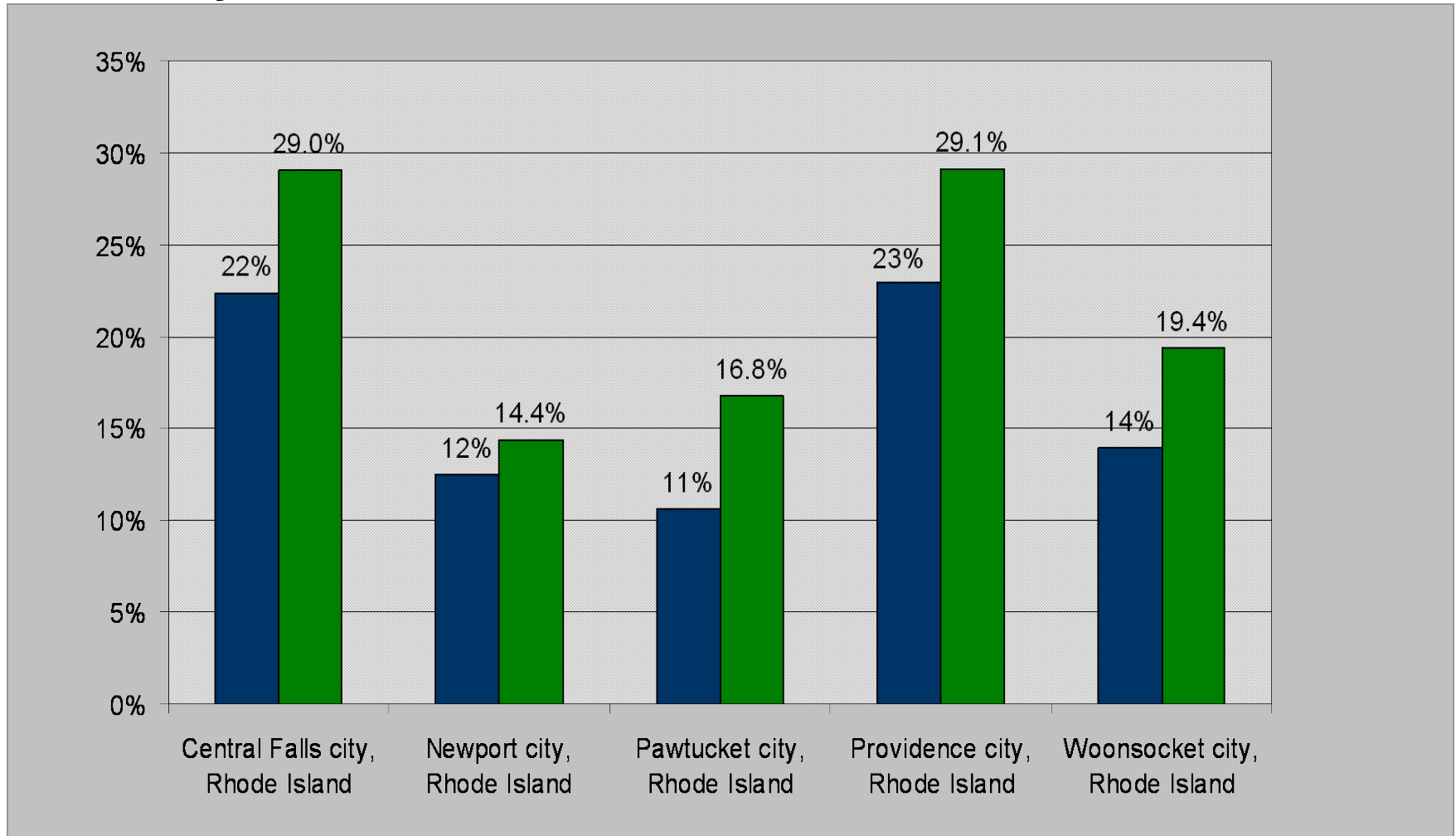


## **4. Fiscal and Economic Health Varies**



# Fiscal and Economic Health Varies

**Poverty in Rhode Island's 'core cities' has increased markedly over the 1990s**



Source: U.S. Census Bureau  
National Average based on 100 largest cities



# Fiscal and Economic Health Varies

Providence has the fourth highest poverty rate in the nation for the top 200 cities

Percent of People Living in Poverty, 2000

	Poverty Rate	
	2000	Rank
Brownsville, TX	36.0%	1
Hartford, CT	30.6%	2
Laredo, TX	29.6%	3
→ <b>Providence, RI</b>	<b>29.1%</b>	<b>4</b>
Miami, FL	28.5%	5
Newark, NJ	28.4%	6
New Orleans, LA	27.9%	7
San Bernardino, CA	27.6%	8
Syracuse, NY	27.3%	9



# Fiscal and Economic Health Varies

**Providence has the eighth lowest homeownership rate in the nation**

**Percent Single Parent Families, 2000**

	<b>Single Parent Families</b>	
	2000	Rank
Irving, TX	37.2%	188
East Los Angeles CDP, CA	36.6%	189
San Francisco, CA	35.0%	190
Miami, FL	34.9%	191
→ <b>Providence, RI</b>	<b>34.6%</b>	<b>192</b>
Boston, MA	32.2%	193
Paterson, NJ	31.5%	194
New York, NY	30.2%	195
Elizabeth, NJ	29.7%	196





# Fiscal and Economic Health Varies

And ranks 99th in the percent of population with bachelor's degrees

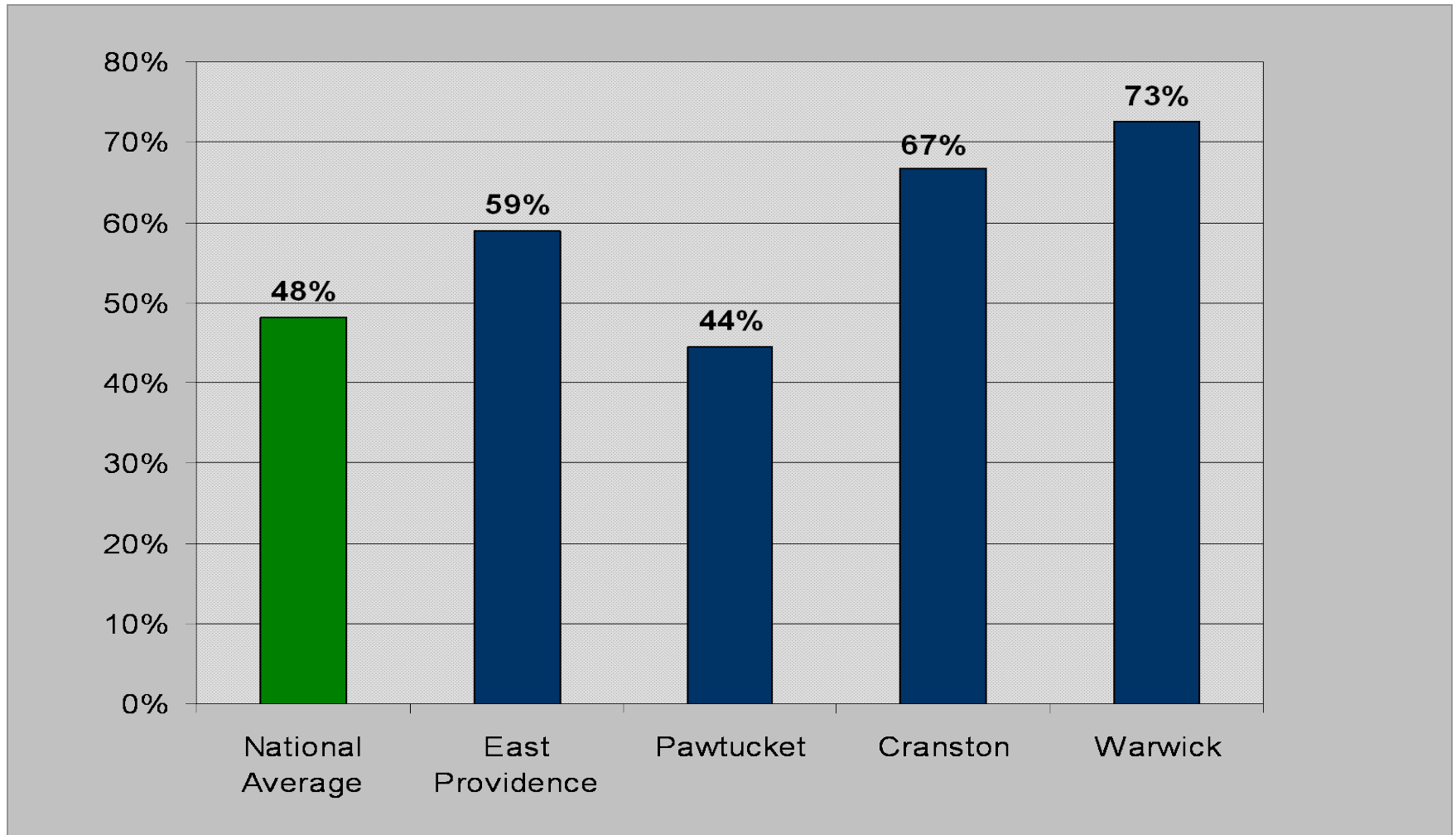
Percent of People with a Bachelors Degree or Higher, 2000

	Share with BA	
	2000	Rank
Yonkers, NY	24.8%	95
Chesapeake, VA	24.7%	96
Knoxville, TN	24.6%	97
Aurora, CO	24.6%	98
→ <b>Providence, RI</b>	<b>24.4%</b>	<b>99</b>
Fayetteville, NC	24.2%	100
Salem, OR	24.1%	101
Oklahoma City, OK	24.0%	102
Sacramento, CA	23.9%	103



# Fiscal and Economic Health Varies

## Homeownership rates vary across Rhode Island

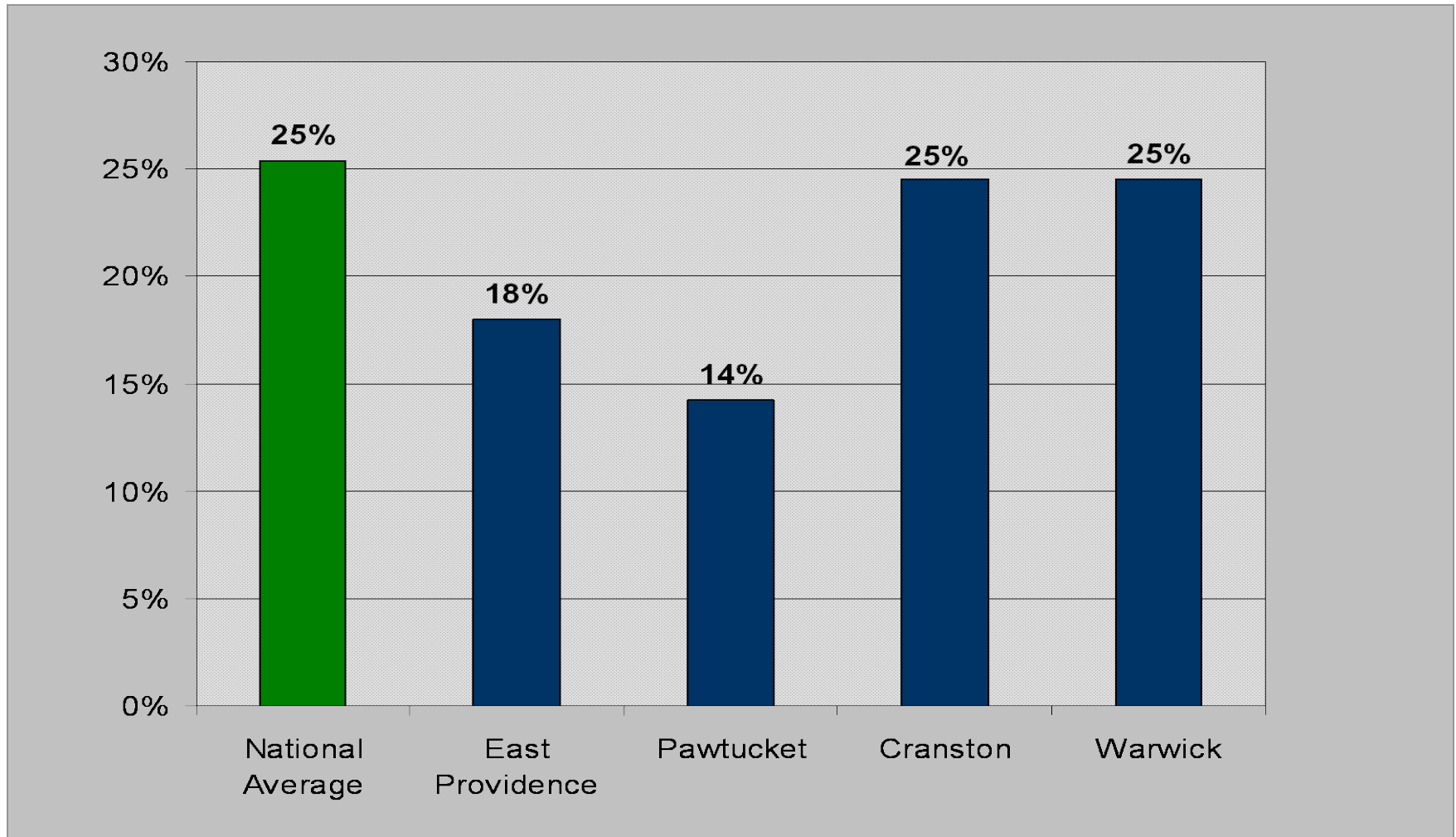


Source: U.S. Census Bureau  
National Average based on 100 largest cities

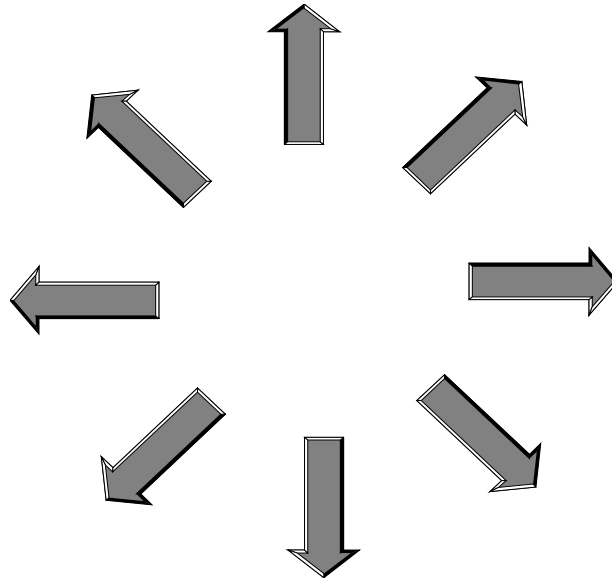


# Fiscal and Economic Health Varies

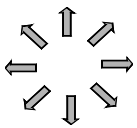
## Concentrations of BA graduates vary across Rhode Island



Source: U.S. Census Bureau  
National Average based on 100 largest cities

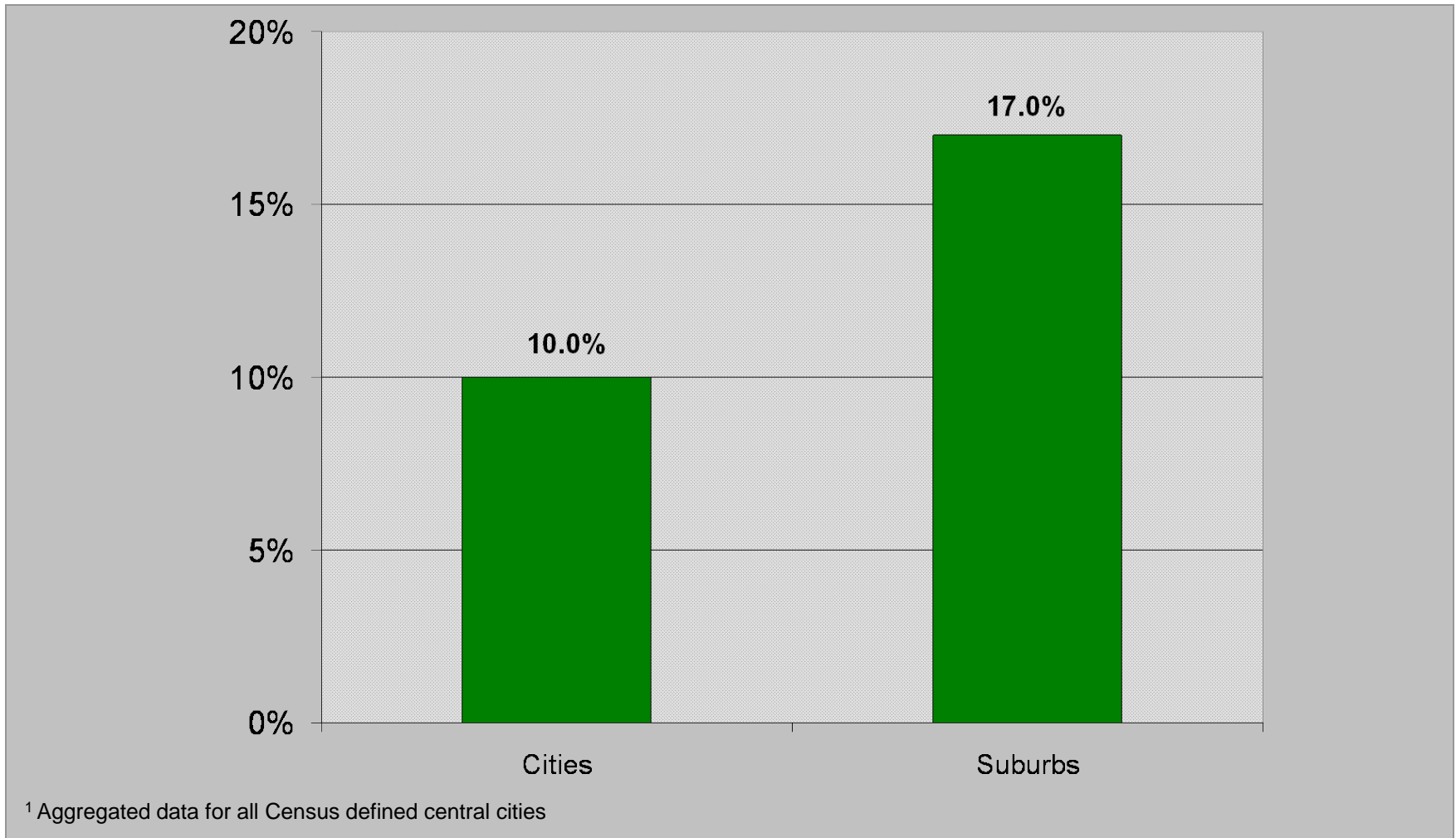


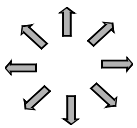
## **5. Metropolitan areas are decentralizing**



# Population Is Decentralizing

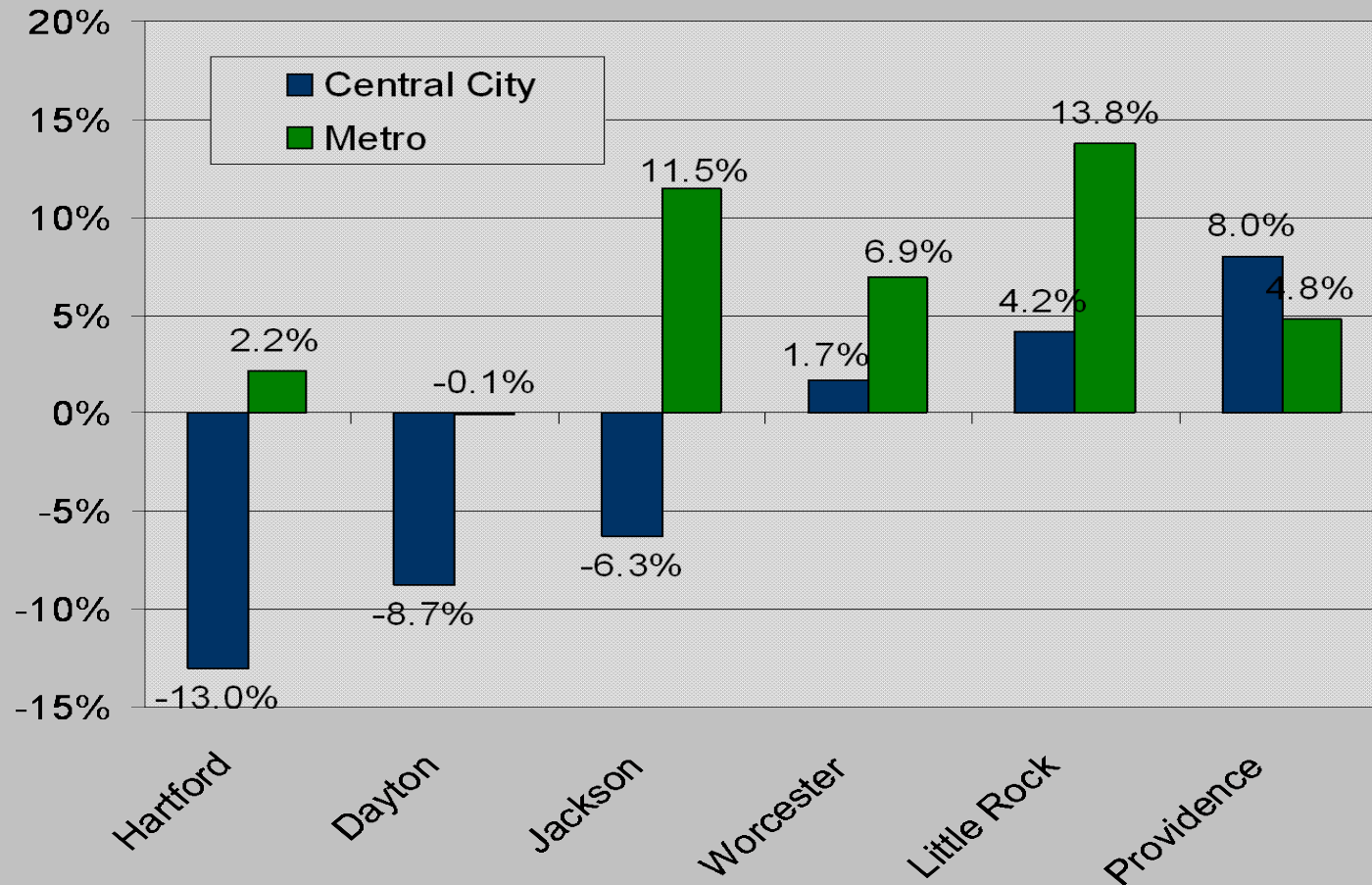
**Suburbs grew faster than cities in almost every metropolitan area**

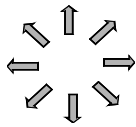




# Population Is Decentralizing

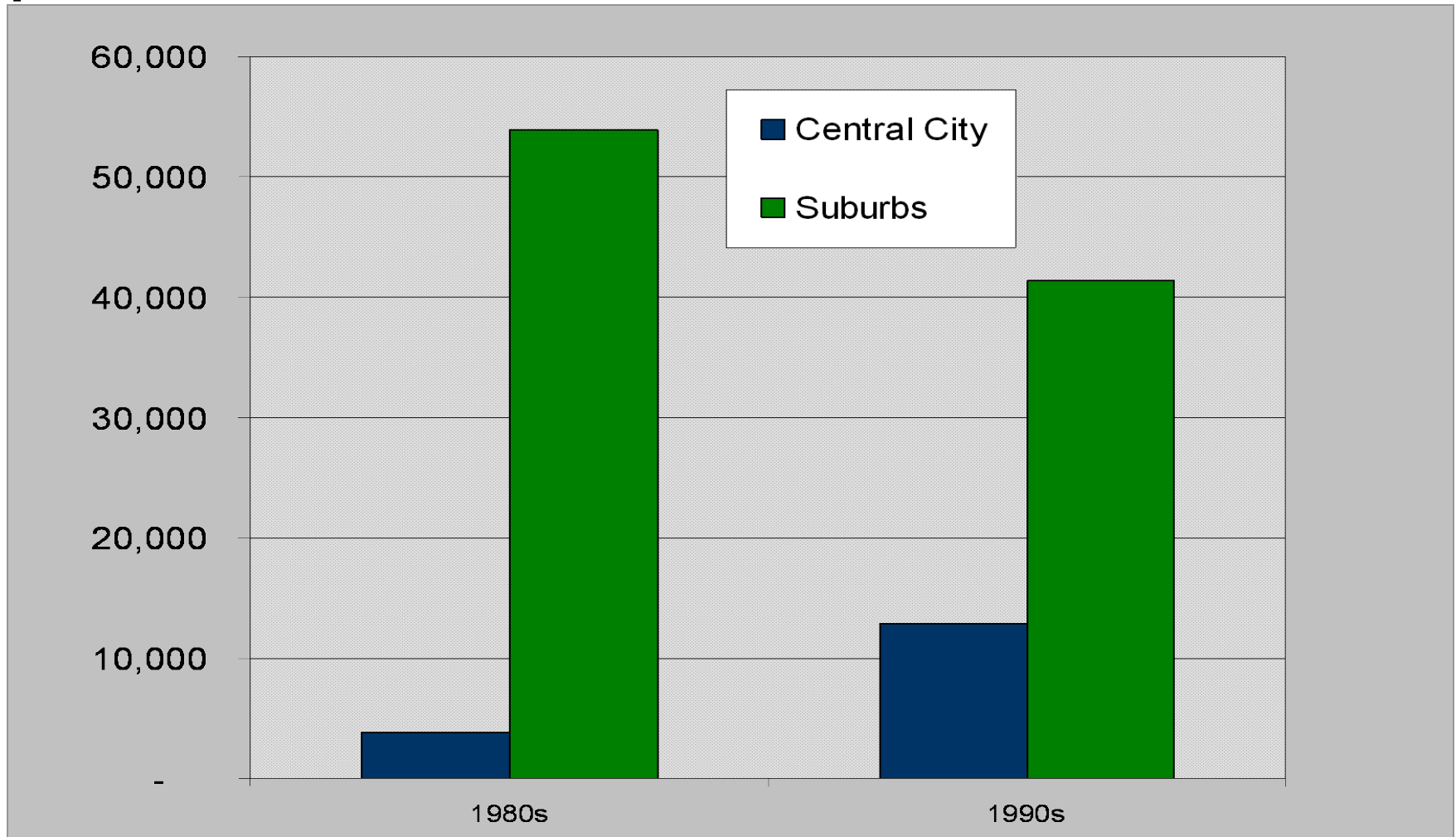
Unlike other cities, Providence grew at a faster rate than the suburbs in the 1990s



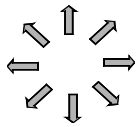


# Population Is Decentralizing

**But the suburbs gained more population during this period**

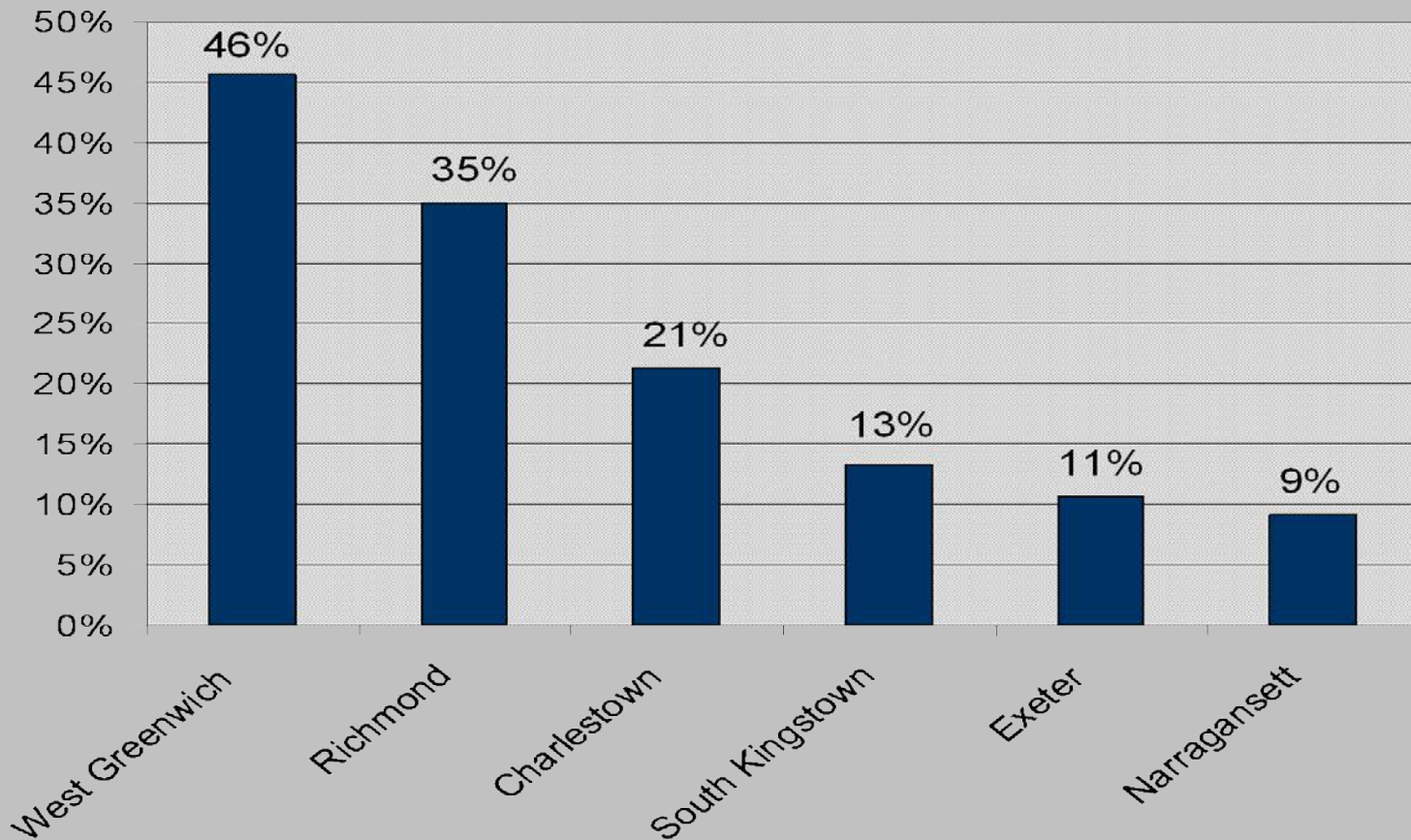




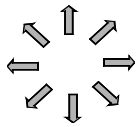


# Population Is Decentralizing

**And many of the non-urbanized areas in the south west of RI grew dramatically**

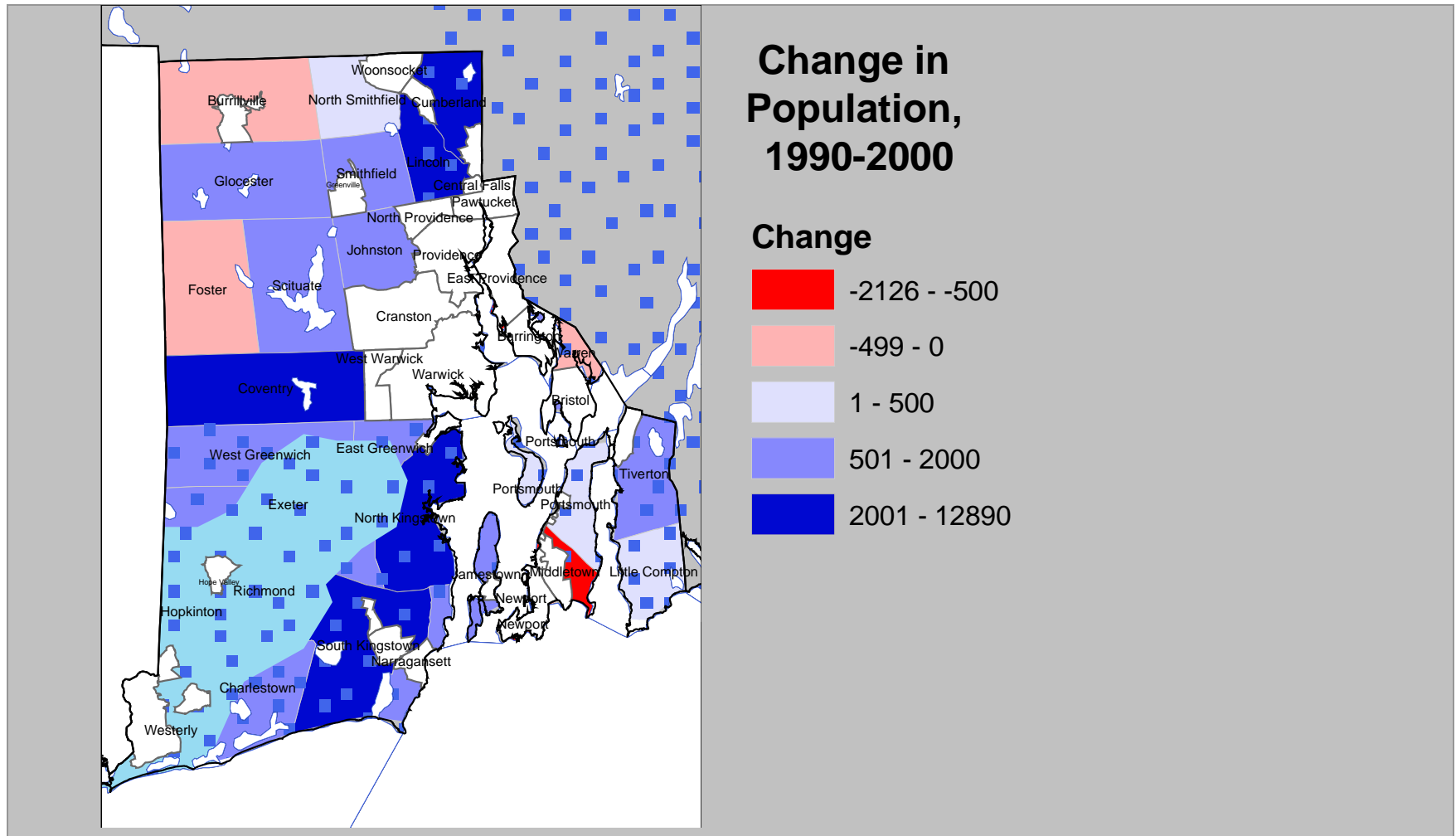


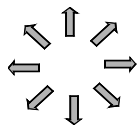




# Population Is Decentralizing

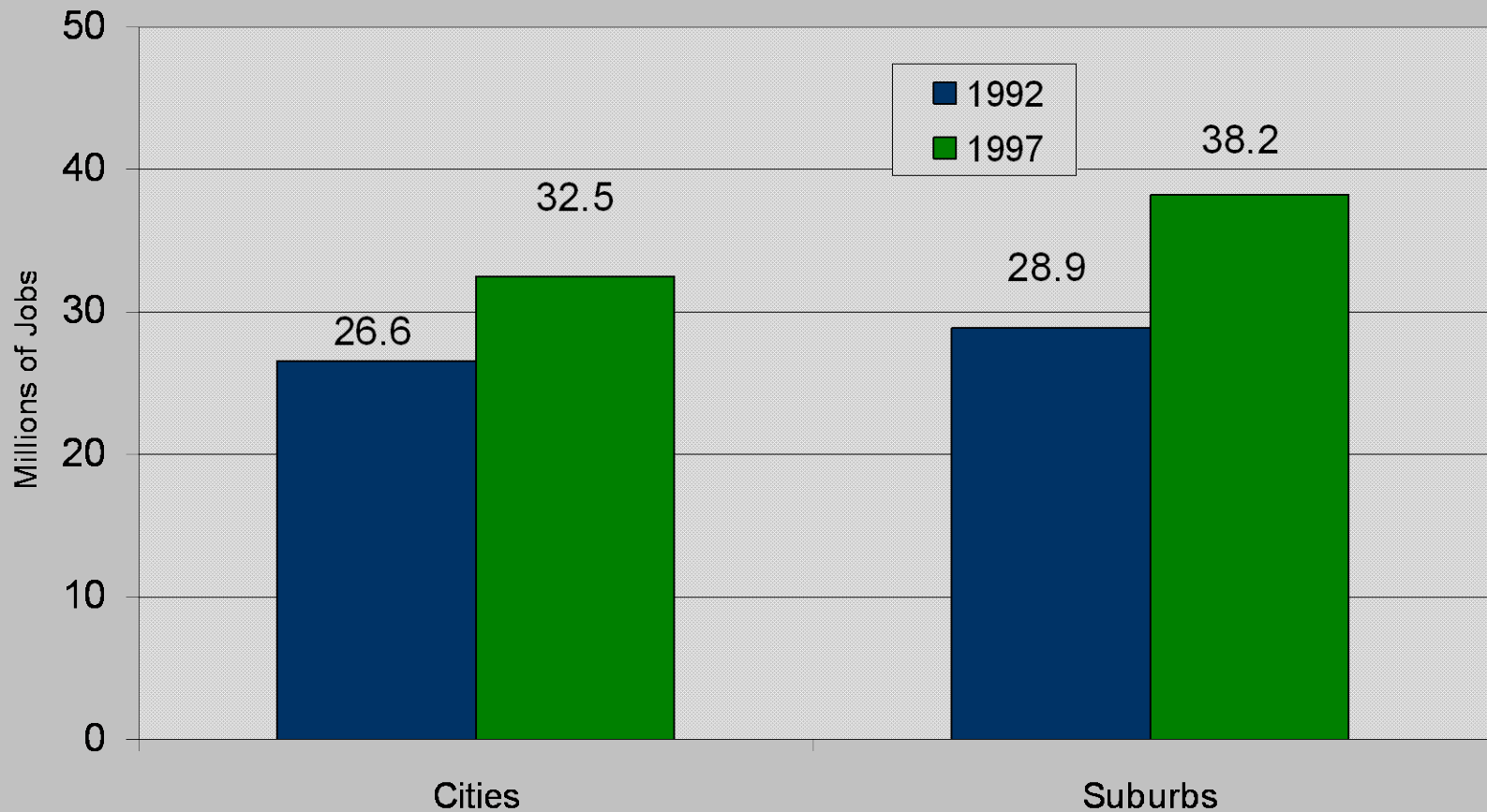
Areas to the north and south, such as Cranston and Lincoln, grew significantly



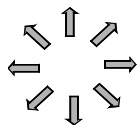


# Employment Is Decentralizing

Nationally, employment is decentralizing. Cities gained jobs during the 1990s, but suburbs gained more

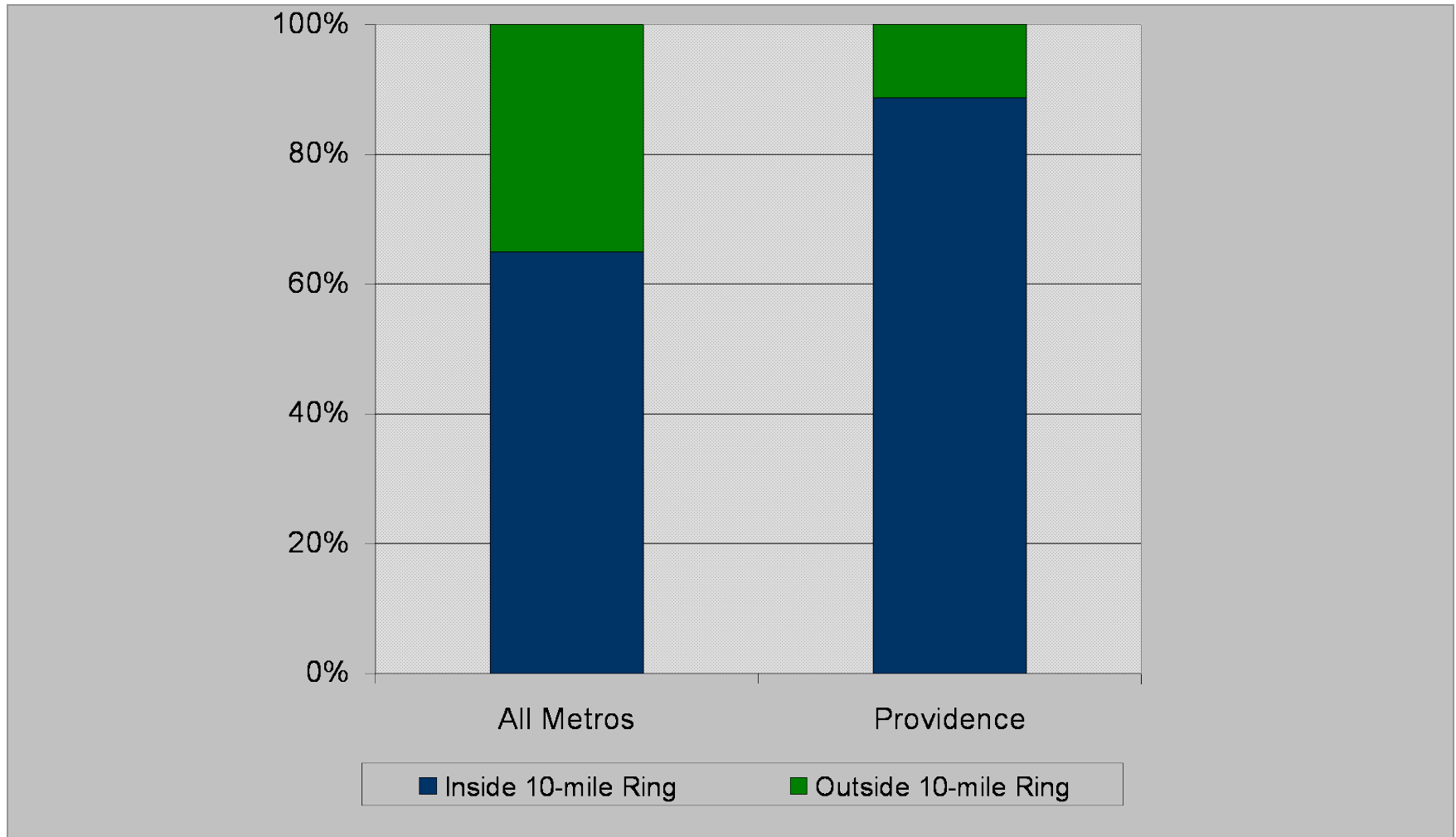


<sup>1</sup> Aggregated data for 114 large cities

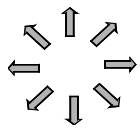


# Employment is Decentralizing

**While employment in Providence remains highly centralized**

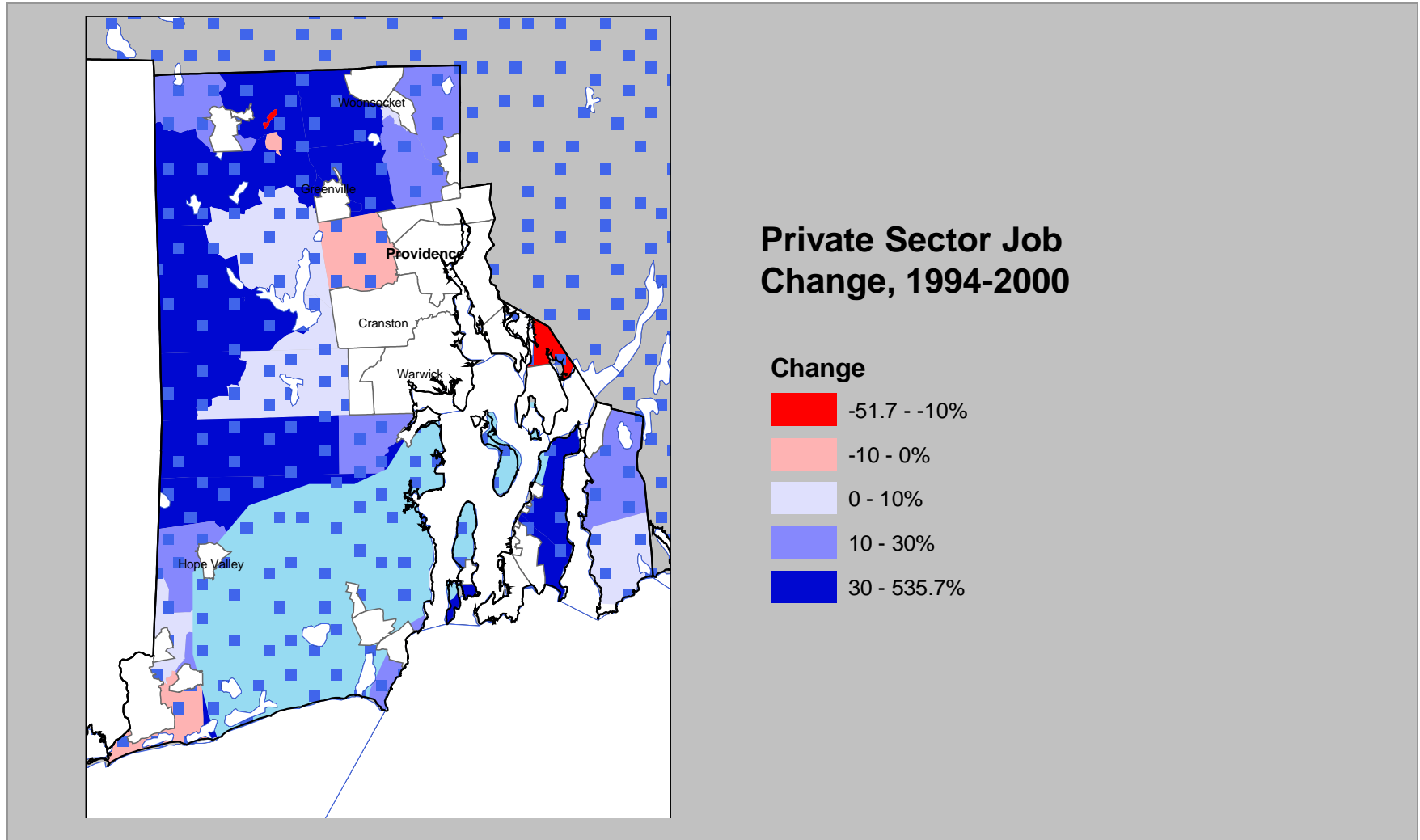


Source: Edward Glaeser. "Job Sprawl: Employment Location in U.S. Metropolitan Areas." Brookings, May 2001.



# Employment is Decentralizing

**Areas far from the core are seeing rapid job growth**



Source: U.S. Census Bureau Zip Code Business Patterns



## **II. What are the consequences of these trends?**



*Decentralization is Costly*

**Increases Costs on  
Communities & Taxpayers**





# **Decentralization Is Costly**

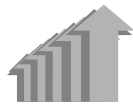
**Low density development imposes greater costs on state and localities.**

**Low density development increases demand for:**

- **New schools**
- **New roads**
- **New public facilities**
- **Sewer and water extensions**

**Low density development increases the costs of key services:**

- **Police**
- **Fire**
- **Emergency medical**



# Decentralization Is Costly

Dispersed development costs localities and taxpayers more.

## Dollar Costs of New Services\* Per 1000 New Residents for a Family of 4

Central City Counties	Development Pattern	Cost
Fayette	(more concentrated)	\$-0.62
Jefferson County	(more spread out)	\$37.55
<b>Suburban Counties</b>		
Shelby	(more concentrated)	\$88.27
Pendleton	(more spread out)	\$1222.39
<b>Counties With Small Towns</b>		
Warren	(more concentrated)	\$53.89
Pulaski	(more spread out)	\$239.93
<b>Outer Ring and Rural</b>		
Garrard	(more concentrated)	\$454.51
McCracken	(more spread out)	\$618.90

\*Services includes Police, Fire, Highway, Schools, Sewer, and Solid Waste

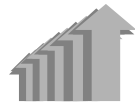




*Decentralization is Costly*

## **Develops Scarce Rural Land**





## **Decentralization Is Costly**

**The fringes of metropolitan areas are consuming excessive amounts of land**

- **In the state of Rhode Island, 33,100 acres of land were developed between 1982 and 1997**
- **Developed land increased by 19.7% while population grew by 3.4%.**
- **The state averaged nearly 1 acre for every new resident.**



*Decentralization is Costly*

# **Diminishes Economic Competitiveness & Quality of Life**



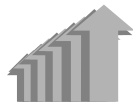


# **Decentralization Is Costly**

**Rhode Island's current pattern of growth is hurting competitiveness by eroding its quality of life**

## **Decentralization:**

- **Is weakening the downtown cores that attract and retain young workers and employers.**
- **Is reducing choice for different types of communities**
- **Threatens the state's best natural amenities and the tourism industry.**



# Decentralization Is Costly

Providence lags on key indicators of competitiveness such as creativity, talent, and jobs

<u>Regional Creativity Rank</u>		<u>2000 City Percent with B.A.</u>
San Francisco	1	45.0%
Boston	3	35.6%
San Deigo	3	35.0%
Seattle	5	47.2%
Raleigh-Durham	6	43.6%
Minneapolis-St. Paul	11	35.2%
Atlanta	14	34.6%
Denver	14	34.5%
<b>Providence</b>	<b>40</b>	<b>24.3%</b>

\*Out of 49 largest metropolitan areas



*Decentralization is Costly*

**Strains the Transportation  
System & Increases  
Travel Costs**



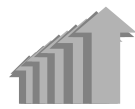


# **Decentralization Is Costly**

**Rhode Island's current pattern of growth is straining the state's transportation system and increasing travel costs.**

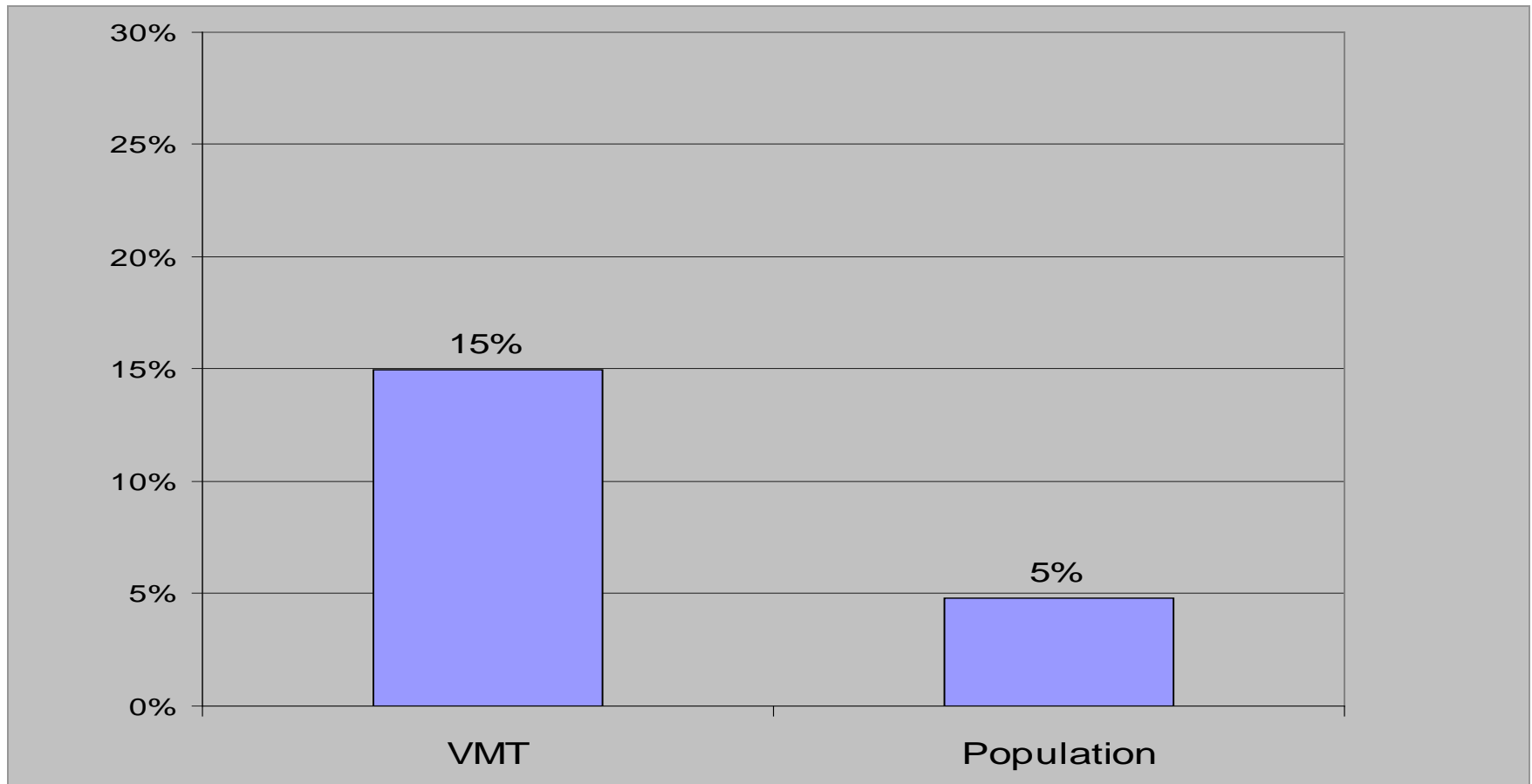
## **Decentralization:**

- **Widens the area that needs to be served by roads - and increases road building costs.**
- **Generates more driving miles adding to congestion.**
- **Adds to household costs.**
- **Deepens the state's road-maintenance crisis.**



# Decentralization Is Costly

**In the Providence region, VMT growth outpaced population growth during the 1990s.**





*Decentralization is Costly*

## **Isolates Low-income Residents & Minorities From Opportunities**





# **Decentralization Is Costly**

**Rhode Island's current pattern of growth is isolating low-income residents & minorities from opportunities.**

## **Decentralization:**

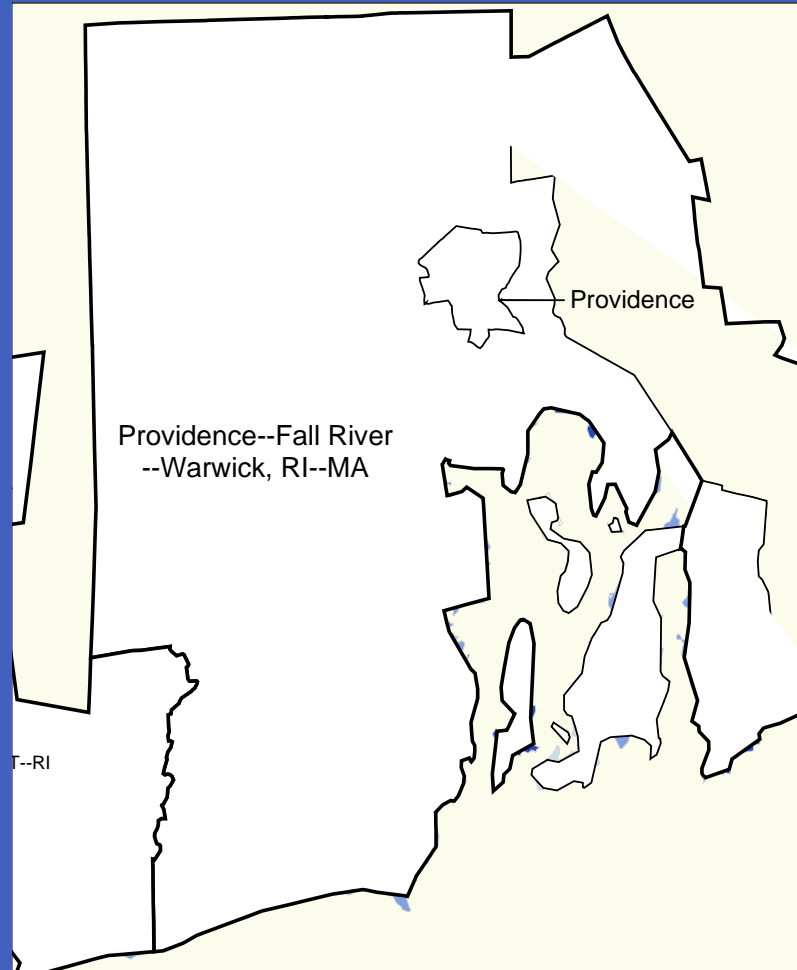
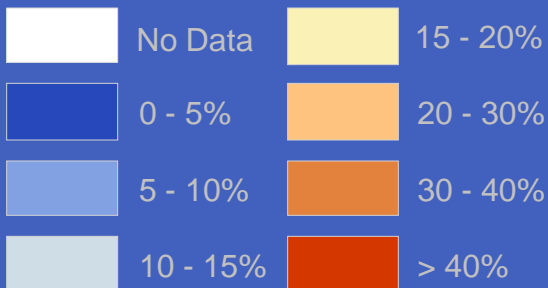
- **Exacerbates social isolation in the core.**
- **Reduces educational opportunities in cities and older suburbs.**
- **Distances poor people from job opportunities.**



# Decentralization Is Costly

Low-income families are clearly concentrated in the central city of Providence

Share of tax filers  
receiving the EITC,  
1999

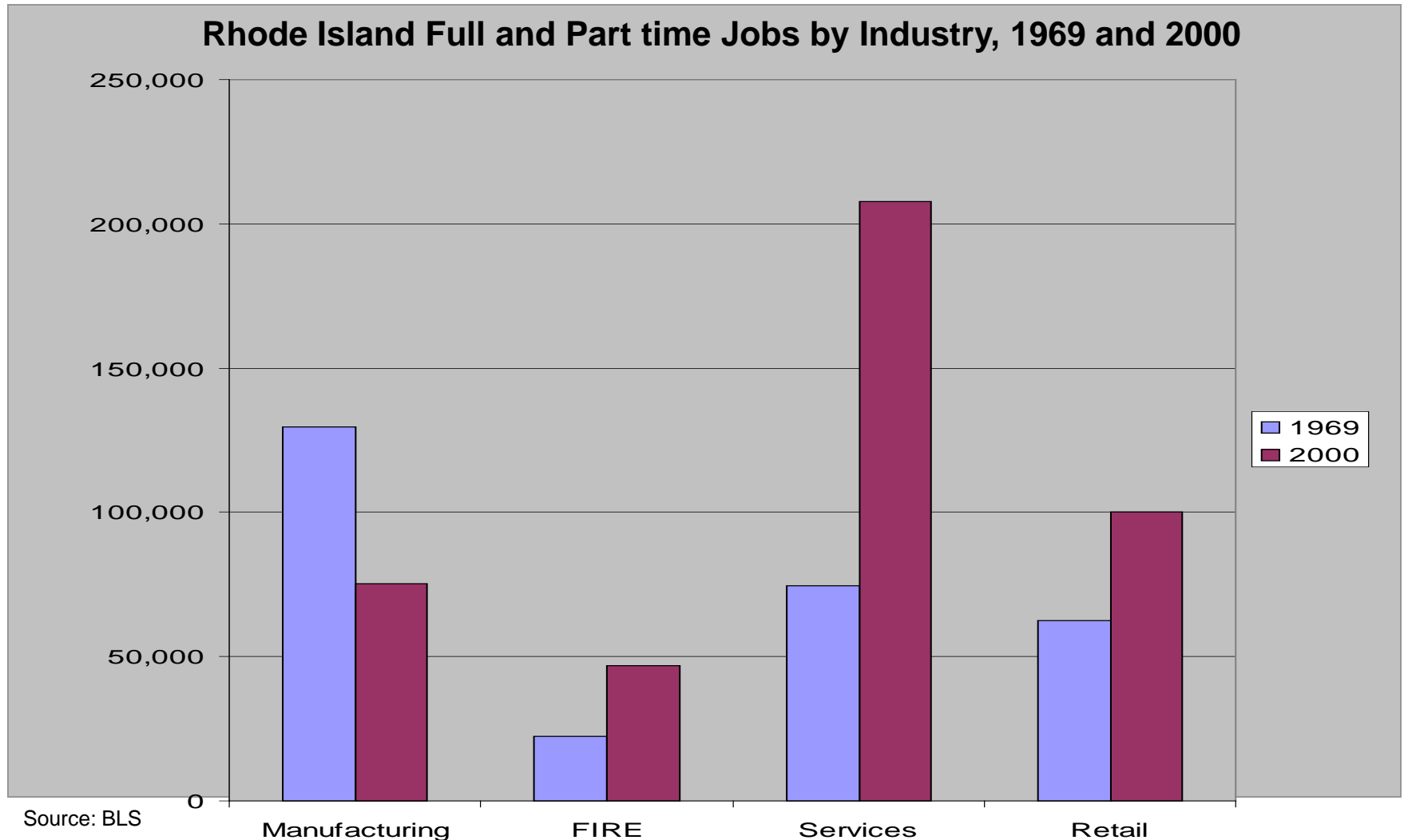




### **III. Why Is This Happening?**

# Why Is This Happening?

**Markets are restructuring, shifting from manufacturing to service and knowledge based economies.**



# Why Is This Happening?

**In many states, spending programs facilitate decentralization and concentrates poverty**

- **Transportation spending**
- **Other infrastructure spending**
- **Low-income Housing Tax Credits**
- **Community development programs**
- **Economic development incentives**

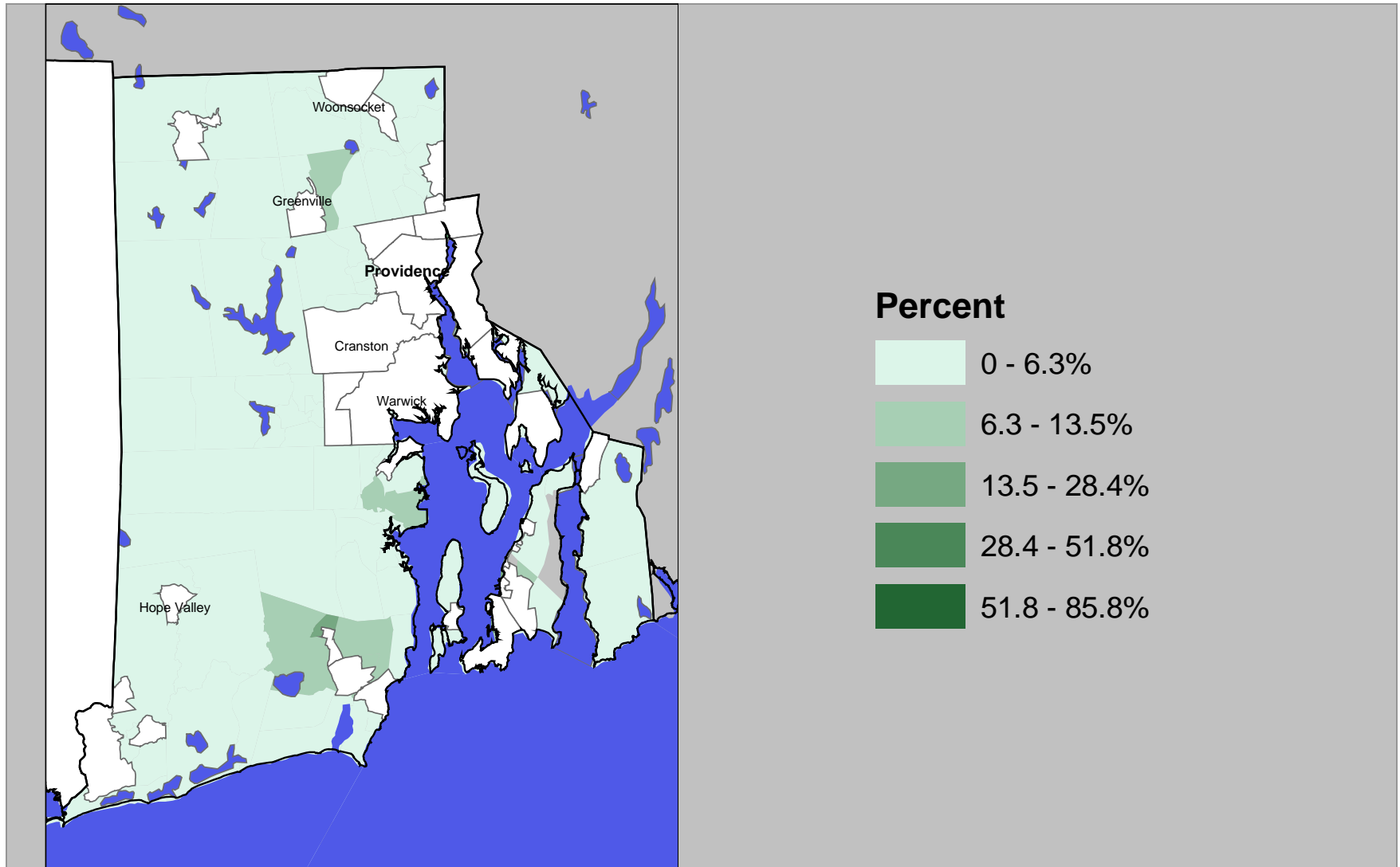
# Why Is This Happening?

**Other state policies also facilitate decentralization and drive fiscal disparities**

- **Local Reliance on Property Tax**
- **Disparities in School Finance**
- **Fragmented Governance**
- **Barriers to Urban Reinvestment**

# Why Is This Happening?

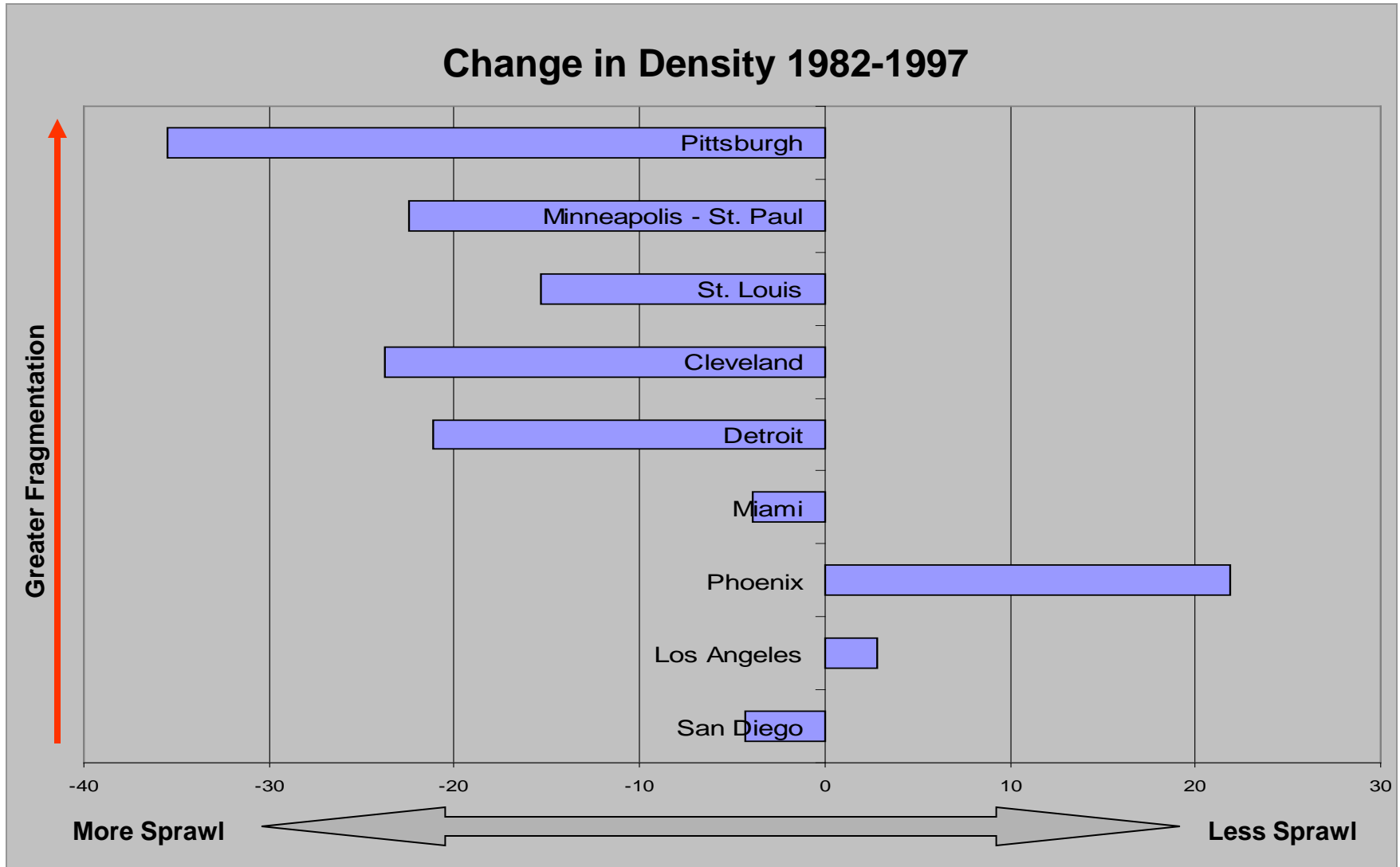
**Racial separation also contributes to decentralization**





# Why Is This Happening?

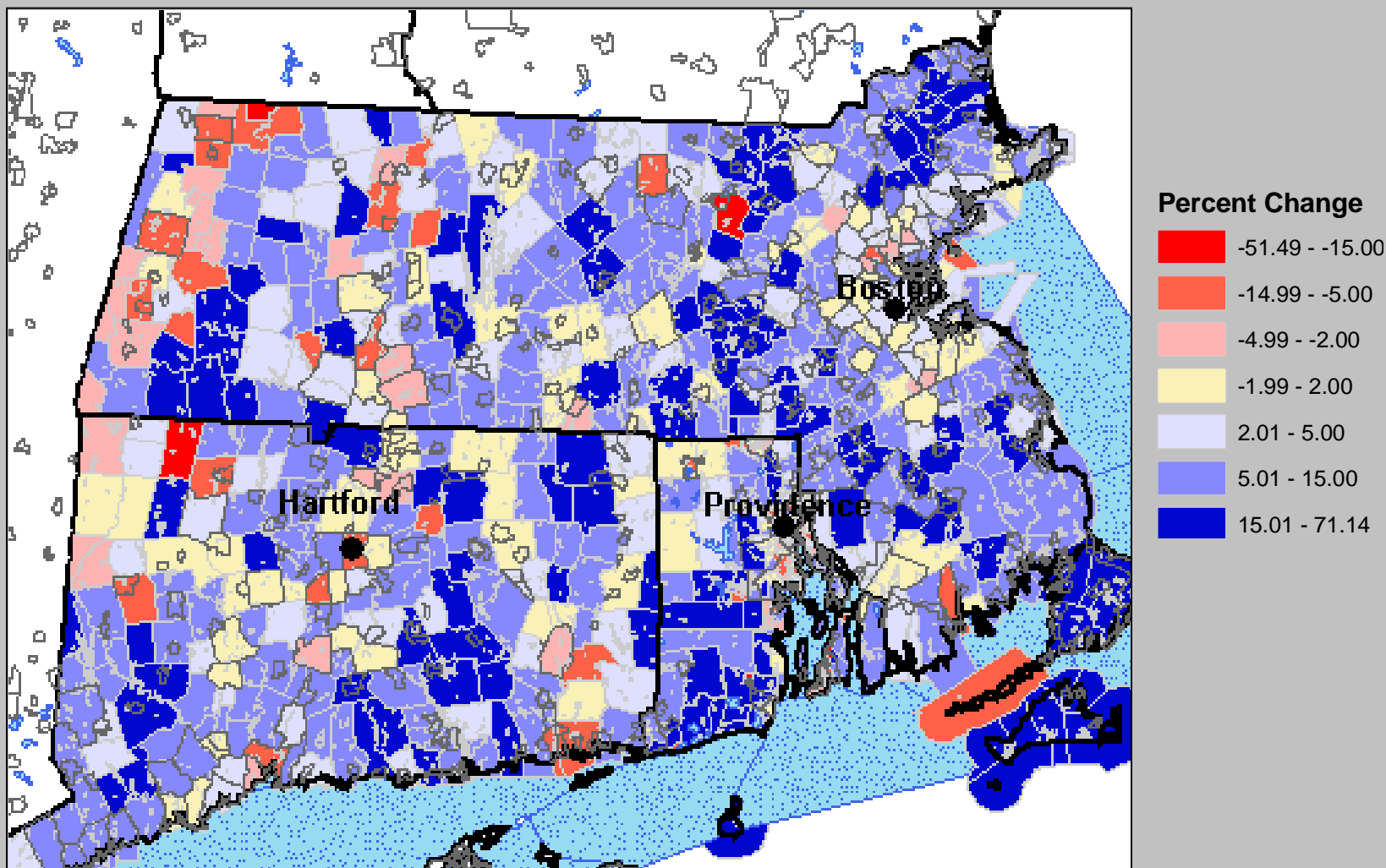
Political fragmentation correlates to greater sprawl.



Source: William Fulton, et. al. "Who Sprawls Most? How Growth Patterns Differ Across the U.S." Brookings, July 2001.

# Why Is This Happening?

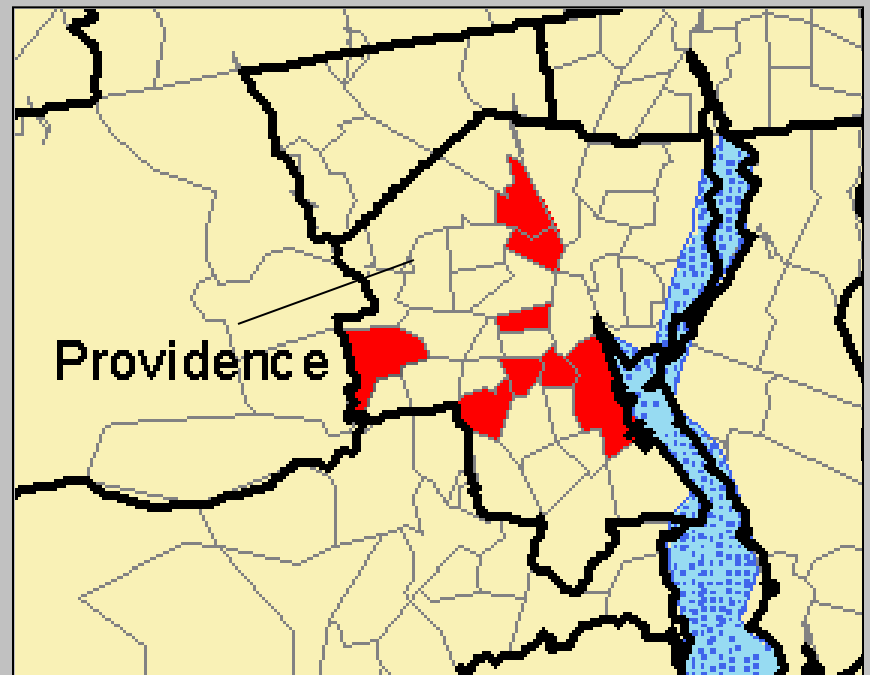
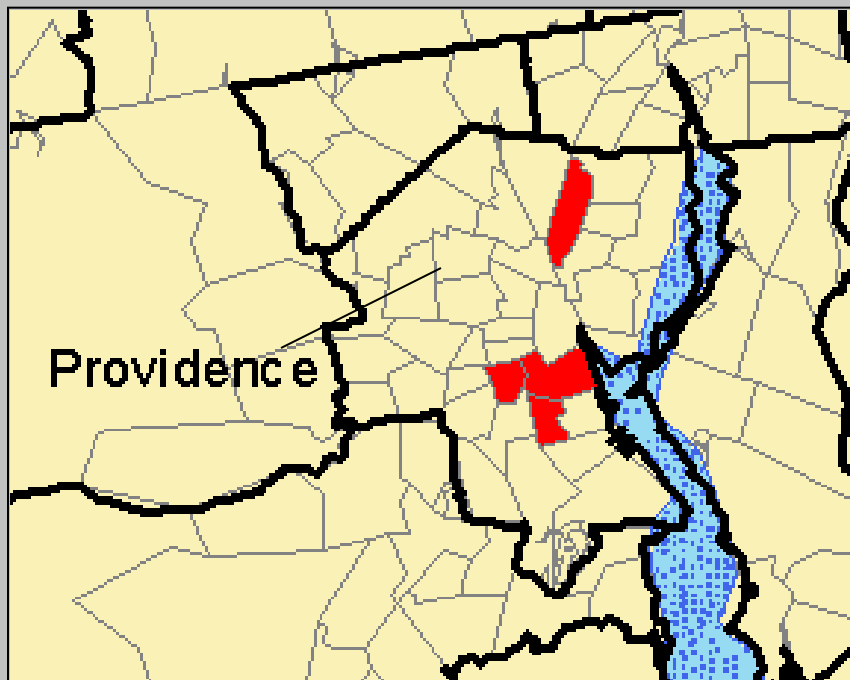
Broader population growth trends in Massachusetts and Connecticut are affecting Rhode Island



# Why Is This Happening?

In Providence, the number of Census Tracts with residents living in concentrated poverty doubled from 4 to 8 during the 1990s

Census Tracts with at 40% of Residents Living in Poverty  
1990 2000





## **IV. What do these trends mean for state policy?**

**Smart growth** involves efforts to change the governmental “*rules of the development game*” that facilitate sprawl and concentrate poverty.

**Smart growth** efforts are designed to slow decentralization, promote urban reinvestment, and enhance access to opportunity.

# The Smart Growth Agenda

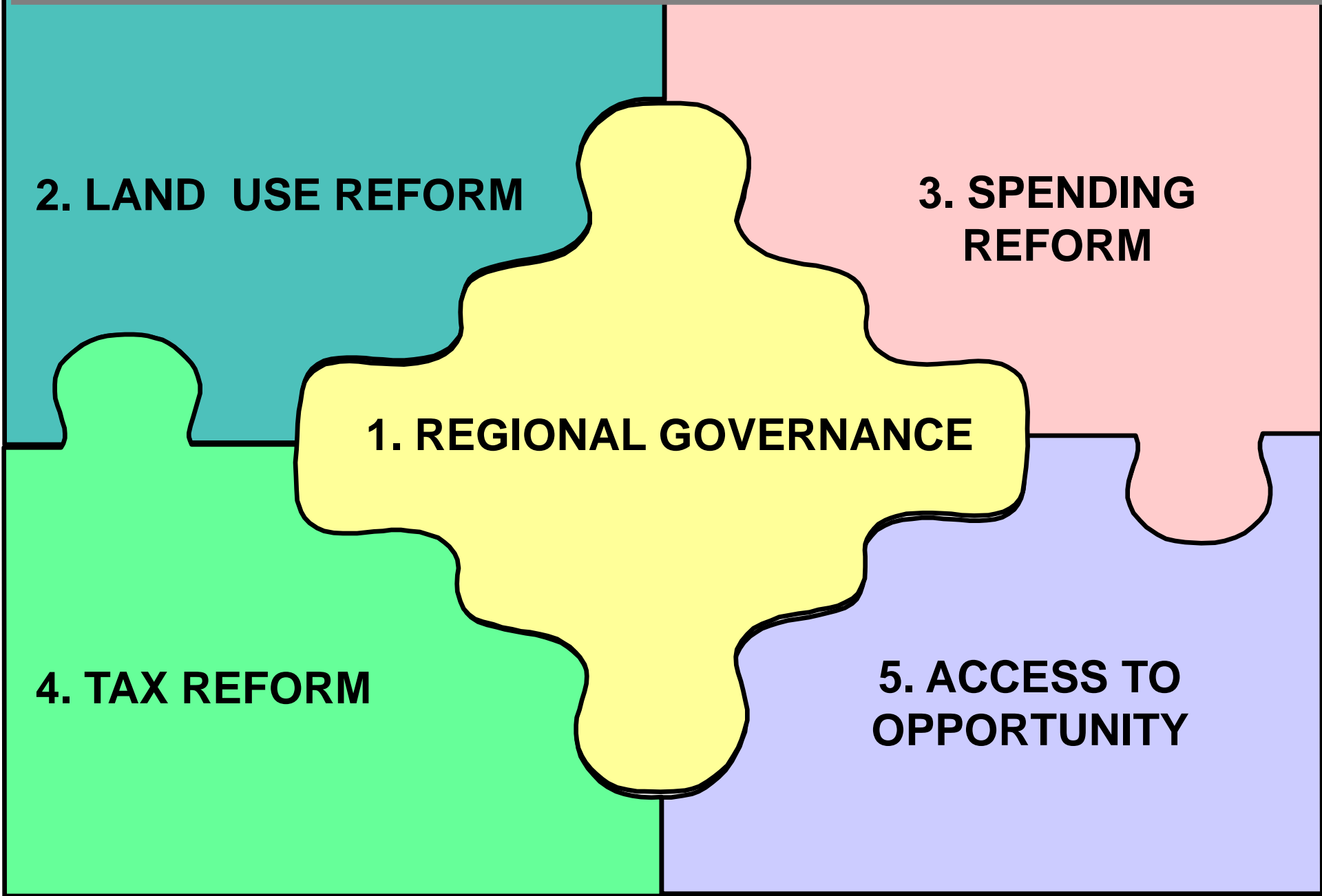
**2. LAND USE REFORM**

**3. SPENDING  
REFORM**

**1. REGIONAL GOVERNANCE**

**4. TAX REFORM**

**5. ACCESS TO  
OPPORTUNITY**



# **Smart Growth Reforms:** State Examples



# Regional Governance

## *Chesapeake Bay Program (1983)*

*EPA, MD, PA, VA, DC*

- **Multi-state / federal partnership seeks to improve Chesapeake Bay water quality and living resources.**
- **\$16.2 million budget funds research, education, habitat restoration, and pollution remediation activities in 64,000 square mile watershed impacted by 15 million residents.**
- **Voluntary consensus driven process seeks Bay improvements by setting goals and measuring achievements.**





# Land Use Reform: Preservation

## *Issue #1 - Clean Ohio Fund (2000)*

- **Voters authorized \$200 million in general obligation bonds for the conservation and preservation of natural areas, open space, and farmlands**
- **\$200 million in revenue bonds to remediate urban brownfields and promote economic development**



# Land Use Reform: Growth Management

## *Senate Bill 100 Oregon Growth Boundaries (1973)*

- Limits the location of new development and directs infrastructure investments to areas inside regional urban growth boundaries.
- Protects areas outside the boundaries including natural resources and farmland from development.
- Boundaries, adjusted every 5 years, are large enough to accommodate 20 years of anticipated growth.

# Spending Reform

## *Maryland Smart Growth and Neighborhood Conservation Act of 1997*

- **Targets major state funding (e.g. transportation, housing, state facilities) to Priority Funding Areas**
- **Priority Funding Areas include municipalities, inner beltway areas, enterprise zones, industrial areas and new planned growth areas**

# Tax Reform

## *Minnesota Fiscal Disparities Law*

- **Allocates 40% of the growth in property tax revenues from commercial industrial development to a metropolitan tax base pool**
- **Funds in the pool are redistributed to communities based on their commercial tax capacity**
- **While the law has narrowed fiscal disparities, growing suburbs continue to have 25 to 30 percent more tax base per household than central cities and inner suburbs**



# **Access to Opportunity**

## ***California Tax Credit Allocation Committee***

- **Approximately \$450 million per year is awarded in federal and state tax credits to assist in the construction and rehabilitation of affordable rental housing**
- **Priority is given to properties located within close proximity of transit corridors, parks, recreational facilities, retailers, grocery stores, schools and senior centers**

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