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Grand Rapids MI Metropolitics

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Grand Rapids Area Metropolitics:
A West Michigan Agenda for Community and Stability

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Metropolitan Area Research Corporation

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I. Introduction

Social and economic polarization and wasteful development patterns threaten the Grand Rapids area.[1] First, poverty and social and economic need has concentrated and is deepening in Grand Rapids neighborhoods, in older, inner suburbs, and in outlying townships and satellite cities—particularly in and around Muskegon and in southern Allegan County.[2] This concentration destabilizes schools and neighborhoods and results in the flight of middle-class families and businesses. As social needs accelerate in these places, the property tax base supporting local services erodes. About 29 percent of the Grand Rapids region's population live in such a jurisdiction (19 percent in Grand Rapids and 10 percent in declining suburbs and satellite cities). These places include Muskegon, Dalton Township, Cedar Springs, and Lee Township.

The mythic dichotomy of urban decline and suburban prosperity holds that social and economic decline stops neatly at the central city borders. Nothing could be further from the truth. As poverty and social instability cross into the older working class and middle-income suburbs and increases in satellite cities, all of the trends of urban decline *accelerate and intensify*. Lacking the strong business district, vitality and resources, high-end housing market, parks, culture and amenities that the central city has—and often without a large police department and social service agencies to respond to growing social stress—the schools in these communities become poor *faster* and local commercial and residential values lag in good times and evaporate more *rapidly* in bad times. In the end, while the central city almost always retains some diversity in income, the older suburbs and satellite cities can become monolithically poor.

Second, in a related pattern, growing middle-income communities, dominated by smaller homes and apartments, developing without sufficient property tax base to support schools and other public services, are beginning to experience increases in their poverty and crime rates. These fiscally stressed communities could well become tomorrow’s troubled suburban places. These places, which include many outlying satellite cities and townships, as well as many inner suburbs of Grand Rapids, are home to another 58 percent of the region's population. These are places like Kentwood, Wyoming, Norton Shores, and Holland. Together, Grand Rapids, its declining inner suburbs, the declining satellite cities of the region, and low property value, middle-income communities—all places disadvantaged by regional polarization—represent over 85 percent of the region's population.

As middle-class families—generally those who cannot afford the $250,000-$300,000 homes now built in America's more prosperous suburbs—leave declining suburbs and satellite

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[1] In this study we define the Grand Rapids area as the four counties designated by the Federal Office of Management and Budget as the Grand Rapids-Muskegon-Holland Metropolitan Statistical Area (MSA): Allegan, Kent, Muskegon, and Ottawa. According to the 1990 Census of Population and Housing, *Technical Documentation*, a Metropolitan Area (MA) is "one of a large population nucleus, together with adjacent communities that have a high degree of economic and social integration with that nucleus". Some MA's "are defined around two or more nuclei". MSA's are "relatively freestanding MA's and are not closely associated with other MA's". At the conclusion of this report we will present recommendations for the four-county area as a whole as well as for smaller areas around Grand Rapids, Muskegon, and Holland.

[2] In this study we have identified Grand Rapids as the central city. Muskegon and Holland are considered satellite cities.

cities, many jump out of a social frying pan and into a fiscal one. When they reject neighborhoods and schools of increasing social stress, they often land in communities with enormous fiscal stress. These edge communities, predominately composed of housing valued below $200,000 and with many times the region's ratio of school-age children to adults, find their local base of resources substantially inadequate to cover the costs of the new schools and other infrastructure needed to properly support the scale of growth.

Third, upper-income communities dominated by expensive homes are capturing the largest share of regional infrastructure spending, economic growth, and jobs. As the property tax base expands in these affluent communities and their housing markets remain closed to most of the region's workers, these areas become both socially and politically isolated from regional responsibilities. These include places like Cascade, Grand Rapids Charter, Port Sheldon, and White River. Only about 14 percent of the region's population live in communities such as these.

As these places achieve the enviable position of having the region's largest tax base and the least need for social services, they become the most desirable places in the region to live. As business and housing developers compete for locations, open space evaporates and people who sought an insulated life closer to natural amenities find themselves in the midst of edge-city urban life with as much or more congestion, development, and stress as the places they left behind. As the highly desirable land melts away into development, "pass-through" traffic increases as new roads are built to connect residents of the next urbanizing community.

While these affluent, high tax base communities have resources, they often cannot, by themselves, control the pace of development that takes them every day toward a scenario of rapid residential and commercial growth and unbearable levels of traffic congestion—a scenario that they may not want. These high-income places often pass significant tax referenda for open space. As development pressure increases, these communities, and communities with strong support for local agriculture, are the most likely to unilaterally act to control growth. While local development moratoriums or slowdowns, at the time seem like a solution, ultimately they only throw development further out to the next growth-hungry community. Thus, such well-intentioned unilateral action to halt growth can actually make the problems associated with sprawl worse rather than better. Anthony Downs of the Brookings Institution often cites the example of Petaluma, California, which in 1972 decided to slow growth by limiting the number of building permits issued annually, causing housing demands to dramatically increase in further-out Santa Rosa.[3] Indeed, the population of the Santa Rosa area nearly doubled between 1970 and 1980, much of it spill-over from Petaluma.[4] Thus, the Petaluma action actually caused the size of *the region* to become larger than it might have been if Petaluma had absorbed the growth. Extra infrastructure in terms of roads and sewers had to be built. Moreover, the residents of Petaluma soon were forced to deal with the dramatically increased traffic moving through their community.

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[3] Anthony Downs, *New Visions for Metropolitan America* (Washington DC: The Brookings Institution, 1994): 36.

[4] According to the U.S. Bureau of the Census, the population of Santa Rosa and its surrounding communities increased by 82.5 percent (from 75,083 to 137,320) between 1970 and 1980.

Social and economic polarization and sprawling development patterns on a regional scale in the Grand Rapids region exact costs in terms of waste of human resources; deterioration of Grand Rapids neighborhoods, inner suburbs, and of many satellite cities; increased fiscal stress in these places and in fast-developing, low tax base communities; increased costs of infrastructure and land; loss of agricultural and fragile lands; and increased miles traveled and number of automobile trips. Various economists and urban researchers have described and estimated many of these costs of social and economic polarization and of wasteful development patterns. The results are staggering. In Section II of this report we will review their findings.

Only through a strong, multifaceted, regional response can social and economic polarization and wasteful development patterns be countered. To stabilize the central city neighborhoods and satellite cities and to minimize unplanned outward development there are three areas of reform that must be achieved on a metropolitan scale: 1) greater fiscal equity among jurisdictions of the region, 2) smarter growth through better planning practices, and 3) structural reform of metropolitan governance to allow for fair and efficient implementation of the other reform measures. These policies are interrelated and reinforce each other substantively and politically.

In the 1970s, moderate “Rockefeller” Republicans, such as Richard Lugar of Indiana, Tom McCall of Oregon, Harold Levander of Minnesota, and George Romney and William Milliken of Michigan began to outline an elegant *limited government* response to the problem of inter-local disparity and sprawling, inefficient land use. The message of cost-effective regional planning, supported by local business leadership, had a strong influence in Minneapolis-St. Paul (Twin Cities), Indianapolis, and Portland, Oregon twenty-five years ago. In 1970 the city of Indianapolis merged with Marion County into one unified government. In 1971 the state of Minnesota passed groundbreaking legislation for a system of tax-base sharing among the cities and counties of that region, and in 1975 implemented the system. In 1973 the state of Oregon passed its Land Use Act, a statewide planning framework that requires each of the state's 242 cities and 36 counties to establish an urban growth boundary and develop a long-range, comprehensive plan for development within those boundaries. During the 1980s, Minnesota established a regional boundary called the Metropolitan Urban Services Area around the Twin Cities region and Florida passed its Growth Management Act.

In the 1990s there has been a renewed interest in regional reform across the nation. The state of Washington helped to spark this regional planning renaissance with its 1990 Growth Management Act. In 1992, voters in the Portland, Oregon metro area adopted a charter that made that region's metropolitan planning organization the nation's first directly elected regional body. In Washington DC, former United States Housing and Urban Development Secretary Henry Cisneros advocated that federal government strengthen metropolitan coordination of affordable housing, land use, environmental protection, and transportation issues. In 1994, President Clinton issued a broad executive order beginning this process.[5] In 1997, Maryland, under the leadership of Governor Parris Glendening, passed legislation that limits growth to state-designated "smart

[5] United States President Bill Clinton, Executive Order, “Leadership and Coordination of Fair Housing in Federal Programs: Affirmatively Furthering Fair Housing, Executive Order 12892 of January 17, 1994,” The Weekly Compilation of Presidential Documents (24 January 1994): 110-14.

growth" areas by withholding infrastructure funding for development outside such areas. In September 1998 in a speech at the Brookings Institution, Vice-President Al Gore announced a federal agenda "to help encourage smarter growth and more livable communities all across America".[6] Also in 1998, the Tennessee legislature passed land-use planning legislation similar to Oregon's pioneering statewide land-use framework of the 1970s. In 1998 in New Jersey, the nation's most urbanized state, voters approved the dedication of $98 million a year for the next ten years to preserve one million acres of farmland and open space. Governor Christine Todd Whitman has lead this effort and continues to propose significant legislation, such as creating a financial incentive for citizens to donate land for preservation.

Recently the famed Commercial Club of Chicago and the Greater Baltimore Committee—whose members primarily represent the interests of the downtown business district in their respective cities and are overwhelmingly Republican—endorsed sweeping proposals for regional reform including tax-base sharing, land-use planning, and regional governance reform.[7] They believed that these reforms were very important to the economic health of their cities.

Columnist Neal Peirce has helped to revitalize this type of good-government metropolitanism, broadening its base by emphasizing the social and economic interdependence of metropolitan areas and the need for regional economic coordination to compete effectively in the new world economy.[8] On another front, David Rusk, former mayor of Albuquerque, New Mexico, simply and effectively connected the issues of metropolitanism and social equity.[9] He did this by showing that regions with an effective metropolitan planning body are more equitable, less segregated by race and class, and economically healthier. Anthony Downs, of the Brookings Institution, assembled his own research together with recent groundbreaking work of urban poverty scholars, economists, transportation experts, and land-use planners. He makes compelling new arguments for metropolitan governance and broad metropolitan-based reforms in fair housing, transportation, land use, and property tax-base sharing.[10]

In separate studies, William Barnes and Larry Ledebur, Richard Voith, and H. V. Savitch showed the deep interconnections of metropolitan economies. A study of seventy-eight metropolitan areas, conducted by Barnes and Ledebur, found that between 1979 and 1989 in most U. S. metropolitan areas, median household incomes of central cities and suburbs moved up and down together.[11] They also found that the strength of this relationship appears to be

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6 United States Vice President Al Gore, Brookings Policy Series, September 2, 1998.

7 Elmer W. Johnson, "Chicago Metropolis 2020, Draft Plan of 1999: Preparing Metropolitan Chicago for the 21st Century", A Project of the Commercial Club of Chicago, Draft, October 1998; Greater Baltimore Committee, "One Region, One Future: A Report on Regionalism", July 1997.

8 Neal Peirce, *Citistates: How Urban America Can Prosper in a Competitive World* (Washington, D.C.: Seven Locks Press, 1993).

9 David Rusk, *Cities Without Suburbs* (Washington, D.C.: Woodrow Wilson Center Press, 1993).

10 Downs, *New Visions*.

11 Larry C. Ledebur and William R. Barnes, *"All In It Together": Cities, Suburbs and Local Economic Regions* (Washington, D. C.: National League of Cities, 1993).

increasing. An earlier study of forty-eight metropolitan areas, conducted by the same team, found that metropolitan areas with the smallest gap between city and suburban incomes had the greatest job increases.[12]

A recent study by Richard Voith, an economist at the Federal Reserve Bank of Philadelphia, found that employment growth in the central city of a region is very important to house values in existing suburbs close to the city (*i.e.*, less than a 50 minute commute).[13] Similarly, he found that employment growth in existing suburbs close to the city does not significantly affect house values in those communities themselves but rather, benefits developers and owners of agricultural land further out.

Through a comparison of incomes and real estate prices in the cities and suburbs of fifty-nine metropolitan areas between 1980 and 1990, H. V. Savitch and his colleagues found that cities and suburbs within a given region are highly interdependent. They report that those regions "with a greater capacity to harness common resources and unite populations do better than more highly fragmented areas."[14]

The evidence clearly shows that cities and suburbs within a metropolitan area are interdependent; and that when social and economic polarization is minimized the region is stronger; and that regional planning and metro-wide reforms are good for the entire region. However, many believe that metropolitan reforms are no longer possible because the suburbs have taken over American politics.[15] Representing over 50 percent of the American population and over 80 percent in the Grand Rapids area, clearly "the suburbs" do have great political power. Commentators glory in an ideal of small suburban government close to the people. They maintain that regional reform threatens this idea. In response, this idealization was never true, and in the late 1990s stands in the starkest contrast to the reality described at the beginning of this report. More importantly, regional reform seeks to create circumstances in which a new ideal of local control and long term community stability can become a reality—as many policy-makers, Democrats and Republicans alike and high-ranking federal officials, have already discovered (see above).

Once policy-makers and reform advocates recognize the diversity of the communities in their region, the attainability of regional reform becomes clear. Once it is recognized that the region's communities are not a monolith with common needs and resources, declining core

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[12] William R. Barnes and Larry C. Ledebur, *City Distress, Metropolitan Disparities, and Economic Growth* (Washington, D. C.: National League of Cities, 1992).

[13] Richard Voith, "The Suburban Housing Market: Effects of City and Suburban Employment Growth," Working Paper No.96- (Philadelphia: Federal Reserve Bank of Philadelphia, May 1996).

[14] H. V. Savitch and others, "Ties That Bind: Central Cities, Suburbs, and the New Metroplitan Region," *Economic Development Quarterly* 7 (4) (November 1993).

[15] Anthony Downs, in *New Visions* repeatedly outlines the necessity of sweeping metropolitan reform and then dismisses the possibility of political success because of the monolithic opposition of the suburbs.

communities, satellite cities, and low tax base developing communities can identify each other as allies in regional reform and begin to work together for a stronger, more stable region. Some of these communities will find their motivation in a common social and fiscal decline that requires regional equity, others in the need to plan for growth for a sustainable, stable future.

In the Twin Cities region, for example, after a series of geographic information system (GIS)[16] maps revealed that the suburbs were not a monolith, a metro-majority political coalition was forged. This coalition between the central cities—which comprise one-third of the region's population—and the inner and low fiscal capacity suburbs—which comprise another third, supported and helped to pass significant legislation in the 1993-1998 sessions involving regional tax-base sharing, fair housing, transportation/transit reform, land-use planning, brownfields[17] cleanup, and stronger metropolitan governance, these subregions signaled their strong and growing support of a regional reform agenda.

Since those first maps were produced of the Twin Cities area, the Metropolitan Area Research Corporation has conducted similar policy research[18] of fifteen other U.S. metropolitan areas.[19] These studies clearly show that 1) social and economic polarization is occurring in regions across the country; 2) suburbs and satellite cities within a region are not all the same, with common needs and experiences; and 3) coalitions can be forged between previously thought unlikely partners—elected officials of the central city, satellite cities, and suburban communities of a region—to enact regional reforms.

The purpose of "Grand Rapids Area Metropolitics", then, is threefold: 1) to identify and document social and economic polarization and wasteful development patterns in the Grand Rapids area; 2) to identify common patterns and needs between existing local governments in the Grand Rapids area; 3) to introduce concrete policy strategies for addressing the problems of regional polarization and wasteful development patterns.

We will begin with a general discussion in Section II of the detrimental effects of concentrating a region's poor in abandoned neighborhoods of the central and satellite cities and the costs of wasteful development patterns. In Section III, we will present the results of our analysis to identify like communities—or subregions—within the Grand Rapids area. Section IV

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16 A computer program that attaches data from a separate database to a map.

17 Contaminated (or perceived to be contaminated) former industrial or commercial sites. When these sites, located in central cities and older, inner suburbs, are cleaned up, new land for development is created in the region's core, whereas previously, all new land was usually found only on the region's fringe. Re-development of these sites adds new jobs to the region's core and improves the local economy of these places.

18 According to Ann Majchrzak, author of *Methods for Policy Research*, policy research is defined as "the process of conducting research on, or analysis of, a fundamental social problem in order to provide policymakers with pragmatic, action-oriented recommendations for alleviating the problem". Applied Social Research Methods Series, Volume 3 (Newbury Park: Sage Publications, 1984): 12.

19 Chicago, Portland (Oregon), Philadelphia, Pittsburgh, Seattle, Baltimore, San Francisco Bay Area (San Francisco, Oakland, San Jose), South Florida (Miami, Fort Lauderdale, West Palm Beach), Milwaukee, Los Angeles, Atlanta, St. Louis, Detroit, Denver, and Washington DC.

will document regional polarization in the area by simply presenting, through the use of color maps, social and economic data for all of the communities in the region and giving summary statistics, where possible, for each of the identified subregions. Finally, in Section V, we will briefly discuss policy strategies for regional reform. It is our hope that the results of this study will help to further the processes of metropolitan reform in the Grand Rapids region. Through our analysis of the progressive and negative effects of metropolitan polarization on people and communities, this study will provide evidence regarding the necessity of reform for elected officials as well as the traditional advocates of land use, housing, fiscal and governmental reform.

This report is designed to bring into the debate new and decisively important participants—elected officials and constituency groups representing suburban and satellite communities, particularly those with high social and infrastructure needs and few tax-base resources that have often not understood the benefits of regionalism for their communities. It is for these communities that the dangers of regional polarization are the most apparent and fundamental. It is these communities that can bring significant new political power to the issue. It was these communities that, in Minnesota, created the regional majority necessary to enact major reforms. In some of the first regions that we studied—Chicago, Portland, Philadelphia, and Baltimore—state legislators representing the central city and declining suburbs have begun building coalitions and drafting legislation for regional reform. It is our hope that officials in the regions in which we have been more recently involved will follow.

Those who should read this report include people working to reduce poverty in central and satellite city neighborhoods, advocates for smart growth and the environment, and especially, state legislators and elected officials who represent cities and counties. Cities and counties are political units with land-use planning powers and are the true units of regional competition. Cities and counties, whose land-use planning powers—interacting with race-relations, fiscal disparity, and regional infrastructure—shape the region's future. They are also the centers of real political power which will facilitate or impede metropolitan reform.

Based on demographic research, this report will show that the Grand Rapids area is facing a scenario very similar to the one encountered by the Twin Cities area and other regions across the country. This report will also argue that regional reform coalitions similar to those formed in other regions can be developed in the Grand Rapids area to combat these growing problems.

II. Problems Associated with Regional Polarization and Sprawl

A. Concentrated Poverty

In the central cities of most major U.S. metropolitan areas, there is a subset of distressed census tracts with more than 40 percent of their population below the federal poverty line. According to sociologists, such neighborhoods are extreme poverty tracts or ghettos.[20] Surrounding these severely distressed neighborhoods are transitional neighborhoods with 20 to 40 percent of their population in poverty.[21] According to Paul Jargowsky, between 1970 and 1990 the national poverty rate declined from 13.6 to 12.8 percent and the metropolitan poverty rate barely increased, moving from 10.9 to 11.8 percent. However, despite large increases in social spending and the gross national product, the population of high poverty areas doubled and their geographic size expanded faster than their population increased.

In the 1970s, extreme poverty tracts and transitional neighborhoods exploded in size and population in the large cities of the Northeast and Midwest. During the 1970s, New York City's ghetto, the nation's largest, increased from 70 census tracts to 311.[22] During the 1980s, ghettoization rapidly increased in Chicago, Detroit, and many of the secondary cities of the Northeast and Midwest.[23] In 1980, 48 percent of Detroit's census tracts had at least 20 percent of the residents in poverty; by 1990, 75 percent of its tracts did.[24] In Midwestern cities as a whole, the number of ghettoized tracts doubled in the 1980s.[25]

The expansion of extreme and transitional poverty tracts is not just confined to these large urban centers of the Northeast and Midwest. We have found that these trends, while more severe in some cities than in others, are present and worsening in all of the fifteen U.S. regions we have studied thus far. Furthermore, as the number and population of poverty tracts has grown in most metropolitan areas, they have spilled beyond the central city borders into older, inner-ring suburbs. Between 1980 and 1990, while the three central cities of the South Florida region (Miami, Fort Lauderdale, and West Palm Beach) combined went from 13 to 27 extreme poverty tracts and from 33 to 40 transitional tracts, their inner suburbs went from 5 to 8 extreme poverty tracts and from 18 to 49 transitional tracts. Similarly, as the city of Baltimore lost poverty tracts between 1980 and 1990—going from 36 to 35 extreme poverty tracts and from 69 to 63

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[20] See Paul A. Jargowsky and Mary Jo Bane, "Ghetto Poverty in the United States, 1970 to 1980," in Christopher Jencks and Paul E. Peterson (eds.), *The Urban Underclass* (Washington, DC: The Brookings Institution), 235-273; John D. Kasarda, "Inner-City Concentrated Poverty and Neighborhood Distress: 1970 to 1990," *Housing Policy Debate* 4, no. 3, 253-302.

[21] Ibid.

[22] Kasarda, "Concentrated Poverty," 261.

[23] Kasarda, "Concentrated Poverty"; Paul A. Jargowsky, "Ghetto Poverty Among Blacks," *Journal of Policy Analysis and Management* 13, no. 2 (1994): 288-310.

[24] Kasarda, "Concentrated Poverty," 261.

[25] Ibid., 260.

transitional tracts, its inner suburbs gained poverty tracts—going from zero to two extreme poverty tracts and from one to two transitional tracts. The Portland, Oregon region, which went from 3 to 10 extreme poverty tracts and from 18 to 28 transitional poverty tracts during the 1980's (all located in the central city), gained its first two suburban poverty tracts during that period.

Stimulated by William Julius Wilson's book, *The Truly Disadvantaged*, scholars in the late 1980s began actively studying the effects of concentrated poverty in metropolitan areas. Their research confirms that concentrated poverty multiplies the severity of problems faced by both communities and poor individuals.[26] As neighborhoods become dominated by joblessness, racial segregation, and single-parentage, they become isolated from middle-class society and the private economy.[27] Individuals, particularly children, are deprived of local successful role models and connections to opportunity outside the neighborhood. A distinct society emerges with expectations and patterns of behavior that contrast strongly with middle-class norms.

Professor Wilson writes:

> "I believe that the exodus of middle- and working-class families from ghetto neighborhoods removes an important 'social buffer' that could deflect the full impact of ... prolonged and increasing joblessness ... This argument is based on the assumption that even if truly disadvantaged segments of an inner-city area experience a significant increase in long-term spells of joblessness, the basic institutions in that area (churches, schools, stores, recreational facilities, etc.) would remain viable if much of the base of their support comes from the more economically stable and secure families. Moreover, the very presence of these families during such periods provides mainstream role models that help keep alive the perception that education is meaningful, that steady employment is a viable alternative to welfare, and that family stability is the norm, not the exception."[28]

Studies have found that poor individuals living in concentrated poverty are far more likely to become pregnant as teenagers,[29] drop out of high school,[30] and remain jobless[31] than if

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[26] William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987); Douglas S. Massey and Nancy A. Denton, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge: Harvard University Press, 1993); Christopher Jencks and Paul Peterson eds., *The Urban Underclass* (Washington, D.C.: Brookings Institution, 1991); Nicholas Lemann, *The Promised Land: The Great Black Migration and How it Changed America* (New York: Alfred A Knopf, 1991); Nicholas Lemann, "The Origins of the Underclass," *The Atlantic Monthly* 257 (1986): 31-55; Hope Melton, "Ghettos of the Nineties: The Consequences of Concentrated Poverty," (St. Paul Department of Planning and Economic Development, November 10, 1993).

[27] See generally George C. Galster, "A Cumulative Causation Model of the Underclass: Implications for Urban Economic Policy Development," in *The Metropolis in Black and White: Place, Power and Polarization*, eds. George Galster and Edward Hill (New Brunswick, NJ: Center for Urban Policy Research, 1992).

[28] Wilson, *Truly Disadvantaged*, 56.

[29] Jonathan Crane, "The Effects of Neighborhoods on Dropping Out of School and Teenage Childbearing," in *The Urban Underclass*, eds. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991), 299-320;

they lived in socioeconomically mixed neighborhoods. These types of outcome dramatically diminish the quality of life and opportunity. Similarly, the concentration of poverty and its attendant social isolation leads to the development of speech patterns increasingly distinct from mainstream English.[32] These speech differences make education, job search, and general interaction with mainstream society difficult.[33]

The effects of concentrated poverty can also be seen by comparing the experience of the poor living in concentrated poverty to that of poor individuals living in mixed-income communities. At least one large social experiment demonstrates that when poor individuals are freed from poor neighborhoods and provided with opportunities, their lives can change quite dramatically. Under a 1976 court order in the case of *Hills v. Gautreaux*,[34] thousands of single-parent black families living in Chicago public housing have been provided housing opportunities in predominantly white middle-class suburbs. Under the consent decree in a fair housing lawsuit originally brought in 1966, more than 5,000 low-income households have been given housing opportunities in the Chicago area. By random assignment more than half of these households moved to affluent suburbs that were more than 96 percent white, while the other participants moved to neighborhoods that were poor and more than 90 percent black. The pool of *Gautreaux* families thus provides a strong sample to study the effects of suburban housing opportunities on very poor city residents.

Susan E. Mayer, "How Much Does a High School's Racial and Socioeconomic Mix Affect Graduation and Teenage Fertility Rates?" in *The Urban Underclass*, 321-41; Massey and Denton, *American Apartheid* 169-70; Dennis P. Hogan and Evelyn Kitagawa, "The Impact of Social Status, Family Structure, and Neighborhood on the Fertility of Black Adolescents," *American Journal of Sociology* 90, no. 4 (1985): 825-55; Frank F. Furstenburg, Jr., S. Philip Morgan, Kristen A. Moore, and James Peterson, "Race Differences in the Timing of Adolescent Intercourse," *American Sociological Review* 52 (1987): 511-18; Elijah Anderson, "Neighborhood Effects on Teenage Pregnancy," in *The Urban Underclass*, 375-98; Sara McLanahan and Irwin Garfinkel, "Single Mothers, the Underclass, and Social Policy," *The Annals of the American Academy of Political and Social Science* 501 (1989): 92.

[30] Crane, "The Effects of Neighborhoods," 274-320; Mayer, "Graduation and Teenage Fertility Rates," 321-41; Massey and Denton, *American Apartheid*, 169-70.

[31] Massey and Denton, *American Apartheid*, 180-82.

[32] John Baugh, *Black Street Speech: Its History, Structure and Survival* (Austin: University of Texas Press, 1983): 11-22; William Labov, *Language in the Inner City: Studies in the Black English Vernacular* (Philadelphia: University of Pennsylvania Press, 1972); Id., "The Logic of Nonstandard English" in *Black American English: Its Background and its Usage in the Schools and in Literature*, ed. Paul Stroller (New York: Dell Publishing Company, 1975); William Labov and Wendell Harris, "De Facto Segregation of Black and White Vernaculars," in *Diversity and Diachrony*, ed. David Sankoff, Current Issues in Linguistic Theory Series, vol. 53 (Philadelphia: Benjamins, 1986), 1-24; William Labov, *Locating Language in Space and Time* (New York: Academic Press, 1980).

[33] Joleen Kirschmen and Kathryn M. Neckerman, "'We'd Love to Hire Them, But...': The Meaning of Race for Employers" in *The Urban Underclass*, eds. C. Jenks and P. Peterson (Washington, D.C.: Brookings Institution, 1991): 203-32; Roger Shuy, "Teacher Training and Urban Language Problems," in *Black American English: Its Background and Its Usage in the Schools and in Literature*, ed. Paul Stoller (New York: Dell Publishing Company, 1975): 168-85.

[34] *Hills v Gautreaux*, 425 US 284 (1976).

James Rosenbaum and colleagues from Northwestern University have intensively studied the *Gautreaux* families.[35] His research established that the low-income women who moved to the suburbs "clearly experienced improved employment and earnings, even though the program provided no job training or placement services."[36] Very rapidly after the moves, the suburbanites were about 15 percent more likely to be employed.[37] Rosenbaum found that the children of the suburban movers dropped out of high school less frequently than the city movers (5 percent vs. 20 percent).[38] Second, they maintained similar grades despite higher standards in suburban schools. Third, the children who moved to the suburbs were significantly more likely to be on a college track (40.3 percent vs. 23.5 percent[39]) and went to college at a rate of 54 percent, compared with 21 percent who stayed in the city.[40] In terms of employment, 75 percent of the suburban youth had jobs compared to 41 percent in the city.[41] Moreover, the suburban youth had a significant advantage in job pay and were more likely to have a prestigious job with benefits.[42] Finally, 90 percent of the suburban youth were either working or in school compared with 74 percent of the city youth.[43]

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35 James Rosenbaum and Susan Popkin, "Employment and Earnings of Low-Income Blacks Who Move to Middle-Class Suburbs," in *The Urban Underclass* eds. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991); Rosenbaum, Popkin, Kaufman, and Rustin, "Social Integration of Low-Income Black Adults in Middle-Class White Suburbs," *Social Problems* 38, no. 4 (1991): 448-61; James E. Rosenbaum, Marilyn J. Kulieke, and Leonard S. Rubinowitz, "White Suburban Schools' Responses to Low-Income Black Children: Sources of Successes and Problems," *The Urban Review* 20, no. 1 (1988): 28-41; James E. Rosenbaum and Susan Popkin, "Black Pioneers: Do Their Moves to the Suburbs Increase Economic Opportunity for Mothers and Children?" *Housing Policy Debate* 2, no. 4 (1991): 1179-1213; James E. Rosenbaum and Julie Kaufman, "Educational and Occupational Achievements of Low Income Black Youth in White Suburbs" (paper presented at the annual meeting of the American Sociological Association, Cincinnati, Oh., 18 October 1991).

36 Rosenbaum and Popkin, "Employment and Earnings."

37 Ibid.

38 Rosenbaum and Kaufman, "Educational and Occupational Achievements," 4.

39 Ibid., 5.

40 Ibid., 5-6.

41 Ibid., 6-7.

42 Ibid.

43 Ibid. The acceptance of these poor black families in affluent, predominantly white suburbs was not painless or immediate. At the outset, about 52 percent of the suburban movers reported incidence of racial harassment, compared to 23 percent in the city. However, the incidence of harassment rapidly decreased over time. Interestingly, both the suburban and city movers reported similar amounts of neighbor assistance and support (24.8 percent suburban v. 25.0 percent city) and essentially no difference in terms of their degree of contact with neighbors. When asked, the suburban movers were actually slightly more likely to have friends in their new neighborhoods than the city movers did. In terms of interracial friendships, the suburban movers had more than two times the number of white friends that the city movers had and slightly fewer black friends. Further, over time, the degree of integration continued for suburban movers, and re-segregation did not occur.

As poverty concentrates in central and satellite cities and social disorganization increases, crime grows, and waves of middle-class flight, business disinvestment, and declining property values surrounding the area of decline intensify. As the middle class leave, there are fewer customers for local retailers and the value of local housing declines precipitously. In the poorest metropolitan neighborhoods, basic private services, even grocery stores, disappear.[44] Social needs and hence property taxes begin to accelerate on a declining base of values. These cities become pressed to provide more with less. Often they must choose between increasing tax rates or providing fewer services of poorer quality, thereby further burdening poor residents and further alienating any remaining middle-class residents.[45] As local property taxes become highest in the least desirable parts of the region, the flight of the middle class and the private economy increases. Larger industrial and service businesses are disadvantaged by high taxes, deteriorating public infrastructure, crime, loss of property value, lack of room for expansion or parking, lack of rapid access to radial highways, and the cost of urban environmental issues.[46] In addition, urban employers increasingly believe that the work force in distressed and ghetto neighborhoods is unsuitable.

At the same time, the zoning policies of many suburban jurisdictions help to ensure that the region's poorest residents remain in poor neighborhoods of the central and satellite cities. By requiring low maximum building densities, the zoning codes of many suburban jurisdictions allow for little or no multi-family housing. These codes also include requirements for single-family housing such as large minimum lot sizes, two car garages, and high minimum square footage. Such requirements raise the cost of development, effectively excluding poor (or even middle-class) persons.

In the clearest sense, the increase of property wealth in affluent suburbs and the stagnation of decline of central city, satellite city, and inner-suburban values represents, in part, an interregional transfer of tax base. As such, the loss of value and increased fiscal stress in older, poorer communities is a cost of regional polarization and urban sprawl.

In the end, the lack of a social mortar necessary to hold neighborhoods together and build communities makes community development in concentrated poverty neighborhoods difficult. Programs geared at job training or creation must struggle to incorporate the diversity of human resources and experiences of a social group that has been isolated from the functioning economy and jobs, from adequate nutrition and schools that succeed, and from a supportive and economically stable family structure. To the extent such programs succeed, individuals—even if

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[44] Gary Orfield, "Ghettoization and Its Alternatives," in ed. Paul Peterson, *The New Urban Reality* (Washington, D.C.: Brookings Institution, 1985): 163.

[45] George Sternlieb and Robert W. Burchell, *Residential Abandonment: The Tenement Landlord Revisited.* (New Brunswick: Center of Urban Policy Research, Rutgers University, 1977), cited in: Robert W. Burchell, et. al., *Costs of Sprawl Revisited: The Evidence of Sprawl's Negative and Positive Impacts.* (Transportation Research Board, National Research Council).

[46] John D. Kasarda, "Urban Change and Minority Opportunities," in *The New Urban Reality*, ed. P. Peterson (Washington, D.C.: Brookings Institution, 1985): 33-68; John D. Kasarda, "Urban Industrial Transition and the Underclass," *The Annals of the American Academy of Political and Social Science* 501 (1989): 26-47.

they are employed in the neighborhood—often move to less poor areas.[47] Physical rehabilitation programs, while they improve the quality of shelter and neighborhood appearance, do little to attack the underlying "tangle of pathology"[48] associated with concentrated poverty.

In terms of business development, areas of concentrated poverty have great difficulty competing with developing suburbs that offer middle-class customers, low taxes, low crime rates, cheap land with increasing values, room for expansion and parking, new highways, and few contaminated industrial sites. Thus, it is not surprising that even when enormous financial resources have been devoted to enterprise zones or inner-city tax abatements, it has been very difficult to stimulate viable business opportunities that employ poor residents.[49]

David Rusk recently studied the effects of several of the largest and most successful Community Development Corporation (CDC) initiatives in the country. In virtually all of these areas of massive CDC investment, family and individual poverty rates substantially increased and moved further from metropolitan norms, the median household income declined and moved further away from the metro average, and the communities grew more segregated (see Table 1).

In response, it is possible that CDC efforts have made these communities better than they might otherwise have been; it is impossible to know how they would have fared without CDC investment. Moreover, these figures do not reflect individuals who have been empowered by CDC programs and have left poor neighborhoods. It is also true that CDCs have often represented the only available response to concentrated poverty. However, in the end, these figures do indicate that CDC efforts are woefully inadequate in the face of the enormous force of metropolitan polarization.

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47 Nicholas Lemann, "The Myth of Community Development," *The New York Times Sunday Magazine* (2 January 1994); Ibid., "The Promised Land," 109-222; Rusk, *Cities Without Suburbs*, 44-47.

48 See Wilson, *The Truly Disadvantaged,* 21.

49 See generally Roy E. Green, ed., *Enterprise Zones: New Directions in Economic Development* (Newbury Park, CA: Sage Publications, 1991); Thomas Donlan, "Danger Zones: The Required Ingredient in an Enterprise Zone is Enterprise," *Barron's* (22 June 1992): 10; Glenda Glover and J. Paul Brownridge, "Enterprise Zones as an Instrument of Urban Policy: A Review of the Zones in South Central Los Angeles," *Government Finance Review* (June 1993): 15-17; Neal Peirce, "Enterprise Zones - No Great Shakes," *National Journal* (17 July 1993): 1828; Elizabeth Larson, "Network News: Enterprise Zones Ignore the Importance of Social Networks," *Reason* (April 1994): 17; Richard Pomp, Sandra Kanter, Kenneth Simonson, and Roger Vaughan, "Can Tax Policy be Used to Stimulate Economic Development?" *The American University Law Review* 29 no. 207 (1979-80): 207-33; Paul Kantor and H. V. Savitch, "Can Politicians Bargain with Business: A Theoretical and Comparative Perspective on Urban Development," *Urban Affairs Quarterly* 29 no. 2 (1993): 230-255; Elizabeth Gunn, "The Growth of Enterprise Zones: A Policy Transformation," *Policy Studies Journal* 21 no. 3 (1993): 432-49; Otto Hetzel, "Some Historical Lessons for Implementing the Clinton Administration's Empowerment Zones and Enterprise Community Programs: Experiences from the Model Cities Program," *The Urban Lawyer* 26 no. 1 (1994): 63-81; Jeffrey Katz "Enterprise Zones Struggle To Make Their Mark," *CQ* (17 July 1993): 1880-83; Timothy Bartik, *Who Benefits From State and Local Economic Development Policies?* (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 1991): 17-62; Laura McClure, "Enterprise Zones Have Negligible History of Success," *National Catholic Reporter* (13 November 1992); Glenda Glover, "Enterprise Zones: Incentives are Not Attracting Minority Firms," *The Review of Black Political Economy* (Summer 1993): 73-99.

Proposed solutions to the problem of concentrations of poverty differ widely in approach. The debate which is most central to this report focuses on the relative value of creating housing opportunities throughout the region for low-income working and poor people versus investing in the communities in which they now live. It is clear that both strategies are necessary. It is fundamentally important for low-income people to have access to high quality education, good jobs, services, loans, and other amenities a mixed-income community provides and for low-income families to be able to choose where they want to live based on a wide variety of factors. A metropolitan development agenda should address barriers to low income people, particularly people of color, moving closer to jobs and schools located in the affluent suburbs of the region and, at the same time, the revitalization of existing low-income Grand Rapids neighborhoods and satellite cities in ways that benefit (rather than simply displace) the incumbent residents. In the end, the goal of regional reform is to create thriving, mixed-income neighborhoods in all communities of the region.

TABLE 1: Socioeconomic Change in CDC Neighborhoods and the Metropolitan Areas in Which They are Located	Bedford Stuyvesant Restoration Corp., Brooklyn, NY (1967)			Marshall Heights Community Development Corp., Washington, DC (1979)			Eastside Community Investments, Inc., Indianapolis, IN (1976)			Walnut Hills Redevelopment Foundation, Cincinnati, OH (1977)			Detroit Shoreway Community Development Corp., Cleveland, OH (1973)			Anacostia Community Development Corp., Washington, DC (1969)		
	1970	1980	1990	1970	1980	1990	1970	1980	1990	1970	1980	1990	1970	1980	1990	1970	1980	1990
CDC Area Family Poverty Rate	24%		34%	13%	19%	17%	11%	19%	26%		35%	37%	13%		37%	13%		24%
CDC Area Individual Poverty Rate	28%		34%	13%	17%	20%	14%	22%	28%		39%	41%	16%		39%	15%		24%
CDC Mean Hsehold Income as % of Metro Mean	48%		50%	74%	63%	56%	73%	62%	56%		43%	44%	59%		46%	69%		49%
CDC Area Total Households	121,767	94,879		35,080	30,981	27,976	14,295	14,161	13,051		4,511	4,229	8,412		6,261			
CDC Area % Black Population	81%		86%	92%		97%	3%	5%	13%		90%	88%	0%		8%	85%		91%
Metro Family Poverty Rate	11%	14%	9%	6%	6%	6%	7%	7%	7%	8%	8%	9%	7%	8%	9%	6%	6%	4%
Metro Individual Poverty Rate	14%	17%	12%	8%	8%	6%	9%	9%	10%	11%	10%	11%	9%	10%	12%	8%	8%	6%
CDC Area Change in Tot Real Income (1970-90)	-7%			-15%			-20%						-49%			-19%		
CDC Area Change in Tot Real Income (1980-90)					-4%			-11%			-3%							
Metro Area Change in Tot Real Income (1970-90)																		
Metro Area Change in Tot Real Income (1980-90)																		

	New Community Corporation, Newark, NJ (1968)			Community Development Corp. of Kansas City, Kansas City, MO (1970)			Project for Pride in Living, Minneapolis, MN (1972)			Bethel Housing, Inc., Chicago, IL (1978)			Urban Edge Housing Corp., Roxbury, MA (1974)		
	1970	1980	1990	1970	1980	1990	1970	1980	1990	1970	1980	1990	1970	1980	1990
CDC Area Family Poverty Rate	30%		30%	17%		26%	11%		25%		35%	37%	14%	23%	25%
CDC Area Individual Poverty Rate	33%		31%	23%		30%	15%		26%		36%	40%	17%	24%	24%
CDC Mean Hsehold Income as % of Metro Mean	44%		40%	62%		52%	65%		58%		57%	48%	79%	73%	76%
CDC Area Total Households	7,107		3,613	45,227		29,214	79,081		63,487		16,192	11,852	16,061	13,744	14,375
CDC Area % Black Population	88%		90%	48%		52%	8%		23%		98%	99%	20%	26%	29%
Metro Family Poverty Rate	7%		7%	7%		7%	7%		6%		9%	10%	6%	7%	6%
Metro Individual Poverty Rate	9%		9%	9%		9%	9%		8%		11%	12%	9%	9%	8%
CDC Area Change in Tot Real Income (1970-90)	-36%			-37%			-11%						-24%		
CDC Area Change in Tot Real Income (1980-90)											-34%			-44%	
Metro Area Change in Tot Real Income (1970-90)				59%			50%								
Metro Area Change in Tot Real Income (1980-90)					26%										

Source: David Rusk, research sponsored by the Twentieth Century Fund.

B. Racial Segregation

Those who live in concentrated poverty areas are largely black and Hispanic. This is as true in regions with a small minority population as it is in regions with a large minority population. Nationwide, in 1990 there were almost as many poor white persons in the country's metropolitan areas as blacks and Hispanics combined (10.8 million poor whites, 6.9 million poor blacks, and 4.8 million poor Hispanics), yet three-quarters of these poor whites lived in middle-class neighborhoods (mostly suburban) while three-quarters of poor blacks and one half of poor Hispanics lived in neighborhoods with 20 percent or more persons in poverty.[50] Jargowsky found that the number of African Americans living in high poverty neighborhoods, mostly highly segregated ghettos, climbed from 2.4 million to 4.2 million between 1970 and 1990 and that the number of Hispanics living in high poverty neighborhoods increased from 729,000 to 2.0 million during this period.[51]

Despite the fact that poor members of minority groups continue to be far more likely to live in concentrated poverty than are poor whites, the discussion of racial segregation has long left our nation's political radar screen—the discussion of social separation never really got there. There appears to be a broadly shared illusion that we had a period of substantial civil rights reform in the 1960's and that the problem of segregation has largely been solved. This clearly is not the case. Raising public awareness about regional socioeconomic polarization, also means re-opening the discussion of race and segregation.

The segregation of blacks in American cities and metropolitan areas is unique in its intensity and longevity. Comparing black residential segregation to the segregation of ethnic European immigrants in this century (*e.g.*, Italians, Poles, Jews), we find that black segregation has steadily increased since 1910, while European ethnics have integrated into mainstream white society. The highest level of spatial isolation ever measured for European ethnic groups was experienced by Milwaukee's Italians in 1910; their level of segregation reached an index of 56, where 100 equals total segregation.[52] Thereafter, the degree of isolation for all European ethnic groups fell steadily as children and grandchildren moved out of poverty and into mainstream white society.[53]

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50 David Rusk, *Inside Game Outside Game: Winning Strategies for Saving Urban America* (Washington, D.C.: Brookings Institution Press, 1999).

51 Paul A. Jargowsky and Mary Jo Bane, "Ghetto Poverty in the United States, 1970 to 1980".

52 Stanley Lieberson, *A Piece of the Pie: Blacks and White Immigrants since 1880* (Berkeley: University of California Press, 1980), cited in Massey and Denton, *American Apartheid*.

Using racial and ethnic data for city ward populations, this index was developed by computing the percentage of a given racial or ethnic population living in the ward of the average citizen of that racial or ethnic group. This average, or *isolation index*, measures the extent to which a group lives in neighborhoods that are primarily of their race or ethnicity. For example, a value of 50 percent for blacks means that blacks are equally likely to have whites and blacks as neighbors; a value of 100 percent means that blacks live in totally black areas.

53 Massey and Denton, *American Apartheid*.

Yet for blacks—poor or not—the opposite is true. In 1910 the average isolation index for blacks was 9.7, but by 1970 it had climbed to 73.5 in northern cities and 76.4 in southern cities.[54] Further, in 1980, Douglas Massey and Nancy Denton found that a rise in socioeconomic status for some blacks had virtually no affect on their level of segregation—black segregation was almost as high for affluent and middle-class blacks as it was for poor blacks, and was higher than for any other racial group, regardless of income. For example, in the Los Angeles metropolitan area, affluent blacks were more segregated than poor Hispanics (indices of 78.9 and 64, respectively), and in the San Francisco-Oakland region, affluent blacks were more segregated than poor Asians (indices of 72.1 and 64 respectively).[55] Massey and Denton also found that average black isolation in U.S. metropolitan areas was ten times higher than for Asians, and while Hispanics are more segregated than Asians, blacks are still 2.5 times more isolated than Hispanics.[56]

Moreover, the level of black isolation has dropped slightly since 1970, but still remains higher than the highest level ever reached by any other group. Using another measure of segregation (the Taeuber index), Massey and Denton show that the average index of black segregation in 1970 in northern metropolitan areas was 84.5 and in southern areas, 75.3. In 1990, this segregation index measured blacks at 77.8 in the north and 66.5 in the south.[57]

Discriminatory housing practices are a significant contributing factor to racial segregation in metropolitan regions. In his book *Closed Doors, Opportunities Lost,* John Yinger analyzed discrimination against blacks and Hispanics in the housing market. In studies as recent as 1991 and 1993, he found that discrimination takes place at every point of the home-buying (or renting) process, from the time a black or Hispanic calls a real estate agent to the time he is denied a mortgage. Examples of housing market discrimination include: a real estate agent indicating that an advertised unit is sold, when it is not; an agent showing only the advertised unit and no others; a lender denying a mortgage to a minority person when he would give the same mortgage to a white person; or an agent *steering* his customers—be they whites, minorities, rich or poor—to neighborhoods dominated by their race.[58] All told, Yinger calculates that a black person has a 60

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54 Lieberson, *A Piece of the Pie;* Massey and Denton, *American Apartheid.*

55 Douglas S. Massey and Nancy A. Denton, "Trends in the Residential Segregation of Blacks, Hispanics, and Asians: 1970 and 1980," *American Sociological Review* 52 (1987): 815-16; cited in Massey and Denton, *American Apartheid*.

56 Douglas S. Massey and Nancy A. Denton Trends in the Residential Segregation of Blacks, Hispanics, and Asians: 1970 and 1980".

U.S. metropolitan areas refers here to the 50 largest Standard Metropolitan Statistical Areas.

57 Ibid.; and Roderick J. Harrison and Daniel H. Weinberg, "Racial and Ethnic Segregation in 1990," presented at the annual meetings of the Population Association of America, April 20–May 2, 1992, Denver, CO; cited in Massey and Denton, *American Apartheid*.

These indices of racial segregation measure the relative percentage of blacks who would have to move their place of residence to a different census tract in order to achieve an integrated, *i.e.* even racial residential pattern.

58 John Yinger, *Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination* (New York: Russell Sage Foundation, 1995).

percent chance of being discriminated against when he seeks to buy a home and visits one real estate agent; this increases to 90 percent when he visits three agents. Yinger found that housing discrimination was more prominent against blacks than Hispanics, but still significant for the Hispanics as well.

C. Fiscal Stress and High Development Costs on the Region's Fringe

Not only does regional polarization negatively impact the central and satellite cities of a region and the people who live there, but it also creates serious problems on the region's fringe—both for the communities that are developing there and for the natural environment.

As social and economic decline moves outward from the region's core, tides of middle-class families—often young families with children—sweep into fringe communities where local governments compete for limited tax base to cover their growing infrastructure costs. Different types of land uses require different levels of public services (*e.g.*, schools, sewer and water treatment, roads, social services) and generate varying levels of tax revenue for a city. Understandably, from a local government standpoint, those uses that generate the most tax revenue and cost the least in terms of public services, are the most desirable. Generally, non-residential uses are more profitable than residential uses with variable levels of return within each of these categories.[59] As the most profitable uses leave the compact confines of the central city, they become diluted in the vast expanse of the suburbs; there simply are not enough research office parks for every community to have one. Usually, only the wealthiest cities are able to attract the types of development that provide the most tax base and require the fewest city resources.[60] Other cities are left with miles of townhomes and strip malls that don't pay the cost of the schools, sewer lines, and other infrastructure the new residents require.

Further, the cost of infrastructure on the region's fringe is more than in the compact, carefully planned core. The seminal study on the costs of suburban growth was published by the Real Estate Research Corporation (RERC) in 1974. *The Costs of Sprawl* compared five different community prototypes for development: "low-density sprawl", "low-density planned", "sprawl mix", "planned mix", and "high-density planned". The study found that public infrastructure costs (including recreation facilities, schools, public facilities, roads, utilities) were highest under the "low-density sprawl" growth pattern ($9,777 per unit) and were lowest under the "high-density

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[59] Typically the least profitable use are mobile home parks and the most profitable are research office parks, with garden apartments, inexpensive single-family homes, 3-4 bedroom townhomes, expensive single-family homes, 2-3 bedroom townhomes, retail facilities, open space, garden condominiums, age-restricted housing, 1 bedroom/studio high-rise apartments, industrial development, and office parks in between (moving from least to most desirable). In a very simple analysis, the break even point for school districts is somewhere between 3-4 bedroom townhomes and expensive single-family homes and the break-even point for municipalities is about at open space.

From Robert W. Burchell, "Fiscal Impact Analysis: State of the Art and State of the Practice," in Susan G. Robinson, ed. *Financing Growth: Who Benefits? Who Pays? And How Much?* (Government Finance Officers Association, 1990).

[60] Burchell, et. al., *Costs of Sprawl Revisited*.

planned" pattern ($5,167 per unit).[61] Thus, according to RERC, the cost to the public of high-density planned development is about 53 percent of the cost of low-density unplanned development. Although the RERC study has been criticized for, among other things, not taking into consideration the greater number of people requiring services in high-density development,[62] many studies conducted since then by other well-respected researchers have had very similar, albeit not as dramatic, results. Most of these found that public infrastructure costs for compact, planned development were 75 to 95 percent of the cost for unplanned, sprawl-type development.[63] Similarly, these studies found that the cost of land under compact, urban development is less than under sprawl-type development.[64]

Studies have also found that development that utilizes existing capacity costs cities less over time than does new development. For example, in a study comparing potential costs that would be incurred and revenues that would be generated under low-density, sprawl-type development versus compact, planned development in the state of New Jersey, Robert Burchell found that directing population and job growth to already developed areas and using existing infrastructure, would save municipalities $112 million annually and school districts $286 million annually in maintenance costs and debt service.[65]

D. Environmental and Transportation Impacts

The vast supply of developmental infrastructure put into communities on the region's fringe—many of which are restrictively zoned, allowing little affordable housing—creates land-use patterns that are low density, economically inefficient, and environmentally harmful. Growing communities that face tremendous service and infrastructure needs (as described above)

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61 Real Estate Research Corporation (RERC), *The Costs of Sprawl: Environmental and Economic Costs of Alternative Residential Development Patterns at the Urban Fringe*. (Washington DC: U.S. Government Printing Office, 1974), cited in: Burchell, et. al., *Costs of Sprawl Revisited*. Dollar figures are in 1973 dollars.

62 Alan Altshuler, "Review of *The Costs of Sprawl*", *Journal of the American Planning Association* 43, 2: 207-9 (1977) cited in: Burchell, et. al., *Costs of Sprawl Revisited*.

63 James E. Frank, *The Costs of Alternative Development Patterns: A Review of the Literature* (1989); James E. Duncan, et. al, *The Search for Efficient Urban Growth Patterns* (1989); Robert W. Burchell, *Impact Assessment of the New Jersey Interim State Development and Redevelopment Plan* (1992); Robert W. Burchell, *Fiscal Impacts of Alternative Land Development Patterns in Michigan: The Costs of Current Development Versus Compact Growth* (1997); Robert W. Burchell, *South Carolina Infrastructure Study: Projection of Statewide Infrastructure Costs 1995-2015* (1997); Robert W. Burchell and David Listokin, *Land, Infrastructure, Housing Costs, and Fiscal Impacts Associated with Growth: The Literature on the Impacts of Traditional versus Managed Growth* (1995); cited in Burchell, et. al., *Costs of Sprawl Revisited*.

64 Burchell, *Impact Assessment of the New Jersey Interim State Development and Redevelopment Plan*; Burchell, *Fiscal Impacts of Alternative Land Development Patterns in Michigan*; Burchell, *South Carolina Infrastructure Study*; John D. Landis, "Imagining Land Use Futures: Applying the California Urban Futures Model", *Journal of the American Planning Association*, 61, 4 (Autumn): 438-457 (1995); cited in: Robert W. Burchell, et. al., *Costs of Sprawl Revisited*.

65 Burchell, *Impact Assessment of the New Jersey Interim State Development and Redevelopment Plan*.

offer development incentives and zone in ways that allow them to capture the most tax base.[66] In so doing, they lock the region into low-density development patterns that needlessly destroy tens of thousands of acres of forest and farmland, destabilize environmentally sensitive areas, and greatly increase vehicle miles traveled and number of automobile trips made.

In *Costs of Sprawl Revisited,* Robert Burchell and colleagues synthesized the findings of approximately 500 studies that in one way or another, measured the costs of sprawl.[67] They identified in the literature forty-one alleged impacts of sprawl (both positive and negative) and reported on whether or not there was general agreement among the researchers as to the existence of the condition and to whether it is strongly linked to sprawl. The impacts that Burchell and colleagues identified that had the highest level of agreement on both questions, were 1) that sprawl development generates more miles of vehicle travel than compact development, 2) that sprawl development generates more automobile trips (and fewer trips using other modes of transportation) than compact development, 3) that more agricultural lands are lost under sprawl development than under any other type of development, and 4) that more fragile lands are lost under sprawl development than under any other type of development.[68]

The first two of these impacts of sprawl, both transportation issues, are due to much lower levels of density and more segregated land uses under sprawl. In communities developing on the region's fringe, the places where people live, work, play, go to school, and shop are spread over a much greater land area and are rarely integrated, essentially requiring travel by car and requiring many miles of such travel. Ultimately this can mean increased air and water pollution, noise, parking costs, and accident costs, although Burchell found slightly less agreement on the relationship between sprawl development and these factors. When homes, shops, and workplaces are clustered together, as under higher-density, planned forms of development, fewer trips by automobile are necessary as some trips can be combined, and other modes of travel become more efficient and feasible, such as transit, walking, and bicycling.

The second two impacts of sprawl for which Burchell found a high level agreement—the loss of agricultural lands and the loss of fragile lands—are both issues of land stewardship. Very simply, because most development on the fringe is low density, more land is needed. Land just beyond the developed area of the region becomes highly sought after and those who own it are under tremendous pressure to sell. As a result, an estimated 1-2 million acres of farmland are lost in America each year.[69] Further, because land on the edge of the region is so valuable—both to the seller and to the city once it is developed—and because development there often lacks coordinated planning, it's likely that sensitive areas such as wetlands, flood plains, and steeply

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66 D. Winsor, *Fiscal Zoning in Suburban Communities* (1979); B. Rolleston, "Determinants of Restrictive Suburban Zoning: An Empirical Analysis," *Journal of Urban Economics* 21 (1987): 1-21; M. Wasylenko, "Evidence of Fiscal Differentials and Intrametropolitan Firm Relocation," *Land Economics* 56 (1980): 339-56.

67 Burchell, et. al., *Costs of Sprawl Revisited*.

68 Ibid.

69 Henry R. Richmond, "A Land Use Policy Agenda for 21st Century America", a report to the Steering Committee, American Land Institute, October 15, 1996.

sloped and unstable coastal areas will be developed. As an example of this, one study estimates that 110 million acres of wetlands have been lost in the U.S. since colonial times, or 55 percent of originally documented wetlands.[70] When these fragile lands are developed and later fail, the damage—to people, homes, and communities—is devastating and the costs exorbitant.

Probably the most intensive effort to protect agricultural and fragile lands in the U.S. from development has been the establishment of over 1,300 land trusts, some dating to the 1950s. However, while these efforts have been well-intentioned, they have been extremely costly and terribly ineffective. In order to purchase potentially developable land from land owners, these trusts secure large amounts of money from public and private sources—funds that could be used for research or policy advocacy of mandatory planning legislation. But, despite intense investment in land trusts by government agencies and foundations, sprawl development continues to consume more land on the edge of metropolitan regions each year than all of these land trusts have saved in twenty years.[71] According to the American Farmland Trust, only about 36,000 acres of farmland are saved from development each year by the fourteen largest state land trusts.[72] The Trust for Public Land, one of the largest land trusts in the nation, has protected nearly 40,000 acres of land per year since 1976 (both farmland and environmentally sensitive lands).[73] These numbers, while large, are not nearly enough to make up for the millions of acres of agricultural and fragile lands lost each year that could have been protected by legislation like the Oregon land-use law.

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70 Thomas E. Dahl, *Wetlands Losses in the United States: 1780s - 1980s* (1990); cited in: Robert W. Burchell, et. al., *Costs of Sprawl Revisited*.

71 Henry R. Richmond, "Program Design: The American Land Institute". a report to the Steering Committee, American Land Institute, August 29, 1997.

72 Trust for Public Land newsletter, September 22, 1996.

73 Richmond, "A Land Use Policy Agenda for 21st Century America".

III. The Diversity of Metropolitan Areas

A. The Sectoral Development of American Metropolitan Areas

Students of American metropolitan housing markets, from Homer Hoyt through John Adams, have demonstrated that American metropolitan areas develop in socioeconomic sectors, or wedges, that reach out from central city neighborhoods deep into suburbia.[74] As cities come into being, neighborhoods segment along class lines in sectors surrounding a growing central business district. The working class settles within walking distance of industrial sites. The middle class forms neighborhoods "upwind (or at least not downwind)"[75] from heavy transport and manufacturing areas on sites close to white-collar, downtown jobs. The upper class settles in neighborhoods removed from the other two groups, often on land with attractive topographical features. Over time, these three distinct neighborhoods grow in pie-shaped wedges into the expanding city.

Historically, as these sectors filled out city boundaries, working-class neighborhoods extended into working-class first- and second-tier suburbs, middle-class neighborhoods into middle-class suburbs, and upper-class neighborhoods into upper-class suburbs. These patterns followed streetcar lines and radial access roads beyond the city into the first-tier suburbs.

In the Grand Rapids area, sectors such as these grew out of both the cities of Grand Rapids and Muskegon. For example, it appears that the poor moved from central Grand Rapids neighborhoods south and west into places like Wyoming and Kentwood, the middle-class moved from northwestern Grand Rapids into places north and west of the city, such as Walker and Alpine, while the upper class moved from the eastern part of the city into places like Grand Rapids Charter and East Grand Rapids, and then further east into the growing affluent townships of Ada and Cascade.

In Muskegon, it appears the poor moved from the eastern shore of Muskegon Lake south into Muskegon Heights and north into Muskegon Township, Dalton Township, and beyond, while the affluent sector of the city, along the southern shore of the lake, worked its way around the lake into North Muskegon and Laketon Township, then along the Lake Michigan shore into Fruitland and White River Townships. The middle class seem to have moved from the eastern part of the city south and east into places like Fruitport and Egelston Townships.

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74 John S. Adams, "Housing Submarkets in an American Metropolis," in *Our Changing Cities*, ed. John Fraser, (Baltimore: Johns Hopkins University Press, 1991), 108-26; Homer Hoyt, *The Structure and Growth of Residential Neighborhoods in American Cities* (Washington D.C.: US Government Printing Office, 1939) reprinted in 1966 with analysis of the 1960 census data; Ronald F. Abler and John S. Adams, *A Comparative Atlas of America's Great Cities: Twenty Metropolitan Regions* (University of Minnesota Press: Association of American Geographers, 1976); John Adams, *Housing America in the 1980s* (New York: Russell Sage Foundation, 1987); John S. Adams, "The Sectoral Dynamic of Housing Markets within Midwestern Cities of the United States," in *The Geographic Evolution of the United States Urban System*, ed. John Adams.

75 Adams, "Sectoral Dynamic."

The trends are less clear in the Holland area but the small poverty area in the northern part of the city seems to be moving into Holland Township, while the affluent neighborhoods of eastern Holland has spread into places like Laketown and Park Townships.

B. Grand Rapids Area Subregions

The Grand Rapids area consists of four counties—Allegan, Kent, Muskegon, and Ottawa. In 1996 the estimated total population of this region was 1,015,099 and there were 106 cities and townships. We have divided these jurisdictions into three distinct types of communities: (1) High Need Communities; (2) Stressed Communities; and (3) Affluent Communities (Figure 1). The jurisdictions were divided into these subregions based on their ratings in four areas: total tax base per household, female-headed households with children as a percentage of total households with children, percentage of children under five below poverty, and median household income (see the appendix for the z-scores used to determine these subregions).[76] Table 2 shows statistics for each subregion category, with separate statistics for the central city.

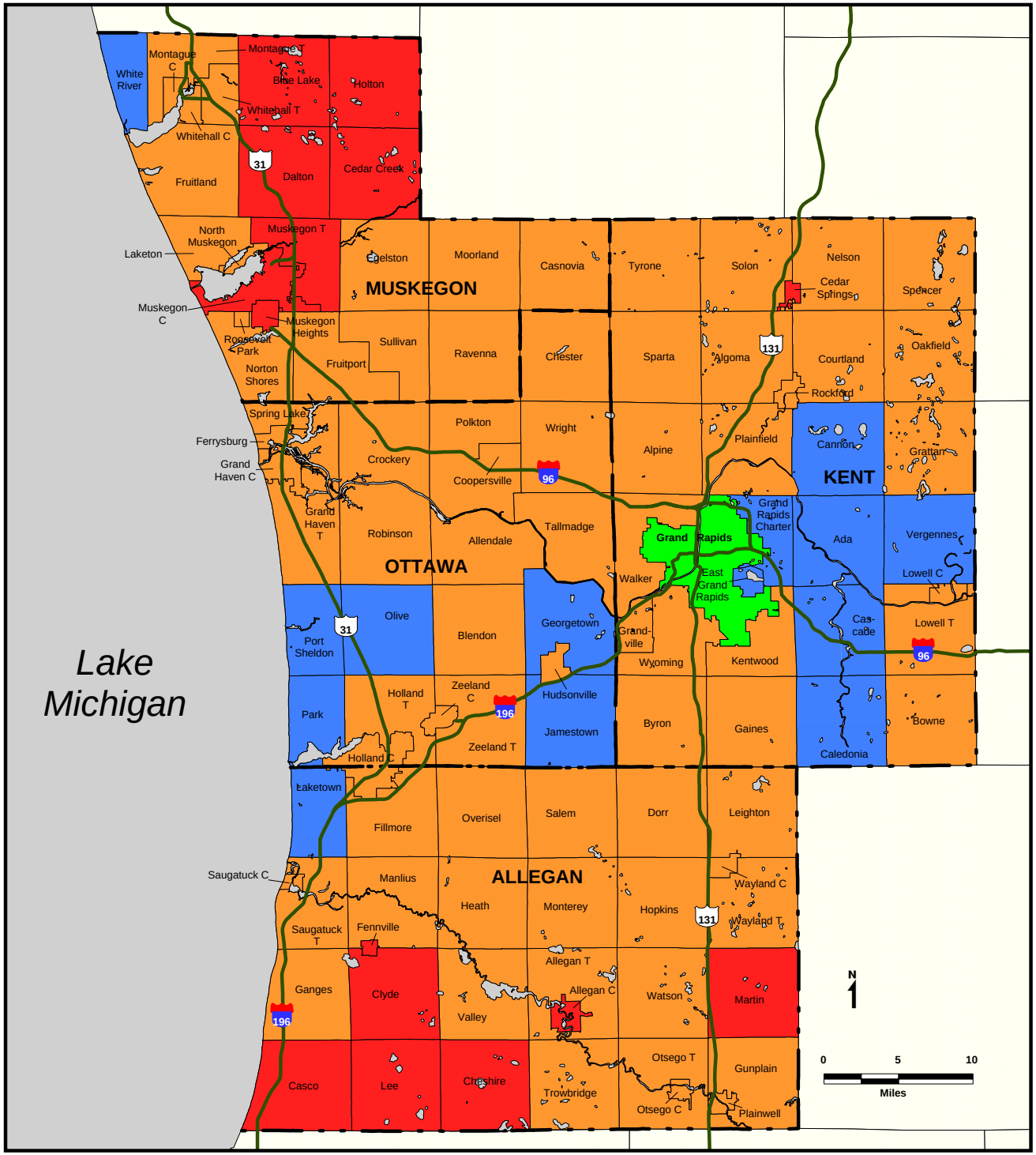
[76] For each municipality z-scores were determined for each of the four factors. A z-score is the distance from average. So, for example, a city whose median household income fell at exactly average for the region, would have a median household income z-score of zero. The z-scores for female-headed households and children under five in poverty were multiplied by –1 resulting in a positive number for a socioeconomically healthy place and a negative number for a distressed place. Then, the four z-scores were averaged together to arrive at a final score for the municipality. Each jurisdiction was then assigned to one of the three subregion categories based on a method that uses natural breaks to separate the final scores into groups. With this method the data are split at places where gaps in the data naturally occur. This method helps to ensure that the places in a particular subregion category have values that are closer to each other than they are to the values for places in other categories.

Female-headed household, children under five below poverty, and median household income data were taken from the 1990 US Census Summary Tape File 3A. 1996 total assessed property value data were from the Michigan Department of Treasury, State Tax Commission. 1996 Household estimates were from the Southeast Michigan Council of Governments.

TABLE 2: Social & Economic Statistics for the Central City & Subregions

	Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
Estimated Persons, 1996	1,015,099	188,242	103,348	584,047	139,462
% of Region's Total Municipal Population, 1996	100	18.5	10.2	57.5	23.9
Estimated Households, 1996	371,064	72,820	39,234	212,798	46,212
Median Household Income, 1989	$31,806	$26,809	$20,830	$33,376	$47,997
% Change in Real Median Household Income, 1979-1989	1.6	1.6	-9.8	1.1	9.9
% Children under 5 in Poverty, 1990	15.0	24.6	38.1	9.2	1.8
Change in % Points: Children under 5 in Poverty, 1980-1990	0.8	2.7	8.2	-0.4	-1.7
Female-Headed Households w/Children as a % of All Households with Children, 1990	17.2	29.6	33.2	12.8	5.7
Change in % Points Female-Headed Households with Children, 1980-1990	1.6	2.1	6.1	1.2	0.1
Total Property Tax Base per Household, 1996	$57,049	$40,945	$34,052	$58,298	$96,202
% Change in Real Property Tax Base per Household, 1986-1996	23.9	16.0	11.5	24.1	19.3

Figure 1: Grand Rapids Subregions



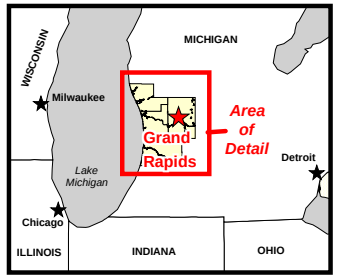
Subregion

High Need Communities	(15)
Stressed Communities	(76)
Affluent Suburbs	(14)
Central City	(1)

Data Sources: 1990 U.S. Census of Population and Housing Summary Tape File 3A, and Michigan Department of Treasury State Tax Commission.

Note: Municipalities are assigned to a subregion based on four factors:
percentage of children under 5 years in poverty, 1990; female-headed households with children as a percentage of total households with children, 1990; median household income, 1989; and tax base per household, 1996.

Prepared by the Metropolitan Area Research Corporation (MARC).



1. High Need Communities

High Need Communities are distressed places that are fully developed and have experienced negative socioeconomic change since 1980 or are beginning to experience such change. In the four-county Grand Rapids area they include many older satellite cities such as Cedar Springs, Allegan, and Muskegon, as well as a number of townships north of Muskegon and in southwestern Allegan County. These jurisdictions are defined by a combination of increasing social needs and low tax base. They often do not have sufficient social or economic resources to respond to growing social challenges. It is important to note that in older metropolitan areas of the country, as poverty and social instability crossed city/suburban lines or began to grow in older towns and satellite cities overrun by urban sprawl, it actually began to accelerate and intensify. For example, many older transitioning suburbs on the south and west sides of Chicago and in communities such as Camden, New Jersey, Compton, California, and East St. Louis, Illinois suffer more severe deprivation, and higher levels of crime than the cities they adjoin.[77]

2. Stressed Communities

Stressed Communities are places that have few local resources for schools and public services but whose social problems are not quite as severe as those of the High Need Communities. Stressed Communities include both older cities and townships as well as fast-growing, middle-income places that are developing too quickly to accumulate the resources necessary to meet their high service and infrastructure needs. In the Grand Rapids area, these communities include many of the townships that blanket the region as well as the satellite cities of Holland, Grand Haven, and Rockford. While these places do not presently have as deep social problems as the High Need Communities, they are often tomorrow's troubled places. As the narrative below indicates, many of these communities have experienced declining incomes, increasing female-headed households, increasing crime, increasing childhood poverty, and a declining tax base in recent years.

3. Affluent Communities

Affluent Communities are the cities and townships with the highest tax bases and the fewest social needs. In the Grand Rapids area they are primarily located in Kent and Ottawa Counties. These cities and townships are often recently developed communities, with wealthy residential subdivisions and modern office parks, but also include some older, established, wealthy suburbs. When people speak of "the suburbs", that monolith with common needs and resources, they are usually referring to these places, which, in the Grand Rapids region, actually represent only about 14 percent of the total regional population. These are the areas that would be in the running to be labeled by Christopher Leinberger as the "favored quarter."

Christopher Leinberger and his colleagues at Robert Charles Lesser and Co. (RCL & Co.), one of the most successful real estate consulting firms in the country are often asked to

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[77] Orfield and Monfort, "School Desegregation," 30; Rob Gurwitt, "Saving the Aging Suburb," *Governing* 6, no. 8 (1993): 36; Paul Glastris and Dorian Friedman, "A Tale of Two Suburbias," *US News and World Report* (9 November 1993): 32-36; Massey and Denton, *American Apartheid*, 67-74. See also Schools section below.

identify the favored quarter for businesses seeking to locate in a given metropolitan area.[78] RCL & Co. look for areas with concentrations of housing valued above $200,000, high-end regional malls, and the best freeway capacity. As these communities grow affluent and their tax base expands, their high-end housing market actually causes their relatively small local social needs to decline. In many ways these communities receive all the benefits of a metropolitan association—access to labor and product markets, regional highway systems, airports and rail hubs—but externalize the cost of the region's social and economic needs in an increasingly low wage economy on the less affluent cities and suburbs.

IV. Demographic Findings

Here we examine social, economic, and urbanization trends in the Grand Rapids area to determine whether regional polarization and sprawl is occurring. These trends are illustrated using color-coded, GIS-generated maps, where, in most cases, the value for the region is at the break between the orange and blue categories.[79] Thus, on each map, orange and red jurisdictions are below average for the region and blue jurisdictions are above average. The patterns revealed through comparing these maps will help to identify local governments with common needs and resources in the Grand Rapids area.

The first few maps and tables illustrate social and economic trends in the region between the 1980 and 1990 census periods. These data show that during the 1980's poverty grew increasingly concentrated in Grand Rapids, Muskegon, and Muskegon Heights. Further, the city of Grand Rapids, as well as the two largest satellite cities, Muskegon and Holland, experienced social and economic decline in terms of income, childhood poverty, and female-headed households. Muskegon's inner suburbs to the south and northeast, and to a lesser extent, Grand Rapids' inner suburbs to the south, also experienced social and economic decline during the decade. Southern Allegan County, particularly the townships in the southwestern corner of the county, experienced large decreases in household income and increases in the other census indicators, and by 1990 most were doing far worse than the rest of the region. At the same time, all of the Holland suburbs, particularly the townships along the Lake Michigan shore, were doing better than the regional average in 1990 in all four indicators. Likewise, the growing

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78 Robert Charles Lesser & Co. calls certain economically successful metropolitan subareas "favored quarters." When advising major clients to locate facilities, they systematically search for subregions with the greatest presence of executive housing, high-end local retail malls, recent highway improvements, employment growth, low commercial real estate vacancy rates, and high share of regional economic growth. They judge these areas the most viable for a wide variety of business endeavors. See Christopher Leinberger, Managing Partner, Robert Charles Lesser & Co., memorandum to author, Re: Robert Charles Lesser & Co. Metropolitan Opportunity Analysis (MOA) Methodology, 16 August 1994.

79 The maps presented in this section were created using geographic information system (GIS) software. This software attaches data stored in a separate database to a geographic base map. The data source for each map is noted on the map. The break points for the data were determined using a method of natural breaks. With this method the data are split at places where a gap in the data naturally occurs. This method helps to insure that the places in a particular color category have values that are closer to each other than they are to the values for places in other categories.

communities to the east of Grand Rapids, which were already quite well-off in 1980, improved considerably over the decade in all indicators and in 1990 had the fewest social needs and the most economic resources in the region.

While poverty area, childhood poverty, household income, and female-headed household data are not available for the region beyond 1990, other data indicate that the same trends have continued into the 1990's. The twenty maps that follow the census data show that social need continues to be concentrated in Grand Rapids, Muskegon, the communities south and northeast of Muskegon, and in southwest Allegan County. In these same places, economic resources remain among the lowest in the region and continue to decline. Most of Grand Rapids' inner suburbs to the south and west are experiencing these same patterns. At the same time, the communities east of Grand Rapids in Kent County and in southern Ottawa County—the places with the fewest social needs and most economic resources in 1990—are only getting better. In addition, regional resources are flowing to these areas, further improving the status of these places and furthering regional sprawl.

A. Concentrated Poverty

As discussed in Section II of this report, the effects of concentrated poverty are devastating—both to individuals and to communities. Although, the most severe concentrations of poverty are located in large industrial cities such as Detroit, Chicago, Philadelphia, Cleveland, and Milwaukee, with much smaller concentrations in secondary cities such as Grand Rapids, the effects of concentration of poverty on those who live in such neighborhoods, and on the region as a whole, are the same. Further, smaller cities are showing consistent increases in levels of concentration.

In the central city of Grand Rapids there is a subset of distressed census tracts with more than 40 percent of its population below the federal poverty line.[80] According to sociologists, such neighborhoods are extreme poverty tracts or ghettos.[81] Surrounding these severely distressed neighborhoods are transitional neighborhoods with 20 to 40 percent of their population in poverty.[82]

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80 While it could be argued that the Federal poverty line is a rather conservative measure of poverty, we use it here for reasons of data availability and to be able to compare poverty levels in this region to other metropolitan areas of the U.S. Another measure of poverty is student eligibility for the Federal Free and Reduced-cost Meal program—130% of the Federal poverty line for free lunches and 185% of the poverty line for reduced cost lunches. This measure will be used later in this study.

81 See Paul A. Jargowsky and Mary Jo Bane, "Ghetto Poverty in the United States, 1970 to 1980," in Christopher Jencks and Paul E. Peterson (eds.), *The Urban Underclass* (Washington, DC: The Brookings Institution, 1991), 235-273; John D. Kasarda, "Inner-City Concentrated Poverty and Neighborhood Distress: 1970 to 1990," *Housing Policy Debate* 4, no. 3: 253-302.

82 Ibid.

In 1980 there were three extreme poverty tracts in the Grand Rapids region—ones in which 40 percent or more of the residents lived in poverty.[83] All were located in the city of Grand Rapids. By 1990 the number of extreme poverty tracts in the region had increased to nine, four in Grand Rapids, three in Muskegon, and two just south of there in Muskegon Heights.[84] Overall, the region saw an increase in extreme poverty tracts between 1980 and 1990 of 200 percent.

An additional twenty-one tracts in the region were transitional in 1980—having between 20 and 40 percent of their population in poverty. Eleven of these were in the city of Grand Rapids and ten were located elsewhere in the region, including four in Muskegon and four in Muskegon Heights. By 1990 there were a total of twenty-six transitional tracts in the region. Grand Rapids had increased to fifteen transitional tracts, while only one transitional tract was added in the rest of the region for a total of eleven, including four in Muskegon and three in Muskegon Heights.

Poverty Tracts, 1980-1990

	1980		1990	
	20-40 %	**40% +**	**20-40 %**	**40% +**
Grand Rapids	11	3	15	4
Muskegon	4	-	4	3
Muskegon Heights	4	-	3	2
Grand Haven	1	-	1	-
Lee & Cheshire Twps	1	-	1	-
Holland	-	-	1	-
Kentwood	-	-	1	-
Total	21	3	26	9

Source: 1980 US Census Summary Tape File 3A and 1990 US Census Summary Tape File 3A.

B. Poor Children

During the 1980s, the federal poverty line did not keep up with inflation. By 1990, a single mother and her child were not considered poor unless they had an annual income of less than $8,420.[85] Most social scientists do not think this is a measure of poverty, but of desperate poverty.

In 1990, 15.0 percent of the Grand Rapids region's children under five years old lived in poverty (Figure 2).[86] As a comparison, 23.4 percent of children under five in the Detroit region and 26.1 percent in the Saginaw region were in poverty in 1990. Nearly a quarter (24.6 percent)

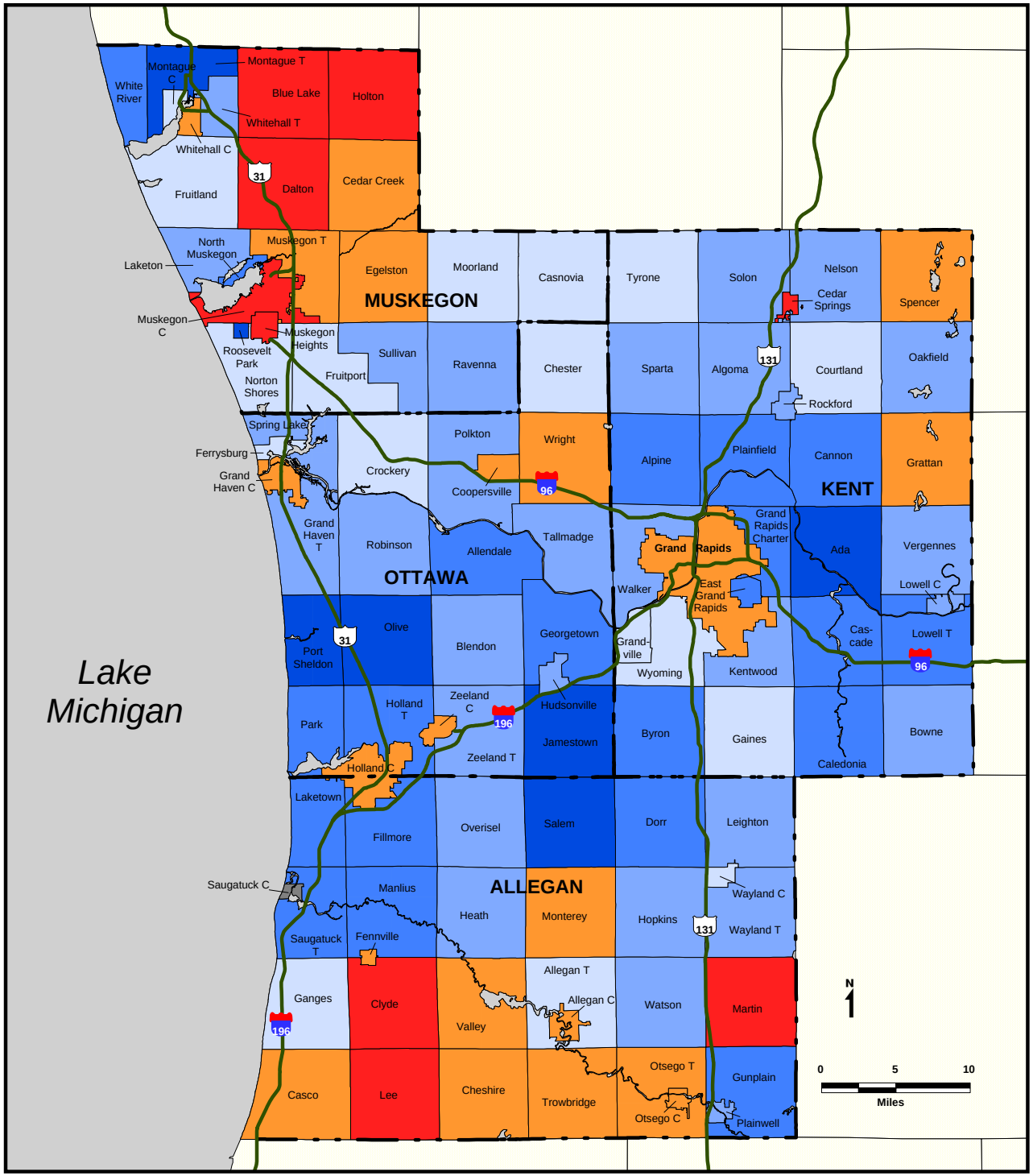
83 *Census of Population and Housing, 1980: Summary Tape File 3A*, [machine-readable data files] / prepared by the Bureau of the Census. –Washington: The Bureau [producer and distributor], 1981.

84 *Census of Population and Housing, 1990: Summary Tape File 3A*, CD ROM/ prepared by the Bureau of the Census. –Washington: The Bureau [producer and distributor], 1991. All figures that follow are from either the 1980 or the 1990 Census STF3A unless otherwise noted.

85 Family of three: $10,560; family of four: $12,700. (Federal Register 1990, vol. 55, no. 33: 5665).

86 *Census of Population and Housing, 1990: Summary Tape File 3A.*

Figure 2: Percentage Children Under 5 Years in Poverty by Municipality, 1990



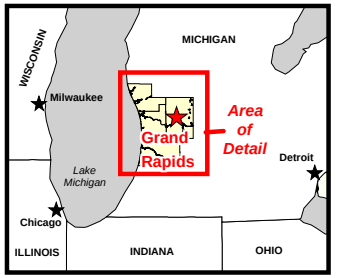
Percentage in Poverty
Regional Value: 15.0%

0.0%		(7)
1.0	to 4.4%	(21)
4.8	to 9.4%	(30)
10.3	to 14.6%	(17)
15.0	to 26.7%	(21)
29.0% or more		(9)
No data		(1)

Data Source: 1990 U.S. Census of Population and Housing Summary Tape File 3A.

Note: Municipalities with "No data" had fewer than 50 children under 5 for whom poverty status was determined in 1990.

Prepared by the Metropolitan Area Research Corporation (MARC).



of all children under five in the city of Grand Rapids lived in poverty. In the High Need Communities the percentage was even greater (38.1 percent). The Stressed Communities averaged 9.2 percent, while the Affluent Communities had a very low average rate of childhood poverty (1.8 percent).

Percent Children Under Five in Poverty, 1990

Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
15.0	24.6	38.1	9.2	1.8

In all, there were twelve townships and satellite cities with larger percentages of their children in poverty than the central city, including Dalton Township (29.0 percent), Muskegon (45.3 percent), and Muskegon Heights (53.8 percent). On the other hand, there were thirteen communities in the region with less than 2 percent of their children under five in poverty and seven had no children under five in poverty. Some of the lowest rates were in the townships of Georgetown (1.6 percent), Park (1.4 percent), Ada (0 percent), and Jamestown (0 percent).

In terms of the change in the level of childhood poverty between 1980 and 1990, Grand Rapids-area children as a whole grew somewhat poorer, going from 14.2 percent to 15.0 percent poor preschool children, a 0.8 percentage point increase (Figure 3).[87] During this period, the rate of childhood poverty in the city of Grand Rapids increased by 2.7 percentage points, from 21.9 to 24.6 percent. The High Need Communities increased by 8.2 percentage points, from 29.9 to 38.1 percent. The Stressed Communities remained relatively constant, decreasing only slightly, while the Affluent Communities, which had very few poor children to begin with in 1980, decreased in this figure by 1.7 percentage points (from 3.5 to 1.8 percent).

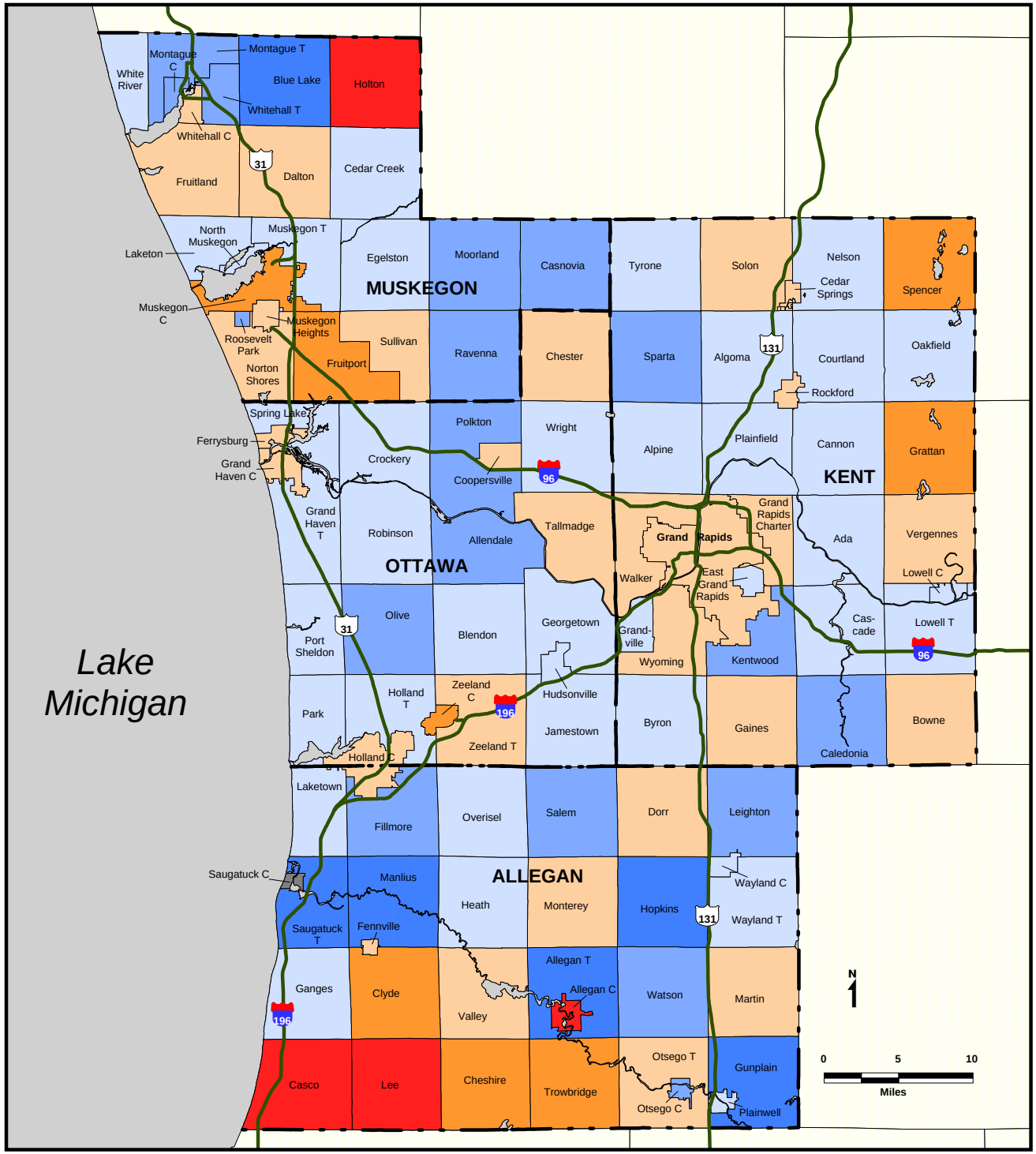
Change in Percentage Points Children Under Five in Poverty, 1980-1990

Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
0.8	2.7	8.2	-0.4	-1.7

In many outlying townships and satellite cities, childhood poverty tended to grow more rapidly than in the central city. Indeed, thirty communities increased in childhood poverty at a faster rate than the central city, twelve of which increased by more than 10 percentage points. Some of the places with the greatest increases were Fruitport Township, which went from 4.4 to 14.5 percent (10.1 percentage points); Muskegon, which went from 33.2 to 45.3 percent (12.1 percentage points); and Lee Township, which went from 30.4 to 52.3 percent (21.9 percentage points). On the other hand, twenty-four jurisdictions experienced a decrease in childhood poverty of more than 5 percentage points, including the well-to-do townships of Olive, which went from 7.8 to 0 percent (-7.8 percentage points) and Caledonia, which went from 9.8 to 1.7 percent (-8.1 percentage points).

87 *Census of Population and Housing, 1980: Summary Tape File 3A* and *Census of Population and Housing, 1990: Summary Tape File 3A.*

Figure 3: Change in Percentage Points - Children Under 5 Years in Poverty by Municipality, 1980-1990



Change in % Points

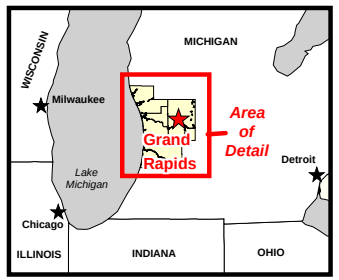
Regional Value: +0.8

-17.8 to -13.5	(6)
-10.5 to -5.6	(18)
-4.5 to 0.7	(40)
0.8 to 8.6	(29)
9.9 to 12.9	(8)
16.4 or more	(4)
No data	(1)

Data Source: 1980 and 1990 U.S. Censuses of Population and Housing Summary Tape File 3A.

Note: Municipalities with "No data" did not exist in 1980.

Prepared by the Metropolitan Area Research Corporation (MARC).



C. Female-Headed Households

We use percent female-headed households as a measure of a city's social and economic stress because it allows us to include a portion of the population that may not necessarily have poverty-level incomes, but nevertheless do have very low incomes and have additional challenges and needs that two-parent families often do not have. Children in homes with one parent have only one adult to care for them and to bear the emotional and interpersonal responsibilities of raising children—a daunting enough task for two people. Further, single-parent households are simply much poorer than two-parent households and hence pay less taxes and are likely to require more services in terms of local school and social welfare expenditures. The Statistical Abstract of the United States shows that in 1995 the nationwide median household income for a married couple with children under 18 was $47,129, for a single father it was $33,534, and for a single mother it was only $21,348.[88] Thus, half of all households headed by single mothers in the U.S. in 1995 made less than $21,348 per year. Further, while nearly 75 percent of single mothers with children had household incomes below $35,000, only 34 percent of married families with children did.

In the Grand Rapids region, single mothers headed 17.2 percent of all households with children in 1990 (Figure 4).[89] As a comparison, in the Detroit region 25.1 percent of all households were headed by single mothers and in the Saginaw region, 22.4 percent were. In 1990, 29.6 percent of all households with children in the city of Grand Rapids were headed by single mothers. The rate was even higher in the High Need Communities at 33.2 percent. The Stressed Communities were at 12.8 percent and the Affluent Communities had relatively few female-headed households at 5.7 percent.

Percent Female-headed Households, 1990

Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
17.2	29.6	33.2	12.8	5.7

In 1990, there were five jurisdictions other than Grand Rapids with more than a quarter of their households with children headed by single mothers. These included, Rockford (26.6 percent), Muskegon (42.1 percent), and Muskegon Heights (58.9 percent). Grand Haven (21.7 percent) and Kentwood (18.8 percent) were also rather high in this figure. On the other hand, there were ten communities with fewer than 5 percent female-headed households. These included the townships of Georgetown (4.8 percent), Cascade (4.0 percent), Olive (1.9 percent), Port Sheldon (1.2 percent), and Jamestown (0 percent).

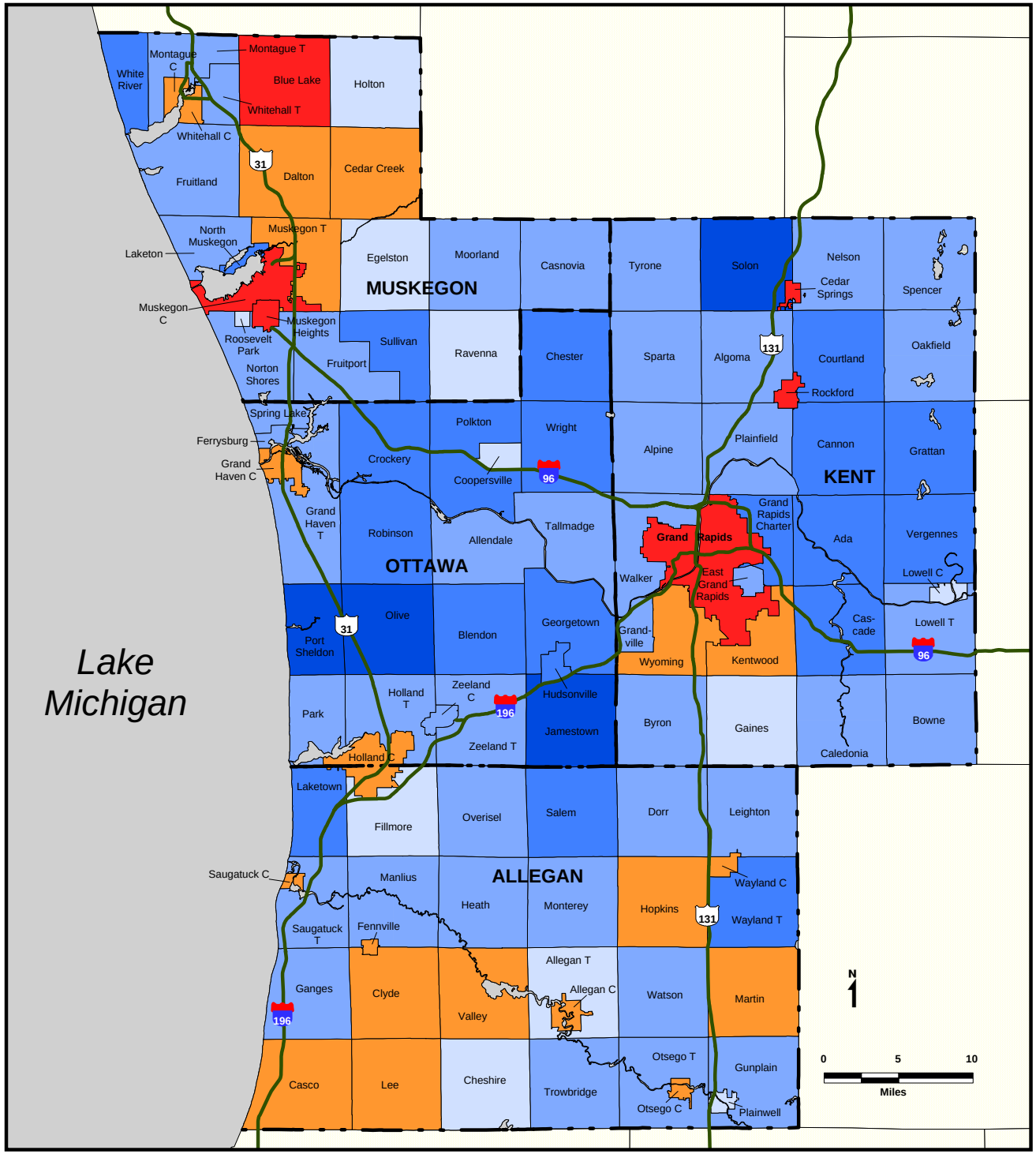
Over the decade, the Grand Rapids region as a whole increased in percentage female-headed households by 1.6 percentage points, going from 15.6 to 17.2 percent (Figure 5).[90] During

88 U.S. Bureau of the Census, *Statistical Abstract of the United States: 1997* (117th edition.) Washington, DC, 1997.

89 *Census of Population and Housing, 1990: Summary Tape File 3A.*

90 *Census of Population and Housing, 1980: Summary Tape File 3A* and *Census of Population and Housing, 1990: Summary Tape File 3A.*

Figure 4: Female-headed Households with Children as a Percentage of Total Households with Children by Municipality, 1990



% Female-headed HHs
Regional Value: 17.2%

0.0	to	1.9%	(4)
3.0	to	7.1%	(21)
7.6	to	12.3%	(44)
12.9	to	17.1%	(11)
17.2	to	21.9%	(20)
26.3% or more			(6)

Data Source: 1990 U.S. Census of Population and Housing Summary Tape File 3A.

Prepared by the Metropolitan Area Research Corporation (MARC).

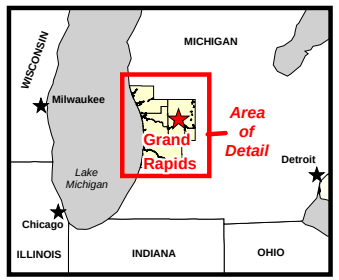
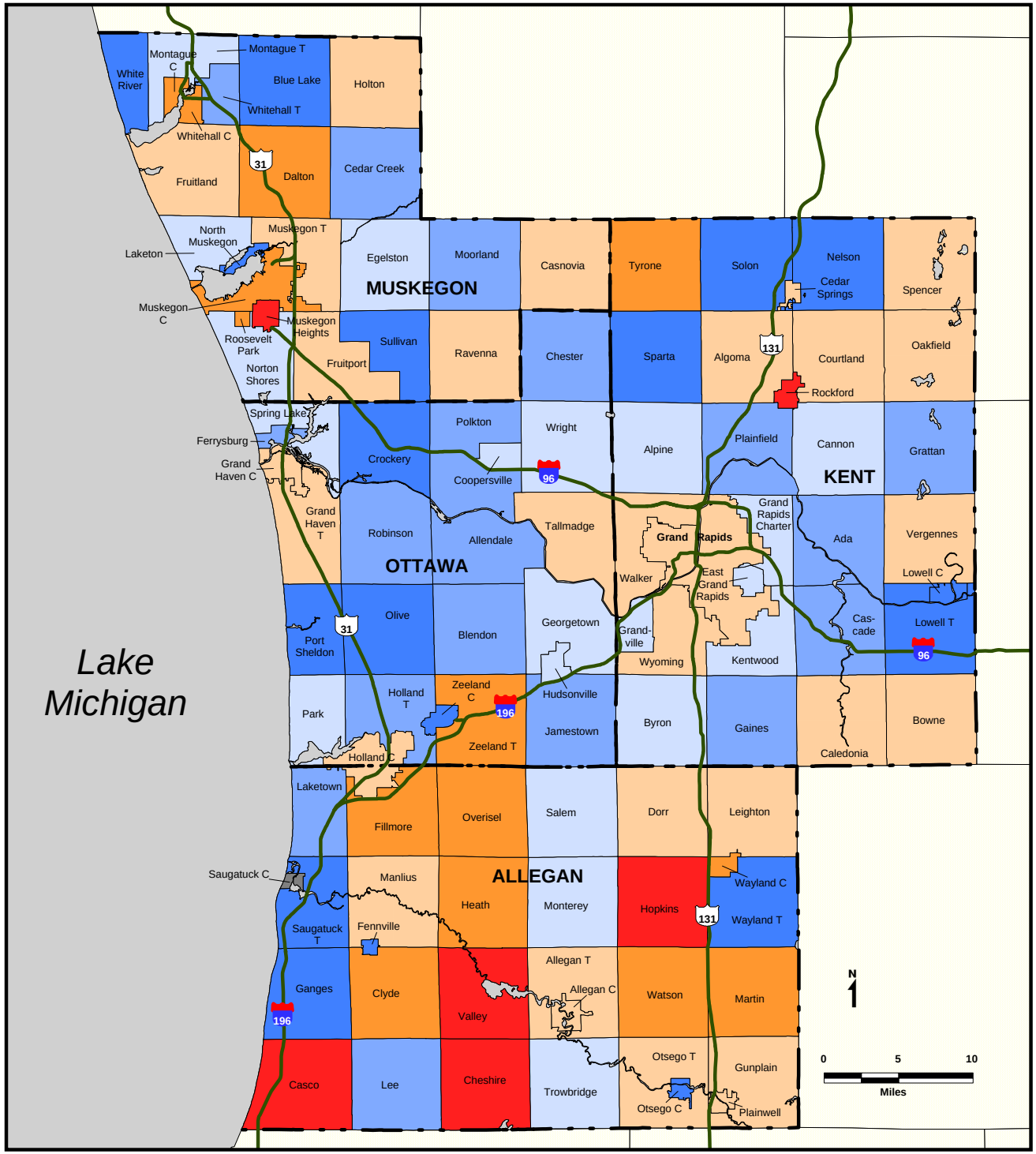


Figure 5: Change in Percentage Points - Female-headed Households with Children as a Percentage of Total Households with Children by Municipality, 1980-1990



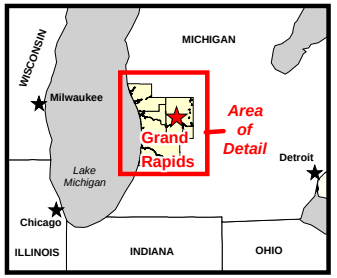
Change in % Points
Regional Value: +1.6

-8.3 to -2.5	(18)
-2.0 to -0.1	(18)
0.0 to 1.5	(20)
1.6 to 4.9	(29)
5.6 to 8.9	(14)
9.7 or more	(6)
No data	(1)

Data Source: 1980 and1990 U.S. Censuses of Population and Housing Summary Tape File 3A.

Note: Municipalities with "No data" did not exist in 1980.

Prepared by the Metropolitan Area Research Corporation (MARC).



this period, the city of Grand Rapids increased in female-headed households by 2.1 percentage points (from 27.5 to 29.6 percent). The High Need Communities increased at an even faster rate, by 6.1 percentage points (from 27.1 to 33.2 percent). The Stressed Communities increased by 1.2 percentage points (from 11.6 to 12.8 percent), while the Affluent Communities showed very little change at all.

Change in Percentage Points Female-headed Households, 1980-1990

Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
1.6	2.1	6.1	1.2	0.1

During the 1980's twelve Grand Rapids-area communities increased in female-headed households by more than 7 percentage points. The most rapidly increasing communities included Muskegon Heights, which went from 49.0 to 58.9 percent (9.9 percentage points) and Rockford, which went from 13.4 to 26.6 (13.2 percentage points). Some of the greatest decreases in female-headed households were in places that had very low rates of female-headed households to begin with in 1980, including the townships of Port Sheldon, which went from 6.2 to 1.2 percent (-5.0 percentage points) and Solon, which went from 6.1 to 0 percent (-6.1 percentage points).

D. Median Household Income

In 1989 the median household income in the Grand Rapids area was $31,806 (Figure 6).[91] In the Detroit region the median was $34,270 and in the Saginaw region it was $29,087. The median household income in the city of Grand Rapids was $26,809, or about 84.3 percent of the regional value. The median household income in the High Need Communities, however, was much lower at $20,830, or about 65.5 percent of the regional value. The Stressed Communities' median household income was very close to the regional average at $33,376, while the Affluent Communities were well above the regional value at $47,997, or 150 percent of the regional value.

Median Household Income, 1989

	Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
Value	$31,806	$26,809	$20,830	$33,376	$47,997
% of Reg Value	100	84.3	65.5	104.9	150.9

Despite Grand Rapids' very low median household income, there were fourteen communities with even lower median household incomes in 1989, almost all were High Need Communities. These included Allegan ($26,121), Cedar Creek Township ($21,296), Muskegon ($18,748), and Muskegon Heights ($13,778). On the other hand, there were seven communities with median household incomes above $45,000. Two of these were above $60,000, all were Affluent Communities, and all were located in either Kent or Ottawa County. The communities

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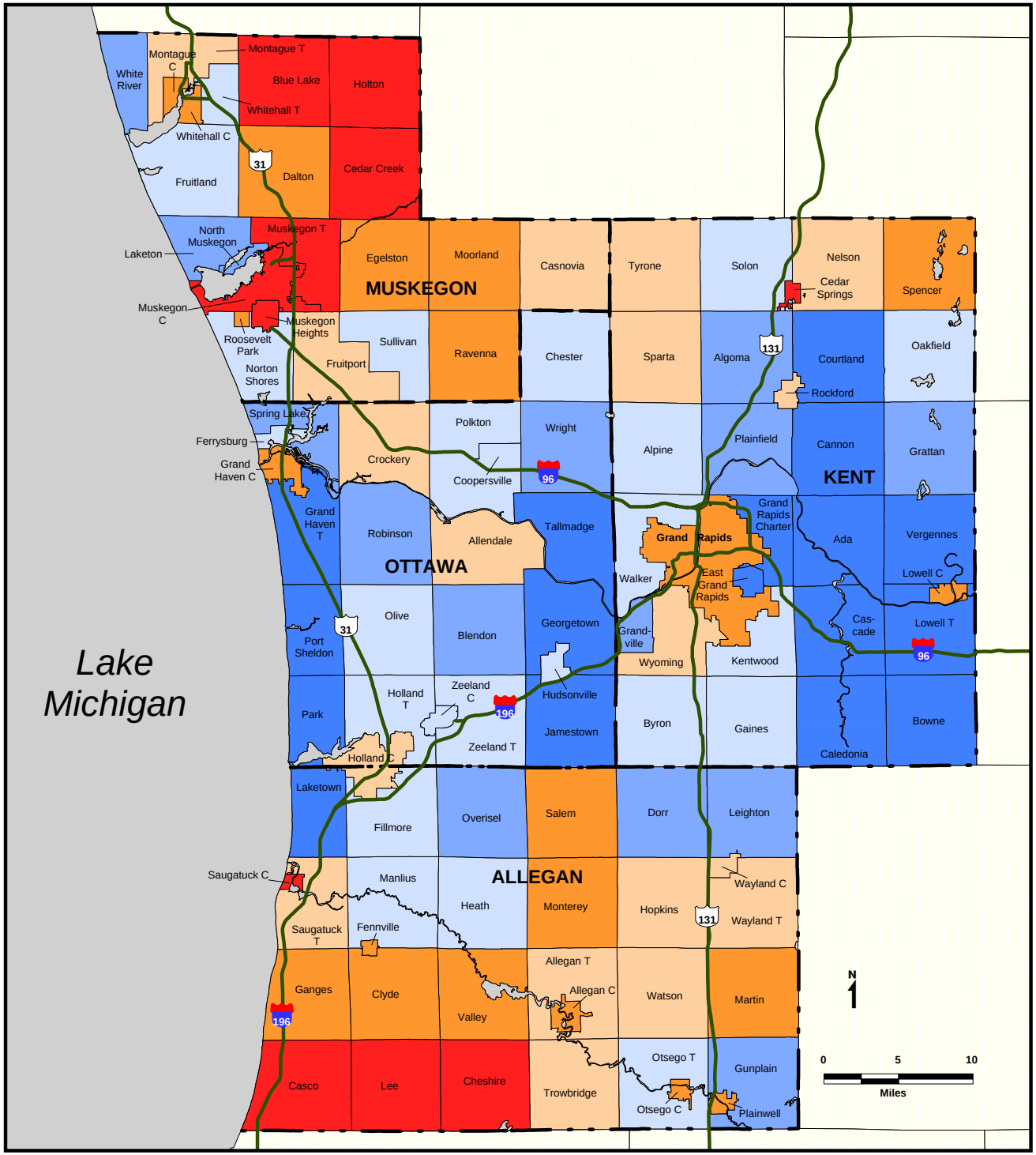
91 *Census of Population and Housing, 1990: Summary Tape File 3A.*

Figure 6: Median Household Income by Municipality, 1989



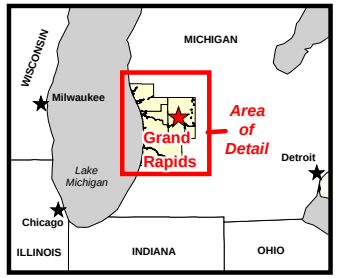
Median Household Income

Regional Value: $31,806

$13,778 to $25,058	(11)
$26,121 to $29,399	(21)
$30,023 to $31,672	(18)
$31,806 to $35,643	(24)
$36,222 to $38,532	(15)
$39,898 or more	(17)

Data Source: 1990 U.S. Census of Population and Housing Summary Tape File 3A.

Prepared by the Metropolitan Area Research Corporation (MARC).



with the highest median household incomes in the region were Ada Township ($52,351), East Grand Rapids ($60,355), and Cascade Township ($63,301).

Over the decade, the regional median household income, adjusted for inflation, increased by 1.6 percent—from about $31,314 in 1979 to $31,806 in 1989 (Figure 7).[92] During this period, the median household income for the city of Grand Rapids increased at the same rate as the region as a whole increased. The High Need Communities were the only subregion to experience a decrease in this figure, going from $23,100 to $20,830 (-9.8 percent). The Stressed Communities increased only slightly, going from $33,011 to $33,376 (1.1 percent), while the Affluent Communities increased at about the same rate as the High Need Communities decreased (9.9 percent), going from $43,674 to $47,997.

Percent Change Median Household Income, 1979-1989

Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
1.6	1.6	-9.8	1.1	9.9

Ten communities saw decreases in median household income of more than 10 percent, including the townships of Ravenna, which went from $31,004 to $27,625 (-10.9 percent); Valley, which went from $31,436 to $27,788 (-11.6 percent); Holton, which went from $26,587 to $22,917 (-13.8 percent); and Cedar Creek, which went from $28,486 to $21,296 (-25.2 percent). Many of the cities that saw the greatest increases in median household income had among the highest incomes to begin with in 1979, such as East Grand Rapids, which went from $51,927 to $60,355 (16.2 percent); Park Township, which went from $40,276 to $47,220 (17.2 percent); and Cascade Township, which went from $53,636 to $63,301 (18.0 percent).

E. Public Schools

Public schools are the first victim and the most powerful perpetuator of metropolitan polarization. Local schools become socioeconomically distressed before neighborhoods themselves become poor. Hence, increasing poverty in a city's public schools is a prophecy for the city. First, the city's children often become its adults. Second, middle-class families, who form the bedrock of stable communities, will not tolerate high concentrations of poverty in their public schools. The level of social distress in the public schools significantly affects the attractiveness of a neighborhood or city and greatly influences the decisions of middle-class families to live there— particularly the white middle-class. As the public schools become poorer and more racially mixed, middle-class families with choices will frequently depart in search of other educational opportunities for their children.

Or parents will choose to send their children to private schools, which negatively impacts the public schools and in turn, the neighborhood and city in which those public schools are located. When the public schools reach a certain threshold of poor and minority students, white and middle-class parents who do not want to leave the city will often opt instead to remove their

92 *Census of Population and Housing, 1980: Summary Tape File 3A* and *Census of Population and Housing, 1990: Summary Tape File 3A.*

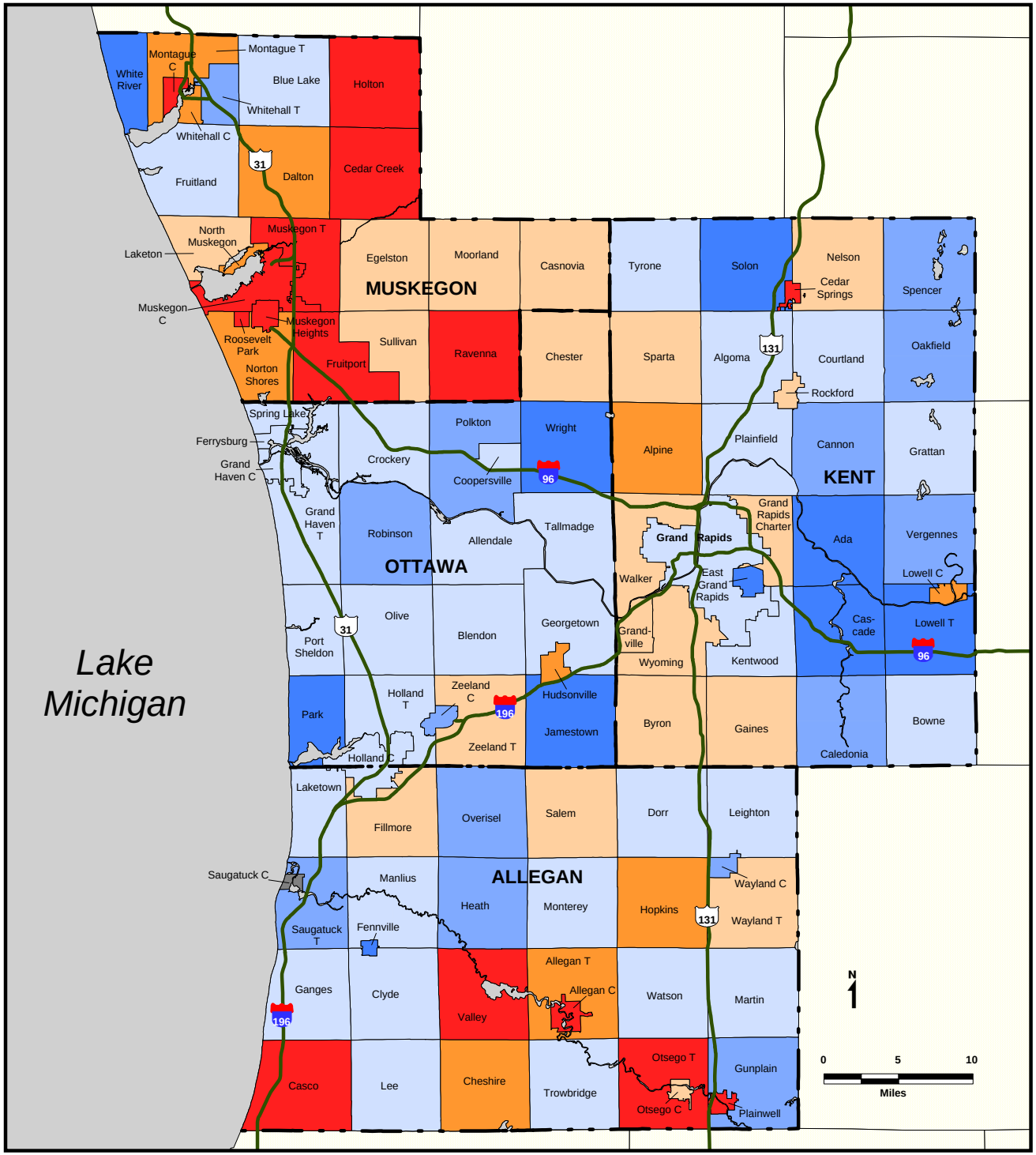


Figure 7: Percentage Change in Median Household Income by Municipality, 1979-1989 (Adjusted by CPI)

Percentage Change
Regional Value: 1.6%

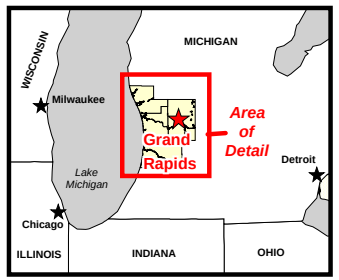
-25.2	to -8.3%	(15)
-7.2	to -4.2%	(11)
-2.7	to 1.2%	(20)
1.6	to 8.2%	(35)
9.3	to 12.6%	(14)
13.9%		(10)
No data		(1)

Data Source: 1980 and 1990 U.S. Censuses of Population and Housing Summary Tape File 3A.

Note: Municipalities with "No data" did not exist in 1980.

Note: 1979 dollars were adjusted upwards by a factor of 1.708 to convert to 1989 dollars.
1979 CPI = 72.6; 1989 CPI = 124.0
(Base Year: 1982-84 = 100).

Prepared by the Metropolitan Area Research Corporation (MARC).



children from the public schools, leaving the poorest students—who require the most in terms of school resources—behind. This is becoming an increasing problem for the Grand Rapids public schools. During the 1996-97 school year in the city of Grand Rapids, 28 percent of children enrolled in school were enrolled in private schools.[93] By the 1998-99 school year this figure had increased to approximately 35 percent.[94] As a comparison, in suburban Kent County only about 10 percent of the students enrolled in school during the 1996-97 school year were enrolled in private schools—a full 90 percent attended the public schools.[95]

Because middle-class departure from the central city and its schools is largely a function of the quality of the local public schools and the types of students who attend those schools, the focus in this report is on public rather than private schools. In this light, this section will show that there is a rapid and dangerous social and economic polarization occurring among the Grand Rapids region school districts. These places, the central and satellite cities, are struggling under a disproportionate share of concentrated poverty and segregation.

Just as concentrated poverty in schools destabilizes communities, it has a very negative effect on individual access and achievement. Schools are not just instruction and textbooks, but, like neighborhoods, represent a series of reinforcing social networks that contribute to success or failure.[96] Fast-track, well-funded schools that have a high percentage of students from stable middle- and upper-class families are streams moving in the direction of success, with currents that value hard work, goal setting, and academic achievement.[97] Monolithically poor central city, inner-suburban, or satellite-city schools that have a large number of students in poverty are often environments that reinforce anti-social behavior, drifting, teenage pregnancy and dropping out[98]—making educational success a challenge for even the most dedicated student.

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93 Enrollment figures from the *Grand Rapids Metropolitan Data Book, 1998*, Grand Valley State University and the Seidman School of Business; School location information from the *1998-99 Directory, Kent Intermediate School District*, Kent Intermediate School District, and from "Where We Live: Schools", an article that appeared in the *Grand Rapids Schools*, May 20, 1998, supplemented by telephone calls to some schools not listed in either.

94 Ibid.

95 *Grand Rapids Metropolitan Data Book, 1998.*

96 Jomills Braddock II and James McPartland, "The Social and Academic Consequence of School Desegregation," *Equity & Choice* (February 1988): 5; see also Gary Orfield and Carole Ashkinaze, *The Closing Door: Conservative Policy and Black Opportunity* (Chicago: University of Chicago Press, 1991): 131; James Rosenbaum, Marilyn Kulieke, and Leonard Rubinowitz, "Low-Income Black Children in White Suburban Schools: A Study of School and Student Responses," *Journal of Negro Education* 56, no. 1 (1987): 35; Rosenbaum, Kulieke, and Rubinowitz, "White Suburban Schools."

97 Ibid.

98 Ibid.; Susan E. Mayer, "How Much Does a High School's Racial and Socioeconomic Mix Affect Graduation and Teenage Fertility Rates?" 321-41 in *The Urban Underclass*, eds. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991); Jonathon Kozol, *Savage Inequalities: Children in America's Schools* (New York: Harper Perennial, 1991); Robert Crain and Rita Mahard, "School Racial Composition and Black College Attendance and Achievement Test Performance," *Sociology of Education* 51 no. 2, (1978): 81-101;

1. Free and Reduced-Cost Lunch

Most social scientists use free and reduced-cost lunch statistics to measure children in poverty. They believe that it is more realistic than federal poverty standards. Children are eligible for reduced-cost lunch if their families' income is not above 185 percent of the federal poverty level, and they are eligible for free lunch if their income is not above 130 percent of the poverty level.

The percentage of elementary school children in the entire Grand Rapids region eligible for free or reduced-cost lunch in 1996 was 36.8 percent (Figure 8).[99] As a comparison, this figure was just slightly less than the percentage of students eligible for the program in the Detroit region (39.2 percent). In the Grand Rapids region the percentage of students eligible for free or reduced-cost lunch ranged from 99.0 percent in the Muskegon Heights School District to 3.6 percent in the East Grand Rapids School District. In the Grand Rapids School District, 68.4 percent of the students were eligible for the reduced-meals program. In addition to Muskegon Heights, the Muskegon (76.3 percent) and Bloomingdale (72.1 percent) districts had larger percentages of eligible students than the central city. Other than East Grand Rapids, districts where student poverty was hardly a concern included the Jenison (8.4 percent) and Forest Hills (3.7 percent) districts. Most of the districts with the smallest percentage of students eligible for the program were located in either Kent or Ottawa County.

When the Grand Rapids School District is examined more closely, we find that in only nine of the city's forty elementary schools a minority of the students were eligible for the program (Figure 9). Sixteen schools had more than 80 percent eligible students and four had more than 90 percent eligible. The schools with the smallest percentage of eligible students were Covell (38.1 percent), Shawmut Hills (37.4 percent), and Sibley-Straight (34.7 percent), all located in the western part of the city.

2. Non-Asian Minority Students

As poverty concentrates, so does the segregation of students in the region's schools. In 1995, the Grand Rapids region as a whole had 18.7 percent non-Asian minority elementary students in its schools (Figure 10).[100] The Grand Rapids School District had 56.0 percent non-Asian minority elementary students. The Muskegon Heights School District, at 93.0 percent, had

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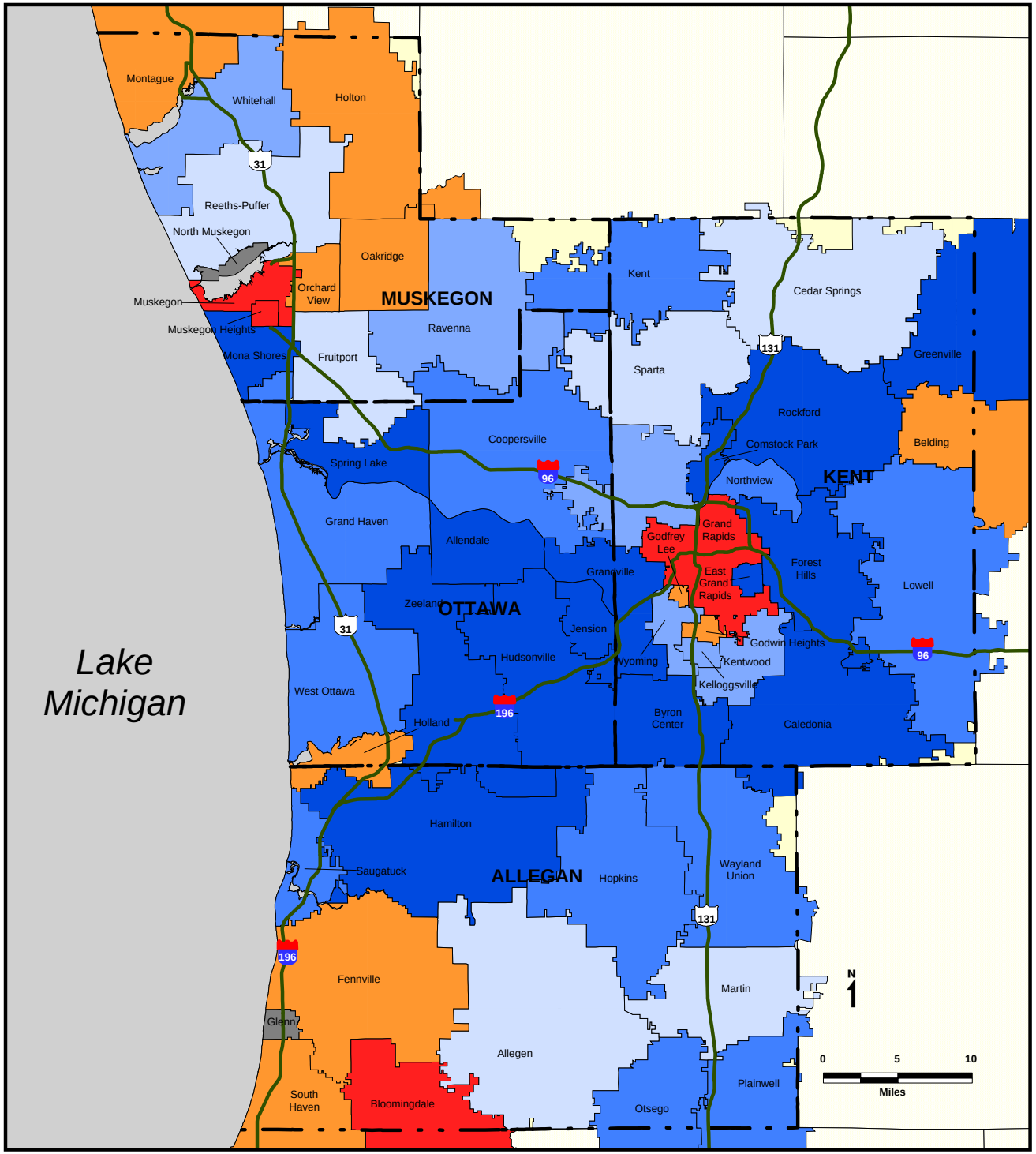
Peter Scheirer, "Poverty, Not Bureaucracy: Poverty, Segregation, and Inequality in Metropolitan Chicago Schools," (Metropolitan Opportunity Project, University of Chicago, 1989).

99 Free and reduced-cost meal data and total enrollment figures were provided by the Michigan Department of Education.

100 Racial data and total enrollment figures were provided by the Michigan Department of Education.

Here we have chosen to examine only the segregation of non-Asian minority students because national studies show that Blacks and Hispanics, in particular, experience much higher and more persistent levels of racial segregation both in terms of housing and schools than other racial groups, such as Asians. While it is conceivable that some members of the Asian community, particularly more recently immigrated Southeast Asians, experience high levels of segregation, we were unable to locate literature on Asian segregation and housing market discrimination equivalent to the powerful evidence of such patterns in terms of Blacks and Hispanics.

Figure 8: Percentage of Elementary Students Eligible for Free and Reduced Meals by School District, 1996



Percentage Eligible

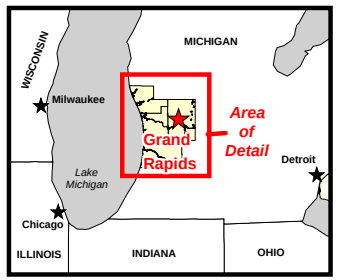
Regional Value: 36.8%

3.6	to 16.7%	(15)
20.2	to 27.1%	(11)
29.5	to 31.5%	(6)
32.8	to 36.6%	(6)
36.8	to 54.0%	(10)
68.4% or more		(4)
No data		(2)

Data Source: Michigan Department of Education.

Note: Schools marked "No data" did not report free & reduced meal data or had fewer than 50 elementary students in 1996.

Prepared by the Metropolitan Area Research Corporation (MARC).



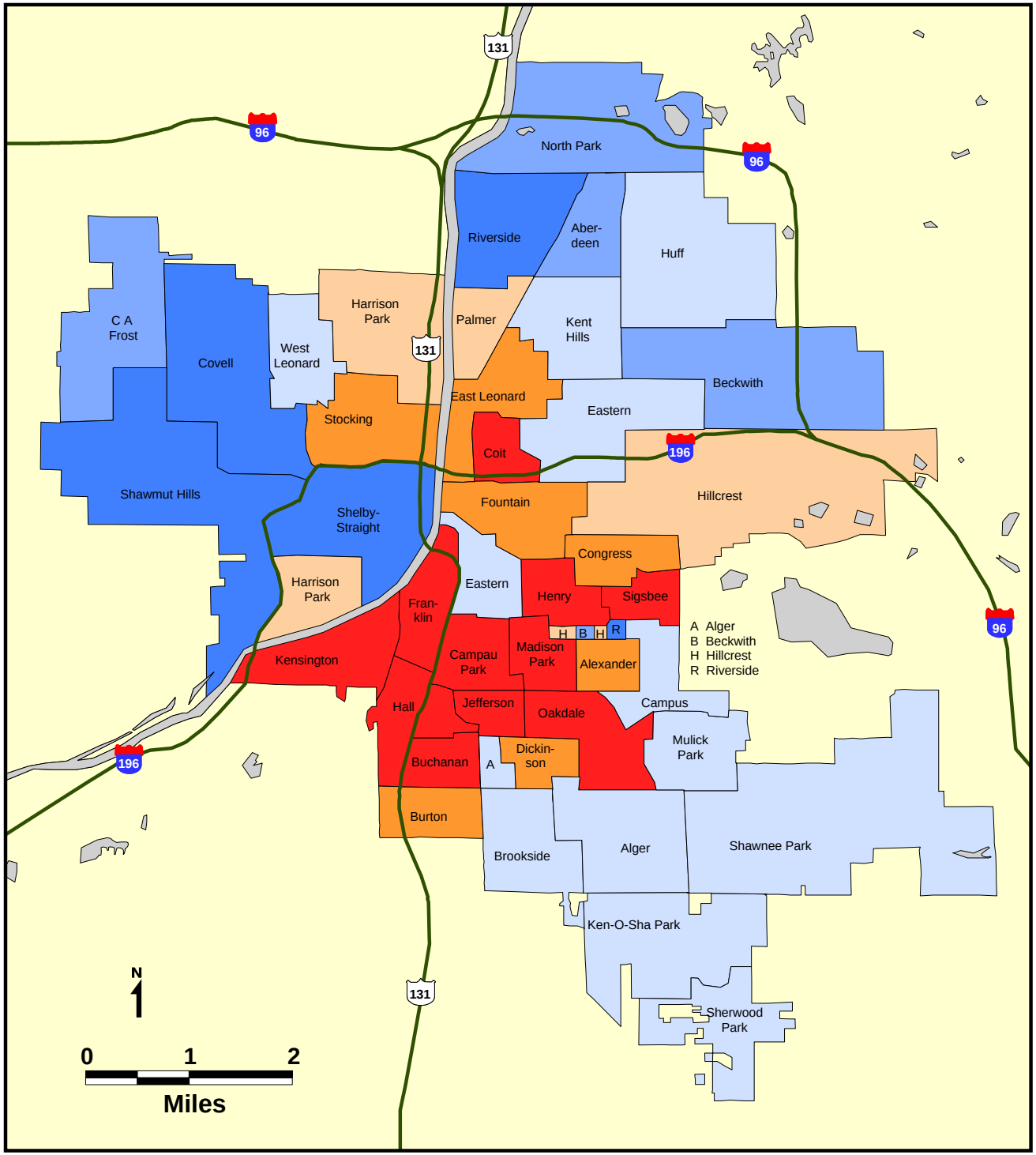


Figure 9: Percentage of Students Eligible for Free and Reduced Meals by Elementary School, 1996

Percentage Eligible

Regional Value: 67.9%

34.7	to 39.0%	(4)
43.7	to 48.1%	(4)
49.8	to 62.2%	(11)
67.9	to 70.2%	(3)
74.8	to 82.9%	(7)
84.6% or more		(11)

Data Source: Michigan Department of Education (free & reduced meals data), Grand Rapids Public School District (elementary school attendance area boundaries).

Prepared by the Metropolitan Area Research Corporation (MARC).

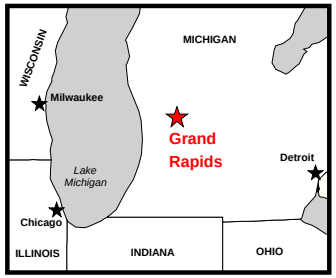
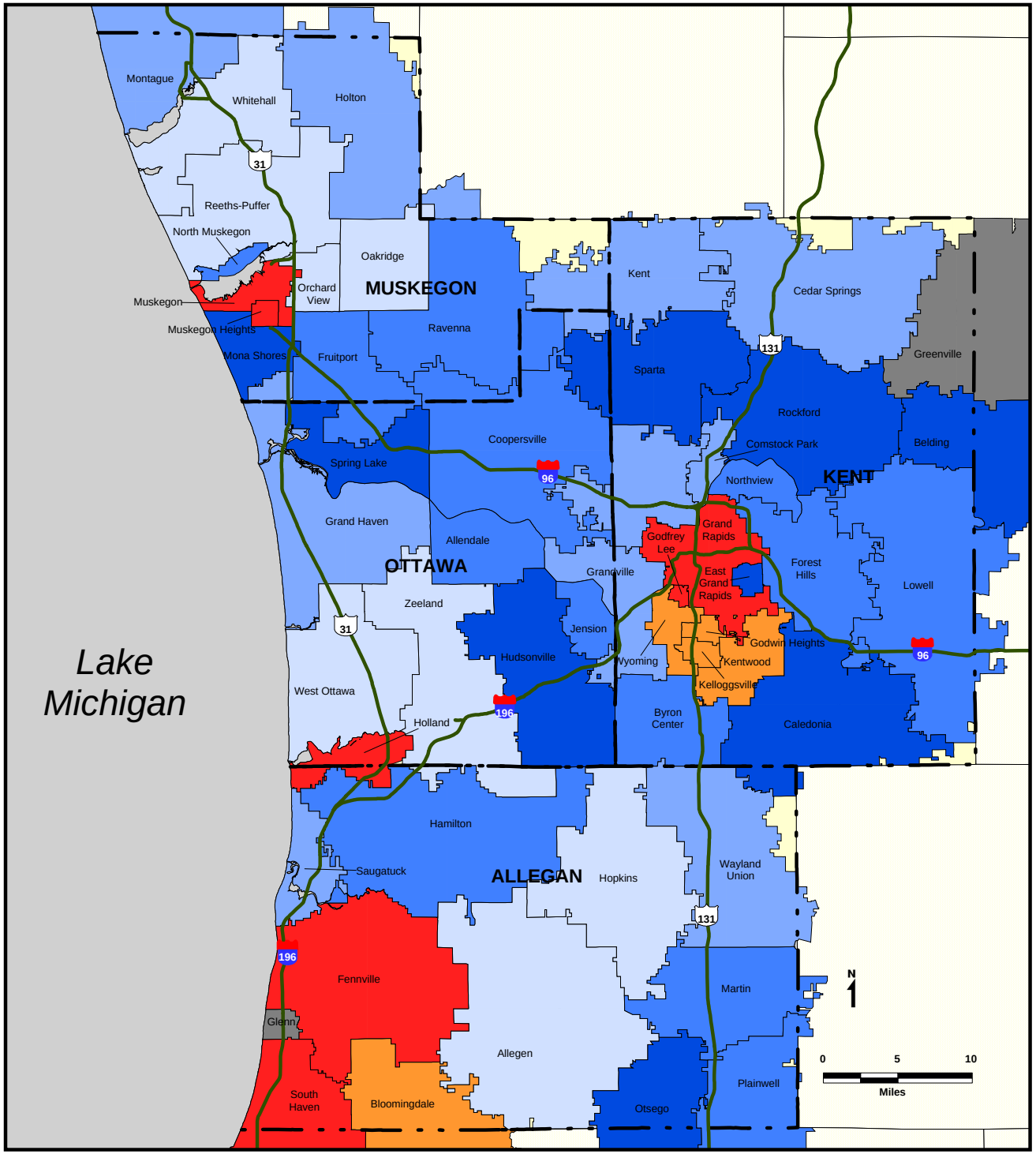


Figure 10: Percentage Non-Asian Minority Elementary Students by School District, 1995



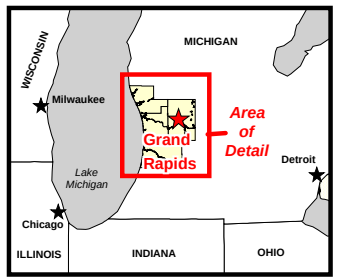
% Non-Asian Minority
Regional Value: 18.7%

1.3	to	2.3%	(9)
2.5	to	3.2%	(13)
3.5	to	5.7%	(10)
6.8	to	10.0%	(8)
11.9	to	16.6%	(5)
18.7% or more			(7)
No data			(2)

Data Source: Michigan Department of Education.

Note: The school marked "No data" had fewer than 50 elementary students in 1995.

Prepared by the Metropolitan Area Research Corporation (MARC).



a larger percentage of non-Asian minority elementary students than the central city's school district. Other districts with high percentages of minority students included South Haven (24.2 percent), Fennville (31.2 percent), Holland (34.4 percent), and Muskegon (51.3 percent). Of the fifty-three districts in the region with large enough sample sizes, seventeen had less than 3 percent non-Asian minority students, including Forest Hills (2.6 percent), East Grand Rapids (2.2 percent), Caledonia Community Schools (1.9 percent), and Hudsonville (1.3 percent).

When the schools of the Grand Rapids School District are examined more closely we find twenty-two of the city's forty elementary schools had more than 50 percent non-Asian minority students in 1995, nine had more than 90 percent (Figure 11). The schools with the fewest non-Asian minority students were Covell (9.8 percent) and Shawmut Hills (5.4 percent).

As a whole, the percentage of non-Asian minority elementary students in the region increased by 3.9 percentage points between 1991 and 1995—from 14.8 to 18.7 percent (Figure 12). The city of Grand Rapids increased in non-Asian minority students by 7.2 percentage points during this period, going from 48.8 to 56.0 percent. Four school districts increased in percentage non-Asian minority students at a faster rate than Grand Rapids. These included Godfrey Lee (8.8 percentage point—from 11.9 to 20.7 percent), Holland (8.9 percentage points—from 25.5 to 34.4 percent), and Fennville (10.4 percentage points—from 20.8 to 31.2 percent). The greatest decreases in percentage non-Asian minority elementary students in the region were in the Belding (-3.0 percentage points—from 5.0 to 2.0 percent), Lowell (-3.7 percentage points—from 6.6 to 2.9 percent), and Kent (-6.2 percentage points—from 11.4 to 5.2 percent) districts.

Within the city of Grand Rapids, every elementary school except four increased in percentage non-Asian minority students between 1991 and 1995 (Figure 13). Of the four that decreased, only one had less than 93 percent minority enrollment in 1991: Riverside, which went from 25.8 to 21.2 percent non-Asian minority students (-4.6 percentage points).

3. The Flight of White Preschool Children

The above public school trends are most apparent in and around places where there is a significant loss of white and middle-class families. The best available method to track white, school-related flight is to calculate the net loss of white preschool children between census periods.[101] Because of the high correlation between being white and middle class, it is also a reasonably good surrogate for middle-class family flight.

During the 1980's, the Grand Rapids region saw a slight increase in percentage of white children (3.1 percent), going from 60,054 white children ages 0 to 4 in 1980 to 61,939 white children ages 10 to 14 in 1990 (Figure 14).[102] The city of Grand Rapids lost white children during this period at the rate of 26.3 percent (from 10,616 white preschool children in 1980 to 7,829 white children ages 10 to 14 in 1990). The High Need Communities lost white children at

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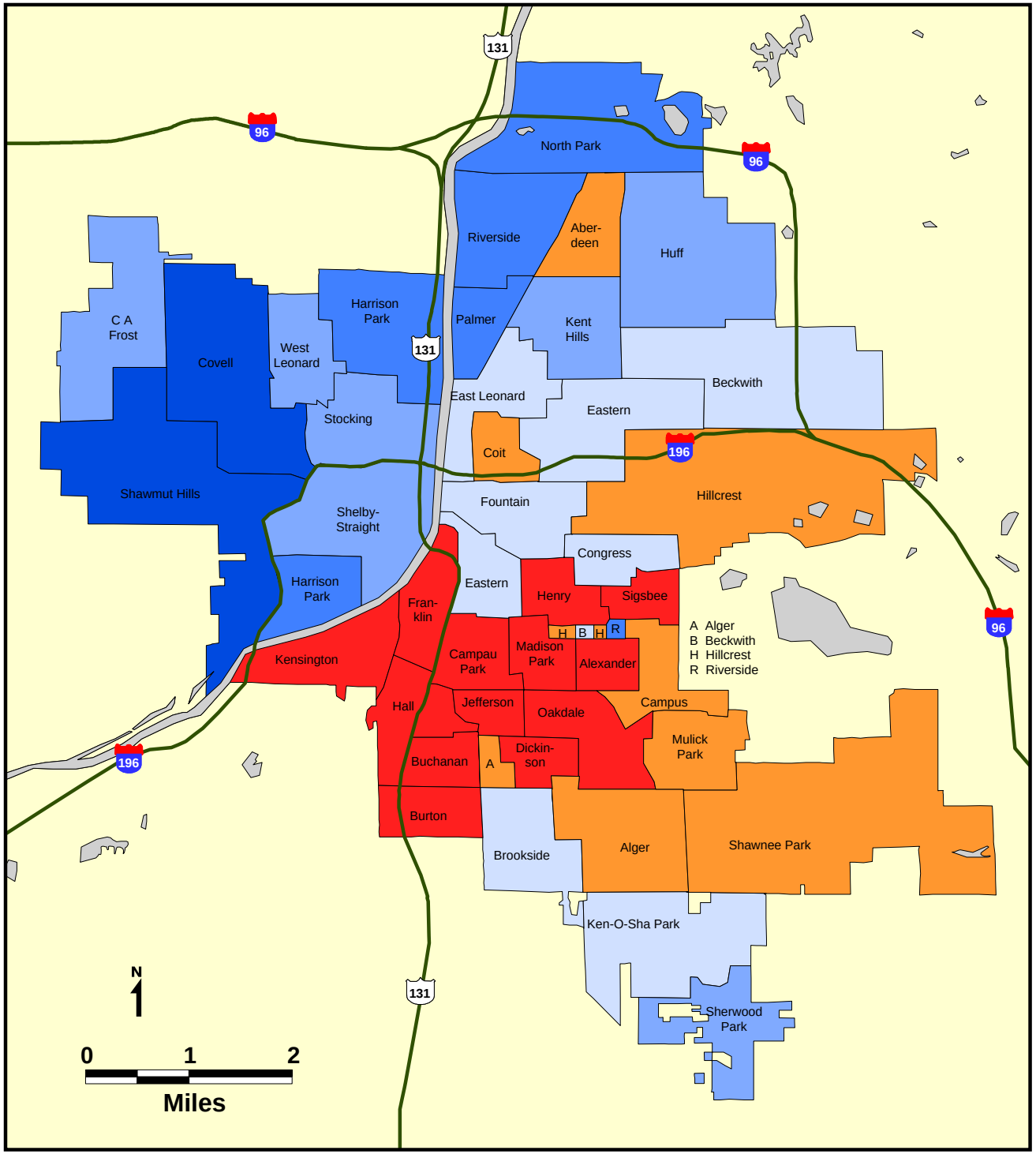
101 This method does not, however, take into consideration changes in white children due to annexation or other municipal border changes.

102 *Census of Population and Housing, 1980: Summary Tape File 3A* and *Census of Population and Housing, 1990: Summary Tape File 3A.*

Figure 11: Percentage Non-Asian Minority Students by Elementary School, 1995



% Non-Asian Minority
Regional Value: 55.0%

5.4	to	9.8%	(2)
17.8	to	21.2%	(4)
25.5	to	38.7%	(7)
44.8	to	52.8%	(7)
55.0	to	66.8%	(7)
74.6% or more			(13)

Data Source: Michigan Department of Education (racial & enrollment data), Grand Rapids Public School District (elementary school attendance area boundaries).

Prepared by the Metropolitan Area Research Corporation (MARC).

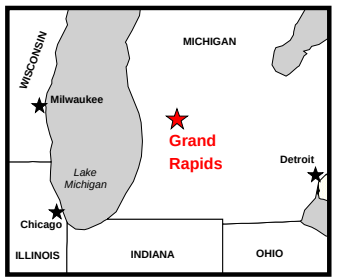
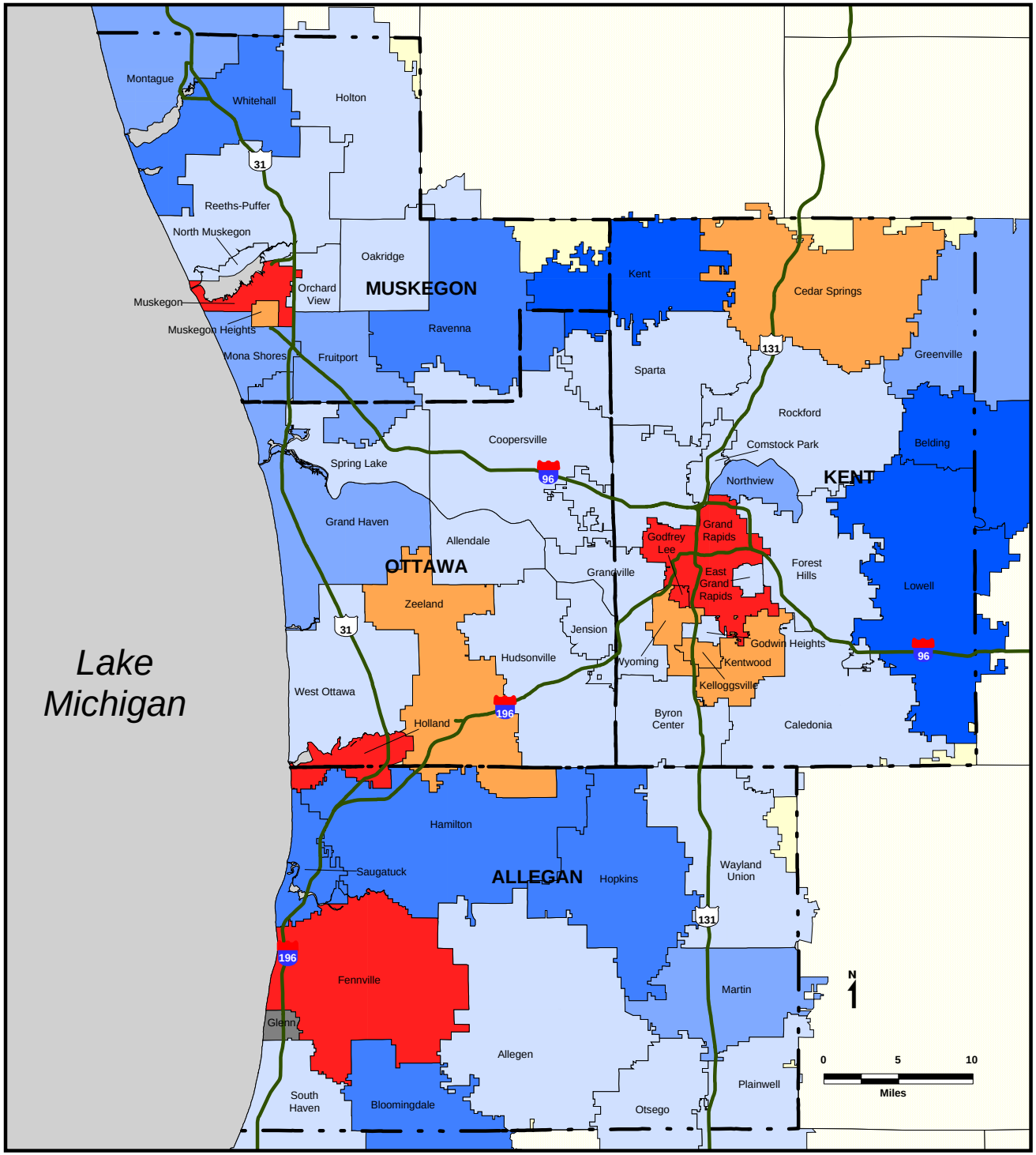


Figure 12: Change in Percentage Points Non-Asian Minority Elementary Students by School District, 1991-1995



Change % Points

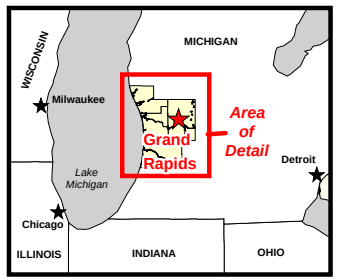
Regional Value: +3.9

-6.2 to -3.0	(3)
-2.3 to -0.9	(6)
-0.6 to -0.1	(7)
0.3 to 3.2	(26)
3.9 to 6.9	(6)
8.2 or more	(5)
No data	(1)

Data Source: Michigan Department of Education.

Note: The school marked "No data" had fewer than 50 elementary students in 1991 or 1995.

Prepared by the Metropolitan Area Research Corporation (MARC).



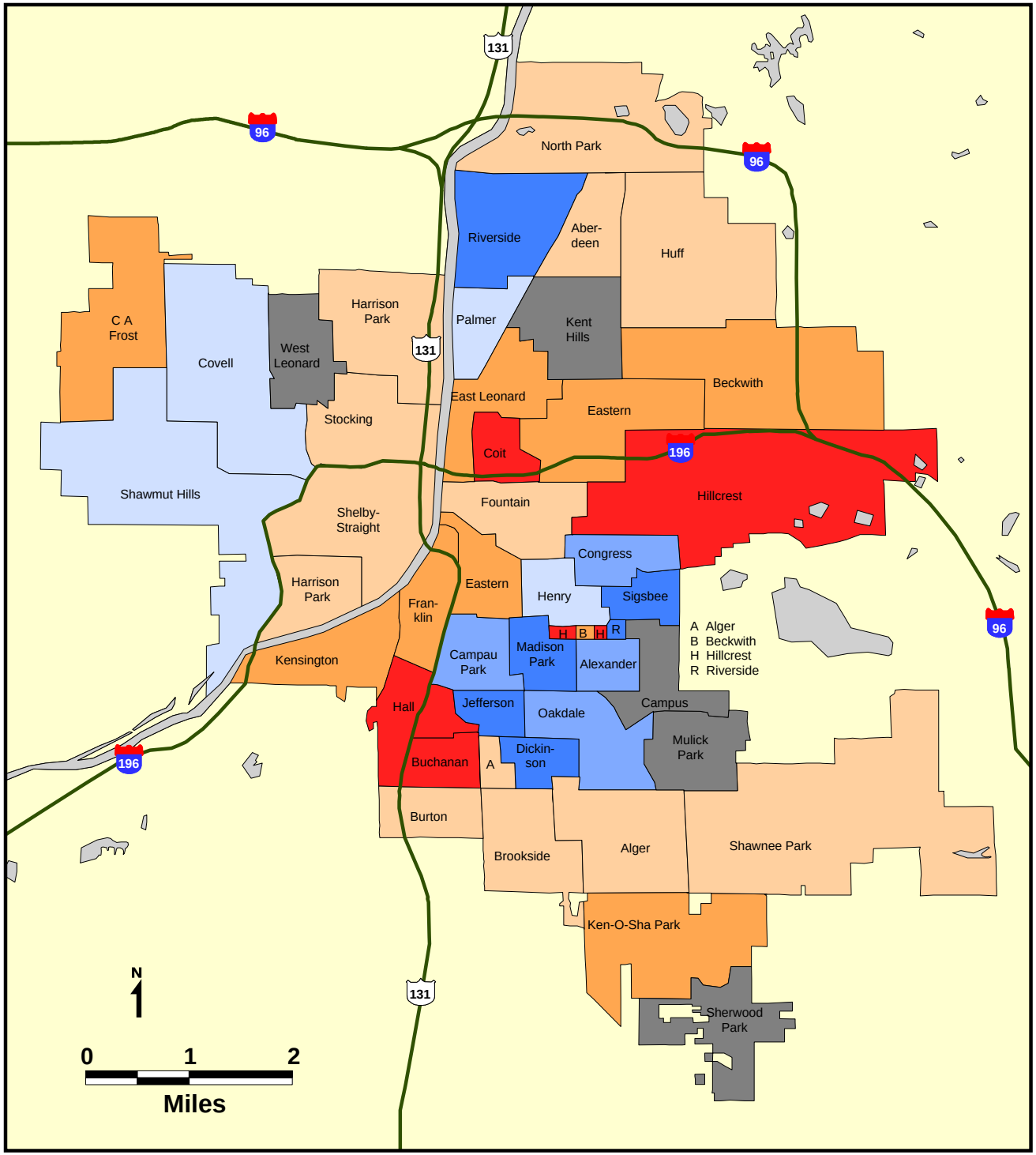


Figure 13: Change in Percentage Points Non-Asian Minority Students by Elementary School, 1991-1995

Change % Points

Regional Value: +8.7

-6.1 to -1.3	(5)
3.0 to 3.1	(4)
4.3 to 6.8	(4)
8.7 to 13.3	(11)
15.0 to 19.4	(7)
23.1 or more	(4)
No data	(5)

Data Source: Michigan Department of Education (racial & enrollment data), Grand Rapids Public School District (elementary school attendance area boundaries).

Note: Schools with "No data" either did not exist or did not report racial data in 1991.

Prepared by the Metropolitan Area Research Corporation (MARC).

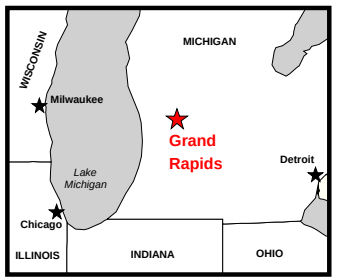
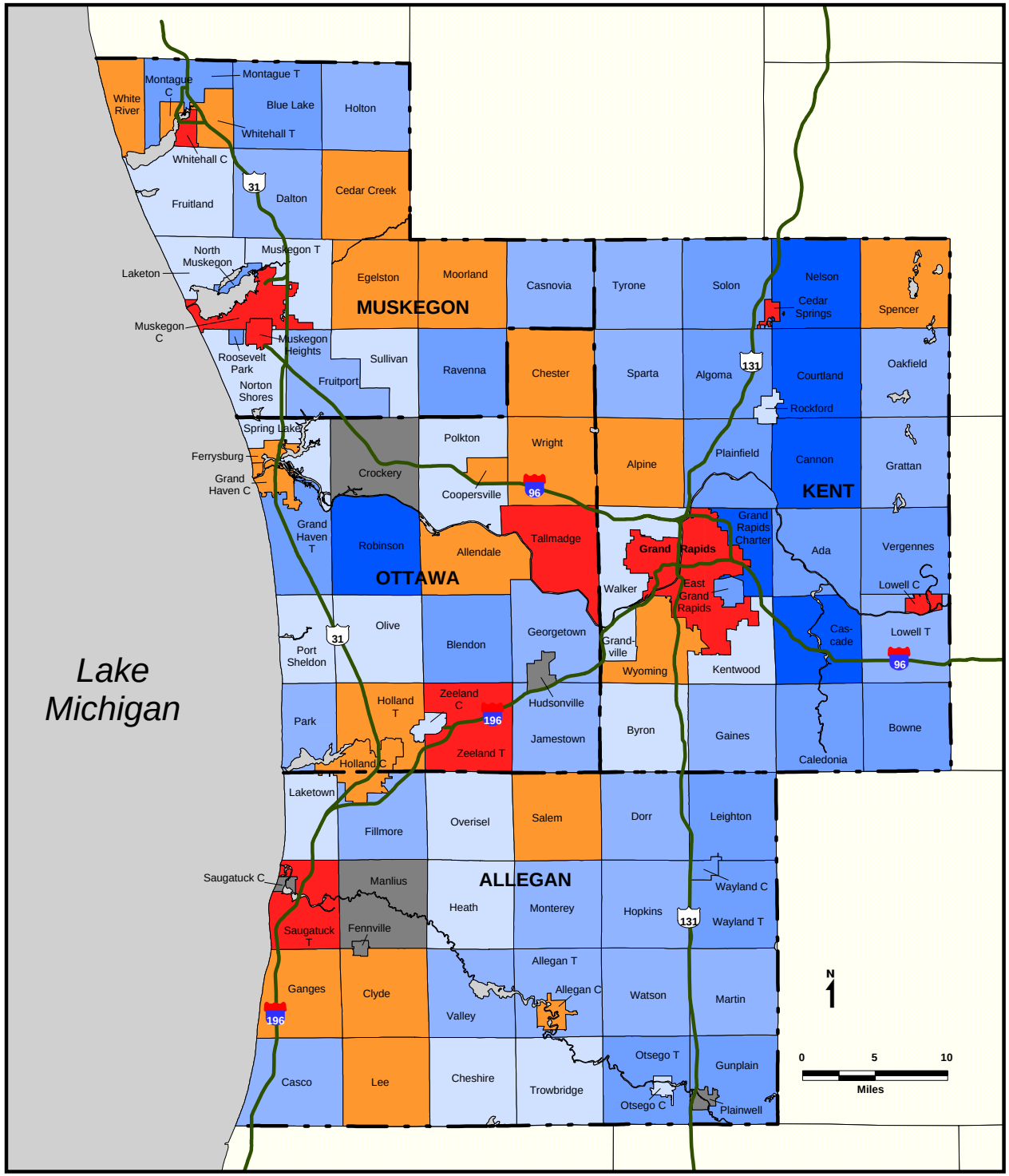


Figure 14: Percentage Change from White Children 0-4 in 1980 to 10-14 in 1990 by Municipality

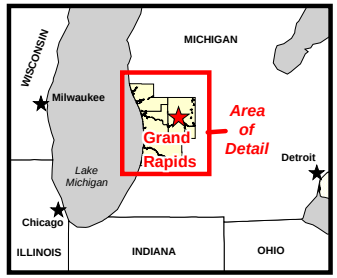


Percentage Change
Regional Value: 3.1%

-71.7	to -16.8%	(9)
-13.7	to 2.7%	(22)
3.1	to 13.7%	(21)
14.9	to 25.6%	(22)
27.6	to 48.5%	(20)
51.6% or more		(6)
No data		(6)

Data Source: 1980 and 1990 U.S. Censuses of Population and Housing Summary Tape File 3A.

Note: Municipalities with "No data" either did not exist in 1980, had fewer than 50 white children under 5 in 1980, or else had data suppression on white children under 5 in 1980.



Prepared by the Metropolitan Area Research Corporation (MARC).

the rate of 14.5 percent (from 6,366 white preschool children in 1980 to 5,446 white children in 1990). The Stressed Communities increased in white children by 12.4 percent during this period (from 34,082 to 38,315) and the Affluent Communities experienced a dramatic increase (30.8 percent), going from 7,910 white preschool children in 1980 to 10,349 white children ages 10 to 14 ten years later.

Percentage Change from White Children 0-4 in 1980 to 10-14 in 1990

Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
3.1	-26.3	-14.5	12.4	30.8

Twenty-five communities—primarily High Need and Stressed places just north and southwest of the city—lost white children over the decade. Other than Grand Rapids, fourteen cities lost more than 10 percent of their 1980 white children, including Wyoming, which lost 11.0 percent of its white children (from 4,670 in 1980 to 4,156 in 1990); Tallmadge, which lost 17.9 percent (from 532 to 437); Muskegon, which lost 36.9 percent (from 2,397 to 1,513); and Muskegon Heights, which lost an amazing 71.7 percent (from 420 to 119).

To where did all of these white children and their families move? It appears many moved to the growing Affluent Communities in Kent County. By 1990, six cities had increased their percent of 1980 white children by more than 50 percent. The five greatest increases were all in Kent County. For example, Grand Rapids Charter went from 573 white children between 0 and 4 in 1980 to 882 white children between 10 and 14 in 1990 (53.9 percent increase); Cascade Township went from 631 white preschool children in 1980 to 1,076 white children ages 10 to 14 in 1990 (70.5 percent); and Cannon Township went 398 to 688 (72.9 percent).

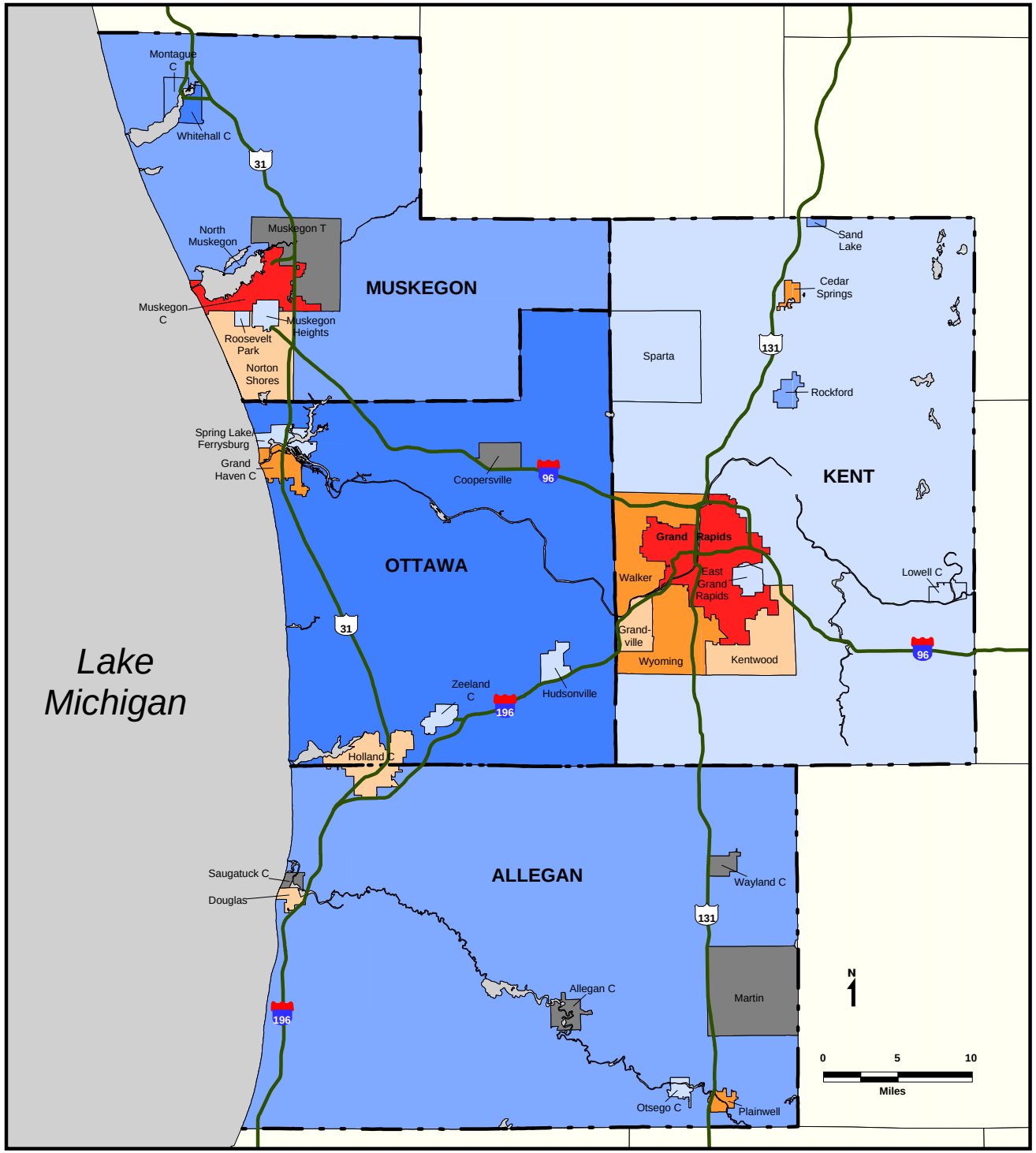
It is important to note that not all of the growth that occurred in these communities during this period was due to people leaving the central city, its inner suburbs, and other declining places in the region. Growth in developing communities is due to a combination of people relocating from other parts of the region; people migrating from outside of the region; and resident children growing up and buying their first homes in the community rather than moving to another part of the region or out of the region altogether. However, where people come from when they move to the developing communities is not as important as the fact that they *are* moving there—in large numbers—and they are *not* moving to places like Grand Rapids, Muskegon, and their inner suburbs.

F. Crime

In 1996 the overall Part I crime rate for the four-county region (excluding six jurisdictions for which data were not available in 1996) was 3,927.4 crimes per 100,000 persons (Figure 15).[103] There were 450.2 violent crimes per 100,000 persons across the region in 1996. The crime

[103] Municipality-level crime data for the region are from the Michigan Department of State Police, *Crime in Michigan: 1996 Uniform Crime Report*. Part I crimes as defined by the FBI include murder, rape, robbery, aggravated assault, burglary, larceny, automobile theft, and arson. The violent crimes category is a subset of Part I crime and consists of murder, rape, robbery, and aggravated assault.

Figure 15: Part I Crimes per 100,000 Population by Police Jurisdiction, 1996



Crimes per 100,000 Persons

Regional Value: 3,927.4

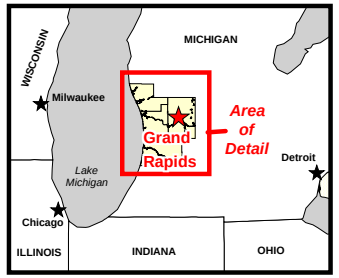
0.0 to 388.0	(2)
1,126.1 to 1,504.9	(5)
1,923.9 to 3,624.5	(11)
3,927.4 to 5,316.1	(5)
5,666.3 to 6,014.4	(5)
7,808.0 or more	(2)
No data	(6)

Data Source: Michigan Department of State Police, *Crime in Michigan: 1996 Uniform Crime Report;* and the Wyoming Police Department.

Note: Part I crimes as defined by the FBI include murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.

Note: Municipalities with "No data" did not report crime statistics for 1996.

Note: The following jurisdictions reported data for fewer than 12 months in 1996: Montague (6), Sand Lake (5), and Whitehall (3).



Prepared by the Metropolitan Area Research Corporation (MARC).

rate in the city of Grand Rapids in that year was 7,808.0 Part I crimes and 1,297.8 violent crimes per 100,000 residents. Muskegon, however, had Part I and violent per capita crime rates that were higher than Grand Rapids' rates. Muskegon's Part I rate was 11,301.2 crimes per 100,000 persons and it's violent rate was 1,546.1 crimes per 100,000 persons. Other high crime jurisdictions in 1996 included Wyoming (5,954.5 Part I crimes per 100,000 persons), Cedar Springs (5,994.8 Part I crimes per 100,000 persons), and Walker (6,014.4 Part I crimes per 100,000 persons).

At the other end of the spectrum, there were five jurisdictions that reported crime data in every month of 1996 that had Part I crime rates of less than 2,000 per 100,000 persons. These included Rockford (1,461.9 Part I crimes per 100,000 persons), Muskegon County (1,452.7 Part I crimes per 100,000 persons) and Ottawa County (388.0 Part I crimes per 100,000 persons).

Within the city of Grand Rapids, Part I and violent crime rates in 1996 were highest downtown (Figures 16).[104] Part I crime rates in three downtown police districts were between 24,000 and 33,000 crimes per 100,000 persons. On the other hand, the police districts with the lowest crime rates in the city of Grand Rapids, Districts A1 on the city's western edge and B1 on the northern edge, had lower Part I crime rates than most of the suburban and satellite cities in the region, including Zeeland, East Grand Rapids, and North Muskegon, and had Part I crime rates about equal to Kent County's rate. The Part I crime rate in District A1 was 2,547.1 crimes per 100,000 persons and in B1 it was 2,536.5 crimes per 100,000 persons. These two police districts were also the most populated districts in the city in 1996.

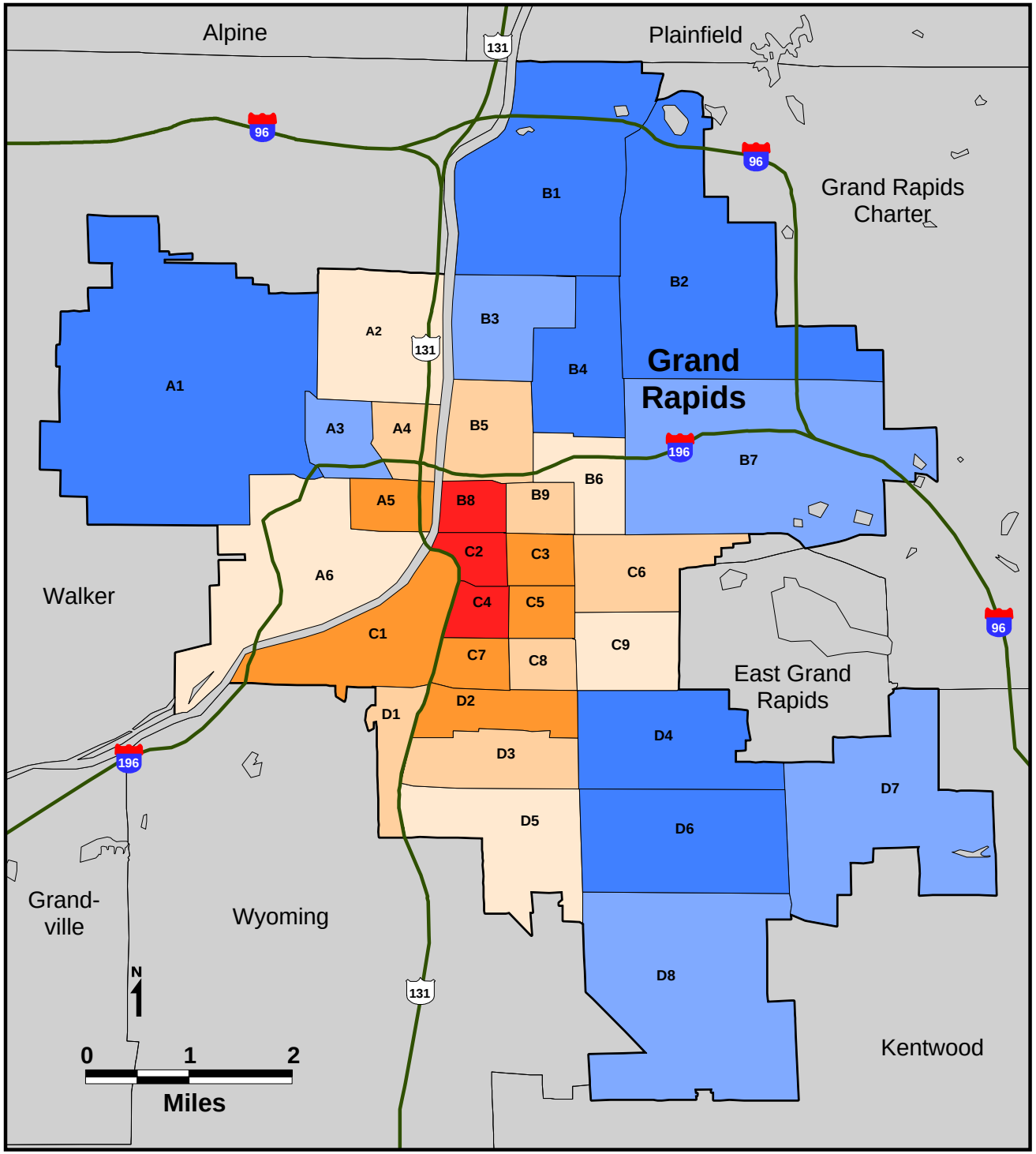
Between 1986 and 1996 the overall regional Part I crime rate (excluding the six jurisdictions for which crime data were not available) declined by 21.9 percent (Figure 17).[105] During this period, Grand Rapids saw a 12.0 percent decrease in Part I crimes (from 8,868.8 to 7,808.0 crimes per 100,000 persons) and a 12.9 percent increase in violent crimes (from 1,149.4 to 1,297.8 crimes per 100,000 persons). Muskegon saw a 6.0 percent decrease in its Part I rate (from 12,027.1 to 11,301.2 crimes per 100,000 persons) and a 43.8 percent decrease in its violent crime rate (from 2,753.1 to 1,546.1 crimes per 100,000 persons). Among those jurisdictions that saw the greatest increases were many High Need and Stressed Communities such as Zeeland, which went from 1,958.8 to 2,751.0 Part I crimes per 100,000 persons (40.4 percent); Norton Shores, which went from 2,952.6 to 4,187.6 Part I crimes per 100,000 persons (41.8 percent); and Cedar Springs, which more than doubled its Part I crime rate, going from 2,491.6 to 5,994.8 crimes per 100,000 persons (140.6 percent).

In addition to the fourteen jurisdictions for which crime data were not available in 1996, there were three jurisdictions that did not report data every month of the year. These jurisdictions are included on the map but only reflect the months for which data were reported: Montague (6 months), Sand Lake (5 months), and Whitehall (3 months).

104 City of Grand Rapids crime figures are from the Grand Rapids Police Department.

105 In addition to the six jurisdictions for which data were not available in 1996 and the three that did not report data in every month of 1996, Douglas did not report data for every month of 1986 (Figure 18 reflects 11 months only).

Figure 16: Part I Crimes per 100,000 Population by Police District, 1996



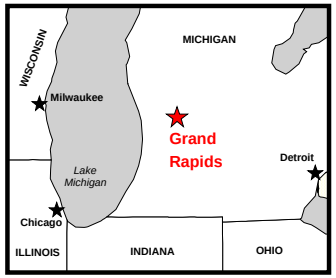
Crimes per 100,000 Persons

Regional Value: 7,913.7

2,536.5 to	5,289.2	(6)
6,599.4 to	7,250.8	(5)
7,913.7 to	9,486.2	(5)
10,540.9 to	11,892.6	(7)
12,645.7 to	15,294.9	(6)
24,421.3 or more		(3)

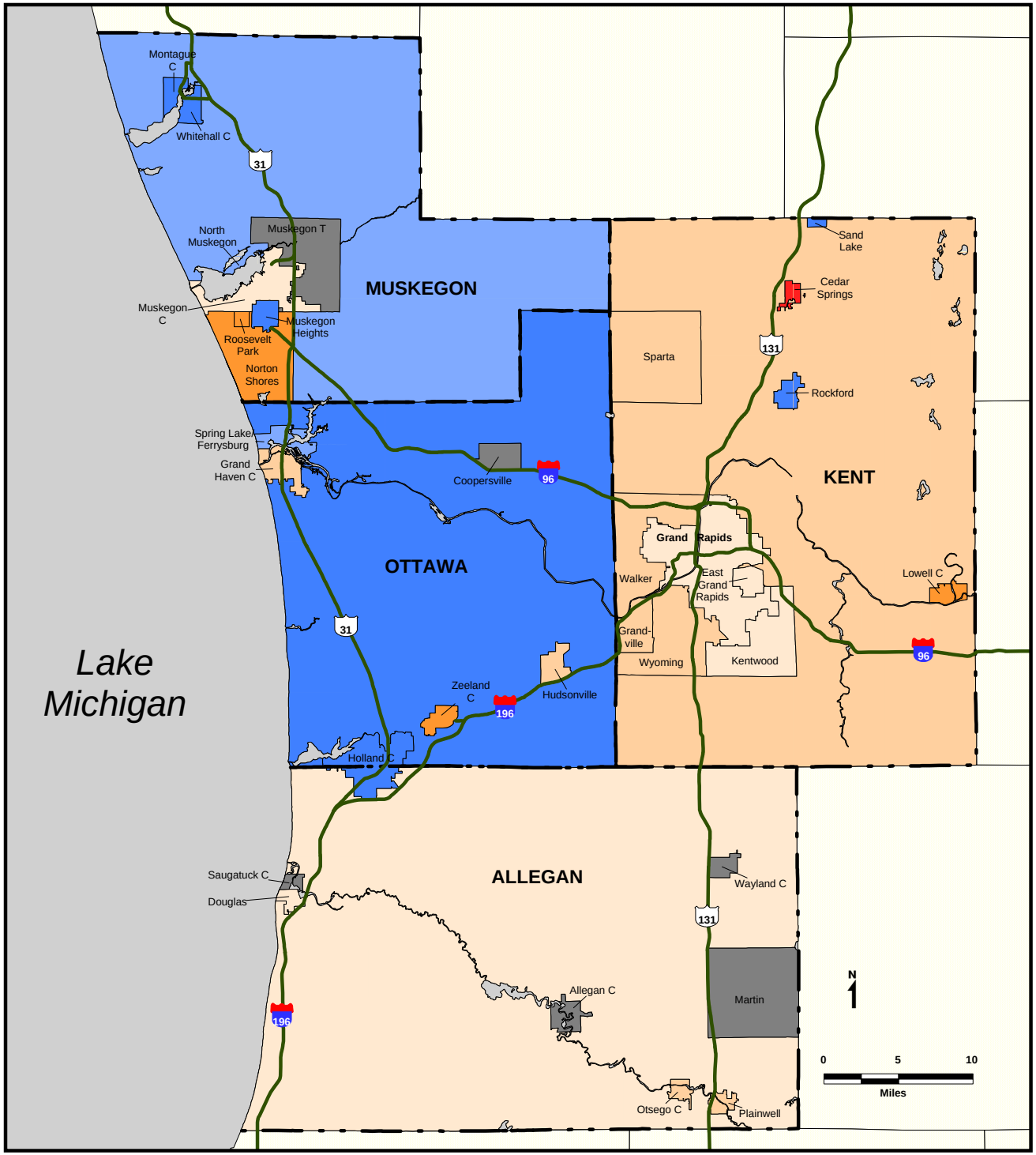
Data Source: Grand Rapids Police Department.

Note: Part I crimes as defined by the FBI include murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.



Prepared by the Metropolitan Area Research Corporation (MARC).

Figure 17: Percentage Change in Part I Crimes per Capita by Police Jurisdiction, 1986-1996



Percentage Change
Regional Value: -21.9%

-100.0	to	-52.7%	(7)
-32.5	to	-21.7%	(2)
-21.9	to	-5.2%	(7)
1.6	to	30.4%	(9)
40.4	to	58.9%	(4)
140.6%			(1)
No data			(6)

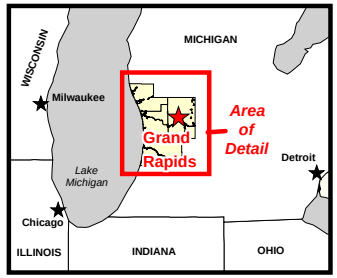
Data Source: Michigan Department of State Police, *Crime in Michigan: 1996 Uniform Crime Report* and *Crime in Michigan: 1986 Uniform Crime Report;* and the Wyoming Police Department.

Note: Part I crimes as defined by the FBI include murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.

Note: Municipalities with "No data" did not report crime statistics for 1996.

Note: The following jurisdictions reported data for fewer than 12 months in 1986 or 1996: Coopersville (9), Douglas (11), Montague (6), Sand Lake (11,5), and Whitehall (3).

Prepared by the Metropolitan Area Research Corporation (MARC).



Jurisdictions with the greatest Part I crime rate decreases included places like Holland, went from 10,880 Part I crimes per 100,000 persons in 1986 to 5,149.3 in 1996 (-52.7 percent), Rockford, which went from 3,794.9 to 1,461.9 Part I crimes per 100,000 persons (-61.5 percent), and Ottawa County went from 1,460.8 to 388.0 Part I crimes per 100,000 persons (-73.4 percent). Interestingly, of the jurisdictions that reported crime data in every month of both years, Muskegon Heights experienced the greatest decrease in Part I crimes per capita. That city went from 12,902.1 Part I crimes per 100,000 persons in 1986 to 2,133.1 in 1996 (83.5 percent decrease). Muskegon Heights also decreased the most in violent crimes during this period, going from 2,026.0 to 405.9 per 100,000 persons (80.0 percent decrease).

Part I crime rates decreased in about one-third of the thirty-two police districts in the city of Grand Rapids (Figure 18). These decreases were primarily in central-city districts, with the greatest decreases in Districts C2, C3, and C4 downtown, which decreased from 24.8 to 34.2 percent. District C2 went from 11,670 to 8.770 Part I crimes per 100,000 persons; District C3 from 3,228.9 to 2,383.9 Part I crimes per 100,000 persons; and District C4 from 13,901 to 9,143 Part I crimes per 100,000 persons.

G. Infrastructure

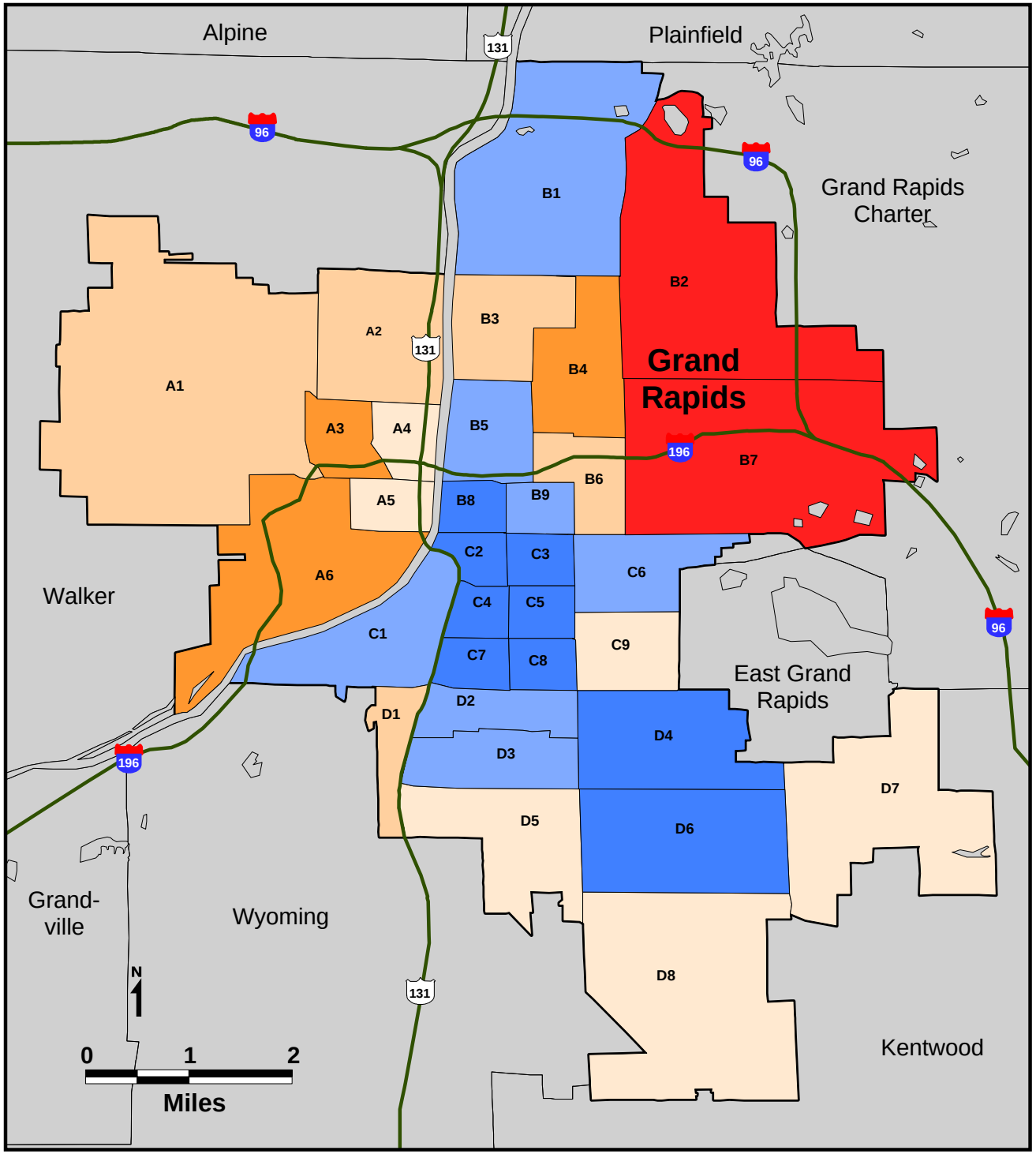
1. Overview

Pundits say regionalism is impossible in America. But in terms of transportation spending, regionalism has been going on for at least twenty years. Money for highways comes from federal, state, and local coffers. Everyone contributes through their taxes and, theoretically, everyone shares this highway money in the form of highway improvements. But where is the money actually spent? In many regions, a majority of transportation dollars go to outer-ring developing communities. The new infrastructure lures homebuilders, industries, and people who work in all parts of the region. Soon the new highways are crowded and there is an outcry for even more capacity. Inevitably, lanes and new routes are added—enough to meet projected need for 20 years or more. But within a very short period (sometimes just a few months) congestion levels are as high as they were prior to the new additions.

This is because, often, other nearby routes are also congested and drivers start taking the improved route, expecting a faster, less congested commute. Likewise, many who previously used other modes of transportation to speed their commute, return to their cars expecting less congestion on the new route. Indeed, the Surface Transportation Policy Project analyzed highway congestion data from the Texas Transportation Institute for 70 metropolitan areas between 1985 and 1996 and found that large investments in highway capacity did not result in easing congestion.[106] The STPP study compared metropolitan regions that have added significant new highway capacity in an effort to ease congestion to those that added little new capacity and found no difference in traffic congestion by 1996. Moreover, the study found that regions that increased road capacity spent approximately $22 billion more than those that did not increase capacity, but ended up with higher congestion costs per person, more wasted fuel, and increased travel delay.

[106] Surface Transportation Policy Project, "An Analysis of the Relationship Between Highway Expansion and Congestion in Metropolitan Areas: Lessons from the 15-Year Texas Transportation Institute Study", November 1998.

Figure 18: Percentage Change in Part 1 Crimes per Capita by Police District, 1986-1996



Percentage Change

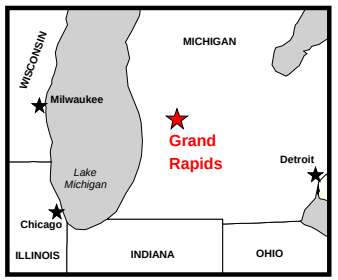
Regional Value: -10.4%

-53.8	to -28.9%	(9)
-22.1	to -12.0%	(7)
-10.4	to 3.1%	(6)
11.8	to 25.7%	(5)
34.3	to 46.1%	(3)
67.3% or more		(2)

Data Source: Grand Rapids Police Department.

Note: Part I crimes as defined by the FBI include murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.

Prepared by the Metropolitan Area Research Corporation (MARC).



Meanwhile, for many people the opposite problem holds true: their place of work moves to the suburbs, but the community's restrictions on affordable housing development prevents them from moving there as well. The urban planner Robert Cervero at Berkeley has shown that upwards of forty percent of the automobiles that clog highways at rush hour are driven by people who cannot afford to live close to their work.[107] Cervero suggests fair housing, including barrier removal, as one of the most important ways to reduce freeway congestion.[108] Although the effectiveness of jobs-housing balance in reducing freeway congestion has been debated in recent years, a 1996 study by Cervero found that without coordinated regional planning, the imbalance between location of jobs and workers is more acute.[109]

In addition, new highway capacity does not necessarily serve the city in which the highway construction actually occurs. Freeway lane widenings mean increased traffic, pollution, and encroachment of noise on communities. These neighborhoods must choose between soundwalls and noise, both of which lower property values and quality of life. Instead, the areas that actually benefit from increased new capacity are the areas to which traffic is being directed, improving access for commuters both into and out of the community.

2. Highway Spending

With that in mind, we examined past and projected highway spending in the Grand Rapids region. Between 1985 and 1996, approximately $256 million was spent improving and adding capacity to the highways of the Grand Rapids region (Figure 19).[110] This was money that belonged to every citizen of the region, but where was this money spent? Predictably, it flowed east of Grand Rapids to the growing economies of Kent County. It was in this part of the region that the some of the most costly highway projects took place. For example, over $25 million was spent reconstructing a section of State Highway 37 from Grand Rapids southeast through Kentwood to Caledonia Township and over $23 million was spent reconstructing part of State Highway 44 from Grand Rapids north to Plainfield Township. In all, over 65 percent of all regional highway spending between 1985 and 1996 was spent in a county that accounts for approximately 50 percent of the regional population.

The same trends look to continue in the future. The planning councils that have jurisdiction in this four-county area (the Grand Valley Metropolitan Council and the West Michigan Shoreline Regional Development Commission) and the Michigan Department of Transportation, through its 1997 State Transportation Improvement Program, have projected

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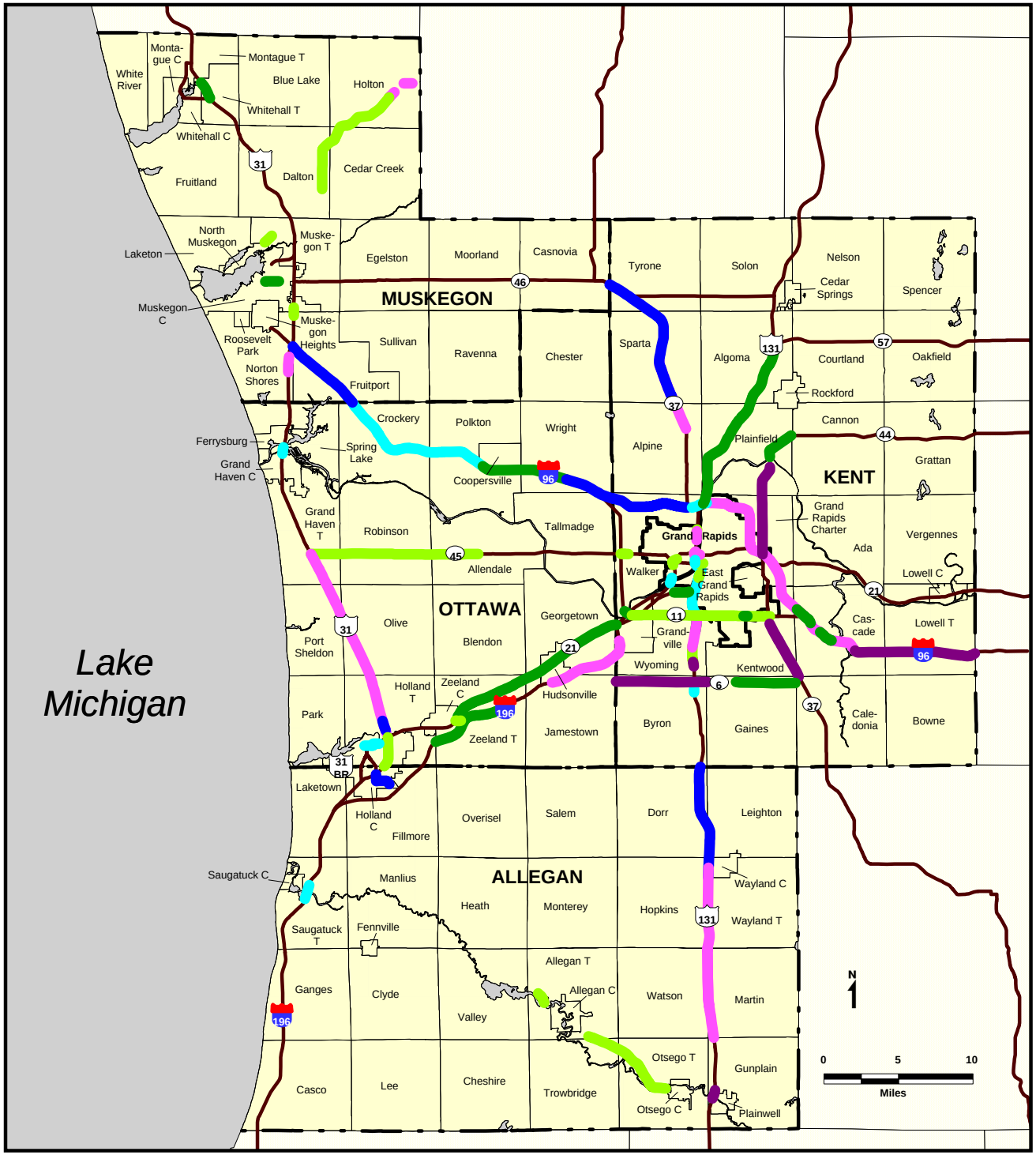
107 Robert Cervero, "Jobs-Housing Balance and Regional Mobility," *American Planning Association Journal* (Spring 1989).

108 Ibid.

109 Robert Cervero, "Jobs-Housing Balance Revisited," *American Planning Association Journal* (Autumn 1996).

110 Highway spending data are from the Michigan Department of Transportation, Bureau of Transportation Planning, Statewide Transportation Division and include only projects valued over $1 million. The data include new road construction, right-of-way acquisitions, road widenings, lane additions, bridge repair and replacement, and maintenance work such as resurfacing and other site specific projects.

Figure 19: Past Highway Spending, 1985-1996



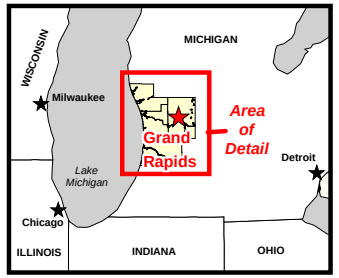
Note: Projects shown include new road construction and right-of-way acquisitions, road widenings and lane additions, maintenance work such as resurfacing, and other site specific works including bridge repairs and replacements.

Data Source: Michigan Department of Transportation, Bureau of Transportation Planning, Statewide Transportation Planning Division.

Highway Spending
(projects valued >$1 million)

- $1.00 to $1.40 million (17)
- $1.53 to $2.00 million (16)
- $2.21 to $2.87 million (11)
- $3.15 to $3.73 million (6)
- $4.20 to $5.97 million (13)
- $6.81 million or more (6)

Prepared by the Metropolitan Area Research Corporation (MARC).



spending on the region's highways between 1998 and 2000 to be approximately $226 million (Figure 20).[111] Approximately 70 percent of this total amount ($158.5 million) will be spent in Kent County. This includes $65 million for the construction of the South Beltline from I-96 in Cascade Township west to I-196 in Ottawa County (in addition, $10 million had been spent during the 1985-1996 period acquiring the right-of-way for this major freeway).

H. Regional Sprawl

According to the U.S. Census Bureau, a city's urbanized area consists of the central city and its adjacent urban fringe, including all contiguous territory settled at the density of at least 1,000 persons per square mile.[112] In the Grand Rapids region, there were three areas designated by the Census Bureau in 1990 as urbanized: the Grand Rapids area, the Muskegon area, and the Holland area (Figure 21).[113] The Holland area was not yet designated as urbanized in 1970 and therefore will not be discussed here in terms of change between 1970 and 1990. In 1990 the Holland area was settled at a density of 1,903 persons per square mile.[114] By comparing the change in population between census periods within the other two designated urbanized areas and the change in the size of the land area that is defined in each as urbanized, we can determine whether those areas are becoming more compact or are sprawling as they develop.

In 1990 the Grand Rapids urbanized area was settled at a density of 1,954.9 persons per square mile. This was a decrease in population density from 1970 of 19 percent. In that year, the population density in the area was 2,412 persons per square mile. Put another way, the number of people living in the Grand Rapids urbanized area increased by 23.7 percent between 1970 and 1990 (from 352,702 to 436,336), while the land area they occupied increased at nearly twice that rate—by 52.7 percent (from 146.2 to 223.2 square miles). Most of this growth occurred just to the east of Grand Rapids in the affluent Ada and Cascade Townships.

The Muskegon urbanized area also decreased considerably in population density. This urbanized area went from a population density of 2,021 persons per square mile in 1970 to 1,719 in 1990, a 14.9 percent decrease. Here, population remained relatively stable (around 106,000), while land area increased by 18.2 percent (from 52.3 to 61.8 square miles). Most of the growth in this area was in Laketon and in Muskegon Township.

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111 Projected highway spending data on projects valued over $1 million are from the Michigan Department of Transportation, Bureau of Transportation Planning, State Plan STIP Unit; the Grand Valley Metropolitan Council, the West Michigan Shoreline Regional Development Commission, and the Macatawa Area Coordinating Council.

112 Also included in the urbanized area are large concentrations of non-residential urban area, such as industrial parks, office areas, and airports.

113 "1990 Census of Population and Housing Supplementary Reports, Urbanized Areas of the United States and Puerto Rico" (December 1993).

114 Population and land area data from the "1990 Census of Population and Housing Supplementary Reports, Urbanized Areas of the United States and Puerto Rico" (December 1993), and the "1980 Census of Population Supplementary Report, Population and Land Area of Urbanized Areas: 1980 and 1970" (February 1984).

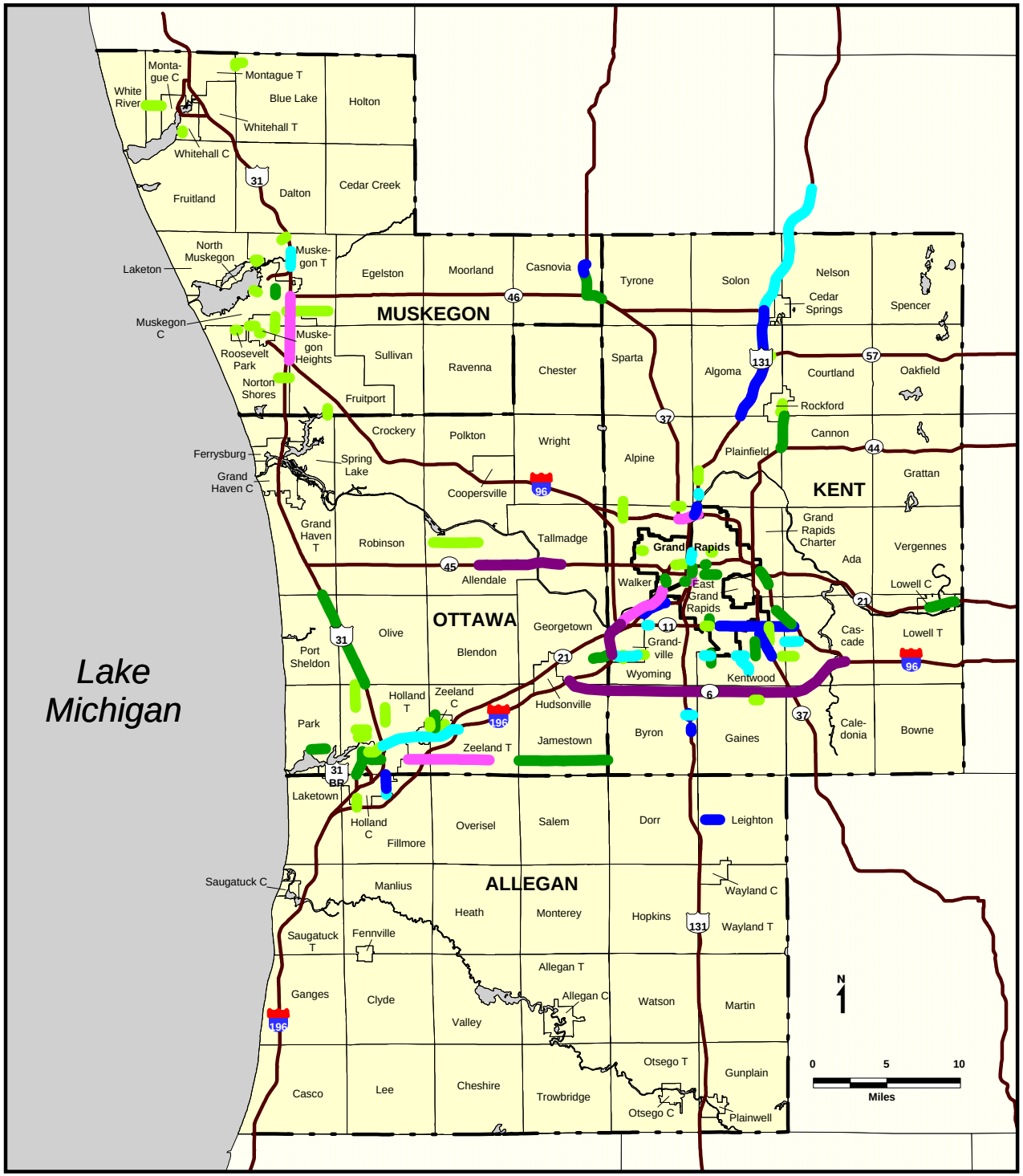


Figure 20: Projected Highway Spending, 1998-2000

Note: Projects shown include new road construction, road widenings and lane additions, maintenance work such as resurfacing, and other site specific works including bridge repairs and replacements.

Data Sources: FY 1998-2000 Transportation Improvement Programs from the Grand Valley Metropolitan Council, West Michigan Shoreline Regional Development Commission, and the Macatawa Area Coordinating Council; also the Michigan Department of Transportation, Bureau of Transportation Planning, State Plan and STIP Unit.

Projected Spending

$0.35 to $0.60 million	(39)
$0.68 to $1.35 million	(25)
$1.47 to $1.88 million	(13)
$2.10 to $3.45 million	(12)
$3.75 to $7.69 million	(6)
$14.60 million or more	(3)

Prepared by the Metropolitan Area Research Corporation (MARC).

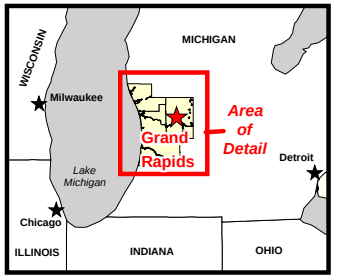
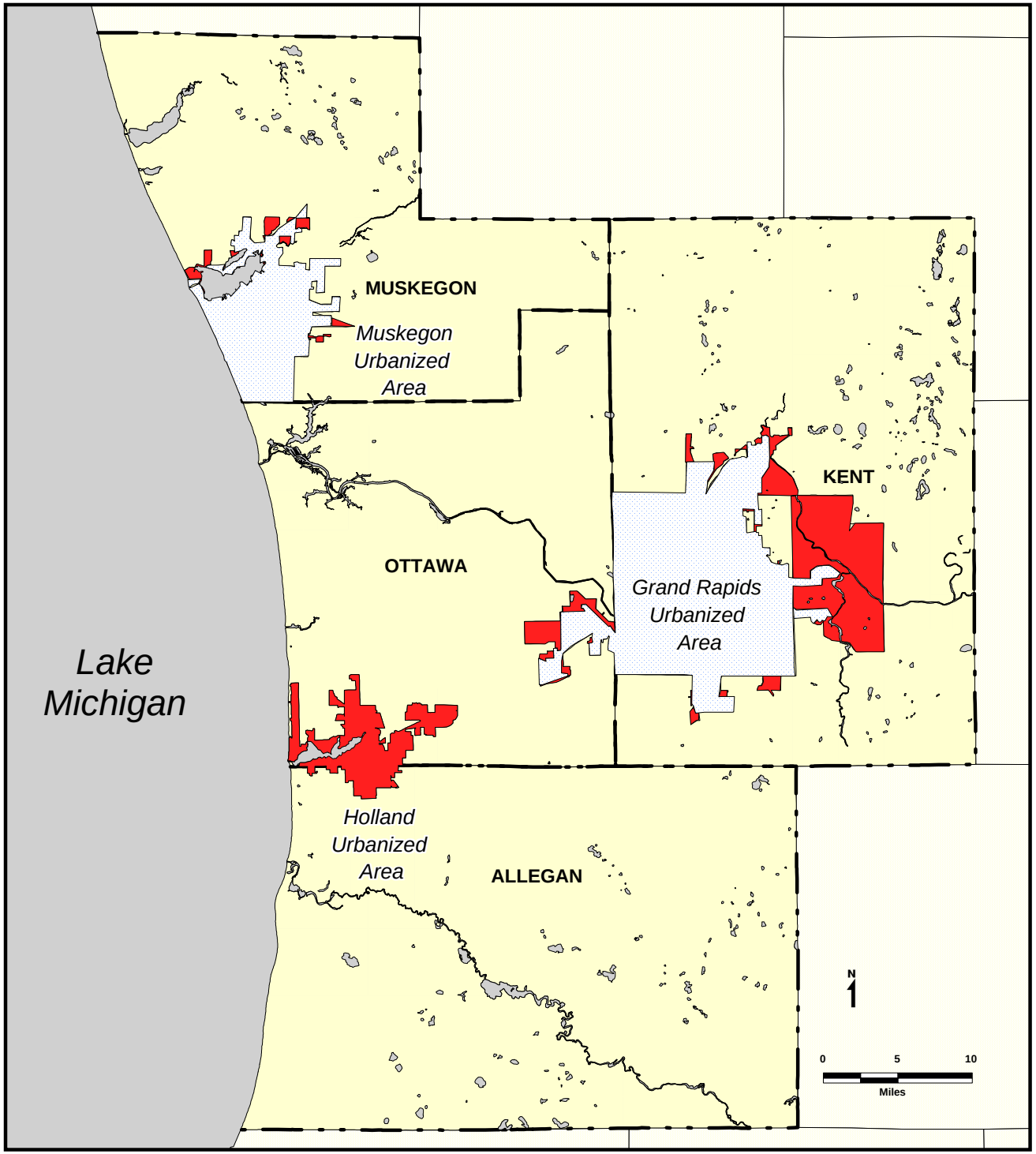


Figure 21: Change in Urbanized Area, 1970-1990



LEGEND

Urbanized area in both 1970 and 1990

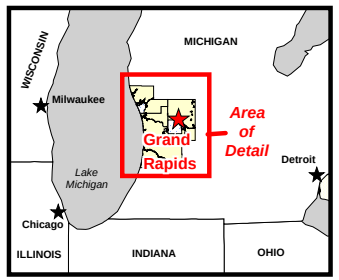
Growth - Change from non-urbanized area in 1970 to urbanized area in 1990

Population Density in Urbanized Area
(per square mile)

	1970	1990	% Change
Grand Rapids	2,412.0	1,954.9	-19.0%
Muskegon	2,021.0	1,719.3	-14.9%
Holland	-	1,903.0	-

Data Sources: 1990 U.S. Census Bureau Tiger Files (1990 map); 1990 CPH-S-1-2 "1990 Census of Population and Housing Supplementary Reports Urbanized Areas of the United States and Puerto Rico", dated 12/93 (1990 data); 1970 Census of Populations, Volume 1. Characteristics of the Population, Part A, Number of Inhabitants, Section 1, United States, Alabama-Mississippi.

Prepared by the Metropolitan Area Program of NGMLP.



I. Fiscal Disparities

1. Overview

When the property tax is a basic revenue source for local governments with land-planning powers, fiscal zoning occurs as jurisdictions compete for property wealth. Through fiscal zoning, cities deliberately develop predominantly expensive homes and commercial-industrial properties with low service needs.[115] In such a way, they keep out social needs associated with lower-cost housing and keep demands on tax base low. Taxes are further reduced by spreading these controlled needs over a broad rich property tax base.

The dynamic of fiscal zoning creates three sets of mutually reinforcing relationships. First, the communities with high tax resources, low tax rates, and little affordable housing continue to attract more and more business, the presence of which continually keeps the overall tax rate comparatively low and increases revenues. Because of low social needs, these cities can provide a few high-quality local services.

A second reinforcing relationship involves those cities that have increasing social needs on a small and often declining property tax base. This combination leads to both declining consumer demographics and increased property tax rates often chasing a declining level of services. All of these factors are large negatives in terms of business location and retention. Often, central and satellite cities and older suburbs spend a great deal on unsuccessful efforts to become more socio-economically stable, as their tax base stagnates or even evaporates out from under them.

The third relationship concerns developing suburbs that lose the battle of fiscal zoning. These are fast-growing suburbs that have not attracted business or executive housing. They must pay for their schools, police, parks, curbs, and gutters with fewer resources. To keep taxes from exploding, they are forced to abandon long-range thinking and build the lower-valued homes and multi-family units rejected by the wealthier suburbs. As they develop, they frequently do not address the expensive issues of sewer systems and road construction. Hence, in addition to low-valued homes and business, they often develop on septic systems that soon have to be remediated at a very high cost. Similarly, the narrow country roads soon have to be widened in an already developed community at far greater expense. These decisions, in the long run, catch up with low fiscal capacity developing suburbs, as their wells fail and congestion increases, they ultimately become the declining suburbs of tomorrow. Further, in a perhaps futile attempt to remain competitive in terms of property taxes, working-class developing communities often suppress local expenditures on public services, particularly on schools.

The increase of property wealth in some affluent communities and the stagnancy or decline of value in central and satellite cities and older suburbs represents an interregional

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115 D. Winsor, *Fiscal Zoning in Suburban Communities* (1979); B. Rolleston, "Determinants of Restrictive Suburban Zoning: An Empirical Analysis," *Journal of Urban Economics* 21 (1987): 1-21; M. Wasylenko, "Evidence of Fiscal Differentials and Intrametropolitan Firm Relocation," *Land Economics* 56 (1980): 339-56; Cervero, "Regional Mobility."

transfer of tax base. As such, the loss of value in older poorer communities is one of the costs of economic polarization and urban sprawl. Federal, state, and local governments spend billions of dollars building infrastructure such as schools, freeways, and sewers which add enormous value to growing parts of the region. To the extent that these public expenditures serve to transfer value, they are wasted. Adding to this dysfunction, the infrastructure of new cities is paid for by taxes and fees levied on the residents and businesses of the older parts of the region.

2. Cities

In the Grand Rapids region, in the places where social needs are greatest, overall total property tax base is comparatively low. The overall average tax base per household in 1996 in the Grand Rapids region was $56,951 (Figure 22).[116] The tax base per household in the city of Grand Rapids was $40,945 (71.9 percent of the regional value). The average property tax base per household in the High Need Communities was less than in the central city—only 59.8 percent of the regional value ($34,052). These places face rapidly growing social needs with few tax-base resources. The property tax base per household in the Stressed Communities was $58,298 (102.4 percent of the regional value). The Affluent Communities, on the other hand, towered about the region with an average property tax base per household of $96,202, 168.9 percent of the regional value.

Total Property Tax Base per Household, 1996

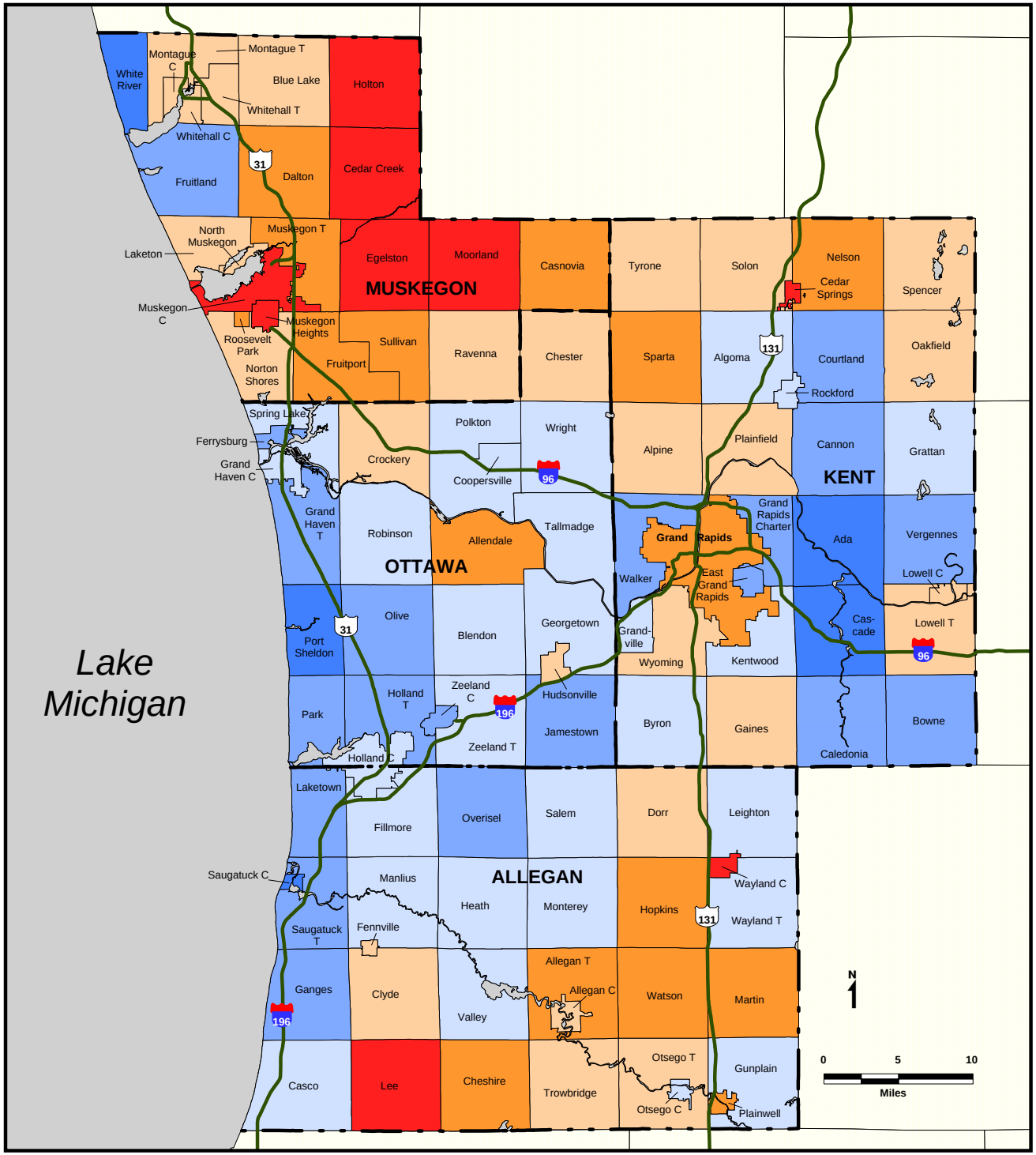
	Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
Value	**$56,951**	**$40,945**	**$34,052**	**$58,298**	**$96,202**
% of Reg Value	**100**	**71.9**	**59.8**	**102.4**	**168.9**

Other than Grand Rapids, fifty-two communities in the region had property tax bases per household below the regional value and eighteen had a smaller base than the central city. Among the lowest property tax bases per household were Egelston Township ($32,306), Muskegon ($31,579), Cedar Creek ($27,227), and Muskegon Heights ($20,765). At the other end of the spectrum, eighteen communities had tax bases per household greater than $75,000, five of these were above $100,000. The three highest-valued communities were the townships of Ada ($138,895), Cascade ($163,850), and Port Sheldon ($341,569).

Between 1986 and 1996 the Grand Rapids region experienced a 24.0 percent increase in overall tax base per household, from $45,927 in 1986 (in 1996 dollars) to $56,951 in 1996 (Figure 23). During this period the central city and each of the three subregions increased in tax base per household. The city of Grand Rapids increased in tax base per household by 16.0

[116] 1996 total real, personal, and residential state equalized valuations data were obtained from the Michigan Department of Treasury, State Tax Commission. Here, it is important to keep in mind that in Michigan *equalized value* is not the same as *cash value*. Michigan uses a property-tax equalization system that assesses property values at 50 percent of cash value. In this report, we look at the state equalized values, not cash value. In addition, in March 1994, Michigan voters, as part of Proposal A, limited future increases in state equalized valuations to the rate of inflation, but not to exceed 5 percent per year. In order to compare 1996 tax-base data to 1986 tax-base data (prior to the tax limitation measure), we used 1996 state equalized values rather than taxable values. 1996 household estimates are from the Michigan Information Center.

Figure 22: Total Property Tax Base per Household by Municipality, 1996



Tax Base per Household

Regional Value: $56,951

$20,765 to $35,062	(9)
$36,349 to $43,650	(16)
$44,710 to $56,579	(28)
$56,951 to $69,218	(28)
$73,008 to $90,881	(20)
$123,924 or more	(5)

Data Sources: Michigan Department of Treasury, State Tax Commission (1996 total real & personal property tax base data); Michigan Information Center (1996 estimated population figures); 1990 U.S. Census of Population & Housing Summary Tape File 3A (1990 population, households & group quarters figures).

Note: State equalized valuations data were used to calculate 1996 property tax base per household figures to enable comparisons to be made to 1986 figures.

Prepared by the Metropolitan Area Research Corporation (MARC).

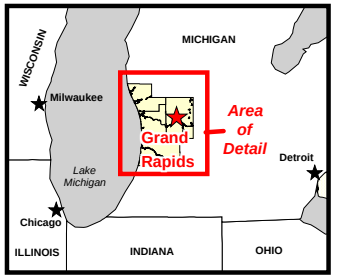
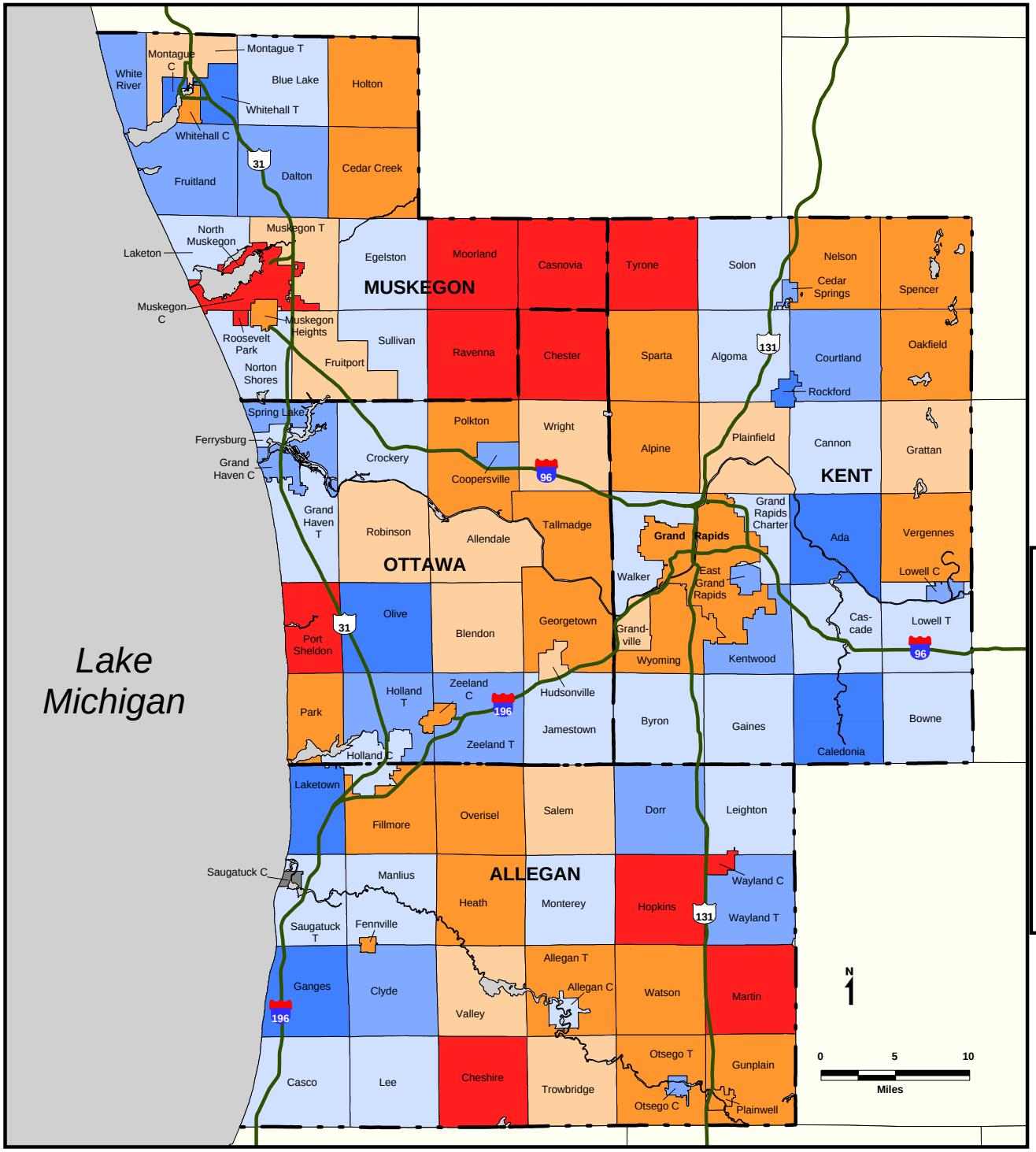


Figure 23: Percentage Change in Total Property Tax Base per Household by Municipality, 1986-1996 (Adjusted by CPI)



Percentage Change

Regional Value: 24.0%

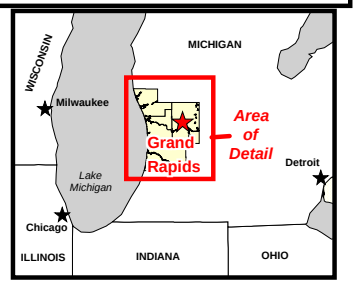
-36.4	to -0.3%	(13)
2.9	to 16.0%	(26)
18.7	to 23.9%	(14)
24.0	to 34.1%	(27)
35.7	to 48.9%	(17)
54.2% or more		(8)
No data		(1)

Note: 1986 dollars were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars.
1986 CPI=109.6; 1996 CPI=158.6; (Base: 1982-84=100)

Note: Municipalities with "No data" did not exist in 1980.

Note: State equalized valuations data were used to calculate 1986 & 1996 property tax base per household figures to permit comparisons to be made between those years.

Data Sources: Michigan Department of Treasury, State Tax Commission (1986 & 1996 total real & personal property tax base data); Michigan Information Center (1986 & 1996 estimated population figures); 1980 & 1990 U.S. Censuses of Population & Housing Summary Tape File 3A (1980 & 1990 population, household & group quarters figures).



Prepared by the Metropolitan Area Research Corporation (MARC).

percent—from $35,312 to $40,945. The High Need Communities increased the least—from $30,549 to $34,052 (11.5 percent). The Stressed communities increased the most—from $46,981 to $58,298 (24.1 percent). The Affluent Communities, on average, increased in tax base per household by 19.3 percent, from $80,663 to $96,202.

Percentage Change in Total Property Tax Base per Household, 1986-1996

Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
24.0	16.0	11.5	24.1	19.3

Despite the overall increase in tax base per household across the region, there were thirteen cities that declined in this figure, some considerably. These were primarily High Need and Stressed Communities such as, Wayland, which went from $36,165 to $31,731 (-12.3 percent); Martin Township, which went from $43,645 to $36,349 (-16.7 percent); and Roosevelt Park, which went from $48,621 to $39,291 (-19.2 percent). On the other hand, many of the places that increased the most over the decade were places that had high property tax bases to begin with in 1986. These included Caledonia Township, which went from $55,398 to $87,263 (57.5 percent); Ada Township, which went from $85,571 to $138,895 (62.3 percent); and Laketown, which went from $48,199 to $87,245 (81.0 percent).

When one looks at just residential property values, regional economic disparity is even more pronounced. In the absence of current household income estimates for the jurisdictions, this also provides a good way of comparing household wealth among the region's communities. In 1996, the residential property tax base per household for the Grand Rapids region was $35,343 (Figure 24).[117] In the city of Grand Rapids, however, it was only $23,914 (67.7 percent of the regional value). The High Need Communities had an even lower average residential property tax base at $19,658 (55.6 percent of the regional value) and the Stressed Communities were very close the regional value at $34,948 (98.9 percent). The average residential tax base per household in the Affluent Communities, on the other hand, was nearly twice the regional value—$68,965.

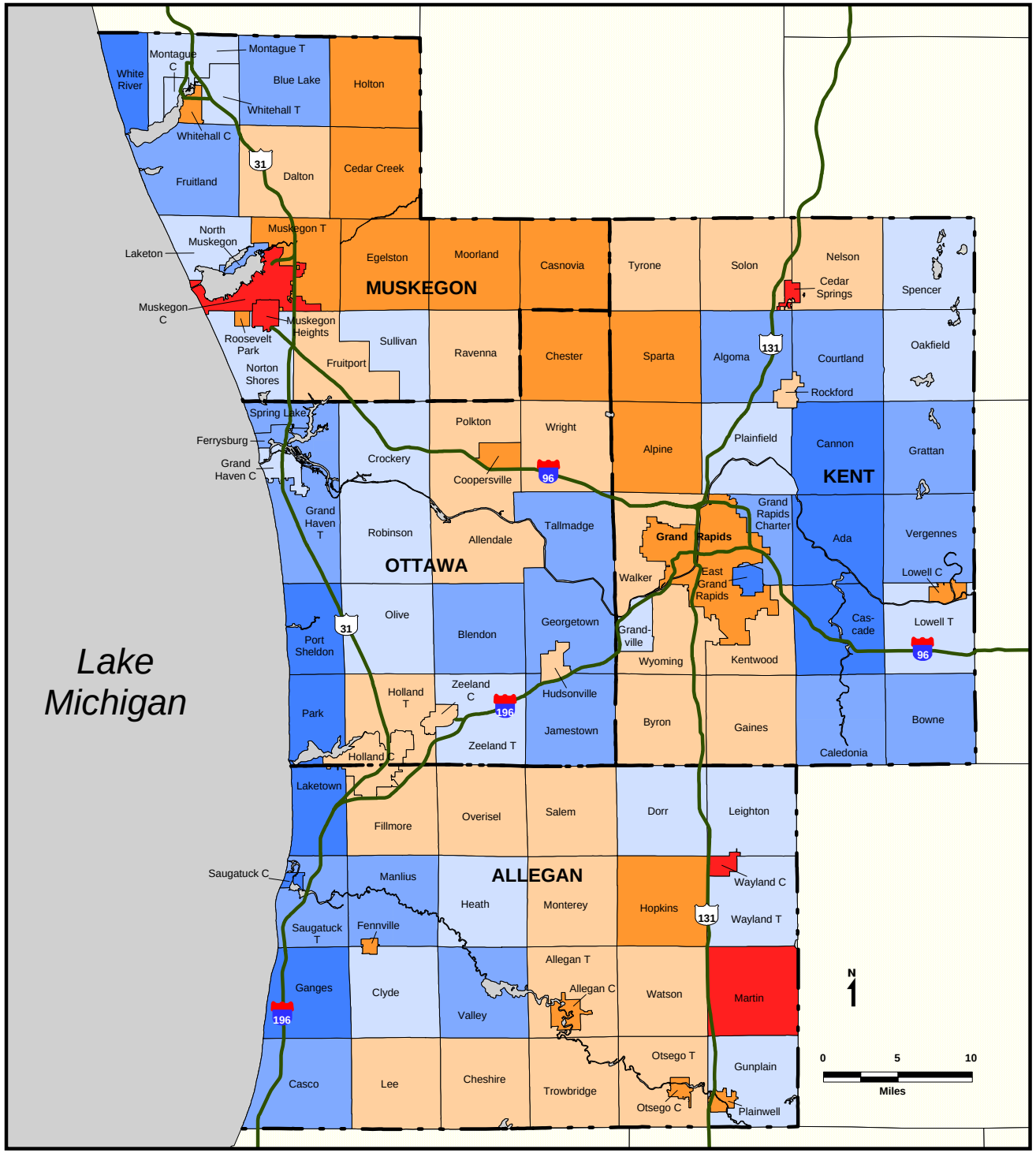
Residential Property Tax Base per Household, 1996

	Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
Value	$35,343	$23,914	$19,658	$34,948	$68,965
% of Reg Value	100	67.7	55.6	98.9	195.1

Individually, sixteen communities had residential property values per household below Grand Rapids', including Lowell ($23,622), Egelston Township ($21,615), Muskegon ($13,103), and Muskegon Heights ($9,710). At the other end of the spectrum, ten communities had residential property tax bases above $70,000 per household, including two that were above $100,000. The communities with the highest residential property values in the region were Ada Township ($88,763), Cascade Township ($97,658), Port Sheldon Township ($102,651), and White River ($105,365).

117 Ibid.

Figure 24: Residential Property Tax Base per Household by Municipality, 1996



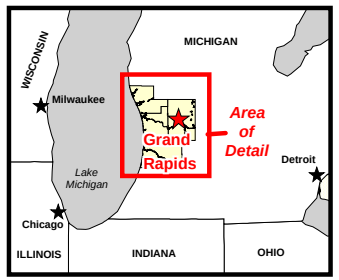
Tax Base per Household
Regional Value: $35,343

$9,710 to $19,564	(5)
$20,846 to $25,166	(19)
$26,392 to $35,261	(29)
$35,343 to $42,920	(22)
$45,266 to $66,852	(21)
$70,378 or more	(10)

Data Sources: Michigan Department of Treasury, State Tax Commission (1996 residential real property tax base data); Michigan Information Center (1996 estimated population figures); 1990 U.S. Census of Population & Housing Summary Tape File 3A (1990 population, households, and group quarters figures).

Note: State equalized valuations data were used to calculate 1996 property tax base per household figures to enable comparisons to be made to 1986 figures.

Prepared by the Metropolitan Area Research Corporation (MARC).



Between 1986 and 1996, residential property tax base in the region increased by 29.0 percent (Figure 25). During this period the city of Grand Rapids increased in this figure by 12.4 percent (from $21,284 to $23,914), while each of the subregions increased by more than 25 percent: the High Need Communities by 26.9 percent (from $15,493 to $19,658), the Stressed Communities by 27.2 percent (from $27,467 to $34,948), and the Affluent Communities by 29.0 percent (from $53,481 to $68,965).

Percentage Change in Residential Property Tax Base per Household, 1986-1996

Region	Grand Rapids	High Need Communities	Stressed Communities	Affluent Communities
29.0	12.4	26.9	27.2	29.0

Between 1986 and 1996 every municipality in the region increased in tax base per household except for four already-low tax base communities: Roosevelt Park went from $24,984 to $24,936 (-0.2 percent), Martin Township went from $19,812 to $19,564 (-1.3 percent), Alpine Township went from $25,884 to $25,092 (-3.1 percent), and Wayland went from $22,544 to $18,835 (-16.5 percent). The greatest increases were in southern Ottawa and north central Allegan Counties in places like Laketown Township, which went from $41,175 to $76,968 (86.9 percent) and Ganges Township, which went from $34,261 to $70,378 (105.4 percent). White River also increased considerably—from $54,007 to $105,365 (95.1 percent).

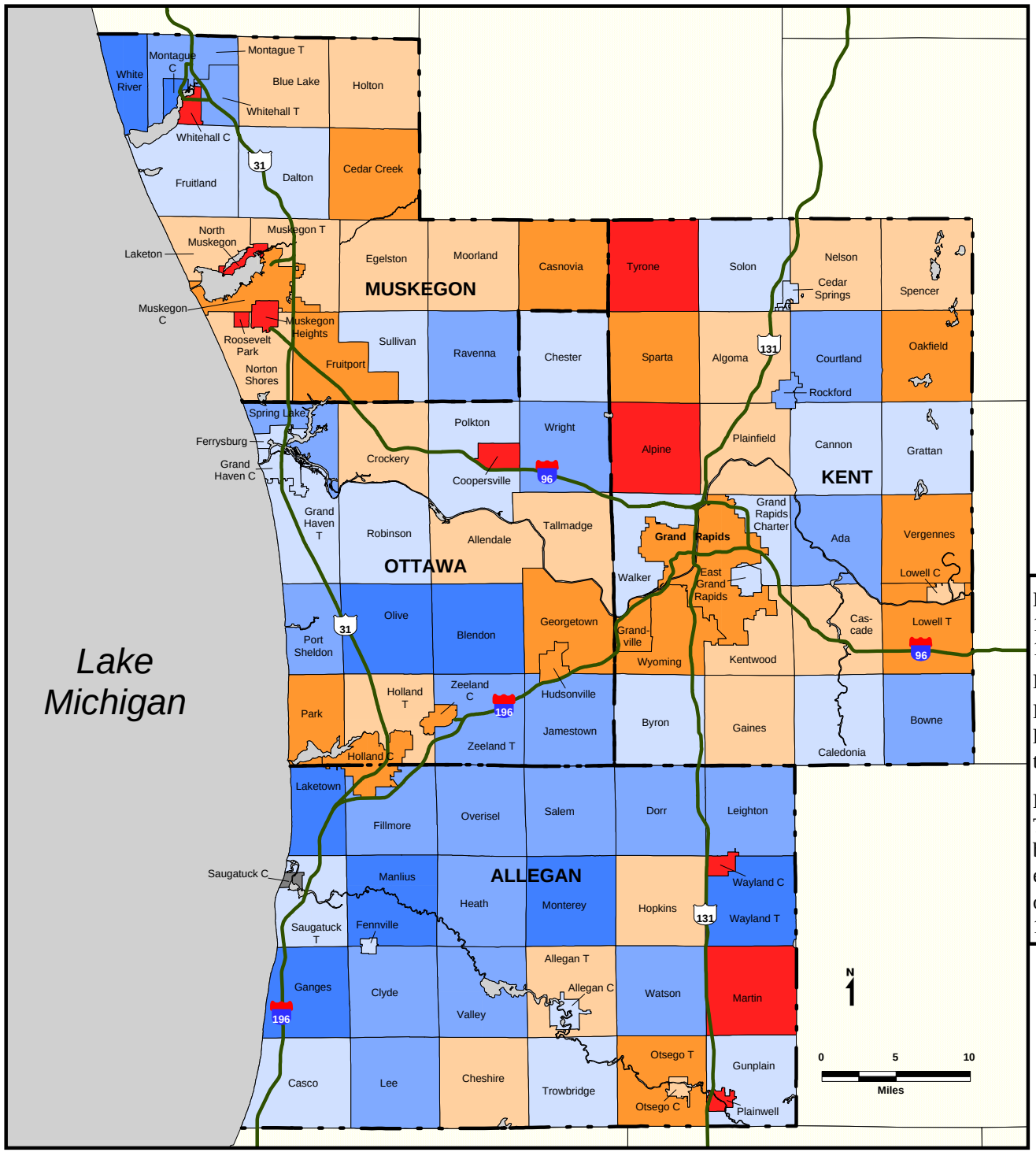
3. School Districts

The average annual spending in the fifty-three school districts of the Grand Rapids region in 1995 was $5,681 per student, ranging from $4,235 in the Hudsonville School District to $7,059 in the Muskegon Heights School District (Figure 26).[118] This rather small disparity in school spending is likely due to Michigan's recently implemented Proposal A. Passed in 1993, the intention of this school financing legislation was to shift the burden of funding education from local jurisdictions to the state. In this way, school resources and the education of Michigan's children was made less dependent on local tax capacity and, instead, was made more equitable through state support. Proposal A will be discussed in greater detail in Section V this report.

Other than Hudsonville, the districts that spent the least per student were all located in outlying parts of the region, such as Hamilton School District ($4,641) and Otsego School District ($4,563). Interestingly enough, the schools with the greatest social need in the region—Grand Rapids, Muskegon, Muskegon Heights—were not among the lowest spenders. On the contrary, the Muskegon Heights School District was the highest spender, the Muskegon School District was second highest at $7,024, and the Grand Rapids School District was ninth highest at $6,151. Schools that spent the most on their students but had very few social needs to address were primarily located east of Grand Rapids in Kent County: Grand Haven School District ($6,280), Caledonia School District ($6,473), and Forest Hills School District ($6,671).

118 1995 school district expenditure data are from the Michigan Department of Education and only include districts with a 1995 enrollment over 100.

Figure 25: Percentage Change in Residential Property Tax Base per Household by Municipality, 1986-1996 (Adjusted by CPI)



Percentage Change

Regional Value: 29.0%

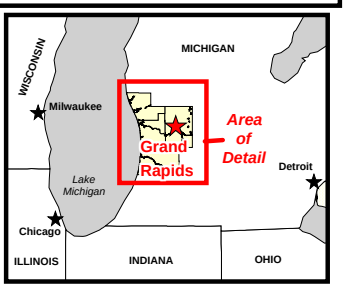
-16.5	to 7.0%	(10)
8.8	to 17.3%	(17)
18.5	to 28.7%	(23)
29.0	to 42.6%	(24)
44.5	to 69.1%	(22)
78.8% or more		(9)
No data		(1)

Note: 1986 dollars were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars.
1986 CPI=109.6; 1996 CPI=158.6; (Base: 1982-84=100)

Note: Municipalities with "No data" did not exist in 1980.

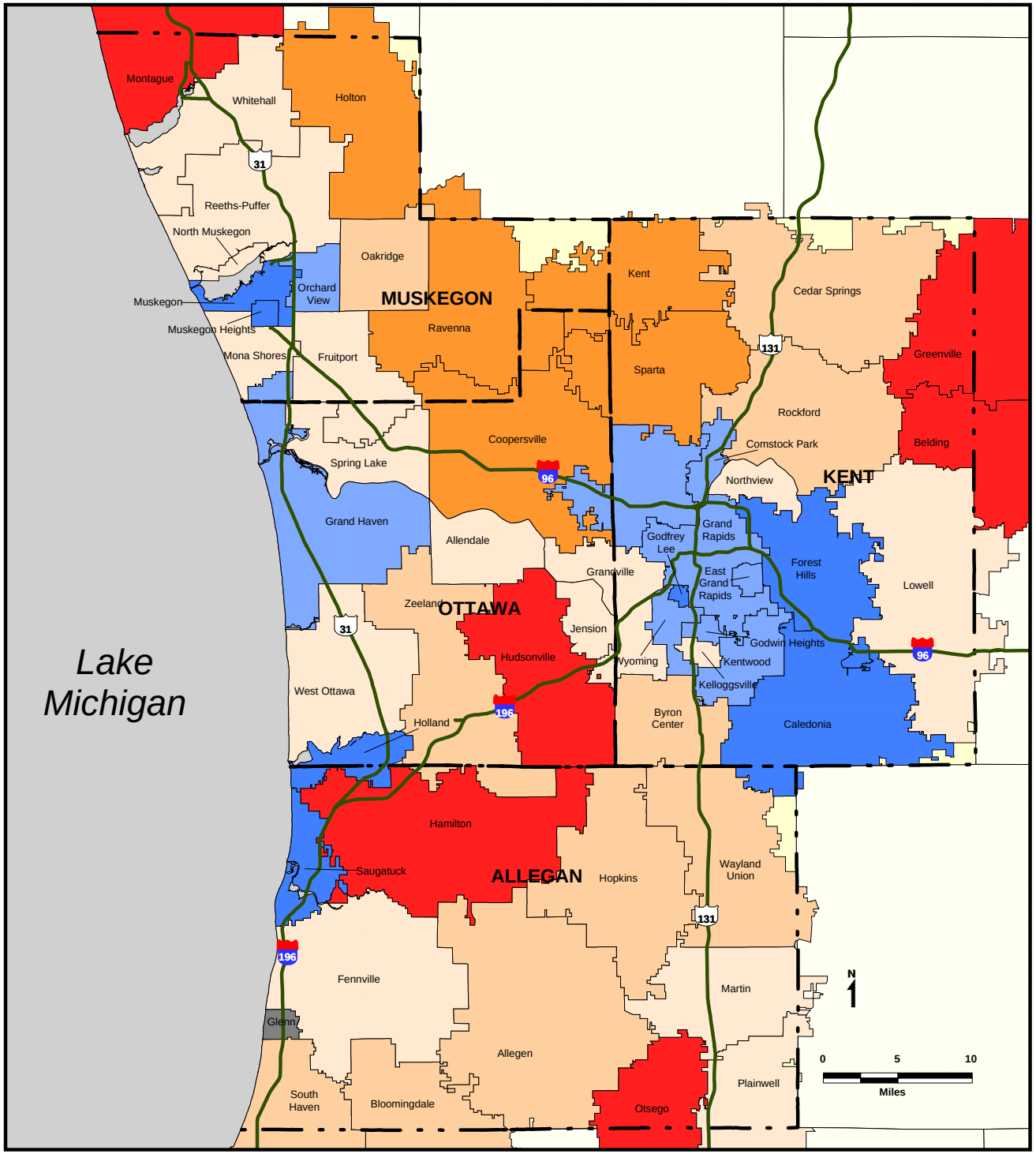
Note: State equalized valuations data were used to calculate 1986 & 1996 property tax base per household figures to permit comparisons to be made between those years.

Data Sources: Michigan Department of Treasury, State Tax Commission (1986 & 1996 residential real property tax base data); Michigan Information Center (1986 & 1996 estimated population figures); 1980 & 1990 U.S. Censuses of Population & Housing Summary Tape File 3A (1980 & 1990 population, household & group quarters figures).



Prepared by the Metropolitan Area Research Corporation (MARC).

Figure 26: Total Expenditures per Student by School District, 1995



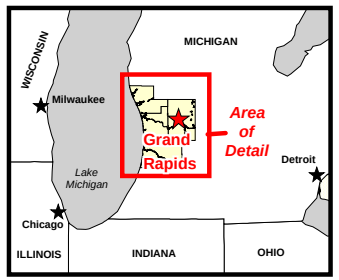
Spending Per Student
Regional Value: $5,681

$4,235 to $4,662	(6)
$4,733 to $4,780	(5)
$4,847 to $5,028	(10)
$5,161 to $5,648	(16)
$5,681 to $6,280	(9)
$6,473 or more	(7)
No data	(1)

Data Source: Michigan Department of Education.

Note: The school marked "No data" had fewer than 50 elementary students in 1995.

Prepared by the Metropolitan Area Research Corporation (MARC).



J. Jobs

1. The Spatial Mismatch Hypothesis

Twenty-five years ago, John Kain, an economist at Harvard, argued for the existence of a "spatial mismatch" between affordable housing and available jobs.[119] The theory posits that American cities are undergoing transformations from centers of goods and production to centers of information processing. The blue-collar jobs that once made up the economic backbone of cities have either vanished or moved to the developing suburbs, if not overseas. Central-city low-skilled manufacturing jobs are no longer available. In addition, neighborhood retail businesses that served the middle class have also to a large extent relocated to the suburbs.[120] The spatial mismatch theory states that it is not lack of jobs per se that is the problem, since central-city population growth has been as slow as central-city job growth. The problem is that the percentage of central-city jobs with high educational requirements is increasing, while the average education level of central-city residents is dropping.[121] In addition, essentially all of the net growth in jobs with low educational requirements is occurring in the suburbs.[122] This low-skilled jobs exodus to the suburbs disproportionately affects central-city poor people, particularly minorities, who often face a more limited choice of housing location in job growth areas and a lack of transit services from the urban core to those suburbs.[123]

2. Jobs per Capita

In 1997 the Grand Rapids region as a whole had 55.6 jobs per 100 persons (Figure 27).[124] In that year, the city of Grand Rapids was right about average for the region with 56.4 jobs per 100 persons. Sixty municipalities had fewer jobs per capita than Grand Rapids. These were primarily High Need and Stressed Communities—the places where working-class families live—places such as Cedar Springs (45.9 jobs per 100 persons), Cedar Creek Township (45.9 jobs per

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119 John Kain, "Housing Segregation, Negro Unemployment, and Metropolitan Decentralization," *Quarterly Journal of Economics* 82 (May 1968): 175-97.

120 John D. Kasarda, "Urban Industrial Transition and the Underclass," *Annals of the American Academy of Political and Social Sciences* 501 (January 1989): 36.

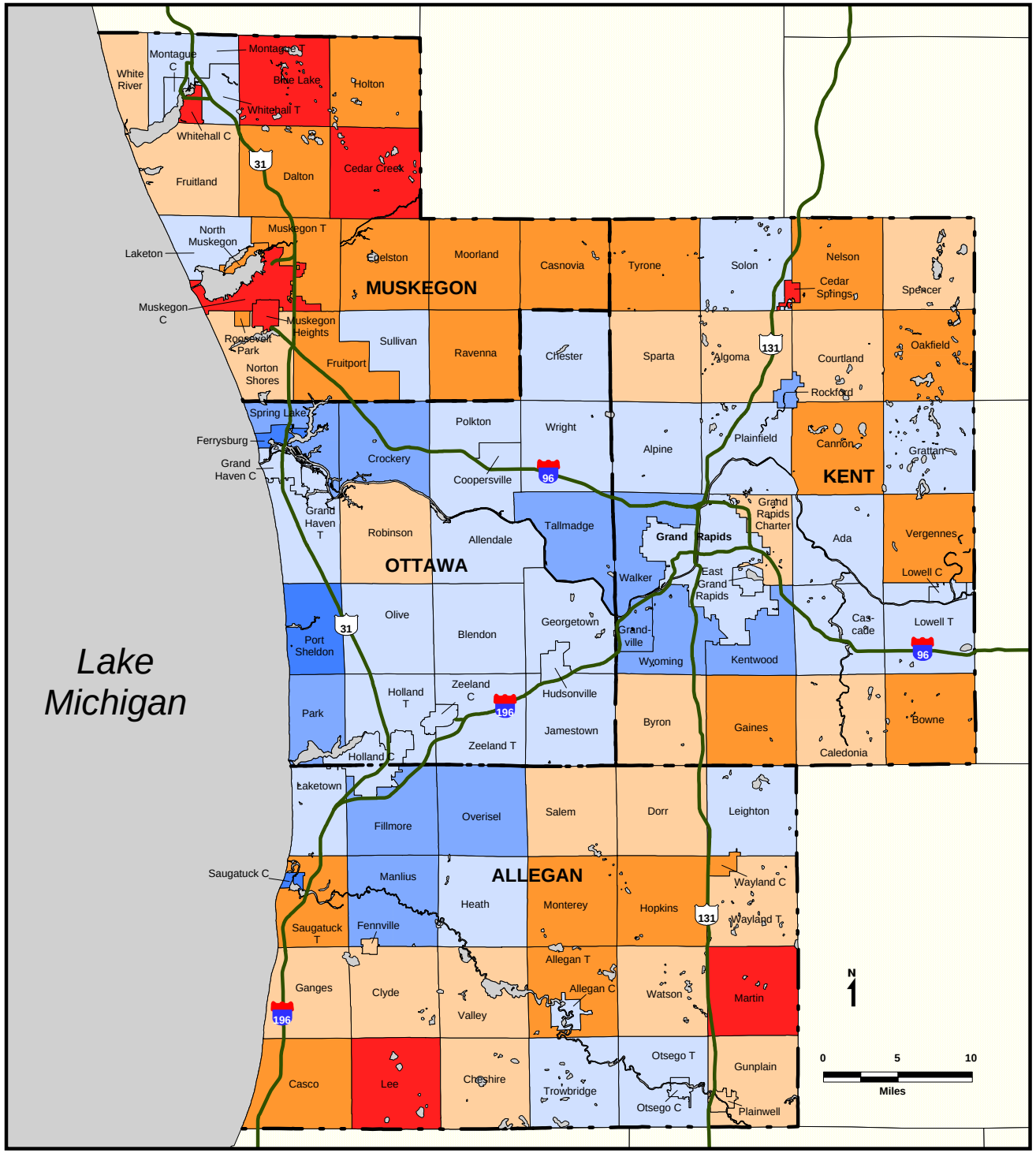
121 Ibid.

122 Ibid.

123 For further discussion of the pros and cons of the spatial mismatch hypothesis, see Joseph Mooney, "Housing Segregation, Negro Employment and Metropolitan Decentralization: An Alternative Perspective," *Quarterly Journal of Economics* (May 1969): 299-311. See Hutchinson (1974); Farley (1987); Inlanfedt and Sjoquist (1990-2); Offner and Saks (1971) Friedlander (1972); Harrison (1974), Leonard (1986); all in Kathy Novak, "Jobs and Housing: Policy Options for Metropolitan Development," (Research Department: Minnesota House of Representatives February 1994); David Elwood, "The Spacial Mismatch Hypothesis: Are the Teenage Jobs Missing in the Ghetto?" in *The Black Youth Employment Crisis* eds. Richard B. Freeman and Harry J. Holzer (1986): 147-90.

124 Jobs data are from the Michigan Employment Service Agency, Labor Market Analysis Section. Population estimates are from the Michigan Information Center.

Figure 27: Employment per 100 Population by Municipality, 1997



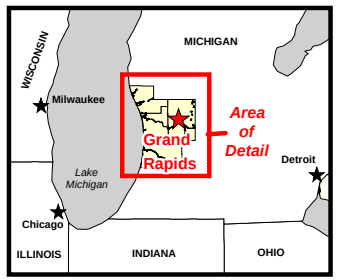
Employment per 100 Persons

Regional Value: 55.6

31.0 to 45.9	(8)
46.8 to 50.7	(23)
51.3 to 55.4	(22)
55.6 to 59.8	(38)
60.3 to 63.0	(12)
64.1 or more	(3)

Data Sources: Michigan Employment Service Agency, Labor Market Analysis Section (1997 employment data); and Michigan Information Center (1996 population estimates).

Prepared by the Metropolitan Area Research Corporation (MARC).



100 persons), Whitehall (45.5 jobs per 100 persons), Muskegon (42.3 jobs per 100 persons), and Blue Lake Township (31.0 jobs per 100 persons).

On the other hand, the cities with the most jobs per capita were often Affluent Communities such as Park Township (62.5 jobs per 100 persons) and Port Sheldon Township (64.1 jobs per 100 persons). The Stressed Communities of Ferrysburg (67.0 jobs per 100 persons) and Saugatuck (74.3 jobs per 100 persons) also had relatively many jobs per capita.

V. Metropolitan Solutions

The foregoing patterns demonstrate, if nothing else, the need for a metropolitan approach to stabilizing the central and satellite cities of the Grand Rapids region and their declining suburbs and the need for creating equity among jurisdictions with land-use planning powers throughout the region. If the people of the Grand Rapids region allow social needs to further concentrate on the declining tax base of places like Grand Rapids, Muskegon, Muskegon Heights, and Wyoming, these communities can do little to stabilize fundamentally. Similarly, as long as parts of the region can exclude the costs and effects of social responsibilities, the region's resources will naturally flow there. As polarization continues, the concentration of poverty intensifies and creates an increasingly rapid socioeconomic decline that rolls outward from the core and satellite communities. Further, fragmented land-use patterns and competition for tax base lead to wasteful, low-density sprawl, institutionalize polarization, and squander valuable natural resources.

The Metropolitan Area Research Corporation and a growing core of urban scholars believe that regional polarization needs a strong, multifaceted, regional response. In order to stabilize the central and satellite cities and older suburbs and prevent metropolitan polarization, there are three areas of reform that must be accomplished on a metropolitan scale: 1) greater fiscal equity among jurisdictions of a region, 2) smarter growth through better planning practices, 3) structural reform of existing metropolitan governance structures to allow for fair and efficient implementation of their present task and ultimately of the other reform measures. These areas of reform are inter-related and reinforce each other substantively and politically.

A. Equity

1. Tax-base Sharing

An important first step in creating equity among metropolitan jurisdictions with land-use planning powers is some form of tax equity between the jurisdictions with land-use powers. Minnesota has pioneered a system that, through the sharing of a portion of the local property tax base, creates greater regional equity among cities and counties in the provision of public services, while preserving local autonomy. Tax equity among jurisdictions is often an appropriate entry point for regional discussions, because it does not threaten local autonomy, it does not require difficult discussions of race, class, and housing, and it creates a scenario where the majority of citizens live in areas which will immediately receive lower taxes and better services. A detailed

discussion of property tax-base sharing, with several fiscal models for the Grand Rapids region, has been completed in a separate report to the Grand Valley Metropolitan Council.[125]

As long as basic local services are dependent on local property wealth and retail development, tax-base sharing is a critical component of metropolitan stability. Its purposes, all interrelated, are threefold. Tax-base sharing: (a) creates equity in tax rates and in the ability of local governments to provide public services; (b) diminishes intra-metropolitan competition for tax base; and (c) makes land-use planning easier, both substantively and politically.

a. Creates Equity

The equity argument states that basic public services such as police and fire, local infrastructure, and parks should be equitable on a metropolitan level. People of moderate means should not have inferior public services because they cannot afford to live in property-rich communities. The equity problem is usually most critical in the central and satellite cities as concentrated poverty multiplies needs exponentially in the face of relatively weak, often evaporating local tax base and declining state and federal support for urban programs. Virtually everywhere in a metropolitan region where social needs are growing rapidly, the tax base is uncertain or declining; everywhere in a given region where the tax base is accelerating dramatically, social needs are stable or declining. By regionalizing the tax base, the growing property wealth in the region will be available to meet the region's growing social needs.

b. Reduces Competition for Tax Base

Proponents of tax-base sharing argue that intra-metropolitan competition for tax base is detrimental to a region. First, it is bad for cities to engage in bidding wars for businesses that have already chosen to locate in a given region. In such situations, public monies are used to improve the fiscal position and services of one community at the expense of another, while business takes advantage of the competition to unfairly reduce its social responsibilities. Even the threat of leaving can induce large public subsidies from troubled communities. These arguments are reinforced by the large use of Tax Increment Financing (TIF), which allows cities to compete—some might say gamble—for tax base not only with their own resources but with those of the local school district, county, and state.

Opponents respond that competition among communities encourages efficient use of government funds and teaches local officials that successful cities are lean, mean, and competitive. In response, more often than not, those who benefit from intra-metropolitan competition are developing, high tax-capacity areas with room to expand, no social problems, and comparatively low taxes; the losers, low tax-capacity, fully developed areas with considerable social problems and high taxes. In the end, affluent expanding suburbs dominate the market and grow increasingly stronger while the poor suburbs and the low tax base suburbs (which are teeming with school children requiring significant public resources) are saddled with the debts of unfair economic burdens and are over-leveraged and cannot compete.

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125 Myron Orfield, "Grand Rapids Area Metropolitics: Tax-base Sharing in West Michigan", A Report to the Grand Valley Metropolitan Council, May 1999.

c. Supports Land-use Planning

The fragmented nature of a metropolitan tax base worsens at least two aspects of urban sprawl: unnecessary outward movement and low-density development patterns. Unnecessary outward movement occurs when the growth of new units on the metropolitan fringe exceeds the growth of new households in the region, and the fully developed cities (places with existing infrastructure) become seriously under utilized. This type of sprawl is fueled in part by the push of community decline in the older, developed areas and its attendant fiscal crisis and the pull of rapidly growing communities that need tax base to pay for infrastructure.

As new communities develop, they face large debt burdens in terms of infrastructure such as streets, sewers, parks, and schools. As the debt comes due, and potential property tax increases threaten, there is tremendous pressure on these communities to spread these costs through growth. Low tax base developing communities often frantically build low valued properties—sometimes on inadequate septic lots—simply to accumulate enough tax base to pay yesterday's bills. They do this without considering the long term infrastructure cost associated with later sewer and other infrastructure remediation.

Further, unnecessary low-density development occurs when communities are built at densities that cannot be served by public transit and create infrastructure costs that are unsustainable by the existing tax base.[126] In this light, the same local fiscal pressures that encourage low-density development to enrich property tax base also contribute to unnecessary low density sprawl. When communities can increase their tax base and limit their local social responsibilities and costs through fiscal zoning (zoning in such a way as to capture the most tax base), they will do so. One only has to look at the great disparities in tax base per household on a metropolitan level to understand the potentially large local fiscal incentives for fiscal zoning. Requiring large lot sizes is a sure way to ensure that expensive housing will be built.

Minnesota's experience with passing tax-base sharing legislation provides a clear example of how tax-base sharing makes land-use planning more possible. In the Twin Cities region in the early 1970's reformers attempting to pass legislation for metropolitan land-use planning used tax-base sharing as a quid pro quo to gain political support in the low fiscal capacity developing suburbs.[127] When low tax base communities were told that an urban service line was going to be drawn through the middle of their cities and that land outside that boundary would be zoned at agricultural densities, they cried foul. They argued that they desperately needed the land for the development of tax base to keep rising taxes down and to pay for overcrowded schools. Compromise and acceptance was reached when they were shown the potential benefits of a tax-base sharing system, *i.e.* that they would receive new tax base and would actually gain fiscal capacity per capita faster than they would solely through the development of lower-valued residential property. In the end, in Minnesota the low tax base communities accepted land-use planning in exchange for tax-base sharing.

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126 American Farmland Trust. "Density-Related Public Costs," (Washington, D.C., 1986).

127 Alan Dale Albert, "Sharing Suburbia's Wealth: The Political Economy of Tax Base Sharing in the Twin Cities," BA Thesis, Harvard University, March, 1979.

2. Other Equity Mechanisms

a. School Equity

Some states have progressive school equity systems that, through the provision of state aid payments to districts with few local tax resources, attempt to reduce disparities in per pupil resources across the state. Michigan is one such state. From 1973 until 1994, Michigan schools were funded through the "District Power Equalizing" system. Essentially, under this system, the state provided the difference in school funding between a state calculated per pupil allowance (which was based on a state guaranteed millage revenue per pupil) and the amount the district could raise locally through property taxes. Districts that could generate more revenue off of their tax base than the state guaranteed millage revenue, received no state aid under the formula. While this system created some equity in school funding, there were still some disparities because part of the formula was based on property value, which can vary considerably among districts, and because some high tax base districts not receiving state formula aid, could tax themselves at a lower rate than districts receiving aid and still raise more revenue.

In response, and to establish a new public school funding mechanism after the Legislature eliminated the local school property tax in 1993, Michigan voters overwhelmingly approved Proposal A in March, 1994. To help fund public schools, Proposal A, among other things, amended the State Constitution to increase the sales, use, and cigarette taxes; to impose a real estate transfer tax; and to allow a local non-homestead property tax and a state education property tax. Proposal A also changed the formula by which state aid to districts is determined. Under the new school aid system, the amount that a district must raise locally to achieve its foundation allowance (an allowed per pupil revenue amount)[128] is the amount it can generate by levying 18 mills on non-homestead property. The state pays the difference between the foundation allowance or $6,500 (whichever is less) and the local revenue on 18 mills (whether the district actually levies the full amount or not). In addition, districts with a foundation allowance of more than $6,500, must raise the excess amount through supplemental millages levied first on homestead and qualified agricultural property.

As a result of Proposal A, in the 1994-1995 school year, approximately 80 percent of school district revenues came from the state and about 20 percent were raised through local property taxes (primarily from commercial and industrial properties). This compares to 37 percent state funding and 63 percent local in the 1993-1994 school year.

b. Statewide General Revenue Sharing

Also common in some states is a statewide system of general revenue sharing. The State of Michigan has had a comprehensive system of revenue sharing in place in one form or another since the 1930's. As of 1998, 1.35 billion dollars of general revenue sharing was distributed. Revenue sharing in Michigan accounts for a very significant portion of many local governments general fund budgets. Based on a 1996 sample of 625 communities, approximately 24 percent of

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128 The 1994-95 Foundation Allowance was based on the previous year's local and state revenue.

local general fund revenue came from state revenue sharing dollars.[129] In this sample the portion of local revenue accounted for by state revenue sharing funds ranged from a low of 3.3 percent to a high of 79.5 percent.

The Michigan evolution of revenue sharing has been a debate between an approach that awards funds based on a per capita basis versus an alternative approach based on relative tax effort (RTE), or how hard the community has taxed itself in the past. The system has since the 1970s been a mix of both approaches. Per capita distribution has been criticized as providing revenue arbitrarily to units of government that do not necessarily need it. On the other hand, it has been argued that RTE distribution rewards declining high tax rate cities and penalizes low tax, pro-growth areas. From the mid 1970s through FY 95-96, budgetary pressures lead to several reductions in the amount of funds distributed to local government units which were below the amount determined by statutory guidelines. In general, during this period the per capita distribution method has been favored over the RTE approach.

Prior to late 1998, Detroit, at 11 percent of the state's population, received 24 percent of the pool. This aroused great ire in the other cities of Michigan, particularly in places like Grand Rapids which was seeing dramatically increasing social needs on a limited base of values. Sadly, politics and the aid system has pitted the high need central cities of Michigan against each other. Rather than joining in coalition for further equity, they fought against each other for a declining share of economic relief.

As 1998 approached two alternative general revenue sharing scenarios were debated. Significantly, both bills sought to replace the RTE component of revenue sharing with a combination of three new distribution formulae based on 1) taxable value per capita (a comparative measure of local available tax resources per person), 2) unit type and population (i.e. whether the unit of government was a city or township, etc.), and 3) yield equalization (an effort to make sure similar tax rates raised similar revenues in each locality).

The first approach (SB 1181) introduced in the Senate by Rep. Glenn Steil of Grand Rapids would have significantly cut revenue to Detroit and significantly increased revenues to Grand Rapids and other communities similarly situated. The House approach (HB 5989) was more favorable to Detroit. A compromise was reached on December 10, 1998, just before the lame-duck Democratic-controlled House would surrender to a new Republican majority. The compromise forced an income tax cut in Detroit and at the same time guaranteed the city its present level of funding of $333.9 million for 8.5 years (unless there is an economic downturn, in which case Detroit would receive a reduction comparable to other units of government.) Most other cities received an increase. Distribution to all other units of government is based on a formula that takes into consideration: 1) per capita taxable value of a unit compared to the statewide per capita taxable value; 2) type of unit (township, village, city) and its population; and 3) an equalization of revenue generated by the levy of a mill (which provides that the revenue generated by the levy of a mill not be less than the statewide average of a mill's worth and

[129] Duprey and Harvey, The Financial Health and Fiscal Capacity of Municipal Governments in Michigan, March 1998, Department of Agricultural Economics, Michigan State University.

equalizes the worth of a mill levied up to a maximum of 20 mills).[130] In general this new formula, which recognizes relative tax capacity and the different fiscal needs of different types of governmental units, represents an important improvement over both the old per capita and RTE distribution alternatives.

This type of equity mechanism—statewide general revenue sharing—is highly compatible with metropolitan reform and land-use planning, particularly to the extent that the new distribution formula can gradually supercede in importance the old per capita distribution scheme. There is no doubt that this system could be further reformed in light of the information in this report and in our other studies of the Detroit and Saginaw regions.

State revenue sharing and state funding of public schools are very close cousins of metropolitan equity. However, there are some things that these mechanisms cannot do that only metropolitan equity can. School equity systems, such as the one in Michigan, help to reduce disparities among school districts, lessen the tax burden on low property-value communities, and equalize educational opportunity, but they do not affect equity among local units of government with land-use powers—cities and counties. State revenue sharing systems, such as the one in Michigan, help to reduce disparities among jurisdictions across a state, but do not address disparities among jurisdictions within a smaller regional economy, where cost of living and property valuations are much more comparable. Metropolitan equity, on the other hand, responds to both intra-metropolitan competition in a region for tax base and also to the unique cost of living and property valuation in a particular regional setting. Certainly, metropolitan equity—or tax-base sharing—is not completely foreign to most states and metropolitan areas, as it is essentially an extension of their (usually popular and often long-established) school equity system or state revenue sharing system. Moreover, these three mechanisms are completely compatible. Minnesota, for example, has all of the equity mechanisms discussed above: a comprehensive system of state aid to local government similar to Michigan's state revenue sharing system, a comprehensive school equity system similar to Michigan's Proposal A, and a property tax-base sharing system among the seven counties, 187 cities, and 49 school districts in the Minneapolis-Saint Paul metropolitan area.

3. Reinvestment in Older Communities

Reinvestment in older core communities and satellite cities also helps to create fiscal equity among jurisdictions in a region. Central and satellite cities and older suburbs, already fiscally stressed with low tax bases, high taxes, and minimal services, cannot begin the process of reinvestment that is necessary to remain competitive. Regional funds must be created to clean up older industrial parks and polluted areas (brownfields), rebuild infrastructure such as sewers and roads, rehabilitate housing, replenish and augment urban parks and amenities. These programs cannot be geared only to the central city, but must involve the satellite cities and older suburbs as well, where such problems are often very severe. Part of the reinvestment strategy includes equitable geographic allocation of transportation investment, which involves a more publicly accountable distribution and balance of highway and transit resources. In conjunction with the rebuilding of the older communities in the region, significant public and private employment

130 From the Michigan Township Association's web page: http://www.mta-townships.org (January 17, 1999).

intended for individuals emerging from the welfare roles should be directed to those parts of the region.

B. Smart Growth

Unless the Grand Rapids region begins to manage the process of growth at the edge, they will undermine any remediative efforts happening in the fully developed parts of the region. If local governments representing only a small percentage of a region can continue to develop only expensive homes and jobs, without worker housing, they will rapidly draw off all the wealth and economic growth of the region. At the same time, the growing parts of the region will commit the entire region to sprawling land use vastly disproportionate to population increases, worsening congestion, worsening consumption of energy, worsening pollution, and growing social separation. Land-use planning requires setting outward limits for growth in the form of an urban growth boundary, staging new infrastructure, such as roads and adequate sewer, together with new housing, developing at a density that will support some minimal form of public transportation, and assuring the provision in all subdivisions of a fair share of affordable housing. Oregon leads the nation in regional land-use planning. Minnesota has adopted a structure to do much of what is outlined in the Oregon model, but has often failed to implement its statutes. Washington, Maryland, Florida, Georgia, Tennessee, and many smaller regions have also adopted smart growth land-use plans, although some have been more effective than others and some are too new to evaluate. An underlying debate on this issue is growing in more than half of U.S. state legislatures.

1. The Oregon Model

In the early 1970s under the leadership of moderate Republican Governor Tom McCall, Oregon instituted the nation’s most thoughtful, comprehensive land-use planning system. At the heart of Oregon's system are 19 planning goals that are achieved through comprehensive planning at the city and county level. While we believe that the debate about land-use planning throughout the country is extremely positive and that the various solutions that are being created will provide new models and new evidence about how growth management can work, in the long run the Oregon model described below remains the most effective effort to date. It involves the following elements, all of which are necessary components for the most effective land-use planning framework: (a) community-wide planning goals; (b) locally developed land-use plans addressing these goals; (c) review of these plans by a regional entity; (d) an adjudication process; and (e) periodic effectiveness evaluation by an independent entity.[131]

a. Planning Goals and Guidelines

Under the Oregon system, the state promulgates a statement of planning goals applicable to all jurisdictions. The goals include the creation of an urban growth boundary around every city and county (a regional boundary in the case of metropolitan areas), affordable housing (including overall density goals), and coherence with regional plans for transportation, sewerage, parks, and school infrastructure. Any local plans and policies inconsistent with these goals are challengeable

[131] Downs, *New Visions*, pp. 180--81.

in court or in special forums created for such adjudication. In conjunction with these reforms, building standards and maximum turnaround time for local development decisions are then made uniform. These reforms help builders make long-term plans to maximize their resources and foster patterns of region-wide sustainable development.

In terms of the development of a regional or urban growth boundary, the region or city is required to plan for growth at present absorption rates and to draw a line around the area that would accommodate such growth over a set period of time, perhaps twenty years. Growth is deflected from sensitive environmental areas and highly productive farmland and toward areas where urban services are present or could most easily be provided.

The density and affordable housing goals reinforce the barrier-reduction component of fair housing, as discussed below. In Oregon, the housing rules promulgated under this goal require Portland's metropolitan cities to allow for a construction mix that includes at least 50 percent multifamily development and allows development at certain minimum target densities. In the city of Portland, the target density is ten units per buildable acre; in most Portland suburbs, it is six to eight units.[132]

In Washington County, Oregon, the most affluent of the Portland region's three metropolitan counties, 11,110 multifamily units approved in five years nearly equaled the 13,893 units that were planned to be built over twenty years under the pre-housing rule plans. Multiple family housing now makes up 54 percent of new development.[133] Before the housing rule, average lots sizes were 13,000 square feet. Since the rule, two-thirds of the homes are built on lots smaller than 9,000 square feet.[134] Without the growth boundary and housing rule, the same number of housing units would have consumed an additional 1,500 acres of land.[135] Because of the density savings already realized, there will be space for 14,000 additional units within the Portland urban growth boundary. While the price of land has gone up within Portland's urban growth boundary, the housing rule has lowered the cost of housing on a regional basis, and Portland's average housing costs are lower than those of comparable West Coast cities. Seventy-seven percent of the region's households can afford to rent the median-priced two-bedroom apartment, and 67 percent can afford mortgage payments on the median-priced two-bedroom home.[136]

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132 1000 Friends of Oregon and the Home Builders Association of Metropolitan Portland, Managing Growth to Promote Affordable Housing: Revisiting Oregon's Goal 10, executive summary (Portland, Ore., September 1991), p. 3.

133 Ibid.

134 1000 Friends and Home Builders, "Managing Growth"; Robert Liberty, *Oregon's Comprehensive Growth Management*.

135 1000 Friends and Home Builders, "Managing Growth".

136 Ibid.

In addition, increasing building density and housing-type diversity makes mass transit economically and physically possible. Density also saves local infrastructure costs for building new highways and sewer extensions.

b. Local Land-use Plans

If local governments are to be required to develop a comprehensive land-use plan that addresses the regional goals, citizen participation should be required in formulating these plans as is required under Oregon's system. Planning and revision would remain in the hands of local governments, which helps preserve local autonomy, but within the context of a broader regional framework.

c. Plan Review

Under Oregon's plan, a special state land-use agency reviews all local plans to ensure consistency with the goals and suggest revisions of any inconsistencies. This entity has the power to withhold approval from local plans, which prevents the municipality from receiving beneficial services such as regional roads, sewers, or other aid from state and federal governments. The same entity coordinates local transportation, utility regulation, environmental protection, and activities of other governmental units that have a regional significance. This ensures that all actions of state agencies within the region are consistent with regional plans, local plans, and other agency decisions.

Transportation is particularly important in this regard. Land-use policy needs to govern decisions about new infrastructure. All land-use and infrastructural decisions must be coordinated in a way that maximizes the use of existing roads, sewerage, and other infrastructure. Today, in transportation planning, congestion and demand (perhaps also political power) are the main criteria for providing new infrastructure. This means that a growing community receives new sewers or roads even if an adjacent community has excess paid-for capacity. Infrastructure-on-demand, costs less for the new community, perpetuates leapfrogging, low-density patterns at the periphery, and the entire metropolitan region pays. Moreover, affordable housing near new jobs can relieve commuter congestion on regional roads.

d. Adjudication Process

The Oregon system includes an adjudication process to settle disputes between the local governments and the state land-use agency and between developers and local governments. A special court, or a quasi-judicial administrative agency is designed to do this, without resorting to state and federal courts. This allows localities to develop an expertise in these matters and be more efficient, it also costs less and renders faster decisions than the courts.

e. Independent Review

Finally, an independent entity, not the state structure, periodically evaluates the effectiveness of the coordinated plan.

In the end, such a system does not involve a prohibition on growth or even growth control, but is a system of sustainable, planned growth. It recognizes the new housing needs of a growing regional population, but also that growth must be anticipated and planned. Through planning, the region maximizes the use of existing public infrastructure, reduces stress on highways and sewers, allows individuals access to opportunity in communities where it is plentiful, reduces regulation and its costs for the building industry, and stabilizes the region's core communities.

2. Affordable Housing

Another component of smart regional land-use planning is ensuring that housing that is affordable to families of all income levels is available in all parts of the region. The provision of affordable housing throughout the region helps to reduce the concentration of poverty, reduce racial segregation, and stem the polarization occurring among the region's communities. Regional affordable housing gets workers closer to new jobs, helps reduce congestion on roadways, and allows older people and young divorced mothers and fathers to remain in their communities as their financial and physical conditions change. There are three components to fair housing: (a) reducing non-rational barriers in zoning codes, development agreements, and development practices; (b) creating a regional funding source to provide subsidies for housing throughout the region; and (c) providing a system of testing to first understand, then eliminate, the pattern of housing discrimination in the region. Montgomery County, Maryland has been a national leader along the first two steps through its moderately-priced dwelling unit program. Oregon, Massachusetts, Minnesota, and New Jersey have taken important steps here as well. Social science data exist on the third problem, but no state has actively taken steps in this direction.

3. Transportation and Transit Planning

Coordinated transportation and transit planning helps the region grow smarter. At the federal level, with the implementation of the 1991 Intermodal Surface Transportation and Efficiency Act (ISTEA), and more recently, the 1998 Transportation Equity Act for the 21st Century (TEA-21), large federal resources were made available for transit and other forms of investment which would strengthen the viability of the fully developed core of many U.S. regions. ISTEA has been a significant help to places with a strong commitment to public transportation and, if properly implemented, TEA-21 could be an equally important piece of legislation. Of particular importance to regional stability, TEA-21 includes an increase in funds for highway system improvements and a decrease in new capacity funds. TEA-21 includes a job access program which is intended to help people coming off welfare get to their new jobs located throughout a metro area. TEA-21 also includes a community preservation pilot program that addresses the integration of transportation and land use. A significant part of a regional agenda in any metropolitan area includes making sure that state legislation conform to take full advantage of the flexibility of TEA-21, making regional decision-makers that allocate TEA-21 funds more accountable to all the citizens of a given region, and allowing representatives from the older, fully-developed communities—places that have very different transportation and transit needs than those living on the region's fringe—to be full participants in decisions involving the allocation of transportation dollars.

C. Metropolitan Structural Reform

Metropolitan planning organizations (MPO's), already set up to develop regional transportation plans and allocate enormous federal and state transportation resources, should be made more representative and accountable to the regions they serve. Presently, these MPO's make region-shaping decisions without detailed discussion concerning the impact of their decision on the social health of the fully developed part of the region. A directly elected MPO, or one that was apportioned so that all the different types of metropolitan communities would be proportionately represented, would have more legitimacy and a broader perspective for making major decisions concerning the region's future.

Another problem with powerful regional bodies that are not elected is that there is often not significant public input in their decisions. Part of this is because older core communities have never thought these decisions were relevant to their future. Ultimately, MPO's should evolve into bodies that much more explicitly weigh the effects of their decisions on the social health of the older parts of the region and into structures in which all of the sub-regional groups discussed above are fairly represented at the table. It is our belief that they should evolve into directly elected structures and should assume growing responsibility for implementing the initiatives discussed above.

The Grand Rapids Water/Sewer Futures Project (the Project) represents a local effort at both land-use planning and regional structural reform. The cities of Grand Rapids, Kentwood, Walker, and the township of Grand Rapids Charter have entered into a compact. Wyoming, which operates a separate sewerage system and represents approximately one-third of the region, is not included in this. The agreement provides for a "Utility Service District" (USD), an area where the parties agree that sewer service will be provided, and an "Urban Utility Boundary"(UUB), a sort of reserve area for the USD. The agreement sets up a rate schedule in which cost increases significantly outside the boundary.

The project also sets up two boards: a "Utility Advisory Board" (UAB) that sets the boundaries and rules for expansion and an "Urban Cooperation Board" (UCB) which allows the pooling of resources for use on regional projects. Per capita dues from the member communities provide for the funds. There is also a requirement of a two-thirds vote to spend any money.

The agreement shows both leadership and proactive thinking and it must be praised. The participants are trying, without the benefit of hard, to achieve state legislation to deal with the problems of sprawl and fragmented competing governments. By creating the USD, they are attempting to limit the size of the region in order to manage serviceable limits. Rather than just thinking about the sewer system as a revenue source for the city as most central cities do, Grand Rapids is trying to use it as a tool to manage growth. The agreement creates a series of new principles and begins a broad new discussion and debate about urban infrastructure and land use. Prior to this, there has been little evidence of leadership or a desire for reform in this area. The agreement also creates some stability and predictability concerning sewer service within the USD and UUB. This project is a positive step forward.

On the other hand, the USD/UUB has been criticized because it is not an urban growth boundary (UGB). According to this criticism, a UGB is a more proactive tool in terms of growth management because the land outside the UGB is zoned at agricultural densities. Under the Water/Sewer Future Project, there is not land-use regulation on land outside the USD/UUB, only more expensive sewers. Thus, according to the criticism, depending on the fee structure and housing market, this sort of situation might encourage the proliferation of septic systems outside of the USD/UUB. Septic systems require significant tracts of land and promote sprawl.

The Project is also criticized because there are no rules which prohibit low density septic system development within the USD/UUB and because it has no coordination with other boundaries regulating schools, transportation, libraries, health care, and so on. Next, the USD/UUB is criticized because it is not truly regional district. Wyoming, and other communities, not operating under the same rules, could be able to compete and thus undermine the effect of the USD/UUB. A final criticism of the Project is that the UCB is not inclusive of all the communities in the region and there is no method to select regionally important projects.

In response, regional land-use advocates do prefer UGB's and comprehensive land-use regulation to the approach of the Project. However, while UGB's and comprehensive land-use regulation are preferable to USD’s, they are harder to achieve and require state action and a comprehensive system of supporting land-use regulation. The Twin Cities region first created a MUSA line (a USD), which evolved over the years through legislative action into a UGB and comprehensive land-use regulation. Hopefully, the Grand Rapids area can do the same.

The following represents the step taken in the Twin Cities to resolve these issues. In 1967 the Twin Cities first created a regionally owned sewer authority that provided sewer service to member communities at a very low cost. Minneapolis and Saint Paul sold their sewer plants as did all the other regional entities in the late 1960's and early 1970's. They were paid for their facilities with regional bonding money. The central cities were also substantial recipients of regional tax-base sharing, the creation of which, along with the sale of the cities' sewer facilities, was linked to the later passage of the land-use planning system. Tax-base sharing promised to keep the central cities' local base strong—much stronger than the money they were receiving in local sewer fees.

In the late 1970's, the Twin Cities region established an urban growth boundary, large enough to keep land costs down. Many environmentalists think it is much too large. Outside the boundary, land is zoned at one unit per 40 acres and most septic development is prohibited inside the boundary. An ongoing series of legislative and regional actions created this system, most notably the Metropolitan Land Use Act of 1977 and the Agriculture Preserves Act of 1980. Many developing communities on the region's fringe accepted this system because the sewer and other regional infrastructure was provided to them at low regional cost and because the tax-base sharing system greatly increased their local tax base and eased their local fiscal stress.

VI. Conclusion

The Grand Rapids region is not prepared to meet the future.

The foregoing represents a pattern of metropolitan development that the Grand Rapids region cannot afford to continue. The region's development is characterized by sprawling inefficient land use, worsened by wasteful zero-sum competition among local governments in a single regional economy. In addition, growing disparities between local governments, neighborhoods and the citizens of the region serve to polarize the region socially, economically, racially, and politically. The status quo represents a *divisive* system that wastes money, energy, time, human potential and in some cases even people's lives. It is preventing the Grand Rapids region from becoming all that it can be.

Poverty continues to concentrate in Grand Rapids, Muskegon, Muskegon Heights, and southern Allegan County and the schools in those places are becoming increasingly poor and segregated. Further, the property tax base in these places is rapidly declining, forcing these struggling communities to do more with less and to compete with comparatively high taxes and low spending on services. Low tax base developing suburbs like Alpine and Egelston Townships grow rapidly without the fiscal base to fully support the infrastructure they need.

At the same time, the places with the most poverty in their schools, that are becoming less poor and less diverse, and have the highest tax-base resources in the region, are attracting the most jobs and the largest share—fueled by government highway investment. These places, that are able to entice affluent families and new business with high service levels and relatively low tax rates, will only continue to grow and zone in ways to capture the most tax base.

The problems (and potential problems) that the Grand Rapids region faces can be mitigated first, through the implementation of some form of local fiscal equity among the units of government with land-use planning powers, second, through planning for regional growth in a way that is efficient and sustainable, and finally, through a restructuring of the region's MPO's (both the Grand Valley Metropolitan Council and the West Michigan Shoreline Regional Development Commission), which will help to bring the issues of land use and the social health of the fully developed communities more significantly into their deliberations. Directly electing the MPO's, or at least making their memberships fully reflective of the different types of regional communities, would also ease the decision making process.

The state of Michigan and the Grand Rapids region have made significant strides in terms of equity in the schools through Proposal A, and the new improvements to the state's revenue sharing formula are promising. Further, the school equity system has also made the property tax system much more fair. However, without a similar mechanism to create equity among local jurisdictions with land-use planning powers, the declining older parts of the region—where the schools with the greatest social challenges are located—cannot compete. If these places are to retain and attract the middle class and draw in significant re-development and renewal, they have to be competitive places with lower tax rates and better public services.

This report represents the beginnings of an agenda designed to deal with growing regional instability and disparities. While it is controversial, it represents only a best first effort, subject to the negotiation, reformation, and synthesis that occurs in all political progress. While the issues will be difficult, it is our hope that this region can work together—reason together—to solve its mutual problems.

The real importance of this discussion is the realization that the Grand Rapids region is suffering from a series of problems that are too massive for an individual local government to confront alone, that they are the same problems that have caused the decline and death of other urban centers, and that unless the people of this region concentrate their efforts on finding new solutions, they can expect no better outcome.

Appendix: Z-Score Calculations Used in Determining Subregions

Municipality	Subregion	Tax Base per Household, 1996	Z-score: Tax Base per Household, 1996	Median Household Income, 1989	Z-score: Median Household Income, 1989	Children Under 5 in Poverty, 1990	Z-score: Children Under 5 in Poverty, 1990	Female-headed Households with Children, 1990	Z-score: Female-headed Households with Children, 1990	Master Z-score
Muskegon Heights city	High Need	$20,765	-1.17099	$13,778	-2.53596	53.8%	-3.84452	58.9%	-5.69030	-3.31044
Muskegon city	High Need	$31,579	-0.86455	$18,748	-1.88664	45.3%	-3.06636	42.1%	-3.63453	-2.36302
Lee township	High Need	$33,529	-0.80929	$17,736	-2.01885	52.3%	-3.70719	20.2%	-0.95469	-1.87251
Blue Lake township	High Need	$50,967	-0.31514	$20,938	-1.60052	42.7%	-2.82833	26.3%	-1.70113	-1.61128
Cedar Springs city	High Need	$32,349	-0.84273	$23,200	-1.30500	29.6%	-1.62904	30.8%	-2.25178	-1.50714
Grand Rapids city	**Central City**	**$40,945**	**-0.59914**	**$26,809**	**-0.83349**	**24.6%**	**-1.17130**	**29.6%**	**-2.10494**	**-1.17722**
Holton township	High Need	$32,057	-0.85100	$22,917	-1.34197	33.0%	-1.94031	13.4%	-0.12260	-1.06397
Cedar Creek township	High Need	$27,227	-0.98787	$21,296	-1.55375	18.8%	-0.64032	17.9%	-0.67325	-0.96380
Dalton township	High Need	$39,018	-0.65375	$27,587	-0.73185	29.0%	-1.57412	19.0%	-0.80785	-0.94189
Allegan city	High Need	$49,248	-0.36385	$26,121	-0.92338	26.7%	-1.36355	20.9%	-1.04035	-0.92278
Martin township	High Need	$36,349	-0.72938	$28,611	-0.59807	30.2%	-1.68397	17.2%	-0.58759	-0.89975
Casco township	High Need	$59,175	-0.08255	$21,743	-1.49535	25.8%	-1.28116	18.2%	-0.70996	-0.89225
Cheshire township	High Need	$37,915	-0.68500	$23,889	-1.21498	23.4%	-1.06144	17.0%	-0.56312	-0.88114
Clyde township	High Need	$49,157	-0.36643	$27,181	-0.78489	30.1%	-1.67482	18.0%	-0.68549	-0.87791
Muskegon township	High Need	$37,328	-0.70164	$25,058	-1.06226	15.6%	-0.34737	21.3%	-1.08930	-0.80014
Fennville city	High Need	$48,476	-0.38573	$28,088	-0.66639	24.7%	-1.18046	18.1%	-0.69772	-0.73258
Whitehall city	Stressed	$55,527	-0.18592	$26,359	-0.89228	16.6%	-0.43891	18.6%	-0.75891	-0.56901
Grand Haven city	Stressed	$65,426	0.09459	$28,989	-0.54868	18.9%	-0.64948	21.7%	-1.13824	-0.56045
Egelston township	Stressed	$32,306	-0.84395	$27,633	-0.72584	15.4%	-0.32906	15.0%	-0.31839	-0.55431
Wayland city	Stressed	$31,731	-0.86024	$30,448	-0.35807	12.9%	-0.10019	19.6%	-0.88127	-0.54994
Saugatuck city	Stressed	$127,765	1.86112	$23,792	-1.22765	28.2%	-1.50088	21.9%	-1.16272	-0.50753
Otsego city	Stressed	$62,215	0.00360	$26,184	-0.91515	15.1%	-0.30159	19.0%	-0.80785	-0.50525
Montague city	Stressed	$51,160	-0.30967	$28,170	-0.65568	13.9%	-0.19173	18.6%	-0.75891	-0.47900
Valley township	Stressed	$64,512	0.06869	$27,788	-0.70559	17.8%	-0.54877	17.8%	-0.66101	-0.46167
Holland city	Stressed	$58,749	-0.09462	$30,686	-0.32697	17.7%	-0.53962	17.3%	-0.59983	-0.39026
Trowbridge township	Stressed	$46,366	-0.44552	$31,059	-0.27824	21.3%	-0.86919	11.8%	0.07319	-0.37994
Spencer township	Stressed	$48,933	-0.37278	$29,399	-0.49512	20.7%	-0.81426	10.7%	0.20779	-0.36859
Rockford city	Stressed	$63,084	0.02822	$31,487	-0.22232	6.1%	0.52234	26.6%	-1.73784	-0.35240
Hopkins township	Stressed	$40,593	-0.60911	$30,511	-0.34984	8.5%	0.30263	18.3%	-0.72220	-0.34463
Plainwell city	Stressed	$42,059	-0.56757	$27,330	-0.76542	6.3%	0.50403	16.6%	-0.51417	-0.33578
Coopersville city	Stressed	$58,566	-0.09981	$32,684	-0.06594	17.2%	-0.49384	17.1%	-0.57536	-0.30874
Wyoming city	Stressed	$54,285	-0.22112	$31,103	-0.27249	10.9%	0.08291	18.1%	-0.69772	-0.27711
Allegan township	Stressed	$40,769	-0.60413	$30,024	-0.41346	10.6%	0.11038	13.9%	-0.18378	-0.27275
Moorland township	Stressed	$35,062	-0.76585	$27,697	-0.71748	12.4%	-0.05441	8.0%	0.53818	-0.24989

Municipality	Subregion	Tax Base per Household, 1996	Z-score: Tax Base per Household, 1996	Median Household Income, 1989	Z-score: Median Household Income, 1989	Children Under 5 in Poverty, 1990	Z-score: Children Under 5 in Poverty, 1990	Female-headed Households with Children, 1990	Z-score: Female-headed Households with Children, 1990	Master Z-score
Ravenna township	Stressed	$46,414	-0.44416	$27,625	-0.72688	7.5%	0.39418	13.2%	-0.09812	-0.21875
Fruitport township	Stressed	$42,522	-0.55445	$31,626	-0.20416	14.5%	-0.24666	11.3%	0.13437	-0.21773
Lowell city	Stressed	$49,979	-0.34314	$28,542	-0.60708	5.4%	0.58643	15.7%	-0.40404	-0.19196
Otsego township	Stressed	$46,617	-0.43841	$32,813	-0.04909	15.7%	-0.35652	11.4%	0.12214	-0.18047
Monterey township	Stressed	$61,581	-0.01437	$29,398	-0.49525	18.0%	-0.56708	8.3%	0.50147	-0.14381
Casnovia township	Stressed	$39,291	-0.64601	$30,212	-0.38890	11.2%	0.05545	8.8%	0.44029	-0.13479
Watson township	Stressed	$42,502	-0.55502	$30,984	-0.28804	8.2%	0.33009	12.2%	0.02424	-0.12218
Tyrone township	Stressed	$44,710	-0.49245	$31,672	-0.19815	10.3%	0.13784	11.1%	0.15885	-0.09848
Roosevelt Park city	Stressed	$39,291	-0.64601	$28,955	-0.55312	0.0%	1.08079	14.5%	-0.25720	-0.09389
Norton Shores city	Stressed	$53,134	-0.25373	$33,646	0.05974	14.5%	-0.24666	11.1%	0.15885	-0.07045
Gaines township	Stressed	$47,163	-0.42294	$35,103	0.25010	11.1%	0.06460	12.9%	-0.06141	-0.04241
Crockery township	Stressed	$47,781	-0.40542	$30,159	-0.39582	12.0%	-0.01779	6.9%	0.67279	-0.03656
Sparta township	Stressed	$42,268	-0.56165	$31,180	-0.26243	4.8%	0.64136	11.1%	0.15885	-0.00597
Kentwood city	Stressed	$68,983	0.19539	$34,324	0.14832	6.9%	0.44911	18.8%	-0.78338	0.00236
Zeeland city	Stressed	$73,637	0.32727	$32,861	-0.04281	20.0%	-0.75018	8.2%	0.51371	0.01200
Ganges township	Stressed	$86,916	0.70356	$28,147	-0.65869	13.0%	-0.10934	10.4%	0.24450	0.04501
Nelson township	Stressed	$41,619	-0.58004	$31,333	-0.24244	7.0%	0.43995	7.8%	0.56266	0.04503
Oakfield township	Stressed	$48,593	-0.38241	$34,388	0.15668	8.3%	0.32094	11.4%	0.12214	0.05434
Sullivan township	Stressed	$43,650	-0.52249	$32,108	-0.14119	8.7%	0.28432	6.6%	0.70950	0.08253
Chester township	Stressed	$56,579	-0.15611	$31,915	-0.16641	13.8%	-0.18258	5.2%	0.88081	0.09393
Fillmore township	Stressed	$66,735	0.13168	$33,177	-0.00153	4.1%	0.70544	16.1%	-0.45299	0.09565
Allendale township	Stressed	$38,217	-0.67644	$30,738	-0.32018	1.2%	0.97093	8.3%	0.50147	0.11895
Alpine township	Stressed	$48,132	-0.39548	$34,109	0.12023	4.0%	0.71460	12.0%	0.04872	0.12202
Wright township	Stressed	$61,954	-0.00380	$36,662	0.45378	17.8%	-0.54877	6.0%	0.78292	0.17103
Whitehall township	Stressed	$56,033	-0.17158	$32,778	-0.05366	6.0%	0.53150	8.6%	0.46476	0.19276
Hudsonville city	Stressed	$51,332	-0.30480	$32,114	-0.14041	7.6%	0.38502	5.6%	0.83186	0.19292
Grandville city	Stressed	$64,510	0.06863	$36,906	0.48565	10.7%	0.10122	11.0%	0.17108	0.20665
Montague township	Stressed	$55,662	-0.18210	$30,660	-0.33037	0.0%	1.08079	9.9%	0.30569	0.21850
Fruitland township	Stressed	$73,196	0.31477	$35,064	0.24500	10.9%	0.08291	10.5%	0.23227	0.21874
Wayland township	Stressed	$57,166	-0.13948	$30,295	-0.37806	6.9%	0.44911	4.5%	0.96647	0.22451
Ferrysburg city	Stressed	$73,428	0.32135	$35,643	0.32065	14.6%	-0.25582	8.0%	0.53818	0.23109
Byron township	Stressed	$60,504	-0.04489	$35,222	0.26564	3.9%	0.72375	12.3%	0.01201	0.23913
Heath township	Stressed	$63,537	0.04106	$34,844	0.21626	5.6%	0.56812	11.2%	0.14661	0.24301
Walker city	Stressed	$76,840	0.41803	$32,827	-0.04726	6.0%	0.53150	11.8%	0.07319	0.24387
Grattan township	Stressed	$67,704	0.15914	$37,545	0.56914	16.0%	-0.38399	7.1%	0.64831	0.24815
Zeeland township	Stressed	$66,471	0.12420	$34,135	0.12363	7.5%	0.39418	9.4%	0.36687	0.25222
Algoma township	Stressed	$58,243	-0.10896	$37,262	0.53216	7.4%	0.40333	10.2%	0.26898	0.27388

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Laketon township	Stressed	$45,360	-0.47403	$37,066	0.50656	5.3%	0.59558	8.3%	0.50147	0.28240
Saugatuck township	Stressed	$79,030	0.48009	$30,023	-0.41359	4.1%	0.70544	9.3%	0.37911	0.28776
Manlius township	Stressed	$66,179	0.11593	$32,500	-0.08998	3.9%	0.72375	8.7%	0.45253	0.30056
Spring Lake township	Stressed	$69,218	0.20204	$36,222	0.39629	5.6%	0.56812	11.6%	0.09766	0.31603
Solon township	Stressed	$45,992	-0.45612	$32,163	-0.13401	8.0%	0.34840	0.0%	1.51712	0.31885
Salem township	Stressed	$68,999	0.19584	$28,934	-0.55587	0.0%	1.08079	6.6%	0.70950	0.35757
Gunplain township	Stressed	$59,620	-0.06994	$37,392	0.54915	3.3%	0.77868	10.9%	0.18332	0.36030
Polkton township	Stressed	$61,978	-0.00312	$34,405	0.15891	5.5%	0.57727	6.5%	0.72173	0.36370
Plainfield township	Stressed	$56,393	-0.16138	$38,532	0.69809	3.7%	0.74206	10.8%	0.19556	0.36858
Leighton township	Stressed	$61,427	-0.01873	$36,319	0.40896	4.9%	0.63220	8.6%	0.46476	0.37180
Dorr township	Stressed	$51,219	-0.30800	$37,684	0.58730	2.4%	0.86107	8.9%	0.42805	0.39211
Tallmadge township	Stressed	$62,120	0.00091	$40,197	0.91561	5.9%	0.54065	9.8%	0.31792	0.44377
Holland township	Stressed	$76,358	0.40437	$35,523	0.30497	2.6%	0.84276	9.3%	0.37911	0.48280
North Muskegon city	Stressed	$54,464	-0.21605	$37,281	0.53465	1.6%	0.93431	6.7%	0.69726	0.48754
Robinson township	Stressed	$57,089	-0.14166	$36,414	0.42138	6.1%	0.52234	3.0%	1.15002	0.48802
Grand Haven township	Stressed	$73,469	0.32251	$41,140	1.03881	6.2%	0.51319	10.9%	0.18332	0.51446
Overisel township	Stressed	$73,389	0.32024	$38,433	0.68515	6.6%	0.47657	7.6%	0.58713	0.51727
Courtland township	Stressed	$74,050	0.33897	$42,072	1.16058	12.4%	-0.05441	6.3%	0.74621	0.54784
Bowne township	Stressed	$81,048	0.53728	$40,282	0.92672	9.4%	0.22023	8.2%	0.51371	0.54949
Blendon township	Stressed	$63,024	0.02652	$36,667	0.45443	5.0%	0.62305	3.4%	1.10107	0.55127
Lowell township	Stressed	$51,831	-0.29066	$42,877	1.26575	3.0%	0.80614	7.7%	0.57489	0.58903
Georgetown township	Affluent	$57,853	-0.12001	$42,008	1.15222	1.6%	0.93431	4.8%	0.92976	0.72407
Vergennes township	Affluent	$77,883	0.44759	$43,164	1.30325	6.0%	0.53150	7.0%	0.66055	0.73572
Laketown township	Affluent	$87,245	0.71288	$39,898	0.87655	3.8%	0.73291	5.4%	0.85634	0.79467
Olive township	Affluent	$90,881	0.81592	$34,767	0.20620	0.0%	1.08079	1.9%	1.28462	0.84688
Caledonia township	Affluent	$87,263	0.71339	$43,654	1.36726	1.7%	0.92516	8.3%	0.50147	0.87682
Jamestown township	Affluent	$73,008	0.30944	$40,015	0.89184	0.0%	1.08079	0.0%	1.51712	0.94980
Park township	Affluent	$84,252	0.62807	$47,220	1.83315	1.4%	0.95262	7.7%	0.57489	0.99718
Grand Rapids Charter	Affluent	$89,469	0.77591	$46,707	1.76613	3.6%	0.75122	6.6%	0.70950	1.00069
Cannon township	Affluent	$80,392	0.51869	$47,154	1.82453	2.1%	0.88854	5.5%	0.84410	1.01896
White River township	Affluent	$123,924	1.75227	$37,955	0.62270	4.4%	0.67798	3.8%	1.05213	1.02627
East Grand Rapids city	Affluent	$84,504	0.63521	$60,355	3.54920	3.1%	0.79699	9.0%	0.41582	1.34931
Ada township	Affluent	$138,895	2.17651	$52,351	2.50350	0.0%	1.08079	7.0%	0.66055	1.60534
Cascade township	Affluent	$163,850	2.88367	$63,301	3.93409	1.0%	0.98924	4.0%	1.02765	2.20866
Port Sheldon township	Affluent	$341,569	7.91977	$45,313	1.58401	0.0%	1.08079	1.2%	1.37028	2.98871

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Average		$62,088		$33,189		11.8%		12.4%		
Std. Deviation		$35,289		$7,654		10.9%		8.2%		

DATA SOURCES: 1990 U.S. Census of Population and Housing Summary Tape File 3A (1990 income, poverty, and household data); Michigan Department of Treasury,
State Tax Commission (1996 total real and personal property tax base data); and Michigan Information Center (1996 population estimates).