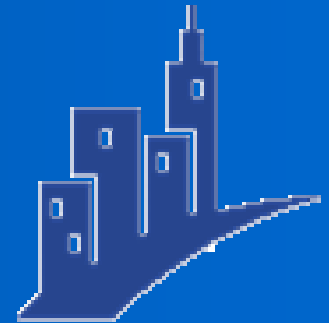


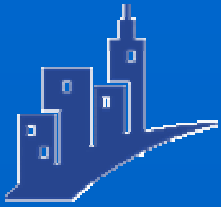
The Brookings Institution

Metropolitan Policy Program
Bruce Katz, Director



Neighborhoods of Choice and Connection

Presentation to the Welsh Assembly
February 2, 2005



Nighborhoods of Choice and Connection

I

What are neighborhoods of deprivation in the United States?

II

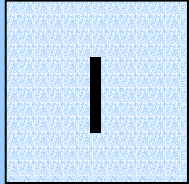
What are the impacts of these neighborhoods?

III

What strategies have been pursued in the U.S. to address areas of deprivation?

IV

Where should U.S. and British policy go from here?



What are neighborhoods of deprivation in the United States?

Defined by concentration of poverty

Substantial, but declining over the past decade

Vary across and within metropolitan areas

Vary across racial and ethnic groups



Concentrated poverty has emerged as the standard indicator for areas of deprivation

→ A federally established poverty standard allows for **uniform measurement** across the nation

→ There is strong evidence in the United States that the **clustering of poor families in neighborhoods** has negative effects



Poverty is defined by the federal government as those individuals and households living below a certain income threshold

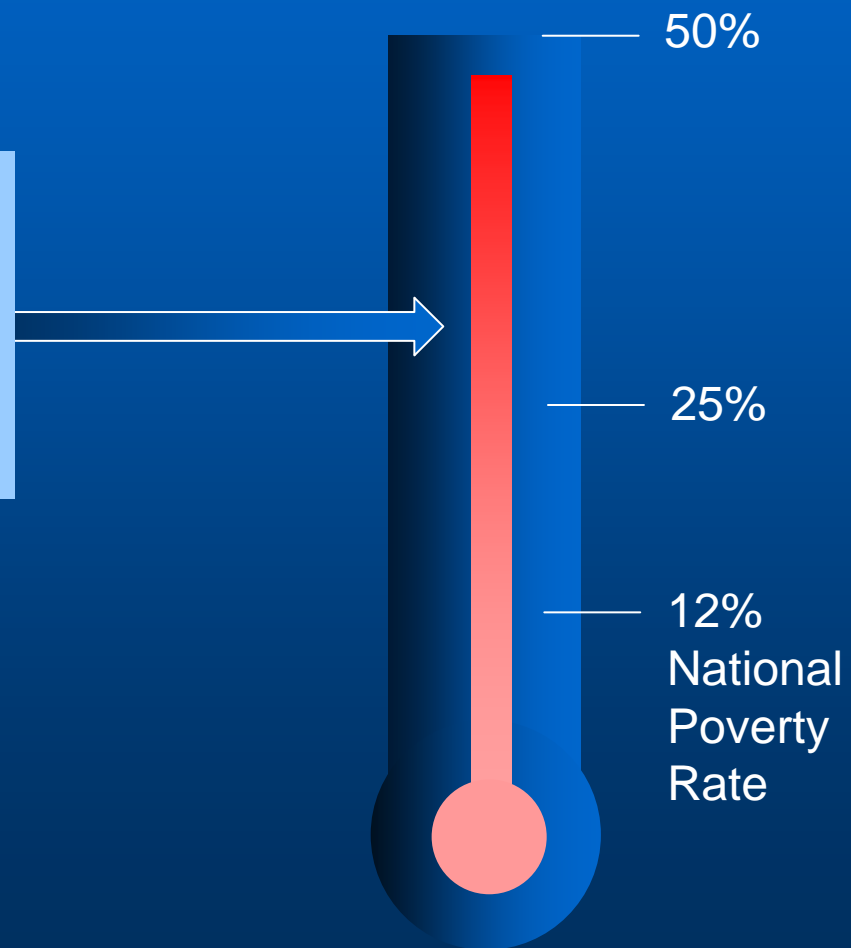
→ The 2000 federal poverty standard for a family of four was **\$17,463**, roughly £9,615

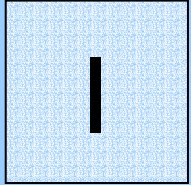
→ To compare, median household income in 2000 was **\$41,994**, roughly £23,120



A high-poverty neighborhood is a census tract with an exceedingly high poverty rate

High-poverty neighborhoods will be defined here as those neighborhoods with a poverty rate greater than 30 percent





What are neighborhoods of deprivation in the United States?

Defined by concentration of poverty

Substantial, but declining over the past decade

Vary across and within metropolitan areas

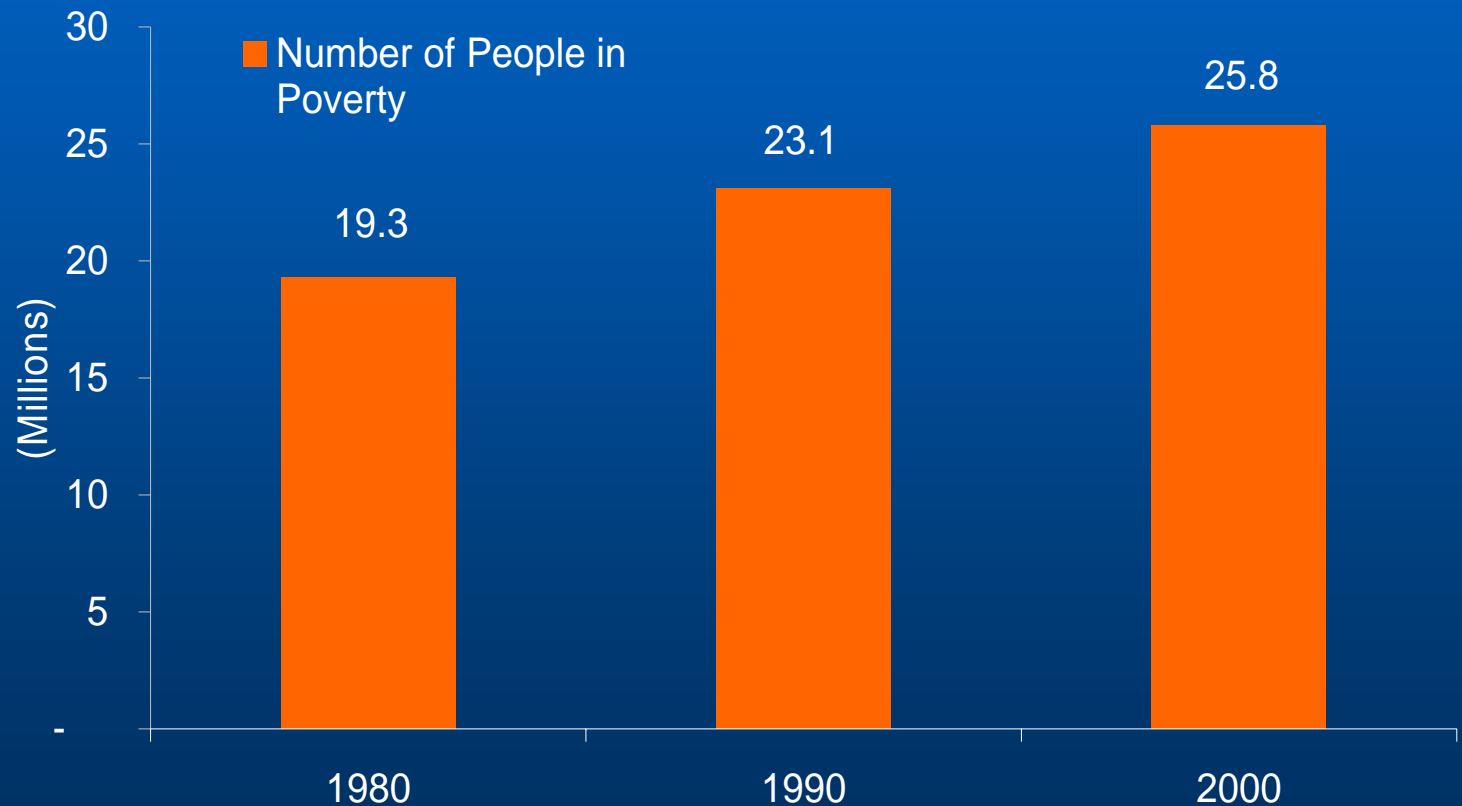
Vary across racial and ethnic groups



The number of poor people in U.S. metropolitan areas is large and has been increasing for the past two decades

Number of poor residents (US Metropolitan Areas), 1980-2000

Source:
"Concentrated Poverty: A Change in Course,"
Kingsley and Pettit,
2003

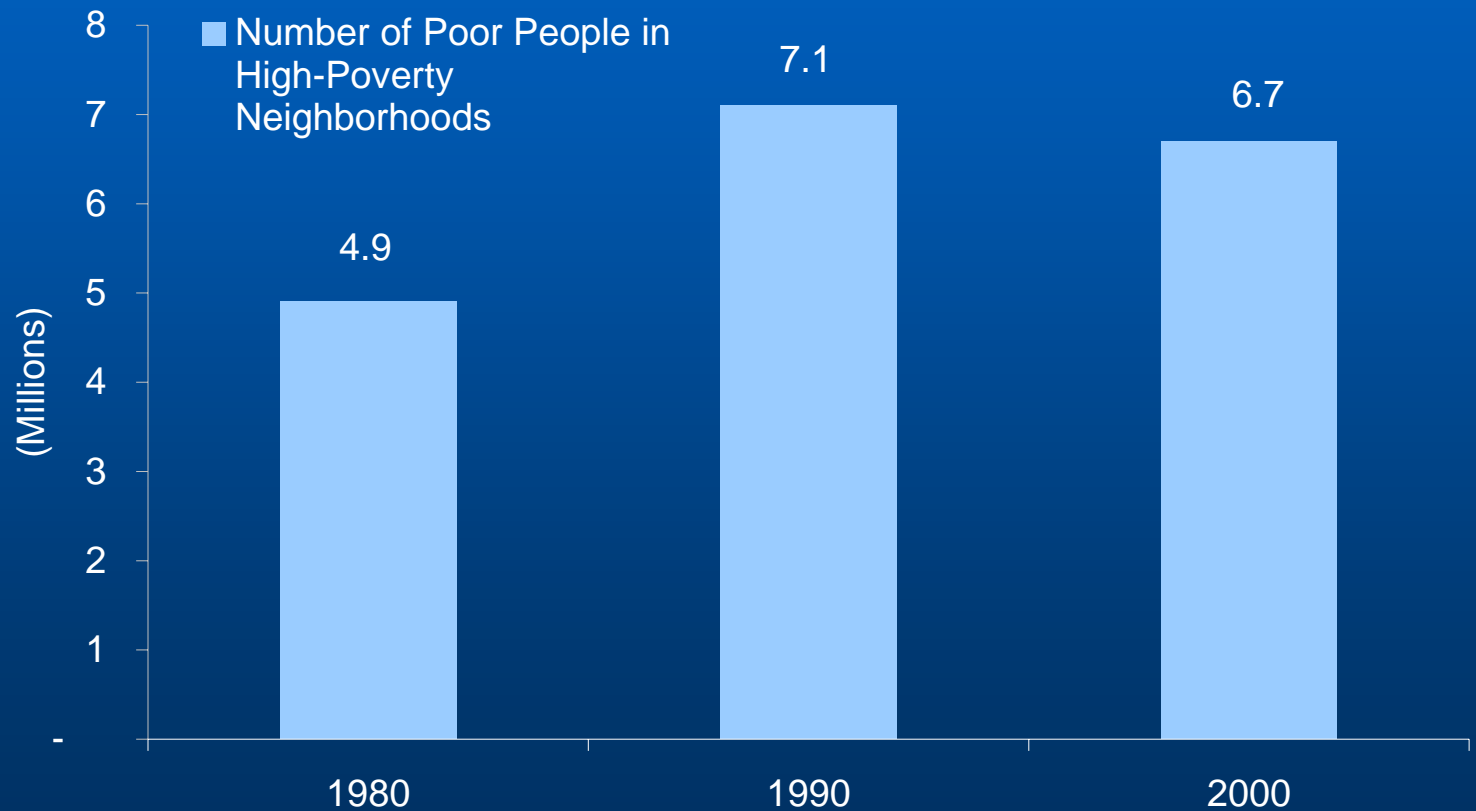




By contrast, the number of poor people living in high-poverty neighborhoods declined slightly in the 1990s

Number of poor residents in high-poverty neighborhoods (US Metropolitan Areas), 1980-2000

Source:
"Concentrated Poverty:
A Change in Course,"
Kingsley and Pettit,
2003

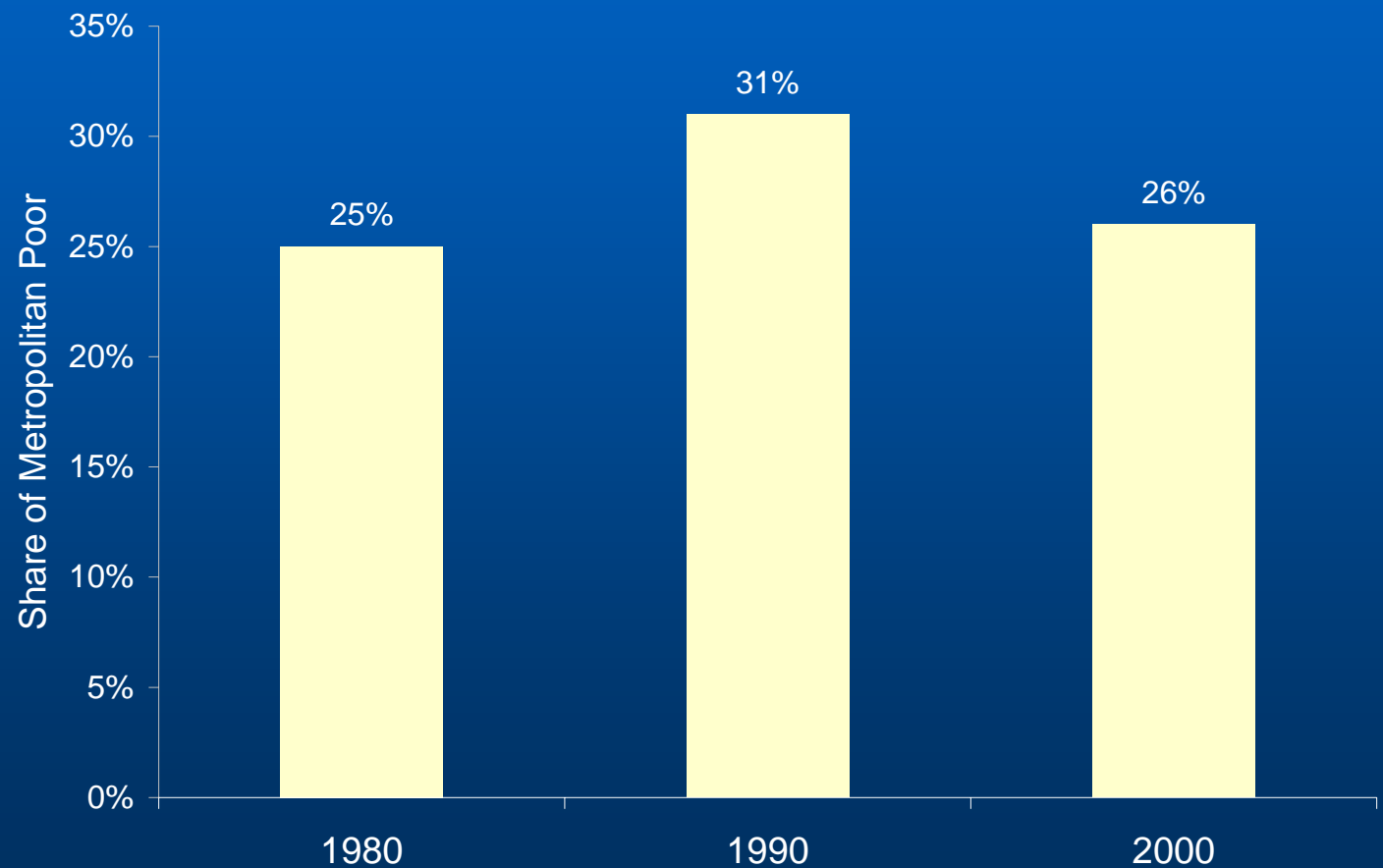


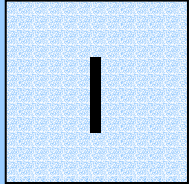


As a result, the share of metropolitan poor living in high-poverty neighborhoods declined in the 1990s

Concentrated
Poverty (US
Metropolitan Areas),
1980-2000

Source:
"Concentrated Poverty: A
Change in Course,"
Kingsley and Pettit, 2003





What are neighborhoods of deprivation in the United States?

Defined by concentration of poverty

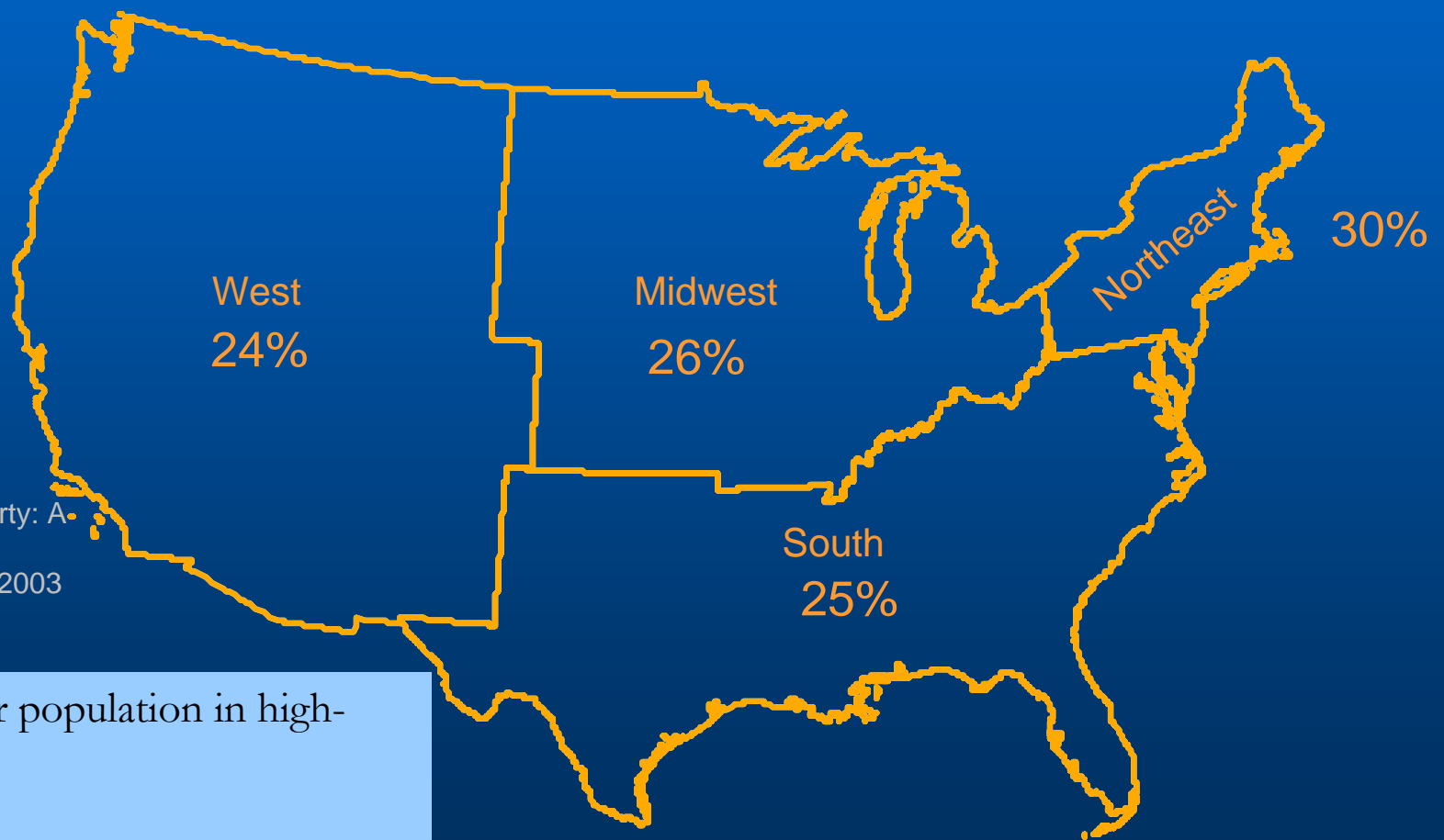
Substantial, but declining over the past decade

Vary across and within metropolitan areas

Vary across racial and ethnic groups



Concentrated poverty varies significantly with respect to region

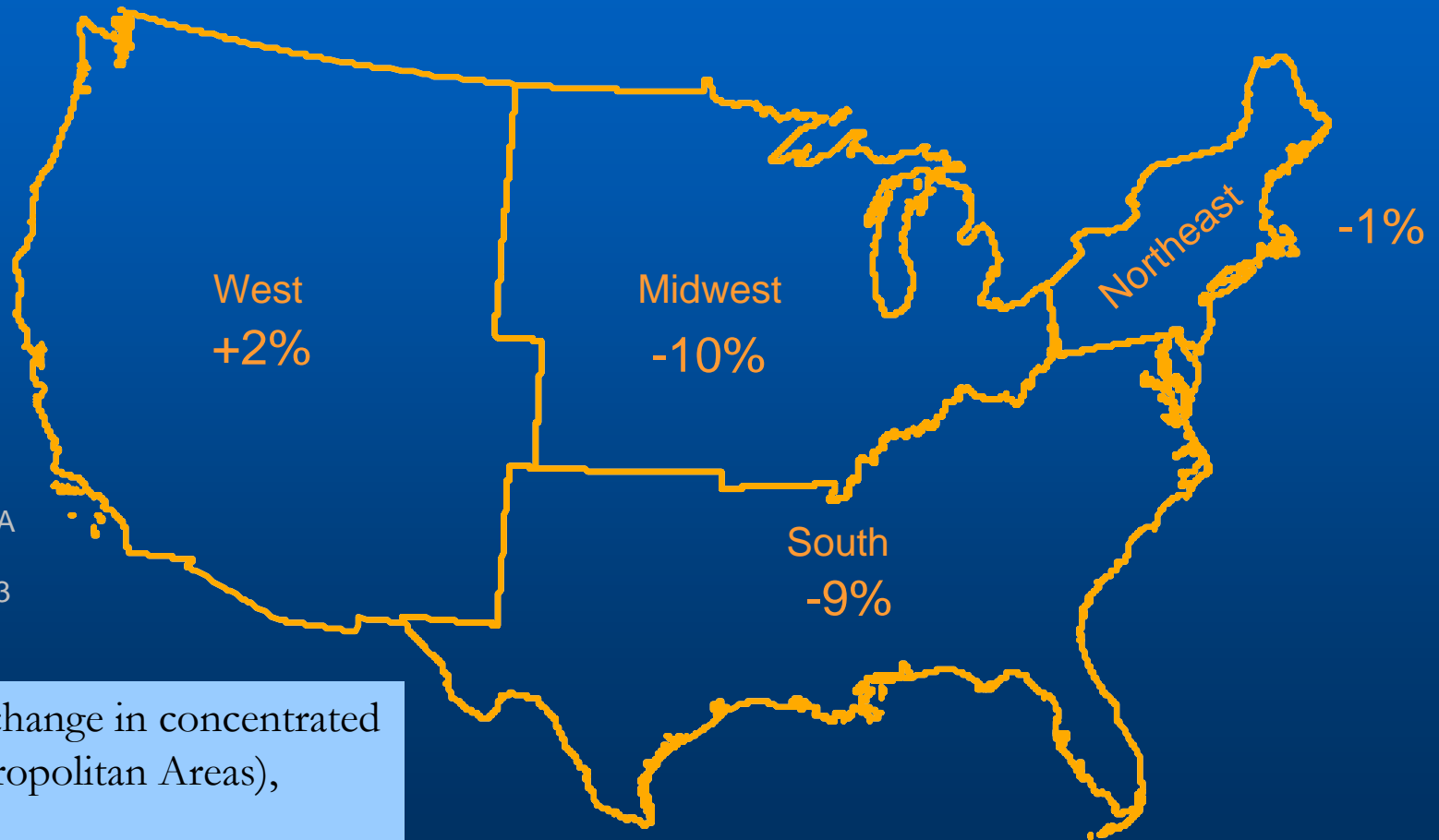


Source:
"Concentrated Poverty: A
Change in Course,"
Kingsley and Pettit, 2003

Percent of poor population in high-poverty tracts, 2000



The rate of change in concentrated poverty also varies significantly across regions



Source:
"Concentrated Poverty: A
Change in Course,"
Kingsley and Pettit, 2003

Percentage point change in concentrated
poverty (U.S. Metropolitan Areas),
1990-2000

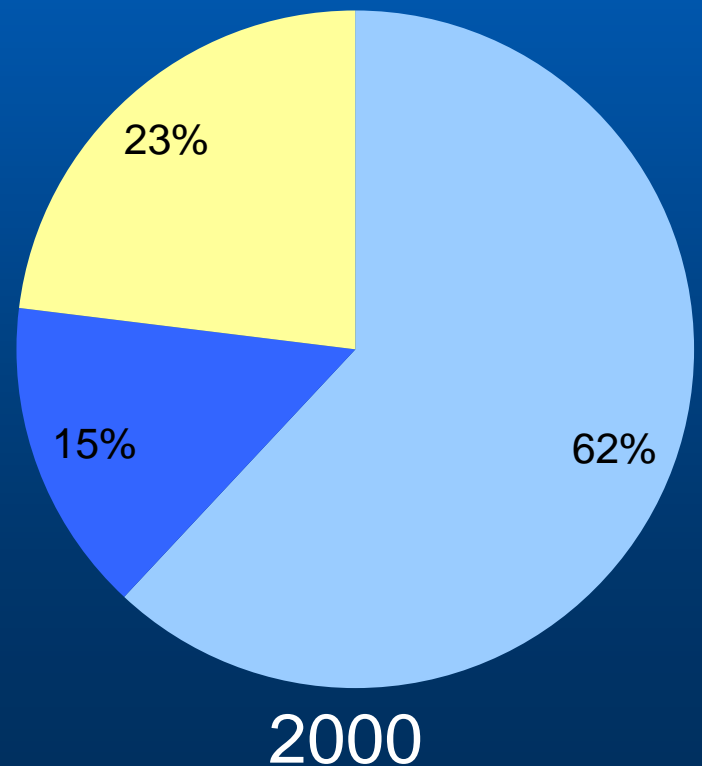
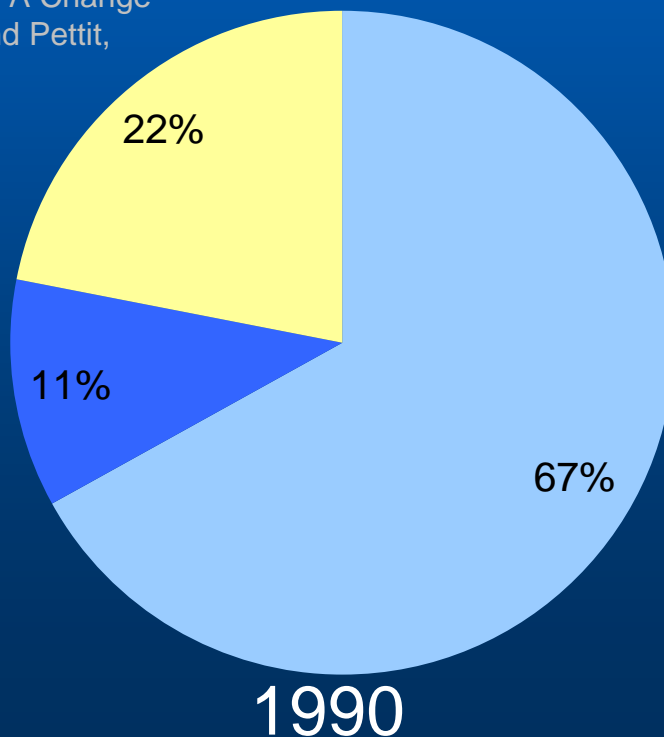


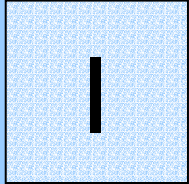
Within metropolitan areas, high-poverty neighborhoods are mostly located within the largest central cities

High-Poverty tracts by location (U.S. Metropolitan Areas), 1990-2000

Source:
"Concentrated Poverty: A Change in Course," Kingsley and Pettit, 2003

- Central Cities, 100 largest metros
- Suburbs, 100 largest metros
- All other metros





What are neighborhoods of deprivation in the United States?

Defined by concentration of poverty

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Vary across and within metropolitan areas

Vary across racial and ethnic groups

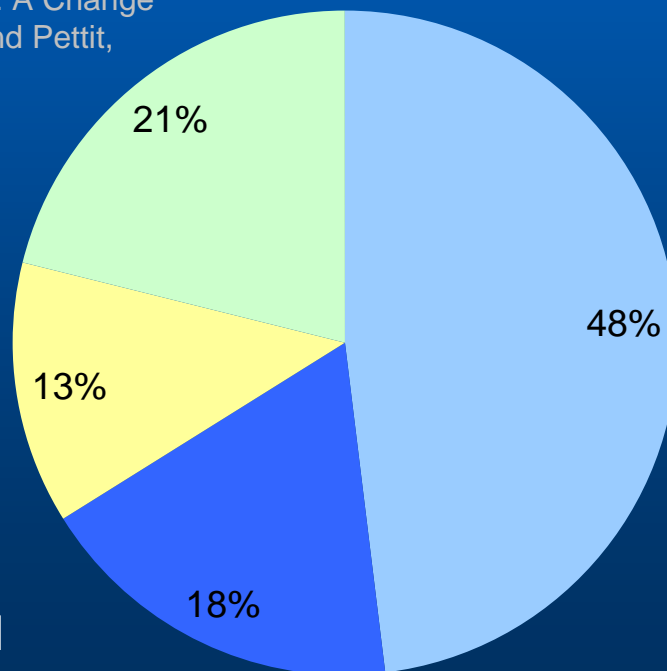


High-poverty neighborhoods that are predominantly African-American have declined, while similar Hispanic neighborhoods are on the rise

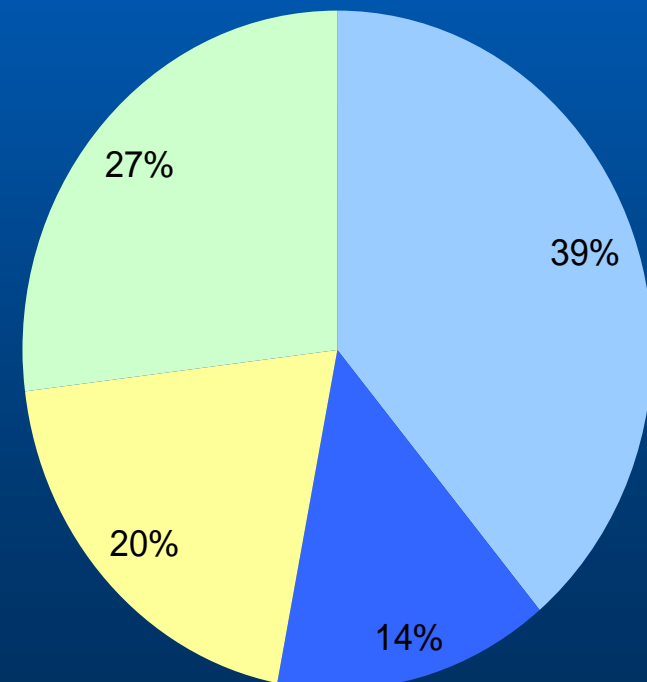
High-Poverty tracts by predominant race/ethnicity (U.S. Metropolitan Areas), 1990-2000

Source:
"Concentrated Poverty: A Change
in Course," Kingsley and Pettit,
2003

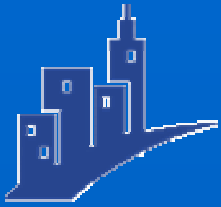
■ Black
■ White
■ Hispanic
■ Other/Mixed



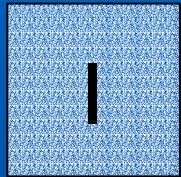
1990



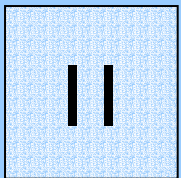
2000



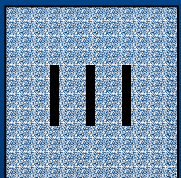
Neighborhoods of Choice and Connection



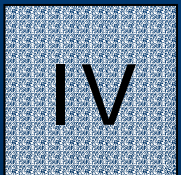
What are neighborhoods of deprivation in the United States?



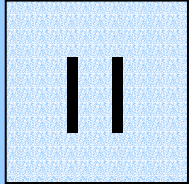
What are the impacts of these neighborhoods?



What strategies have been pursued in the U.S. to address areas of deprivation?



Where should U.S. and British policy go from here?



What are the impacts of these neighborhoods?

Job Access

Child Education

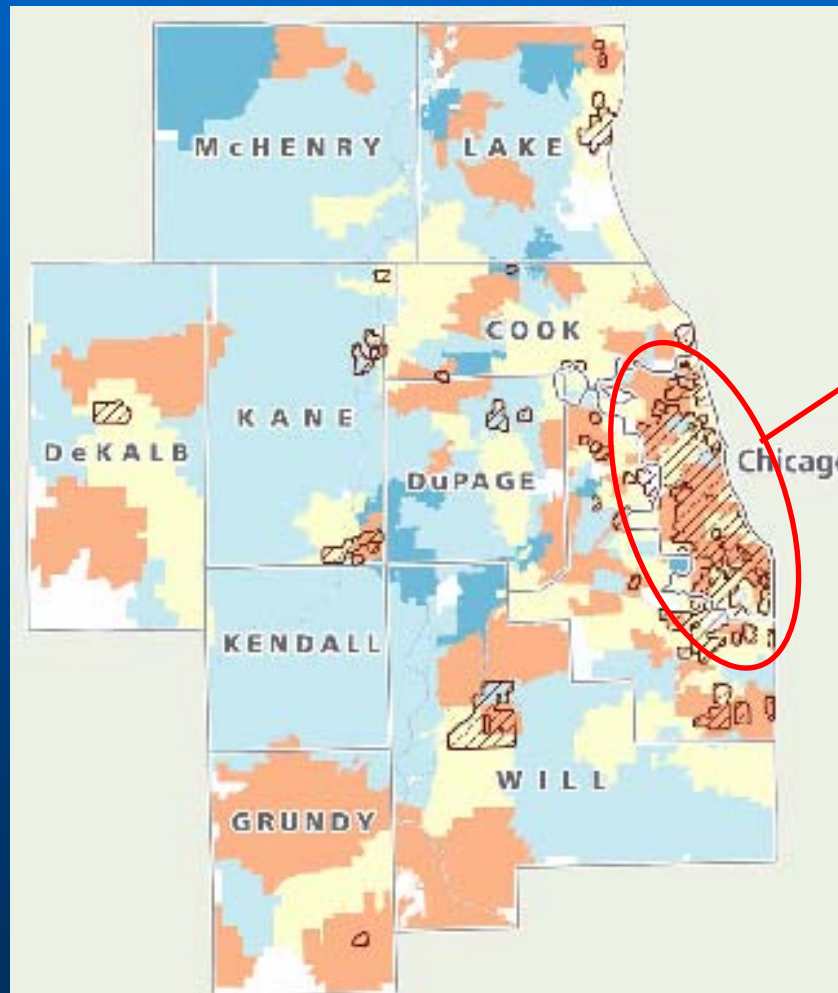
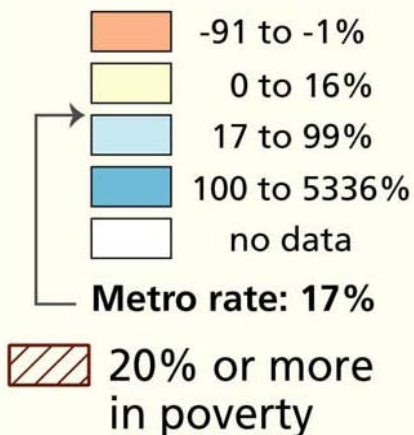
Individual Health

Neighborhood Vitality

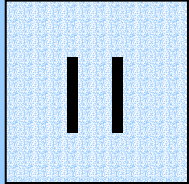


In the Chicago metro area, a spatial mismatch exists between higher poverty neighborhoods and areas of high job growth

Percent growth in jobs
1994-2001, poverty
rates by census block
group, 2000



Job losses are
high where jobs
are most needed



What are the impacts of these neighborhoods?

Job Access

Child Education

Individual Health

Neighborhood Vitality



In Miami, neighborhoods of high poverty are also neighborhoods of high-poverty schools

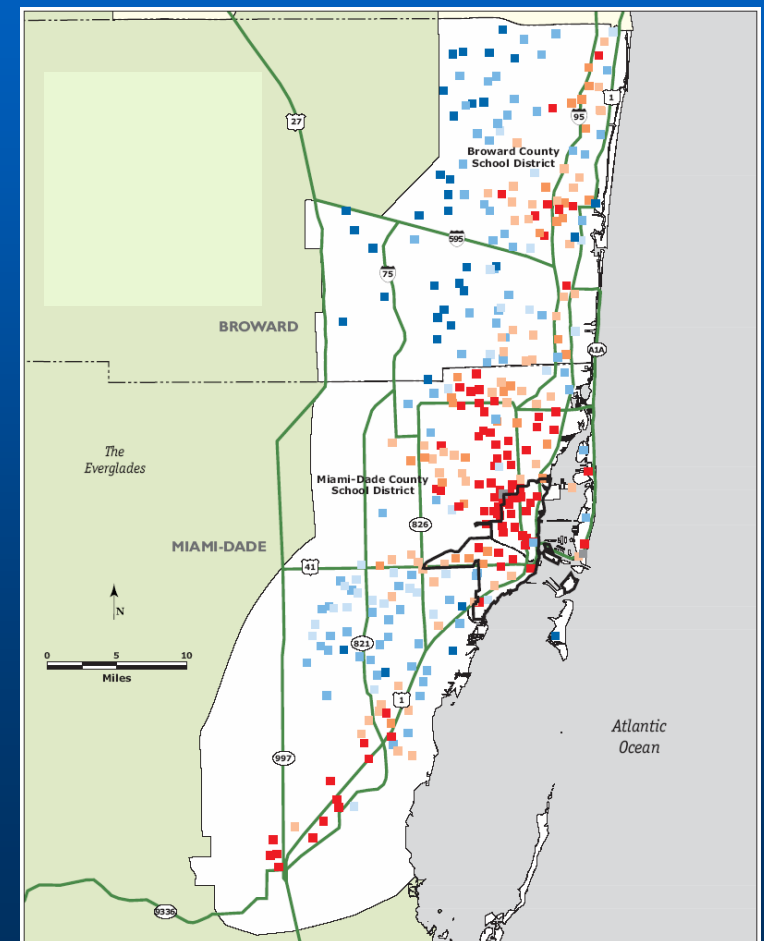
Percentage of students eligible for free lunch by school (Miami), 1997

Source:
Metropolitan Area
Research Corporation

Legend

Regional Value: 51.9%

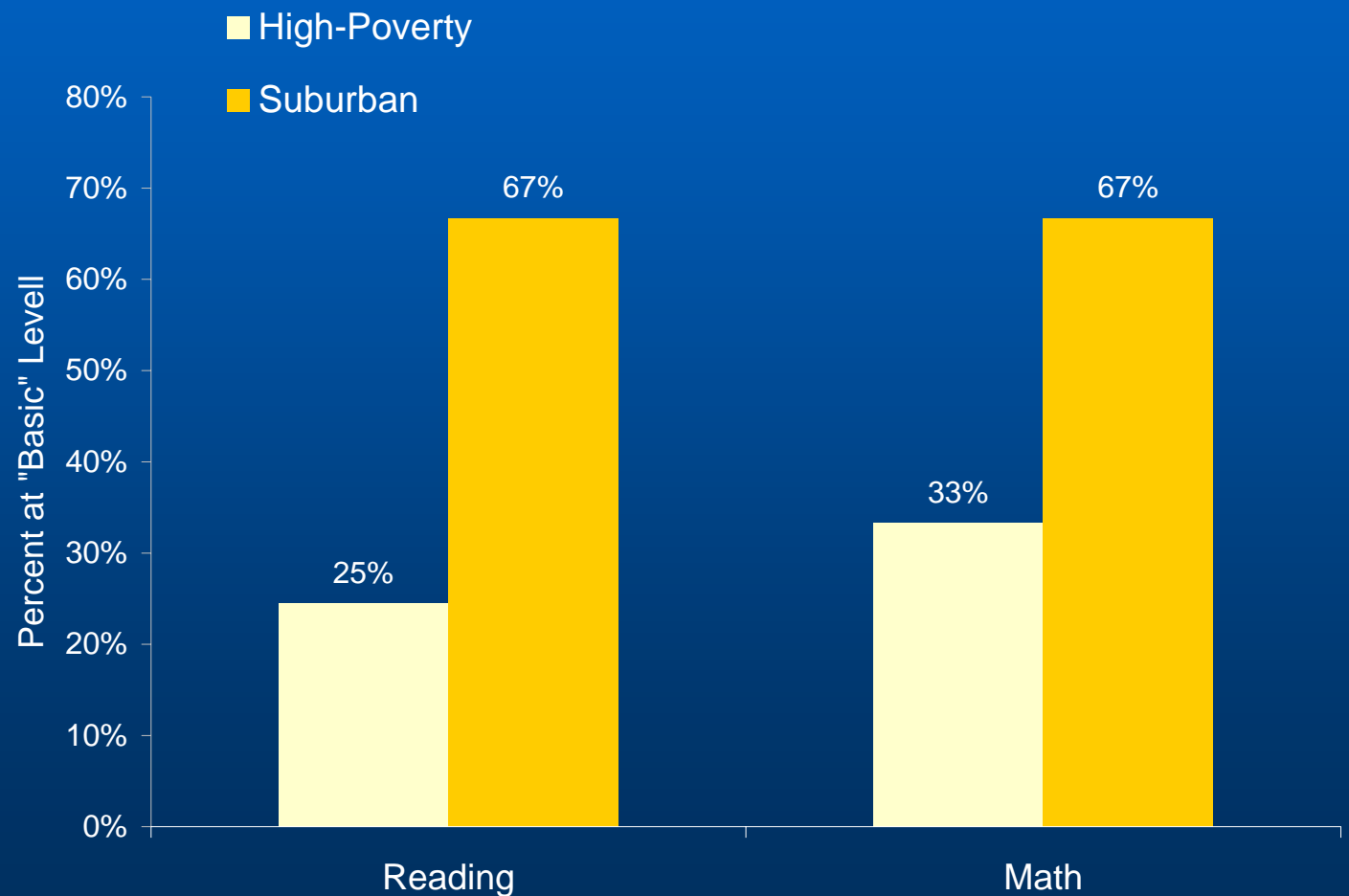
■	0.0	to	14.2%
■	15.4	to	38.2%
■	40.6	to	51.1%
■	51.9	to	67.6%
■	68.7	to	77.2%
■	78.4	to	95.0%
■	No data		

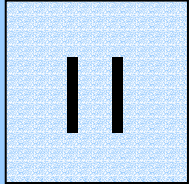




Research has shown that children from high-poverty neighborhoods are at greater risk for school failure than their suburban counterparts

Educational achievement rates, fourth grade students





What are the impacts of these neighborhoods?

Job Access

Child Education

Individual Health

Neighborhood Vitality



Evidence is mounting that living in high-poverty neighborhoods has negative health implications

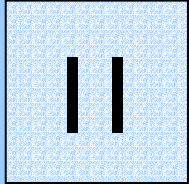
↑↑ Asthma

↑↑ Diabetes

↑↑ Obesity

↑↑ Heart Ailments

↑↑ Cancer



What are the impacts of these neighborhoods?

Job Access

Child Education

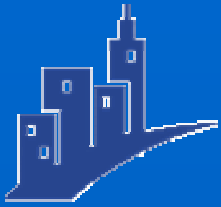
Individual Health

Neighborhood Vitality

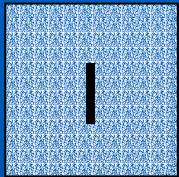


Concentrated poverty also affects the broader economic life and fiscal capacity of central cities

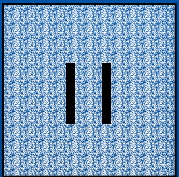




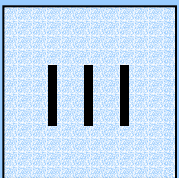
Neighborhoods of Choice and Connection



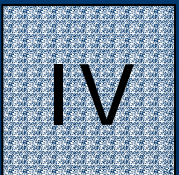
What are neighborhoods of deprivation in the United States?



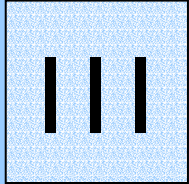
What are the impacts of these neighborhoods?



What strategies have been pursued in the U.S. to address areas of deprivation?



Where should U.S. and British policy go from here?



What strategies have been pursued in the U.S. to address areas of deprivation?


Improving the neighborhood (Place)

Expanding opportunity (People)

Transforming the neighborhood (People and Place)



Neighborhood improvement is the dominant strategy among neighborhood policies




Seeks to improve housing stock and expand economic activity in neighborhoods

Gives community institutions a central role in planning and implementation


Generally takes concentrated poverty as a given



Neighborhood improvement relies on a wide range of housing policies



Mandates on banks to meet **credit needs** of deprived communities



Federal block grants to states and cities to acquire, build or renovate affordable housing



Federal **Low Income Housing Tax Credits** to stimulate affordable housing production



Federal investments in **community capacity**



Neighborhood improvement has made impressive gains

- 1 million units of low income housing tax credit units
- Broad network of community development corporations throughout the country
- Evidence on appreciating property values and catalyzed market investment

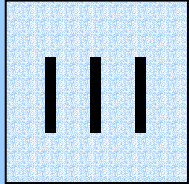


Neighborhood improvement suffers from limits of scale and perspective

Scale:

- Housing investment too small
- Neighborhood the wrong geography

Perspective: Neighborhood revitalization alone does not alleviate poverty



What strategies have been pursued in the U.S. to address areas of deprivation?


Improving the neighborhood (Place)

Expanding opportunity (People)

Transforming the neighborhood (People and Place)



The opportunity strategy invests in people rather than places



Gives residents greater access to quality jobs and good schools

Looks beyond the neighborhood for the geography of opportunity

Focuses on moving people to better neighborhoods or linking them to possibilities



The opportunity strategy principally relies on housing vouchers

→ Housing vouchers in place since 1974

→ Vouchers pay the difference between 30 percent of a recipient's income and the rent of a moderately priced apartment

→ Now 2.1 million households are served by vouchers



Housing vouchers are a proven success

- Allow residents to decide where to live
- Has shown improvements in health, educational achievement and employment
- Has shown reductions in juvenile delinquency and school dropouts

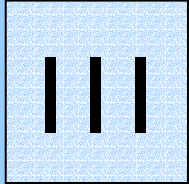


The potential of vouchers is limited by several factors

→ Racism and exclusionary zoning limits housing choices of African-Americans and Hispanics

→ Voucher administration is parochial while housing markets are metropolitan

→ There are fewer supportive services and social networks in the suburbs



What strategies have been pursued in the U.S. to address areas of deprivation?


Improving the neighborhood (Place)

Expanding opportunity (People)

Transforming the neighborhood (People and Place)



Neighborhood transformation is the most recent strategy



Aims to create economically integrated neighborhoods as well as increase opportunity for low-income residents

Has place based components: housing redevelopment, school reform

Has people based elements: linkages to opportunity



Neighborhood transformation is best exemplified by “HOPE VI”

→ 10 year, \$5 billion effort to tear down and replace the worst public housing

→ 165 revitalization grants awarded

→ 15 developments completed and fully occupied

→ Housing vouchers given to relocating tenants

→ Support services given to returning tenants

Neighborhood Transformation: Murphy Park of St. Louis, Missouri



Murphy Park replaced the Vaughn Public Housing Project on the North side of St. Louis

Vaughn High Rises

- Four nine-story buildings
- 656 units
- Typical of 1950s-era, urban renewal public housing towers



George L. Vaughn High Rises, 1995



Under the direction of Richard Baron, the community has been transformed into a less dense, more dignified and safer neighborhood

Murphy Park Development

- Townhouses, garden apartments and single-family homes
- 413 units
- “New Urbanist” design and “defensible space” technique



Murphy Park, Today



The developers have been successful at attracting a much more economically integrated community

Income
distribution or
residents
(Murphy Park),
2003

Source:
Richard Baron,
James W. Rouse
Lecture on the
American City, 2003

<u>Income Bracket</u>	<u>Percent</u>
Under \$10,000	31%
\$10,000 to \$30,000	44%
\$30,000 to \$50,000	16%
Above \$50,000	10%



Neighborhood conditions have also improved markedly during the transformation

→ The **median household income** rose by **18 percent** between 1989 and 1999, compared to four percent regionally

→ **Unemployment fell by 35 percent** from 1989 to 1999, compared to a **3.7 percent city wide increase**

→ Private investment in the form of **residential and commercial development** has since located in the surrounding area



At the heart of Murphy Park's transformation lies a completely overhauled local school

Jefferson Elementary School

- \$5 million in corporate and philanthropic money to modernize the school
- One of the most technologically advanced education facilities in the region
- New principal with wider control over teachers and curriculum



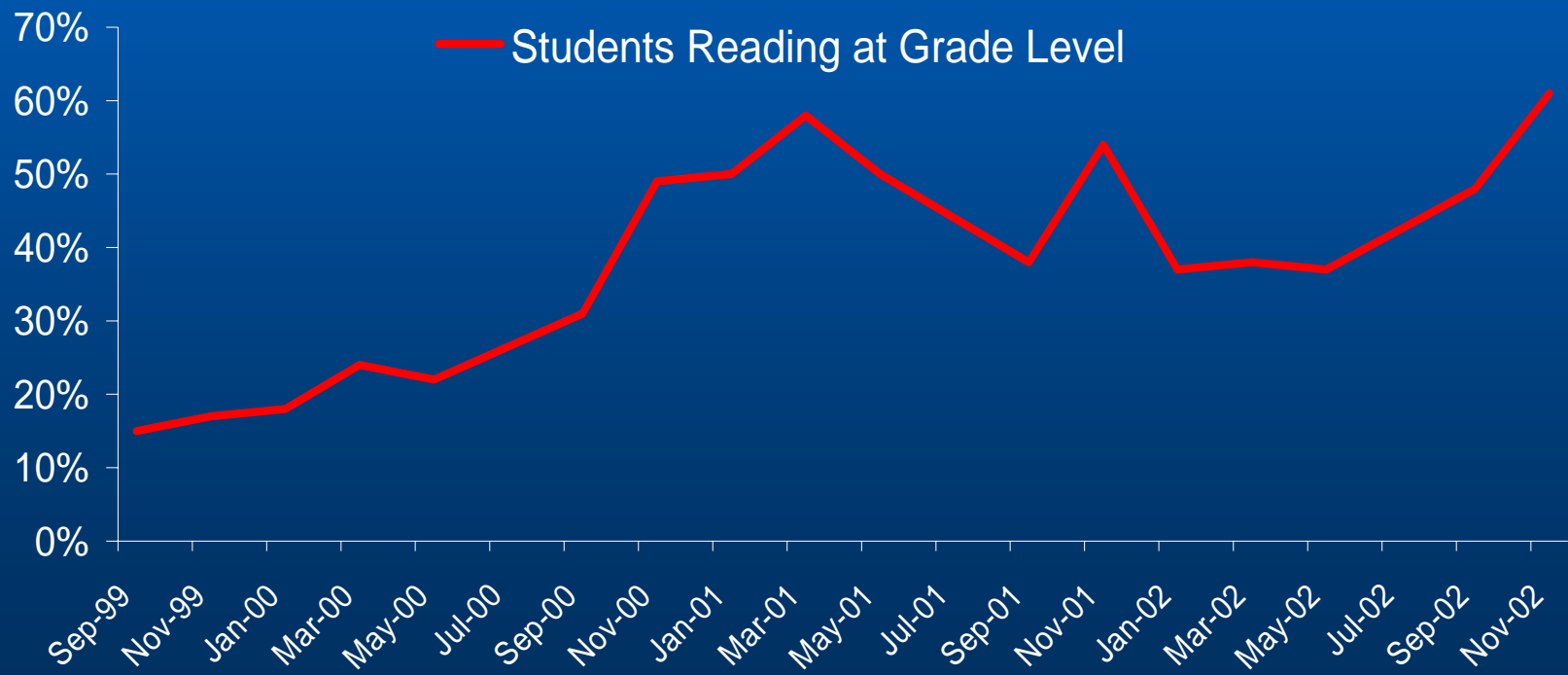
Jefferson Elementary School



Finally, the local school, Jefferson Elementary, has witnessed dramatic improvement in student performance

Share of students reading on level by grade (Jefferson Elementary School), 1999-2002

Source:
Richard Baron,
James W. Rouse
Lecture on the
American City,
2003





Yet concerns remain about neighborhood transformation and HOPE VI with regard to original tenants



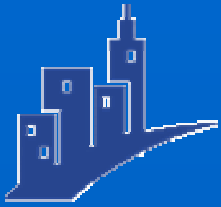
Many housing authorities **failed to plan adequately for relocation** or provide sufficient support to residents during the process



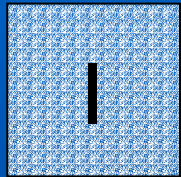
Studies find that **less than half of the original residents return**, with some estimates as low as 19 percent



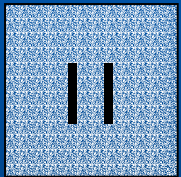
Particular concern surrounds the treatment of “**hard-to-house**” **families** that cannot meet the stricter screening criteria of the new developments



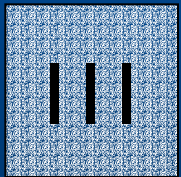
Nighborhoods of Choice and Connection



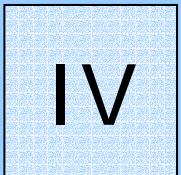
What are neighborhoods of deprivation in the United States?



What are the impacts of these neighborhoods?



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Where should U.S. and British policy go from here?



At this critical juncture in the evolution of neighborhood policy a new, unified goal should be considered:

Creating Neighborhoods of **Choice** and **Connection**

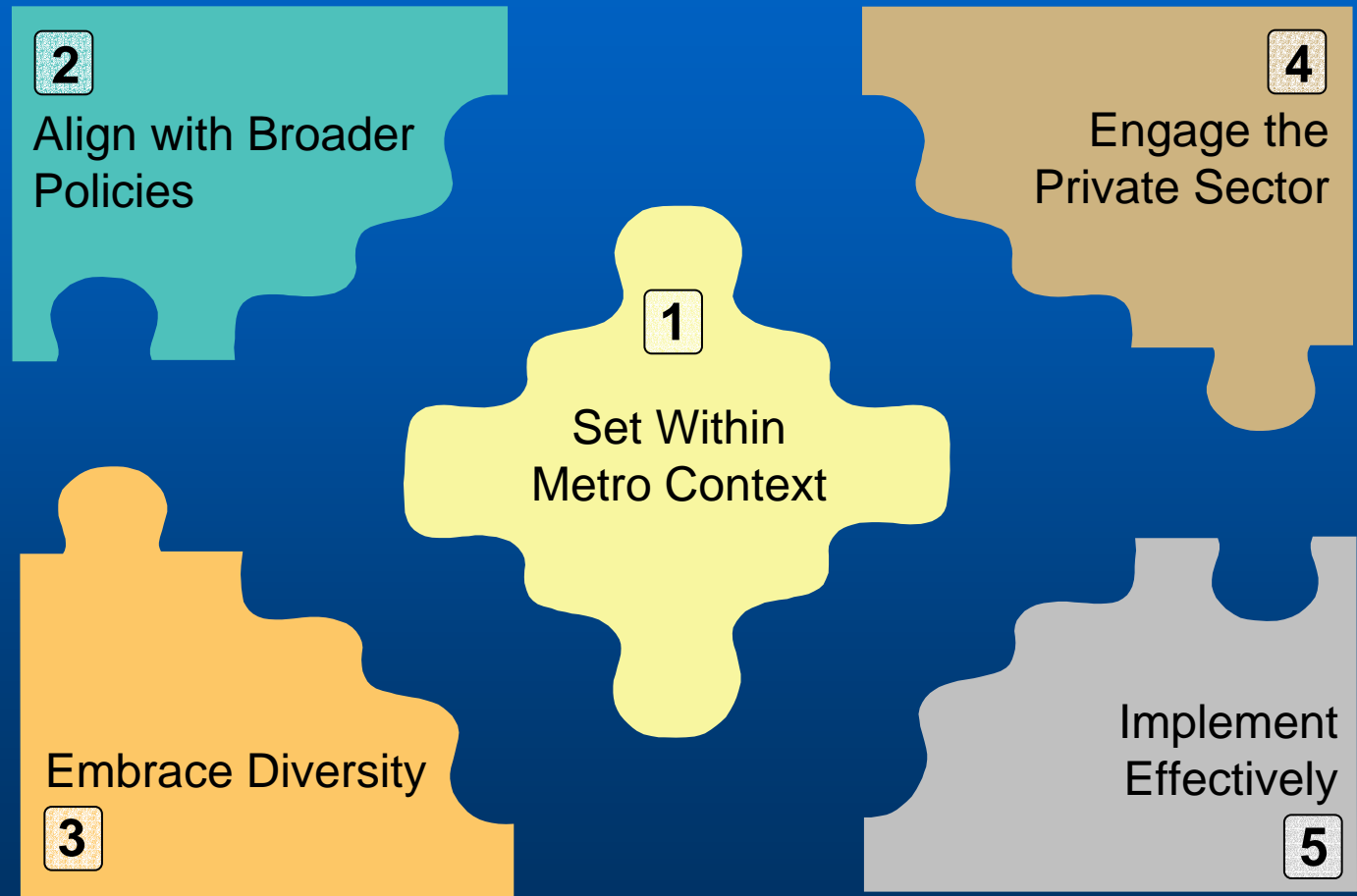
Improving the
Neighborhood

Expanding
Opportunity

Transforming the
Neighborhood



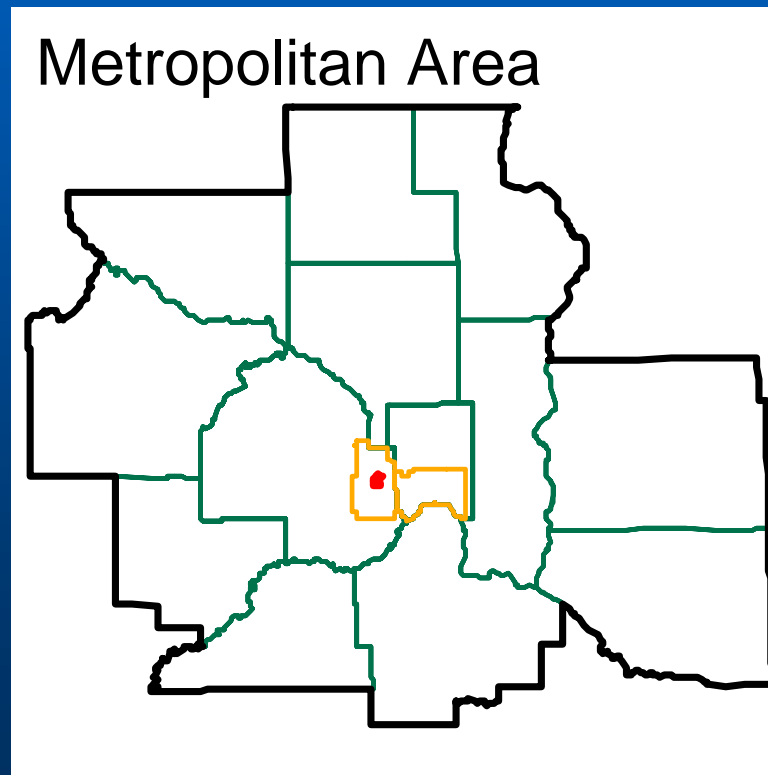
Creating Neighborhoods of Choice and Connection





Set within Metropolitan Context

Neighborhoods and neighborhood policy need to be set within the metropolitan context





Set within Metropolitan Context

Implications for Britain



Clear efforts to tailor housing interventions to market realities (e.g., demolitions in northern cities)

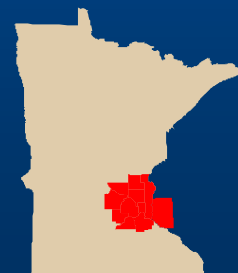
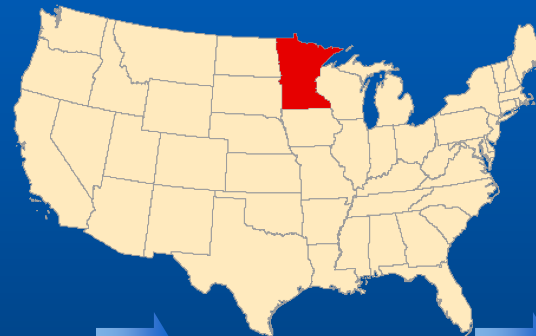


Focus on labor markets, housing markets, and travel-to-work patterns



Align with Broader Policies

Broader national, state, and local policies need to align with the goals of neighborhood policy





Align with Broader Policies

Implications for Britain



Marked focus on reinvestment, strong commitment to rewarding work



Empower local governments



Embrace Diversity

Neighborhood policy needs to embrace economic and demographic diversity in both cities and suburbs





Embrace Diversity

Implications for Britain



Some efforts on economic integration



Foster greater receptivity to immigration



Engage the Private Sector

Neighborhood policy needs a new mix of private and community sector action in both cities and suburbs



Community
Nonprofits



Private
Sector



Engage the Private Sector

Implications for Britain



Growing private-sector involvement

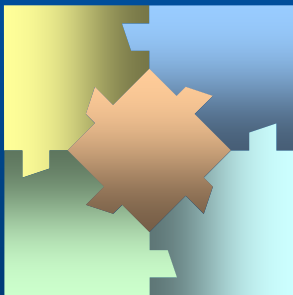


Create more incentives to engage



Implement Effectively

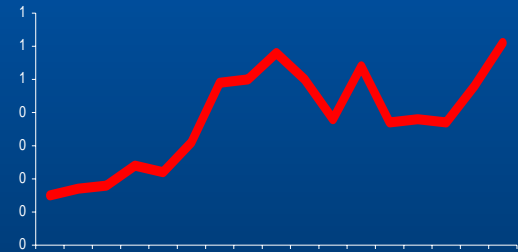
***Neighborhood policy needs to be implemented
in an integrated, accountable and sustainable
fashion***



Integrated



Accountable



Sustainable



Implement Effectively

Implications for Britain



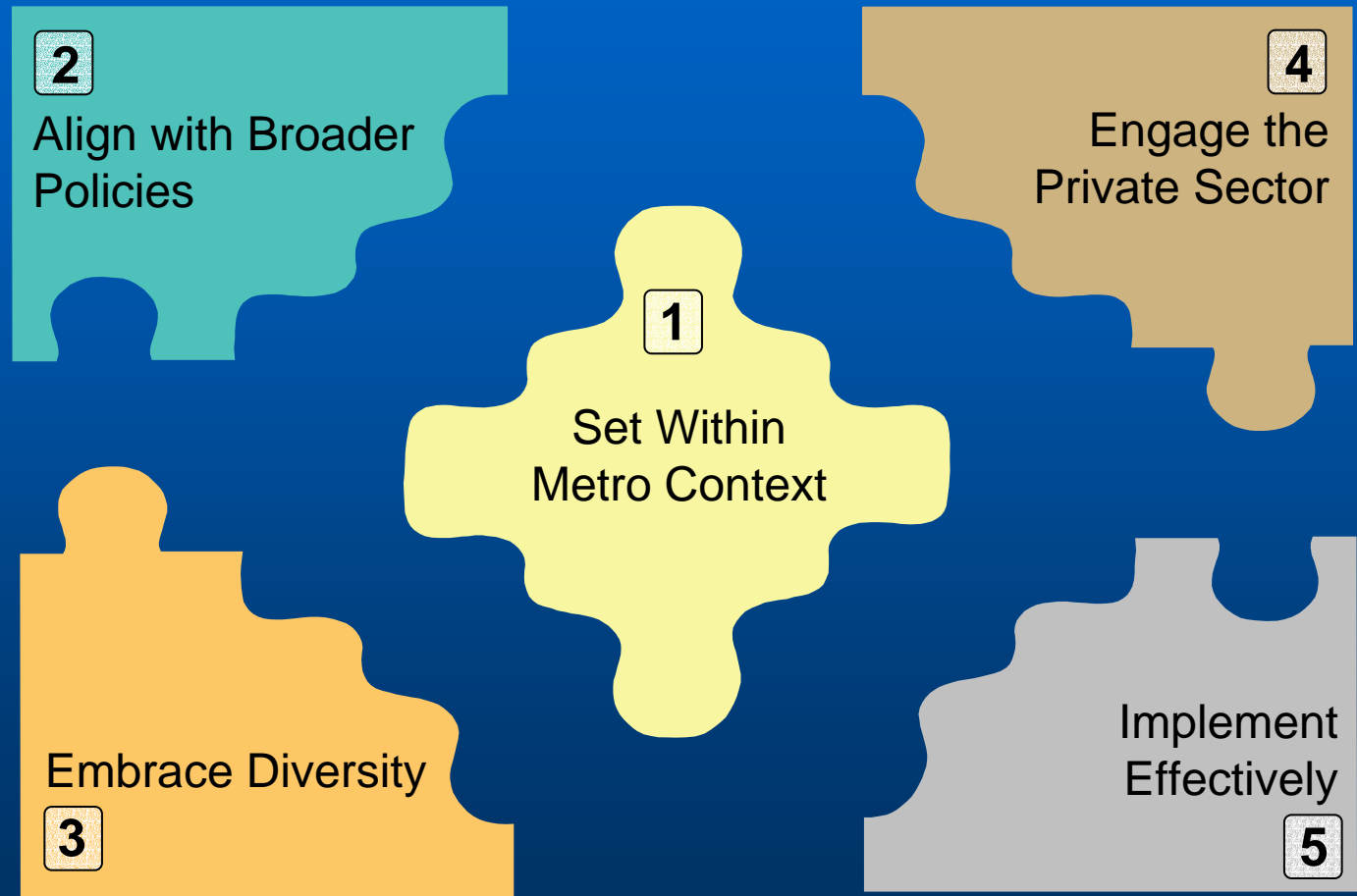
Dedication to integrating disparate policies and enforcing accountability



Allow programs to mature



Creating Neighborhoods of Choice and Connection





Are the implications the same for England and Wales?

Work-poverty rates
(measure of economic
inactivity) in Wales and
England, 2001

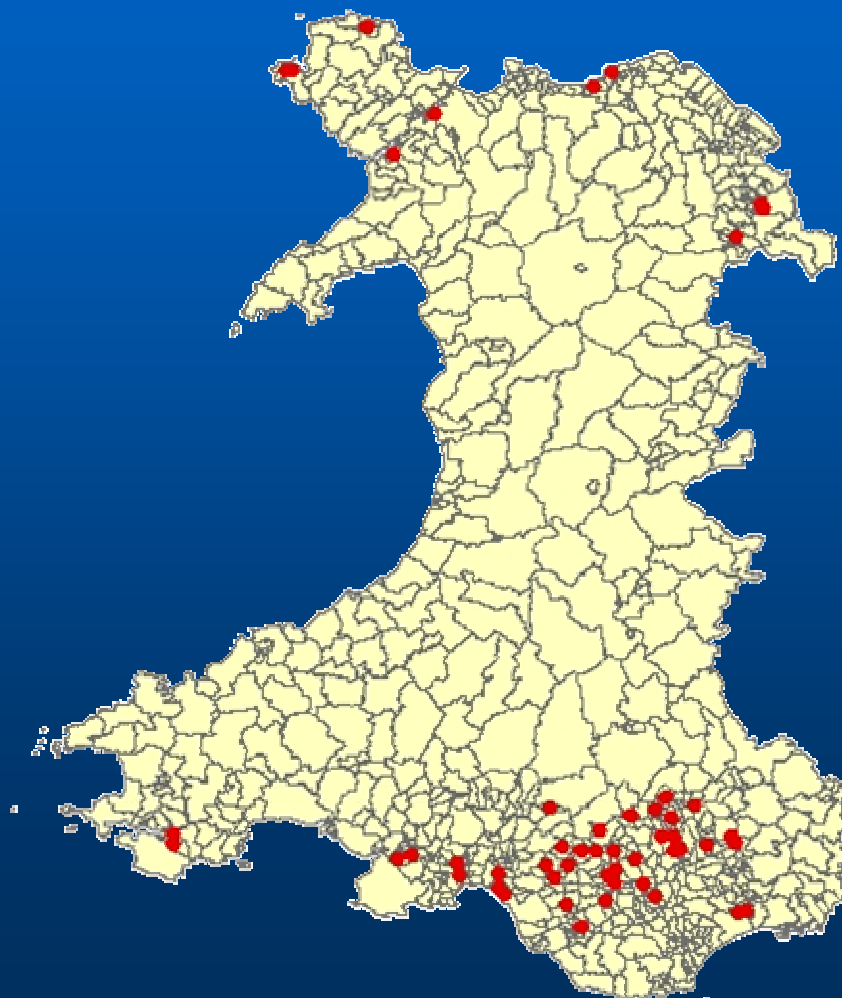
	Wales	England
Percentage of wards/ electoral districts with work-poverty rates $\geq 30\%$	31.19%	9.73%
Percentage of wards/ electoral districts with work-poverty rates $\geq 40\%$	5.87%	1.77%

Source:
Brookings calculations of
UK Census data

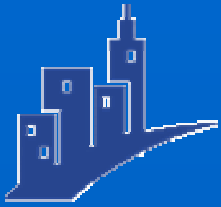
Concentrated poverty in Wales is largely rural in nature

Work-poverty rates
(measure of economic
inactivity) in Wales, 2001

● = Electoral District with
work-poverty rate $\geq 40\%$



Source:
Brookings calculations of
UK Census data




Neighborhoods of Choice and Connection

“...search out the under-lying causes of weakness or evil in the community, rather than...remedy their most superficial manifestations.”

- Joseph Rowntree

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July 1, 2004

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Brookings > Metropolitan Policy

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ANNOUNCEMENT

Urban Center Becomes Metropolitan Program

In a major promotion, the Center on Urban and Metropolitan Policy this month became the Brookings Metropolitan Policy Program—and the first new Brookings department established since 1948. The new status reflects the rising importance of metropolitan issues to the domestic and global challenges Brookings seeks to address.

read an open letter from Brookings President Strobe Talbott

METROPOLITAN GROWTH

Mechanisms for Market-Based Land Use Control

Using case studies and a national survey, this paper examines transfers of development rights (TDRs) and other market-based land preservation techniques like mitigation banking and density transfer fees.

IMMIGRATION

Washington Goes Polyglot

Metro Washington's "limited English proficient" (LEP) population

METROVIEW
Deficits by Design Plague Metro
by Robert Puentes
The Washington Times
June 21, 2004

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