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Detroit Metropatterns

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Detroit Metropolitics:
A Regional Agenda for
Community and Stability

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A Report to the Archdiocese of Detroit

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I. Overview

There is a dangerous social and economic polarization occurring in the Detroit metropolitan area.[1] First, poverty and social and economic need has concentrated and is deepening in central-city neighborhoods, in older, inner suburbs southwest and north of the city, and in many outlying communities and satellite cities. These are places like Royal Oak Township, Wyandotte, Taylor, Romulus, Monroe, and Pontiac. This concentration destabilizes schools and neighborhoods, is associated with increases in crime, and results in the flight of middle-class families and businesses. As social needs accelerate in the central city, inner suburbs, and many outlying communities, the property tax base supporting local services erodes. About 40 percent of the Detroit region's population live in such a community.

Second, in a related pattern, growing middle-income communities, are beginning to experience increases in their poverty and crime rates, and could well become tomorrow's troubled suburban places, particularly those which are located in low tax base areas. These communities, which include many of the region's townships and inner Wayne and Macomb County suburbs—Warren, Dearborn, Clinton, and Canton, for example—are home to another 40 percent of the region's population. Together, Detroit, its declining inner suburbs, satellite cities, and low tax-base, middle-income communities—all places disadvantaged by regional polarization—represent over 78 percent of the region's population.

Third, upper-income residentially-exclusive communities—where only about 20 percent of the region's population live—are capturing the largest share of regional infrastructure spending, economic growth and jobs. As the property tax base expands in high property-wealth areas and their housing markets remain exclusive, these areas, primarily high tax-base communities located in Oakland County, become both socially and politically isolated from regional responsibilities.

Overlaying this socioeconomic polarization is an environmental nightmare. As the wave of socioeconomic decline rolls outward from the central city and older, inner-ring suburbs, tides of middle-class homeowners sweep into fringe communities. Growing communities, facing tremendous service and infrastructure needs offer development incentives and zone in ways that allow them to capture the most tax base.[2] In so doing, they lock the region into low-density development patterns that are fiscally irresponsible, foster automobile dependency, contaminate groundwater, and needlessly destroy tens of thousands of acres of forest and farmland.

In metropolitan areas across the country, communities like Detroit's inner suburbs, satellite cities, and low tax-base developing communities are beginning to realize that the

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1 In this study we define the Detroit metropolitan area as the six counties designated by the U.S. Census Bureau as the Detroit Primary Metropolitan Statistical Area: Lapeer, Macomb, Monroe, Oakland, St. Clair, and Wayne.

2 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.

solutions to these problems are larger than their own jurisdiction. Perhaps, the discussion begins, these problems will require cooperation with neighbors in the regional community.

In the Twin Cities region, for example, a metro-majority political coalition was forged between the central cities—which comprise one-third of the region's population—and the inner and low tax-base, developing suburbs—which comprise another third.[3] By supporting and helping to pass in the 1993-98 sessions significant legislation involving regional tax-base sharing, fair housing, transportation/transit reform, land-use planning, brownfields[4] cleanup, and a stronger metropolitan government, these subregions signaled their strong and growing support of a regional reform agenda. This coalition came together after their common needs and the power of their unity was revealed through a series of geographic information system (GIS) maps—much like the maps presented throughout this report.

Since those first maps were produced of the Twin Cities area, the Metropolitan Area Research Corporation (MARC) has conducted similar studies of fifteen other U.S. metropolitan areas.[5] In each region, the same patterns were revealed: 1) poverty is concentrating in the very places with the fewest resources for dealing with the social affects of concentrated poverty—central city neighborhoods, older suburbs, and satellite cities; 2) growing, low tax-base, middle-income communities are developing too quickly to accumulate the resources necessary to address their high service and infrastructure needs; 3) high tax-base communities with the least social needs are capturing the largest share of regional infrastructure spending and job growth but are the least accessible to middle- and working-class people of the region.

Most importantly, these studies have clearly shown that the suburbs are not a monolith with common needs and experiences and that coalitions can be forged between previously thought unlikely partners: elected officials of the central city and inner, older suburbs, and low tax-base, developing communities of a region. In some of the first regions that MARC studied—Chicago, Portland, Philadelphia, and Baltimore—state legislators representing the central city and inner suburbs have begun building coalitions and drafting legislation for regional reform. Officials in the regions in which MARC has been more recently involved will soon surely follow.

This kind of reform is attainable in any metropolitan region. Once it is recognized that suburban communities are not a monolith with common needs and resources, low tax base communities can identify each other as allies in regional reform and begin to work together for a stronger, more stable region. "Detroit Metropolitics" argues that this can be done in the Detroit region. The effort could begin around the issue of tax-base equity and, if successful, can be broadened, one by one, to other issues of regional reform. Further, the coalition does not need to be limited to Detroit-area low tax-base communities. Because such a debate would have to take place in the state legislature, representatives from Detroit's declining suburbs and satellite cities could ally themselves with representatives from similar communities in the Grand Rapids,

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[3] Myron Orfield, *Metropolitics: A Regional Agenda for Community and Stability* (Washington DC: Brookings Institution Press, 1997).

[4] Contaminated (or perceived to be contaminated) former industrial or commercial sites.

[5] Chicago, Portland (Oregon), Philadelphia, Pittsburgh, Seattle, Baltimore, Gary, San Francisco Bay Area, South Florida, Milwaukee, Los Angeles, Grand Rapids, Atlanta, Washington DC, and Denver.

Saginaw, Lansing, and Flint regions (for example) to promote a regional agenda appropriate for every Michigan metropolitan area. Indeed, a study of regional polarization in the Grand Rapids area conducted by MARC has revealed clear potential allies in regional reform in that region.[6] A study of the Saginaw region is currently underway.[7]

This report, "Detroit Metropolitics", presents social and economic data for the city of Detroit and the jurisdictions that surround that city. The primary purpose of this report is to identify and document social and economic polarization in the Detroit region and to illustrate for elected officials and residents, the consequences to their own community of continuing current regional policies of abandoning the core for development on the fringe.

It is our hope that the results of this study will help to further the processes of metropolitan reform in the areas of regional land-use planning, regional equity, and regional structural reform. Through our analysis of the progressive and detrimental effects of metropolitan polarization on people and communities, this study provides more evidence regarding the necessity of reform for the traditional advocates of land use, housing, fiscal and governmental reform. These groups are generally environmentalists, good government advocates, academics—particularly economists—and that part of the business community engaged and concerned about the future stability of the region in which they operate.

This report is also designed to bring into the debate new and decisively important participants: elected officials and constituency groups representing communities with high social and infrastructure needs and few property tax-base resources. 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 who, in Minnesota, created the regional majority to enact major reforms.

The data in this report are presented primarily at the municipality (cities and townships) and county level. Not only are these places to which residents feel they belong and which they can identify by name, but much more importantly, they are also the places that have land use planning powers and that 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. In the end, the purpose of "Detroit Metropolitics", in addition to providing evidence of social and economic polarization for the traditional advocates of regional reform, is fundamentally one of creating coalitions between affected cities and counties and their counterparts on school boards and regional bodies.

This report will also serve to educate people who care about urban poverty issues about regional sprawl and transportation issues, to educate those who care about regional sprawl and transportation about urban poverty, and to educate everyone who is interested in equity and sustainability in the Detroit region about how these issues are invariably connected. Across the

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6 "Grand Rapids Metropolitics", draft report to the Grand Valley Metropolitan Council, September 1998.

7 "Saginaw Metropolitics", draft report to the Ezekiel Project, expected July 1999.

nation, social-equity groups representing the poor living in older communities and environmental groups wishing to protect land and water from development pressures are beginning to coalesce around a regional agenda.[8] Increasingly, these groups sense a common connection in their individual struggles against the growing waves of chaos that overwhelm their efforts. As they develop a common language and agenda, the potential for broad-based, regional action increases.

II. The Core

A. Concentrated Poverty in the Detroit Region

In the central city of Detroit there is a subset of distressed census tracts with more than 40 percent of its population below the federal poverty line.[9] According to sociologists, such neighborhoods are extreme poverty tracts or ghettos.[10] Surrounding these severely distressed neighborhoods are transitional neighborhoods with 20 to 40 percent of their population in poverty.[11] 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.[12] During the 1980s, ghettoization rapidly increased in Chicago, Detroit, and many of the secondary cities of the

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8 In the Twin Cities this effort is led by the Alliance for Metropolitan Stability, in the Portland region the Coalition for a Livable Future has been founded, and in Seattle, the Coalition for a Livable Washington. The Pennsylvania Environmental Council is currently organizing concerned individuals and groups in the Philadelphia area, as is the Citizen's Public Housing Authority in Baltimore, the Urban Habitat Program in the San Francisco Bay Area, AGENDA in the Los Angeles region, and the Gamaliel Foundation in Chicago, Gary, St. Louis, and Cleveland. These associations cover the waterfront from land use protection groups, to churches, to communities of color, to municipal governments, to the business community, to environmental, social justice, and affordable housing advocates. All of these groups are concerned with the stability and sustainability of their metropolitan area, specifically in preventing the concentration of poverty, curbing urban sprawl, and advancing fiscal equity. At the national level this movement is being led by Henry Richmond of the American Land Institute. See Henry R. Richmond, "Rationale and Program Design: National Land Use Policy Institute," 11 July 1994.

9 In 1990 the poverty line for a single mother with a child was $8,420; for a family of three it was $10,560; for a family of four, $12,700. (Federal Register 1990, vol. 55, no. 33: 5665).

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.

10 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.

11 Ibid.

12 Kasarda, "Concentrated Poverty," 261.

Northeast and Midwest.[13] For example, 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.[14]

Further, growing poverty is not just a concern of central cities. During the 1980's the number of extreme and transitional poverty tracts in the suburbs and satellite cities surrounding Detroit increased as well—sometimes at a faster rate than the central city. In 1980 there were a total of fifty extreme poverty tracts—ones in which 40 percent or more of the residents lived in poverty—in the Detroit region (Figure 1).[15] Five of these extreme poverty tracts were in suburbs and satellite cities—in Dearborn, Pontiac, and Livonia. By 1990, the number of extreme poverty tracts in the region had increased to 148, including sixteen in the suburbs and satellite cities—in Port Huron, Pontiac, Inkster, Romulus, Taylor, and Monroe (Figure 2).[16] During this period the city saw a 193 percent increase in extreme poverty tracts (from 45 to 132 tracts), while the suburbs and satellite cities increased by 220 percent (from 5 to 16 tracts).

An additional 161 tracts in the region were transitional tracts in 1980—having between 20 and 40 percent of their population in poverty. Twenty-seven of these were in suburbs and satellite cities, including Mount Clemens, Royal Oak Township, and Brownstown, and 134 were in Detroit. By 1990 there were a total of 156 transitional tracts in the region. The suburbs and satellite cities had increased by 66 percent to 45 transitional tracts, including tracts in Sterling Heights, Westland, and Wyandotte, while the city's transitional area declined by 17 percent to 111 tracts.

Extreme Poverty Tracts (40%+ in poverty)

	Detroit	Suburbs & Satellites	Total Region
1980	**45**	**5**	**50**
1990	**132**	**16**	**148**
% Change	**+193**	**+220**	**+196**

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

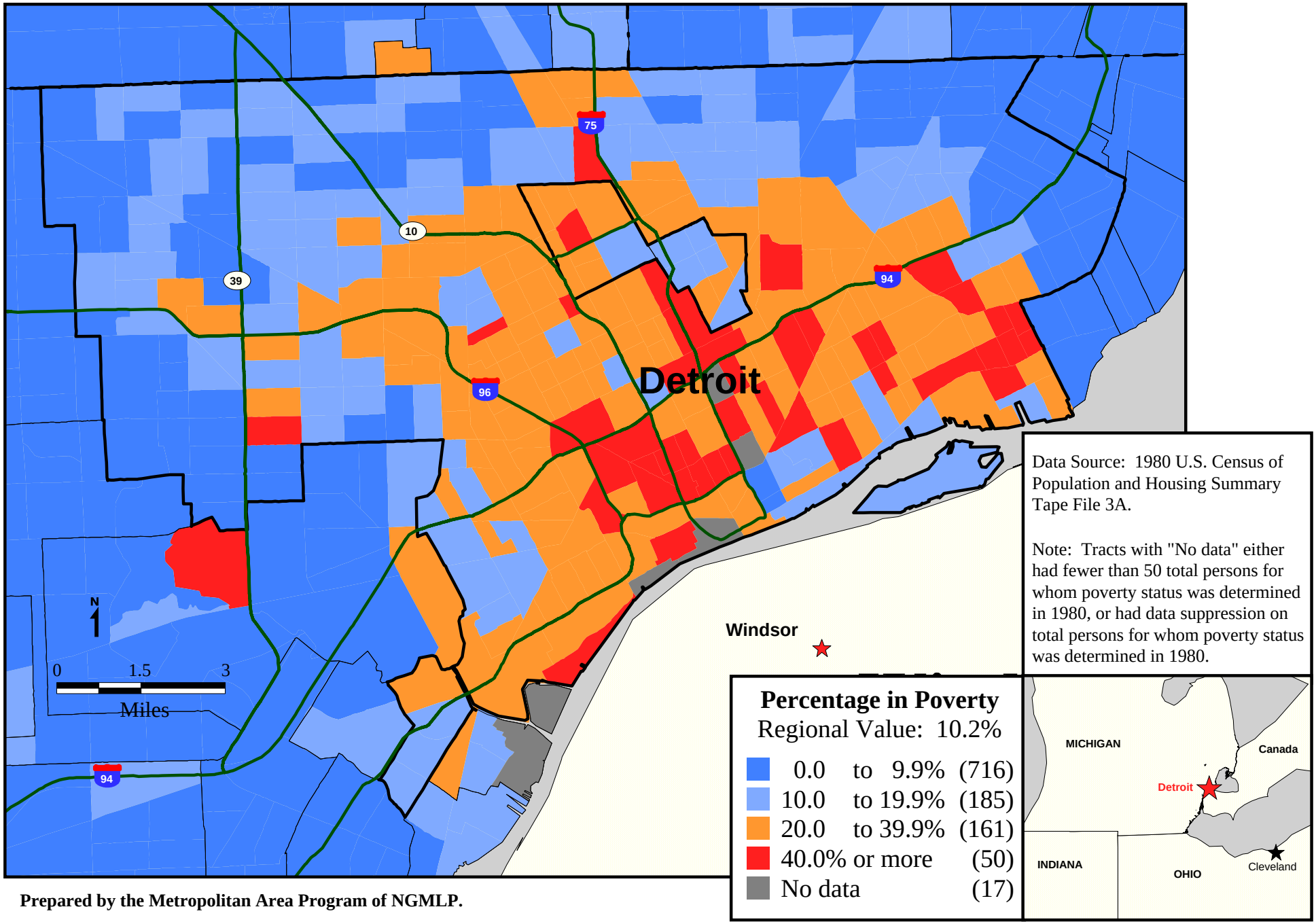
14 Kasarda, "Concentrated Poverty," 261.

15 *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.

Figures 1 and 2 show only the tracts in the city of Detroit and the communities adjacent to it. Outlying poverty tracts do not show up on these maps but are included in the total counts for each category that appear in the map legend.

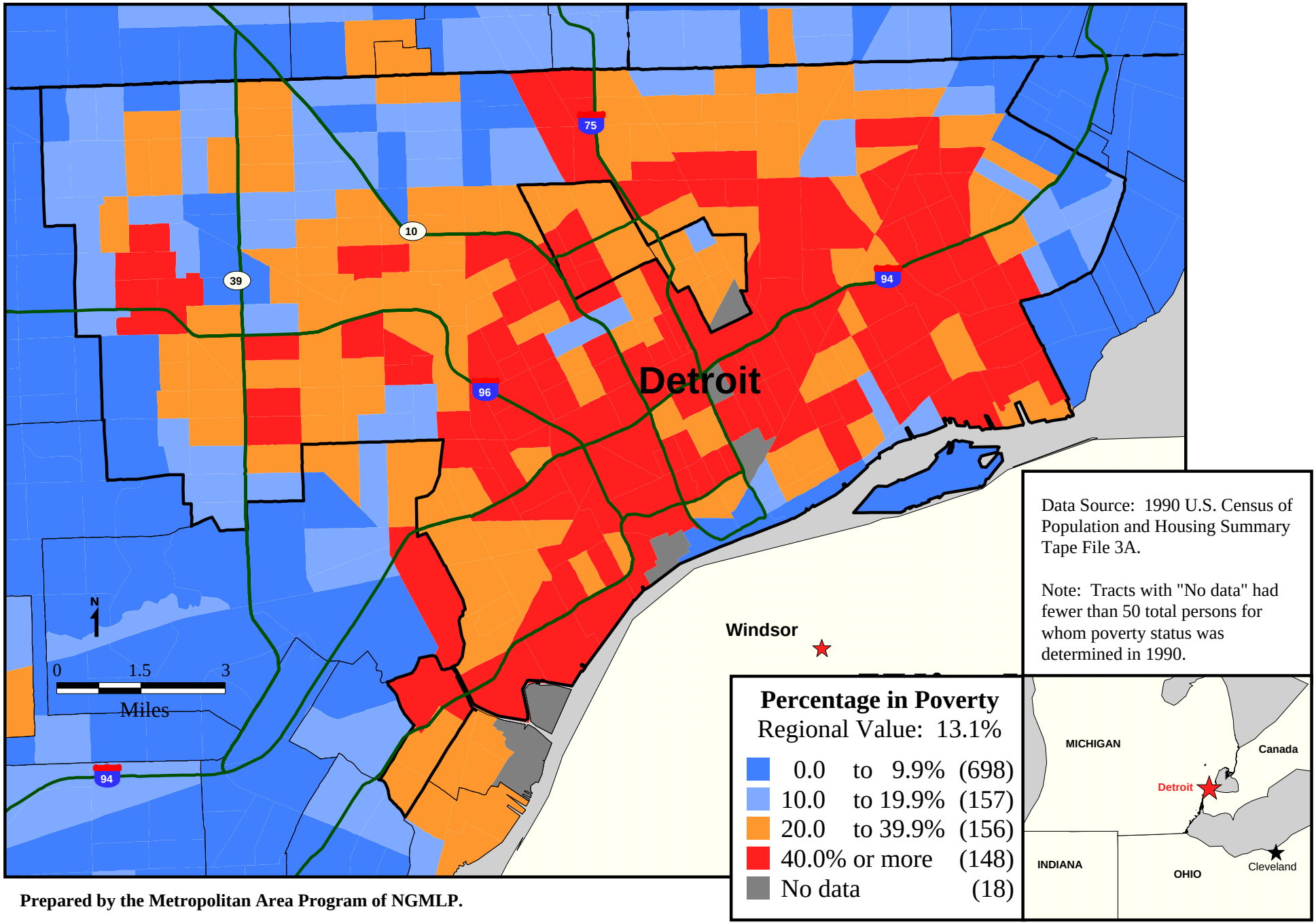
16 *Census of Population and Housing, 1990: Summary Tape File 3A*, CD ROM/ prepared by the Bureau of the Census. –Washington: The Bureau [producer and distributor], 1991. All figures that follow are from either the 1980 or the 1990 Census STF3A unless otherwise noted. Because of data availability, the first nine maps in this report are based primarily on 1980 and 1990 census data. The remaining twenty-five maps (except Figures 15 and 22) are based on more recent data and projections.

Figure 1: Percentage Persons in Poverty by Census Tract, 1980



Prepared by the Metropolitan Area Program of NGMLP.

Figure 2: Percentage Persons in Poverty by Census Tract, 1990



Prepared by the Metropolitan Area Program of NGMLP.

Transitional Poverty Tracts (20-40% in poverty)

	Detroit	Suburbs & Satellites	Total Region
1980	**134**	**27**	**161**
1990	**111**	**45**	**156**
% Change	**-17**	**+66**	**-3**

B. The Concentration Effects of Poverty

Stimulated by William Julius Wilson's book, *The Truly Disadvantaged*, scholars in the late 1980s began actively studying the effects of concentrated poverty in large metropolitan areas. Their research confirms that concentrated poverty multiplies the severity of problems faced by both communities and poor individuals.[17] As neighborhoods become dominated by joblessness, racial segregation, and single-parentage, they become isolated from middle-class society and the private economy.[18] Individuals, particularly children, are deprived of local successful role models and connections to opportunity outside the neighborhood.

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."[19]

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17 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).

18 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).

19 Wilson, *Truly Disadvantaged*, 56.

Studies have found that poor individuals living in concentrated poverty are far more likely to become pregnant as teenagers,[20] drop out of high school,[21] and remain jobless[22] than if they lived in socioeconomically mixed neighborhoods.

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*,[23] 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.

James Rosenbaum and colleagues from Northwestern University have intensively studied the *Gautreaux* families.[24] His research established that the low-income women who moved to the suburbs "clearly experienced improved employment and earnings, even though the program

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20 Jonathan Crane, "The Effects of Neighborhoods on Dropping Out of School and Teenage Childbearing," in *The Urban Underclass*, 299-320; 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.

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

22 Massey and Denton, *American Apartheid*, 180-81.

23 *Hills v Gautreaux*, 425 US 284 (1976).

24 James Rosenbaum and Susan Popkin, "Employment and Earnings of Low-Income Blacks Who Move to Middle-Class Suburbs," in *The Urban Underclass*; 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). See also Schools section below.

provided no job training or placement services."[25] Very rapidly after the moves, the suburbanites were about 15 percent more likely to be employed.[26] 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).[27] 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[28]) and went to college at a rate of 54 percent compared with 21 percent who stayed in the city.[29] In terms of employment, 75 percent of the suburban youth had jobs compared to 41 percent in the city.[30] Moreover, the suburban youth had a significant advantage in job pay and were more likely to have a prestigious job with benefits.[31] Finally, 90 percent of the suburban youth were either working or in school compared with 74 percent of the city youth.[32]

A growing core of concentrated poverty is like a collapsing star, which as it grows denser, grows more powerful in its gravitational pull. A core of concentrated poverty holds individuals in with an enormous and growing gravity, making escape from poverty impossible. A core of concentrated poverty draws in increasingly greater levels of governmental and philanthropic resources that rapidly disappear—with little sign of improvement. As poverty concentrates and social disorganization increases, crime grows, and waves of middle-class flight, business disinvestment, and declining property values surrounding the core 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.[33] Vestiges of private economy that remain charge

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25 Rosenbaum and Popkin, "Employment and Earnings."

26 Ibid.

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

28 Ibid., 5.

29 Ibid., 5-6.

30 Ibid., 6-7.

31 Ibid.

32 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 support and assistance and essentially no difference in terms of their degree of contact with neighbors. The suburban movers were actually slightly more likely to have friends in their new neighborhoods than the city movers. The suburban movers had more than two times the number of white friends that the city movers and slightly fewer black friends. Further, over time, the degree of integration continued for suburban movers, and re-segregation did not occur.

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

exorbitant prices allegedly justified by the risk of doing business. Social needs and hence property taxes begin to accelerate on a declining base of values. As local property taxes become highest in the least desirable parts of the metropolitan area, 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, property value losses, little room for expansion or parking, a lack of rapid access to radial highways, and costs of urban environmental issues.[34] Increasingly, urban employers believe that the work force in distressed and ghetto neighborhoods is unsuitable.

As an example of these trends, during the 1960s, Chicago lost 500,000 white residents, 211,000 jobs, and 140,000 private housing units, while its suburbs gained 800,000 white residents, 500,000 jobs, and 350,000 housing units.[35] As the West Side of Chicago was enveloped in an expanding core of poverty during the 1960s, 75 percent of its businesses disappeared.[36] By 1980, the West Side's ghetto North Lawndale neighborhood included "48 state lottery agents, 50 currency exchanges, and 99 licensed bars and liquor stores, but only one bank and one supermarket for a population of some 50,000."[37]

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 they are employed in the neighborhood—often move to less poor areas.[38] Physical rehabilitation programs, while they improve the quality of shelter and neighborhood appearance, do little to attack the underlying "tangle of pathology"[39] 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

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34 John D. Kasarda, "Urban Change and Minority Opportunities," in *The New Urban Reality*, 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.

35 Pierre de Vise, "Social Change," in *Chicago's Future*, ed. Dick Simpson (Champaign: Stripes Publishing Company, 1976), 113-22.

36 Loic J.D. Wacquant and William Julius Wilson, "Poverty, Joblessness, and the Social Transformation of the Inner City," in *Welfare Policy for the 1990s*, eds. Phoebe H. Cottingham and David T. Ellwood (Cambridge: Harvard University Press, 1989), 92.

37 Ibid.

38 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.

39 See Wilson, *The Truly Disadvantaged* at 21.

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 core residents.[40]

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 (Table 1).

[40] See generally Roy E. Green, ed., *Enterprise Zones: New Directions in Economic Development* (Newbury Park, CA: Sage Publications, 1991); 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; Glenda Glover, "Enterprise Zones: Incentives are Not Attracting Minority Firms," *Review of Black Political Economy* (Summer 1993): 73-99.

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.

In response, it is possible that CDC efforts have made these communities better than they might otherwise have been. These figures do not reflect individuals who have been empowered by CDC programs and have left poor neighborhoods. It is also true that CDC programs 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 face of the enormous force of metropolitan polarization.

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 suburban jobs and schools and, at the same time, the revitalization of existing low-income neighborhoods in ways which benefit (rather than simply displace) the incumbent residents. In the end, the goal of regional housing reform is to create thriving, mixed-income neighborhoods *both* in the city and in the suburbs and satellite communities.

The foregoing demonstrates the deep need that core communities have for regional reform. The concentrated, segregated cores of central cities, inner suburbs, and outlying satellite cities are under desperate fiscal stress. Tax-base sharing can provide the needed resources to rebuild, can encourage more competitive tax rates, and can stem the fiscal polarization that draws wealth and business to the edge of affluent suburbia. Fair housing is necessary both to provide individuals access to opportunity wherever it may exist in the region and to slowly relieve the concentration of poverty and segregation that disables older communities.

III. The Diversity of Metropolitan Areas

Political pundits and scholars assert that metropolitan reforms are no longer possible because the suburbs have taken over American politics.[41] Representing over 50 percent of the American population and over 77 percent of the Detroit area, clearly “the suburbs” do have great political power. However, the pundits and reformers assume that the suburbs are monolithic, with common social experiences and political needs. Nothing could be further from the truth. The experiences and needs of suburban communities and satellite cities are almost as diverse as the nation itself.

Indeed, a 1990 study conducted by Timothy Bledsoe of the College for Urban Studies at Wayne State University identified two distinct types of suburbs in the Detroit region whose

[41] Anthony Downs, in his book *New Visions for Metropolitan America* (Washington, D.C.: Brookings Institution, 1994), repeatedly outlines the necessity of sweeping metropolitan reform and then dismisses the possibility of political success because of the monolithic opposition of the suburbs.

residents have clearly differing opinions on issues such as land use, roads and traffic, schools, and the economy.[42] Bledsoe concluded that in the "White-Collar Crescent" citizen satisfaction with public services and local government was strong and that "parts of suburbia are troubled by the same problems which plague the city".[43] However, his findings still seem to indicate that residents of the two types of suburbs are closer to each other in their opinions about policy issues than residents of either type of suburb are to the residents of Detroit. We would argue that the suburbs are even more diverse than Bledsoe proposes and that while not all "Non-Crescent" suburbs are experiencing the degree of social and economic decline as Detroit (although some are), a majority of these communities could benefit from regional reform. This report is destined to correct the presently existing view that these communities would not benefit from an alliance with Detroit—a position that is preventing progress for the region on significant issues.

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.[44] 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)”[45] 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.

The most rapid turnover in home-ownership occurs in middle-class housing markets as promotions and pay increases allow owners to continually move up into newer and better housing. Thus, middle-class sectors appear as asymmetrical bulges in housing market construction at the region’s periphery. The upper- and working-class housing markets have less mobility and growth. The upper-class market is small and has high amenity levels. Working-class wages peak early, and a major goal in such communities is simply home ownership. In both cases, there is less need for move-up housing.

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42 Timothy Bledsoe, "From One World Three: Political Change in Metropolitan Detroit", (Detroit: Wayne State University, July 1990), 19-23.

43 Ibid.: 26.

44 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.

45 Adams, “Sectoral Dynamic.”

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. However, as circumferential highways became the shaping force of metropolitan development, the influence of sectoral patterns began to wane in suburbs beyond the beltways.

When a household moves to a new unit at the periphery, it creates a vacancy at its old address which is filled by another household, which leaves a vacancy at its old address and so on. The building of new housing at the periphery sets in motion vacancy chains reaching far back into the central core. Thus, the more rapid peripheral growth of middle-class sectors early on creates low demand at the center of its vacancy chain. As demand declines, so does price, which in turn leads to opportunities for the region's poor. In such a way, core middle-class neighborhoods are the first to become impoverished and ultimately ghettoized. As these neighborhoods become poorer, social and economic decline accelerates and pushes the middle class out at the same time the vacancy chain is pulling them. Working- and upper-class neighborhoods, because of less growth and turnover, tend to remain stable longer than middle-class sectors. However, when they decline, they do so rapidly. Ironically, as the various classes move up and/or flee from central city areas, all the social and economic changes that occur in the core of their sectoral housing markets eventually follow them through the vacancy chains into the suburbs.

Racial discrimination in the housing market, both in the form of the personal choices of many white families to leave neighborhoods when people of color move in, and, in its more institutional forms—redlining by banks and insurance companies, steering by real estate agents, exclusionary zoning and related practices in many suburban communities, for example—has played a key role in the dynamics of central city and inner suburban disinvestment and has influenced the development of geographic concentrations of poverty and affluence. Both institutional and personal racial discrimination in the housing market have severely limited the ability of middle-class people of color, particularly Blacks and Hispanics, to move into the suburbs where the most economic and educational opportunity is located.

B. Local Metropolitan Subregions

The Detroit region consists of six counties—Lapeer, Macomb, Monroe, Oakland, St. Clair, and Wayne. In 1996 the estimated total population of this region was 4,369,865 and there were 185 cities and townships. We have divided these jurisdictions into three distinct types of communities in the Detroit region: (1) High Need Communities; (2) Middle-class Communities; and (3) Affluent Communities (Figure 3). 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 Appendix A for the z-scores used to determine these subregions).[46] Table 2 shows statistics for each subregion category, with separate statistics for the central city.

[46] First, for each municipality z-scores were determined for each of the four factors. A z-score is the normalized deviation from average. So, for example, a city whose median household income fell at exactly average

Figure 3: Detroit Subregions

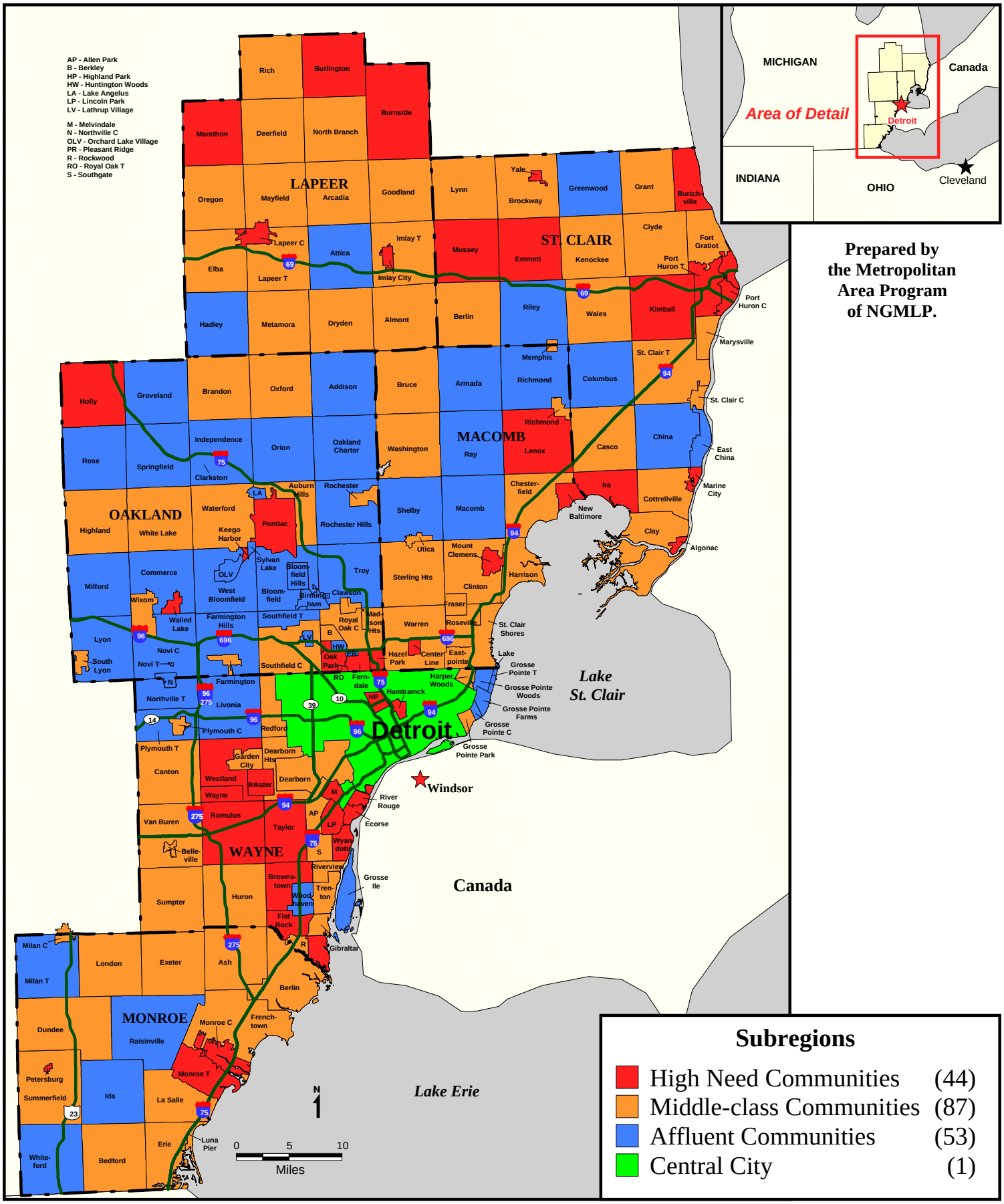

TABLE 2: Social & Economic Statistics for the Central City & Subregions					
	Region	**Detroit**	**High Need Communities**	**Middle-class Communities**	**Affluent Communities**
Estimated Persons, 1996	4,369,865	985,074	734,518	1,706,116	944,157
% of Region's Total Municipal Population, 1996	100	22.5	16.8	39.0	21.6
Estimated Households, 1996	1,663,102	358,160	286,756	670,159	348,027
Median Household Income, 1989	$34,270	$18,742	$31,614	$37,493	$43,091
% Change in Real Median Household Income, 1979-1989	-5.1	-21.5	-1.3	-8.5	-20.0
% Children under 5 in Poverty, 1990	23.4	52.7	26.5	8.5	2.9
Change in % Points: Children under 5 in Poverty, 1980-1990	6.7	18.1	9.1	1.8	-0.5
Female-Headed Households w/Children as a % of All Households with Children, 1990	25.1	55.7	28.0	13.4	7.9
Change in % Points Female-Headed Households with Children, 1980-1990	4.6	13.9	6.0	1.8	0.2
Total Property Tax Base per Household, 1996	$56,231	$17,833	$40,155	$61,104	$99,482
% Change in Real Property Tax Base per Household, 1986-1996	19.2	-8.4	7.8	15.1	16.4

Source: See footnote on previous page.

1. The High Need Communities

High Need Communities are often declining distressed communities that are fully developed and beginning to experience socioeconomic changes. In the six-county Detroit region they include many inner suburbs and older satellite cities and are predominantly located just southwest of Detroit in Wayne County, on Detroit's northern border in the southeast corner of Oakland County, and in the outlying parts of Lapeer and St. Clair Counties. These jurisdictions

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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 jurisdiction. Each jurisdiction is 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 program splits the data 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. Natural breaks are used to separate the data into groups on all of the maps in this report.

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 (secured and unsecured property value prior to the homeowner's exemption) were from the Michigan Department of Treasury, State Tax Commission. 1996 Household estimates were from the Southeast Michigan Council of Governments.

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 cities overrun by urban sprawl, it actually began to accelerate and intensify. 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, Missouri suffer much more severe segregation, deprivation, and intense levels of crime than the cities they adjoin.[47] This is the danger now facing many High Need Communities of the Detroit region.

2. The Middle-class Communities

The Middle-class 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. In the Detroit region, these communities are generally spread throughout the region, with large clusters just north of Detroit in Macomb County, southwest of the city in Wayne and Monroe Counties, and covering much of Lapeer County. Middle-class 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. They are often found very near High Need Communities. 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. The Affluent Communities and the Favored Quarter

The cities and townships with the highest tax bases and the fewest social needs in the Detroit region are primarily located in Oakland County, in northern Macomb County, and just east of the city in the Grosse Pointe area. These cities and townships are often recently developed communities, with wealthy residential subdivisions and modern office parks, but also include older, established, wealthy suburbs. These are the areas, particularly parts of Oakland County, 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 identify the favored quarter for businesses seeking to locate in a given metropolitan area.[48] Many

[47] 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.

[48] 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.

social activists believe that these developing suburban areas have mastered the art of skimming off the cream of metropolitan growth in terms of expensive housing and valuable commercial properties, while accepting as few metropolitan responsibilities as possible. 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 exclusive 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 communities and the central city.

IV. Demographic Findings [49]

Here we present the data that were used in determining the above subregion categories as well as a number of other types of data to help illustrate what is happening socioeconomically across the region.

A. 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.[50] Most social scientists do not think this is a measure of poverty, but of desperate poverty.[51]

In 1990, 23.4 percent of the Detroit region's children under five years old lived in poverty (Figure 4). Over half the children under five years old in the city of Detroit lived in poverty in 1990 (52.7 percent) and in the High Need Communities the rate was 26.5 percent. The Middle-class Communities averaged 8.5 percent, while the Affluent Communities had a very low average rate of childhood poverty (2.9 percent).

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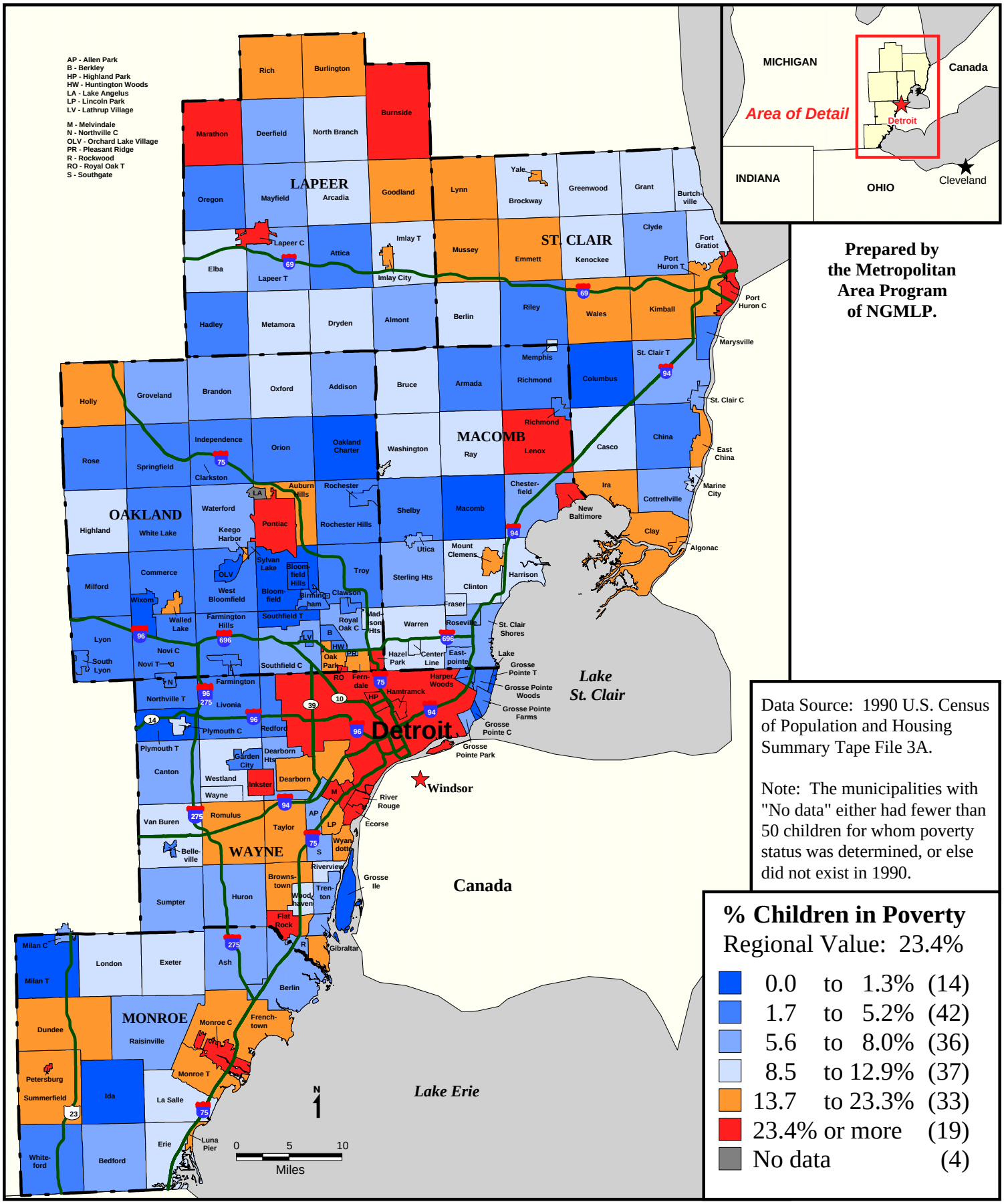
[49] The maps presented in this section were created using geographic information system (GIS) software. This software attaches data stored in a separate database to a geographic base map. The data source for each map is noted on the map. The break points for the data were determined using a method of natural breaks. With this method the program splits the data 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. All of the data in this section are from the 1980 and 1990 US Census Summary Tape File 3A unless otherwise noted.

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

[51] 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.

Figure 4: Percentage of Children Under 5 in Poverty by Municipality, 1990



Prepared by the Metropolitan Area Program of NGMLP.

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

Note: The municipalities with "No data" either had fewer than 50 children for whom poverty status was determined, or else did not exist in 1990.

% Children in Poverty

Regional Value: 23.4%

0.0	to	1.3%	(14)
1.7	to	5.2%	(42)
5.6	to	8.0%	(36)
8.5	to	12.9%	(37)
13.7	to	23.3%	(33)
23.4% or more			(19)
No data			(4)

Percent Children Under Five in Poverty, 1990

Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities
23.4	52.7	26.5	8.5	2.9

In all, there were twenty-five suburbs and satellite cities with more than 20 percent of their children in poverty, including six with more than 40 percent. Jurisdictions with exceptionally high child poverty rates included Ecorse (50.3 percent), Pontiac (44.9 percent), and Port Huron (40.5 percent). Highland Park (60.8 percent) had a higher rate of childhood poverty than the city of Detroit. On the other hand, there were seventeen Detroit-area communities with less than 2 percent of their children under five in poverty. Some of the lowest rates were in Plymouth Township (0.8 percent), Bloomfield (0.5 percent), and Grosse Pointe (0 percent).

In terms of the change in the level of childhood poverty over the decade, children in the Detroit region as a whole grew somewhat poorer, going from 16.7 percent to 23.4 percent poor preschool children, a 6.7 percentage point increase (Figure 5). During this period, the rate of childhood poverty in the city of Detroit increased by 18.1 percentage points, from 34.6 to 52.7 percent. The High Need Communities increased by 9.1 percentage points, from 17.4 to 26.5 percent. The Middle-class Communities increased by 1.8 percentage points (from 6.7 to 8.5 percent). The Affluent Communities, on the other hand, which had very few poor children to begin with in 1980, declined in this figure, going from 3.4 to 2.9 percent (-0.5 percent).

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

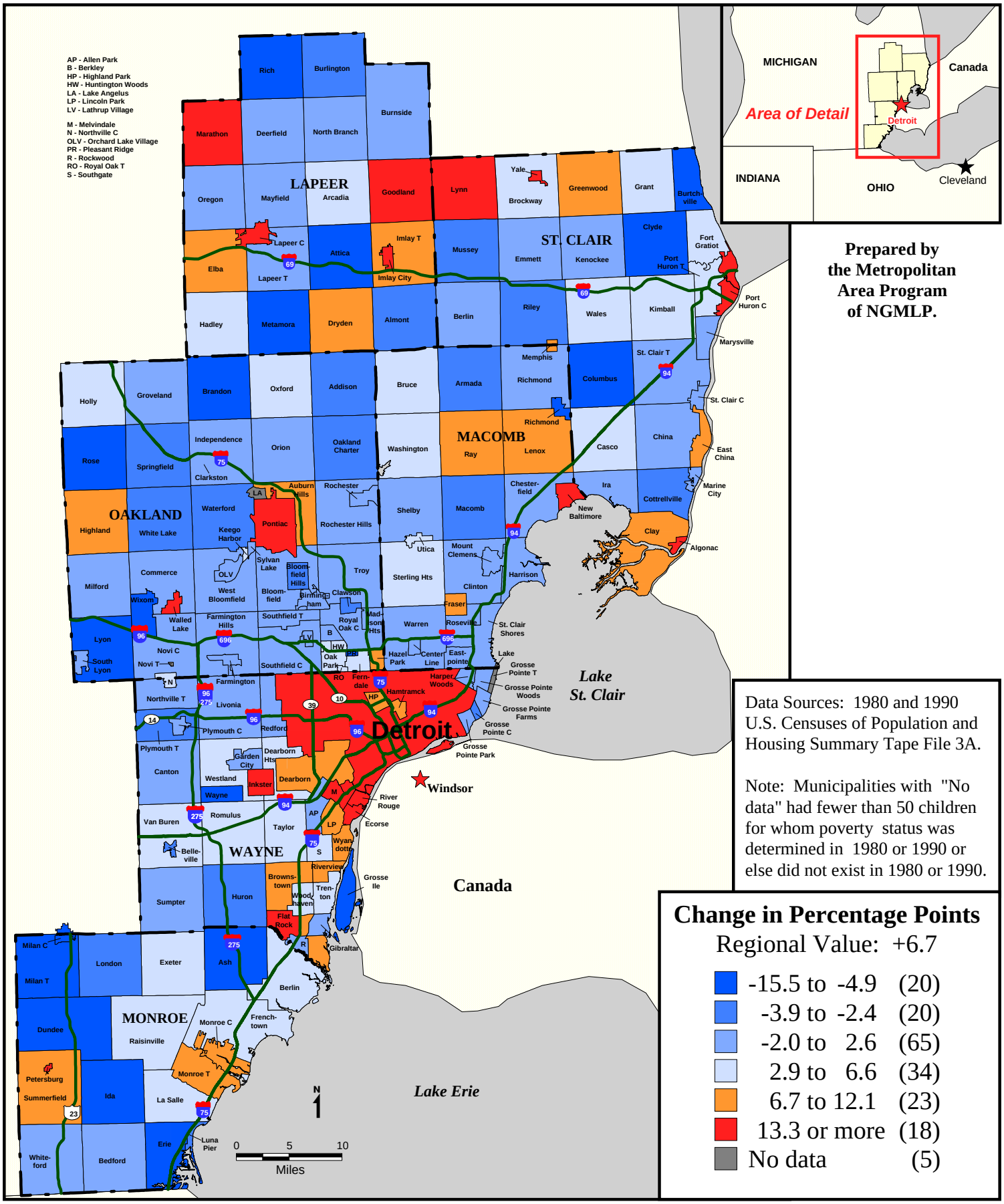
Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities
+6.7	+18.1	+9.1	+1.8	-0.5

As childhood poverty swept across city/suburban borders, in many communities it tended to grow more rapidly than in the central city. Indeed, three suburban and satellite cities increased at a greater rate than the central city, including River Rouge, which went from 27.1 to 50.6 percent (23.5 percentage points) and Ecorse, which went from 18.8 to 50.3 percent (31.5 percentage points). Inkster (14.9 percentage points—from 22.0 to 36.9 percent) and Pontiac (17.3 percentage points—from 27.6 to 44.9 percent) also increased considerably. On the other hand, seventeen jurisdictions experienced a decrease in childhood poverty of more than 5 percentage points, including the well-to-do suburbs of Grosse Ile, which went from 8.3 to 1.0 percent children under five in poverty (-7.3 percentage points), and Ida, which went from 6.8 to 0 percent (-6.8 percentage points).

B. 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

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



Prepared by the Metropolitan Area Program of NGMLP.

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

Note: Municipalities with "No data" had fewer than 50 children for whom poverty status was determined in 1980 or 1990 or else did not exist in 1980 or 1990.

Change in Percentage Points

Regional Value: +6.7

-15.5 to -4.9	(20)
-3.9 to -2.4	(20)
-2.0 to 2.6	(65)
2.9 to 6.6	(34)
6.7 to 12.1	(23)
13.3 or more	(18)
No data	(5)

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 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.[52] 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 Detroit region, single mothers headed 25.1 percent of all households with children in 1990 (Figure 6). In 1990, over half of all households with children in the city of Detroit (55.7 percent) were headed by single mothers. In the High Need Communities, 28 percent of the households were headed by single mothers. The Middle-class Communities were at 13.4 percent. The Affluent Communities had relatively few female-headed households at 7.9 percent.

Percent Female-headed Households, 1990

Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities
25.1	55.7	28.0	13.4	7.9

In 1990, besides Detroit, there were eighteen jurisdictions with more than a quarter of their households with children headed by single mothers. The cities with the largest percentage of single-mother households were most often inner suburbs of Detroit and satellite cities. These included, Monroe (27.4 percent), Port Huron (35.7 percent), Pontiac (45.2 percent), and River Rouge (49.7 percent). Highland Park had a greater percentage of female-headed households than Detroit (68.1 percent). On the other hand, there were fourteen communities with fewer than 5 percent female-headed households—all but one were Affluent Suburbs. These included Lyon (4.9 percent), Oakland (2.7 percent), and Ray (1.5 percent).

Over the decade, the Detroit region increased in percentage female-headed households by 4.6 percentage points, going from 20.5 to 25.1 percent (Figure 7). During this period, the city of Detroit increased in percentage female-headed households by 13.9 percentage points (from 41.8 to 55.7 percent). The High Need Communities increased by 6.0 percentage points (from 22.0 to 28.0 percent). The Middle-class Communities increased by 1.8 percentage points (from 11.6 to 13.4 percent), while the Affluent Communities remained relatively stagnant.

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

Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities
+4.6	+13.9	+6.0	+1.8	+0.2

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

Figure 6: Female-Headed Households with Children as a Percentage of Total Households with Children by Municipality, 1990

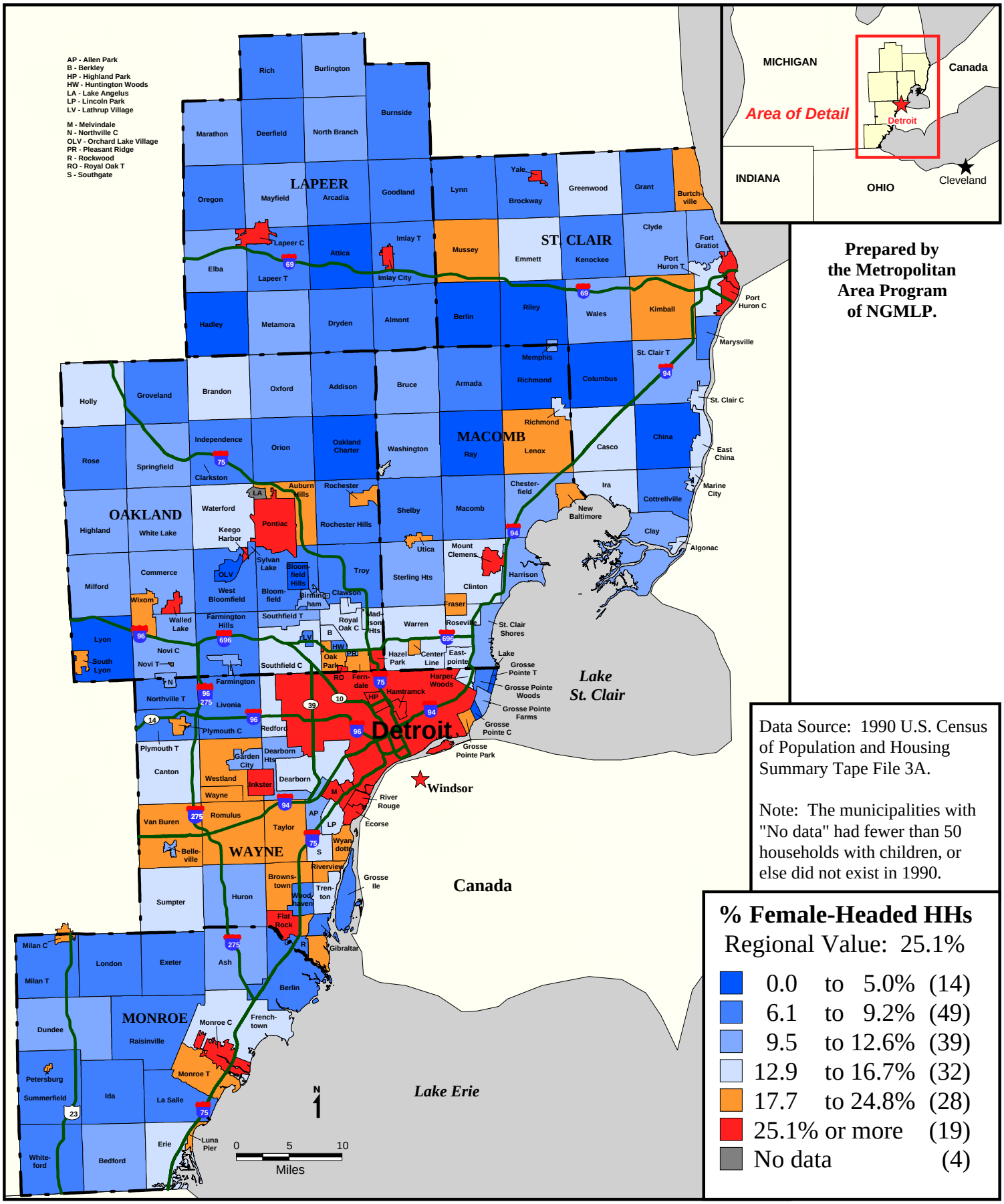
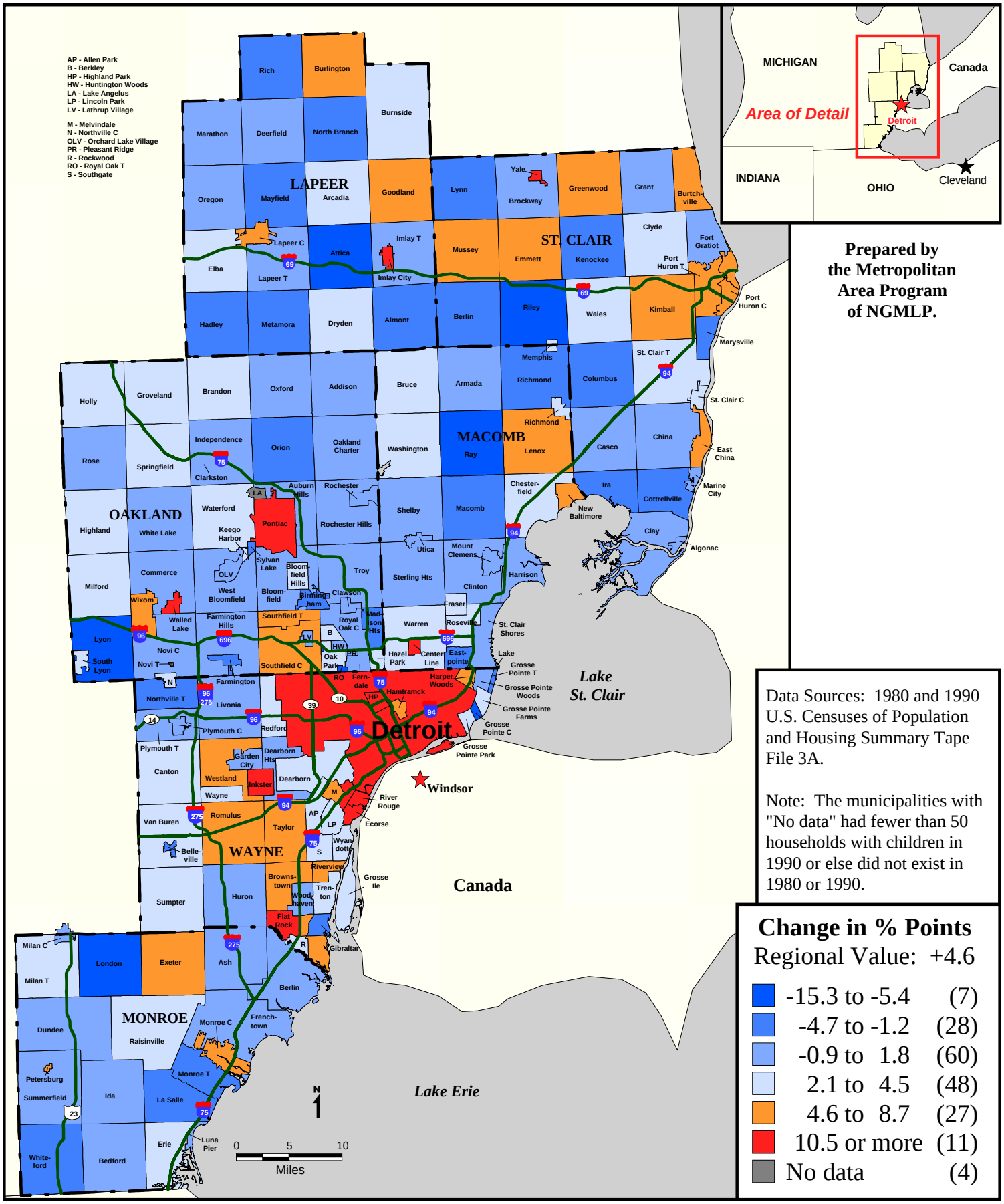


Figure 7: Change in Percentage Points - Female-Headed Households with Children as a Percentage of Total Households with Children by Municipality, 1980-1990



Prepared by the Metropolitan Area Program of NGMLP.

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

Note: The municipalities with "No data" had fewer than 50 households with children in 1990 or else did not exist in 1980 or 1990.

Change in % Points

Regional Value: +4.6

-15.3 to -5.4	(7)
-4.7 to -1.2	(28)
-0.9 to 1.8	(60)
2.1 to 4.5	(48)
4.6 to 8.7	(27)
10.5 or more	(11)
No data	(4)

Besides Detroit, ten communities increased in female-headed households by more than 10 percentage points. The most rapidly increasing communities were primarily inner Detroit suburbs and included Inkster, which went from 31.9 to 42.6 percent (10.7 percentage points), and Ecorse, which went from 31.2 to 44.0 percent (12.8 percentage points). Imlay City and River Rouge increased in female-headed households at a faster rate than Detroit. The former by 14.3 percent (from 13.0 to 27.3 percent) and the latter by 19.1 percent (from 30.6 to 49.7 percent). 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 Riley, which went from 8.6 to 3.2 percent (-5.4 percentage points) and Ray, which went from 9.6 to 1.5 percent (-8.1 percentage points).

C. Median Household Income

In 1989 the regional median household income in the Detroit area was $34,270 (Figure 8). The city of Detroit's median household income was only $18,742, or about 55 percent of the regional median. The median household income in the High Need Communities was $28,156, or about 82.2 percent of the regional value. Both the Middle-class Communities and the Affluent Communities had median household incomes above the regional average. The former was at $38,405 (112.1 percent of the regional value), while the latter was at $55,251 (161.2 percent of the regional value).

Median Household Income, 1989

	Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities
Value	**$34,270**	**$18,742**	**$28,156**	**$38,405**	**$55,251**
% of Reg Value	**100**	**54.7**	**82.2**	**112.1**	**161.2**

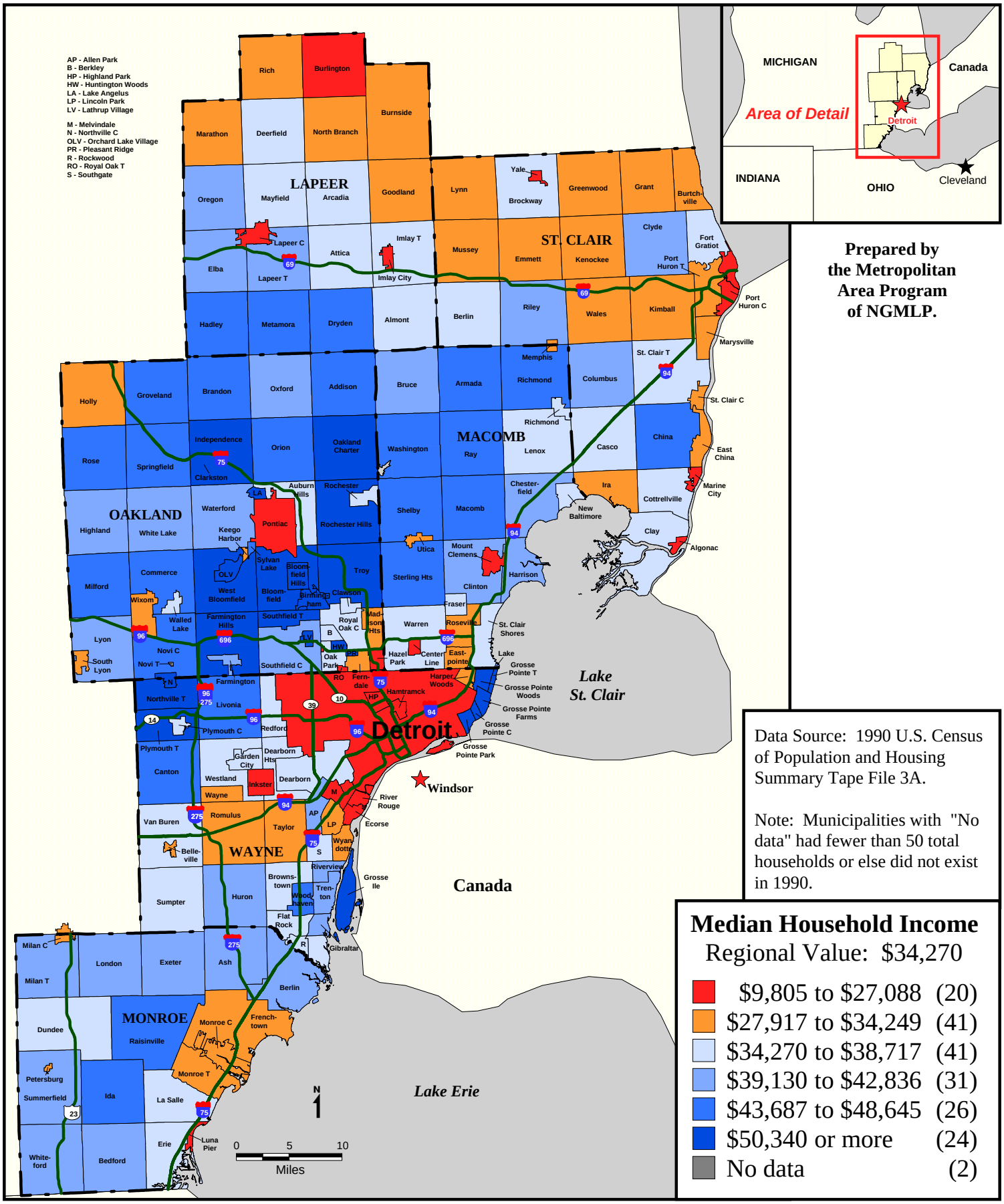
Despite Detroit's very low median household income, there were four communities with even lower median household incomes in 1990. These included River Rouge ($17,500) and Royal Oak Township ($16,532). Also very low were Mount Clemens ($25,716), Pontiac ($21,962), and Port Huron ($21,522). On the other hand, there were twelve communities with median incomes above $60,000. Three of these were above $100,000, all were Affluent Communities, and most were located in Oakland County. Some of the communities with the highest median household incomes in the region were Oakland ($63,881), Bloomfield ($84,441), Orchard Lake Village ($106,234), and Bloomfield Hills ($150,001).

Over the decade, the regional median household income, adjusted for inflation, decreased by 5.1 percent—from about $36,100 in 1979 to $34,270 in 1989 (Figure 9). Adjusted for inflation, Detroit's median household income decreased by 21.5 percent (from $23,880 to $18,742). The High Need Communities decreased by 12.1 percent (from $32,025 to $28,156) and the Middle-class Communities decreased by 6.3 percent (from $40,997 to $38,405). The Affluent Communities, on the other hand, increased in this figure by 2.6 percent (from $53,843 to $55,251).

Percent Change Median Household Income, 1979-1989

Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities

Figure 8: Median Household Income by Municipality, 1989



Prepared by the Metropolitan Area Program of NGMLP.

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

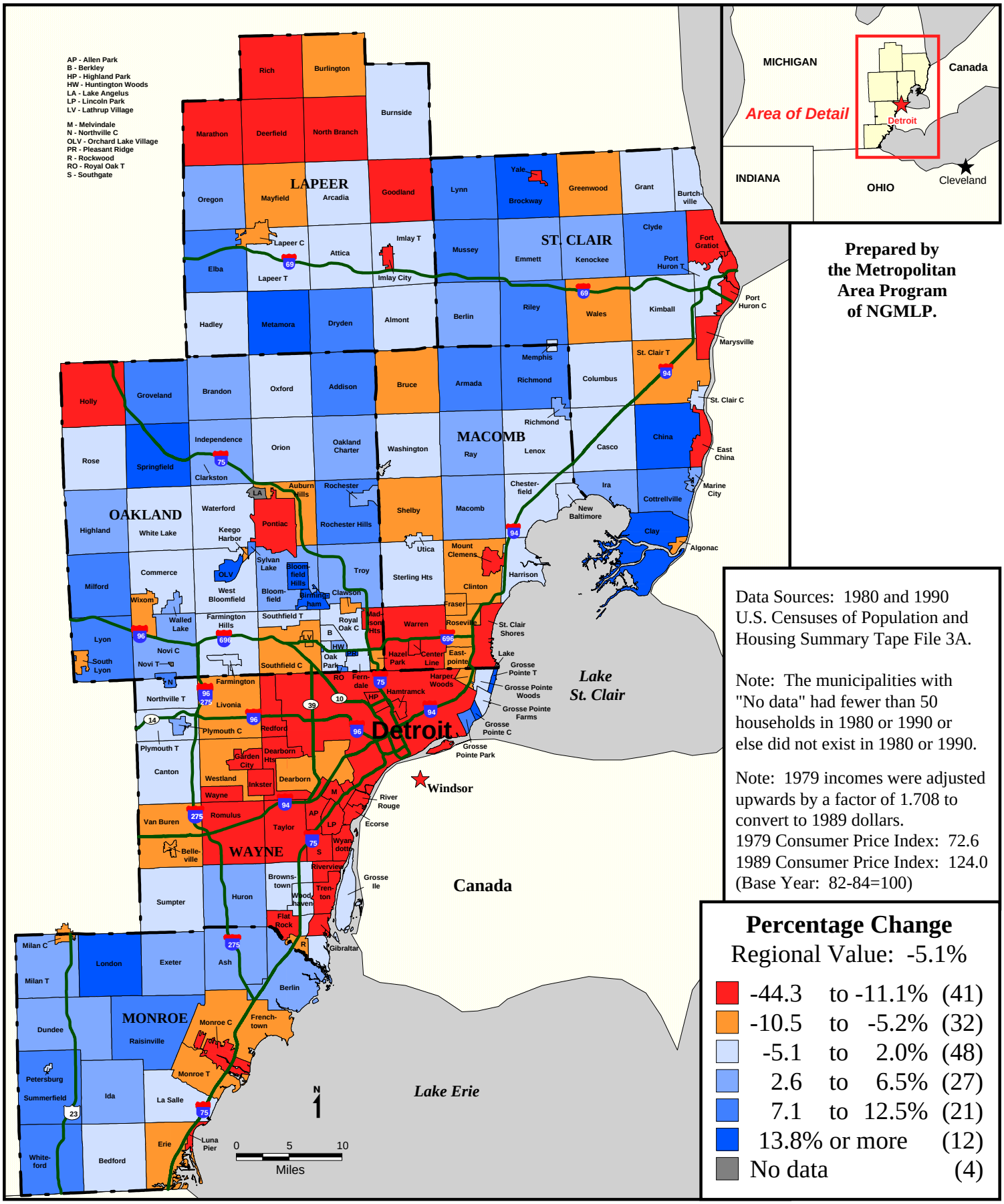
Note: Municipalities with "No data" had fewer than 50 total households or else did not exist in 1990.

Median Household Income

Regional Value: $34,270

$9,805 to $27,088	(20)
$27,917 to $34,249	(41)
$34,270 to $38,717	(41)
$39,130 to $42,836	(31)
$43,687 to $48,645	(26)
$50,340 or more	(24)
No data	(2)

Figure 9: Percentage Change in Median Household Income by Municipality, 1979-1989 (Adjusted for CPI)



-5.1	**-21.5**	**-12.1**	**-6.3**	**+2.6**

Five communities experienced greater decreases in median household income than Detroit. All were High Need Communities. They included the inner suburban communities of Melvindale, which went from $34,912 to $26,179 (-25.0 percent); River Rouge, which went from $24,325 to $17,500 (-28.1 percent); and Center Line, which went from $32,695 to $22,758 (-30.4 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 Grosse Pointe Township, which went from $99,605 to $118,090 (18.6 percent); Bloomfield Hills, which went from $116,757 to $150,001 (28.5 percent); and Orchard Lake Village, which went from $72,727 to $106,234 (46.1 percent).

D. Schools

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 among a community's schoolchildren is a prophecy for the community. First, the community'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 schools, and frequently depart in search of better educational opportunities for their children.

The results can be clearly seen in and around places where there is dramatic flight from the schools. The central city and the High Need Communities of the Detroit region struggle under a disproportionate share of concentrated poverty and segregation. These schools, developing without sufficient property tax base, face increasing social and academic challenges, often with the lowest per-pupil spending in the region. On the other hand, affluent suburban systems enjoy insulated, stable prosperity financed by local business growth.[53]

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.[54] Fast-track, well-funded schools with 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.[55] Monolithically poor central city or inner-

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53 This section looks at social indicators for the school districts of the Detroit region. Later in this report, in the Fiscal Disparities section, we will look closer at disparities in per pupil spending across the region.

54 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."

55 Ibid.

suburban schools with a large number of students in poverty are streams moving toward failure, with currents that reinforce anti-social behavior, drifting, teenage pregnancy, and dropping out.[56]

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 lunch if their families' income level 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 Detroit region eligible for free or reduced-cost meals in 1996 was 39.2 percent (Figure 10).[57] This figure ranged from 86.7 percent in the Highland Park Heights School District (an independent community in the middle of Detroit) to 1.8 percent in the Northville School District (located in northwest Wayne County). In the Detroit School District, 75.6 percent of the students were eligible for the reduced-meals program. Other districts with very high percentages of students eligible for free and reduced-cost lunch were Ecorse School District (63.5 percent), Westwood School District (67.3 percent), and Pontiac School District (73.0 percent). Besides Northville, other districts where student poverty was hardly a concern included Bloomfield Hills School District (2.4 percent), Novi School District (2.2 percent), and Grosse Ile School District (2.1 percent). Most of the districts with the smallest percentage of students eligible for the program were located in Oakland County.

When the Detroit School District is examined more closely, we find that of the 160 elementary schools in the city that reported free and reduced-cost lunch data in 1996, only seven had a minority of students eligible for the program (Figure 11). The schools with the smallest percentage of eligible students were Detroit Open School (30.3 percent) in the northwestern corner of the city, Marquette Elementary (30.1 percent) on the eastern edge of the city, and Bates Academy (20.5 percent) just off Highway 10 in northwestern Detroit. More than half the elementary schools (90 schools) had more than 75 percent eligible students, and in seven Detroit elementary schools, more than 95 percent of the students were eligible.

2. Non-Asian Minority Students

As poverty concentrates, so does the segregation of students in the region's schools. In 1995, the Detroit region as a whole had 32.4 percent non-Asian minority elementary students in its schools (Figure 12).[58] The Detroit School District had 92.9 percent non-Asian minority

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

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

[58] Racial data and total enrollment figures were provided by the Michigan Department of Education.

Figure 10: Percentage of Elementary Students Eligible for Free and Reduced Meals by School District, 1996

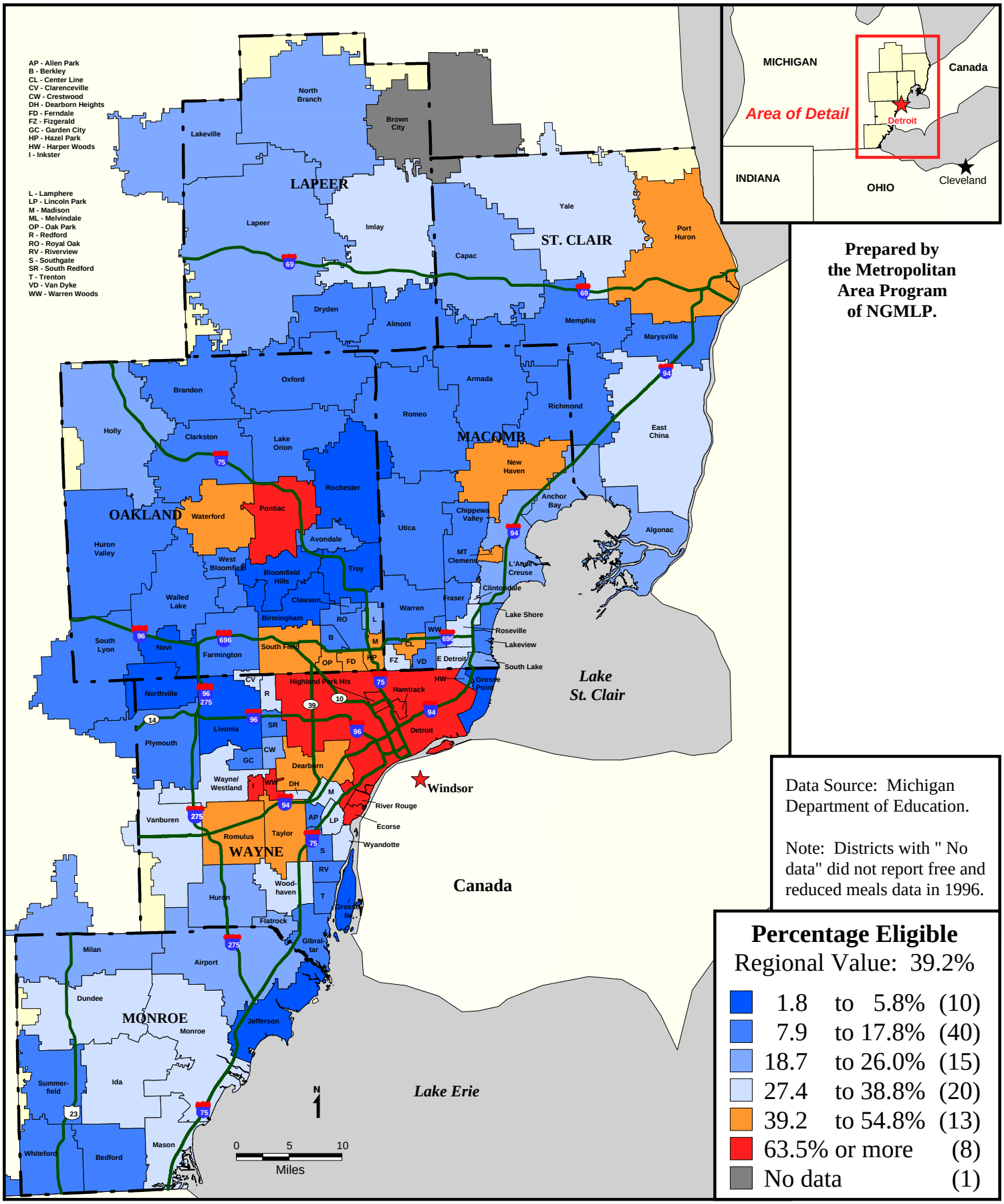
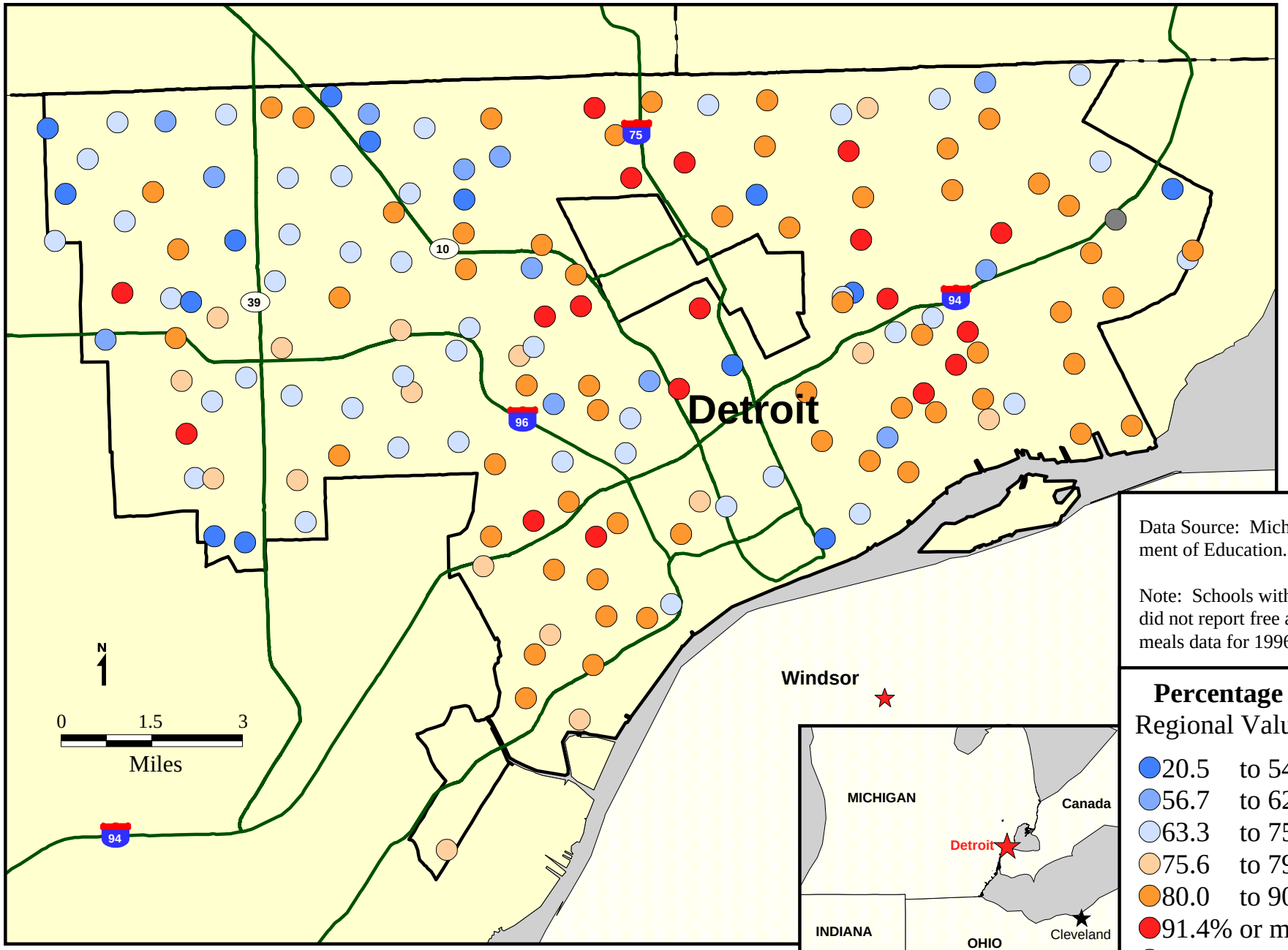


Figure 11: Percentage Students Eligible for Free and Reduced Meals by Elementary School, 1996



Data Source: Michigan Department of Education.

Note: Schools with "No data" did not report free and reduced meals data for 1996.

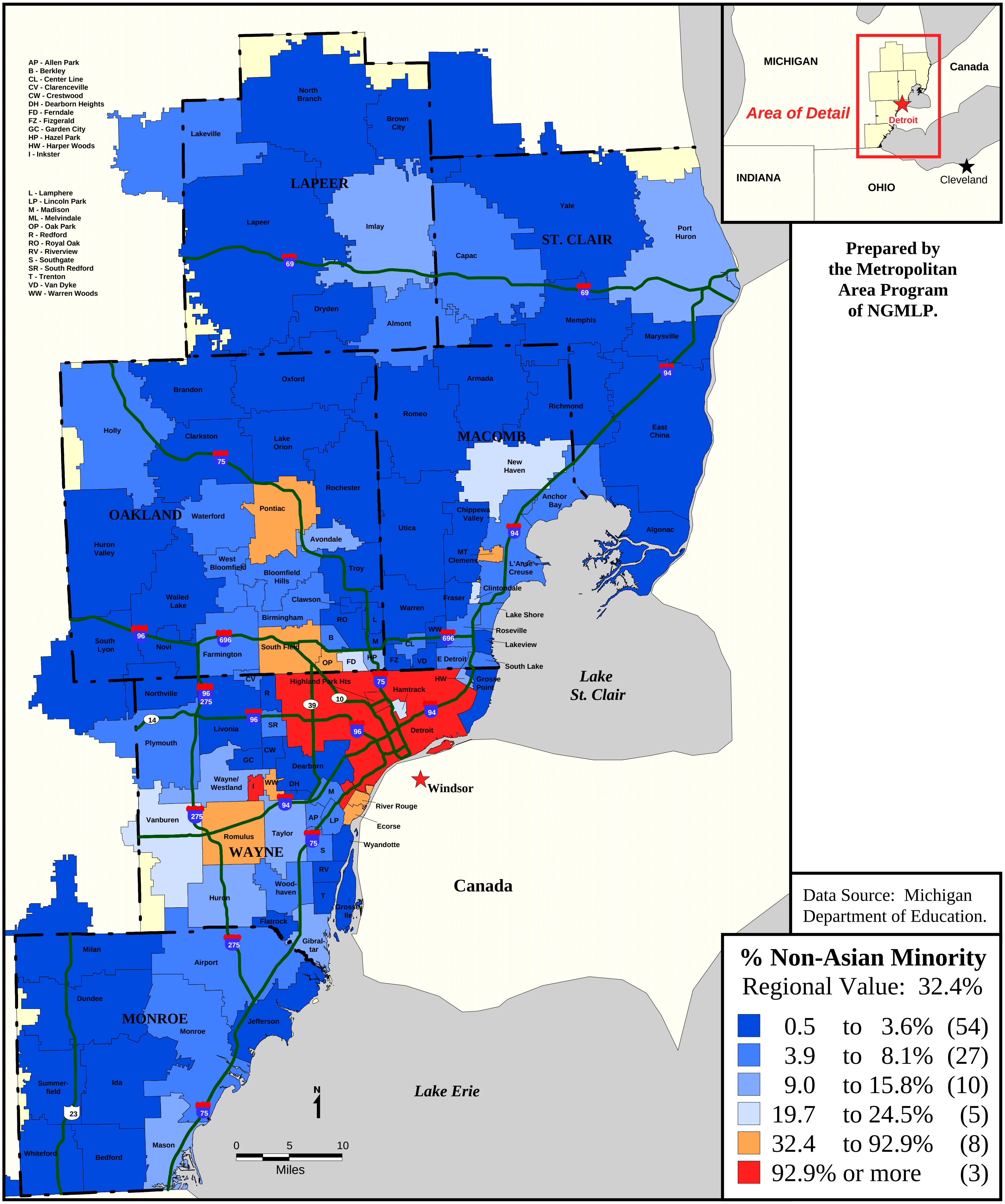
Percentage Eligible

Regional Value: 75.6%

20.5	to 54.1%	(14)
56.7	to 62.1%	(12)
63.3	to 75.5%	(43)
75.6	to 79.2%	(16)
80.0	to 90.3%	(57)
91.4% or more		(18)
No data		(1)

Prepared by the Metropolitan Area Program of NGMLP.

Figure 12: Percentage Non-Asian Minority Elementary Students by School District, 1995



Prepared by the Metropolitan Area Program of NGMLP.

Data Source: Michigan Department of Education.

% Non-Asian Minority
Regional Value: 32.4%

0.5	to 3.6%	(54)
3.9	to 8.1%	(27)
9.0	to 15.8%	(10)
19.7	to 24.5%	(5)
32.4	to 92.9%	(8)
92.9% or more		(3)

elementary students. Two school districts had larger percentages of non-Asian minority elementary students than the central city's school district: Inkster School District (97.4 percent) and Highland Park Heights (100 percent). Other districts with high percentages of minority students included Southfield School District (62.4 percent) and Pontiac School District (67.1 percent). Of the 107 districts in the region, eighty-four had less than 10 percent non-Asian minority students. Twenty-two districts had less than 2 percent minority students, including Northville School District (1.3 percent), Grosse Ile School District (1.2 percent), and the northern Macomb County districts of Richmond (1.1 percent) and Armada (1.0 percent).

As a whole, the percentage of non-Asian minority elementary students in the region increased by 4.1 percentage points between 1991 and 1995—from 28.3 to 32.4 percent (Figure 13). The city of Detroit increased in non-Asian minority students by 3.4 percentage points during this period, going from 89.5 to 92.9 percent. There were fifteen school districts that increased in percentage non-Asian minority students at a faster rate than Detroit. These included Southfield (8.0 percentage points—from 54.4 to 62.4 percent), Romulus (9.9 percentage points—from 29.8 to 39.7 percent), and River Rouge (28.9 percentage points—from 15.6 to 44.5 percent). On the other hand, eighteen school districts actually decreased in percentage non-Asian minority elementary students, including the already low Yale (-1.3 percentage points—from 2.2 to 0.9 percent), Dundee (-2.0 percentage points—from 3.2 to 1.2 percent), and South Lyon (-0.2 percentage points—from 1.7 to 1.5 percent).

In 1995, non-Asian minority children were a majority of the student body in all but five of Detroit's 161 elementary schools (Figure 14). Of the city's 161 elementary schools, 127 had more than 90 percent non-Asian minority students and more than half of the schools (84 schools) were at least 99 percent minority. The schools with the lowest percent minority students were Carver Elementary in southwest Detroit (27.8 percent) and Higgins Elementary in southern Detroit (26.4 percent).

3. The Flight of White Preschool Children

The best available method to track white, school-related flight is to calculate the net loss of white preschool children between census periods.[59] 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 Detroit region saw a decrease in number of white children of 7.9 percent, going from 225,956 white children between 0 and 4 in 1980 to 208,202 white children between 10 and 14 in 1990 (Figure 15). The city of Detroit lost white children during this period

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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.

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

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

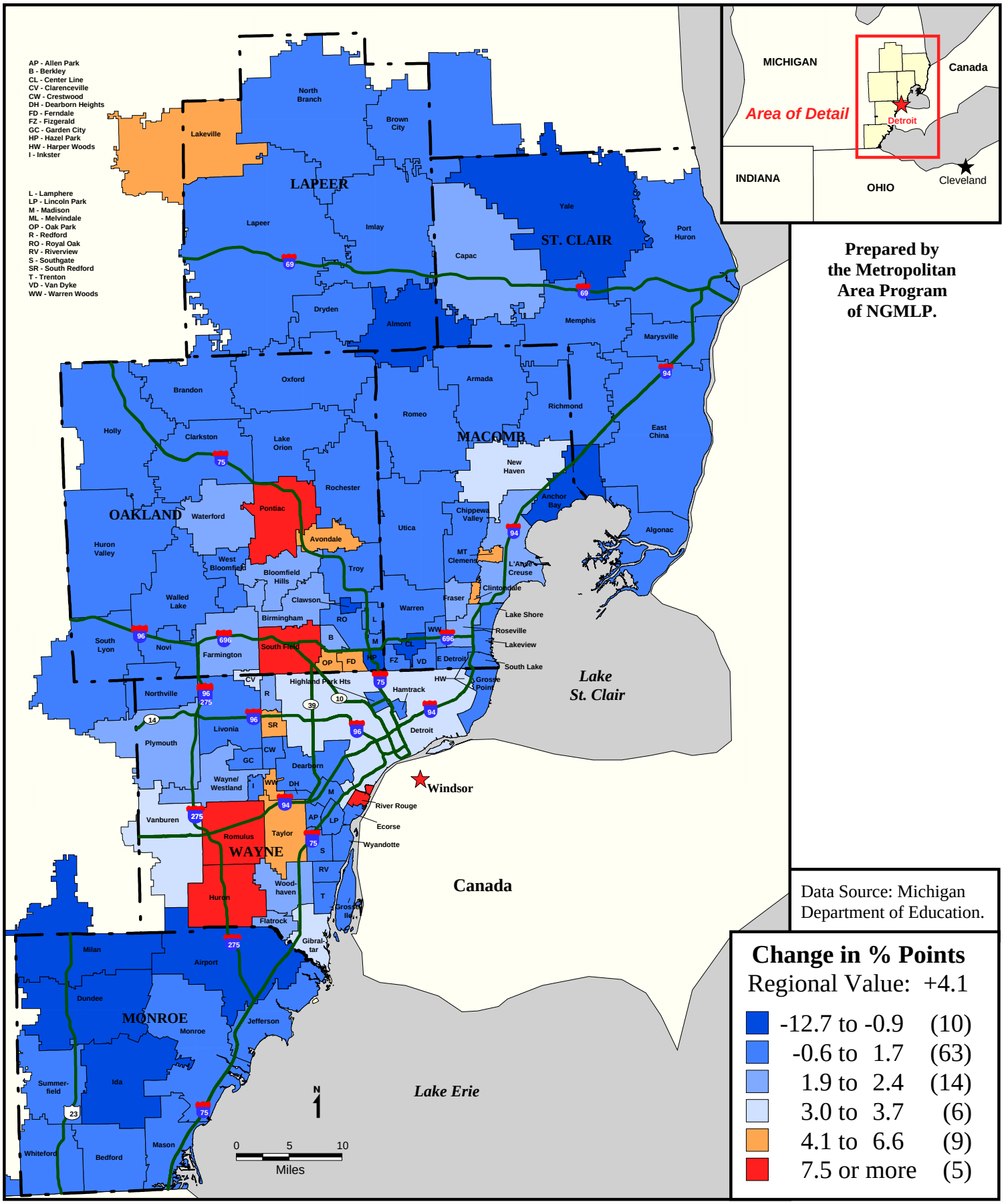
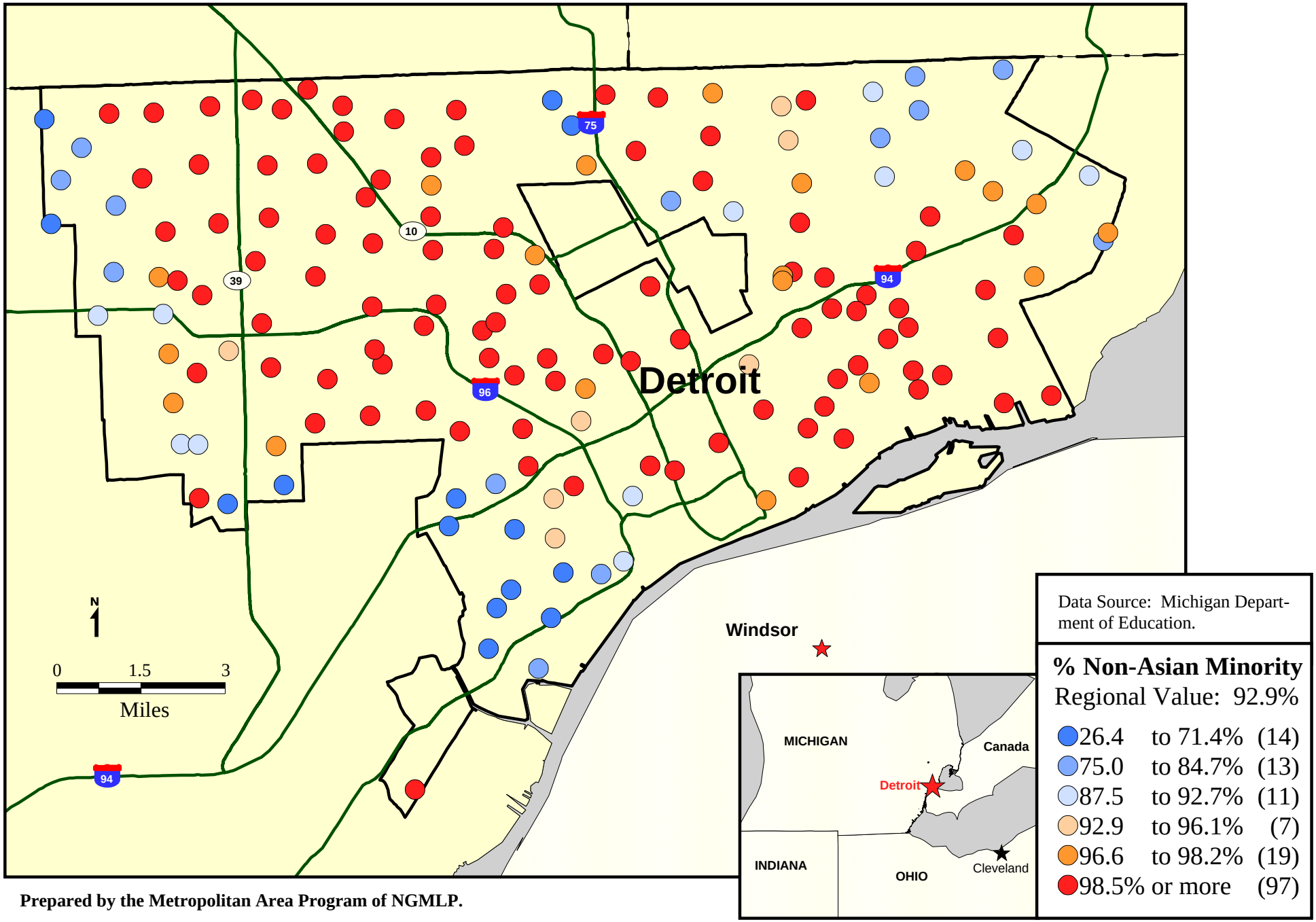
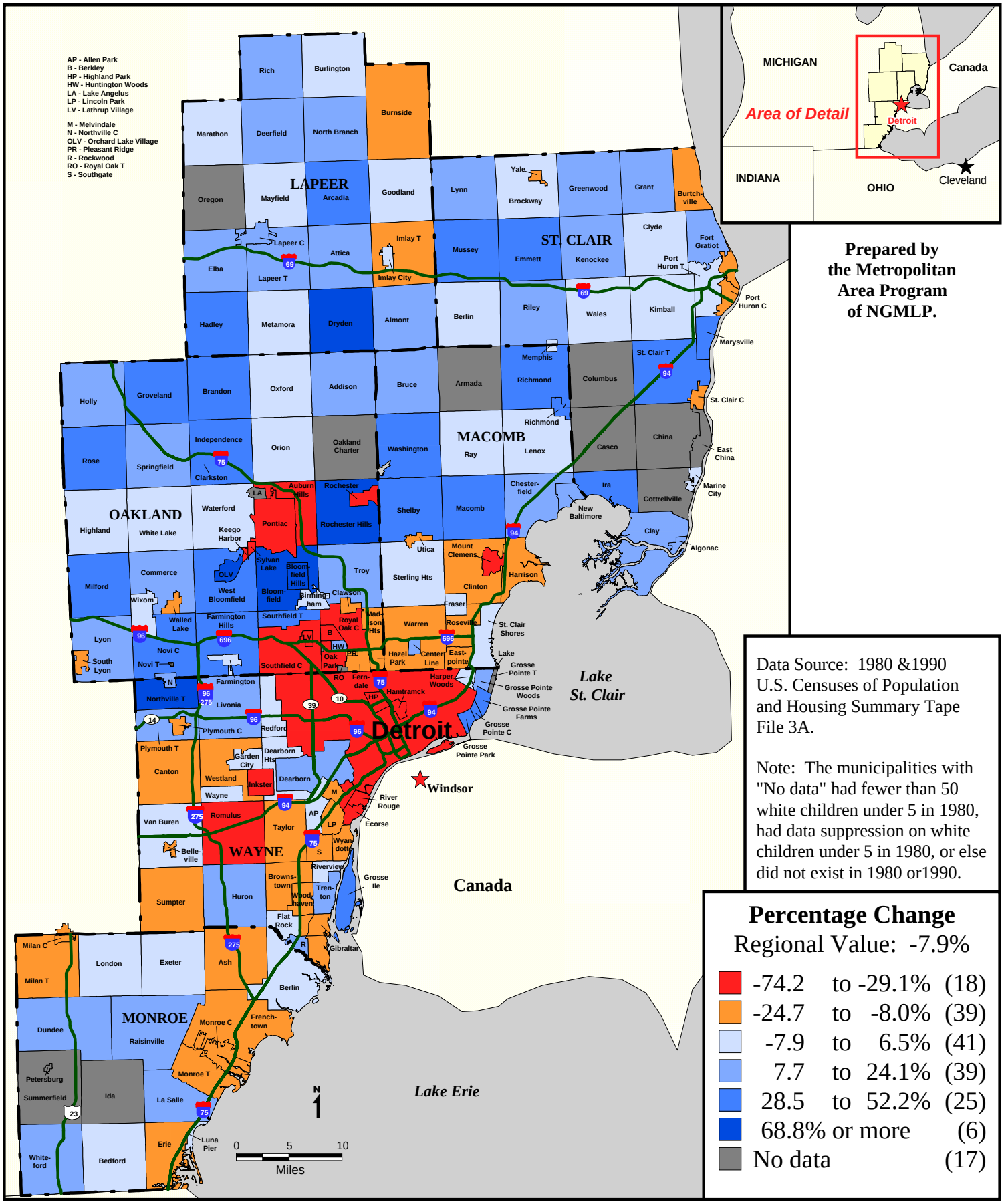


Figure 14: Percentage Non-Asian Minority Students by Elementary School, 1995



Prepared by the Metropolitan Area Program of NGMLP.

Figure 15: Percentage Change from White Children 0-4 in 1980 to 10-14 in 1990 by Municipality



Prepared by the Metropolitan Area Program of NGMLP.

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

Note: The municipalities with "No data" had fewer than 50 white children under 5 in 1980, had data suppression on white children under 5 in 1980, or else did not exist in 1980 or1990.

Percentage Change

Regional Value: -7.9%

-74.2	to -29.1%	(18)
-24.7	to -8.0%	(39)
-7.9	to 6.5%	(41)
7.7	to 24.1%	(39)
28.5	to 52.2%	(25)
68.8% or more		(6)
No data		(17)

at the rate of 57.8 percent (from 25,004 white preschool children in 1980 to 10,564 white children ages 10 to 14 in 1990). The High Need Communities lost white children at the rate of 18.6 percent (from 50,108 white preschool children in 1980 to 40,772 white children in 1990). The Middle-class Communities saw only a slight decrease (-3.9 percent—from 105,100 to 101,051 white children). The Affluent Communities on the other hand, experienced a dramatic *increase* in white children (31.7 percent), going from 42,534 white preschool children in 1980 to 56,007 white children ages 10 to 14 ten years later.

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

Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities
-7.9	-57.8	-18.6	-3.9	+31.7

Twenty-five communities—primarily High Need and Middle-class places just north and southwest of the city—lost more then 20 percent of their 1980 white children. Cities that lost a large percentage of white children include, Royal Oak, which lost 29.8 percent of its white children (from 4,205 in 1980 to 2,952 in 1990); Auburn Hills, which lost 35.0 percent (from 1,072 to 697); and Pontiac, which lost 44.3 percent (from 3,944 to 2,198).

To where did all of these white children and their families move? It appears many moved to the growing Affluent Communities surrounding Pontiac in Oakland County. For example, Rochester Hills went from 2,641 white children between 0 and 4 in 1980 to 4,508 white children between 10 and 14 in 1990 (70.7 percent increase); Bloomfield went from 1,414 white preschool children in 1980 to 2,448 white children ages 10 to 14 in 1990 (73.1 percent). Northville Township in northwest Wayne County more than doubled its number of white children over the decade. That community increased in white children by 108.5 percent (from 507 white preschool children in 1980 to 1,057 white children in 1990).

It is important to note that not all of the growth that occurred in Oakland County communities during this period was due to people leaving the city of Detroit and its inner suburbs. Growth in developing communities is due to a combination of people relocating from other parts of the region—including Detroit and its inner suburbs; people migrating from outside of the region—from other parts of Michigan, from other states, or from other countries; 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. 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 the region's core. Likewise, not all of those who leave the central city and high need communities move to the affluent communities—to where those families move when they leave the region's core is not as important as the fact that they are leaving the core at all.

E. Crime

In 1996, the overall Part I crime rate for the six-county region (excluding fourteen jurisdictions for which data were not available in 1996) was 5,596.2 crimes per 100,000 persons

(Figure 16).[60] There were 784.9 violent crimes per 100,000 persons across the region in 1996. The crime rate in the city of Detroit in that year was 12,294.7 Part I crimes and 2,342.0 violent crimes per 100,000 residents. Four other communities, however, had Part I per capita crime rates above 10,000 and four had violent crime rates above 1,000. These high-crime communities included River Rouge (10,129.9 Part I and 1,948.1 violent crimes per 100,000 persons), Hamtramck (11,494.0 Part I and 1,695.5 violent crimes per 100,000 persons), and Highland Park (15,246.9 Part I and 3,617.3 violent crimes per 100,000 persons). Harper Woods had a Part I rate of 11,675.0 per 100,000 persons. Southfield had a violent rate of 1,246.5 per 100,000 persons.

At the other end of the spectrum, there were eleven 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 Grosse Ile Township (1,030.1 Part I crimes per 100,000 persons), Wolverine Lake (1,026.5 Part I crimes per 100,000 persons), Grosse Pointe Shores (479.3 Part I crimes per 100,000 persons), and Lapeer County (456.4 Part I crimes per 100,000 persons).

Between 1986 and 1996, the overall regional Part I crime rate (excluding eighteen jurisdictions for which 1986 or 1996 crime data were not available) declined by 28 percent (Figure 17).[61] During this period, Detroit saw an 8.1 percent decrease in Part I crimes (from 13,373.9 to 12,294.5 crimes per 100,000 persons) and a 25.5 percent decrease in violent crimes (from 3,145.5 to 2,342.0 crimes per 100,000 persons). Part I crime rates decreased during this period in all but fourteen of the 86 police jurisdictions for which data were reported in every month of 1986 and 1996. Among those that saw increases were many High Need and Middle-class Communities such as Rockwood, which went from 2,307.7 to 3,165.6 Part I crimes per 100,000 persons (37.2 percent); Monroe County, which went from 2,147.1 to 3,189.0 Part I crimes per 100,000 persons (48.5 percent); and Luna Pier, which went from 3,260.1 to 6,455.8 Part I crimes per 100,000 persons (98.0 percent).

Jurisdictions with the greatest Part I crime rate decrease included mostly affluent, already low-crime communities. For example, Grosse Ile Township went from 2,968.4 Part I crimes per 100,000 persons in 1986 to 1,030.1 in 1996 (-65.3 percent), Huntington Woods went from 3,858.5 to 1,493.2 Part I crimes per 100,000 persons (-61.3 percent), and Wolverine Lake went from 3,215.2 to 1,026.5 Part I crimes per 100,000 persons (-68.1 percent).

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60 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.

In addition to the fourteen jurisdictions for which crime data were not available in 1996, there were 15 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: Milan (0 months), West Bloomfield Township (1 month), Wyandotte (2 months), Ecorse (4 months), Lake Angelus (6 months), Erie Township (8 months), Milford-Milford Township (9 months), Clay Township (9 months), Grosse Pointe (10 months), Clarkston (10 months), Armada (11 months), New Baltimore (11 months), Hazel Park (11 months), Dearborn Heights (11 months), Memphis (11 months).

61 In addition to the eighteen jurisdictions for which crime data were not reported in 1986 or 1996 and the 15 jurisdictions listed above that did not report data every month of 1996, there were 5 jurisdictions that did not report data for every month of 1986: Royal Oak Township (8 months), Redford Township (8 months), Clinton Township (9 months), South Rockwood (9 months), New Haven (11 months). Clarkston was not incorporated in 1986.

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

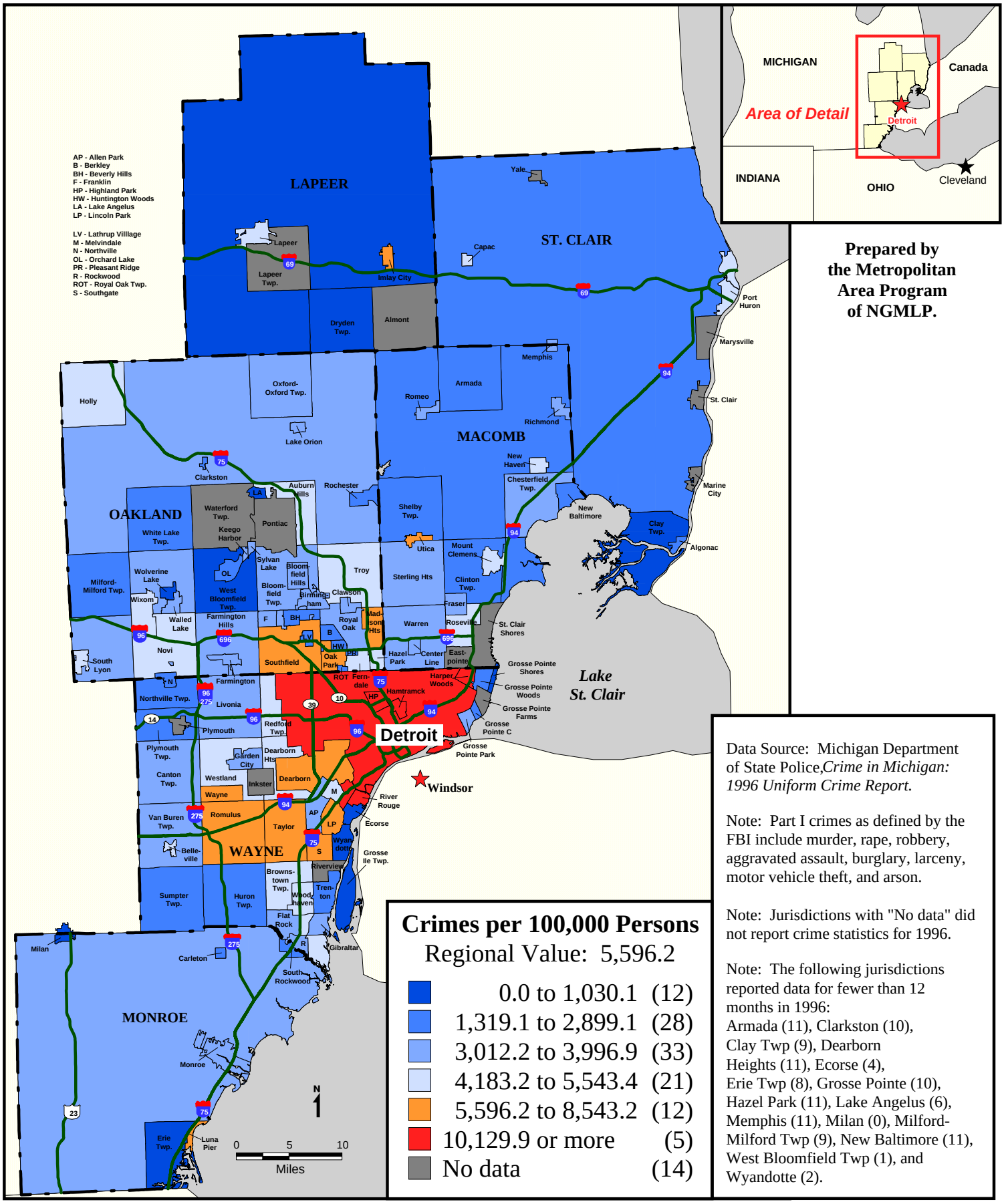
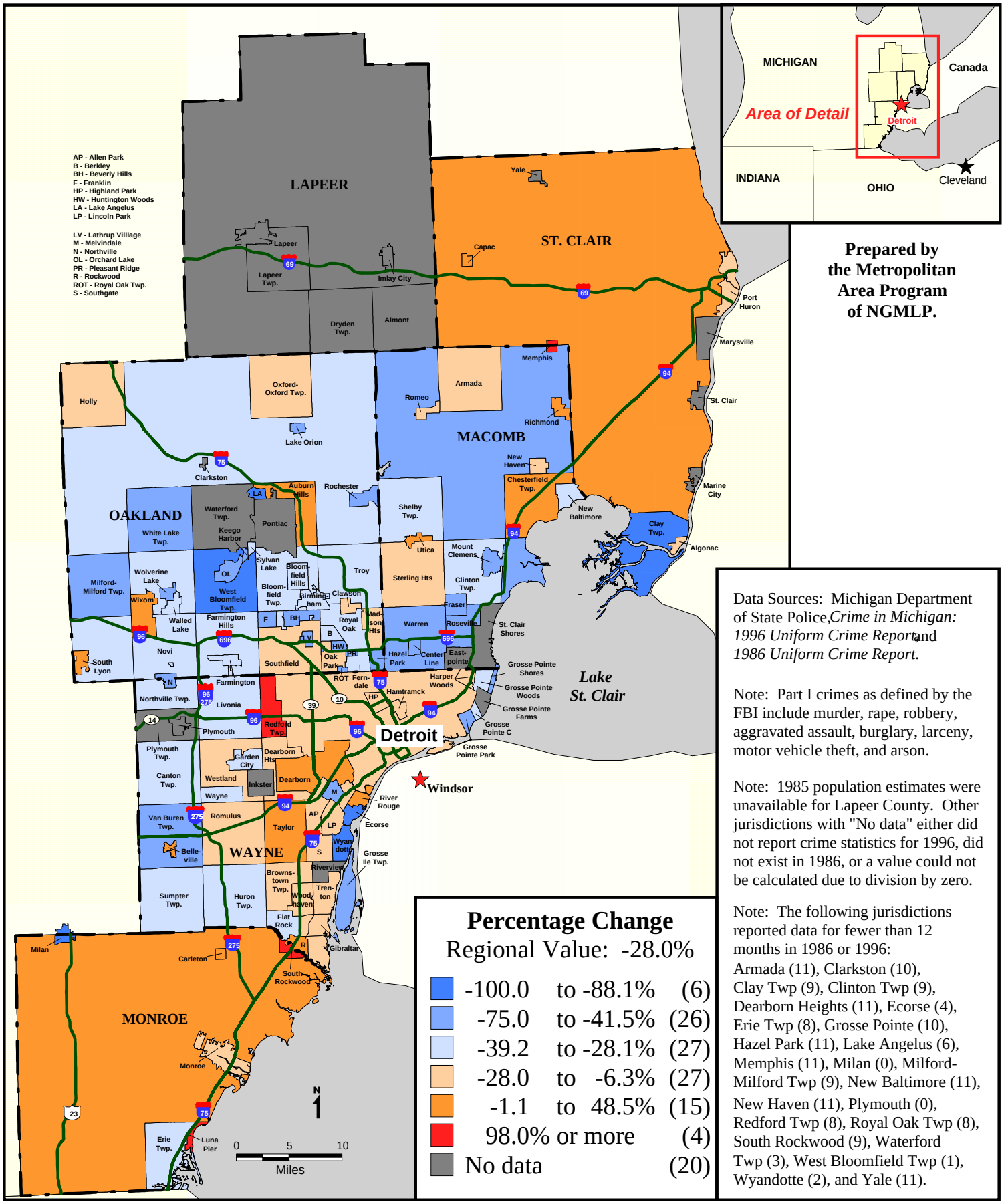


Figure 17: Percentage Change in Part I Crimes per Capita by Police Jurisdiction, 1986-1996



Data Sources: Michigan Department of State Police, *Crime in Michigan: 1996 Uniform Crime Report*, and *1986 Uniform Crime Report*.

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

Note: 1985 population estimates were unavailable for Lapeer County. Other jurisdictions with "No data" either did not report crime statistics for 1996, did not exist in 1986, or a value could not be calculated due to division by zero.

Note: The following jurisdictions reported data for fewer than 12 months in 1986 or 1996: Armada (11), Clarkston (10), Clay Twp (9), Clinton Twp (9), Dearborn Heights (11), Ecorse (4), Erie Twp (8), Grosse Pointe (10), Hazel Park (11), Lake Angelus (6), Memphis (11), Milan (0), Milford-Milford Twp (9), New Baltimore (11), New Haven (11), Plymouth (0), Redford Twp (8), Royal Oak Twp (8), South Rockwood (9), Waterford Twp (3), West Bloomfield Twp (1), Wyandotte (2), and Yale (11).

Within the city of Detroit, Part I and violent crime rates in 1996 were highest in Precincts 1 and 4 (Figures 18 and 19).[62] In Precinct 1 the Part I rate was 65,899.1 per 100,000 persons and the violent rate was 11,189.3 per 100,000 persons. In Precinct 4 the Part I rate was 25,383.9 per 100,000 persons and the violent rate was 6,302.7 per 100.000 persons. On the other hand, the lowest crime rates in Detroit were in Precincts 2, 3, 6, and 10. All four of these precincts had lower Part I crime rates than the cities of Highland Park, Harper Woods, and Hamtramck. Indeed, the Part I crime rate in Precinct 3 (6,552.6 Part I crimes per 100,000 persons) was lower than in ten suburban and satellite-city jurisdictions, including Madison Heights (6,556.2 Part I crimes per 100,000 persons), Dearborn (8,019.9 Part I crimes per 100,000 persons), and Imlay City (8,543.2 Part I crimes per 100,000 persons).

F. Infrastructure

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, as they build new infrastructure to lure homebuilders and industries. This continual increase in highway capacity intensifies the mismatch between the location of jobs and workers, and exacerbates the overall socioeconomic polarization occurring between central and growing outer communities.[63] In many regions, homeowners who choose to buy in communities developing on the fringes of urbanized areas sometimes have very long commutes to their places of work in the city or in other growing suburbs, increasing the strain on the transportation system.

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.[64] Cervero suggests fair housing, including barrier removal, as one of the most important ways to reduce freeway congestion.[65] Although the effectiveness of jobs-housing balance in reducing freeway congestion has been hotly debated in recent years, a 1996 study by Cervero found that during the 1980's, in the absence of regional

62 City of Detroit crime figures from the Detroit Police Department.

63 Yale Rabin, "Highways as a Barrier to Equal Access," *Annals of the American Academy of Political Science* (1974). See generally Metropolitan Planning Council of Chicago, "Trouble in the Core."

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

65 Ibid.

Figure 18: Part I Crimes per 100,000 Population by Precinct, 1996

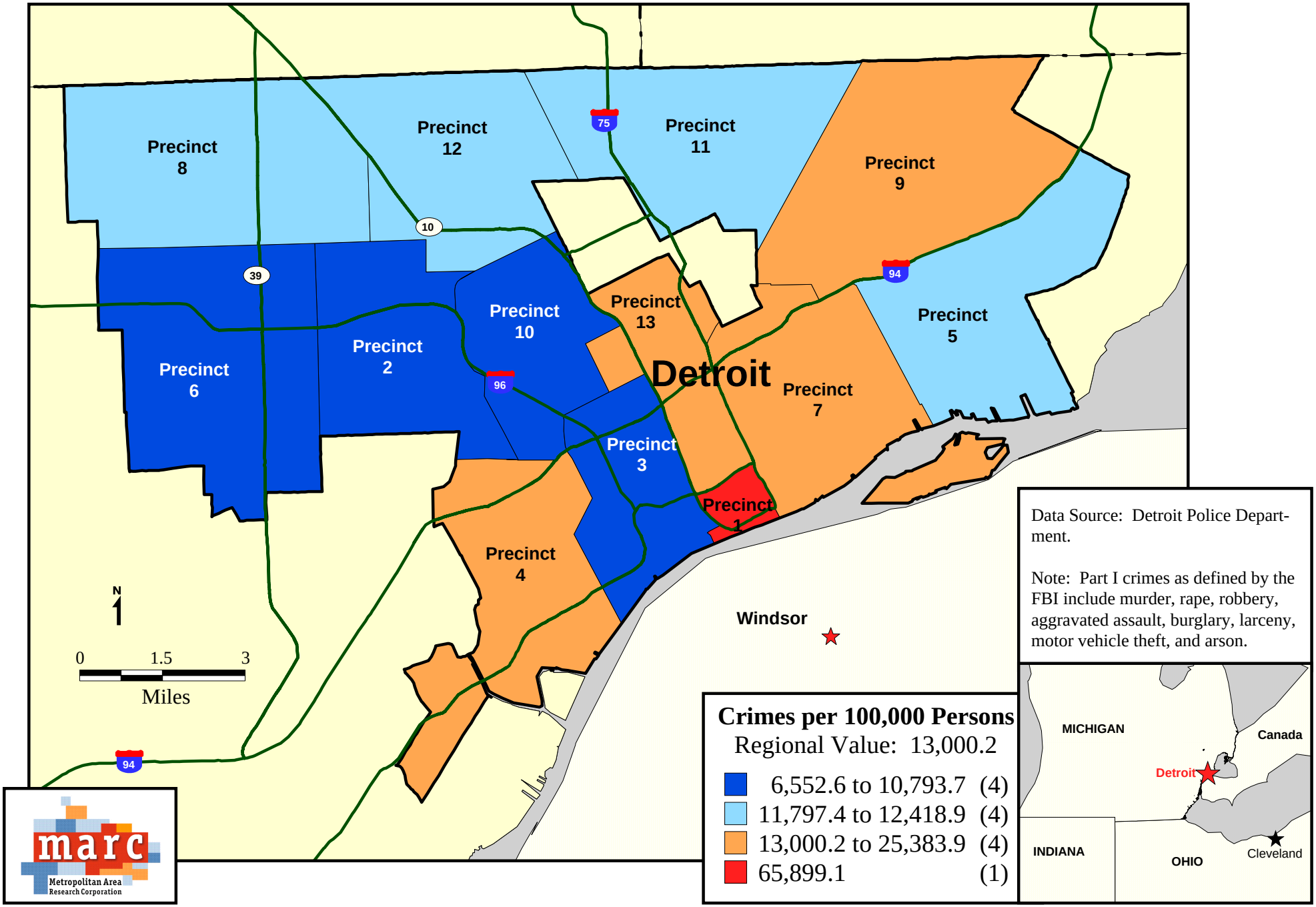
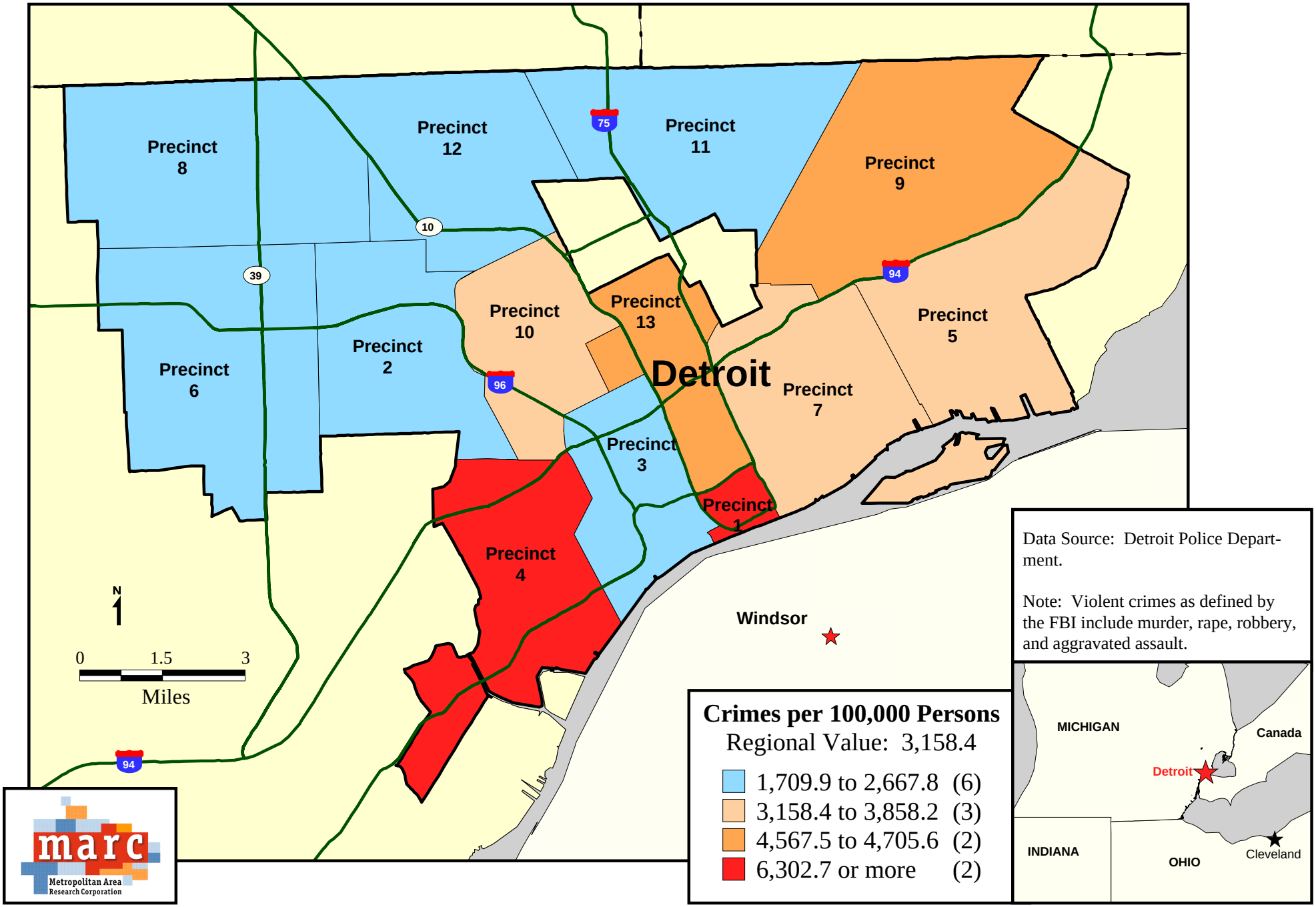


Figure 19: Violent Crimes per 100,000 Population by Precinct, 1996



planning, imbalances between jobs and housing became more acute in wealthy cities that had a surplus of jobs.[66]

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.

Between 1985 and 1996, nearly $1 billion was spent in the Detroit region on major new capacity highway projects (Figure 20).[67] This was money that belonged to every citizen of the region, but where was this money spent? Predictably, it flowed northwest from some of the poorer parts of the region to the growing economies of Oakland County. It was in this part of the region that the two single most costly highway improvement projects took place. Over $455 million was spent on 8 miles of new interstate construction (I-696) from Lahser Road in Southfield to Mohawk Avenue in Royal Oak. Over $97 million was spent on 3 miles of new highway construction on State Highway 5 north from the intersection of I-696 and I-96. Add to this an additional $55 million in new construction and lane additions to I-696 between the I-96/I-275 intersection and Church Road in Oak Park (three projects) and $173 million spent on smaller projects elsewhere in Oakland County and the bill for Oakland County highway improvements comes to well over $780 million. This means that 78 percent of regional highway spending on new capacity projects between 1985 and 1996 was spent on a county that accounts for approximately 26 percent of the regional population.

The same trends look to continue in the future. The Michigan Department of Transportation, through its 1997 State Transportation Improvement Program has projected spending on major highway improvement projects between 1998 and 2000 to be approximately $314 million (Figure 21).[68] Approximately $97 million of this amount is to be spent on the new construction of Metro Airport South, a project that will serve the entire region by improving access to and from the airport. Over half of the remaining amount projected for regional highway improvements ($107 million of $207 million) will go to Oakland County. This includes $14

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

67 Highway improvement spending data are from the Michigan Department of Transportation, Bureau of Transportation Planning, Statewide Transportation Division and include only projects valued over $1 million. "Highway Improvements" is defined as bridge replacements, road widenings, lane additions, and new road construction.

68 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; Southeast Michigan Council of Governments, *Draft FY 1998-2000 Transportation Improvement Program for Southeast Michigan, September, 1997* and *Transportation Improvement Program Southeast Michigan Region List of All Amendments for Submitter(s) 1,2,3,4,5,6,7,8,9,10,11 to the 1998-2000 TIP in April 1998*. "Highway Improvements" is defined as bridge replacements, road widenings, lane additions, and new road construction.

Figure 20: Past Spending on Highway Improvements, 1985-1996

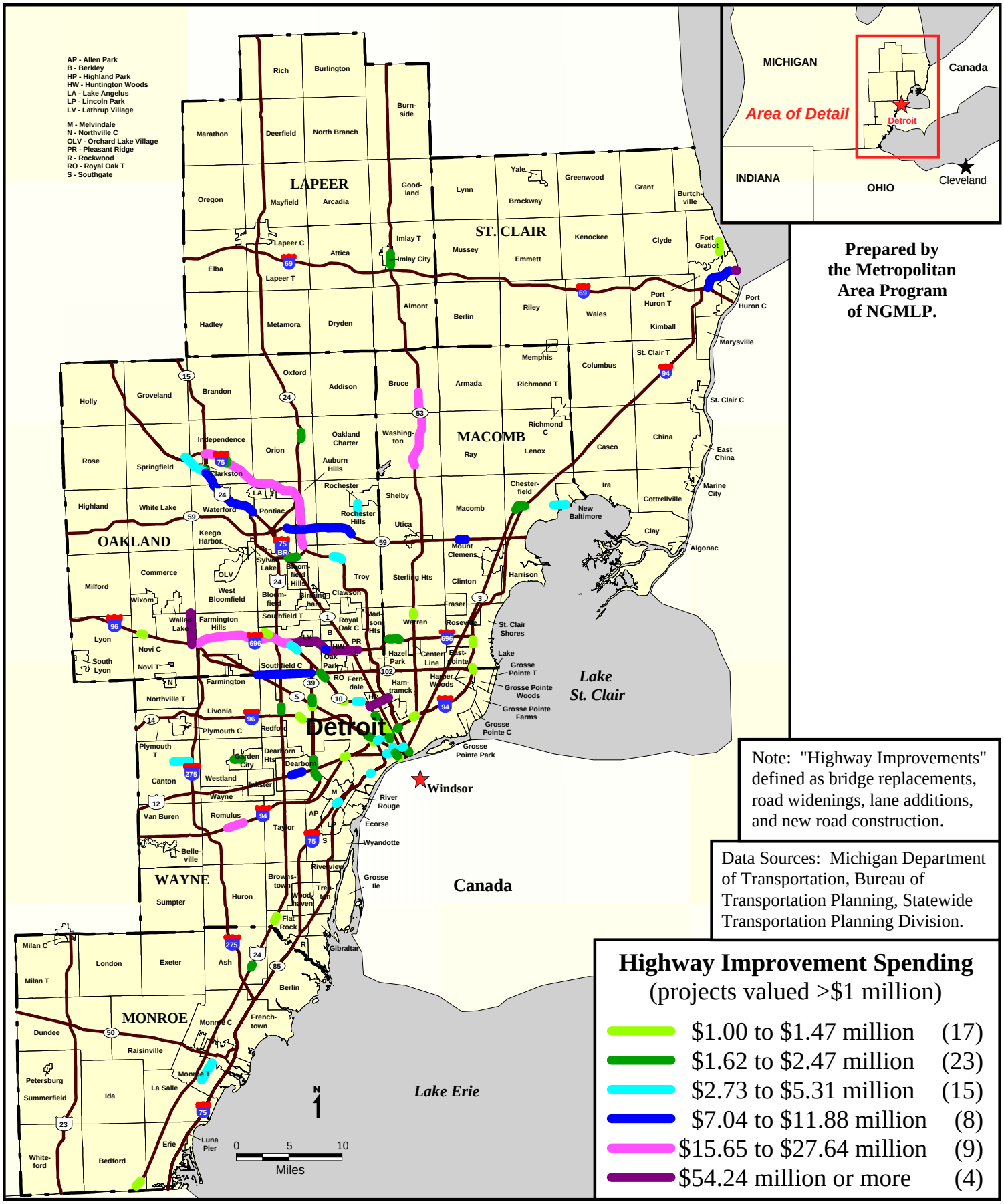
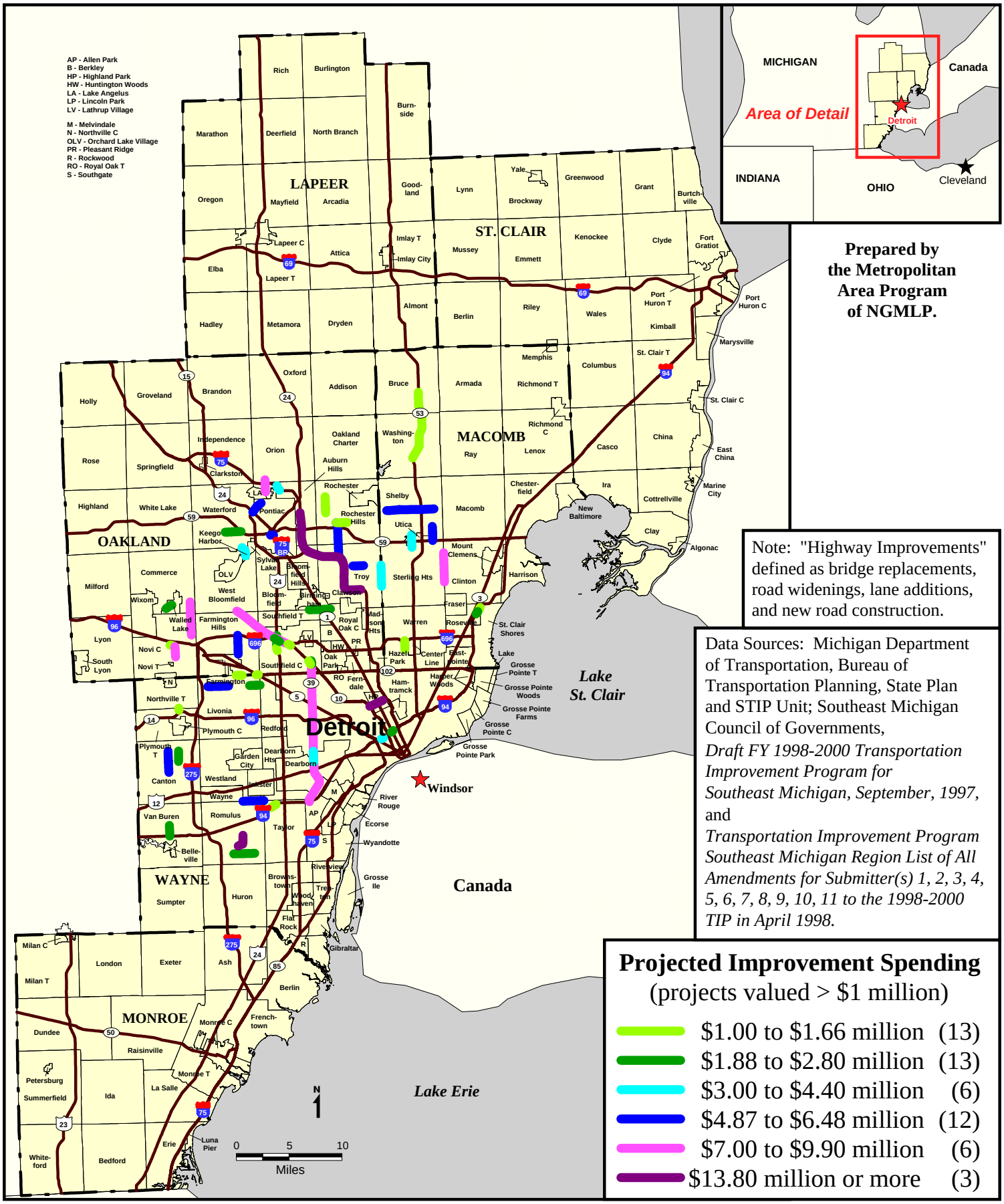


Figure 21: Projected Spending on Highway Improvements, 1998-2000



Prepared by the Metropolitan Area Program of NGMLP.

Note: "Highway Improvements" defined as bridge replacements, road widenings, lane additions, and new road construction.

Data Sources: Michigan Department of Transportation, Bureau of Transportation Planning, State Plan and STIP Unit; Southeast Michigan Council of Governments, *Draft FY 1998-2000 Transportation Improvement Program for Southeast Michigan, September, 1997,* and *Transportation Improvement Program Southeast Michigan Region List of All Amendments for Submitter(s) 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 to the 1998-2000 TIP in April 1998.*

Projected Improvement Spending
(projects valued > $1 million)

- $1.00 to $1.66 million (13)
- $1.88 to $2.80 million (13)
- $3.00 to $4.40 million (6)
- $4.87 to $6.48 million (12)
- $7.00 to $9.90 million (6)
- $13.80 million or more (3)

million for the widening of I-75 from University Drive in Auburn Hills south through Troy, as well as a number of smaller projects.

The rationale behind this new capacity spending in the region is two-fold. First, an increase in highway capacity is needed in the fast developing and economic growth areas of Oakland County. Second, the construction of new highways through areas that are struggling economically, such as Royal Oak and Oak Park, would be beneficial to those areas by providing easier access for commuters, which in turn would lead to increased development and economic recovery in those areas. The negative aspects of these construction projects are also two-fold. First, the $1 billion in new highway capacity spent in the region between 1985 and 1996 came from the taxpayers of the entire Detroit region, yet primarily benefited the people and industries of Oakland County, places were already high tax base areas to begin with. Second, the building of these large new highways will serve to encourage growth at the fringes of the metropolitan area. This will lead to an increase in urban sprawl and the economic and environmental problems that accompany it.

G. Sprawl and Land Use

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.[69] By comparing the change in population between census periods within a designated urbanized area and the change in the size of the land area that is defined as urbanized, we can determine whether that area as a whole is becoming more compact or is sprawling as it develops.

In 1990 the Detroit urbanized area, which covers most of Wayne, Oakland, and Macomb Counties, was settled at a density of 3,330.1 persons per square mile (Figure 22).[70] This was a decrease in population density from 1970 of 27.5 percent. In that year, the population density in the area was 4,553 persons per square mile. Put another way, the number of people living in the urbanized area of the Detroit region *decreased by* 6.9 percent (from 3,970,584 to 3,697,529), while the land area they occupied *increased* by 28.4 percent (from 872 to 1,119.4 square miles). Most of this growth occurred in northwestern Wayne County, to the south and east of Pontiac in Oakland County, along the north shore of Lake St. Clair in Macomb County, and across central Macomb County.

In addition, in 1980 the area around Port Huron was designated for the first time as urbanized, meaning that area had reached a population density of more than 1,000 persons per square mile. By 1990 the Port Huron urbanized area's population density was 2,142.5 persons per square mile.

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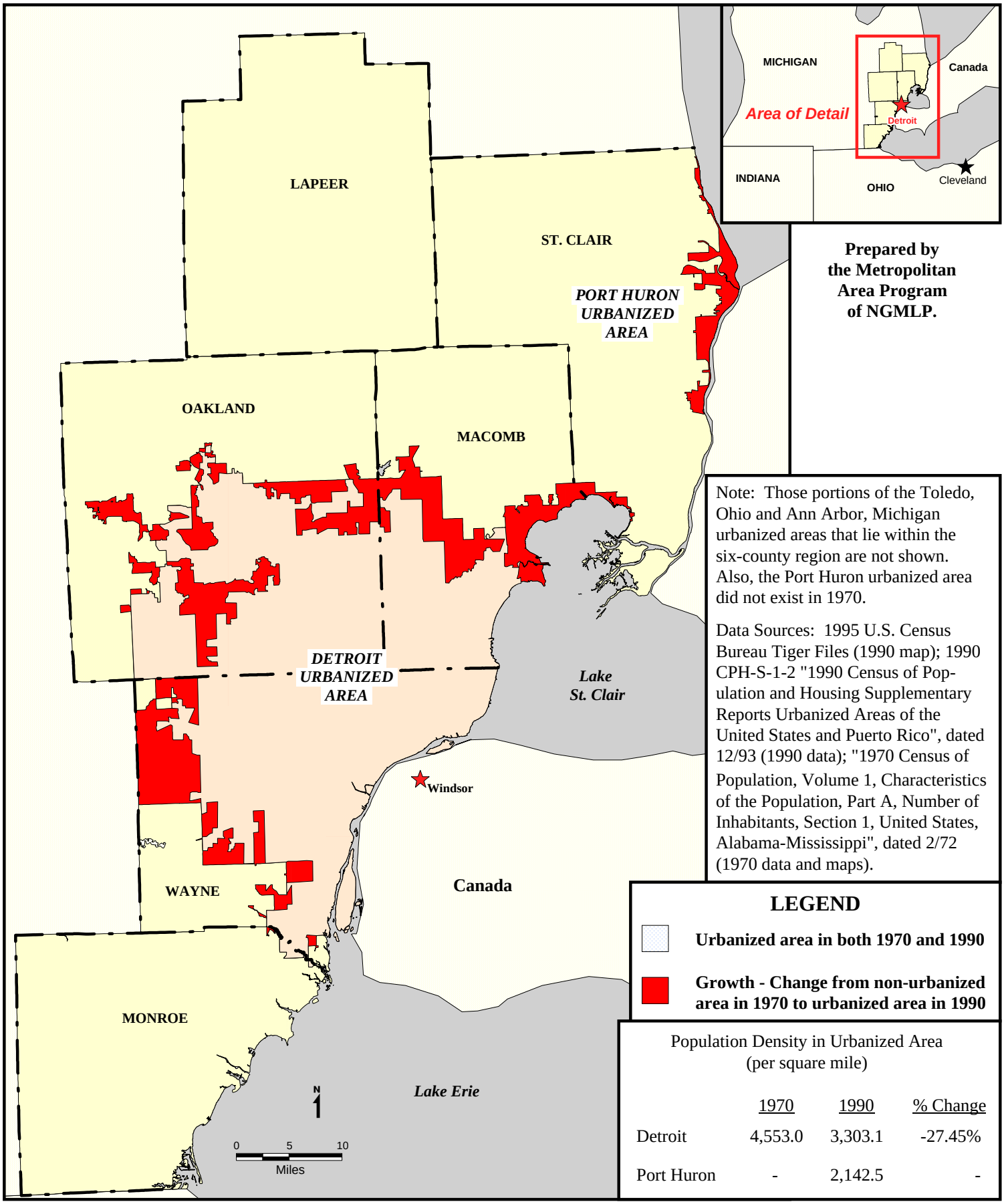
69 Also included in the urbanized area are large concentrations of non-residential urban area, such as industrial parks, office areas, and airports.

70 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 "1970 Census of Population Supplementary Report, Population and Land Area of Urbanized Areas: 1970 and 1960" (February 1972).

Figure 22: Change in Urbanized Area, 1970-1990



Prepared by the Metropolitan Area Program of NGMLP.

Note: Those portions of the Toledo, Ohio and Ann Arbor, Michigan urbanized areas that lie within the six-county region are not shown. Also, the Port Huron urbanized area did not exist in 1970.

Data Sources: 1995 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 Population, Volume 1, Characteristics of the Population, Part A, Number of Inhabitants, Section 1, United States, Alabama-Mississippi", dated 2/72 (1970 data and maps).

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
Detroit	4,553.0	3,303.1	-27.45%
Port Huron	-	2,142.5	-

H. Fiscal Disparities

1. Overview

When the property tax is the 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 social service needs.[71] In such a way, they wall out lower-cost housing and associated social needs and keep demands on tax base low. Spreading these controlled needs over a broad, rich property tax base further reduces property tax rates.

The dynamic of fiscal zoning creates three sets of mutually reinforcing relationships. First, the residentially exclusive, established communities with low property tax rates continue to attract more and more business, the presence of which continually lowers the overall property tax rate. 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 declining property tax base. This combination leads to both declining consumer demographics and increased property tax rates, resulting in fewer and less adequate public services. All of these factors are large negatives in terms of business location and retention. Often, central cities and inner, older communities spend a great deal on unsuccessful efforts to become more socioeconomically stable, as their property tax base evaporates out from under them.

The third relationship concerns the developing suburbs that lose the battle of fiscal zoning. These are fast-growing suburbs that have not yet attracted business or executive housing and must pay for their schools, police, parks, curbs, and gutters with fewer resources. To keep property tax rates from exploding, they are forced to abandon long-range thinking and frantically build lower-valued homes and multi-family units rejected by the wealthier suburbs. As a council member from a northern low tax base Twin Cities suburban community told me, “In order to pay the bills, we build whatever is left. Hell, we’ll build anything that moves.” These decisions, in the long run, catch up with working- and middle-class suburbs and they become the declining suburbs of tomorrow. Further, in a perhaps futile attempt to remain competitive in terms of property taxes, working- and middle-class, developing communities often suppress local expenditures on public services, particularly on schools.

The increase of property wealth in some outer and developing communities and the stagnancy or decline of property values in the central city and older, inner suburbs represents an interregional 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

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71 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.”

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 Detroit 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 Detroit region was $56,231 (Figure 23).[72] The average property tax base per household in the High Need Communities was only 71.4 percent of the regional value ($40,155). These places face rapidly growing social needs with few tax-base resources. The property tax base per household in the Middle-class Communities was very close to the regional value: $61,104. The Affluent Communities, on the other hand, towered about the region with an average property tax base per household of $99,482, 176.9 percent of the regional value.

Total Property Tax Base per Household, 1996

	Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities
Value	**$56,231**	**$17,833**	**$40,155**	**$61,104**	**$99,482**
% of Reg Value	**100**	**31.7**	**71.4**	**108.7**	**176.9**

The average property tax base per household in the city of Detroit was only $17,833 or 31.7 percent of the regional value. Compared to twelve other major U.S. cities, the city of Detroit's tax base per household as a percentage of the regional value is the lowest. In other words, there is more disparity in property tax base per household between the city of Detroit and the communities that surround it, than there is between any of these other twelve central cities and their metropolitan regions (see Table 3).

72 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 for Macomb, Monroe, Oakland, St. Clair, and Wayne County municipalities were from the Southeast Michigan Council of Governments. 1996 household estimates for Lapeer County municipalities were from the Michigan Information Center.

Figure 23: Property Tax Base per Household by Municipality, 1996

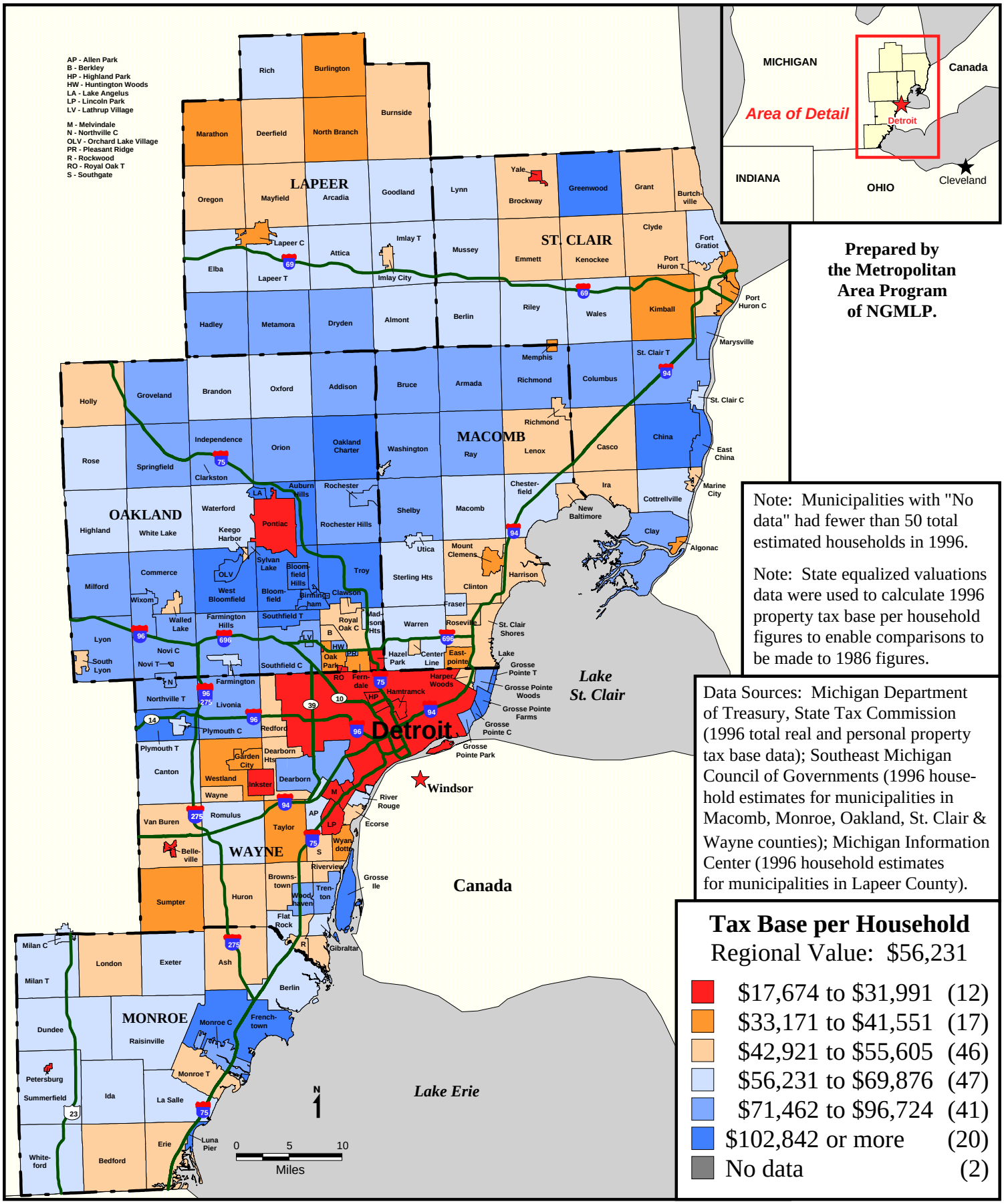


TABLE 3: Central City Property Value As a Percentage of Regional Value

City	Percent of Regional Value
Detroit	31.7
Philadelphia	36.9
Milwaukee	52.1
Baltimore	54.4
Oakland	58.9
Chicago	69.3
Los Angeles	87.5
Miami	88.2
San Francisco	88.2
Pittsburgh	89.0
Portland, Oregon	91.2
Seattle	96.1
Atlanta	100.7

Besides Detroit, seventy-five communities in the Detroit region had property tax bases per household below the regional value and twenty-four were below $40,000. Among the lowest property tax bases per household were Westland ($37,850), Pontiac ($31,991), Lincoln Park ($31,529), and Inkster ($19,756). At the other end of the spectrum, twenty communities had tax bases per household greater than $100,000. Among the highest-valued communities were West Bloomfield ($108,807), Troy ($127,721), and Bloomfield ($148,070). The small communities of Orchard Lake Village, Bloomfield Hills, and China had property tax bases per household above $300,000.

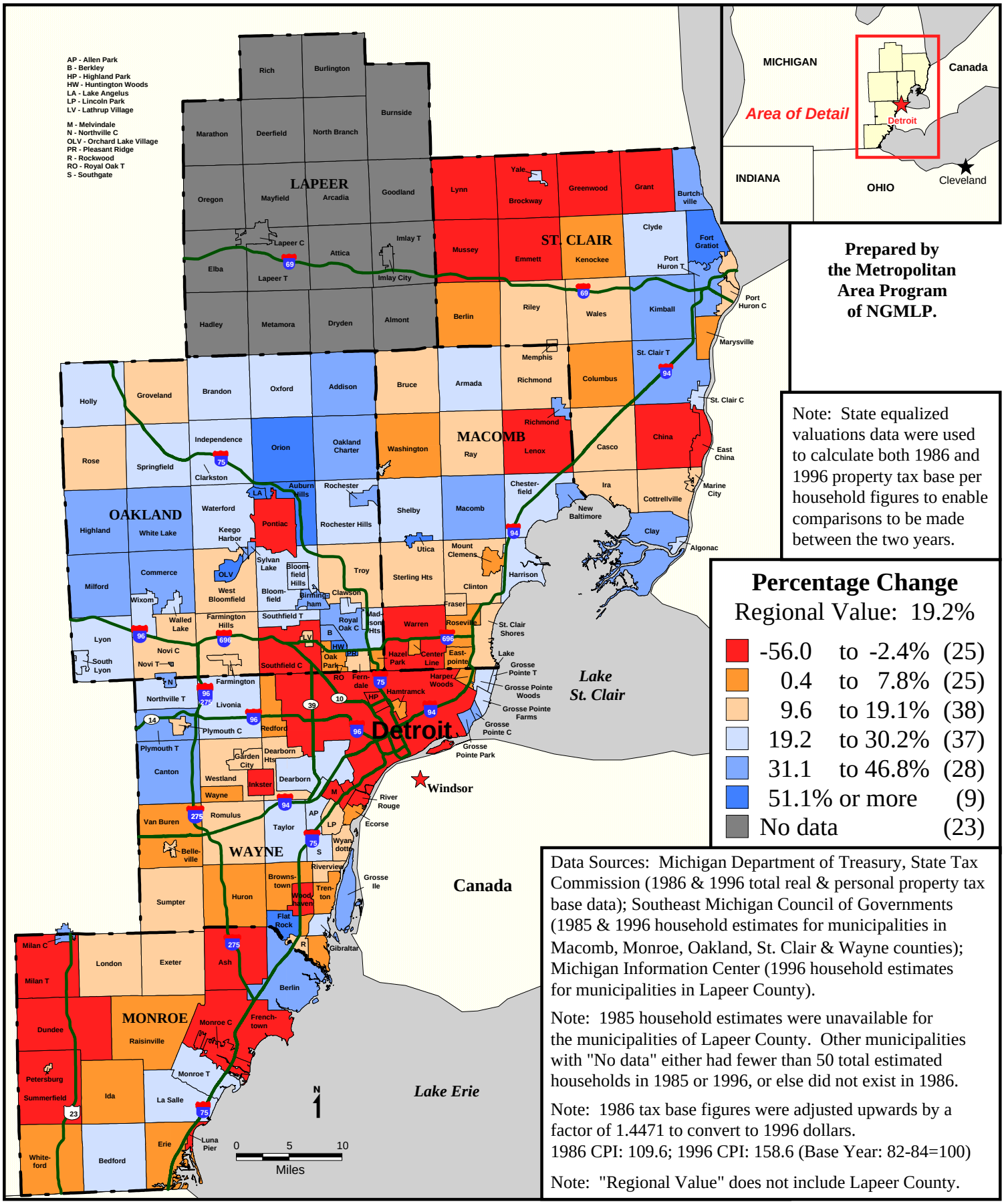
Between 1986 and 1996 the Detroit region experienced a 19.2 percent increase in overall tax base per household, from $47,178 in 1986 (in 1996 dollars) to $56,231 in 1996 (Figure 24). During this period, however, the city of Detroit *decreased* in tax base per household by 8.4 percent—from $19,469 to $17,833. The High Need Communities showed a small increase, from $37,845 to $40,155 (7.8 percent), while the Middle-class and the Affluent Communities, on average, increased in tax base per household at about the same rate. The former by 15.1 percent—from $53,243 to $61,104—and the latter by 16.4 percent—from $85,208 to $99,482.

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

Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities
+19.2	-8.4	+7.8	+15.1	+16.4

Besides Detroit, twenty-four communities declined in property tax base per household. Fourteen of these showed greater decreases in tax base than Detroit (see Table 4).

Figure 24: Percentage Change in Property Tax Base per Household by Municipality, 1986-1996 (Adjusted by CPI)



Prepared by the Metropolitan Area Program of NGMLP.

Note: State equalized valuations data were used to calculate both 1986 and 1996 property tax base per household figures to enable comparisons to be made between the two years.

Percentage Change

Regional Value: 19.2%

-56.0	to -2.4%	(25)
0.4	to 7.8%	(25)
9.6	to 19.1%	(38)
19.2	to 30.2%	(37)
31.1	to 46.8%	(28)
51.1% or more		(9)
No data		(23)

Data Sources: Michigan Department of Treasury, State Tax Commission (1986 & 1996 total real & personal property tax base data); Southeast Michigan Council of Governments (1985 & 1996 household estimates for municipalities in Macomb, Monroe, Oakland, St. Clair & Wayne counties); Michigan Information Center (1996 household estimates for municipalities in Lapeer County).

Note: 1985 household estimates were unavailable for the municipalities of Lapeer County. Other municipalities with "No data" either had fewer than 50 total estimated households in 1985 or 1996, or else did not exist in 1986.

Note: 1986 tax base figures were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars.
1986 CPI: 109.6; 1996 CPI: 158.6 (Base Year: 82-84=100)

Note: "Regional Value" does not include Lapeer County.

TABLE 4: Metropolitan-Detroit Cities that Declined in Tax Base per Household between 1986 and 1996 at a Greater Rate than Detroit

City	1986 Tax Base/ Household (in 1996 Dollars)	1996 Tax Base/ Household	Percentage Change 1986-1996
China	$967,106	$425,901	-56.0
Greenwood	$363,995	$180,794	-50.3
Highland Park	$28,255	$17,674	-37.4
East China	$381,794	$250,699	-34.3
Pontiac	$44,734	$31,991	-28.5
Frenchtown	$196,495	$160,436	-18.4
Mussey	$69,630	$57,736	-17.1
Monroe City	$98,792	$85,457	-13.5
Lynn	$79,397	69,403	-12.6
Milan Township	$75,397	$66,865	-11.3
Luna Pier	$154,440	$139,129	-9.9
Summerfield	$67,078	$60,820	-9.3
Lenox	$53,214	$48,437	-9.0
Inkster	$21,666	$19,756	-8.8

On the other hand, many of the places that increased the most over the decade where places that had high property tax bases to begin with in 1986. These included Grosse Ile, which went from $75,326 to $106,159 (40.9 percent); Plymouth Township, which went from $72,121 to $103,616 (43.7 percent); Bloomfield Hills, which went from $289,976 to $366,555 (26.4 percent); and Grosse Pointe Farms, which went from $110,398 to $142,930 (29.5 percent).

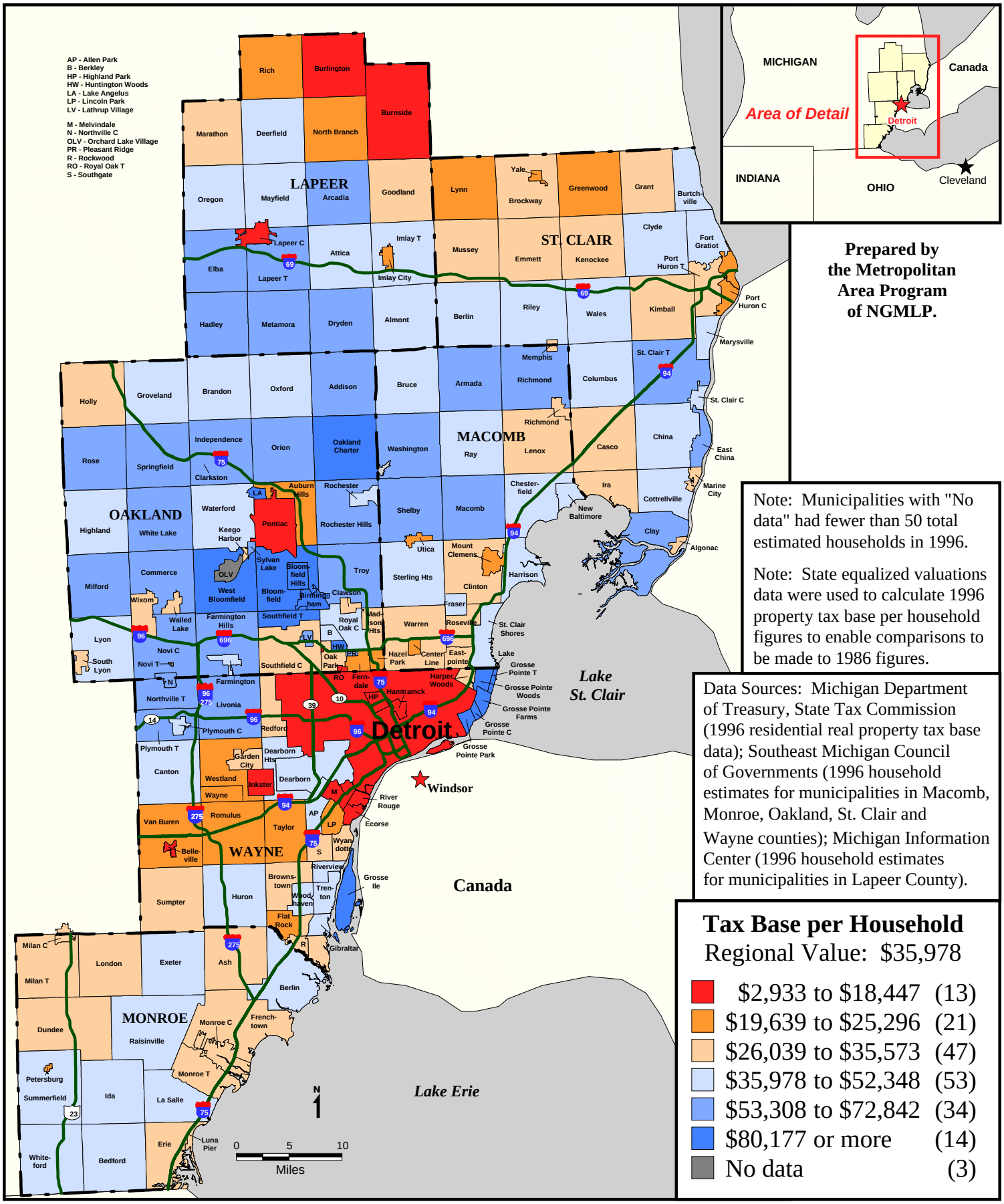
When one looks at just residential property values, the regional disparity is even more pronounced. In 1996, the residential property tax base for the Detroit region was $35,978. In the city of Detroit, however, it was only $9,362 (26 percent of the regional value) (Figure 25). The High Need Communities had an average residential property tax base of $21,861 (60.8 percent of the regional value) and the Middle-class Communities were very close the regional value at $37,966. The average residential tax base per household in the Affluent Communities, on the other hand, was twice the regional value—$71,177.

Residential Property Tax Base per Household, 1996

	Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities
Value	**$35,978**	**$9,362**	**$21,861**	**$37,966**	**$71,177**
% of Reg Value	**100**	**26.0**	**60.8**	**105.5**	**197.8**

Individually, three communities had residential property values per household below Detroit's, including Highland Park ($4,352) and Roy Oak Township ($2,933). Also very low were places like, Melvindale ($17,184), Inkster ($14,048), and Pontiac ($13,257). At the other end of the spectrum, fifteen communities had residential property tax bases above $80,000 per household. These included West Bloomfield ($97,608), Bloomfield ($133,031), Grosse Pointe Township ($217,959), and Bloomfield Hills ($283,333).

Figure 25: Residential Property Tax Base per Household by Municipality, 1996



Between 1986 and 1996, residential property tax base in the region increased by 30.8 percent (Figure 26). In the city of Detroit, however, residential property tax base *decreased* by 12.7 percent (from $10,728 to $9,362). The High Need Communities increased by 19.3 percent (from $18,364 to $21,861), the Middle-class Communities by 24.8 percent (from $30,440 to $37,966), and the Affluent Communities by 27.5 percent (from $55,441 to $71,177).

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

Region	Detroit	High Need Communities	Middle-class Communities	Affluent Communities
+30.8	-12.7	+19.3	+24.8	+27.5

Besides Detroit, six communities declined in residential tax base per household between 1986 and 1996. Three of these experienced greater decreases in residential tax base than the city of Detroit, including Royal Oak Township, which went from $3,372 to $2,933 (-13.0 percent) and Ecorse, which went from $13,289 to $11,050 (-16.8 percent). The greatest increases were in places like Pleasant Ridge, which went from $43,056 to $71,738 (66.6 percent) and Northville, which went from $43,465 to $72,214 (66.1 percent).

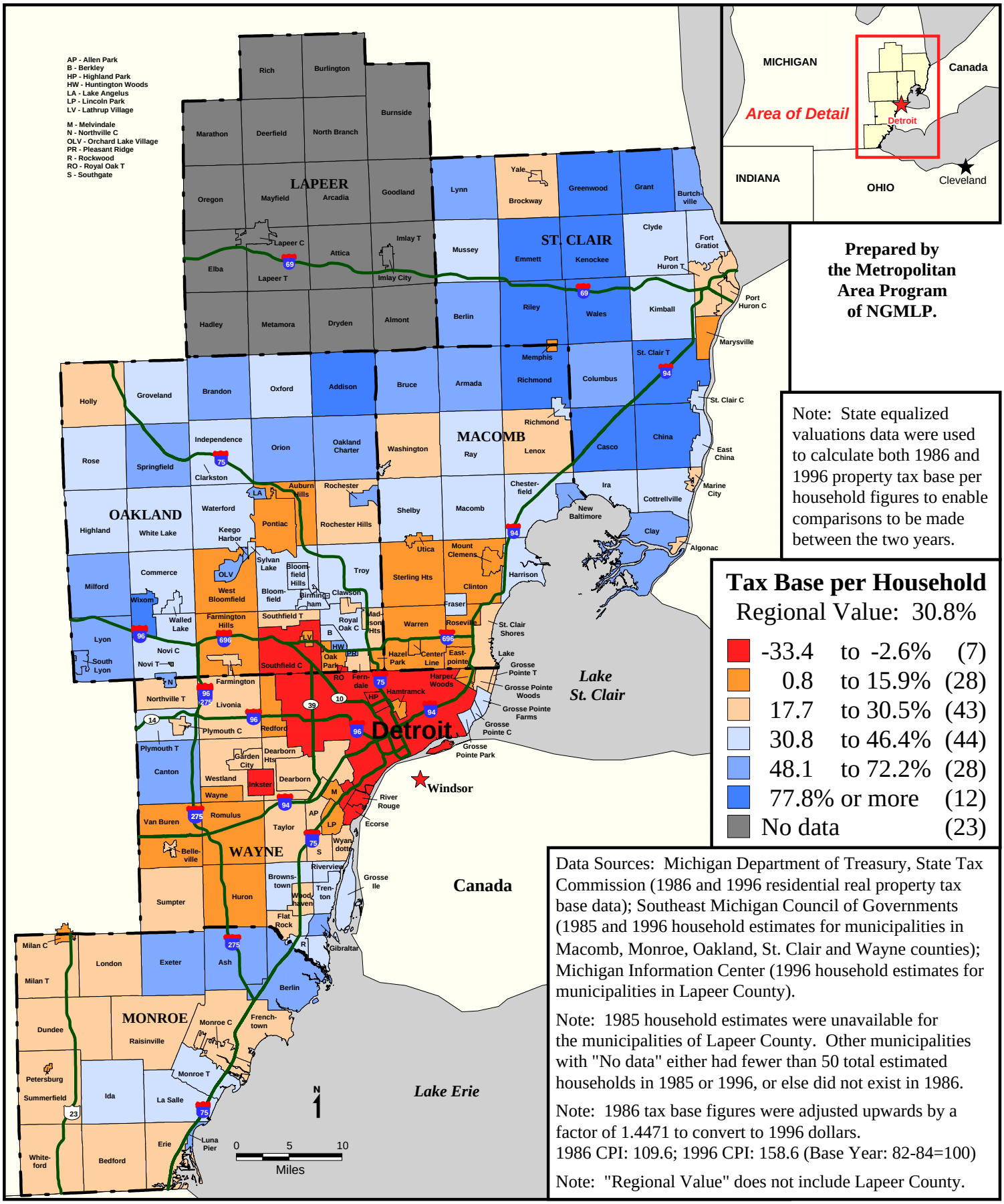
3. School Districts

There was more than a two-to-one disparity in per pupil spending in the Detroit region in 1995. The average annual spending in the school districts of the Detroit region in 1995 was $6,639 per student, ranging from $4,349 in the Almont School District to $10,203 in the Bloomfield Hills School District (Figure 27).[73] Interestingly enough, the Detroit district was not among the lowest spenders. Overall, Detroit School District spent $7,195 per student in 1995, the eighteenth highest of 107 districts in the region. Central cities often spend a relatively high amount on education due to the fact that these school districts commonly have more money-intensive special education programs—for children with unique challenges such as learning disabilities, physical disabilities, behavioral problems, or not speaking English as a first language.

The districts that spent the least per student were all located in outlying parts of the region, such as Marysville School District ($4,910) and Imlay School District ($4,578). The lowest spending inner-suburban districts were Center Line ($5,492), Lincoln Park ($5,445), Wyandotte ($5,406), and Redford ($5,198). The schools that spent the most on their students were almost exclusively located in southeastern Oakland County. The five highest spending districts in the region were Farmington ($8,551), Royal Oak ($8,557), Southfield ($9,539), Birmingham ($9,626), and Bloomfield Hills ($10,203).

73 1995 school district expenditure data from the Michigan Department of Education.

Figure 26: Percentage Change in Residential Property Tax Base per Household by Municipality, 1986-1996 (Adjusted by CPI)



Prepared by the Metropolitan Area Program of NGMLP.

Note: State equalized valuations data were used to calculate both 1986 and 1996 property tax base per household figures to enable comparisons to be made between the two years.

Tax Base per Household

Regional Value: 30.8%

-33.4	to -2.6%	(7)
0.8	to 15.9%	(28)
17.7	to 30.5%	(43)
30.8	to 46.4%	(44)
48.1	to 72.2%	(28)
77.8% or more		(12)
No data		(23)

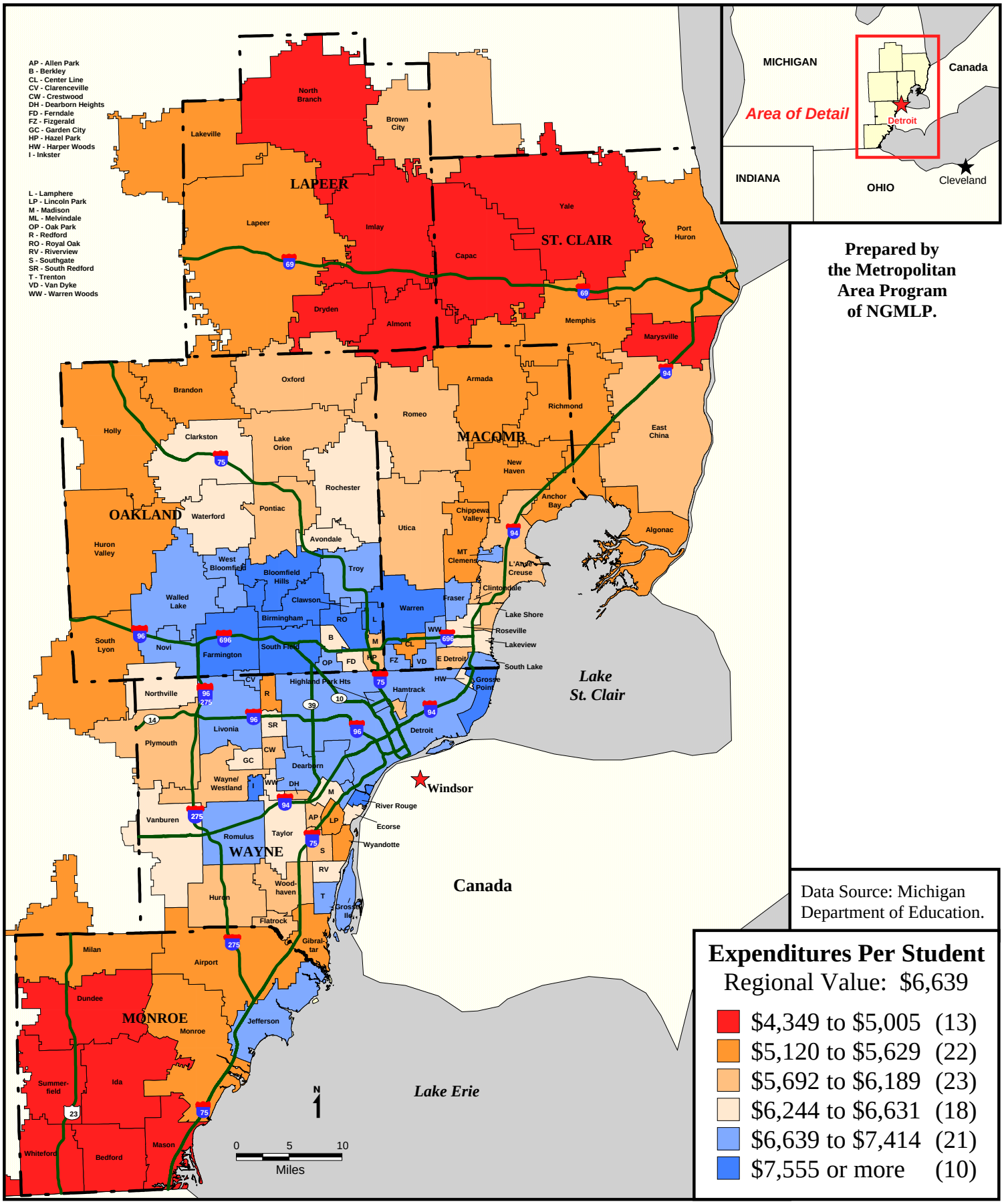
Data Sources: Michigan Department of Treasury, State Tax Commission (1986 and 1996 residential real property tax base data); Southeast Michigan Council of Governments (1985 and 1996 household estimates for municipalities in Macomb, Monroe, Oakland, St. Clair and Wayne counties); Michigan Information Center (1996 household estimates for municipalities in Lapeer County).

Note: 1985 household estimates were unavailable for the municipalities of Lapeer County. Other municipalities with "No data" either had fewer than 50 total estimated households in 1985 or 1996, or else did not exist in 1986.

Note: 1986 tax base figures were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars.
1986 CPI: 109.6; 1996 CPI: 158.6 (Base Year: 82-84=100)

Note: "Regional Value" does not include Lapeer County.

Figure 27: Total Expenditures Per Student by School District, 1995



Prepared by the Metropolitan Area Program of NGMLP.

Data Source: Michigan Department of Education.

Expenditures Per Student

Regional Value: $6,639

- $4,349 to $5,005 (13)
- $5,120 to $5,629 (22)
- $5,692 to $6,189 (23)
- $6,244 to $6,631 (18)
- $6,639 to $7,414 (21)
- $7,555 or more (10)

I. 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.[74] 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.[75] 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.[76] In addition, essentially all of the net growth in jobs with low educational requirements is occurring in the suburbs.[77] 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.[78]

2. Jobs per Capita

The Southeast Michigan Council of Governments tracks jobs in the region by municipalities.[79] Their figures show that in 1995, the Detroit region as a whole had 55.0 jobs per 100 persons (Figure 28). This was a 14.3 percent increase from the 1985 figure of 48.1 jobs per 100 persons (Figure 29). In 1995 the city of Detroit had 38.7 jobs per 100 persons. Interestingly,

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

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

76 Ibid.

77 Ibid.

78 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.

79 All employment data are from the Southeast Michigan Council of Governments, *2020 Regional Development Forecast*, 1996. Employment data were not available for Lapeer County. Therefore, the regional value does not include Lapeer County.

Figure 28: Employment per 100 Population by Municipality, 1995

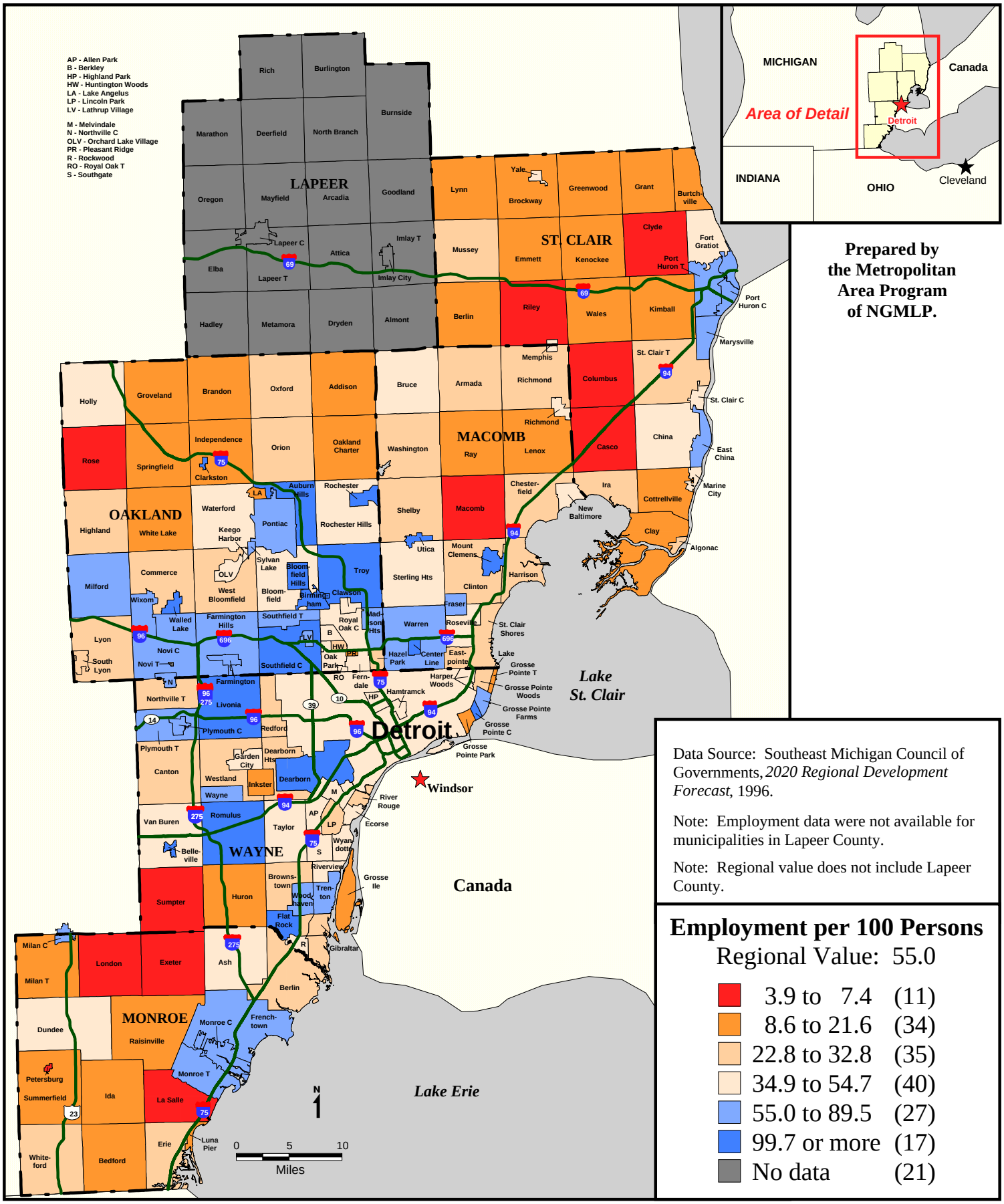
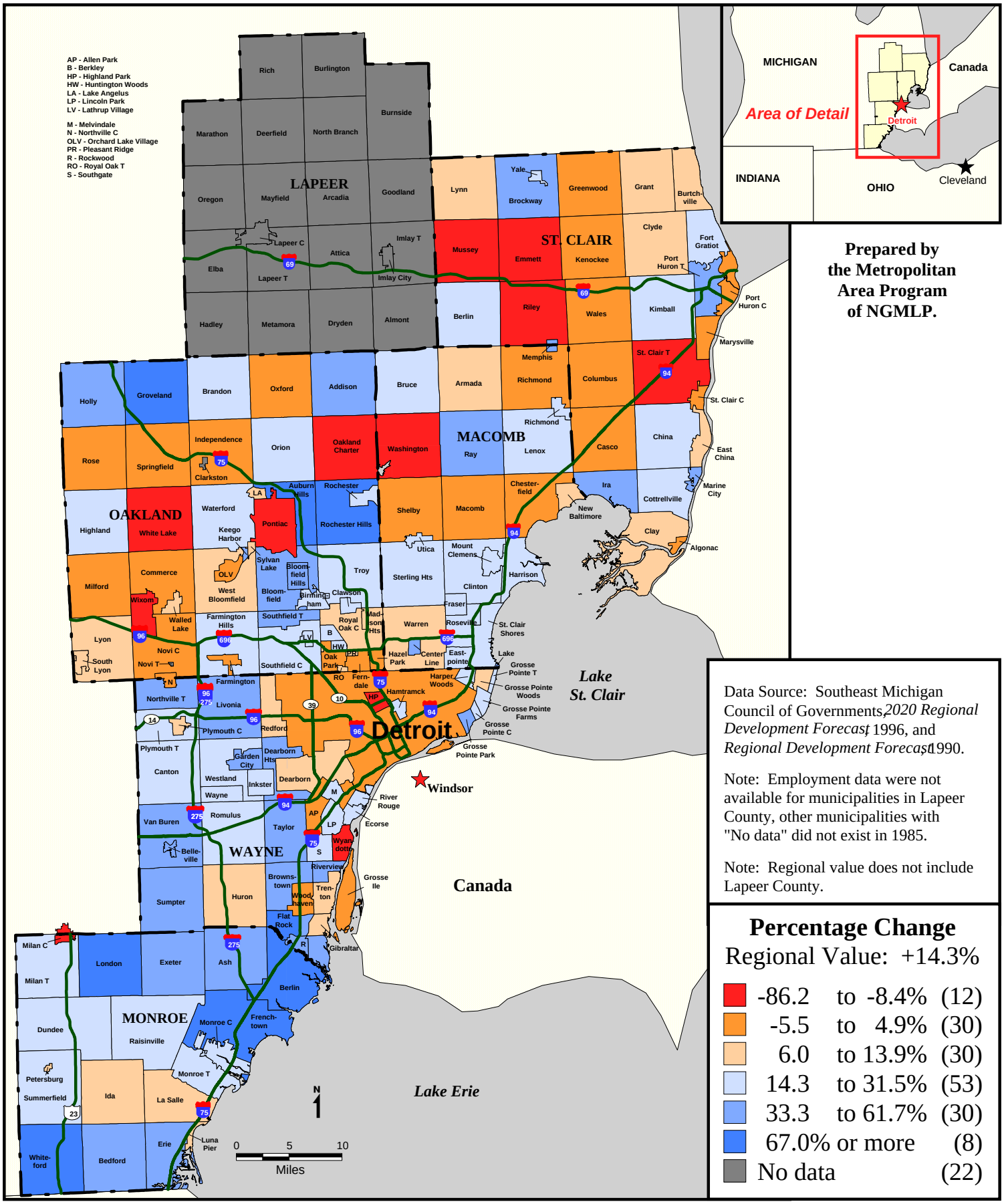


Figure 29: Percentage Change in Employment per Capita by Municipality, 1985-1995



eighty-nine of the municipalities for which data were available had fewer jobs per capita than Detroit. Many of the places with very few jobs per capita were small, very affluent bedroom communities. However, a number of High Need and Middle-class Communities, the places where working-class families live, had very few jobs as well. These included Hazel Park (23 jobs per 100 persons), Inkster (20.6 jobs per 100 persons), Huron Township (16.4 jobs per 100 persons), Clay Township (12.8 jobs per 100 persons), and Sumpter Township (6.1 jobs per 100 persons).

On the other hand, the cities with the most jobs per capita were often Affluent Communities located primarily in southwestern Oakland County. For example, Birmingham had 103.4 jobs per 100 persons, Troy had 114.4 jobs per 100 persons, and Bloomfield Hills had 274.7 jobs per 100 persons.

Between 1985 and 1995, the city of Detroit declined in jobs per 100 persons by 1.5 percent (from 39.3 jobs per 100 person in 1985 to 38.7 in 1995). Eighteen communities experienced greater decreases than the city of Detroit during this period. Many of the cities that lost the greatest percentage of jobs per capita were already struggling, High Need Communities: Oak Park went from 39.8 to 38.2 jobs per 100 persons (-4.0 percent), Wyandotte went from 40.7 to 37.3 jobs per 100 persons (-8.4 percent), Pontiac went from 94.5 to 78.9 jobs per 100 persons (-16.5 percent), Highland Park went from 65.2 to 40.3 jobs per 100 persons (-38.2 percent). Conversely, often the cities with the most jobs per capita in 1985 experienced the greatest percent increase in jobs over the decade. For example, Troy went from 112.2 to 147.3 jobs per 100 persons (31.3 percent) and Bloomfield Hills went from 186.6 to 274.7 jobs per 100 persons (47.2 percent).

The Southeast Michigan Council of Governments has projected job growth to 2005 (Figure 30). These data show that the region as a whole between 1995 and 2005 is projected to increase in jobs per capita by 7.6 percent—from 55.0 to 59.2 jobs per 100 persons (Figure 31). Despite this expected regional increase, the city of Detroit (which represents about a quarter of the regional population) is expected to increase by only 0.8 percent and seventeen other communities are expected to *decrease* in jobs per capita during this period. Places projected to lose the most jobs per capita include inner suburban Oak Park (-4.2 percent—from 38.2 to 36.6 jobs per 100 persons) and Wyandotte (-6.7 percent—from 37.3 to 34.8 jobs per 100 persons), as well as the satellite cities of Wixom (-9.6 percent—from 64.7 to 58.5 jobs per 100 persons) and South Lyon (-15.4 percent—from 27.3 to 23.1 jobs per 100 persons). By 2005 the places with the fewest jobs per capita will primarily be located in outlying St. Clair and Monroe Counties, while the greatest concentration of jobs will remain in southeastern Oakland County.

V. Metropolitan Solutions

A. Benefits of Cooperation

For decades, the National Civic League, academics (particularly economists), and Rockefeller Republicans have preached the gospel of metropolitanism. The message of cost-effective regional planning, supported by local business leadership, had a strong influence in the

Figure 30: Projected Employment per 100 Population by Municipality, 2005

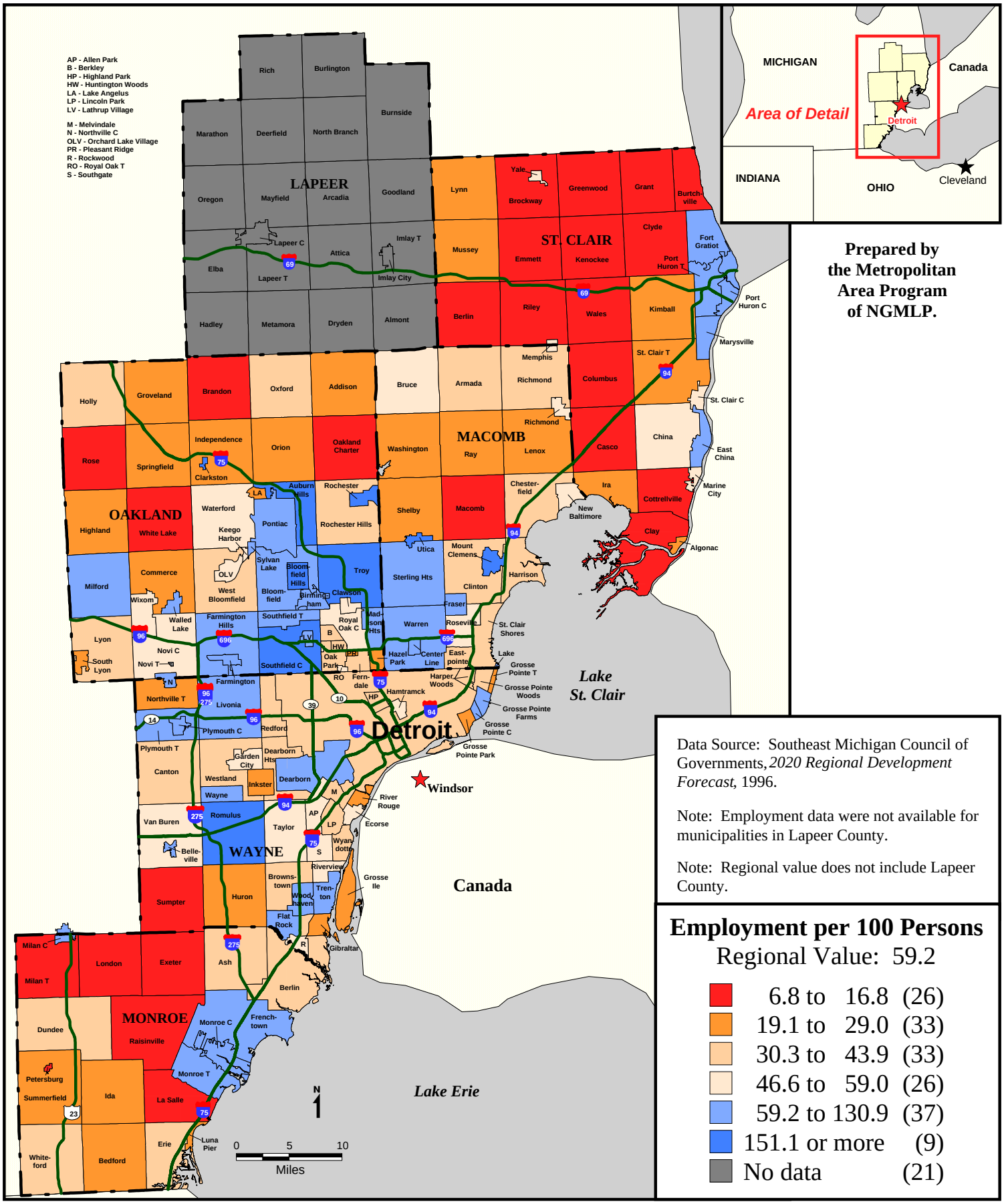
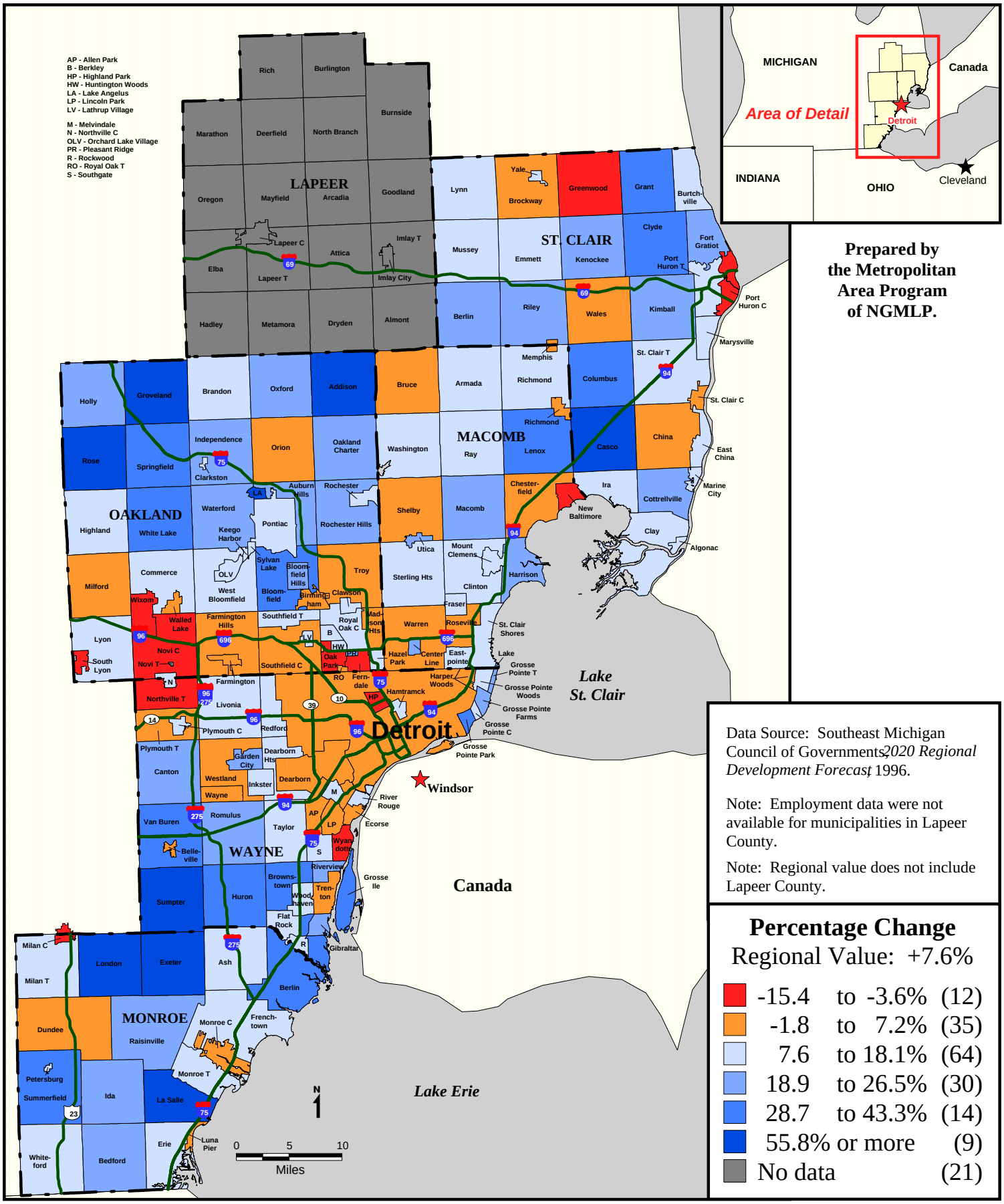


Figure 31: Projected Percentage Change in Employment per Capita by Municipality, 1995-2005



Twin Cities, Indianapolis, and Portland, Oregon twenty-five years ago. In the 1990s, columnist Neal Peirce revitalized 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.[80] On another front, David Rusk, former mayor of Albuquerque, New Mexico, simply and effectively connected the issues of metropolitanism and social equity.[81] He did this by showing that regions that created metropolitan governments by annexation or consolidation are less segregated by race and class, economically healthier, and simply more equitable. Anthony Downs, of the Brookings Institution, assembled his own research together with the recent groundbreaking work of urban poverty scholars, economists, transportation experts, and land-use planners. With this, he makes compelling new arguments for metropolitan government and broad metropolitan-based reforms in fair housing, transportation, land use, and property tax-base sharing.[82]

In separate studies, William Barnes and Larry Ledebur, Richard Voith, and H. V. Savitch showed the deep interconnections of metropolitan economies and how the health of central cities is deeply connected to the success of even the favored suburban sectors. 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. When the incomes of central city residents increased, the incomes of residents living in suburbs of that city also increased. Conversely, when city incomes decreased, so did suburban incomes. They also found that the strength of this relationship appears to be increasing.[83] 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.[84]

A recent study by Voith, an economist with the Federal Reserve Bank of Philadelphia and a scholar of metropolitanism, found that employment growth in the central city of a region is very important to house values in existing suburbs close to the city (less than a 50 minute commute). Conversely, 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.[85]

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

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

82 Anthony Downs, *New Visions for Metropolitan America* (Washington, D.C.: Brookings Institution, 1994).

83 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).

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

85 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).

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 an his colleagues found that cities and suburbs 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."[86]

Another extremely cogent argument against intra-metropolitan competition for tax base is made by a group of economists concerned about America's ability to compete in the world economy. These economists believe that as trade barriers recede and the force of national economic policy fades, metropolitan areas become the basic units of global competition.[87] Suddenly, fragmented groups of cities, fighting amongst themselves for governmental resources and economic development, are thrown into vigorous world competition against the powerful coordinated metropolitan systems of Western Europe and Asia. Economists such as these argue that the metropolitan governments of Western Europe and Asia effectively coordinate large regional expenditures in terms of transportation, telecommunications, and education to their economic advantage. Instead of fighting with each other, these economists argue, American metropolitan communities should work together to pool regional resources and expertise to compete against other metropolitan areas on the national and international level.

And finally, Peter Calthorpe, an urban planner from San Francisco, has set forth a compelling design vision of what regionally responsible transit-oriented communities could look like.[88] All of these authors—particularly Rusk—have received extraordinary coverage in the national media and have stimulated a vital national discussion. In Washington, former United States Housing and Urban Development Secretary Henry Cisneros advocated for the federal government to 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.[89]

B. The Necessity of Regional Cooperation

The foregoing patterns demonstrate, if nothing else, the need for a metropolitan approach to stabilizing the central city and low tax base communities and the need for creating equity throughout the Detroit region. If the people of the Detroit region allow social needs to further concentrate on the declining tax base of the central city, older, inner suburbs, and satellite communities, 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

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

87 Peirce, *Citistates*.

88 Peter Calthorpe, *The Next American Metropolis: Ecology, Community, and the American Dream* (New York: Princeton Architectural Press, 1993).

89 President 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.

intensifies and creates an increasingly rapid socioeconomic decline that rolls outward from the core communities. 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 city and older suburbs and prevent metropolitan polarization, there are five substantive and one structural reform that must be accomplished on a metropolitan scale. The reforms are inter-related and reinforce each other substantively and politically. The first three reforms are the most significant in terms of the socioeconomic stability of the core. They are:

(1) Fair Housing. The provision of affordable housing throughout the region helps to reduce the concentration of poverty, reduce racial segregation, and stem the polarization occurring between 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 stages 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. Oregon, Massachusetts, Minnesota, New Jersey, and Montgomery County, Maryland have taken important steps along the first two stages. Social science data exist on the third problem, but no state has actively taken steps in this direction.

(2) Equity in the Provision of Local Public Services. Regional equity reduces disparities between local communities, reduces competition among local communities for businesses that have already located in a given region, and by lessening the direct fiscal consequences for zoning decisions, makes regional land use planning more possible. Many regions have either ameliorated or solved this problem through consolidation or annexation. Some parts of the nation have progressive school equity systems which eliminate much of the burden of local schools from the central city and older suburbs, but do not affect equity among local units of government—cities and counties—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.

(3) Regional Reinvestment in the Central City and Older Suburbs. Central 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 must also involve the older suburbs, 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 core and inner suburbs, significant public/private employment intended for individuals emerging from the welfare roles should be directed to those parts of the region.

Regions in which annexation or consolidation has occurred have instituted some of these first initiatives as a matter of course and are well positioned to think about the other three key regional reforms:

(4) Land Planning/Growth Management. Unless we begin to manage the process of growth at the edge, we will undermine any remediative efforts happening in the core. If 25 percent of a region can continue to develop only expensive homes and jobs, without worker housing, they will rapidly draw off all the wealth and growth of the region. At the same time, that 25 percent will commit the 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 this. Minnesota has adopted a structure to do much of this, but has often failed to implement its statutes. Washington, Maryland, Florida, Georgia, and many smaller regions have also adopted land use plans, although some have been more effective than others. An underlying debate on this issue is growing in more than half of U.S. state legislatures.

(5) Transportation/Transit Reform. 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/transit needs than those living on the region's fringe—to be full participants in decisions involving the allocation of transportation dollars.

(6) 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, often dominated by high growth suburban political interests and real estate developers, make region-shaping decisions without significant public input. Frankly, part of this is because older core communities, particularly those areas of concentrated poverty, have never thought these decisions were relevant to their future. Ultimately, MPO's should evolve into directly elected structures and should assume growing responsibility for implementing the initiatives discussed above.

At this point, in the political climate of the 1990s, this all may seem otherworldly. In Minnesota, we found that the best place to start "thinking regionally" was tax-base sharing. We found that when we could unite the central city and older suburban areas on common shared fiscal interests, we could overcome some of the more intense barriers created by race and class that had long divided these subregions. As such, tax-base sharing provides a very strong way to build relationships and coalitions that will serve to advance other regional reforms.

The Southeast Michigan Council of Government's (SEMCOG) Regional Development Initiative (RDI) Oversight Committee came to many of the same conclusions that we have in this study regarding the destructiveness of sprawling development, disinvestment in the core, and fiscal disparity.[90] In the end, their recommendations for minimizing the effects of regional polarization were also very similar to ours, including regional tax-base sharing.[91] However, soon after the Oversight Committee's final report was released, much public concern was raised over the Committee's mere suggestion that this policy option be further investigated.[92] It seems very clear to us that the proper base of support had not been built in the communities most affected by regional polarization—central city neighborhoods, inner declining, high need suburbs and low tax-base, middle-income communities. Representatives from these communities should have been shown how regionalism could help them in their own self interest, how regional tax-base sharing would allow them to offer current and potential residents and businesses lower taxes and better services. Although SEMCOG's RDI was very thorough and provided a good framework for future action in the region, they made the very big mistake of talking about regionalism without doing the homework and groundwork necessary to clearly show communities and interest groups why they would benefit. One of the purposes of this report is to do just that.

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90 Southeast Michigan Council of Governments, "Regional Development Iniative: Final Report of the RDI Oversight Committee", September 1991: 9-37.

91 Ibid: 41-48.

92 Southeast Michigan Council of Governments, "Executive Summary Regional Development Initiative: RDI Conclusions and Issues", October, 1992: 11-12.

In the end, regional reformers have to convince the central cities and most importantly, older suburbs, that without some form of equity and land use planning their future is inexorably grim and that the only way for residents concerned about the pace of development in their community to take action to protect valuable environmental assets is through regional action. Finally, the tax payers of the region—homeowners and businesses—must see the incredible waste of building a whole new ring of cities and supporting infrastructure while and older one is left to rot and decline. In the end, why is there tax-base sharing in the Twin Cities? Largely because it lowers the taxes and improves the services in places very much like older suburban Wayne and inner suburban Macomb county. Why is there land use planning? Because communities acted to preserve their environmental character and because we could show that it was cost-effective to the people who pay the taxes.

C. Tax-Base Sharing: The Entry Point of Regionalism

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 fivefold. Tax-base sharing: (1) creates equity in the provision of public services, (2) breaks the intensifying metropolitan mismatch between social needs and tax-based resources, (3) undermines local fiscal incentives supporting exclusive residential and retail zoning, (4) undermines local fiscal incentives supporting sprawl, and (5) ends intra-metropolitan competition for tax base.

The State of Michigan has had a comprehensive system of revenue sharing in place in one form or another since the 1930's. The most recent re-vamping of the state's revenue sharing system was approved by the legislature just this month.[93] There is no doubt that this system could be further reformed in light of the information in this report and in MARC's reports on the Grand Rapids and, soon to be completed, Saginaw regions. While there is an argument for state reform, because the cost of living in the state's metropolitan areas is higher than in other parts of the state, and because the economies of metropolitan areas are distinctly interconnected, there is also an argument for metropolitan equity-based reform. Indeed, Minnesota has both a comprehensive system of state aids to local government—similar to Michigan's state revenue sharing system—and a property tax-base sharing system among the seven counties, 187 cities, and 49 school districts in the Minneapolis-Saint Paul area.

Regional property tax-base sharing is not by any means a complete solution. In the long term it must be accompanied by statewide land-use planning with a significant component of affordable housing, and a more representative and accountable regional governance structure. But it has been our experience at the Metropolitan Area Research Corporation that property tax-base

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93 Under the new revenue sharing formula, the City of Detroit is guaranteed $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). Under the previous formula, Detroit received this amount over 10 years. 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 equalizes the worth of a mill levied up to a maximum of 20 mills). From the Michigan Township Association's web page: http://www.mta-townships.org (January 17, 1999).

sharing is a very effective entry point and a cohesive force that holds regionalism constituencies together. First, property tax-base sharing is an entry point because it gives the older, low fiscal capacity communities a reason to come to the regional table that is both short and tangible: they get additional resources. Sometimes land-use planning and regional structural reform are too long term and intangible for these participants to expend significant political capital in the process of reform. Second, as explained below, property tax-base sharing, by gradually disconnecting the issues of zoning and fiscal capacity, make real and sustainable land-use reform politically easier. For example, low fiscal capacity areas will often allow urban growth boundaries or other growth management devices that will protect their land from development, in exchange for increased fiscal resources that are possible through property tax-base sharing or other equity systems.

Equity. The equity argument states that basic public services such as police and fire, local infrastructure, parks, and particularly local schools should be equal on a metropolitan level. People of moderate means should not have inferior public services because they cannot afford to live in property and/or retail rich communities.

The need for equity is most immediately apparent when examining school spending in the school districts of the older suburbs and outlying communities. The low spending of these districts, in the face of increasing challenges, is possibly a component in poor student performance. The equity problem is also critical in the central city as concentrated poverty multiplies needs exponentially in the face of evaporating local tax base and declining state and federal support for urban programs.

Mismatch of Needs and Resources. 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 and increases in sales in the region will be available to meet the region's growing social needs.

Fiscal Zoning. When communities can increase their tax base and limit their local social responsibilities and costs by exclusive residential and retail zoning, 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 exclusionary zoning. As evidence of this, in 1994 the Minneapolis Legal Aid detailed the process by which Twin Cities developing communities made explicit decisions to build only houses over $150,000 because only such housing "paid its way."[94] As a corollary, low-density development is an intrinsic part of fiscal zoning, for large lot sizes are one of the only ways to ensure that expensive housing will be built.

As the valuation of growth is shared, it undermines local fiscal incentives to create exclusive housing markets or big-box retail centers. Social incentives, however, unfortunately remain.

[94] Barbara L. Lukermann and Michael P. Kane, "Land Use Practices: Exclusionary Zoning, De Facto or De Jure: An Examination of the Practices of Ten Suburban Communities in the Twin Cities Metropolitan Area," (Center for Urban and Regional Affairs, University of Minnesota, April 1994), 53-57.

Sprawl. 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 regional households and the core of the region becomes seriously under-utilized. This type of sprawl is fueled in part by the push of core community decline and its attendant fiscal crisis and the pull of rapidly growing communities that need tax base to pay for infrastructure.

While the decline and local fiscal crisis "push" people and businesses out of older suburban areas, extraordinarily rapid housing construction fueled by local fiscal needs in developing areas "pulls" them. 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. Hence, the very fragmentation of the tax base encourages sprawl.

Second, 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.[95] 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.

In response, tax-base sharing: (1) eases the fiscal crisis in declining communities allowing them to shore up decline; (2) takes the pressure off growing communities to spread local debt costs through growth; and (3) undermines fiscal incentives encouraging low-density sprawl.

Competition for tax base. Proponents of tax-base sharing argue that intra-metropolitan competition for tax base is detrimental to the 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, the winners of 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, saddled with the debts of unfair social burdens, are over-leveraged and cannot compete.

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

D. The Politics of Tax-Base Sharing

1. The Twin Cities Fiscal Disparities System

In 1971, the Minnesota Legislature adopted a regional tax-base sharing system for the Twin Cities metropolitan area, commonly referred to as "the fiscal disparities program."[96] Under this program, each city in the region contributes to a regional pool forty percent of the growth of its commercial and industrial property tax base acquired after 1971. Tax base is then distributed from this pool to each city on the basis of inverse net commercial tax capacity. A highly equalizing system, the fiscal disparities program reduces tax base disparities on a regional level from 50-to-1 to roughly 12-to-1. Presently about 393 million dollars, or about 20 percent of the regional tax base, is shared annually.

While the Minnesota fiscal disparities program produces powerful equalizing effects, actual disparities remain high and fiscal zoning and competition for tax base intense. In this light, while a partial tax-base sharing system like the Minnesota program does not end regional competition, it does make it marginally more fair. A system that shares a larger percent of the regional tax base would be much more effective.

There are also some inequities. Communities in the Twin Cities metropolitan area with a higher than average commercial base, but with low-valued homes and increasing social need, contribute tax base. On the other hand, cities dominated by high-valued homes that have eschewed commercial development, but have large per-household tax bases, receive money from the system. A system that shares high-valued residential tax base as well as commercial and industrial tax base would reduce this problem.

2. Is Tax-Base Sharing Possible Only in Minnesota?

There is a broadly shared belief that tax-base sharing came out of some cosmic consensualism in progressive Minnesota that cannot be duplicated elsewhere in the nation. This is not true.

First, tax-base sharing in Minnesota has always been controversial. Many suburban governments at first feared loss of tax base and local control. But legislative leaders realized the high degree to which property wealth was concentrated and developed computer runs that showed the projected amount of tax base cities would actually gain. Most of the inner and developing middle-class suburbs were potential recipients. When these suburbs realized that tax-base sharing was likely to increase substantially their tax base and stabilize their future fiscal situation, they became supporters. As one legislator put it, "before the runs, tax-base sharing was communism, afterwards it was 'pretty good policy.'"

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96 Many states have statewide general revenue sharing systems similar to Michigan's (discussed in section C above) and many have school equity systems that eliminate much of the burden of local schools from the central city and older suburbs, but do not affect local units of government—cities and counties—with land use powers. Currently the State of Minnesota is the only state in the nation that has a tax-base sharing system in place to provide fiscal equity among cities and counties in a metropolitan region, although this policy is currently being debated in a number of state legislatures across the county.

The legislative debate surrounding the fiscal disparities program was hardly consensual. Legislators from recipient communities supported tax-base sharing and legislators from contributing communities opposed it. When the bill became law, contributing communities brought suit against the state and litigated unsuccessfully all the way to the United States Supreme Court.[97] Contributors remain opposed, and every session, their representatives introduce bills to either limit their contribution to the system or abolish the program entirely. Thus the Minnesota experience with tax-base sharing should not be viewed as a rarefied consensus, but as a strategy model for creating political coalitions to influence regional reform.

It is often said that Minnesota is different from the rest of the nation because it does not have any social or racial divisions. In response, Minnesota and the Twin Cities can be placed on a continuum. While the social and economic declines and polarization are clearly not as severe as New York, Chicago, or Detroit, they are worse than most younger and smaller regions and even than some of similar size, age, and complexity. The public schools of the central cities of Minneapolis and Saint Paul have 60 percent poor and non-Asian minority students in their public schools—only ten points behind Chicago—and more rapidly growing concentrated poverty. A recent regional debate on fair housing was marred by divisive discussions of race and class. Further, while the Twin Cities has the rudiments of regional cooperation, it has an unusually high number of local governments with land use powers (187) and school districts (49) that must cooperate. In the end, the same basic dynamics that have divided and conquered older, larger regions are firmly rooted in the Twin Cities. On the other hand, the local coalitions that are beginning to take action in the Twin Cities in response to regional polarization can be built elsewhere.

In the 1995 session, the Minnesota legislature passed, but the governor vetoed, Fiscal Disparities II: The Metro Area Tax Cut Act. Under this bill, metropolitan jurisdictions would share the growth on the increment of value above $200,000 on high-valued homes. Short of total sharing, this proposal counterbalanced the inequities of the present fiscal disparities system, undermined fiscal zoning, and greatly expanded the tax-base sharing system. In addition, with only 17 percent of the region contributing tax base and fully 83 percent receiving, it was a most popular proposal among local governments.

The bill was called the Metro Tax Cut Act because its provisions required communities receiving new tax base under it, for the first two years, to use half of this new tax base for a property tax cut. The bill was "sold" as the largest single property tax cut offered by the legislature that year. The northern low tax base suburbs strongly supported the bill and it passed with bipartisan support. Significantly, the ten closest Minnesota House races in the last election involved jurisdictions that would greatly benefit by any sort of tax-base sharing.[98] Ultimately, it

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97 *Burnsville v Onischuk*, 301 Minn. 137, 22 N.W.2d 523 cert. denied 420 U.S. 916 (1974).

98 See Mike Kaszuba, "Suburban Summit to Tackle Affordable Housing," Minneapolis Star Tribune, 24 September 1994; Molly Guthrey, "Orfield Drums up Support for Equality Among Cities," Saint Paul Pioneer Press, 6 October 1994; Mike Kaszuba, "Leaders Call for End of Disparity Between North, South Suburbs," Minneapolis Star Tribune, 6 October 1994; Editorial, "North Summit; Suburban Voices Join Metro Debate," Minneapolis Star Tribune, 29 September 1994; Editorial, "Regional Cooperation Gets Needed Boost," Saint Paul Pioneer Press, 9 October 1994.

will be difficult for either party, or anyone who wishes to be governor, to oppose a system that will provide these swing voters with better services and lower taxes.

3. Political Possibilities in the Detroit Region

a. Tax-Base Sharing

Equity mechanisms must be forged in the give and take of each local community. They must ultimately reflect the political situation and the balance of political power present in a given place at a given time. The Metropolitan Area Research Corporation has created models of several possible regional property tax-base sharing scenarios for the Detroit region. Most of the scenarios produced positive results for at least 50 percent of the region's population. A few scenarios would actually provide lower taxes and better services for as many as 75 percent of the people of the Detroit region. In other words, under these models, approximately 60 to 75 percent of the regional population would be the recipients of new property tax base, thus receiving lower taxes and better local services at the same time. While there are countless formulas that could be used in a tax-base sharing system, we present here three of the most promising examples. In each of these cases over 60 percent of the total population of the Detroit region receives new tax base. The following paragraphs describe these hypothetical tax-base sharing scenarios and what such a system potentially could do for the region (see Appendix B for spreadsheets containing complete descriptions of how these tax-base sharing models were calculated and their results).

In the first example of tax-base sharing, each of the cities and townships of the region are required to contribute to the tax-base pool 15 percent of its total 1996 tax base (commercial and residential tax base). This tax base pool is then redistributed back out to the communities based on a formula giving preference to those places with a low per capita income. Thus, those places with little growth and low per capita income receive additional tax base from the pool, while those places with much growth and high per capita income contribute to the worse-off areas. In this run we limited the amount the cities of Detroit and Pontiac can each receive from the pool to $100 million.[99] This is done to make a larger percentage of the tax-base pool available to the other struggling communities in the region than would otherwise be available to them.

This run provided new tax base for 121 of the region's 184 communities—68.7 percent of the regional population.(Figure 32). Most of the biggest recipients were High Need communities such as Westland ($1,847 per capita), Brownstown ($1,883 per capita), Wyandotte ($2,420 per capita), Taylor ($2,593 per capita), Lenox ($2,947 per capita), Port Huron ($2,847 per capita), Hazel Park ($4,154 per capita), Inkster ($4,732 per capita), and Highland Park ($7,831 per capita). In addition, the cities of Detroit and Pontiac each received the maximum allowed, $100 million each in new tax base, that is, $102 per capita for Detroit and $1,415 per capita for Pontiac.

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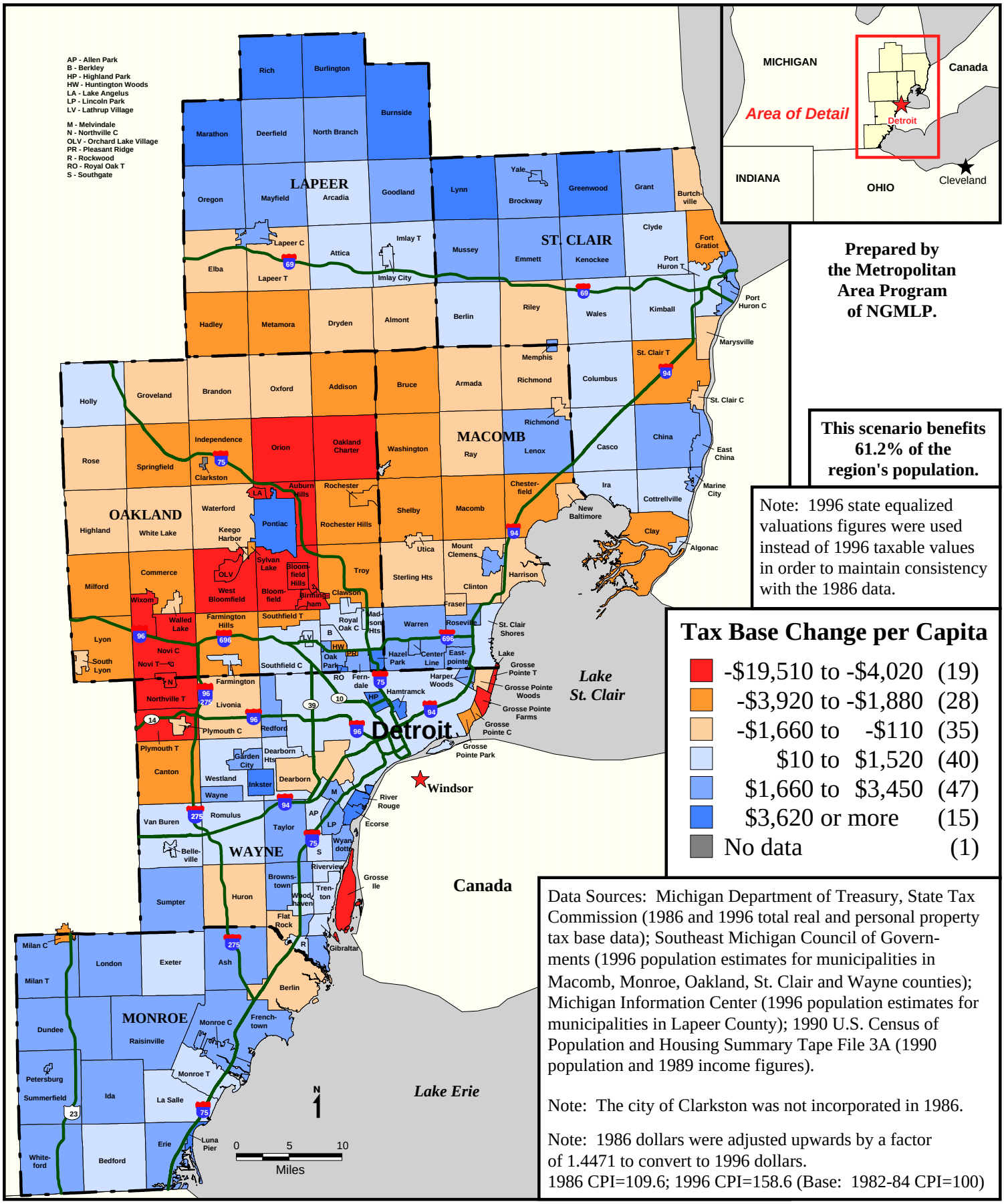
[99] Once the net distribution for each community is determined, the shares distributed to the cities of Detroit and Pontiac are examined. If the share calculated for either of these cities is less than the maximum allowed, no adjustments are made. If Detroit's or Pontiac's net distribution is greater than the maximum allowed, the model is run again. This time, that city is excluded from all of the calculations; instead, it is given a net distribution equal to the maximum allowed out of the tax-base pool. A final net distribution for each of the other communities is then determined.

Figure 32: Redistribution of 40% of Property Tax Base Growth 1986-1996 According to Per Capita Income by Municipality with a $1,000,000,000 Cap on Detroit City



Prepared by the Metropolitan Area Program of NGMLP.

This scenario benefits 61.2% of the region's population.

Note: 1996 state equalized valuations figures were used instead of 1996 taxable values in order to maintain consistency with the 1986 data.

Tax Base Change per Capita

-$19,510 to -$4,020	(19)
-$3,920 to -$1,880	(28)
-$1,660 to -$110	(35)
$10 to $1,520	(40)
$1,660 to $3,450	(47)
$3,620 or more	(15)
No data	(1)

Data Sources: Michigan Department of Treasury, State Tax Commission (1986 and 1996 total real and personal property tax base data); Southeast Michigan Council of Governments (1996 population estimates for municipalities in Macomb, Monroe, Oakland, St. Clair and Wayne counties); Michigan Information Center (1996 population estimates for municipalities in Lapeer County); 1990 U.S. Census of Population and Housing Summary Tape File 3A (1990 population and 1989 income figures).

Note: The city of Clarkston was not incorporated in 1986.

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 CPI=100)

In the second tax-base sharing scenario, each of the cities and townships of the region are required to contribute to the tax-base pool 40 percent of its 1996 commercial/industrial tax base. Like the previous run, this tax-base pool is redistributed back out to the communities based on a formula giving preference to those places with a low per-capita income. Here we only limited the amount the city of Detroit can receive from the pool to $100 million.

This run provided new tax base for 135 communities—69.9 percent of the regional population (Figure 33). Many of the same cities that received tax base in the previous run, also gained new tax base here, although the amounts were slightly smaller.

The third property tax-base sharing scenario is based on the region-wide sharing of tax base derived from high-valued residential properties. In this scenario we modeled what would be shared if the communities in the region contributed into a tax-base sharing pool the 1996 value from residential properties in excess of $150,000 per home. In other words, all of the tax base above $150,000 derived from a residential property is contributed to the pool. Again, the tax base pool was redistributed back out to the communities on a per capita tax basis and the amount that Detroit could receive was limited to $100 million.

This particular model run produced new tax base for 148 communities—an amazing 82.1 percent of the total population of the Detroit region (Figure 34). Places that gained new tax base include many of the same High Need Communities that gained tax base in the first two runs, but also include some Middle-class Communities such as the city of Southfield ($940 per capita) and Sterling Heights ($1,405 per capita).

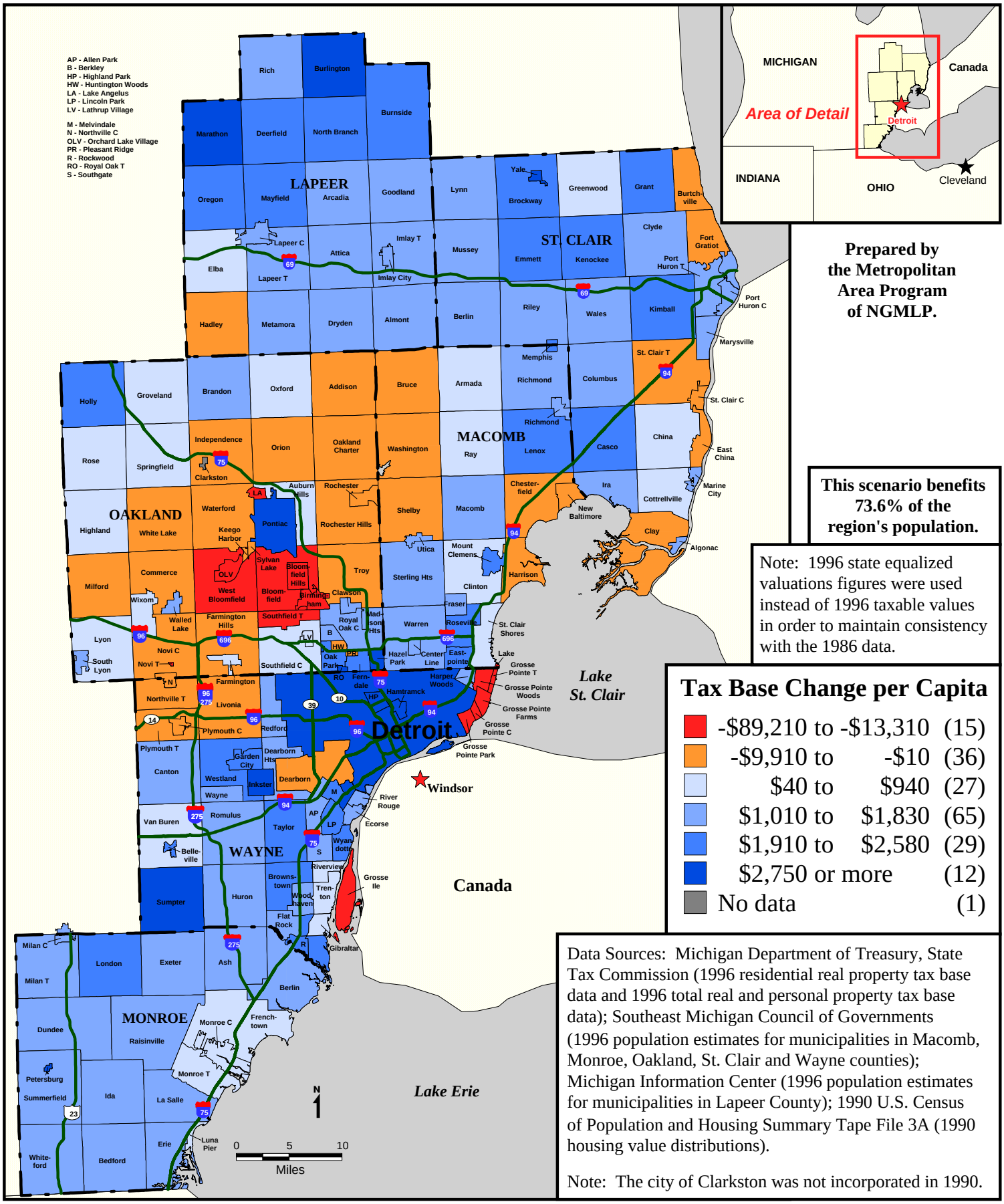
b. The Central City Track

It is time now to begin a parallel track among the distressed neighborhoods and interest groups of the central city and segregated low resource suburbs and satellite cities. One by one, the communities of color, the churches, neighborhood groups, government, and land use groups should be engaged in this regional discussion. The basic facts underlying this report and the rudiments of a regional agenda should be put forth, the parallel inner-suburban and satellite city strategy explained, and materials provided to begin community education. Because of the deep racial divisions and inter-jurisdictional divisions between the city and the other communities of the region, it would be in the city's best interest to allow the inner suburbs and outlying communities to take the political lead, or at the very least to acknowledge these places as full partners in regional equity efforts. Too strong and too early an effort by the central city, too powerful central city dominance, could dissuade the inner suburbs and outlying communities and retard progress toward reform.

c. Future Issues

If and when relationships can be built around tax-base sharing and fiscal equity, there is a simmering coalition waiting to be built concerning regional affordable housing. The low tax base communities undoubtedly feel overburdened by affordable housing. Their political response now is to "just say no," which will deeply over-stress and over-segregate the city. Without a viable response to this growing sentiment, a much deeper crisis for poor residents, race relations, and the politics of the region will develop. In Minnesota, the inner and low tax base suburbs, which

Figure 33: Redistribution of 1996 Property Tax Base from Housing Valued at $200,000 or More According to Property Tax Base per Capita by Municipality



Prepared by the Metropolitan Area Program of NGMLP.

This scenario benefits 73.6% of the region's population.

Note: 1996 state equalized valuations figures were used instead of 1996 taxable values in order to maintain consistency with the 1986 data.

Tax Base Change per Capita

-$89,210 to -$13,310	(15)
-$9,910 to -$10	(36)
$40 to $940	(27)
$1,010 to $1,830	(65)
$1,910 to $2,580	(29)
$2,750 or more	(12)
No data	(1)

Data Sources: Michigan Department of Treasury, State Tax Commission (1996 residential real property tax base data and 1996 total real and personal property tax base data); Southeast Michigan Council of Governments (1996 population estimates for municipalities in Macomb, Monroe, Oakland, St. Clair and Wayne counties); Michigan Information Center (1996 population estimates for municipalities in Lapeer County); 1990 U.S. Census of Population and Housing Summary Tape File 3A (1990 housing value distributions).

Note: The city of Clarkston was not incorporated in 1990.

had their fair share of affordable housing, joined in coalition with the central cities to pass a regional fair housing bill. It was a very strong coalition built on the rhetoric and power of the civil rights movement, with a powerful representation of the communities of color, and with the added political force of inner-suburban areas trying to retain stability. Creative thinking and planning could, over time, build a very powerful coalition in the Detroit region to persuade the affluent communities, where many new jobs are moving, to do their fair share. Again, with simply the political power of the city, the High Need Communities, and the strained Middle-class Communities there is a winning coalition. Further, potential Detroit-area recipient legislators could ally with legislators from other metropolitan regions in the state, resulting in an even greater political force for regional reform within Michigan metropolitan areas.

VI. Conclusion

The foregoing represents a pattern of metropolitan development—that of social and economic polarization—that the Detroit region cannot afford to continue. The Detroit region cannot afford to build a new set of communities and the supporting infrastructure every generation as the central city, older, inner suburbs, and satellite cities become isolated and decline.

The Detroit region cannot afford to concentrate poverty in increasingly isolated neighborhoods of the central city, inner suburbs, and satellite cities. It's clear that the concentration of poverty is more than the sum of its parts. We cannot lock people into patterns of dependency and isolation away from the productive economy. We must empower individuals so that they have control and can make changes within their communities.

The Detroit region cannot afford to eat up thousands of acres of farm land to build new sprawling communities into infinity.

The Detroit region must spend at least some of its resources and energy renewing—recycling—the communities in which it grew up. We cannot afford disposable core communities.

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 Detroit region is suffering from a series of problems that are too massive for the central city and inner suburbs to confront alone. These are the same problems that caused the decline and even death of other urban centers and unless the people of this region concentrate their efforts on finding new solutions, they can expect no better outcome.

Appendix A: Z-Score Calculations Used in Determining Subregions

Municipality	Subregion	Children in Poverty, 1990	Z-score: Children in Poverty, 1990	Female-headed HHs with Children, 1990	Z-score: Female-headed HHs with Children, 1990	Median Household Income, 1989	Z-score: Median Household Income, 1989	Tax Base per Household, 1996	Z-score: Tax Base per Household, 1996	Master Z-Score
Highland Park C	High Need	60.8%	-4.54354	68.1%	-5.40175	$9,805	-1.92652	$17,674	-1.04355	-3.22884
Detroit C	**Central City**	**52.7%**	**-3.80028**	**55.7%**	**-4.16244**	**$18,742**	**-1.36252**	**$17,833**	**-1.04054**	**-2.59144**
River Rouge C	High Need	50.6%	-3.60758	49.7%	-3.56277	$17,500	-1.44090	$67,281	-0.10377	-2.17875
Ecorse C	High Need	50.3%	-3.58006	44.0%	-2.99308	$18,956	-1.34901	$48,544	-0.45873	-2.09522
Hamtramck C	High Need	46.3%	-3.21301	39.9%	-2.58331	$16,751	-1.48817	$18,429	-1.02925	-2.07843
Pontiac C	High Need	44.9%	-3.08455	45.2%	-3.11301	$21,962	-1.15931	$31,991	-0.77232	-2.03230
Royal Oak T	High Need	39.1%	-2.55234	40.8%	-2.67326	$16,532	-1.50199	$21,380	-0.97334	-1.92523
Inkster C	High Need	36.9%	-2.35046	42.6%	-2.85316	$25,198	-0.95509	$19,756	-1.00411	-1.79071
Port Huron C	High Need	40.5%	-2.68080	35.7%	-2.16354	$21,522	-1.18708	$37,450	-0.66890	-1.67508
Lapeer C	High Need	33.6%	-2.04766	32.1%	-1.80374	$22,833	-1.10434	$41,292	-0.59612	-1.38796
Hazel Park C	High Need	29.7%	-1.68979	25.5%	-1.14410	$26,615	-0.86567	$28,295	-0.84234	-1.13548
Melvindale C	High Need	25.9%	-1.34110	29.2%	-1.51389	$26,179	-0.89319	$31,887	-0.77429	-1.13062
Yale C	High Need	21.9%	-0.97406	26.2%	-1.21406	$20,767	-1.23473	$30,628	-0.79814	-1.05525
Mount Clemens C	High Need	20.2%	-0.81806	28.1%	-1.40396	$25,716	-0.92240	$38,844	-0.64249	-0.94673
Imlay City C	High Need	22.9%	-1.06582	27.3%	-1.32400	$25,313	-0.94784	$51,875	-0.39563	-0.93332
Monroe C	High Need	31.4%	-1.84578	27.4%	-1.33399	$29,088	-0.70960	$85,457	0.24057	-0.91220
Flat Rock C	High Need	27.2%	-1.46039	28.5%	-1.44393	$35,000	-0.33651	$62,646	-0.19157	-0.85810
Walled Lake C	High Need	23.1%	-1.08417	28.1%	-1.40396	$35,433	-0.30918	$45,919	-0.50846	-0.82644
Petersburg C	High Need	25.5%	-1.30440	19.1%	-0.50445	$31,029	-0.58711	$30,227	-0.80574	-0.80042
Taylor C	High Need	20.7%	-0.86394	24.4%	-1.03416	$32,659	-0.48425	$40,895	-0.60364	-0.74650
Keego Harbor C	High Need	18.6%	-0.67125	25.2%	-1.11411	$30,417	-0.62573	$47,385	-0.48069	-0.72295
Lenox T	High Need	24.1%	-1.17593	22.5%	-0.84426	$34,330	-0.37879	$48,437	-0.46076	-0.71494
Ferndale C	High Need	15.2%	-0.35926	21.6%	-0.75431	$28,964	-0.71743	$36,997	-0.67749	-0.62712
Mussey T	High Need	23.2%	-1.09335	19.2%	-0.51444	$31,306	-0.56963	$57,736	-0.28459	-0.61550
Center Line C	High Need	8.5%	0.25553	24.8%	-1.07414	$22,758	-1.10908	$45,332	-0.51958	-0.61182
Wyandotte C	High Need	17.7%	-0.58866	18.3%	-0.42449	$28,312	-0.75858	$37,860	-0.66114	-0.60822
Monroe T	High Need	18.3%	-0.64372	19.9%	-0.58441	$28,873	-0.72317	$48,421	-0.46106	-0.60309
New Baltimore C	High Need	24.4%	-1.20346	18.2%	-0.41450	$35,219	-0.32269	$51,872	-0.39568	-0.58408
Marathon T	High Need	26.1%	-1.35945	9.5%	0.45502	$29,667	-0.67307	$34,641	-0.72212	-0.57490
Romulus C	High Need	18.5%	-0.66207	24.3%	-1.02416	$31,723	-0.54332	$69,876	-0.05460	-0.57104
Brownstown T	High Need	20.1%	-0.80889	22.5%	-0.84426	$38,186	-0.13545	$48,592	-0.45782	-0.56161
Algonac C	High Need	16.3%	-0.46020	16.0%	-0.19462	$26,237	-0.88953	$41,063	-0.60046	-0.53620
Kimball T	High Need	16.5%	-0.47855	18.0%	-0.39451	$29,675	-0.67256	$41,551	-0.59121	-0.53421
Burlington T	High Need	18.9%	-0.69878	11.1%	0.29511	$27,000	-0.84137	$33,171	-0.74997	-0.49875
Oak Park C	High Need	14.9%	-0.33173	20.7%	-0.66436	$36,090	-0.26772	$40,809	-0.60527	-0.46727

Municipality	Subregion	Children in Poverty, 1990	Z-score: Children in Poverty, 1990	Female-headed HHs with Children, 1990	Z-score: Female-headed HHs with Children, 1990	Median Household Income, 1989	Z-score: Median Household Income, 1989	Tax Base per Household, 1996	Z-score: Tax Base per Household, 1996	Master Z-Score
Wayne C	High Need	10.1%	0.10872	24.0%	-0.99418	$31,250	-0.57317	$51,606	-0.40072	-0.46484
Burnside T	High Need	24.7%	-1.23099	9.2%	0.48500	$27,917	-0.78350	$55,605	-0.32496	-0.46361
Lincoln Park C	High Need	13.8%	-0.23080	15.6%	-0.15464	$30,638	-0.61179	$31,529	-0.78108	-0.44458
Westland C	High Need	12.7%	-0.12986	19.9%	-0.58441	$34,995	-0.33683	$37,850	-0.66133	-0.42810
Marine City C	High Need	12.3%	-0.09316	16.3%	-0.22460	$27,088	-0.83582	$44,832	-0.52905	-0.42066
Ira T	High Need	16.6%	-0.48773	14.2%	-0.01472	$30,844	-0.59879	$45,444	-0.51746	-0.40467
Port Huron T	High Need	15.4%	-0.37761	16.6%	-0.25459	$32,420	-0.49933	$49,048	-0.44918	-0.39518
Burtchville T	High Need	10.3%	0.09036	19.7%	-0.56442	$29,564	-0.67957	$50,453	-0.42257	-0.39405
Emmett T	High Need	15.6%	-0.39597	15.0%	-0.09468	$32,379	-0.50192	$47,817	-0.47250	-0.36627
Holly T	High Need	13.7%	-0.22162	16.3%	-0.22460	$32,895	-0.46935	$45,899	-0.50884	-0.35610
Van Buren T	Middle-class	12.5%	-0.11151	18.6%	-0.45448	$37,987	-0.14801	$46,570	-0.49613	-0.30253
Goodland T	Middle-class	21.4%	-0.92818	8.1%	0.59494	$30,509	-0.61993	$61,844	-0.20677	-0.28998
Utica C	Middle-class	7.7%	0.32894	22.0%	-0.79429	$33,214	-0.44922	$64,226	-0.16164	-0.26905
Fraser C	Middle-class	12.3%	-0.09316	20.7%	-0.66436	$36,644	-0.23276	$68,238	-0.08564	-0.26898
Memphis C	Middle-class	9.7%	0.14542	12.3%	0.17518	$29,742	-0.66833	$37,955	-0.65934	-0.25177
North Branch T	Middle-class	9.3%	0.18212	11.3%	0.27512	$28,315	-0.75839	$38,549	-0.64808	-0.23731
Riverview C	Middle-class	11.3%	-0.00140	19.1%	-0.50445	$39,735	-0.03769	$52,810	-0.37791	-0.23036
Auburn Hills C	Middle-class	14.0%	-0.24915	22.9%	-0.88424	$34,825	-0.34755	$102,842	0.56993	-0.22775
Summerfield T	Middle-class	23.3%	-1.10252	9.2%	0.48500	$39,596	-0.04647	$60,820	-0.22617	-0.22254
South Lyon C	Middle-class	4.5%	0.62257	18.9%	-0.48446	$33,095	-0.45673	$42,921	-0.56526	-0.22097
Luna Pier C	Middle-class	17.2%	-0.54278	20.1%	-0.60440	$24,886	-0.97478	$139,129	1.25737	-0.21615
Dundee T	Middle-class	15.1%	-0.35009	12.6%	0.14519	$35,193	-0.32433	$57,877	-0.28192	-0.20279
Roseville C	Middle-class	7.1%	0.38400	15.4%	-0.13465	$32,337	-0.50457	$43,973	-0.54533	-0.20014
Wales T	Middle-class	15.6%	-0.39597	10.3%	0.37507	$33,125	-0.45484	$59,185	-0.25714	-0.18322
Rich T	Middle-class	16.1%	-0.44185	6.9%	0.71488	$30,066	-0.64788	$58,155	-0.27665	-0.16288
Eastpointe C	Middle-class	7.0%	0.39317	13.8%	0.02526	$34,069	-0.39526	$37,582	-0.66640	-0.16081
Madison Heights C	Middle-class	10.4%	0.08119	14.0%	0.00527	$31,757	-0.54117	$64,454	-0.15732	-0.15301
Warren C	Middle-class	11.3%	-0.00140	14.8%	-0.07469	$35,980	-0.27466	$59,188	-0.25708	-0.15196
Sumpter T	Middle-class	7.2%	0.37482	13.2%	0.08522	$34,929	-0.34099	$34,910	-0.71702	-0.14949
Dearborn C	Middle-class	18.7%	-0.68042	14.2%	-0.01472	$34,909	-0.34225	$96,724	0.45402	-0.14584
Erie T	Middle-class	9.6%	0.15460	13.4%	0.06524	$36,667	-0.23131	$46,694	-0.49378	-0.12631
St. Clair C	Middle-class	7.2%	0.37482	16.2%	-0.21461	$32,676	-0.48317	$63,653	-0.17250	-0.12386
Milan C	Middle-class	6.0%	0.48493	18.7%	-0.46447	$34,249	-0.38390	$66,718	-0.11443	-0.11947
Belleville C	Middle-class	3.2%	0.74186	12.6%	0.14519	$31,843	-0.53574	$29,658	-0.81652	-0.11630
Harper Woods C	Middle-class	4.2%	0.65010	15.6%	-0.15464	$33,098	-0.45654	$46,799	-0.49179	-0.11322
Clinton T	Middle-class	9.2%	0.19130	15.1%	-0.10467	$39,215	-0.07051	$48,061	-0.46788	-0.11294
Lynn T	Middle-class	19.1%	-0.71713	6.6%	0.74486	$33,750	-0.41540	$69,403	-0.06356	-0.11281
Plymouth C	Middle-class	8.6%	0.24636	17.9%	-0.38452	$38,326	-0.12661	$63,978	-0.16634	-0.10778

Municipality	Subregion	Children in Poverty, 1990	Z-score: Children in Poverty, 1990	Female-headed HHs with Children, 1990	Z-score: Female-headed HHs with Children, 1990	Median Household Income, 1989	Z-score: Median Household Income, 1989	Tax Base per Household, 1996	Z-score: Tax Base per Household, 1996	Master Z-Score
Southgate C	Middle-class	7.6%	0.33812	13.5%	0.05524	$36,526	-0.24021	$43,429	-0.55563	-0.10062
Casco T	Middle-class	9.4%	0.17295	13.2%	0.08522	$38,333	-0.12617	$49,401	-0.44250	-0.07762
Grant T	Middle-class	11.6%	-0.02892	7.3%	0.67490	$32,321	-0.50558	$51,088	-0.41054	-0.06753
Richmond C	Middle-class	5.0%	0.57669	13.8%	0.02526	$34,437	-0.37204	$47,961	-0.46978	-0.05997
Brockway T	Middle-class	12.4%	-0.10233	8.2%	0.58495	$35,809	-0.28546	$50,590	-0.41997	-0.05570
Dearborn Heights C	Middle-class	7.8%	0.31977	11.4%	0.26513	$36,771	-0.22475	$43,932	-0.54610	-0.04649
Rochester C	Middle-class	4.3%	0.64093	19.5%	-0.54443	$35,926	-0.27807	$73,610	0.01614	-0.04136
Royal Oak C	Middle-class	6.6%	0.42988	13.4%	0.06524	$36,835	-0.22071	$49,949	-0.43211	-0.03943
Waterford T	Middle-class	7.0%	0.39317	16.2%	-0.21461	$39,463	-0.05486	$59,525	-0.25070	-0.03175
Kenockee T	Middle-class	11.6%	-0.02892	6.9%	0.71488	$34,215	-0.38605	$50,257	-0.42628	-0.03159
Berkley C	Middle-class	3.6%	0.70516	15.3%	-0.12466	$36,693	-0.22967	$47,933	-0.47031	-0.02987
Fort Gratiot T	Middle-class	11.5%	-0.01975	10.2%	0.38506	$35,409	-0.31070	$65,835	-0.13116	-0.01914
Clay T	Middle-class	14.2%	-0.26750	11.8%	0.22515	$37,875	-0.15507	$79,345	0.12478	-0.01816
Redford T	Middle-class	4.1%	0.65928	14.2%	-0.01472	$37,162	-0.20007	$46,047	-0.50604	-0.01539
Clarkston C	Middle-class	-	-	-	-	-	-	$72,353	-0.00768	-0.00768
Oxford T	Middle-class	12.9%	-0.14821	11.8%	0.22515	$41,416	0.06839	$63,628	-0.17297	-0.00691
Mayfield T	Middle-class	7.5%	0.34729	10.1%	0.39505	$35,735	-0.29013	$47,536	-0.47783	-0.00640
Clawson C	Middle-class	3.7%	0.69598	13.1%	0.09522	$36,532	-0.23983	$48,279	-0.46375	0.02191
St. Clair Shores C	Middle-class	5.9%	0.49411	10.9%	0.31510	$36,929	-0.21477	$48,447	-0.46057	0.03347
Harrison T	Middle-class	9.3%	0.18212	10.2%	0.38506	$39,210	-0.07083	$54,643	-0.34319	0.03829
Deerfield T	Middle-class	7.1%	0.38400	8.2%	0.58495	$34,596	-0.36201	$49,303	-0.44435	0.04065
Highland T	Middle-class	11.0%	0.02613	11.7%	0.23514	$42,157	0.11515	$61,500	-0.21328	0.04079
La Salle T	Middle-class	11.6%	-0.02892	7.6%	0.64492	$37,418	-0.18392	$61,298	-0.21711	0.05374
Garden City C	Middle-class	4.6%	0.61340	10.4%	0.36507	$38,717	-0.10194	$39,974	-0.62109	0.06386
Southfield C	Middle-class	5.7%	0.51246	16.7%	-0.26458	$40,579	0.01557	$75,574	0.05334	0.07920
Wixom C	Middle-class	0.0%	1.03550	17.7%	-0.36453	$31,755	-0.54130	$84,095	0.21477	0.08611
Rockwood C	Middle-class	6.8%	0.41153	7.7%	0.63492	$37,609	-0.17186	$46,350	-0.50030	0.09357
Cottrellville T	Middle-class	6.8%	0.41153	7.6%	0.64492	$34,651	-0.35853	$56,865	-0.30109	0.09920
Arcadia T	Middle-class	10.8%	0.04448	8.5%	0.55497	$38,214	-0.13368	$69,300	-0.06552	0.10006
Ash T	Middle-class	6.2%	0.46658	10.0%	0.40505	$39,257	-0.06786	$51,514	-0.40247	0.10033
Allen Park C	Middle-class	5.7%	0.51246	12.1%	0.19516	$39,925	-0.02570	$59,624	-0.24882	0.10827
Brandon T	Middle-class	7.9%	0.31059	13.1%	0.09522	$44,784	0.28094	$59,380	-0.25345	0.10832
London T	Middle-class	10.9%	0.03531	7.5%	0.65491	$42,823	0.15718	$51,911	-0.39494	0.11311
Exeter T	Middle-class	10.2%	0.09954	7.2%	0.68489	$39,130	-0.07587	$59,702	-0.24735	0.11530
Frenchtown T	Middle-class	17.9%	-0.60702	14.1%	-0.00473	$31,931	-0.53019	$160,436	1.66103	0.12977
Imlay T	Middle-class	9.7%	0.14542	7.3%	0.67490	$38,125	-0.13930	$64,576	-0.15501	0.13150
Huron T	Middle-class	5.9%	0.49411	10.8%	0.32509	$41,806	0.09300	$52,465	-0.38445	0.13194
Trenton C	Middle-class	8.0%	0.30141	13.9%	0.01526	$41,129	0.05028	$81,420	0.16409	0.13276

Municipality	Subregion	Children in Poverty, 1990	Z-score: Children in Poverty, 1990	Female-headed HHs with Children, 1990	Z-score: Female-headed HHs with Children, 1990	Median Household Income, 1989	Z-score: Median Household Income, 1989	Tax Base per Household, 1996	Z-score: Tax Base per Household, 1996	Master Z-Score
Bedford T	Middle-class	6.0%	0.48493	10.1%	0.39505	$40,982	0.04100	$53,146	-0.37155	0.13736
Elba T	Middle-class	9.3%	0.18212	9.7%	0.43503	$41,375	0.06580	$65,829	-0.13127	0.13792
Clyde T	Middle-class	6.5%	0.43905	9.7%	0.43503	$41,528	0.07546	$52,226	-0.38898	0.14014
Canton T	Middle-class	7.6%	0.33812	14.3%	-0.02471	$47,009	0.42135	$64,681	-0.15302	0.14543
Bruce T	Middle-class	10.6%	0.06284	10.4%	0.36507	$40,989	0.04144	$81,488	0.16538	0.15868
Oregon T	Middle-class	5.0%	0.57669	8.6%	0.54497	$41,709	0.08688	$43,591	-0.55256	0.16400
White Lake T	Middle-class	5.2%	0.55834	12.0%	0.20516	$42,549	0.13989	$61,627	-0.21088	0.17313
Chesterfield T	Middle-class	6.0%	0.48493	11.6%	0.24514	$42,026	0.10689	$66,478	-0.11898	0.17949
Berlin T (Monroe)	Middle-class	7.5%	0.34729	7.7%	0.63492	$41,173	0.05306	$57,848	-0.28247	0.18820
Almont T	Middle-class	7.1%	0.38400	6.3%	0.77485	$38,290	-0.12888	$58,352	-0.27292	0.18926
St. Clair T	Middle-class	6.0%	0.48493	10.6%	0.34508	$37,132	-0.20196	$79,782	0.13306	0.19028
Dryden T	Middle-class	12.9%	-0.14821	8.5%	0.55497	$45,225	0.30877	$75,919	0.05988	0.19385
Berlin T (St. Clair)	Middle-class	9.6%	0.15460	3.7%	1.03470	$38,371	-0.12377	$62,615	-0.19216	0.21834
Gibraltar C	Middle-class	6.1%	0.47576	8.0%	0.60494	$41,291	0.06050	$59,889	-0.24380	0.22435
Washington T	Middle-class	9.2%	0.19130	11.8%	0.22515	$47,303	0.43991	$76,108	0.06346	0.22995
Marysville C	Middle-class	3.9%	0.67763	7.0%	0.70488	$34,075	-0.39489	$74,144	0.02625	0.25347
Metamora T	Middle-class	8.8%	0.22800	9.5%	0.45502	$44,434	0.25885	$77,862	0.09669	0.25964
Farmington C	Middle-class	2.2%	0.83362	10.2%	0.38506	$41,040	0.04466	$63,083	-0.18329	0.27001
Sterling Heights C	Middle-class	6.8%	0.41153	10.4%	0.36507	$46,470	0.38734	$68,829	-0.07444	0.27237
Lapeer T	Middle-class	6.1%	0.47576	8.1%	0.59494	$42,836	0.15800	$66,452	-0.11947	0.27731
Grosse Pointe Park C	Middle-class	5.9%	0.49411	18.5%	-0.44448	$54,586	0.89952	$82,620	0.18683	0.28399
Raisinville T	Affluent	6.5%	0.43905	6.9%	0.71488	$45,526	0.32776	$62,276	-0.19858	0.32078
Woodhaven C	Affluent	9.3%	0.18212	7.4%	0.66491	$47,513	0.45316	$73,727	0.01835	0.32964
Groveland T	Affluent	7.7%	0.32894	8.8%	0.52498	$48,288	0.50207	$72,907	0.00282	0.33970
Greenwood T	Affluent	12.8%	-0.13904	12.9%	0.11521	$30,060	-0.64826	$180,794	2.04670	0.34365
Whiteford T	Affluent	2.3%	0.82445	6.4%	0.76485	$39,385	-0.05978	$67,059	-0.10797	0.35539
Attica T	Affluent	2.9%	0.76939	4.1%	0.99472	$38,250	-0.13141	$63,540	-0.17464	0.36452
Sylvan Lake C	Affluent	3.2%	0.74186	9.0%	0.50499	$44,464	0.26074	$73,570	0.01538	0.38074
Springfield T	Affluent	4.7%	0.60422	9.8%	0.42504	$48,630	0.52365	$72,041	-0.01359	0.38483
Milan T	Affluent	0.0%	1.03550	7.6%	0.64492	$40,167	-0.01043	$66,865	-0.11165	0.38958
Milford T	Affluent	5.2%	0.55834	10.8%	0.32509	$45,938	0.35376	$92,032	0.36513	0.40058
Rose T	Affluent	2.3%	0.82445	7.9%	0.61493	$45,616	0.33344	$68,629	-0.07823	0.42365
Addison T	Affluent	7.3%	0.36565	6.2%	0.78484	$44,640	0.27185	$87,434	0.27803	0.42509
Ray T	Affluent	10.8%	0.04448	1.5%	1.25458	$45,588	0.33168	$78,093	0.10106	0.43295
Shelby T	Affluent	4.2%	0.65010	7.7%	0.63492	$47,930	0.47948	$71,462	-0.02456	0.43499
Pleasant Ridge C	Affluent	5.6%	0.52164	11.6%	0.24514	$54,658	0.90407	$77,351	0.08701	0.43946
Orion T	Affluent	4.2%	0.65010	9.2%	0.48500	$45,798	0.34493	$88,226	0.29303	0.44327
Ida T	Affluent	0.0%	1.03550	6.3%	0.77485	$43,687	0.21171	$60,014	-0.24144	0.44515

Municipality	Subregion	Children in Poverty, 1990	Z-score: Children in Poverty, 1990	Female-headed HHs with Children, 1990	Z-score: Female-headed HHs with Children, 1990	Median Household Income, 1989	Z-score: Median Household Income, 1989	Tax Base per Household, 1996	Z-score: Tax Base per Household, 1996	Master Z-Score
Riley T	Affluent	3.8%	0.68681	3.2%	1.08467	$42,204	0.11812	$69,374	-0.06411	0.45637
Commerce T	Affluent	4.2%	0.65010	10.6%	0.34508	$48,157	0.49380	$92,834	0.38033	0.46733
Lyon T	Affluent	1.9%	0.86115	4.9%	0.91477	$41,056	0.04567	$79,212	0.12226	0.48596
Macomb T	Affluent	1.2%	0.92538	7.1%	0.69489	$47,338	0.44212	$66,943	-0.11017	0.48806
Novi C	Affluent	2.6%	0.79692	10.9%	0.31510	$47,518	0.45348	$93,755	0.39778	0.49082
Richmond T	Affluent	4.7%	0.60422	5.0%	0.90477	$45,594	0.33206	$80,535	0.14733	0.49709
Northville C	Affluent	3.7%	0.69598	9.9%	0.41504	$50,340	0.63157	$86,252	0.25563	0.49956
Armada T	Affluent	3.0%	0.76022	6.5%	0.75486	$45,707	0.33919	$85,347	0.23849	0.52319
Independence T	Affluent	3.5%	0.71434	9.0%	0.50499	$53,233	0.81414	$76,425	0.06947	0.52573
Columbus T	Affluent	0.0%	1.03550	2.6%	1.14464	$39,792	-0.03410	$71,680	-0.02043	0.53140
Livonia C	Affluent	3.0%	0.76022	8.3%	0.57496	$48,645	0.52460	$90,042	0.32743	0.54680
East China T	Affluent	17.3%	-0.55196	13.7%	0.03525	$31,359	-0.56629	$250,699	3.37103	0.57201
Farmington Hills C	Affluent	3.0%	0.76022	7.8%	0.62493	$51,986	0.73544	$88,799	0.30389	0.60612
Hadley T	Affluent	3.1%	0.75104	2.7%	1.13465	$45,915	0.35231	$84,236	0.21744	0.61386
Rochester Hills C	Affluent	2.1%	0.84280	8.7%	0.53498	$54,996	0.92540	$87,084	0.27140	0.64364
Northville T	Affluent	1.7%	0.87950	8.7%	0.53498	$55,465	0.95499	$84,543	0.22326	0.64818
Grosse Pointe Woods C	Affluent	2.4%	0.81527	7.7%	0.63492	$55,657	0.96711	$88,010	0.28894	0.67656
Lathrup Village C	Affluent	2.1%	0.84280	8.1%	0.59494	$59,072	1.18262	$78,024	0.09976	0.68003
Huntington Woods C	Affluent	4.1%	0.65928	7.8%	0.62493	$61,057	1.30789	$84,346	0.21953	0.70291
Birmingham C	Affluent	2.2%	0.83362	12.3%	0.17518	$57,573	1.08803	$116,100	0.82110	0.72948
Plymouth T	Affluent	0.8%	0.96209	6.7%	0.73487	$53,768	0.84790	$103,616	0.58459	0.78236
Troy C	Affluent	3.0%	0.76022	6.6%	0.74486	$55,407	0.95133	$127,721	1.04125	0.87442
Grosse Ile T	Affluent	1.0%	0.94374	6.9%	0.71488	$62,619	1.40647	$106,159	0.63277	0.92446
West Bloomfield T	Affluent	1.8%	0.87033	7.2%	0.68489	$68,654	1.78733	$108,807	0.68293	1.00637
Grosse Pointe C	Affluent	0.0%	1.03550	4.6%	0.94475	$62,947	1.42717	$109,130	0.68905	1.02412
Southfield T	Affluent	1.3%	0.91621	10.4%	0.36507	$69,466	1.83857	$124,892	0.98766	1.02688
Grosse Pointe Farms	Affluent	2.3%	0.82445	9.6%	0.44503	$66,844	1.67310	$142,930	1.32938	1.06799
Oakland Charter T	Affluent	1.3%	0.91621	2.7%	1.13465	$63,881	1.48611	$117,067	0.83941	1.09410
Lake T	Affluent	0.0%	1.03550	0.0%	1.40450	$41,500	0.07369	$171,978	1.87969	1.09834
Novi T	Affluent	0.0%	1.03550	0.0%	1.40450	$70,293	1.89076	$140,239	1.27840	1.40229
Bloomfield T	Affluent	0.5%	0.98962	6.1%	0.79483	$84,441	2.78361	$148,070	1.42676	1.49870
Lake Angelus C	Affluent	0.0%	1.03550	0.0%	1.40450	$80,930	2.56204	$267,510	3.68951	2.17289
China T	Affluent	5.2%	0.55834	4.0%	1.00472	$47,585	0.45770	$425,901	6.69017	2.17773
Grosse Pointe T	Affluent	0.0%	1.03550	4.0%	1.00472	$118,090	4.90713	$221,106	2.81040	2.43944
Orchard Lake Village C	Affluent	0.0%	1.03550	3.0%	1.10466	$106,234	4.15892	$321,650	4.71517	2.75356
Bloomfield Hills C	Affluent	0.0%	1.03550	3.8%	1.02471	$150,001	6.92097	$366,555	5.56588	3.63676

	Children in Poverty, 1990	Female-headed HHs with Children, 1990	Median Household Income, 1989	Tax Base per Household, 1996
Average	11.3%	14.1%	$40,332	$72,758
Std. Deviation	10.9%	10.0%	$15,846	$52,785

DATA SOURCES: 1990 U.S. Census of Population and Housing Summary Tape File 3A (1990 income, poverty, and household data); Michigan Department of Tresury,
State Tax Commission (1996 total real and personal property tax base data); Southeastern Michigan Council of Governments (1996 household estimates for municipalities
in Macomb, Monroe, Oakland, St. Clair and Wayne counties); and Michigan Information Center (1996 household estimates for municipalities in Lapeer County).

Appendix B: Hypothetical Property Tax-Base Sharing Run 1. Redistribution of 15% of Total 1996 Property Tax Base, According to Per Capita Income by Municipality, with a $1,000,000 Cap on the Cities of Detroit and Pontiac.

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
1	Highland Park city	High Need	$150,313,982	19,195	$7,831
2	Hamtramck city	High Need	$91,444,822	17,110	$5,345
3	Burlington township	High Need	$9,177,050	1,903	$4,822
4	Inkster city	High Need	$137,791,472	29,120	$4,732
5	Yale city	High Need	$9,188,175	1,964	$4,678
6	Marathon township	High Need	$23,271,717	5,299	$4,392
7	Hazel Park city	High Need	$83,837,965	20,184	$4,154
8	Royal Oak township	High Need	$19,508,523	4,890	$3,989
9	North Branch township	Middle-class	$14,303,413	3,704	$3,862
10	Petersburg city	High Need	$4,251,641	1,197	$3,552
11	Ecorse city	High Need	$39,371,527	11,185	$3,520
12	Lapeer city	High Need	$28,002,261	8,122	$3,448
13	Port Huron city	High Need	$111,963,945	32,740	$3,420
14	Burnside township	High Need	$6,368,295	1,911	$3,332
15	Memphis city	Middle-class	$3,997,348	1,229	$3,253
16	Kimball township	High Need	$25,099,992	7,822	$3,209
17	River Rouge city	High Need	$32,167,790	10,202	$3,153
18	Deerfield township	Middle-class	$16,248,075	5,172	$3,142
19	Emmett township	High Need	$7,070,718	2,286	$3,093
20	Marine City city	High Need	$13,858,931	4,676	$2,964
21	Lenox township	High Need	$22,984,289	7,798	$2,947
22	Oregon township	Middle-class	$23,177,826	8,024	$2,889
23	Sumpter township	Middle-class	$31,573,018	10,999	$2,871
24	Brockway township	Middle-class	$5,104,703	1,790	$2,852
25	Melvindale city	High Need	$29,943,685	10,540	$2,841
26	Kenockee township	Middle-class	$6,167,352	2,212	$2,788
27	Lincoln Park city	High Need	$109,408,857	39,528	$2,768
28	Ferndale city	High Need	$67,789,707	24,869	$2,726
29	Rich township	Middle-class	$3,292,454	1,217	$2,705
30	Algonac city	High Need	$12,511,194	4,727	$2,647
31	Taylor city	High Need	$176,351,837	68,016	$2,593
32	Mayfield township	Middle-class	$18,785,624	7,406	$2,537
33	Grant township	Middle-class	$3,783,198	1,505	$2,514
34	Wales township	Middle-class	$6,670,983	2,741	$2,434
35	Wyandotte city	High Need	$71,798,134	29,674	$2,420
36	Mount Clemens city	High Need	$41,698,291	17,352	$2,403
37	Imlay City city	High Need	$6,966,694	2,916	$2,389
38	Mussey township	High Need	$7,960,762	3,495	$2,278
39	London township	Middle-class	$6,900,845	3,036	$2,273
40	Garden City city	Middle-class	$66,830,714	30,503	$2,191
41	Eastpointe city	Middle-class	$72,895,230	33,385	$2,183
42	Casco township	Middle-class	$10,362,824	4,896	$2,117
43	Holly township	High Need	$19,839,630	9,478	$2,093
44	Oak Park city	High Need	$62,896,782	30,193	$2,083
45	Erie township	Middle-class	$10,068,438	4,854	$2,074
46	Goodland township	Middle-class	$3,122,029	1,522	$2,051
47	Clyde township	Middle-class	$11,769,409	5,762	$2,043
48	Arcadia township	Middle-class	$5,321,848	2,642	$2,014
49	Roseville city	Middle-class	$100,125,587	49,912	$2,006
50	Attica township	Affluent	$8,165,355	4,132	$1,976
	Port Huron township	High Need	$16,471,285	8,337	$1,976
52	Lynn township	Middle-class	$1,908,482	967	$1,974
53	Wayne city	High Need	$37,879,340	19,481	$1,944
54	Monroe township	High Need	$24,985,691	12,905	$1,936
55	Exeter township	Middle-class	$6,605,039	3,485	$1,895
56	Brownstown township	High Need	$37,591,750	19,967	$1,883

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
57	Westland city	High Need	$159,563,554	86,374	$1,847
58	Ira township	High Need	$11,150,380	6,083	$1,833
59	Center Line city	High Need	$15,504,582	8,571	$1,809
60	South Lyon city	Middle-class	$14,745,379	8,243	$1,789
61	Imlay township	Middle-class	$4,218,801	2,463	$1,713
62	Ash township	Middle-class	$13,598,956	7,950	$1,711
63	Richmond city	Middle-class	$7,531,750	4,416	$1,706
64	La Salle township	Middle-class	$8,633,480	5,230	$1,651
65	Ida township	Affluent	$7,728,148	4,792	$1,613
66	Redford township	Middle-class	$77,248,161	51,871	$1,489
67	Berlin township (St. Clair)	Middle-class	$4,266,562	2,876	$1,484
68	Riley township	Affluent	$4,105,771	2,780	$1,477
69	Cottrellville township	Middle-class	$5,226,755	3,616	$1,445
70	Romulus city	High Need	$34,013,320	23,616	$1,440
71	Pontiac city	High Need	$100,000,000	70,681	$1,415
72	Summerfield township	Middle-class	$4,462,862	3,229	$1,382
73	Southgate city	Middle-class	$39,554,573	29,532	$1,339
74	Almont township	Middle-class	$7,769,248	5,820	$1,335
75	Belleville city	Middle-class	$4,540,269	3,436	$1,321
76	Huron township	Middle-class	$15,926,841	12,337	$1,291
77	Bedford township	Middle-class	$34,040,444	26,783	$1,271
78	Rockwood city	Middle-class	$3,844,118	3,090	$1,244
79	Berkley city	Middle-class	$20,630,232	16,917	$1,219
80	Raisinville township	Affluent	$5,762,841	4,863	$1,185
81	Van Buren township	Middle-class	$27,112,270	22,963	$1,181
82	Dearborn Heights city	Middle-class	$66,566,666	57,758	$1,153
83	Berlin township (Monroe)	Middle-class	$7,323,723	6,661	$1,099
84	Dundee township	Middle-class	$6,677,199	6,097	$1,095
85	Burtchville township	High Need	$4,269,644	3,946	$1,082
86	Clawson city	Middle-class	$14,315,764	13,898	$1,030
87	Flat Rock city	High Need	$7,422,159	7,444	$997
88	Brandon township	Middle-class	$13,902,755	14,039	$990
89	Highland township	Middle-class	$18,540,668	19,744	$939
90	Whiteford township	Affluent	$4,086,030	4,569	$894
91	Clinton township	Middle-class	$76,193,414	93,055	$819
92	Keego Harbor city	High Need	$2,191,595	2,908	$754
93	Milan township	Affluent	$1,234,370	1,663	$742
94	St. Clair Shores city	Middle-class	$44,906,010	64,553	$696
95	Elba township	Middle-class	$3,579,665	5,152	$695
96	Rose township	Affluent	$4,130,233	5,962	$693
97	Columbus township	Affluent	$2,568,904	3,944	$651
98	Warren city	Middle-class	$82,726,390	138,725	$596
99	New Baltimore city	High Need	$3,794,327	6,428	$590
100	Utica city	Middle-class	$2,688,519	4,849	$554
101	Richmond township	Affluent	$1,566,336	2,917	$537
102	Madison Heights city	Middle-class	$16,612,173	32,308	$514
103	Riverview city	Middle-class	$6,868,362	13,460	$510
104	White Lake township	Middle-class	$12,990,571	26,951	$482
105	Oxford township	Middle-class	$6,722,605	14,307	$470
106	Harper Woods city	Middle-class	$6,591,407	14,126	$467
107	Fort Gratiot township	Middle-class	$4,101,677	10,114	$406
108	Dryden township	Middle-class	$1,604,176	4,395	$365
109	Lapeer township	Middle-class	$1,704,303	4,881	$349
110	Walled Lake city	High Need	$2,288,863	6,691	$342
111	Gibraltar city	Middle-class	$1,410,557	4,148	$340
112	Waterford township	Middle-class	$23,053,655	71,185	$324
113	Macomb township	Affluent	$10,051,316	33,990	$296
114	Canton township	Middle-class	$18,851,696	66,776	$282
115	Chesterfield township	Middle-class	$7,743,354	29,270	$265
116	Fraser city	Middle-class	$3,808,464	14,989	$254
117	Royal Oak city	Middle-class	$12,309,693	65,340	$188
118	**Detroit city**	**Central City**	**$100,000,000**	**985,074**	**$102**
119	St. Clair city	Middle-class	$429,912	5,517	$78

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
120	Allen Park city	Middle-class	$1,813,044	29,643	$61
121	Armada township	Affluent	$128,121	5,016	$26
122	Groveland township	Affluent	($113,939)	5,979	($19)
123	Milan city	Middle-class	($114,284)	4,560	($25)
124	Harrison township	Middle-class	($838,909)	25,196	($33)
125	Springfield township	Affluent	($721,740)	12,812	($56)
126	Monroe city	High Need	($1,400,299)	22,694	($62)
127	Sterling Heights city	Middle-class	($9,417,183)	119,277	($79)
128	Lyon township	Affluent	($1,146,628)	10,331	($111)
129	Marysville city	Middle-class	($1,164,490)	9,485	($123)
130	St. Clair township	Middle-class	($709,743)	5,483	($129)
131	Woodhaven city	Affluent	($4,313,725)	12,102	($356)
132	Hadley township	Affluent	($2,135,607)	4,152	($514)
133	Ray township	Affluent	($1,905,073)	3,580	($532)
134	Shelby township	Affluent	($39,315,358)	57,858	($680)
135	Washington township	Middle-class	($12,544,753)	16,595	($756)
136	Metamora township	Middle-class	($3,743,961)	4,637	($807)
137	Addison township	Affluent	($5,220,876)	5,995	($871)
138	Clay township	Middle-class	($8,884,286)	9,411	($944)
139	Independence township	Affluent	($30,190,892)	29,537	($1,022)
140	Bruce township	Middle-class	($9,610,761)	8,219	($1,169)
141	Orion township	Affluent	($35,870,626)	30,019	($1,195)
142	Milford township	Affluent	($18,611,607)	14,782	($1,259)
143	Trenton city	Middle-class	($26,263,569)	20,080	($1,308)
144	Plymouth city	Middle-class	($12,607,522)	9,240	($1,364)
145	Farmington city	Middle-class	($15,204,481)	10,151	($1,498)
146	Luna Pier city	Middle-class	($2,343,407)	1,511	($1,551)
147	Commerce township	Affluent	($50,810,974)	31,807	($1,597)
148	Lathrup Village city	Affluent	($7,401,490)	4,340	($1,705)
149	Rochester city	Middle-class	($14,438,995)	8,442	($1,710)
150	Livonia city	Affluent	($176,377,008)	99,373	($1,775)
151	Pleasant Ridge city	Affluent	($4,926,728)	2,756	($1,788)
152	Southfield city	Middle-class	($143,887,715)	76,246	($1,887)
153	Rochester Hills city	Affluent	($133,745,744)	68,501	($1,952)
154	Northville township	Affluent	($42,713,210)	20,192	($2,115)
155	Auburn Hills city	Middle-class	($40,531,976)	17,886	($2,266)
156	Sylvan Lake city	Affluent	($4,385,802)	1,915	($2,290)
157	Dearborn city	Middle-class	($202,765,319)	86,105	($2,355)
158	Novi city	Affluent	($104,658,795)	43,776	($2,391)
159	Huntington Woods city	Affluent	($16,388,415)	6,368	($2,574)
160	Grosse Pointe Park city	Middle-class	($32,080,458)	12,201	($2,629)
161	Wixom city	Middle-class	($29,949,863)	11,166	($2,682)
162	Northville city	Affluent	($17,720,231)	6,374	($2,780)
163	Farmington Hills city	Affluent	($226,440,513)	80,303	($2,820)
164	Grosse Pointe Woods city	Affluent	($47,541,544)	16,838	($2,823)
165	Plymouth township	Affluent	($87,508,766)	25,645	($3,412)
166	Oakland Charter township	Affluent	($38,340,604)	11,159	($3,436)
167	West Bloomfield township	Affluent	($231,423,536)	60,866	($3,802)
168	Grosse Ile township	Affluent	($40,335,508)	10,441	($3,863)
169	Greenwood township	Affluent	($4,973,797)	1,261	($3,944)
170	Novi township	Affluent	($599,151)	149	($4,021)
171	Troy city	Affluent	($335,010,255)	80,017	($4,187)
172	Frenchtown township	Middle-class	($81,823,585)	19,531	($4,189)
173	Grosse Pointe city	Affluent	($30,186,965)	5,392	($5,598)
174	Southfield township	Affluent	($80,117,333)	14,234	($5,629)
175	Birmingham city	Affluent	($129,987,008)	20,257	($6,417)
176	Bloomfield township	Affluent	($305,382,782)	44,100	($6,925)
177	Grosse Pointe Farms city	Affluent	($68,305,916)	9,690	($7,049)
178	East China township	Affluent	($37,006,989)	3,447	($10,736)
179	Lake township	Affluent	($1,085,783)	99	($10,968)
180	Grosse Pointe township	Affluent	($30,879,381)	2,737	($11,282)
181	Orchard Lake Village city	Affluent	($31,847,184)	2,339	($13,616)
182	Lake Angelus city	Affluent	($4,684,780)	337	($13,901)

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
183	China township	Affluent	($51,906,587)	3,235	($16,045)
184	Bloomfield Hills city	Affluent	($83,329,737)	4,434	($18,793)
	Did not exist in 1990:				
	Clarkston city	Middle-class	-	1,018	-

Percentage of population living in places that gain additional tax base: 68.7

Data Sources: Michigan Department of Treasury, State Tax Commission (1996 total real and personal property tax base data); Southeast Michigan Council of Governments (1996 population estimates for municipalities in Macomb, Monroe, Oakland, St. Clair and Wayne counties); Michigan Information Center (1996 population estimates for municipalities in Lapeer County); 1990 U.S. Census of Population and Housing Summary Tape File 3A (1990 population and 1989 income figures).

Methodology:

Each municipality is required to contribute 15% of its 1996 property tax base into a tax-base pool. Then, a "distribution index" is calculated to determine what percentage share each municipality will get back out of the pool. This distribution index is equal to the municipality's population multiplied by the ratio of the metropolitan region's income per capita to the municipality's income per capita. Each municipality's distribution index is then divided by the sum of all the distribution indexes to arrive at each municipality's percentage share of the tax-base pool. This percentage is then multiplied by the tax-base pool amount to determine the actual amount the municipality receives back.
Finally, the amount the municipality contributes is subtracted from the amount the municipality receives to arrive at the net distribution to the municipality.

At this point, the net distributions of municipalities with significant populations are examined to determine if any caps need to be imposed. If all net distributions are less than $100 million, no further adjustments are made. If there are municipalities with significant populations whose net distibutions are greater than $100 million, the model is run again. This time, those municipalities are excluded from all of the calculations; instead, they are given net distributions of $100 million out of the tax-base pool. (This is done in order to make available a larger percentage of the tax-base pool to be distributed to the other area communities.) Steps 2-5 are then run again, excluding the municipalities whose net distributions were greater than $100 million from the calculations. Detroit and Pontiac were the only municipalities in the region whose populations were significant enough to consider capping.

Step 1: 1996 municipal property tax base * 0.15 = Municipal Contribution
Step 2: municipal population * ((region's aggregate income / region's population) / (municipal aggregate income / municipal population)) = Distribution Index
Step 3: Distribution Index / sum of Distribution Indexes = Municipal Share of tax base to be distributed
Step 4: Municipal Share * sum of Municipal Contributions = Municipal Distribution
Step 5: Municipal Distribution - Municipal Contribution = Municipal Net Distribution
Step 6: If Detroit's and Pontiac's Municipal Net Distribution's < $100 million, model run ends
or
Step 7: If Detroit's and/or Pontiac's Municipal Net Distribution's > $100 million, rerun Step 1 without Detroit and/or Pontiac
Step 8: Subtract $100 million each from Municipal Contribution for Detroit's and/or Pontiac's net distributions
Step 9: Rerun Steps 2-5, excluding Detroit and/or Pontiac

Hypothetical Property Tax-Base Sharing Run 2.
Redistribution of 40% of 1996 Commercial/Industrial Property Tax Base,
According to Per Capita Income by Municipality,
with a $1,000,000 Cap on the City of Detroit.

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
1	Inkster city	High Need	$167,913,978	29,120	$5,766
2	Highland Park city	High Need	$104,125,949	19,195	$5,425
3	Hamtramck city	High Need	$80,861,089	17,110	$4,726
4	Burlington township	High Need	$8,589,273	1,903	$4,514
5	Marathon township	High Need	$22,770,439	5,299	$4,297
6	Petersburg city	High Need	$4,673,830	1,197	$3,905
7	Oregon township	Middle-class	$30,061,811	8,024	$3,746
8	Hazel Park city	High Need	$74,293,944	20,184	$3,681
9	Sumpter township	Middle-class	$39,223,386	10,999	$3,566
10	North Branch township	Middle-class	$12,512,786	3,704	$3,378
11	Yale city	High Need	$6,103,185	1,964	$3,108
12	Emmett township	High Need	$7,028,691	2,286	$3,075
13	Lincoln Park city	High Need	$118,007,140	39,528	$2,985
14	Deerfield township	Middle-class	$15,245,430	5,172	$2,948
15	Pontiac city	High Need	$205,542,219	70,681	$2,908
16	Kenockee township	Middle-class	$6,202,428	2,212	$2,804
17	Clyde township	Middle-class	$15,748,483	5,762	$2,733
18	Lenox township	High Need	$21,204,561	7,798	$2,719
19	Brockway township	Middle-class	$4,808,040	1,790	$2,686
20	Grant township	Middle-class	$3,973,968	1,505	$2,641
21	Mayfield township	Middle-class	$19,441,702	7,406	$2,625
22	Garden City city	Middle-class	$79,728,458	30,503	$2,614
23	London township	Middle-class	$7,926,128	3,036	$2,611
24	Kimball township	High Need	$20,386,083	7,822	$2,606
25	Casco township	Middle-class	$12,618,058	4,896	$2,577
26	Memphis city	Middle-class	$3,045,801	1,229	$2,478
27	Eastpointe city	Middle-class	$81,214,978	33,385	$2,433
28	Wales township	Middle-class	$6,616,065	2,741	$2,414
29	Berlin township (St. Clair)	Middle-class	$6,758,886	2,876	$2,350
30	Arcadia township	Middle-class	$6,107,767	2,642	$2,312
31	Algonac city	High Need	$10,888,258	4,727	$2,303
32	Exeter township	Middle-class	$7,914,292	3,485	$2,271
33	Ida township	Affluent	$10,873,454	4,792	$2,269
34	Rich township	Middle-class	$2,754,146	1,217	$2,263
35	Raisinville township	Affluent	$10,950,541	4,863	$2,252
36	Goodland township	Middle-class	$3,414,423	1,522	$2,243
37	Attica township	Affluent	$9,069,485	4,132	$2,195
38	Summerfield township	Middle-class	$6,909,816	3,229	$2,140
39	Burnside township	High Need	$4,087,783	1,911	$2,139
40	Rose township	Affluent	$12,743,171	5,962	$2,137
41	Lynn township	Middle-class	$2,059,832	967	$2,130
42	Erie township	Middle-class	$10,310,221	4,854	$2,124
43	Riley township	Affluent	$5,808,905	2,780	$2,090
44	Holly township	High Need	$19,691,247	9,478	$2,078
45	Burtchville township	High Need	$8,104,459	3,946	$2,054
46	Wyandotte city	High Need	$60,294,423	29,674	$2,032
47	Dearborn Heights city	Middle-class	$116,971,395	57,758	$2,025
48	Imlay township	Middle-class	$4,935,666	2,463	$2,004
49	Oak Park city	High Need	$60,005,279	30,193	$1,987
50	Bedford township	Middle-class	$51,861,522	26,783	$1,936
51	Brandon township	Middle-class	$26,860,234	14,039	$1,913
52	Ferndale city	High Need	$47,414,545	24,869	$1,907
53	Cottrellville township	Middle-class	$6,819,205	3,616	$1,886
54	Huron township	Middle-class	$22,957,770	12,337	$1,861
55	Almont township	Middle-class	$10,818,004	5,820	$1,859
56	Melvindale city	High Need	$19,429,748	10,540	$1,843

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
57	Dryden township	Middle-class	$8,059,617	4,395	$1,834
58	Mussey township	High Need	$6,384,339	3,495	$1,827
59	Belleville city	Middle-class	$6,244,251	3,436	$1,817
60	Elba township	Middle-class	$9,297,420	5,152	$1,805
61	Port Huron city	High Need	$58,752,268	32,740	$1,795
62	Berkley city	Middle-class	$30,206,405	16,917	$1,786
63	La Salle township	Middle-class	$9,306,705	5,230	$1,779
64	Ira township	High Need	$10,476,399	6,083	$1,722
65	Milan township	Affluent	$2,836,403	1,663	$1,706
66	Lapeer township	Middle-class	$8,261,212	4,881	$1,693
67	Hadley township	Affluent	$6,974,882	4,152	$1,680
68	Highland township	Middle-class	$33,020,280	19,744	$1,672
69	Columbus township	Affluent	$6,550,392	3,944	$1,661
70	White Lake township	Middle-class	$43,969,575	26,951	$1,631
71	Richmond township	Affluent	$4,630,342	2,917	$1,587
72	Berlin township (Monroe)	Middle-class	$10,519,566	6,661	$1,579
73	Royal Oak township	High Need	$7,655,105	4,890	$1,565
74	Redford township	Middle-class	$78,315,454	51,871	$1,510
75	St. Clair Shores city	Middle-class	$96,904,344	64,553	$1,501
76	Rockwood city	Middle-class	$4,595,022	3,090	$1,487
77	Ash township	Middle-class	$11,356,062	7,950	$1,428
78	Westland city	High Need	$122,210,153	86,374	$1,415
79	South Lyon city	Middle-class	$11,274,235	8,243	$1,368
80	Ray township	Affluent	$4,664,806	3,580	$1,303
81	Addison township	Affluent	$7,781,312	5,995	$1,298
82	Macomb township	Affluent	$43,889,611	33,990	$1,291
83	Grosse Pointe Park city	Middle-class	$15,115,650	12,201	$1,239
	Springfield township	Affluent	$15,875,951	12,812	$1,239
85	Mount Clemens city	High Need	$21,178,882	17,352	$1,221
86	St. Clair township	Middle-class	$6,661,905	5,483	$1,215
87	Armada township	Affluent	$6,017,184	5,016	$1,200
88	Huntington Woods city	Affluent	$7,621,593	6,368	$1,197
89	Taylor city	High Need	$79,825,047	68,016	$1,174
90	Metamora township	Middle-class	$5,430,194	4,637	$1,171
91	Pleasant Ridge city	Affluent	$3,199,829	2,756	$1,161
92	Novi township	Affluent	$172,782	149	$1,160
93	Groveland township	Affluent	$6,862,848	5,979	$1,148
94	Brownstown township	High Need	$22,526,417	19,967	$1,128
95	Ecorse city	High Need	$12,560,346	11,185	$1,123
96	Marine City city	High Need	$5,228,146	4,676	$1,118
97	Clinton township	Middle-class	$93,583,138	93,055	$1,006
98	Washington township	Middle-class	$14,042,627	16,595	$846
99	Grosse Ile township	Affluent	$8,791,622	10,441	$842
100	Oakland Charter township	Affluent	$8,928,897	11,159	$800
101	Riverview city	Middle-class	$10,744,180	13,460	$798
102	Port Huron township	High Need	$6,510,920	8,337	$781
103	Clawson city	Middle-class	$10,558,310	13,898	$760
104	Roseville city	Middle-class	$36,848,480	49,912	$738
105	Southgate city	Middle-class	$21,044,192	29,532	$713
106	Clay township	Middle-class	$6,579,526	9,411	$699
107	Gibraltar city	Middle-class	$2,865,785	4,148	$691
	Keego Harbor city	High Need	$2,008,888	2,908	$691
	Whiteford township	Affluent	$3,158,431	4,569	$691
110	Canton township	Middle-class	$42,844,787	66,776	$642
111	Independence township	Affluent	$18,541,880	29,537	$628
112	Harrison township	Middle-class	$15,785,136	25,196	$626
113	Richmond city	Middle-class	$2,734,837	4,416	$619
114	Lake township	Affluent	$58,860	99	$595
115	Monroe township	High Need	$7,594,885	12,905	$589
116	Grosse Pointe Woods city	Affluent	$9,678,749	16,838	$575
117	Royal Oak city	Middle-class	$35,867,502	65,340	$549
118	Allen Park city	Middle-class	$15,335,230	29,643	$517
119	New Baltimore city	High Need	$3,265,728	6,428	$508

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
120	Oxford township	Middle-class	$7,115,167	14,307	$497
121	Lake Angelus city	Affluent	$163,288	337	$485
122	Van Buren township	Middle-class	$10,994,708	22,963	$479
123	Dundee township	Middle-class	$2,569,261	6,097	$421
124	Shelby township	Affluent	$22,890,563	57,858	$396
125	St. Clair city	Middle-class	$2,060,310	5,517	$373
126	Grosse Pointe township	Affluent	$996,468	2,737	$364
127	Walled Lake city	High Need	$2,427,835	6,691	$363
128	Bruce township	Middle-class	$2,711,731	8,219	$330
129	Wayne city	High Need	$4,855,725	19,481	$249
130	Waterford township	Middle-class	$14,935,699	71,185	$210
131	Chesterfield township	Middle-class	$5,435,622	29,270	$186
132	Lathrup Village city	Affluent	$541,735	4,340	$125
133	**Detroit city**	**Central City**	**$100,000,000**	**985,074**	**$102**
134	West Bloomfield township	Affluent	$2,909,173	60,866	$48
135	Grosse Pointe Farms city	Affluent	$91,150	9,690	$9
136	Lyon township	Affluent	($478,585)	10,331	($46)
137	Harper Woods city	Middle-class	($916,251)	14,126	($65)
138	Northville township	Affluent	($1,810,068)	20,192	($90)
139	Sterling Heights city	Middle-class	($26,514,676)	119,277	($222)
140	Center Line city	High Need	($2,251,784)	8,571	($263)
141	Lapeer city	High Need	($2,354,882)	8,122	($290)
142	Milford township	Affluent	($4,352,980)	14,782	($294)
143	Flat Rock city	High Need	($2,403,644)	7,444	($323)
144	Sylvan Lake city	Affluent	($677,536)	1,915	($354)
145	Northville city	Affluent	($2,617,840)	6,374	($411)
146	Warren city	Middle-class	($58,871,168)	138,725	($424)
147	Commerce township	Affluent	($16,178,655)	31,807	($509)
148	Grosse Pointe city	Affluent	($2,913,837)	5,392	($540)
149	Fort Gratiot township	Middle-class	($5,858,011)	10,114	($579)
150	Milan city	Middle-class	($2,961,396)	4,560	($649)
151	Imlay City city	High Need	($1,935,295)	2,916	($664)
152	Bloomfield township	Affluent	($33,442,344)	44,100	($758)
153	Clarkston city	Middle-class	($774,382)	1,018	($761)
154	Rochester Hills city	Affluent	($54,849,585)	68,501	($801)
155	Trenton city	Middle-class	($16,932,106)	20,080	($843)
156	River Rouge city	High Need	($8,802,955)	10,202	($863)
157	Southfield township	Affluent	($12,798,013)	14,234	($899)
158	Orion township	Affluent	($27,034,305)	30,019	($901)
159	Orchard Lake Village city	Affluent	($2,186,730)	2,339	($935)
160	Fraser city	Middle-class	($14,249,906)	14,989	($951)
161	Woodhaven city	Affluent	($12,615,148)	12,102	($1,042)
162	Marysville city	Middle-class	($12,623,146)	9,485	($1,331)
163	Plymouth city	Middle-class	($13,048,444)	9,240	($1,412)
164	Farmington city	Middle-class	($16,755,097)	10,151	($1,651)
165	Plymouth township	Affluent	($45,979,023)	25,645	($1,793)
166	Livonia city	Affluent	($185,543,046)	99,373	($1,867)
167	Madison Heights city	Middle-class	($75,772,277)	32,308	($2,345)
168	Farmington Hills city	Affluent	($195,956,972)	80,303	($2,440)
169	Rochester city	Middle-class	($21,157,399)	8,442	($2,506)
170	Romulus city	High Need	($66,076,508)	23,616	($2,798)
171	Novi city	Affluent	($140,062,169)	43,776	($3,200)
172	Utica city	Middle-class	($15,721,324)	4,849	($3,242)
173	Dearborn city	Middle-class	($299,637,214)	86,105	($3,480)
174	Birmingham city	Affluent	($76,107,323)	20,257	($3,757)
175	Southfield city	Middle-class	($319,226,913)	76,246	($4,187)
176	Monroe city	High Need	($110,791,474)	22,694	($4,882)
177	Troy city	Affluent	($422,305,723)	80,017	($5,278)
178	Wixom city	Middle-class	($59,898,504)	11,166	($5,364)
179	Auburn Hills city	Middle-class	($133,389,380)	17,886	($7,458)
180	Bloomfield Hills city	Affluent	($37,697,359)	4,434	($8,502)
181	Luna Pier city	Middle-class	($20,769,849)	1,511	($13,746)
182	Frenchtown township	Middle-class	($323,328,047)	19,531	($16,555)

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
183	Greenwood township	Affluent	($21,084,211)	1,261	($16,720)
184	East China township	Affluent	($92,768,734)	3,447	($26,913)
185	China township	Affluent	($134,684,121)	3,235	($41,633)

Percentage of regional population living places that gain additional tax base: 69.9%

Data Sources: Michigan Department of Treasury, State Tax Commission (1996 commercial and industrial real property tax base data and 1996 total real and personal property tax base data); Southeast Michigan Council of Governments (1996 populations estimates for municipalities in Macomb, Monroe, Oakland, St. Clair and Wayne counties); Michigan Information Center (1996 population estimates for municipalities in Lapeer County).

Methodology:

Each municipality is required to contribute 40% of its 1996 commercial / industrial property tax base into a tax-base pool. Then, a "distribution index" is calculated to determine what percentage share each municipality will get back out of the pool. This distribution index is equal to the municipality's population multiplied by the ratio of the metropolitan region's total property tax base per capita to the municipality's total property tax base per capita. Each municipality's distribution index is then divided by the sum of all the distribution indexes to arrive at each municipality's percentage share of the tax-base pool. This percentage is then multiplied by the tax-base pool amount to determine the actual amount the municipality receives back. Finally, the amount the municipality contributes is subtracted from the amount the municipality receives to arrive at the net distribution to the municipality.

At this point, Detroit's net distribution is examined to determine if a cap needs to be imposed. If Detroit's net distribution is less than $100 million, no further adjustments are made. If it is greater than $100 million, the model is run again. This time, Detroit is excluded from all of the calculations; instead, it is given a net distribution of $100 million out of the tax-base pool. (This is done in order to make available a larger percentage of the tax-base pool to be distributed to the other area communities.) Steps 2-5 are then run again, excluding Detroit.

Step 1: 1996 municipal commercial/industrial property tax base * 0.40 = Municipal Contribution
Step 2: municipal population * ((region's total property tax base / region's population) /
(municipal total property tax base / municipal population)) = Distribution Index
Step 3: Distribution Index / sum of Distribution Indexes = Municipal Share of tax base to be distributed
Step 4: Municipal Share * sum of Municipal Contributions = Municipal Distribution
Step 5: Municipal Distribution - Municipal Contribution = Municipal Net Distribution
Step 6: If Detroit's Municipal Net Distribution < $100 million, model run ends
or
Step 7: If Detroit's Municipal Net Distribution > $100 million, rerun Step 1 without Detroit
Step 8: Subtract $100 million from Municipal Contribution for Detroit's net distribution
Step 9: Rerun Steps 2-5, excluding Detroit

Hypothetical Property Tax-Base Sharing Run 3.
Redistribution of that Portion of 1996 Residential Property Tax Base in Excess of $150,000 Per Housing Unit, According to Per Capita Income by Municipality, with a $1,000,000 Cap on the City of Detroit.

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
1	Highland Park city	High Need	$97,958,373	19,195	$5,103
2	Inkster city	High Need	$147,963,018	29,120	$5,081
3	Hamtramck city	High Need	$79,217,479	17,110	$4,630
4	Hazel Park city	High Need	$74,323,677	20,184	$3,682
5	Burlington township	High Need	$6,943,997	1,903	$3,649
6	Royal Oak township	High Need	$17,830,868	4,890	$3,646
7	Petersburg city	High Need	$4,207,826	1,197	$3,515
8	Marathon township	High Need	$18,592,227	5,299	$3,509
9	Pontiac city	High Need	$237,716,150	70,681	$3,363
10	Yale city	High Need	$6,436,119	1,964	$3,277
11	Sumpter township	Middle-class	$33,986,754	10,999	$3,090
12	Lincoln Park city	High Need	$116,510,253	39,528	$2,948
13	Oregon township	Middle-class	$23,586,194	8,024	$2,939
14	North Branch township	Middle-class	$10,835,415	3,704	$2,925
15	Melvindale city	High Need	$29,030,674	10,540	$2,754
16	Kimball township	High Need	$21,067,773	7,822	$2,693
17	Lenox township	High Need	$20,579,497	7,798	$2,639
18	Ferndale city	High Need	$65,526,593	24,869	$2,635
19	Memphis city	Middle-class	$3,229,367	1,229	$2,628
20	Oak Park city	High Need	$79,309,446	30,193	$2,627
21	Belleville city	Middle-class	$9,023,037	3,436	$2,626
22	Garden City city	Middle-class	$79,384,635	30,503	$2,603
23	Eastpointe city	Middle-class	$85,119,700	33,385	$2,550
24	Emmett township	High Need	$5,820,805	2,286	$2,546
25	Taylor city	High Need	$170,473,520	68,016	$2,506
26	Deerfield township	Middle-class	$12,731,898	5,172	$2,462
27	Westland city	High Need	$211,761,836	86,374	$2,452
28	Mayfield township	Middle-class	$18,010,277	7,406	$2,432
29	Wyandotte city	High Need	$71,784,817	29,674	$2,419
30	Brockway township	Middle-class	$4,224,017	1,790	$2,360
31	Kenockee township	Middle-class	$5,151,609	2,212	$2,329
32	Holly township	High Need	$21,945,355	9,478	$2,315
33	Casco township	Middle-class	$11,322,390	4,896	$2,313
34	Mount Clemens city	High Need	$39,489,664	17,352	$2,276
35	Rockwood city	Middle-class	$7,012,563	3,090	$2,269
36	London township	Middle-class	$6,877,990	3,036	$2,265
37	Grant township	Middle-class	$3,345,455	1,505	$2,223
38	Burnside township	High Need	$4,219,494	1,911	$2,208
39	Brownstown township	High Need	$43,960,784	19,967	$2,202
	Erie township	Middle-class	$10,688,527	4,854	$2,202
41	Roseville city	Middle-class	$108,471,485	49,912	$2,173
42	Lapeer city	High Need	$17,463,932	8,122	$2,150
43	Port Huron city	High Need	$69,860,310	32,740	$2,134
44	Southgate city	Middle-class	$62,433,907	29,532	$2,114
45	Clyde township	Middle-class	$12,000,184	5,762	$2,083
	Redford township	Middle-class	$108,027,830	51,871	$2,083
47	South Lyon city	Middle-class	$17,035,569	8,243	$2,067
48	Marine City city	High Need	$9,553,276	4,676	$2,043
49	Berkley city	Middle-class	$34,392,242	16,917	$2,033
50	Ecorse city	High Need	$22,539,230	11,185	$2,015
51	Port Huron township	High Need	$16,652,693	8,337	$1,997
52	Exeter township	Middle-class	$6,952,060	3,485	$1,995
53	Rich township	Middle-class	$2,427,302	1,217	$1,994
54	Clawson city	Middle-class	$27,592,842	13,898	$1,985
55	Richmond city	Middle-class	$8,699,877	4,416	$1,970
56	Algonac city	High Need	$9,276,223	4,727	$1,962

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
57	Wayne city	High Need	$37,984,167	19,481	$1,950
58	Almont township	Middle-class	$11,215,933	5,820	$1,927
59	Ash township	Middle-class	$15,203,074	7,950	$1,912
60	Berlin township (St. Clair)	Middle-class	$5,490,435	2,876	$1,909
61	Ida township	Affluent	$9,126,607	4,792	$1,905
62	Arcadia township	Middle-class	$4,994,225	2,642	$1,890
63	Ira township	High Need	$11,493,756	6,083	$1,889
64	Imlay City city	High Need	$5,499,874	2,916	$1,886
65	Attica township	Affluent	$7,737,213	4,132	$1,873
66	Center Line city	High Need	$16,030,745	8,571	$1,870
67	Mussey township	High Need	$6,520,354	3,495	$1,866
68	Goodland township	Middle-class	$2,839,216	1,522	$1,865
69	Walled Lake city	High Need	$12,358,267	6,691	$1,847
70	Wales township	Middle-class	$5,033,169	2,741	$1,836
71	Riley township	Affluent	$4,975,936	2,780	$1,790
72	Raisinville township	Affluent	$8,696,933	4,863	$1,788
73	Dearborn Heights city	Middle-class	$103,081,765	57,758	$1,785
74	Huron township	Middle-class	$21,989,393	12,337	$1,782
75	Dundee township	Middle-class	$10,821,846	6,097	$1,775
76	Bedford township	Middle-class	$47,344,577	26,783	$1,768
77	Harper Woods city	Middle-class	$24,924,125	14,126	$1,764
78	Imlay township	Middle-class	$4,315,725	2,463	$1,752
79	La Salle township	Middle-class	$8,931,217	5,230	$1,708
80	Lynn township	Middle-class	$1,643,328	967	$1,699
81	Summerfield township	Middle-class	$5,450,657	3,229	$1,688
82	Berlin township (Monroe)	Middle-class	$11,221,198	6,661	$1,685
83	Milan township	Affluent	$2,713,753	1,663	$1,632
84	Royal Oak city	Middle-class	$105,980,354	65,340	$1,622
85	Columbus township	Affluent	$6,389,514	3,944	$1,620
86	Lapeer township	Middle-class	$7,841,843	4,881	$1,607
87	Warren city	Middle-class	$221,867,197	138,725	$1,599
88	Monroe township	High Need	$20,363,677	12,905	$1,578
89	Brandon township	Middle-class	$22,143,990	14,039	$1,577
90	Dryden township	Middle-class	$6,916,663	4,395	$1,574
91	Utica city	Middle-class	$7,409,269	4,849	$1,528
92	Flat Rock city	High Need	$11,325,866	7,444	$1,521
93	Macomb township	Affluent	$51,627,628	33,990	$1,519
94	Van Buren township	Middle-class	$34,111,314	22,963	$1,485
95	Madison Heights city	Middle-class	$47,870,611	32,308	$1,482
96	Allen Park city	Middle-class	$43,779,058	29,643	$1,477
97	Whiteford township	Affluent	$6,728,547	4,569	$1,473
98	Romulus city	High Need	$34,239,533	23,616	$1,450
99	Fraser city	Middle-class	$21,248,697	14,989	$1,418
100	Canton township	Middle-class	$94,544,590	66,776	$1,416
101	Clinton township	Middle-class	$131,373,291	93,055	$1,412
102	Rose township	Affluent	$8,402,442	5,962	$1,409
103	Sterling Heights city	Middle-class	$167,547,018	119,277	$1,405
104	River Rouge city	High Need	$14,302,602	10,202	$1,402
105	Milan city	Middle-class	$6,370,901	4,560	$1,397
106	Richmond township	Affluent	$4,071,423	2,917	$1,396
107	Woodhaven city	Affluent	$16,656,894	12,102	$1,376
108	Cottrellville township	Middle-class	$4,629,214	3,616	$1,280
109	Marysville city	Middle-class	$11,718,052	9,485	$1,235
110	St. Clair Shores city	Middle-class	$78,649,806	64,553	$1,218
111	Metamora township	Middle-class	$5,573,833	4,637	$1,202
112	Armada township	Affluent	$5,667,703	5,016	$1,130
113	Oxford township	Middle-class	$15,307,948	14,307	$1,070
114	Highland township	Middle-class	$20,990,950	19,744	$1,063
115	Keego Harbor city	High Need	$3,036,430	2,908	$1,044
116	Ray township	Affluent	$3,683,912	3,580	$1,029
117	Riverview city	Middle-class	$13,498,106	13,460	$1,003
118	Lathrup Village city	Affluent	$4,346,160	4,340	$1,001
119	Groveland township	Affluent	$5,696,980	5,979	$953

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
120	Monroe city	High Need	$21,537,329	22,694	$949
121	Trenton city	Middle-class	$18,887,408	20,080	$941
122	Southfield city	Middle-class	$71,666,215	76,246	$940
123	Elba township	Middle-class	$4,673,688	5,152	$907
124	Gibraltar city	Middle-class	$3,463,042	4,148	$835
125	Springfield township	Affluent	$10,590,029	12,812	$827
126	New Baltimore city	High Need	$5,189,011	6,428	$807
127	Wixom city	Middle-class	$8,925,661	11,166	$799
128	Lyon township	Affluent	$8,122,165	10,331	$786
129	Waterford township	Middle-class	$54,408,092	71,185	$764
130	Auburn Hills city	Middle-class	$13,138,545	17,886	$735
131	Luna Pier city	Middle-class	$1,057,514	1,511	$700
132	Burtchville township	High Need	$2,731,468	3,946	$692
133	Greenwood township	Affluent	$776,435	1,261	$616
134	Chesterfield township	Middle-class	$15,866,997	29,270	$542
135	Farmington city	Middle-class	$4,690,084	10,151	$462
136	White Lake township	Middle-class	$11,662,131	26,951	$433
137	Frenchtown township	Middle-class	$6,803,945	19,531	$348
138	Hadley township	Affluent	$1,362,194	4,152	$328
139	Fort Gratiot township	Middle-class	$2,977,670	10,114	$294
140	China township	Affluent	$928,707	3,235	$287
141	Livonia city	Affluent	$27,285,516	99,373	$275
142	Bruce township	Middle-class	$2,061,419	8,219	$251
143	Dearborn city	Middle-class	$20,972,283	86,105	$244
144	St. Clair city	Middle-class	$1,283,117	5,517	$233
145	Plymouth city	Middle-class	$2,137,337	9,240	$231
146	St. Clair township	Middle-class	$913,413	5,483	$167
147	**Detroit city**	**Central City**	**$100,000,000**	**985,074**	**$102**
148	Pleasant Ridge city	Affluent	$176,842	2,756	$64
149	Washington township	Middle-class	($2,840,809)	16,595	($171)
150	Rochester city	Middle-class	($2,102,893)	8,442	($249)
151	Orion township	Affluent	($7,500,642)	30,019	($250)
152	Shelby township	Affluent	($21,249,507)	57,858	($367)
153	Clay township	Middle-class	($4,189,802)	9,411	($445)
154	Milford township	Affluent	($9,686,470)	14,782	($655)
155	Addison township	Affluent	($4,183,309)	5,995	($698)
156	Harrison township	Middle-class	($20,067,719)	25,196	($796)
157	Novi city	Affluent	($46,580,578)	43,776	($1,064)
158	Sylvan Lake city	Affluent	($3,510,480)	1,915	($1,833)
159	Commerce township	Affluent	($59,958,720)	31,807	($1,885)
160	Independence township	Affluent	($61,201,501)	29,537	($2,072)
161	Huntington Woods city	Affluent	($14,412,225)	6,368	($2,263)
162	East China township	Affluent	($8,792,330)	3,447	($2,551)
163	Troy city	Affluent	($217,420,689)	80,017	($2,717)
164	Rochester Hills city	Affluent	($188,334,487)	68,501	($2,749)
165	Farmington Hills city	Affluent	($293,902,180)	80,303	($3,660)
166	Plymouth township	Affluent	($100,956,525)	25,645	($3,937)
167	Northville township	Affluent	($91,748,011)	20,192	($4,544)
168	Oakland Charter township	Affluent	($56,436,513)	11,159	($5,057)
169	Northville city	Affluent	($34,595,222)	6,374	($5,428)
170	Grosse Pointe Woods city	Affluent	($104,317,688)	16,838	($6,195)
171	Novi township	Affluent	($1,119,763)	149	($7,515)
172	Grosse Ile township	Affluent	($87,745,001)	10,441	($8,404)
173	West Bloomfield township	Affluent	($550,836,414)	60,866	($9,050)
174	Grosse Pointe Park city	Middle-class	($117,625,098)	12,201	($9,641)
175	Birmingham city	Affluent	($271,888,058)	20,257	($13,422)
176	Southfield township	Affluent	($199,207,504)	14,234	($13,995)
177	Grosse Pointe city	Affluent	($88,868,138)	5,392	($16,481)
178	Bloomfield township	Affluent	($1,084,608,303)	44,100	($24,594)
179	Grosse Pointe Farms city	Affluent	($238,516,251)	9,690	($24,615)
180	Lake township	Affluent	($2,809,147)	99	($28,375)
181	Orchard Lake Village city	Affluent	($106,822,854)	2,339	($45,670)
182	Lake Angelus city	Affluent	($15,730,203)	337	($46,677)

	Municipality	Subregion	Net Taxbase Gained from or Contributed to Regional Pool	Estimated Population, 1996	Per Capita Increase/Decrease In Taxbase
183	Grosse Pointe township	Affluent	($150,091,302)	2,737	($54,838)
184	Bloomfield Hills city	Affluent	($278,560,459)	4,434	($62,824)

Percentage of regional population living places that gain additional tax base: 82.1%

Did not exist in 1990:

Clarkston city	Middle-class	-	1,018	-

Data Sources: Michigan Department of Treasury, State Tax Commission (1996 residential real property and 1996 total real and personal property tax base data); Southeast Michigan Council of Governments (1996 population estimates for municipalities in Macomb, Monroe, Oakland, St. Clair and Wayne counties); Michigan Information Center (1996 population estimates for municipalities in Lapeer County); 1990 U.S. Census of Population and Housing Summary Tape File 3A (1990 housing value distributions).

Methodology:

Each municipality is required to contribute that portion of its 1996 residential tax base that is over and above a floor of $150,000 per housing unit into a tax-base pool. (For example, a municipality would contribute $75,000 worth of tax base from a residential property valued at $225,000; it would contribute $0 from one valued at $137,000.) Then, a "distribution index" is calculated to determine what percentage share each municipality will get back out of the pool. This distribution index is equal to the municipality's population multiplied by the ratio of the metropolitan region's tax base per capita to the municipality's tax base per capita. Each municipality's distribution index is then divided by the sum of all the distribution indexes to arrive at each municipality's percentage share of the tax-base pool. This percentage is then multiplied by the tax-base pool amount to determine the actual amount the municipality receives back. Finally, the amount the municipality contributes is subtracted from the amount the municipality receives to arrive at the net distribution to the municipality.

At this point, Detroit's net distribution is examined to determine if a cap needs to be imposed. If Detroit's net distribution is less than $100 million, no further adjustments are made. If it is greater than $100 million, the model is run again. This time, Detroit is excluded from all of the calculations; instead, it is given a net distribution of $100 million out of the tax-base pool. (This is done in order to make available a larger percentage of the tax-base pool to be distributed to the other area communities.) Steps 2-5 are then run again, excluding Detroit.

Step 1: excess portion of 1996 municipal residential property tax base valued > $150,000 = Municipal Contribution
Step 2: municipal population * ((region's total property tax base / region's population) / (municipal total property tax base / municipal population)) = Distribution Index
Step 3: Distribution Index / sum of Distribution Indexes = Municipal Share of tax base to be distributed
Step 4: Municipal Share * sum of Municipal Contributions = Municipal Distribution
Step 5: Municipal Distribution - Municipal Contribution = Municipal Net Distribution
Step 6: If Detroit's Municipal Net Distribution < $100 million, model run ends
or
Step 7: If Detroit's Municipal Net Distribution > $100 million, rerun Step 1 without Detroit
Step 8: Subtract $100 million from Municipal Contribution for Detroit's net distribution
Step 9: Rerun Steps 2-5, excluding Detroit