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Michigan Metropatterns Part I

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Michigan Metropatterns

A Regional Agenda for
Community and Prosperity
in Michigan



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METROPOLITAN AREA RESEARCH CORPORATION
April 2003

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FOREWORD

AMEREGIS is a research and geographic information systems (GIS) firm that documents the evolving development patterns and the growing social and economic disparities within U.S. metropolitan regions. Ameregis is dedicated to integrating GIS mapping and traditional research methods to inform decision-making at all levels. With its partner, Metropolitan Area Research Corporation, Ameregis assists individuals and groups in fashioning local remedies that address these concerns. Myron Orfield, a nationally recognized leader in land use, social and fiscal equity and regional governance reform, is the founder of Ameregis and MARC.

Michigan Metropatterns was created to document trends in Michigan metropolitan areas that threaten their economies, environment and quality of life, and to foster open dialogue about potential solutions. Nearly 20 representatives of government, academia and nonprofit and public-interest organizations across the state provided comments on this report during its production.

The report was produced with the generous support of the Charles Stewart Mott Foundation, W. K. Kellogg Foundation, Archdiocese of Detroit, Frey Foundation, Ezekiel Project/Diocese of Saginaw, ISAAC (Kalamazoo), MOSES (Detroit), Michigan Local Government Management Association, Michigan Municipal League Foundation, and the Tri-County Regional Planning Commission (Lansing).

Executive Summary

MICHIGAN IS AT A CROSSROADS. The state is facing complex social and economic challenges, including a budget crisis that will be felt by every community across the state. But Michigan is also poised to make meaningful reforms in how it manages growth, supported by an increasing recognition that the state's current development patterns are threatening its economic competitiveness and quality of life.

In fact, Michigan's future health and economic performance is directly related to the social, fiscal and physical condition of its cities, villages and townships, particularly those in metropolitan areas. More than four of every five Michigan residents live in the Detroit, Grand Rapids, Lansing, Kalamazoo, Flint and Saginaw regions and the communities in and around Traverse City.¹ These regions have distinct histories, economies and natural features, but they also have much in common when it comes to regional development.

The state's central cities are seriously troubled, and a growing number of suburbs is experiencing similar strains. Low-density development is threatening valuable farmland and natural habitat on the urban edge and straining local budgets. The rising waves of protest against congestion, disappearing open space and the costs associated with growth suggest that no group—not even the wealthiest suburbs—is fully satisfied with the status quo.

Development patterns in Michigan's metropolitan areas provide good reason to be concerned about the future. But there are actions leaders at all levels of government can take to turn things around.

Here are the report's main findings:

All Types of Communities are Hurt by the Way Michigan is Growing

THE STATE'S CENTRAL CITIES ARE STRUGGLING. As a group, for example, they must cope with poverty rates more than twice their regions' average with local tax bases that are less than half of the average. Their infra-



Many of Michigan's natural areas are threatened by sprawling development.

structure is aging and their populations are declining or growing only slightly.

SOCIAL AND FISCAL STRESSES ARE NOT LIMITED TO CENTRAL CITIES. Nearly two-thirds of people living outside central cities find themselves in communities struggling with social or fiscal stress. One group of suburbs and secondary cities is experiencing problems typically associated with large cities, including weak tax bases and significant and growing poverty in their schools. Another group of outlying places has fewer social needs, but is facing the costs of inadequate infrastructure with low tax bases and modest household incomes. Even many fast-growing, middle-class suburbs are struggling to provide needed schools, roads and sewer systems with slow-growing tax bases.

JUST A SMALL SHARE OF THE POPULATION LIVES IN AFFLUENT SUBURBS with expensive homes and plentiful commercial development. But even these places are experiencing the negative effects of unmanaged growth, including the loss of valued open space and increasing traffic congestion. Like all communities, they share the extra costs of state government programs needed to address highly concentrated poverty and infrastructure investments that encourage wasteful land development on the urban edge.

Michigan's Growth Patterns Create Serious Social and Fiscal Disparities

FISCAL INEQUALITY

- Local governments in Michigan have radically different property tax bases they can tap to pay for needed public services. Across the regions, the highest-tax-base places have anywhere from three to eight times the revenue-raising capacity of the lowest-tax-base places. The pressure to raise revenue has driven a wasteful competition for tax base among local governments.
- Fiscal disparities among local governments can be expected to widen as planned changes in the state's revenue-sharing program reduce aid to older communities facing growing social and physical needs.
- Unbalanced growth increases the overall costs of important public services like schools. For example, while districts in declining areas are closing schools to adjust for falling enrollment, many fast-growing suburban districts are building expensive new facilities to keep up with a stream of new students.

SPRAWL

- Despite slow population growth in most areas, sprawling development in Michigan's regions is consuming more and more open space. From 1970 to 2000, the amount of developed land increased as much as 10 times faster than population.
- Many of the communities experiencing rapid population and job growth have little housing affordable to low- and moderate-income households, a fact that limits the opportunities of these households and reinforces existing patterns of segregation.

SOCIAL SEPARATION

- Segregation in Michigan's schools is also limiting the life opportunities of many of its children. The degree of income segregation in schools is high, and it increased in the late 1990s in every region in this study.
- Racial segregation in schools is also severe. During the late 1990s it held steady or increased in every region but Detroit, where, despite a slight drop, racial segregation remains high both compared to other Michigan regions and to large metropolitan areas across the U.S.
- Race and poverty remain highly correlated. Across the regions in this study, students of color are anywhere

from two to 10 times more likely than white students to attend high-poverty schools, hurting their chances for educational success.

Reform Is Needed to Chart a Different Course

Without changes to the development forces shaping the state, there is every reason to believe social and economic disparities will continue to grow, with an ever-larger island of stress in the core of regions, and a ring of sprawl devouring even more land around it.

Public policies contribute to these problems, and public policies—implemented both in the short and long term—can help solve them:

- **Tax reforms** can stabilize stressed communities and assure that all residents receive at least a minimum level of public services.
- **Regional land-use planning** can help communities revitalize stressed neighborhoods, conserve open space and limit costly new sprawl-inducing infrastructure.
- **Metropolitan partnerships** can more effectively address issues that cross municipal boundaries, ensure the efficient delivery of public services and provide a forum for all communities to participate in regional decision-making.

Now More than Ever, Reform is Possible

These regional strategies offer a powerful agenda for Michigan at a time when the negative consequences of unbalanced growth are mounting. Across the state, expensive road projects have threatened both established communities and open space. Bruising annexation battles over tax base have wasted limited public resources. Local zoning policies have left communities voiceless on activities in neighboring communities that affect them. Older communities are feeling the pressures of growing social strain and the bite of state fiscal policies that favor growing places over established ones. More and more Michigan residents are feeling the pain caused by these patterns.

Regional solutions have become even more important at this time of economic stress—the state's worst fiscal crisis in decades—because they offer concrete tools to increase regional efficiency and make the best use of limited public resources.

Given these trends, and a chorus of increasingly supportive voices in the state capital, it is time to take action. An opportunity like this is unlikely to emerge again for another generation or longer.

Michigan Metropatterns

HOME TO MORE THAN four of every five Michigan residents, the seven regions in this report—Detroit, Grand Rapids, Lansing, Kalamazoo, Flint, Saginaw and Traverse City—represent a wide range of experiences. Many are still recovering from decades of declining manufacturing employment, but some are experiencing economic growth in areas ranging from services and education to tourism. These regions display notable disparities in tax base, household income and poverty levels, and vary widely in density and size.

But these Michigan regions, like those throughout the country, share a set of critical characteristics—they are struggling with growing racial and economic separation, serious fiscal disparities and the costs imposed by sprawling development.

Michigan Metropatterns finds that the way the state is growing is hurting all types of communities—from the most impoverished to the most affluent. Analysis of demographic and fiscal trends in the seven regions shows how poorly planned, inefficient development and the regional competition for tax base are hurting almost every city and suburb, wasting resources, harming the environment and undermining the promise of equal opportunity for all.

Disparities within regions are a cause for concern because, for better or worse, the well-being of different parts of metropolitan areas are linked. Research has shown, for example, that median household incomes of central cities and their suburbs move up and down together in most regions and that the strength of this relationship appears to be increasing. In addition, metropolitan areas with the smallest gap between city and suburban incomes have greater regional job growth.² Finally, in large metropolitan areas, income growth in central cities results in income growth and house-value appreciation in the suburbs.³

These and other studies argue that communities



New subdivisions are popping up across Michigan, even though the population in most regions is growing slowly.

within metropolitan areas are interdependent and that when social and economic disparities are minimized, the entire region is stronger.

COMMUNITY CLASSIFICATION

An important prerequisite for planning for the future is an understanding of the complexity of Michigan's metropolitan areas. This report relied on a statistical procedure called cluster analysis to classify communities according to fiscal, social and physical characteristics. (See page 7 for a description of the clustering technique and page 58 for a summary of characteristics by region).

The analysis revealed a wide diversity of suburban experiences. In fact, nearly two-thirds of all suburban residents live in places facing stress—defined by meager tax resources, high public-service needs or both.⁴ (Throughout the report, the term “suburb” refers to any city, village or township located outside of a region's primary central city, including some largely rural communities and some cities not meeting the threshold for central-city designation.)

Seven different types of communities emerged from the clustering process:

Central cities in Michigan face varying degrees of strain, but overall they remain highly stressed compared to other communities in their regions. They are home to a disproportionate and growing share of the regions' poor, and are suffering from severe racial segregation and aging infrastructure. Although they have strengths—among them downtowns and attractive older homes and public spaces—central cities must provide for great social need with tax bases significantly lower than average—44 percent of the regional average, as a group. As a result, their municipal property tax rates are twice the regional average and rising quickly. All these factors discourage investment and dramatically limit the opportunities of residents.

Home to 19 percent of the population in the seven regions, central cities are Detroit, Grand Rapids, Lansing, Flint, Kalamazoo, Saginaw and Traverse City.

Stressed suburbs are facing aging infrastructure, growing social needs and tax bases that are below regional averages and growing slowly. As a group, their residents have relatively low median incomes and their schools face relatively high rates of student poverty. The combination of growing needs and limited tax base is forcing these places to levy high tax rates—on average, tax rates in these places are 50 percent higher than regional averages.

Home to 11 percent of the population in the seven regions, this is a particularly heterogeneous group. It includes older, inner suburbs witnessing the expansion of social stress from central cities, including places like Highland Park in the Detroit area and Buena Vista Township outside of Saginaw; as well as outlying, mostly rural communities struggling with rural poverty and stagnant or falling population, like Geneva Township in Van Buren County. In addition, it includes a number of older cities, like East Lansing, Pontiac and Battle Creek.

At-risk, established suburbs, home to 23 percent of the metro areas' residents, were once at the edge of metropolitan growth. Outwardly they still appear healthy, with little poverty in their schools and low unemployment. Most have relatively convenient, central locations. But now densely developed, these communities also exhibit signs that they are losing ground

to even more outlying places. Their tax bases are below average and growing slowly, while their tax rates are above regional averages and rising. These places have below-average median incomes, and, in most cases their populations are growing slowly or declining.

At-risk established suburbs include inner suburbs like Warren, Wyoming and Saginaw Township, outlying small towns like Marshall and cities like Ann Arbor.

At-risk, low-density suburbs are also feeling strains. As a group, their population is growing slowly, their median incomes are below-average and their housing stock—and infrastructure—is older than average. Their tax bases are growing more quickly than average,



Across Michigan, people are spending more time in their cars.

but are still low relative to their regions. Likewise, their tax rates are still below average, but rising faster than in any other community type. Residents of these very low-density communities face some of their regions' longest commutes. There is little racial diversity, and free-lunch rates in their schools are about average.

Home to 10 percent of metropolitan residents, at-risk, low-density communities include East Bay Township near Traverse City and Emmett Township outside Battle Creek.

Bedroom-developing suburbs, home to 20 percent of the population, are fast-growing, middle-class places.

With higher-achieving schools, lower land costs and wide-open spaces, these places appear to offer an alternative to declining communities in the core. But over time the cost of growth—for schools, roads, parks and police—can exceed the fiscal resources of taxpayers. Indeed, although these places have above-average tax bases, the costs of growth are catching up to them: their tax bases are growing more slowly than average. As in at-risk rural communities, workers living in these places face some of their regions' longest commutes.

Examples of bedroom-developing suburbs include Monitor Township in Bay County, Eaton Rapids Township outside Lansing and Macomb Township north of Detroit.

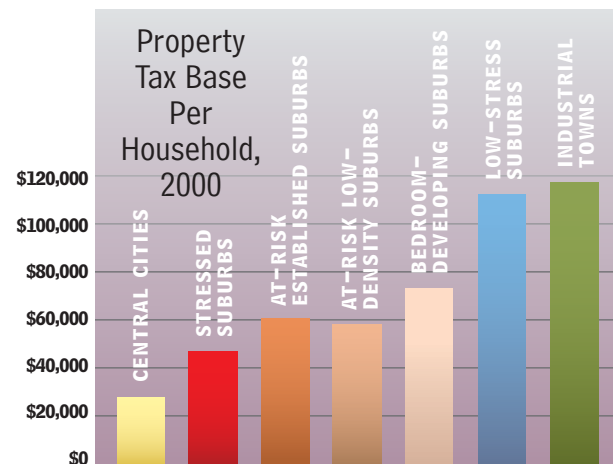
Low-stress suburbs are home to 15 percent of the regions' population, and a large share of their expensive homes and commercial activity. These communities have very low levels of school poverty and low unemployment. But the opportunities of these places are limited to a lucky few—less than a third of their housing stock is affordable to even middle-income households, a fact that can make it hard for local employers to find the workers they need.

Although these communities appear to reap the spoils of regional competition, they too feel its costs, including shrinking green space and lengthening commutes. Their built environment provides commuters with few transportation choices—nearly nine in ten drive to work alone.

Georgetown Township outside Grand Rapids, Texas Township near Kalamazoo, and Bloomfield Hills are a few of the state's low-stress suburbs.

Industrial towns represent just 3 percent of the population of the seven regions. But these communities stand apart from the others because they have high property-tax bases and low unemployment rates, juxtaposed with relatively low median incomes and high

In the end,
just a few places
“win” the limited supply
of lucrative homes and
businesses in a region.



school-poverty rates. That unusual set of characteristics reflects the presence of major commercial-industrial activities in a community that is experiencing social stress. Dearborn and South Haven are examples of the communities in this group.

FISCAL INEQUALITY

The wide diversity of community types in metropolitan Michigan reflects the fact that its communities are facing a wide array of social and fiscal conditions. In many cases, fiscal strain has expanded from the central city into older suburbs that are now losing ground to even newer, outlying communities.

One measure of fiscal disparity is the ratio of tax base in a high-capacity place (the community with tax base at the region's 95th percentile) to the tax base in a low-capacity community (the one with tax base at the 5th percentile). Of the regions in this report, the tourism-oriented Traverse City area shows the greatest inequality in property tax base (see table on page 60). Its 95th-to-5th ratio, 7.9, means that if all places in the region levied the same property tax rate, the high-capacity place would generate nearly eight times the revenue per household of the low-capacity place. Even in the most equitable metropolitan areas, Grand Rapids and Lansing, the high-capacity place would still generate over three times the revenue per household as the low-capacity place.

This fiscal divide is driven largely by Michigan local governments' heavy reliance on locally generated tax revenues to pay for public services. That reliance has led to a fierce competition for developments that generate more in taxes than they cost in services. As a result, from the point of view of communities, big commercial projects and high-end housing are desirable additions to the local tax base, while housing affordable to low- and even moderate-

income families is not. That's because low-cost housing does not "pay its way"—its local service costs (for roads, public safety and other local services) exceed the resulting property-tax revenues.

Among the results of the wasteful competition for tax base are great inequalities in the level of services communities can provide. While tax-base-rich cities can provide high-quality services at reasonable rates, fast-growing cities with low tax bases often struggle to keep up with the onslaught of new residents and the schools, roads and sewers they require. Older communities facing stagnant tax bases must cut services or raise tax rates to provide desired services. Either choice puts them at a disadvantage in the regional competition for jobs and residents.

Further, the intense pressure to grab tax-generating developments offers no incentive for communities to cooperate on land-use planning or other efforts that can help rein in sprawling development. These pressures help drive the outward growth of Michigan's regions, encouraging communities to quickly develop land that may be more appropriately preserved for habitat, farming or more thoughtful development in the future.

SPRAWL

Disparities are exacerbated by the state's built environment. Despite slow population growth in most areas, Michigan's regions continue to expand outward. From

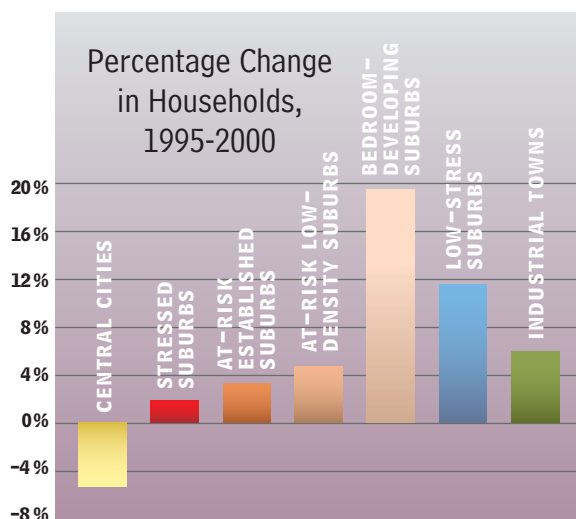


Once at the edge of metropolitan growth, many older suburbs like Southfield are now losing retailers to newer communities.

1970 to 2000, the amount of land in urban uses grew significantly faster than population in most regions. In the Flint region, for instance, population fell by 2 percent during that period, while the amount of urban land grew by 72 percent. Even in fast-growing Grand Rapids, the amount of land in urbanized uses grew twice as fast as population.

This "hollowing out" of regions has serious cost implications. In recent months several urban school districts, including Flint, Saginaw and Grand Rapids, announced plans to close school buildings that are no longer full due to declining enrollment. At the same time, communities on the urban edge, like the fast-growing Grand Blanc school district located just south of Flint, must spend millions of dollars to build new schools to accommodate the new students arriving each year. In addition to financial implications, such changes also cause headaches for families in both declining and growing communities. For example, students often must change schools as attendance boundaries are adjusted.⁵

The effects of unbalanced growth harm not just individual communities, but entire regions. For example, many communities in greater Detroit face failing or improperly sited septic systems and overflowing sewer systems. These faulty systems are sending untreated sewage to Lake St. Clair, a valuable regional resource that provides recreation, natural habitat and drinking water to over 4.5 million people.⁶ But many of the cities and townships involved—both older communities in the region's core and new, tax-base



poor communities on the fringe—don't have enough money to handle the cost of remediation, which could reach into the billions.⁸

Another consequence of sprawling development is the state's strained transportation system. The average commute in Michigan increased 14 percent during the 1990s, to 24.1 minutes.⁹ Supported by the state's low-density built environment and automotive traditions, over 83 percent of Michigan commuters drove alone to work, the highest share of any state in the U.S.¹⁰ These pressures are exposing the state's failure to adequately maintain existing roads as well as the insufficiency of its public transportation systems.

SOCIAL SEPARATION

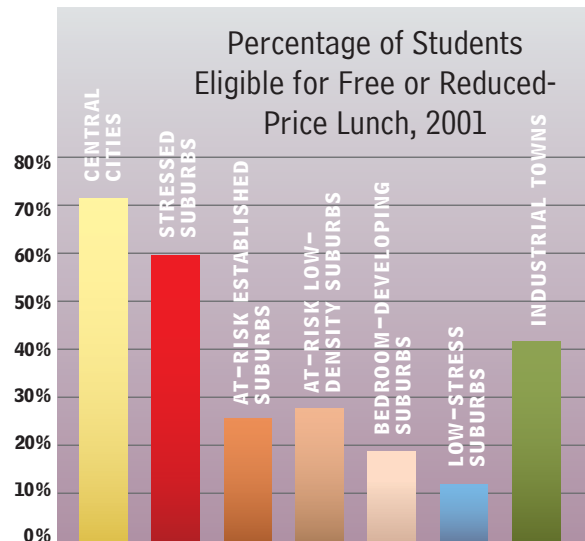
Many of the places facing the greatest fiscal stresses and slowest population growth are the same places facing great social needs. Poor people and people of color are disproportionately located in Michigan's central cities and stressed suburbs—places with the highest shares of affordable housing and low and slow-growing tax bases.

This divide is most clearly reflected in the state's schools. The well-being of schools is important because they are the leading indicators of community health. When the perceived quality of a school declines, it can set in motion a vicious cycle of middle-class flight and disinvestment.¹¹ Many schools in older suburbs are now showing the same patterns of social change that occurred a generation ago in central cities.

Decline in the core helps drive rapid growth on the edge, a pattern that stresses schools in both places. In fact, analysis of school districts in the seven regions shows that nearly half of suburban elementary students are enrolled in a district experiencing signs of stress—high poverty, enrollment decline or rapid enrollment growth.

Segregation is also high and growing in Michigan regions' schools. In 2001, the share of poor students who would need to change schools to achieve the same mix of poor and non-poor students in each building ranged from 57 percent in the Detroit region to 27 percent in the Traverse City area. These figures are higher than the corresponding figures for 1995 in every metropolitan area in this study. The biggest increase was in the Saginaw region, with large increases in Grand Rapids and Kalamazoo as well (see table on page 60).

The problems associated with concentrated poverty—everything from high crime to poor health—place a significant burden on municipal resources and discourage investment. Ultimately people living in high-poverty neighborhoods become isolated from educa-



tional and employment opportunities available to residents in other areas, making it extremely difficult for them to participate fully in the regional economy.

Patterns of income segregation are built into the regions' housing stocks. In Michigan's low-stress communities, for example, fewer than one-third of housing units are affordable to even moderate-income households—those with up to 80 percent of their region's median income. Conversely, 89 percent of units in central cities and 82 percent of units in stressed suburbs are affordable to those households.

These patterns are especially harmful to people of color. In part due to subtle discrimination in the housing market, they are much more likely than whites to live in high-poverty areas.¹² That means that segregated schools are very likely to be poor schools. For example, 66 percent of non-Asian minority students in the Lansing area attend high-poverty schools, while only 13 percent of white students attend them.¹³ Across the state, minority students are anywhere from two to 10 times more likely than white students to attend such schools.¹⁴

Racial segregation remains even more severe than income segregation in the state's metropolitan areas. The share of minority students who would need to change schools to achieve the same mix of minority and non-minority students in each building ranged from a high of 81 percent in Detroit to lows of 50 percent in Lansing and 40 percent in the Traverse City area.¹⁵ Percentages increased or stayed the same in every region but Detroit during the late 1990s. The share in Detroit fell slightly, down from 83 percent, but remains high not only compared to other Michigan regions, but also to other large metropolitan areas across the country.¹⁶ The biggest increases in this measure took place in the Traverse City and Lansing areas.

Detroit Region

SOCIAL AND FISCAL STRAIN is casting an increasingly wide net in Michigan's largest metropolitan area. Although the nine-county region as a whole experienced moderate growth during the 1990s—population grew by 5.5 percent and employment by 16 percent—growth was very unbalanced. While outlying Livingston, Lapeer and Washtenaw counties grew quickly, the region's core declined—Wayne County lost 2 percent of its residents and the city of Detroit lost nearly 8 percent.

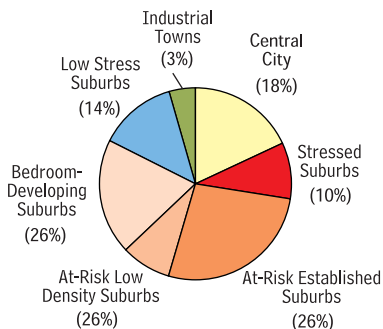
In fact, the city of Detroit, home to 18 percent of the region's households, continues to struggle with concentrated poverty and declining population with a property tax base just one-third of the regional average. But the city is not alone in facing social and fiscal strain. Nearly one-half of the region's population now resides in suburban areas facing significant fiscal or social stresses—10 percent in stressed suburbs and 37 percent in at-risk suburbs or industrial towns.

Most of these places must deal with significant and growing poverty with lower-than-average tax bases that are growing more slowly than average. In fact, six suburban school districts—Highland Park, Ecorse, Hamtramck, River Rouge, Inkster-Edison and Westwood—had higher free or reduced-price lunch eligibility rates than Detroit, where 70 percent of students were eligible for the program.

The region remains highly segregated by race. In order to achieve an identical mix of minority and non-minority students in each elementary school in the

region, 81 percent of non-Asian minority students would need to change buildings. The comparable figure for the region in 1997—82 percent—was by far the highest share of any major U.S. region.¹⁷ Of the 175 schools with non-Asian minority

Population Share by Community Type



Low-density commercial development adds tax base, but also requires significant public expenditures.

enrollments of 90 percent or more, 160 were in Detroit. All but four of the rest were in suburban districts facing growing social stress with limited fiscal resources.

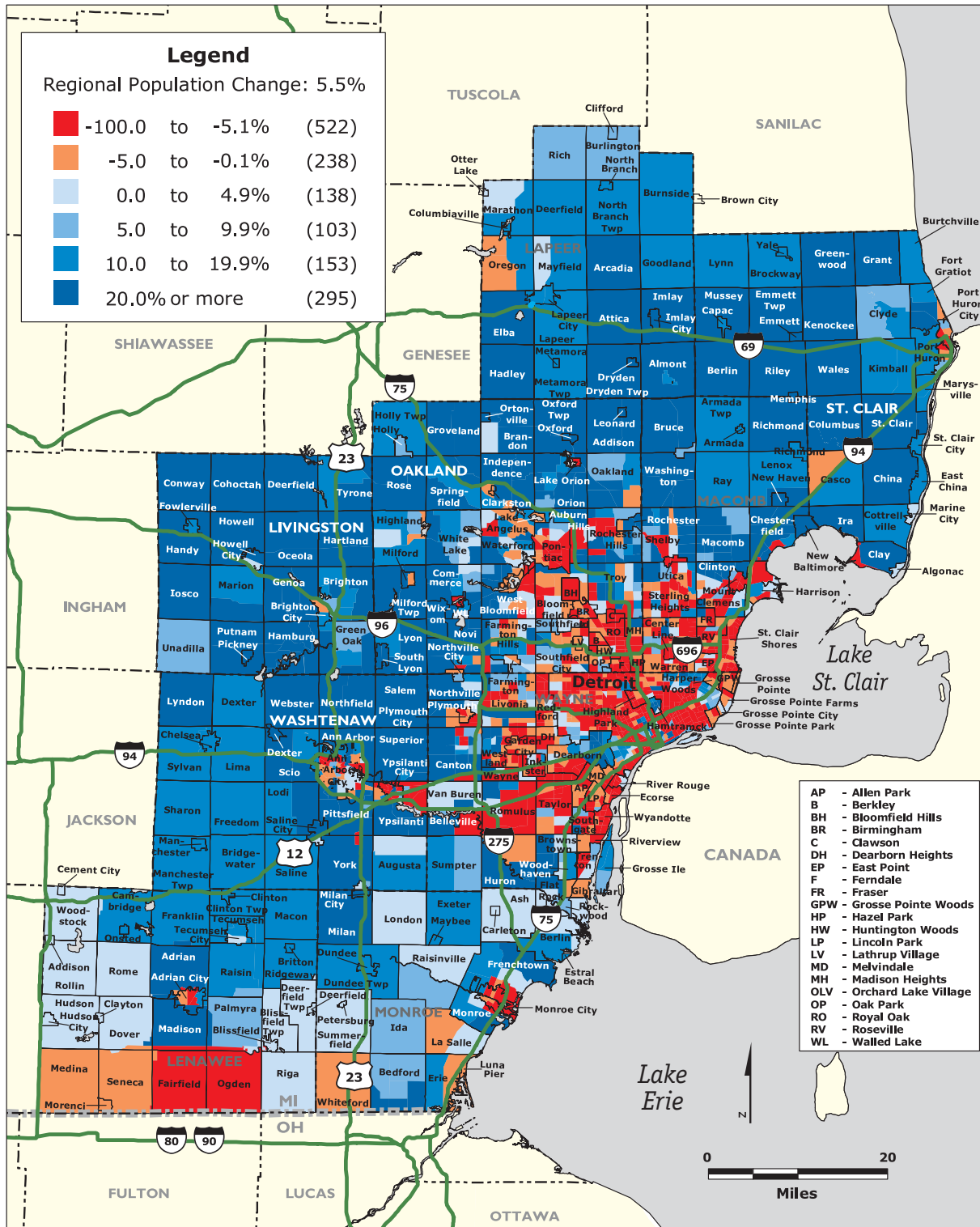
Race and poverty remain highly correlated. In 2001, 78 percent of non-Asian minority elementary students attended high-poverty schools. The corresponding percentage for white students was just 8 percent.

Fiscal disparities among local governments are also very significant. In 2001, the ratio of tax base in the municipality at the region's 95th percentile to that in the 5th percentile municipality was 4.8-to-1. Although this represents a slight decline from 1995, it still means that if all municipalities assessed the same property tax rate, the high tax-base place would raise nearly five times the revenue of the low base place. This disparity is reflected in the tax rates that places actually assess—rates are highest in the central city and in stressed and at-risk suburbs.¹⁸

Disparities are also reflected in the distribution of affordable housing. The region's low-stress suburbs have by far the least affordable housing. Just 20 percent of the housing in these places is affordable to households with incomes at or below 80 percent of regional median—less than half the regional rate.

Population Change

MAP 1. PERCENTAGE CHANGE IN POPULATION BY CENSUS TRACT, 1990-2000

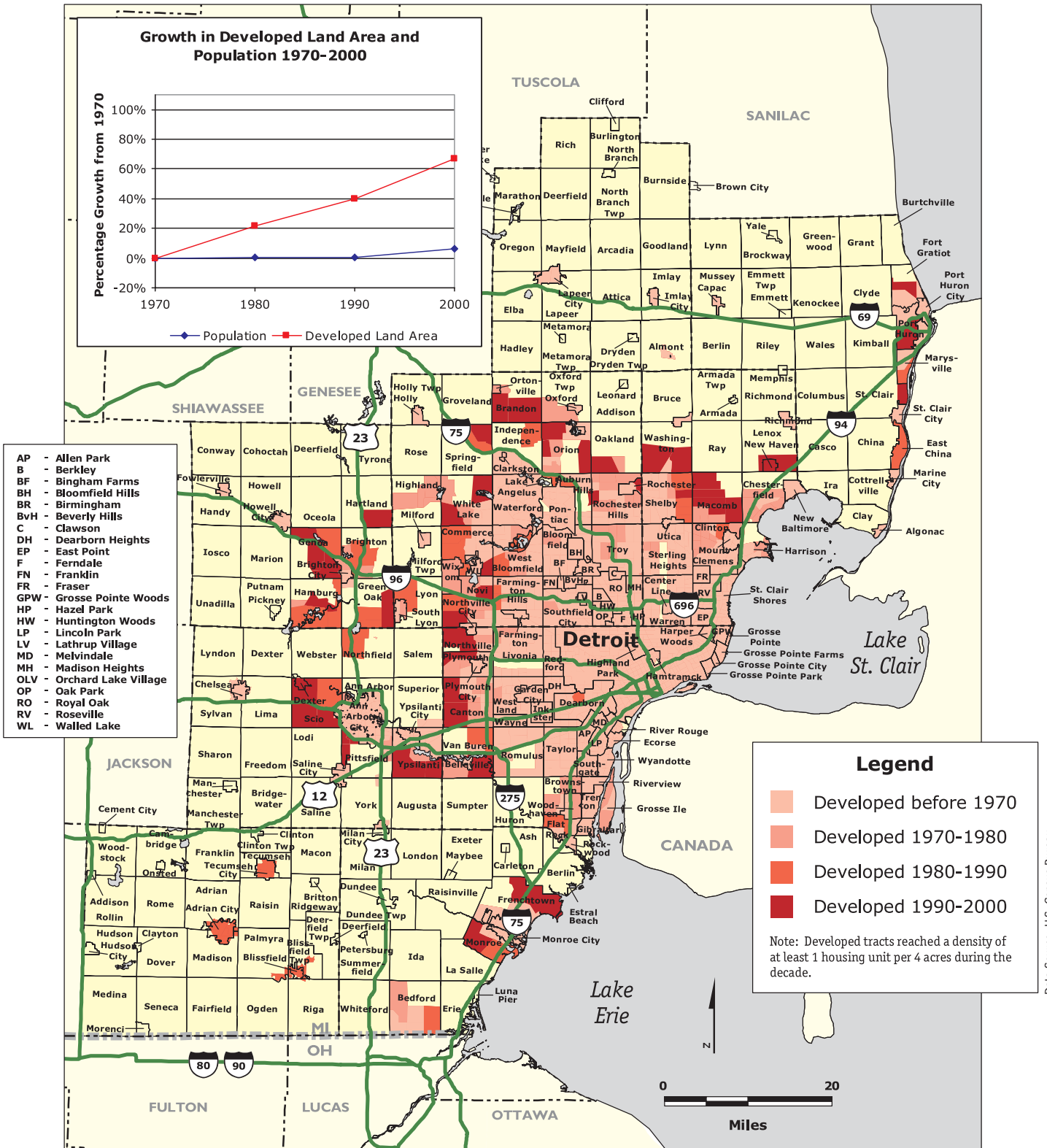


Data Source: U.S. Census Bureau

CHANGES IN POPULATION are a good reflection of the sprawling development taking place in the Detroit area. Most outlying communities saw significant growth during the 1990s, while many already developed communities in the core—Detroit and adjacent suburbs—saw stagnant or declining population. Older cities on the region's out-

skirts, including Port Huron and Adrian, also saw population losses. Population declines can hurt communities because they leave fewer people to pay for needed public services. Many communities that lost population had stable or growing household change in the same period, a fact that reflects shrinking household size.

MAP 2. HOUSING DEVELOPMENT BY CENSUS TRACT, 1970-2000



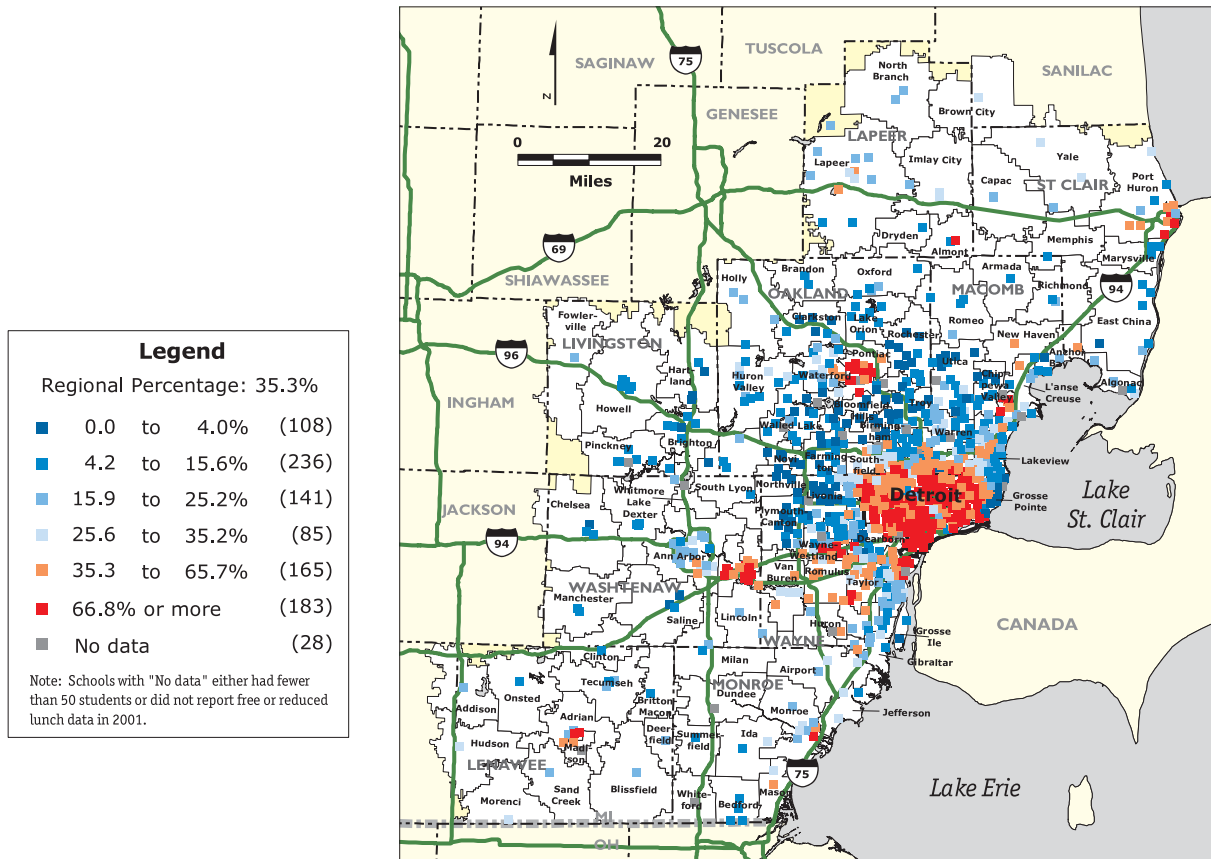
THE AMOUNT OF LAND in the Detroit region that reached urban densities between 1970 and 2000 grew far faster than the region's population in the same period.¹⁹ Areas that developed during the

1980s and 1990s included a number of noncontiguous areas—one common definition of sprawl. Detroit and most of the suburbs in the core of the region were already developed by 1970.

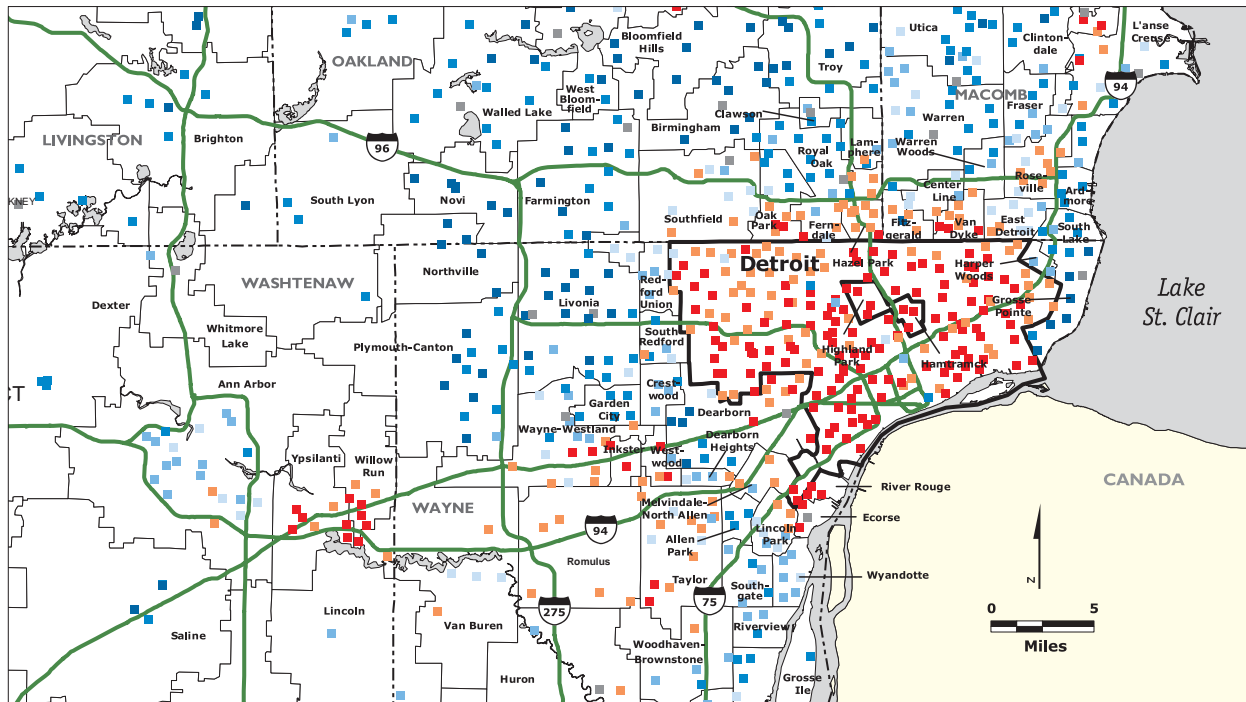
Data Source: U.S. Census Bureau

Poverty in Schools

MAP 3. PERCENTAGE OF ELEMENTARY STUDENTS ELIGIBLE FOR FREE AND REDUCED-PRICE LUNCH BY SCHOOL, 2001



CENTRAL AREA

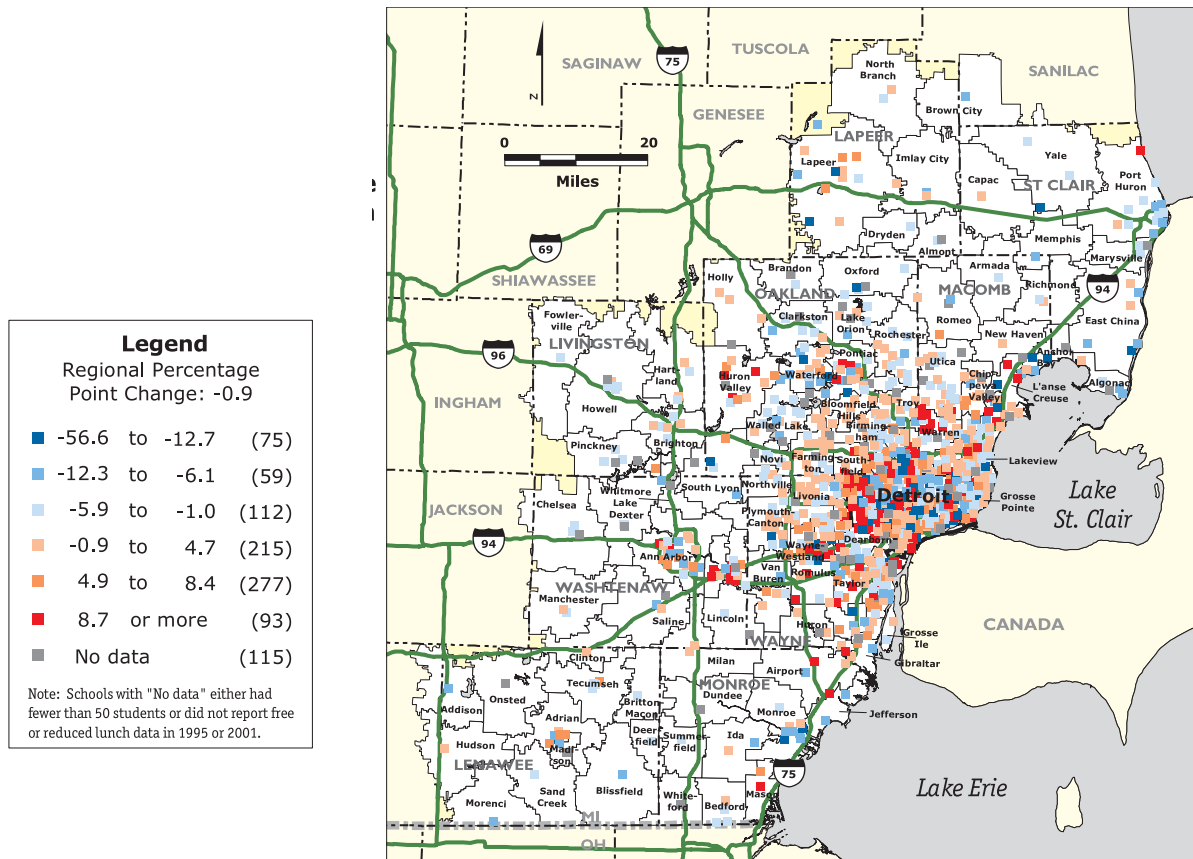


Data Source: Michigan Department of Education

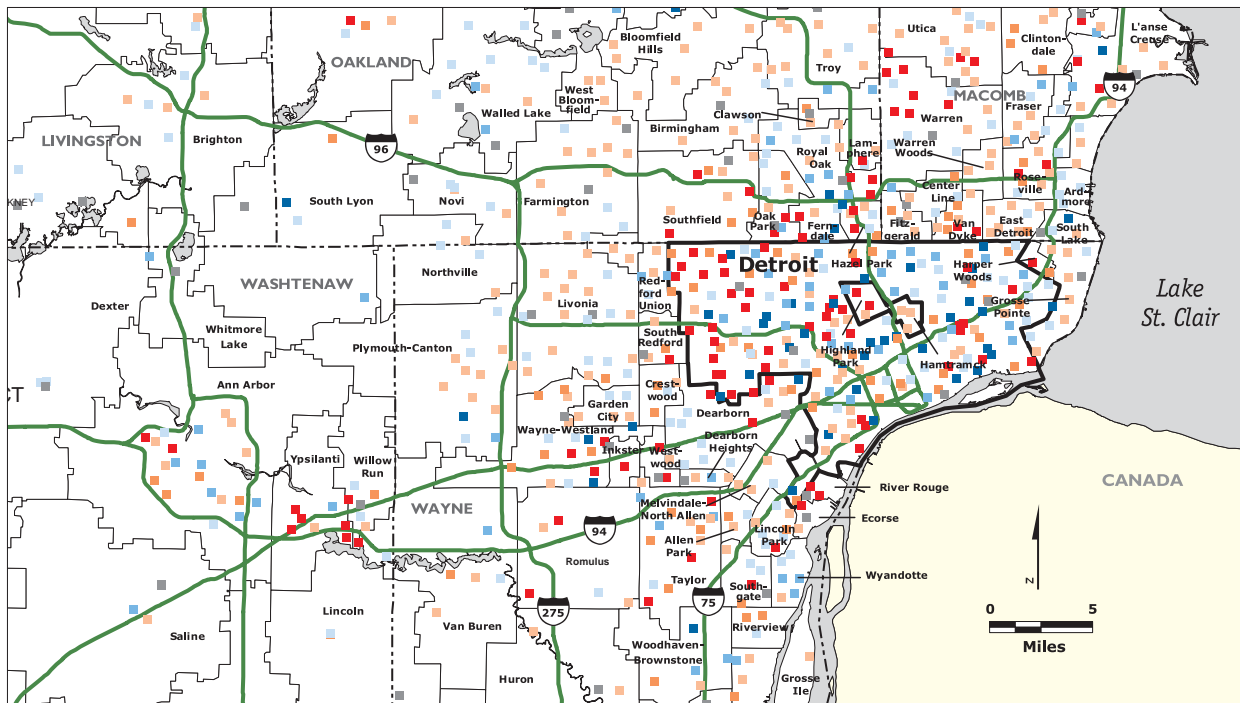
METROPOLITAN DETROIT displays great extremes in wealth that are reflected in its schools. High concentrations of poverty are seen not only in Detroit and the outlying cities of Pontiac, Ypsilanti, Port Huron and Adrian but also in many of Detroit's inner suburbs.

Problems associated with concentrated poverty dramatically limit the opportunities of residents, discourage investment in neighborhoods, and place a burden on local government resources.

MAP 4. PERCENTAGE POINT CHANGE IN ELEMENTARY STUDENTS ELIGIBLE FOR FREE AND REDUCED-PRICE LUNCH BY SCHOOL, 1995-2001



CENTRAL AREA

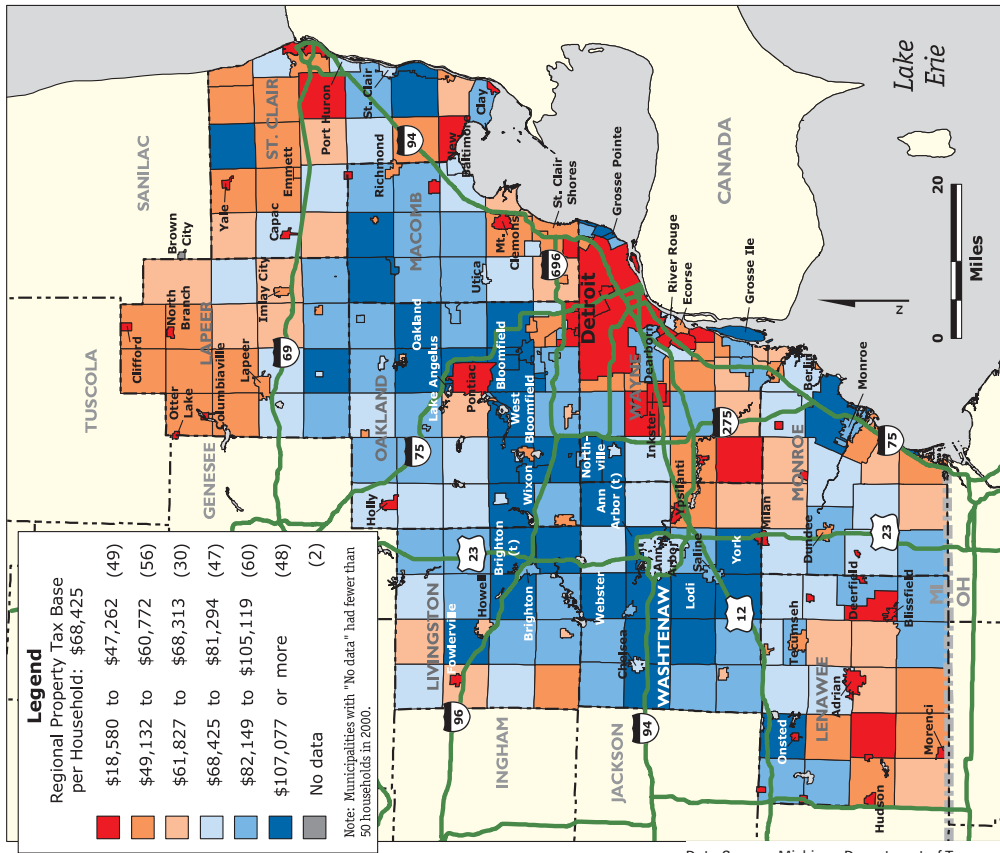


Data Source: Michigan Department of Education

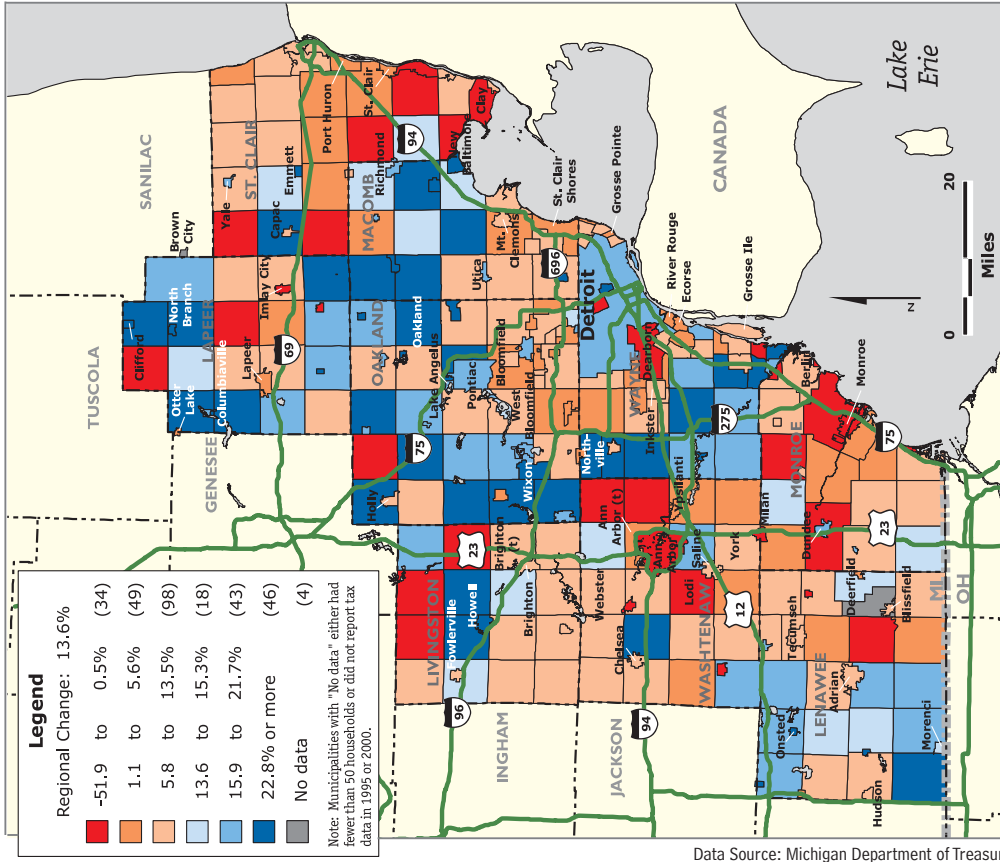
GROWING SCHOOL POVERTY is not limited to any one area of the Detroit region. In fact, poverty is increasing quickly in many inner suburbs. In the Inkster-Edison, Westwood and River Rouge districts, for example, student poverty increased 19 percentage points from 1995 to 2001, while it fell by

1 percent in the region as a whole. Many outlying suburban districts also saw increases in poverty, although rates still remained relatively low at the end of the period. In Detroit, some elementary schools saw increases in poverty, while others saw significant drops.

MAP 5. PROPERTY TAX BASE PER HOUSEHOLD BY MUNICIPALITY, 2000



MAP 6. PERCENTAGE CHANGE IN PROPERTY TAX BASE PER HOUSEHOLD BY MUNICIPALITY, 1995-2000

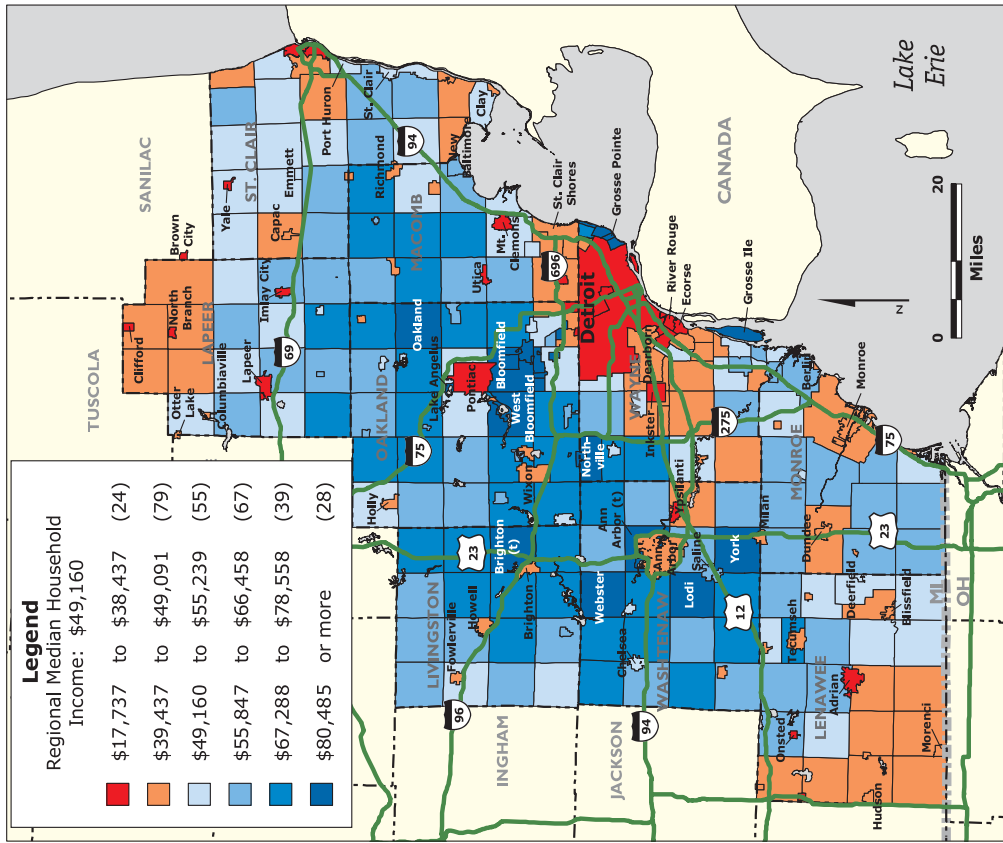


TAX BASES IN THE DETROIT AREA reflect the outward movement of wealth in the region. The city of Detroit and many inner suburbs exhibit low and slow-growing tax

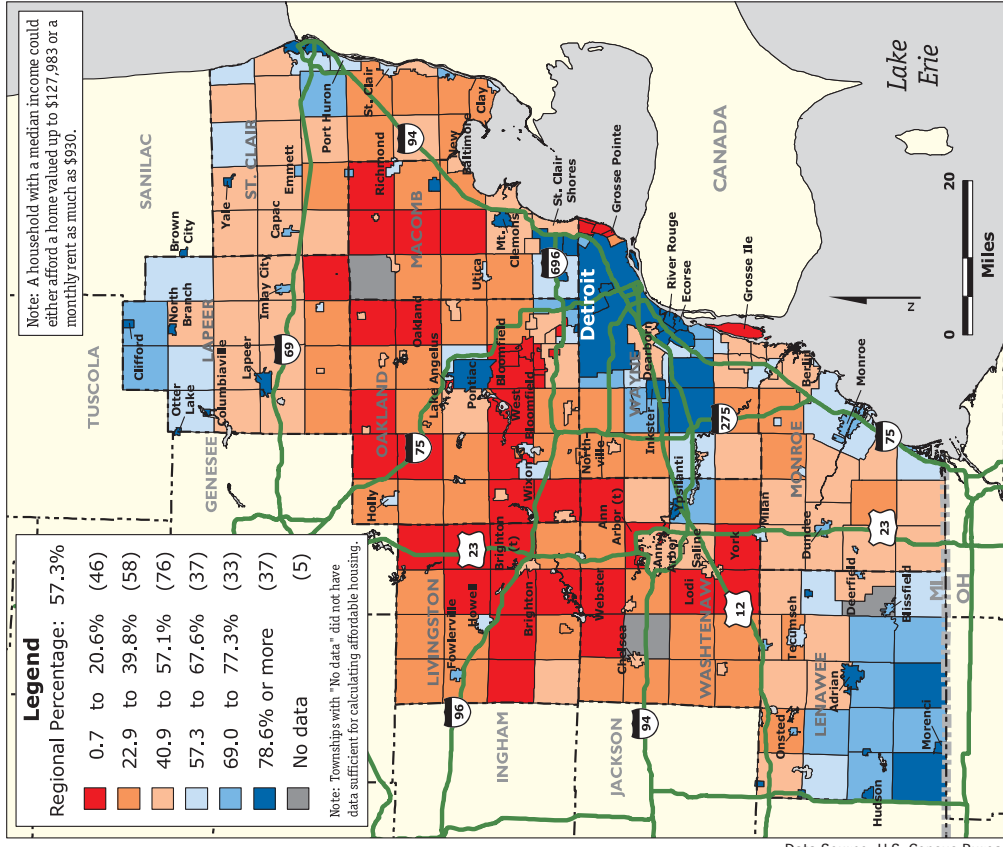
bases, as do some outlying exurban communities. Most of the region's high tax-base communities are concentrated along a line ranging from Saline and Freedom townships

south of Ann Arbor to Armada and Bruce townships in Macomb County.

MAP 7. MEDIAN HOUSEHOLD INCOME BY MUNICIPALITY, 1999



MAP 8. PERCENTAGE OF HOUSING AFFORDABLE TO HOUSEHOLDS WITH 80% OF THE REGIONAL MEDIAN INCOME BY MUNICIPALITY, 2000



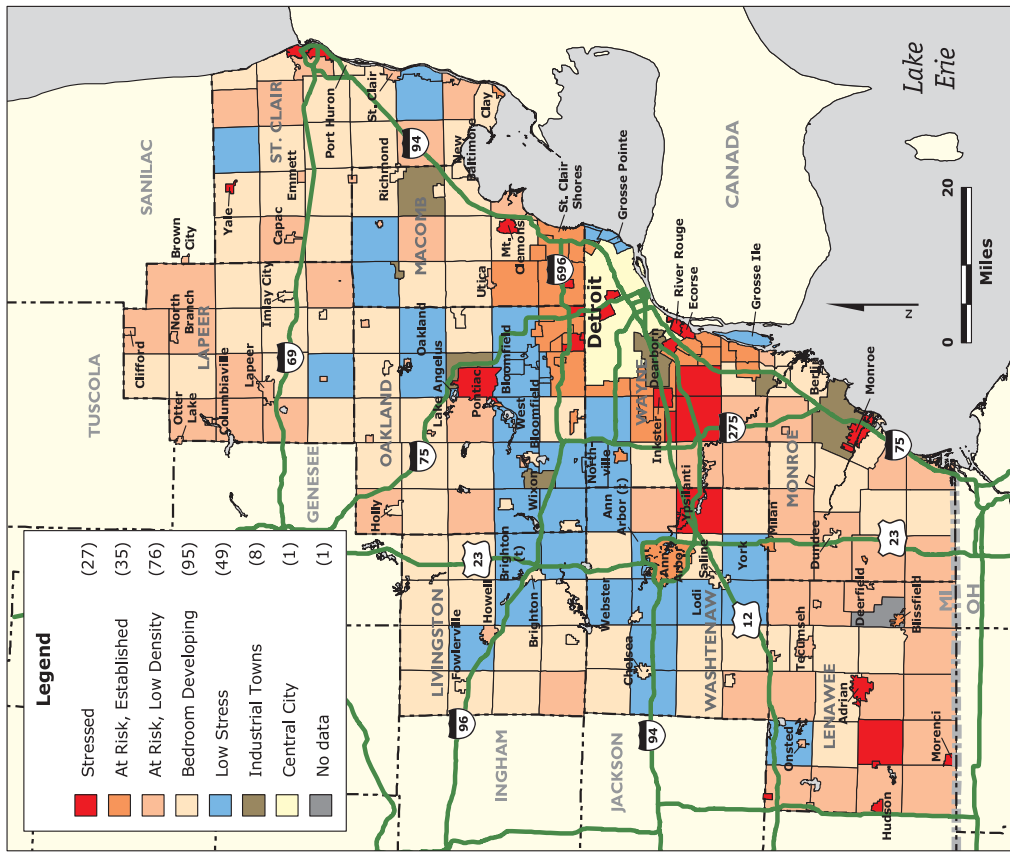
THE DISTRIBUTION OF HIGH INCOMES and expensive housing in the Detroit region nearly mirror each other. This pattern keeps most low and moderate wage earners out of communities with quality public services and schools.

Communities with the highest median incomes are largely located in the outlying communities, mostly in a line from Washtenaw County to northern Macomb County. Most of these places also offer very little in the way of housing

affordable to even middle-income households. Affordable housing is concentrated in many of the same places with low median incomes—Detroit, its inner suburbs and outlying cities, and most of Lenawee County.²⁰

Community Classification

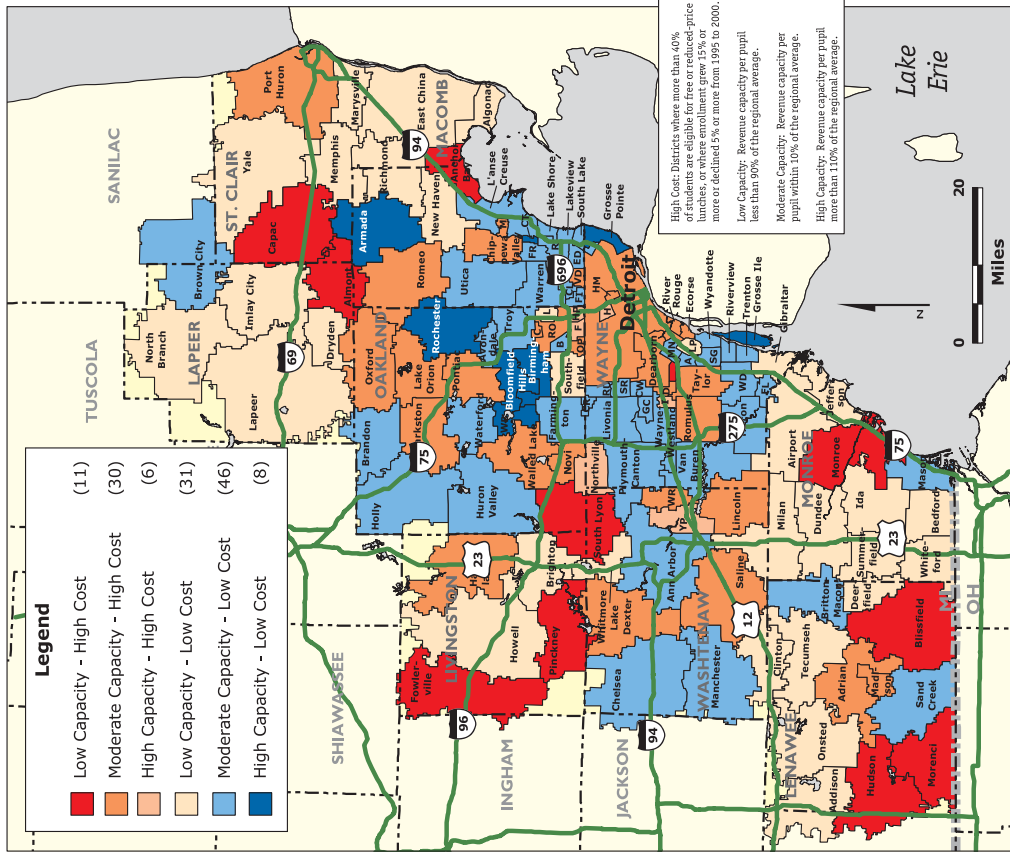
MAP 9. COMMUNITY CLASSIFICATION



Data Source: Ameregis

THE CONDITION OF A MUNICIPALITY or school district is generally determined by two factors—its capacity to raise revenues and the costs it faces in providing services. Over half of the residents of the Detroit area—those in stressed and at-risk suburbs and in the city of Detroit—live in com-

MAP 10. SCHOOL DISTRICT CLASSIFICATION



Data Source: Michigan Department of Education; Ameregis

exhibiting clear signs of stress—either high rates of student poverty, significant enrollment growth or serious decline—combined with low or moderate revenue capacities.

Grand Rapids Region

THE GRAND RAPIDS regional economy is robust compared to other Michigan metropolitan areas. During the 1990s, the state's second largest region enjoyed population growth of 16 percent, the fastest of any region in this report except Traverse City and faster than the average for all U.S. metropolitan areas (13 percent).

Job growth was even more impressive, easily outstripping the other regions. The region experienced a 32 percent gain in total employment and a 21 percent jump in manufacturing employment. The tax base data also reflects the overall health of the economy. Only Detroit and Traverse City regions showed higher property tax base per household in 2000 or larger growth in property-tax base between 1995 and 2000.

Despite these signs of overall health, the region is not immune to the harms of growing social separation and sprawl. Outlying communities are making disproportionate gains in most measures. For example, areas of Kent County outside Grand Rapids grew more than four times faster than the city itself. The fastest population growth in the 1990s was in Ottawa County, which grew by 26 percent. Muskegon County experienced the slowest growth, 7 percent.

Social and fiscal need is concentrated and deepening in a few places in the region—the cities of Grand Rapids, Muskegon and Holland; some outlying townships, particularly those in southern Allegan and north Muskegon counties; and a group of older, inner-suburban communities with slow-growing tax bases and rising school poverty rates. In fact, over half of suburban residents live in communities already facing significant stresses or at risk of facing them.

The concentration of poverty in core communities encourages further sprawl as middle-class families flee to the suburbs. This outward movement results in a wasteful duplication of public services. Schools provide perhaps the most compelling example. While Grand Rapids district officials are closing schools due to declining enrollment and

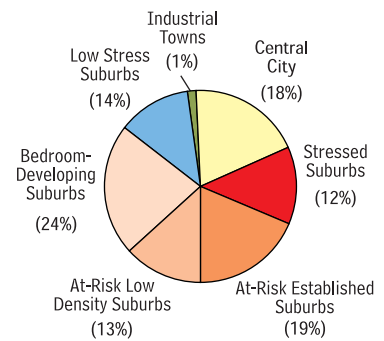
aging buildings, fast-growing suburban districts like West Ottawa and Allendale are floating bond proposals to relieve school overcrowding and reduce the use of portable classrooms.²¹

In addition to the inefficient use of resources this pattern represents, unbalanced growth is also exacerbating racial and income segregation. Segregation of poor students in the region's schools got worse in the late 1990s, and already severe racial segregation held steady.

In addition to the wide variations in social indicators, fiscal disparities among the region's local governments remain high as well. In fact the community with tax base at the region's 95th percentile could generate over three times the revenue of the community at the 5th percentile if they both assessed the same tax rate. Over 60 percent of the region's population resided in communities with per-household property tax bases below the regional average.

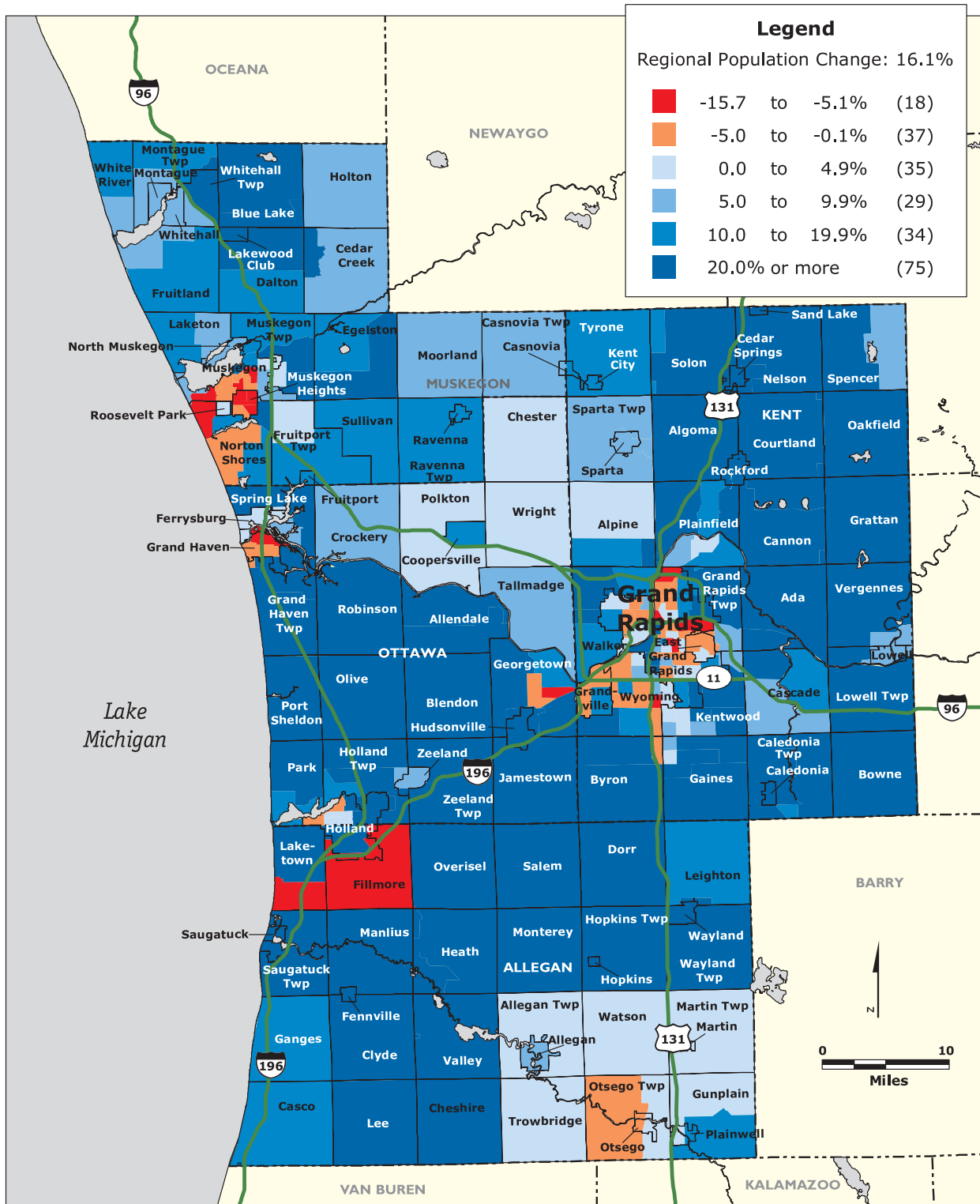
Local governments compete for developments that generate more in tax revenue than they require in services.

Population Share by Community Type



Population Change

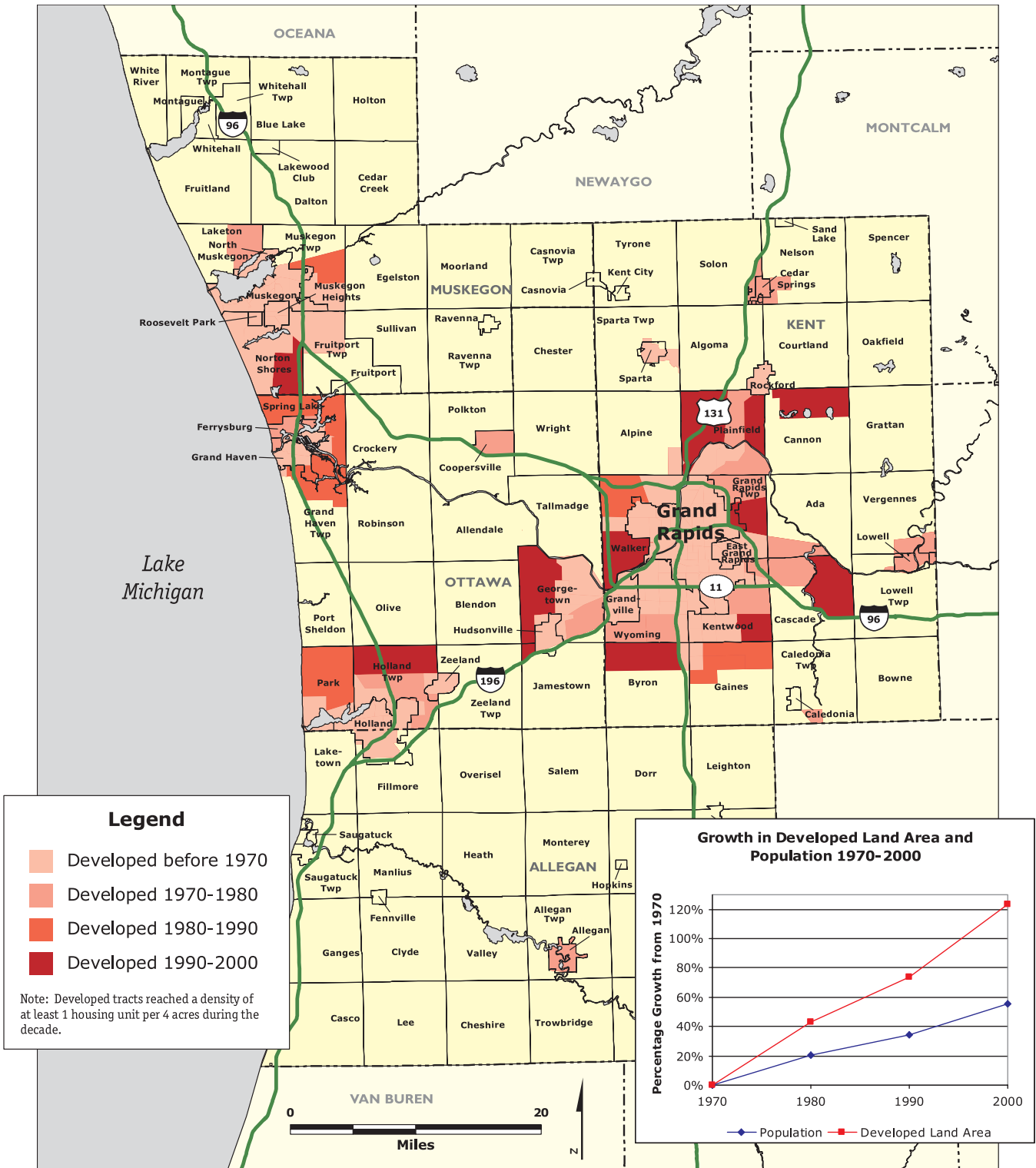
MAP 11. PERCENTAGE CHANGE IN POPULATION BY CENSUS TRACT, 1990-2000



MOST OUTLYING PORTIONS of the Grand Rapids region saw population gains during the 1990s, including much of Kent County, southern Ottawa County and northern and eastern Allegan County. At the same time, many portions of the cities of Grand Rapids and Muskegon lost population, as did the suburbs surrounding them.

Those include some places, like Grand Haven, where the number of households continued to grow even as population declined, reflecting a decrease in average household size. Others, like Muskegon Heights, saw losses in the number of households as well as in population, often a sign of significant social strain.

MAP 12. HOUSING DEVELOPMENT BY CENSUS TRACT, 1970-2000

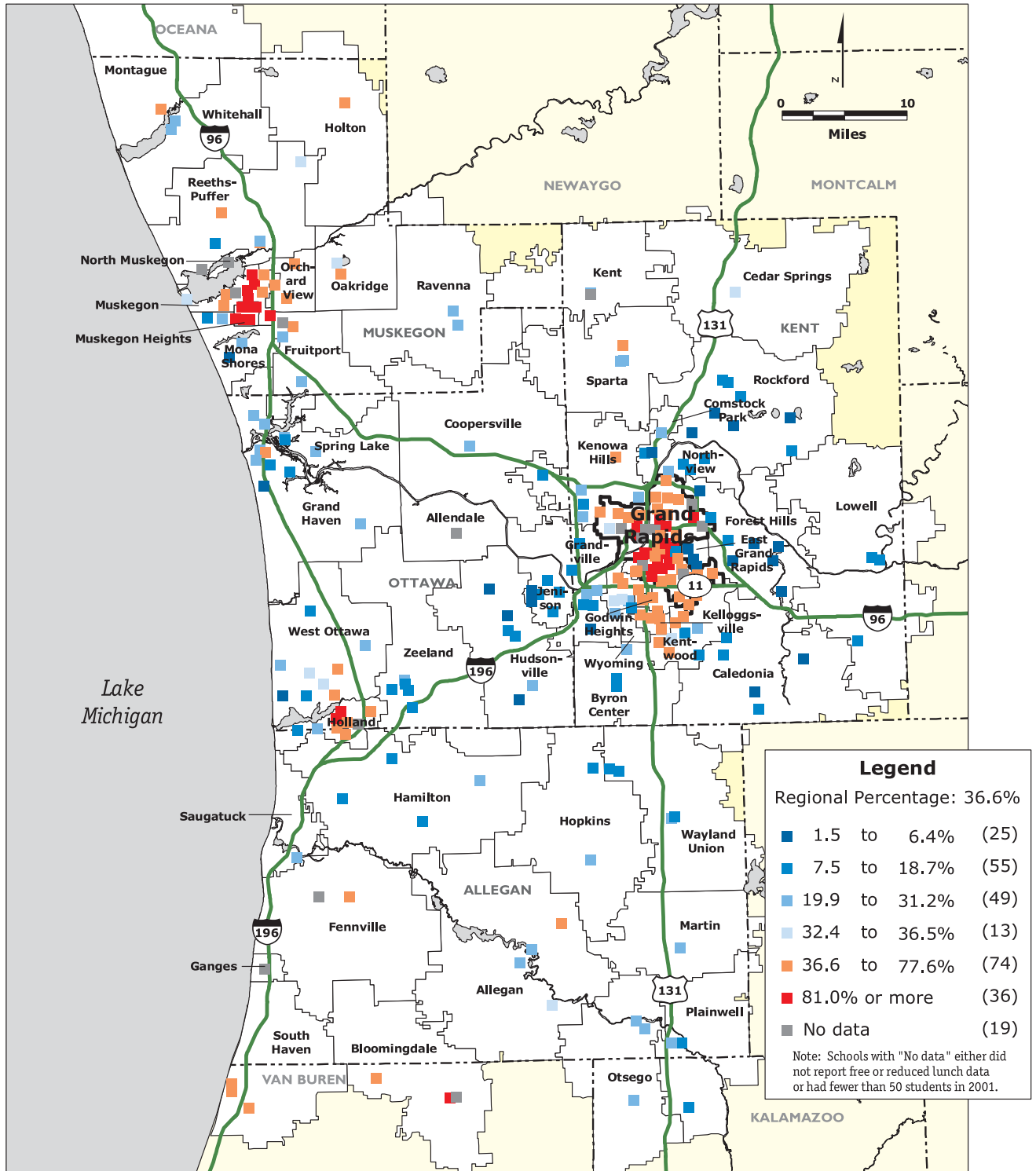


POPULATION IN THE GRAND RAPIDS area grew considerably between 1970 and 2000, but the amount of land in the region dedicated to housing grew more than twice as fast. Most areas that

developed during the 1990s were located on the outskirts of the region's three major cities, Grand Rapids, Muskegon and Holland.

Poverty in Schools

MAP 13. PERCENTAGE OF ELEMENTARY STUDENTS ELIGIBLE FOR FREE AND REDUCED-PRICE LUNCH BY SCHOOL, 2001

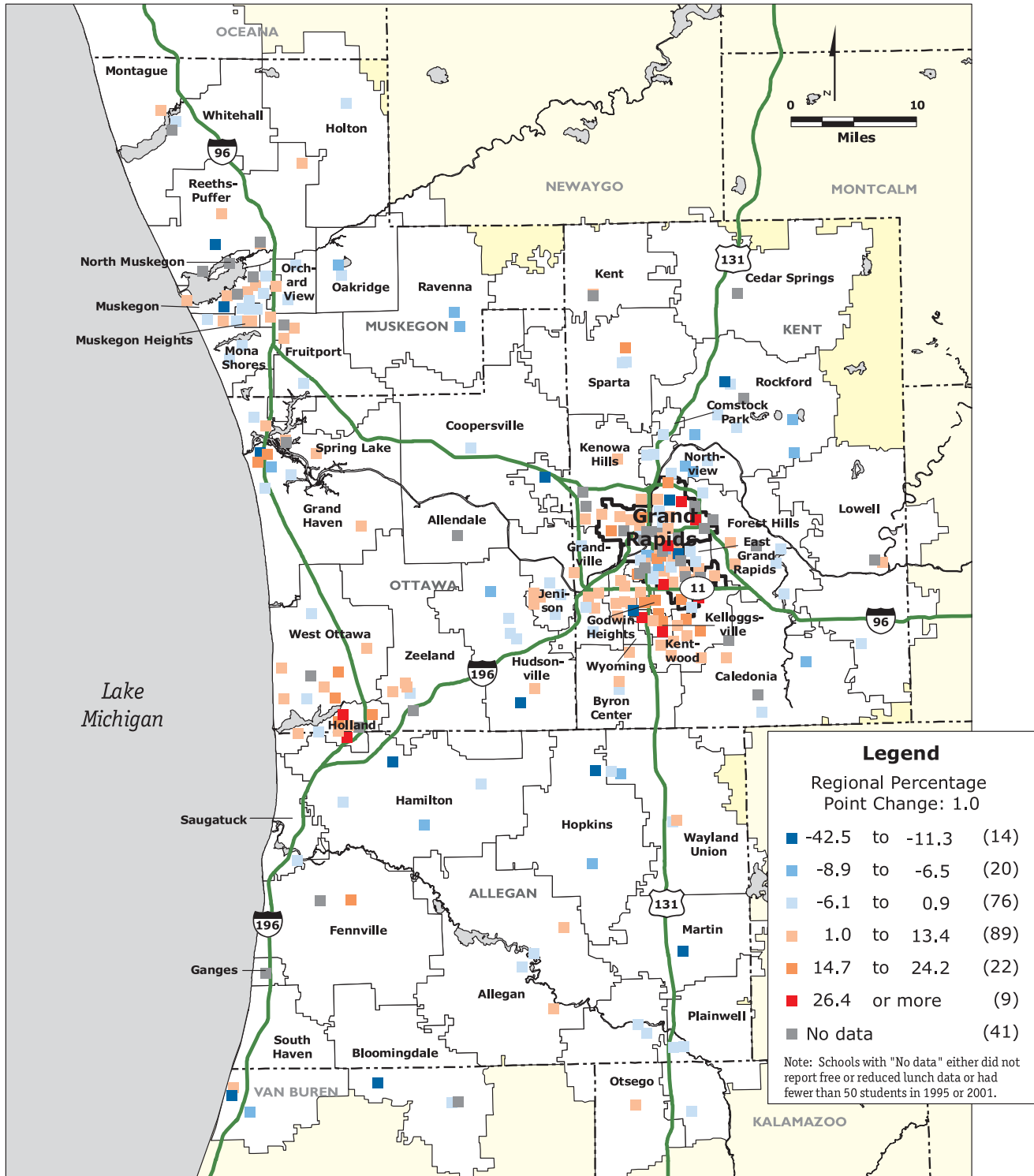


Data Source: Michigan Department of Education

THE PERCENTAGE OF STUDENTS eligible for free lunches serves as a useful proxy for a community's overall economic condition. Schools with the greatest shares of poor students are primarily found within Grand Rapids, Muskegon and Holland. However, concentrated school poverty is not limited to cities. In some instances, poverty rates in inner suburban schools exceed the city

rates. For example, 91 percent of students in the Muskegon Heights district were eligible for free lunches, compared to 75 percent in Muskegon and 73 percent in Grand Rapids. Affluent districts are scattered throughout the region, including a ring of communities around Grand Rapids that includes the Forest Hills, Jerilson and Northview districts.

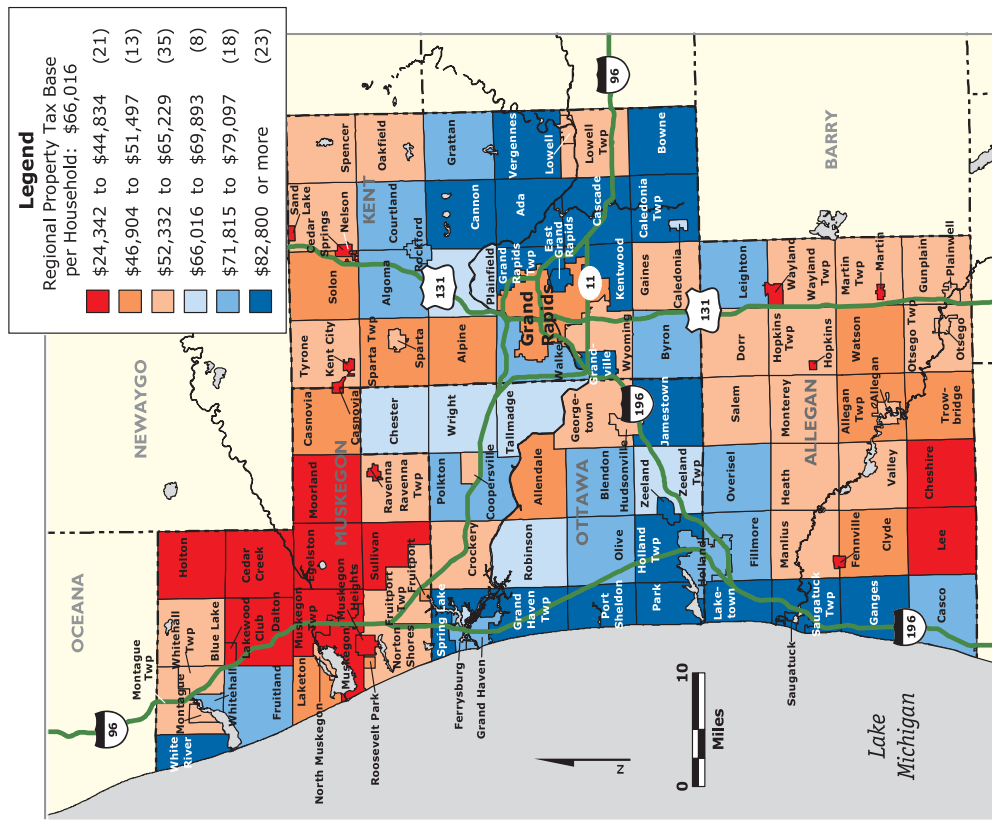
MAP 14. PERCENTAGE POINT CHANGE IN ELEMENTARY STUDENTS ELIGIBLE FOR FREE AND REDUCED-PRICE LUNCH BY SCHOOL, 1995-2001



AS SCHOOLS GROW POOR, whole communities may follow. Changes in free-lunch eligibility during the late 1990s confirm the outward movement of poverty—at-risk, inner-suburban school districts, including Kelloggsville and Godwin Heights, experienced some of the region’s greatest increases in free-lunch eligi-

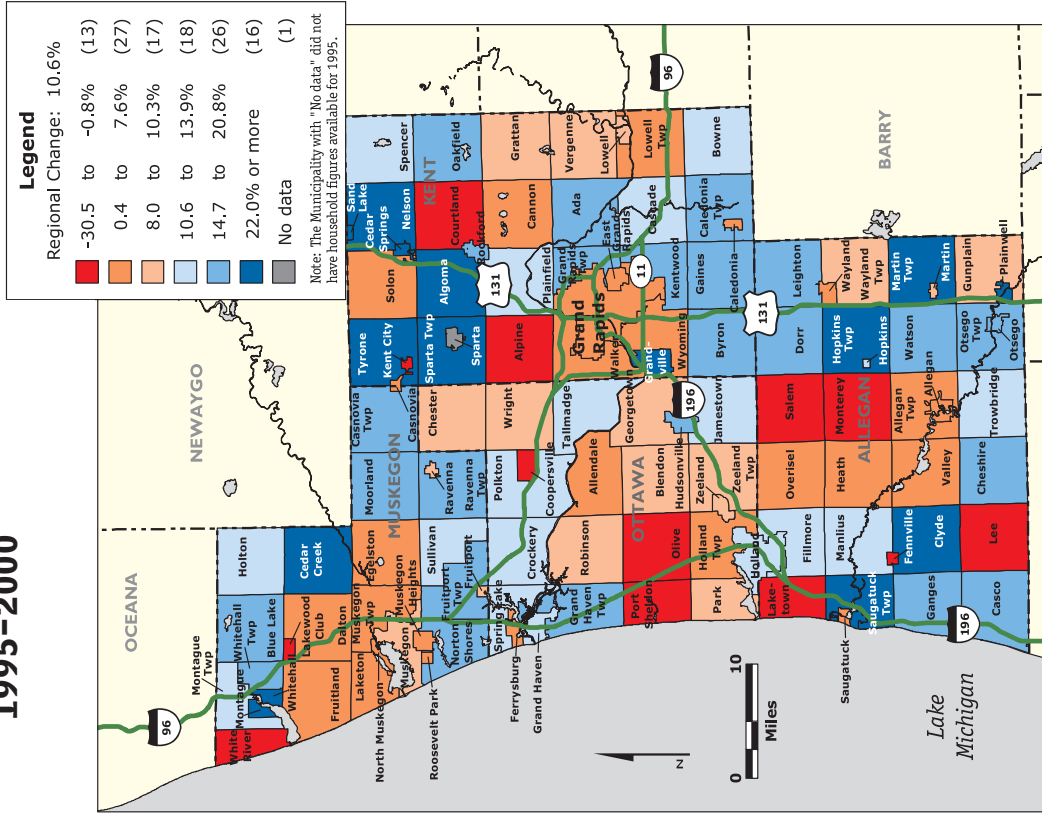
bility. Many schools in Holland also saw significant increases in poverty, while in Grand Rapids and Muskegon, some schools saw increases while others saw declines. Many outlying suburban districts such as Rockford and Oakridge saw declining poverty rates during this time.

MAP 15. PROPERTY TAX BASE PER HOUSEHOLD BY MUNICIPALITY, 2000



Data Source: Michigan Department of Treasury

MAP 16. PERCENTAGE CHANGE IN PROPERTY TAX BASE PER HOUSEHOLD BY MUNICIPALITY, 1995-2000



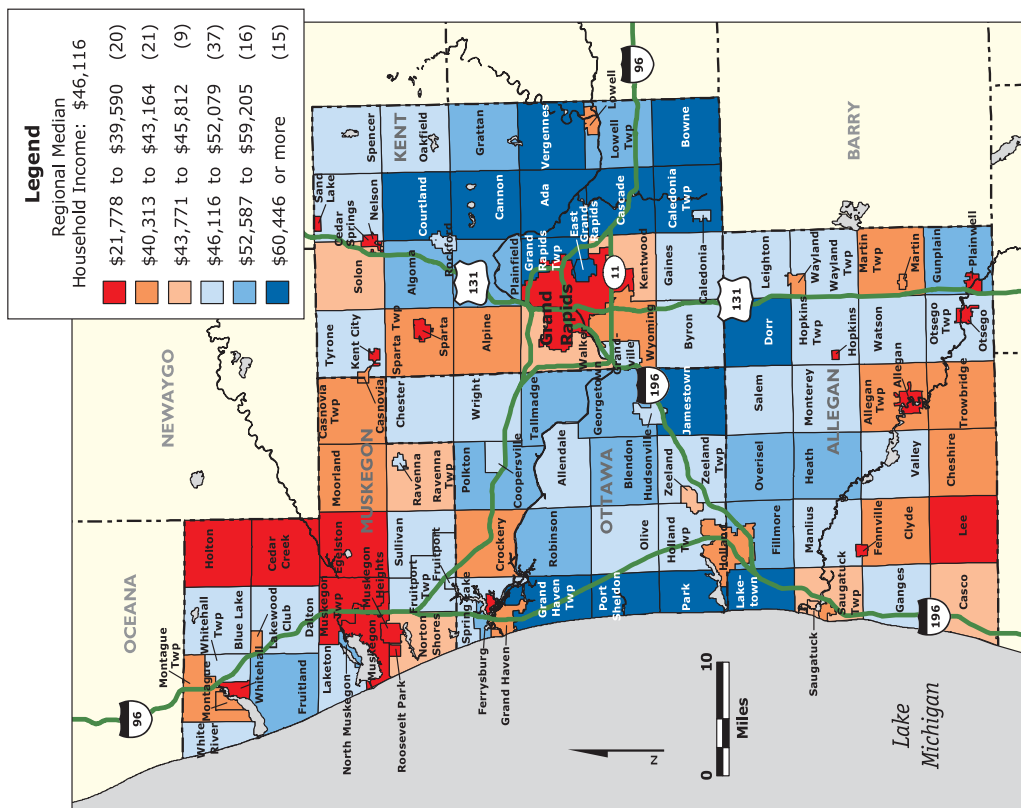
Data Source: Michigan Department of Treasury

THE WAY THE GRAND RAPIDS region is growing is producing great disparities in the fiscal condition of its communities. The cities of Grand Rapids and Muskegon and many outlying communities in Muskegon and Allegan counties are straining to cover the costs of social and

physical decline with low property tax bases. Many inner suburbs, including Wyoming Township, Walker and East Grand Rapids, saw slower than average growth in the late 1990s, despite having above-average tax bases in 2001. This is a sign that they are losing fiscal ground to even

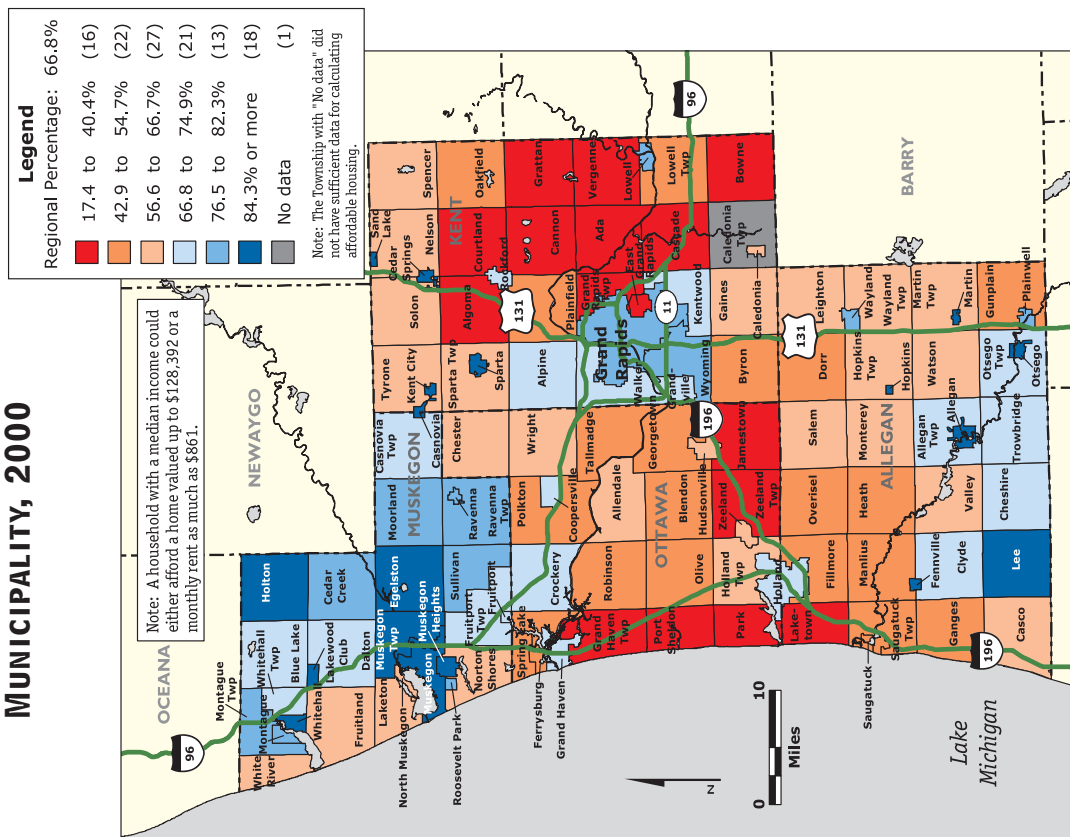
more outlying communities. Meanwhile, the most tax base-rich areas—many concentrated east of Grand Rapids and along Lake Michigan—can more easily provide the public services desired by residents.

MAP 17. MEDIAN HOUSEHOLD INCOME BY MUNICIPALITY, 1999



Data Source: U.S. Census Bureau

MAP 18. PERCENTAGE OF HOUSING AFFORDABLE TO HOUSEHOLDS WITH 80% OF THE REGIONAL MEDIAN INCOME BY MUNICIPALITY, 2000



Data Source: U.S. Census Bureau

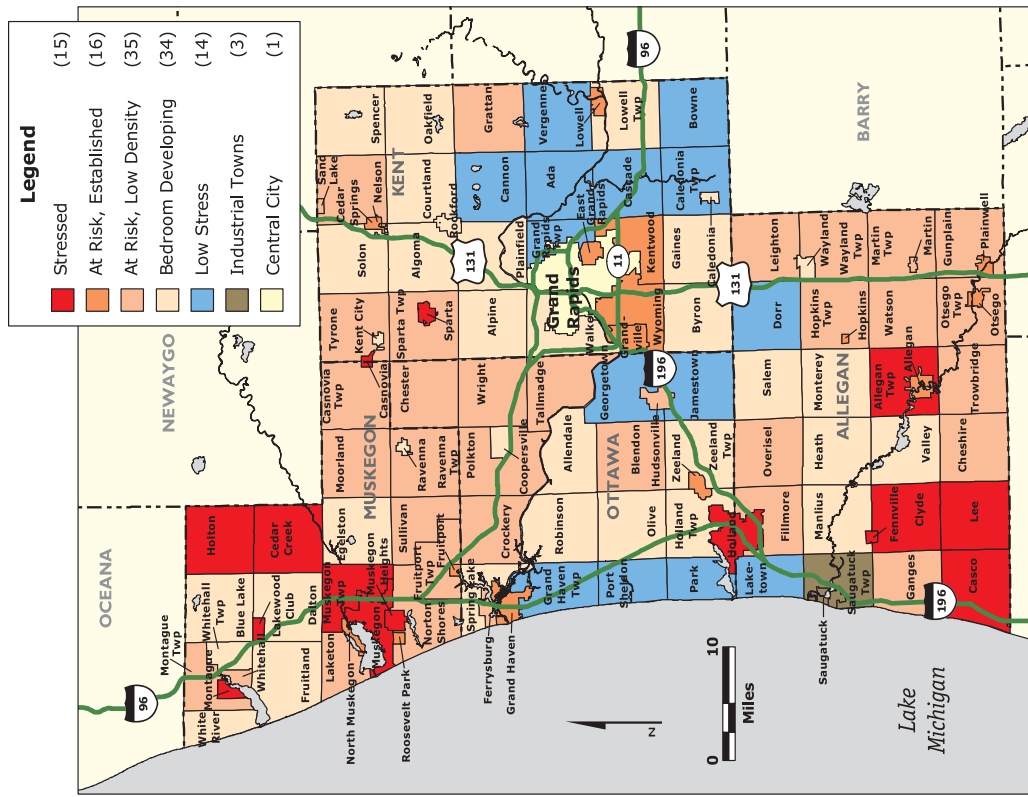
THE LACK OF AFFORDABLE HOUSING in high-income communities contributes to extreme social segregation in the Grand Rapids region. The distribution of high incomes and expensive housing in the region follow very similar

patterns, with the most affluent communities concentrated in eastern Kent and western Ottawa counties. The region's affordable housing is concentrated in many of the same places that have low average household incomes—

the cities of Grand Rapids and Muskegon, some inner suburbs and outlying townships of northern Muskegon and southern Allegan counties (see footnote 20 for an explanation of affordable housing calculations).

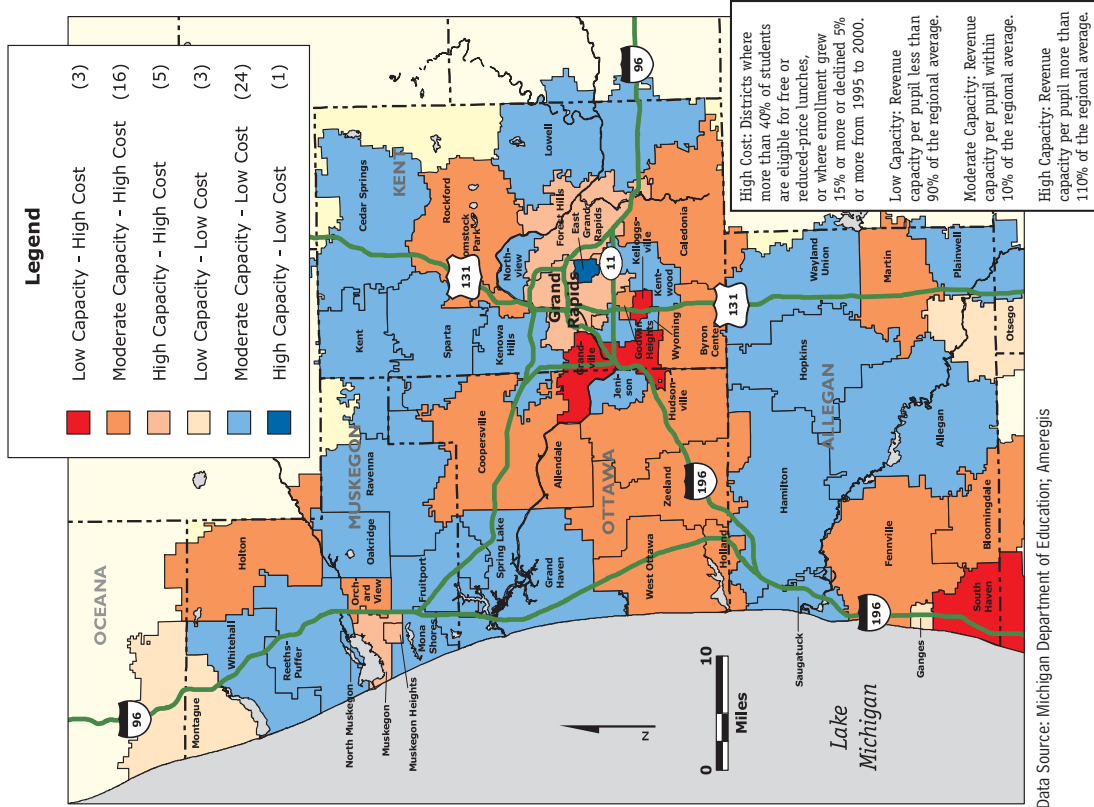
Community Classification

MAP 19. COMMUNITY CLASSIFICATION



Data Source: Ameregis

MAP 20. SCHOOL DISTRICT CLASSIFICATION



Data Source: Michigan Department of Education; Ameregis

SUBURBAN MUNICIPALITIES and school districts in greater Grand Rapids are not an affluent monolith. Instead, many of them are facing fiscal or social stress. Just 14 percent of Grand Rapids-area residents live in low-stress communities with plentiful tax bases and few social

needs. Another 24 percent live in middle-class bedroom communities with above-average tax bases. The majority of people live in communities facing fiscal or social stresses (see table on page 58 for a summary of their characteristics). In addition, one in three Grand Rapids-area stu-

dents attend school in districts exhibiting either high rates of student poverty, significant enrollment growth or serious decline—combined with low or moderate fiscal capacities. Another quarter are enrolled in districts facing either high costs or low fiscal capacities.

Lansing Region

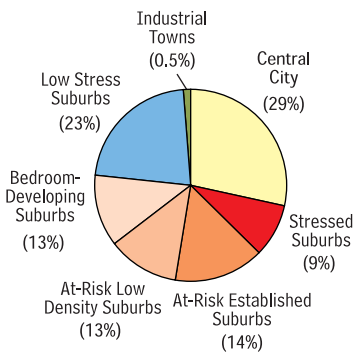
HOME TO THE STATE government and Michigan State University, the Lansing-area economy is less vulnerable to troubles in the manufacturing sector than Michigan's other large metropolitan areas. Despite this, regional growth was relatively weak in the 1990s. Population grew by just 3.5 percent and employment by only 10 percent.

The gains that occurred were largely in outlying communities and occurred at the expense of the region's core. For example, Ingham County, home to Lansing and East Lansing, actually saw a slight decline in population during the 1990s, while both Clinton and Eaton counties grew by nearly 12 percent.

This pattern reflects long-term trends in the region. From 1970 to 2000, the Lansing region's population grew by 18 percent while the amount of land utilized at urban densities grew by 61 percent—a ratio of more than three to one.

This “hollowing out” of the region stresses both losing and gaining communities. Nearly half of the region's students are enrolled in school districts with at least one high-cost characteristic—a high rate of student poverty, significant enrollment decline or rapid enrollment growth. And almost half of those are in districts relying on low to moderate fiscal resources to pay for their significant needs.

Population Share by Community Type



The region is also struggling with growing segregation. The share of poor students who would have to change schools to achieve an identical balance of poor and non-poor kids in each school edged up one percentage point, to 32 percent from 1995 to



Lansing's Old Town is attracting businesses with its old-style, pedestrian-friendly environment.

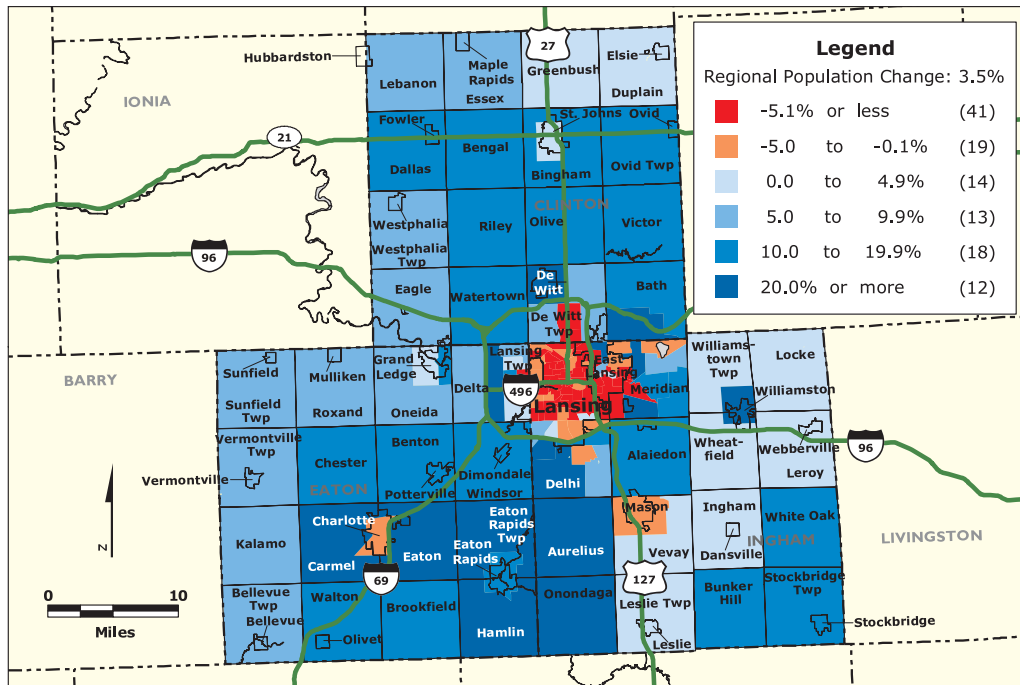
2001. The share of non-Asian minority students who would have to change schools to achieve a perfectly integrated enrollment increased by five percentage points to 50 percent, the second largest increase of the seven regions in this study.

Race and poverty are also highly correlated. In 2001, 66 percent of non-Asian minority elementary students attended high-poverty schools, up from 60 percent in 1995. The percentage of white students in those schools was stable, at just 13 percent in both years.

Accompanying the growing social segregation of the Lansing region was increasing fiscal inequality among its cities, villages and townships. While fiscal disparities in all of the other regions in this study declined in the late 1990s, disparities in the Lansing region actually increased slightly. By 2000, the community with tax base at the region's 95th percentile could generate over three times the revenue of the community with tax base at the 5th percentile if they both assessed the same tax rate.

Population Change & Housing Development

MAP 21. PERCENTAGE CHANGE IN POPULATION BY CENSUS TRACT, 1990-2000

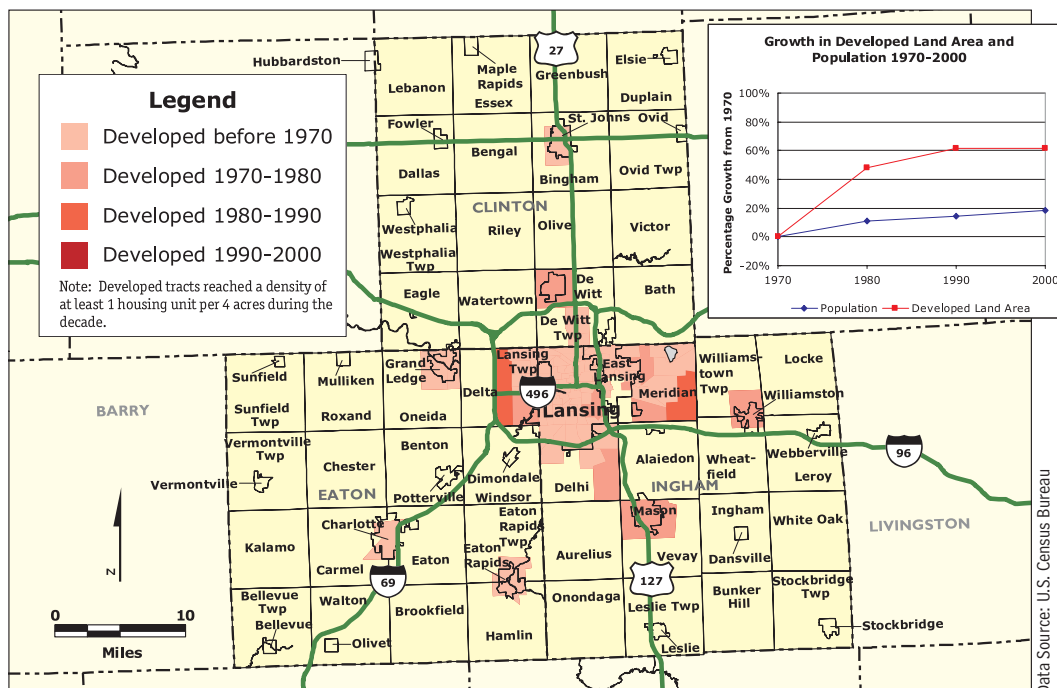


Data Source: U.S. Census Bureau

ALTHOUGH POPULATION in the Lansing region as a whole grew by just 3.5 percent during the 1990s, most outlying areas saw much larger gains. The biggest increases took place southwest of Lansing, in an area from Carmel to Onondaga townships. Many communities in the core, on the other hand, saw population decreases. The cities

of Lansing and East Lansing both lost residents, as did inner portions of DeWitt and Delta townships. In some cases losses reflected decreasing household size; East Lansing, for example, gained households even though it lost population overall.

MAP 22. HOUSING DEVELOPMENT BY CENSUS TRACT, 1970-2000

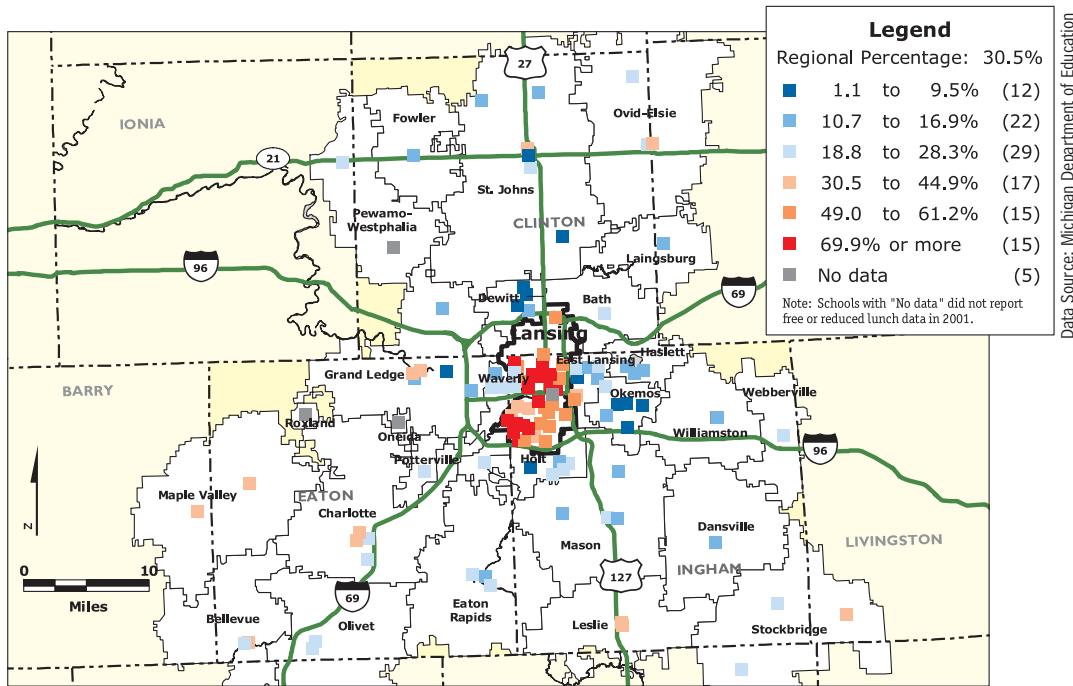


Data Source: U.S. Census Bureau

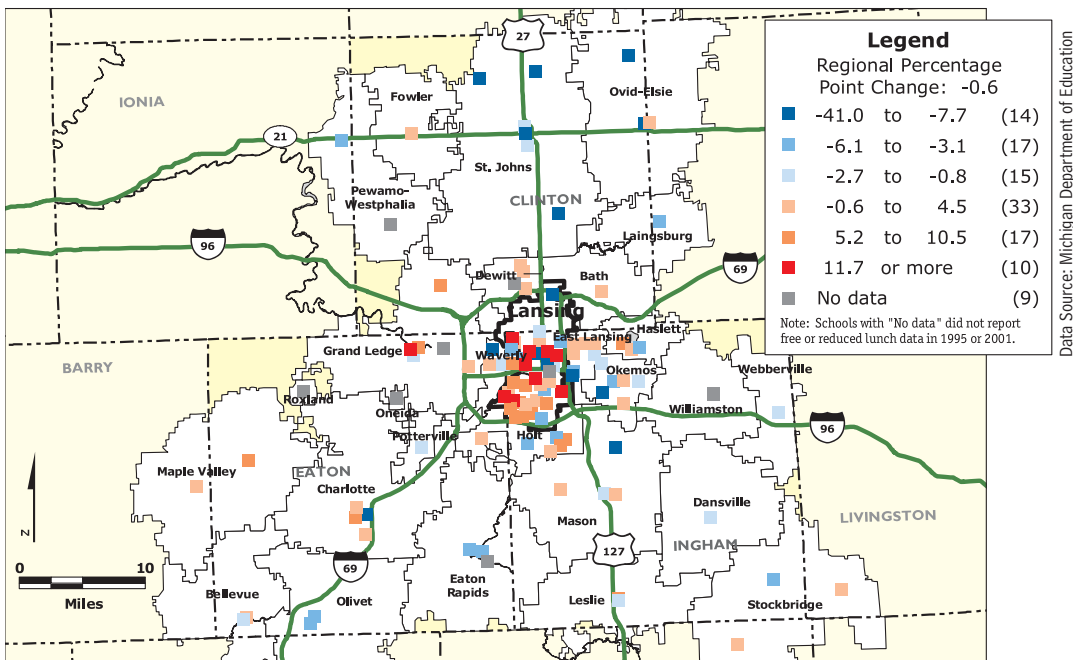
FROM 1970 TO 2000, the Lansing region's population grew by 18 percent, while the amount of developed land in the region grew by 61 percent—more than three times faster. The differ-

ence in growth rates was greatest in the 1970s, while in recent decades the rates of change in these two variables have been much closer to one another.

MAP 23. PERCENTAGE OF ELEMENTARY STUDENTS ELIGIBLE FOR FREE AND REDUCED-PRICE LUNCH BY SCHOOL, 2001



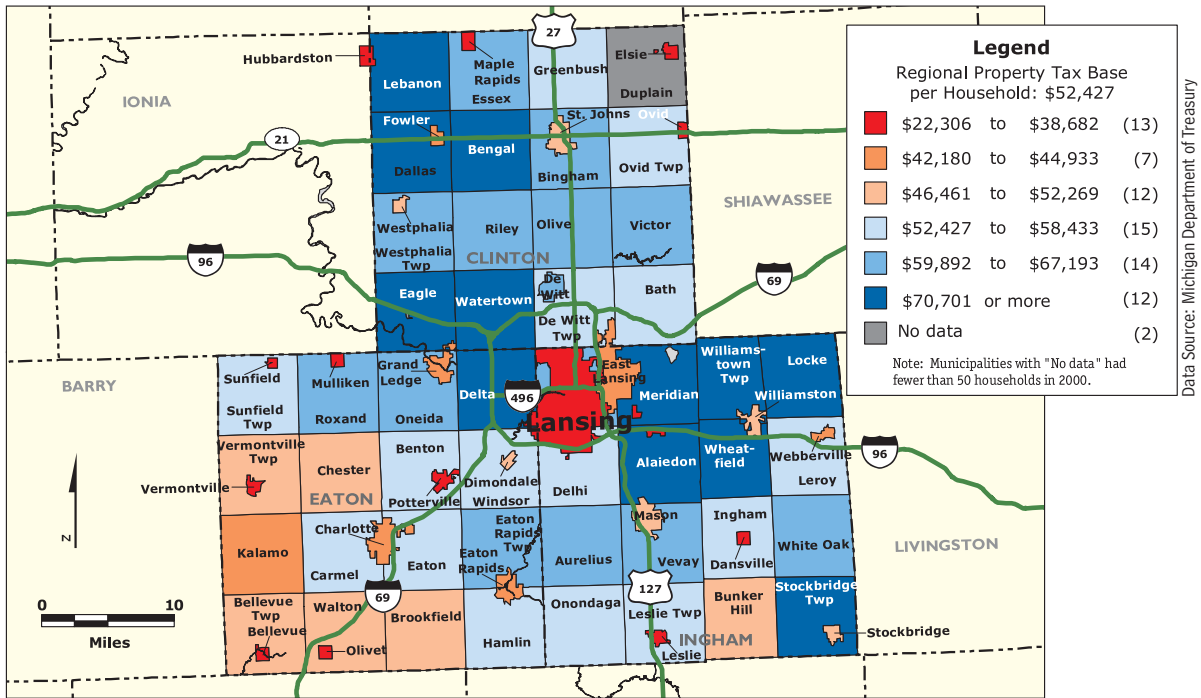
MAP 24. PERCENTAGE POINT CHANGE IN ELEMENTARY STUDENTS ELIGIBLE FOR FREE AND REDUCED-PRICE LUNCH BY SCHOOL, 1995-2001



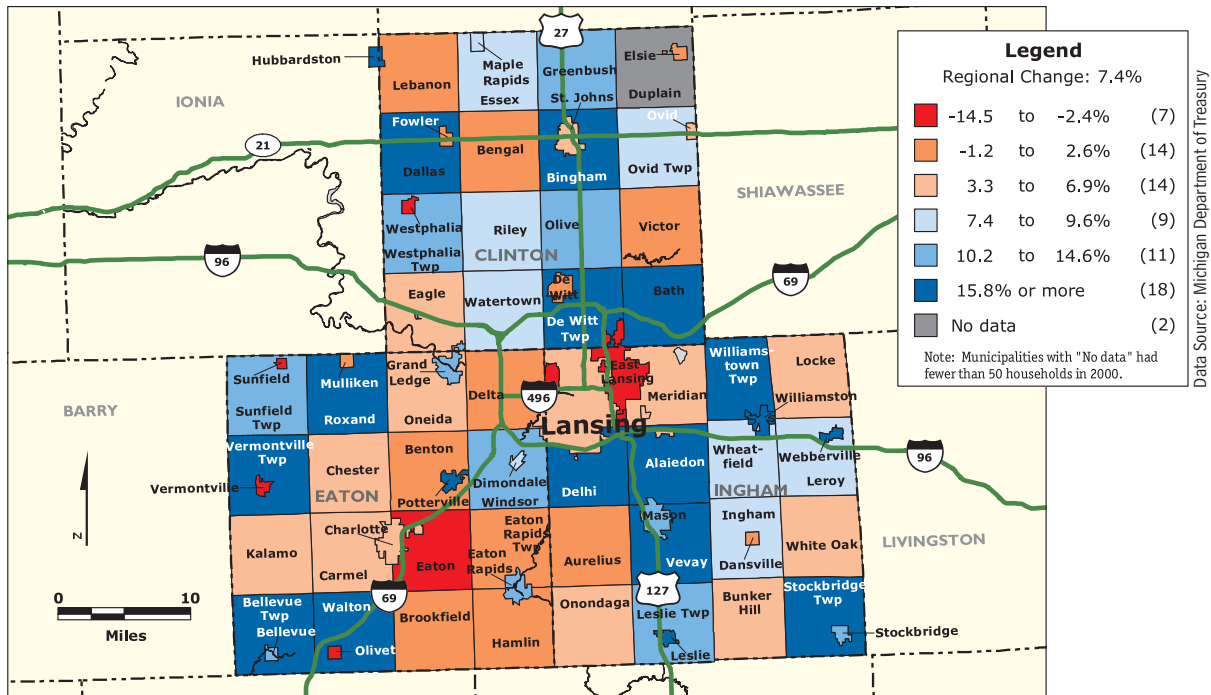
CHANGES IN THE SOCIAL MAKE-UP of elementary schools provide a warning for the community as a whole. Student poverty in the Lansing region is highly concentrated within the Lansing schools, as well as in several outlying suburban districts, including Maple Valley and Leslie. Poverty increased slightly in the Lansing

district as a whole from 1995 to 2001, but nine suburban school districts, including Maple Valley and Grand Ledge, saw faster increases during the period. Nevertheless, poverty levels remained very low in other suburban districts, including DeWitt and Okemos.

MAP 25. PROPERTY TAX BASE PER HOUSEHOLD BY MUNICIPALITY, 2000



MAP 26. PERCENTAGE CHANGE IN PROPERTY TAX BASE PER HOUSEHOLD BY MUNICIPALITY, 1995-2000

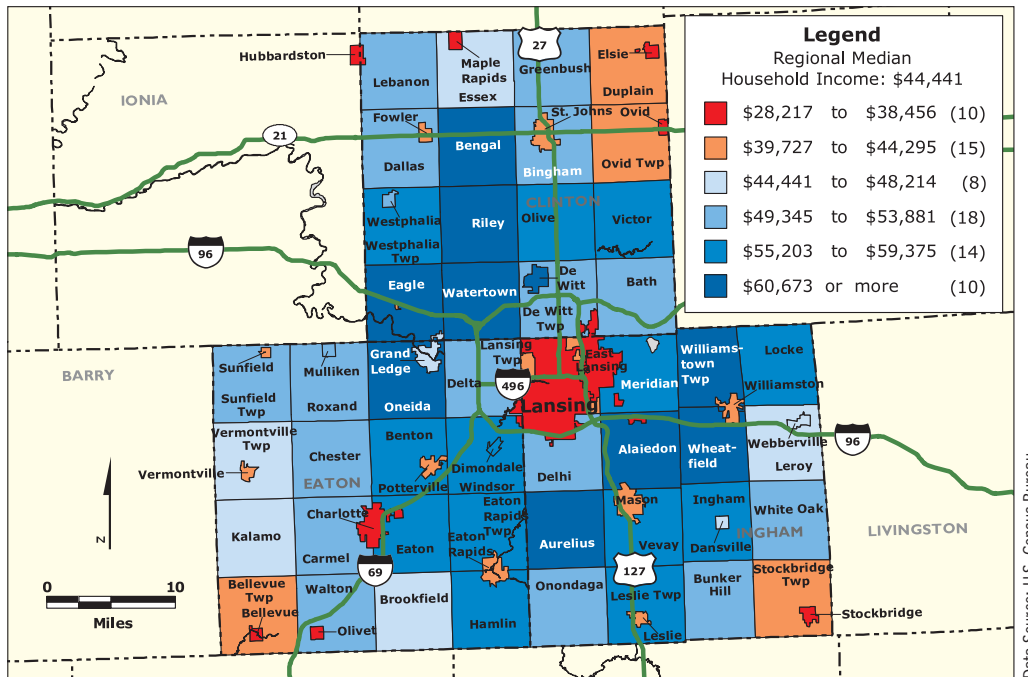


THE ABILITY OF A COMMUNITY to provide public services depends on its capacity to raise revenues from its tax base. The cities of Lansing and East Lansing—places with growing social and physical needs—must pay for needed services with low tax bases that are losing ground relative to outlying communities.

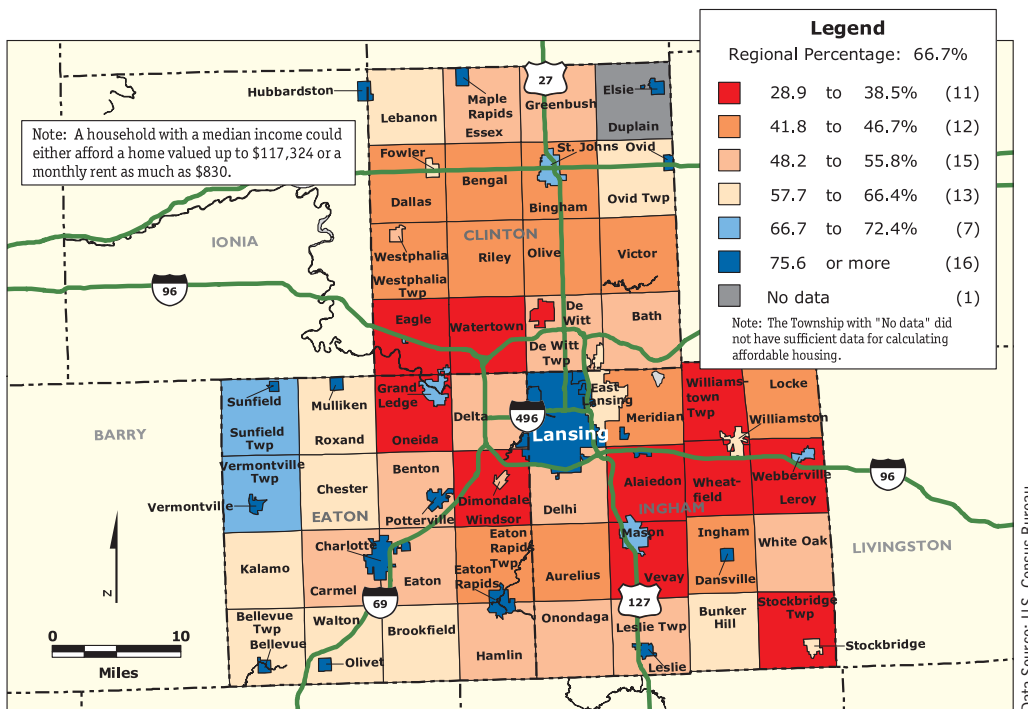
Clusters of high tax-base communities located northwest and east of the city, on the other hand, enjoy above-average tax bases and have few social strains to contend with. Suburban communities just north and south of Lansing saw faster-than-average growth during the late 1990s.

Income & Affordable Housing

MAP 27. MEDIAN HOUSEHOLD INCOME BY MUNICIPALITY, 1999



MAP 28. PERCENTAGE OF HOUSING AFFORDABLE TO HOUSEHOLDS WITH 80% OF THE REGIONAL MEDIAN INCOME BY MUNICIPALITY, 2000

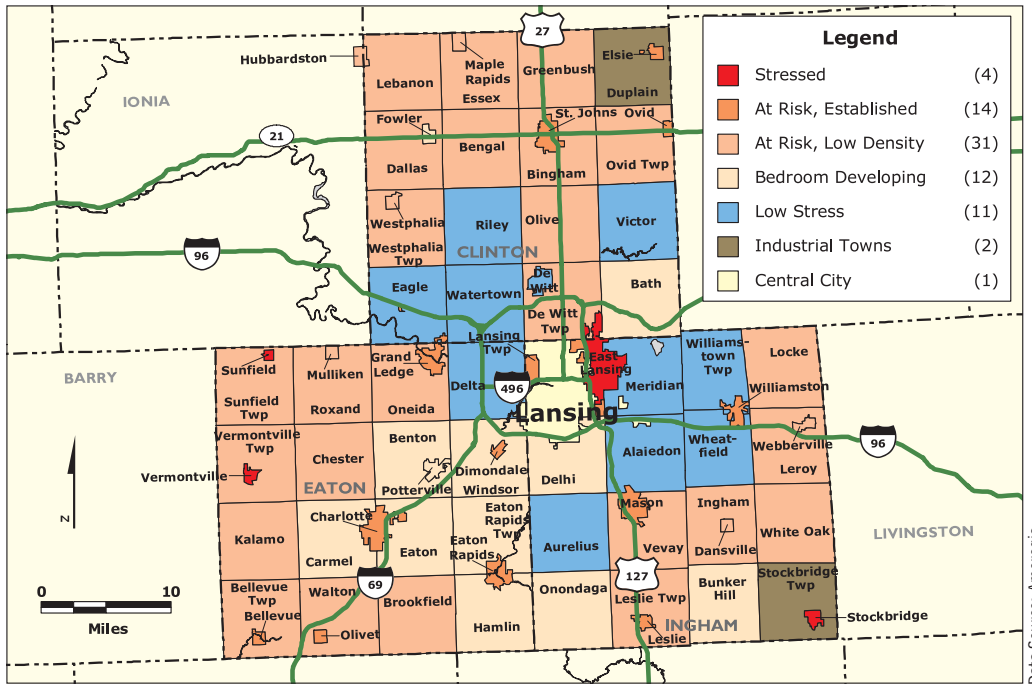


MOST HIGH-INCOME PLACES in the Lansing region offer very little in the way of affordable home ownership, a fact that limits the ability of low-wage workers to live near fast-growing suburban employment centers. Most of the region's affordable housing is located in the city of Lansing and the region's outlying small towns,

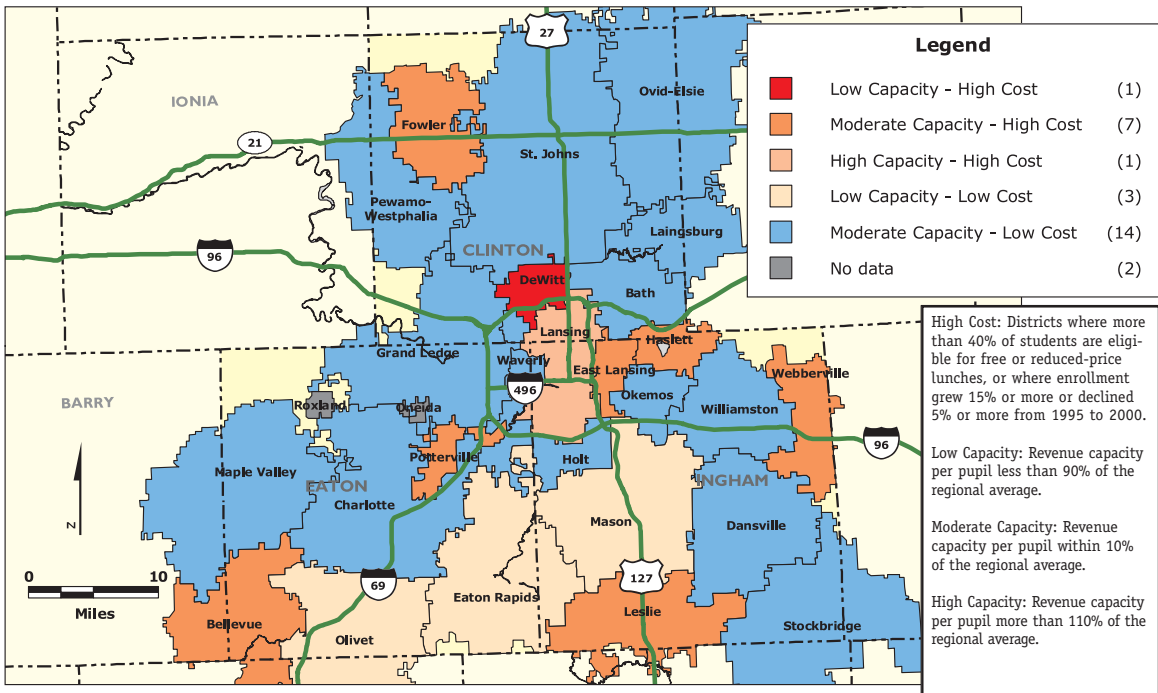
while many outlying townships offer relatively few homes affordable even to middle-income households—those making as much as 80 percent of the regional median income (see footnote 20 for a description of how affordable housing levels were calculated).

Community Classification

MAP 29. COMMUNITY CLASSIFICATION



MAP 30. SCHOOL DISTRICT CLASSIFICATION



THE HEALTH OF A MUNICIPALITY or school district is determined by both its ability to raise needed revenues and the costs of services it must provide. Many local governments in the Lansing area are struggling with at least one of these factors. In fact, 65 percent of the region's residents—those in Lansing and stressed and at-risk suburbs—live in places facing fiscal or social stresses (see page 58

for characteristics of each type of community). In addition, one-third of all the students attended school in districts exhibiting clear signs of stress—high poverty rates or significant enrollment growth or decline, along with low- or moderate-revenue capacities. Another 37 percent attended districts with warning signs: either high costs or low capacities.