

MIXED-INCOME NEIGHBORHOODS

A SUMMARY OF TWO STUDIES

With most central city neighborhoods in Grand Rapids experiencing gentrification pressures, the concept of mixed-income neighborhoods is becoming increasingly important. Two MSU research projects have been completed in 2004 that explore this topic.

The first research project studied census block groups in Grand Rapids that met the project's definition of mixed-income. Researchers were Dr. June Thomas, Dr. John Schweitzer, and Julia Darnton.

The second project provided an overview of state-of-the-practice and policy implications on mixed-income neighborhoods. Researchers were Dr. Mike Thomas, Sara Felker Looney, and Carol Townsend. Summaries of the projects are included in this newsletter.

INSIDE THIS ISSUE:

<i>Median Income Map</i>	2
<i>Mixed-Income in GR</i>	2
<i>Practical Implications</i>	2
<i>Focus Group Results</i>	3
<i>Recommendations</i>	3
<i>Mixed-Income Map</i>	4
<i>Urban Collaborators</i>	4

MIXED-INCOME NEIGHBORHOODS STUDY IN GRAND RAPIDS, MICHIGAN

What is a mixed-income neighborhood? Definitions are hard to come by, largely because there has been little research on mixed-income neighborhoods. Studies that have been done have defined them as neighborhoods with housing opportunities for all spectrums of income.

Michigan State University's urban studies group, aptly named Urban Collaborators, set out to find and study mixed-income neighborhoods within the Grand Rapids city limits. What they found is 11 neighborhoods fitting their criteria for mixed-income.

The criteria were based on census data from 1990 and 2000 and comparing the two. The 11 neighborhoods (census block groups) had a stable income mixture over the 10-year period. Of particular importance was the balance of low income families in an area so that they did not become a



majority within the neighborhood, or conversely, a decreasing percentage.

After the researchers found these 11 block groups, which they determined to have relative income stability, they set out to find what makes these neighborhoods naturally occur. To discover this, Urban Collaborators closely

investigated the 11 block groups to find three which represented them all as a whole.

After narrowing the block groups down, three focus groups were organized. The results of these focus group discussions are summarized on page 3.

MIXED-INCOME NEIGHBORHOODS AND AFFORDABLE HOUSING

One of the most important advantages to mixed-income neighborhoods is the opportunity for a person to live close to his or her place of employment. Businesses and the community in general are adversely affected when prospective employees cannot find appropriate housing in

the community where their employer is located. Since a city contains jobs with a wide range of income, it is important that housing opportunities reflect this array. If all employees, regardless of income level, lived near their jobs, everyone benefits, for example:

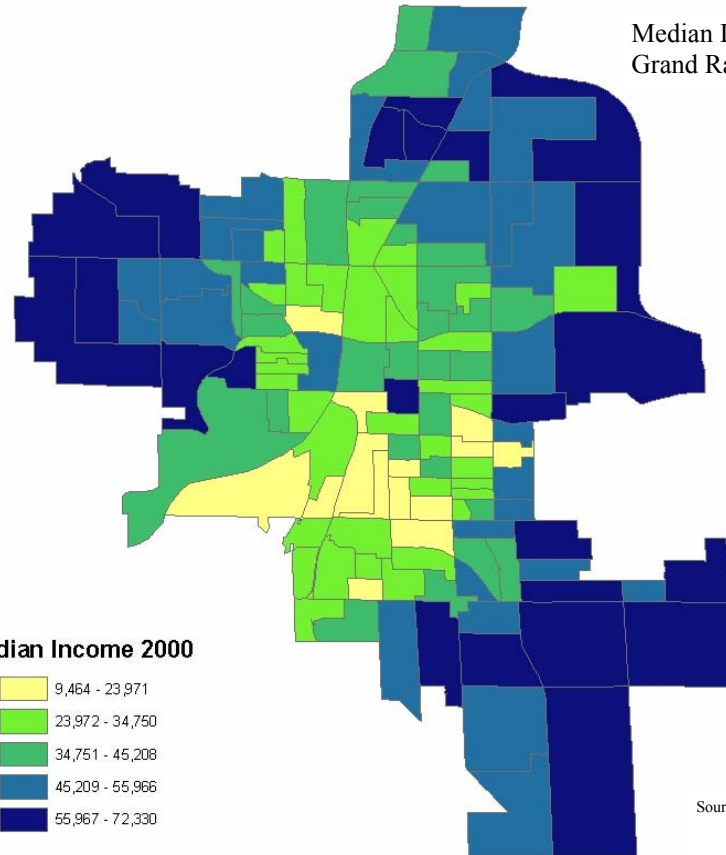
- residential property tax bases are strengthened
- employees save time on their commutes
- reduced congestion
- stable workforce living near their employment

“Our investigation of mixed-income neighborhoods focused on Grand Rapids, Michigan. We were particularly interested in seeing which neighborhoods in Grand Rapids were able to maintain an income mixture over the time period from 1990 to 2000, and in determining what was similar or different about these particular neighborhoods.”

*- Dr. June Thomas
Research Project*

“This study looks at the process of change in terms of mixture of income levels. Some fear that low-income residents would not be able to co-exist with new residents of better circumstances. The hope is that this research will help scholars and residents of communities understand the nature of areas that have bridged the gap of income levels.”

*- Dr. John Schweitzer
Project Researcher*



Median Income for Families
Grand Rapids, Michigan 2000

Source: Analysis of 2000 US Census Data
by Julia Darnton

WHAT MAKES MIXED-INCOME NEIGHBORHOODS IN GRAND RAPIDS DIFFERENT?

The MSU study found some key differences in the mixed-income neighborhoods studied:

- less vacant housing
- less than average rental housing
- lower median incomes compared to the metropolitan area
- less racial diversity

- lower proportions of families living in poverty

These findings have significant implications for what creates and what stabilizes mixed-income neighborhoods.

Comparing 1990 Census data to the 2000 data, much of Grand Rapids' population is clustered according to non-

White status or income (as the map above illustrates). The data also showed that the most prosperous African-American families were located in areas that are not predominantly African-American. The lowest fifth of the city in terms of family income also tended to be clustered in the center of the city.

PRACTICAL IMPLICATIONS OF THE REPORT

The concept of mixed-income neighborhoods is inexorably linked to affordable housing. Every neighborhood should contain housing opportunities for households of all incomes. There are many social and economic advantages to mixed-income neighborhoods.

One important economic benefit of mixed-income

neighborhoods is providing housing options to all employees who work at the same business. This may create a stable workforce, decrease transportation costs, and reduce auto emissions.

Both studies confirmed that home ownership is an important strategy. Support includes not only purchase programs but also home repair,

mortgage counseling, and other means to keep lower income owners.

City government has a role: assuring property upkeep, helping maintain a positive perception as a neighborhood, and being judicious when handling a mega-project that could destabilize an already fragile area.

FOCUS GROUP FINDINGS FROM THREE MIXED-INCOME NEIGHBORHOODS

Focus groups were held in three Grand Rapids neighborhoods - out of the 11 found to be mixed-income. Opinions about living in a mixed-income neighborhood were varied. In some cases, people saw it as a benefit, and in others - a detriment.

There are certain stabilizing influences in a mixed-income neighborhood:

- **The Catholic Church is still a stabilizing influence within the 3 focus group neighborhoods.** Since households of many different incomes attend the same parish, this provides a mixed-income structure for the neighborhood surrounding the church.
- **Neighborhood associations also provide a stabilizing influence in the 3 neighborhoods.** If the church or other neighborhood institution loses its influence, a neighborhood

association could take up this slack and keep the area stable.

- **The perceived quality of the neighborhood elementary school (public or parochial) is directly linked to the perceived quality of the neighborhood.** A positive view of the quality of the school translated into a positive feeling about the neighborhood. Conversely, a negative perception of the schools reflects negatively upon the neighborhood.
- **Strong social networks among the neighbors also provide a stabilizing effect.** This suggests that organizing block clubs and other neighborhood events can have a very positive impact on an area. Other research has also shown that anything encouraging interaction among neighbors results in positive neighborhood

perceptions.

- **The unfavorable opinion residents hold of having rental housing in their neighborhood is directly linked with the belief that the property will be poorly maintained.** This perception could be challenged through better code enforcement and better management of problems from rental properties as they arise.
- **Neighborhood stability can also be attained through emotional or familial connections to the area.** Some residents inherit or buy from parents or grandparents, and others buy into the neighborhood because that is where they were raised. Housing styles that accommodate different household styles and needs must be available in a neighborhood in order to capture this stabilizing factor.

2000 Median Family Income

% of Families Below the Poverty Level

\$44,224	Grand Rapids	11.9%	Grand Rapids
\$44,667	Michigan	7.4%	Michigan
\$54,118	Grand Rapids MSA	5.9%	Grand Rapids MSA

AFFORDABLE HOUSING RECOMMENDATIONS

National policy makers could create a separate program that specifically focuses on attracting a mix of incomes within new or existing neighborhoods with financial incentives to make the projects possible. There are no current federal housing programs that encourage mixed-income neighborhood creation.

Statewide, existing affordable housing programs could be modified with

enabling legislation that specifically offers financial opportunities such as low-interest loans or possibly tax incentives to municipalities or individuals to include mixed-income homes within housing developments. Officials, developers, and homeowners could learn more about mixed-income neighborhoods to reduce opposition to new developments.

Master Plans and local zoning ordinances could be

revised to promote the inclusion of affordable housing within new housing developments.

The researchers also found that supporting home ownership will be an important part of a strategy needed to maintain mixed-income housing. This suggests that tapping government or private programs that support home ownership could be important for maintaining balance.

“Grand Rapids is one of only two urban core cities in Michigan that has gained population in the last two decades. Although this is good news on the one hand, it also brings a unique set of challenges. More and more central city neighborhoods have come under pressure from gentrification. This brings the threat of making housing in these areas unaffordable to low income households. We must be innovative as we seek the development of new tools to meet these challenges.”

*- Carol Townsend
Kent/MSU Extension*

“There are no current federal housing programs that encourage mixed-income neighborhood creation.”

*- Dr. Mike Thomas
MSU Land Policy Program*

“Few studies have been done of mixed-income communities except those created either through public housing redevelopment or vouchers. We are attempting to understand mixed-income neighborhoods that occur without intervention and identify the social dynamics that are present in them.”

*- Dr. June Thomas
Research Project Coordinator*

Both reports are available on the MSU Urban Collaborators web site:
www.ssc.msu.edu/~urp/urbancollabs

For more information on these reports and mixed-income neighborhoods, contact:

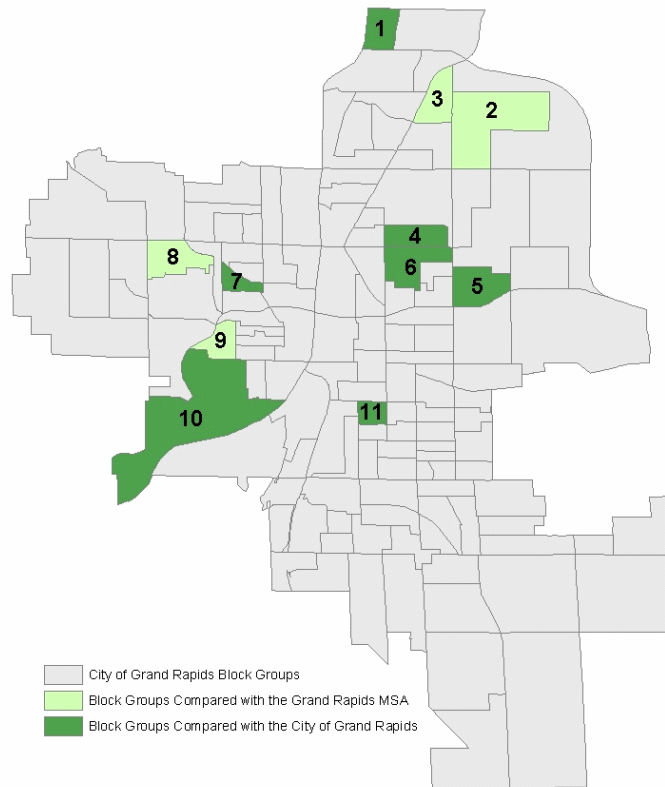
Carol L. Townsend
Urban Community Development
Kent/MSU Extension
775 Ball NE.
Grand Rapids, MI 49503
Phone: (616) 336-3265
Email: townse36@msu.edu

*Formatted and edited by
Brian Anderson*

Michigan State University Extension programs and materials are open to all without regard to race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, marital status, or family status.

MSU is an affirmative-action, equal opportunity institution.

Figure 10: Block Groups Identified as Mixed-Income, Defined as Stable Proportion of Lower Two Quintiles, Grand Rapids, Michigan, 1990-2000



- [Census Tract, Block Group (neighborhood association)]
1. Tract 1, Block Group 2 (not covered)
 2. Tract 3, Block Group 1 (North End)
 3. Tract 4, Block Group 1 (North End)
 4. Tract 10, Block Group 2 (Creston)
 5. Tract 11.01, Block Group 3 (NECA)
 6. Tract 12, Block Group 1 (Highland Park)
 7. Tract 16, Block Group 3 (West Grand)
 8. Tract 17, Block Group 1 (Westside Connection)
 9. Tract 19, Block Group 3 (John Ball Park)
 10. Tract 27, Block Group 3 (SWAN)
 11. Tract 29, Block Group 1 (Heritage Hill/SECA)

ABOUT THE AUTHORS

This newsletter is a compilation of two reports.

The mixed-income neighborhood report was written by Dr. June Thomas, Dr. John Schweitzer, and Julia Darnton of MSU’s Urban & Regional Planning. It is based on research conducted in 2003-04. The study included a review of the literature about similar topics, analysis of 1990 to 2000 U.S. census data, and three sets of focus group interviews in selected neighborhoods.

The report on affordable housing programs and mixed-income neighborhoods was written by Dr. Michael Thomas of

MSU’s Land Policy Program, Sara Felker Looney, and Carol Townsend. It included a review of affordable housing programs in the United States and an analysis of policy implications for Michigan.

Both projects were sponsored by MSU Urban Collaborators, with funding support from MSU Extension and Michigan Agricultural Experiment Station.

Summaries of the reports can be found at:

www.msue.msu.edu/unitedgrowth

Urban Collaborators links MSU’s research and outreach resources with urban issues. The group is based primarily within MSU Extension, but includes other campus units. The creation of Urban Collaborators in 1999 was an important sign that Michigan State University continues to recognize its important role in the state’s urban areas, and that the University wants to enhance its relationship with urban communities.

In addition to Grand Rapids, Urban Collaborators’ target cities include: Detroit, Flint, Lansing, Jackson, Pontiac, and Saginaw. Urban Collaborators’ office can be contacted at (517) 432-9852.