

SAVING CITY NEIGHBORHOODS

New Findings, Trends, and Policies

Cities across the nation have started to reverse a decades-long cycle of decline. The signs of progress are uneven and fragile. But they are widespread and significant as well.

The conventional view of cities is quite different, of course. For most of the public and for media elites alike, the term “inner-city neighborhood” conjures up images of danger, deviance, and despair. Only ten percent of respondents in a recent survey thought things in America’s major cities are “getting better.” Nearly half, 48 percent, believed they were “getting worse.”¹

Serious challenges do reside in the inner city. Much work remains in stemming middle-class flight, assuring excellence in urban schools, as well as better-matching skill-levels and transportation access between available workers and new jobs, for example. But America’s cities are home to much more than a set of familiar, unresolved problems.

Outside the glare of the TV-news cameras lie urban neighborhoods that have successfully withstood or avoided decline. Still others have made the heroic turn from decay to renewal. For those who care about cities — and with metropolitan areas accounting for better than 85 percent of the nation’s population and economic growth, that should be just about everyone — there are lessons and energy to be drawn from these positive trends and developments as well.

The Presence of Nonpoor Communities

Although it is not widely reported, working- and middle-income residents are a significant presence in most American cities. Many city neighborhoods have retained a sound base of residential and commercial activity, supported in turn by active civic organizations committed to their communities.

To help fill in the gaps in knowledge about such communities, the Urban and Metropolitan Research Group of the Nelson A. Rockefeller Institute of Government, State University of New York, is undertaking a study of selected urban and suburban neighborhoods in 16 metropolitan areas across the nation, with financial support from the Robert Wood Johnson Foundation, the Ford Foundation, the Rockefeller Foundation, the Annie E. Casey Foundation, and The Pew Charitable Trusts. The premise of our research is that the conventional view of cities misses much of their actual strength and diversity, and especially overlooks the presence of *nonpoor majority-black and majority Hispanic communities*.

We have completed an interim analysis of majority-black census tracts within the 16 metropolitan areas included in the study, noting their economic diversity, spatial location, and character.² Of the 16,185 census tracts comprising our 16 selected metropolitan areas in 1990, 2,588 (or 16%) had black populations greater than 50 percent, compared to 10 percent of all tracts nationwide. Nearly two-thirds (64.9%) of all non-Hispanic blacks in the 16 metropolitan areas lived in majority-black tracts, compared to 53 percent of all non-Hispanic blacks nationwide. Our study areas, then, contain a somewhat higher prevalence of majority-black tracts and they are home to a larger share of the total black population than the national norm.

Majority-black tracts in the study areas have a strong tendency to be urban. More than 80 percent of the majority-black census tracts in our study areas were located in cities, compared to less than 40 percent among all census tracts in these metropolitan areas. Majority-black tracts also tend to cluster in patterns; typically, in *corridors* or *nodes* extending outward from the hub of the central city towards its surrounding suburbs.

The most significant finding is that, contrary to the stereotype, most — indeed, nearly two-thirds — of non-Hispanic blacks living in majority-black tracts live in areas that are *not* low-income.³ More than half live in moderate-income majority-black tracts (52%). About 12 percent live in middle-income areas and 2 percent live in high-income majority-black tracts — leaving 34 percent in low-income tracts.

Most majority-black *tracts* are, likewise, nonpoor. Of the 2,588 majority-black census tracts among the study areas, 1,005 (or less than 39%) are low income. Moderate-income tracts were most prevalent, amounting to more than 45 percent of all majority-black tracts in the study areas. Middle-income tracts are less common: short of 13 percent of majority-black tracts. High-income majority-black tracts were found to be relatively rare. All told, less than 3 percent of the majority-black tracts in the 16 metropolitan areas were high income.

Majority-black tracts are likely to be clustered among others of their own income type, with low-income and high-income majority-black tracts grouped separately from each other. Moderate-income and middle-income majority-black tracts are often located between low-income and high-income majority-black residential areas, and appear to function as zones of transition or buffers between the poorest and the most affluent majority-black tracts.

The characteristics of moderate-, middle-, and high-income majority-black tracts bear little resemblance to widespread images of concentrated urban black poverty. Moderate-income majority-black tracts are very similar to the metropolitan area average on most of the socioeconomic indicators used in our study. Middle- and high-income majority-black tracts fare as well or better than that average, as well as the national average, on a host of indicators, including educational attainment, labor force participation and unemployment, home ownership, and persons below poverty.

Positive Trends

Along with the largely unrecognized perseverance of nonpoor neighborhoods, several trends have added momentum to the process of urban revitalization. These trends include improved national and regional economies; restored fiscal health of cities; successful downtown redevelopment; reduced crime; renewed immigration; and a well-spring of community-based development, together with its related support structure.

Continued, relatively strong growth in the national economy, and among increasingly important regional economies across the country, have generally improved the economic condition and outlook of America's cities. The number of

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employed workers living in central cities of metropolitan areas grew by more than 10 percent between March of 1993 and March of 1998, while the unemployment rate fell from 8.2 percent to 5.3 percent over this period. Among the nation's 50 largest cities, the unemployment rate dropped by more than one-third, with every city evidencing improvement.⁴ Central city poverty rates have also registered declines, with poverty among African-Americans in central cities reported to be at its lowest level in more than a generation.⁵

Following decades of often severe decline, major downtown areas are coming back across the country. Many cities — Baltimore, Cleveland and Newark, among them — have successfully reinvigorated central business districts, entertainment districts, and other commercial centers as new focal points for commerce, trade, and tourism.

The fiscal health of America's cities is reportedly much stronger. According to an annual survey conducted by the national League of Cities, two-thirds of participating cities reported that they were better-able to meet city financial needs than in the preceding year, while city revenues experienced the largest jump in years. Meanwhile, all but three of the 77 largest cities in the nation boast investment-grade bond ratings and favorable access to capital.⁶

Crime is way down and a sense that safety has improved is way up. Although crime does remain a major problem in U.S. cities, crime rates are for the most part lower today than they were in the 1970s and 1980s. According to the Bureau of Justice Statistics, theft and household crime rates are now lower than their 1973 levels. Violent crime rates have decreased more slowly, but also are below 1973 levels.⁷ Urban crime rates remain higher than those in the suburbs, but many of the most impressive improvements in crime rate over the 1990s have come in America's largest cities. Between 1993 and 1997, violent crime dropped by an estimated 19 percent in large cities and between 1991 and 1997, dropped by more than 45 percent in Dallas and New York City, more than 35 percent in Los Angeles, and by more than 25 percent in Boston and Houston.⁸

Immigrants are a renewed and important source of vitality for America's cities, which owe much of their past strength to immigration. Large-scale immigration from Asia, Mexico, South and Central America, as well as from Central and Eastern Europe, has been a positive, driving force in American cities. For example, New York's Brighton Beach has become a thriving residential and commercial center thanks to the influx of more than 60,000 immigrants from the former Soviet Union beginning in the 1980s. Chicago's North Side has benefitted from the arrival of several thousand Asian immigrants, with rents in the area reportedly up by as much as 70 percent due to immigration. According to one estimate, Korean immigrants to Washington, D.C., have brought in or generated over \$100 million in capital in recent years.⁹

Homeownership and related investment has been increasing. According to HUD, the rate of homeownership in central cities is at its highest level in 15 years, with more than one million additional inner-city homeowners since 1994. And while their rates still lag behind that of whites, growth in homeownership among

African-Americans and Hispanics was reported to be especially strong, with 805,000 more African-American households and 867,000 more Hispanic households becoming homeowners between 1994 and 1998.¹⁰

These trends are having a noticeable, particularized impact at the neighborhood level. Not everywhere nor uniformly, to be sure: Some inner-city areas look more like demilitarized zones than residential neighborhoods, even still. But some of the toughest inner-city neighborhoods are reviving, with their population stabilized; physical conditions improved; crime down; civic engagement greater; bank lending and property values increased; and public services more responsive.

Community initiatives fueled by churches, civic associations, and residents have led most of the serious neighborhood revitalization efforts. Budget pressures and a growing climate of political conservatism have reduced the direct governmental role, in favor of leveraging and catalyzing other resources. Government and the private sector have been essential partners and supporters of inner-city development, but neighborhood organizations have usually taken the first step.

Observers report that community-based action is accelerating in the 1990s, while approaches and techniques are becoming more sophisticated. Community-based organizations are working with residents on a broad range of issues beyond housing. Community organizers once focused only on “fighting city hall” are working along side police departments on community policing programs and partnering with city agencies in social service delivery. National foundations are sponsoring “comprehensive community initiatives” to foster and disseminate the new approach. Local foundations have sponsored similar strategies, while a number of city governments are adapting their own programs to work with community associations as partners.¹¹

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The CDC Movement

Community development corporations, or CDCs, are nonprofit developers active at the local level, most typically in lower-income neighborhoods. The majority concentrate their activities in housing although some, increasingly, are involved in social services and small-scale commercial development.

In the words of Charles J. Orlebeke, as an organizational type CDCs defy easy classification:

Since the 1960s, [CDCs] have emerged in all sizes and shapes, from tiny organizations with a desk in the corner of a church basement to well-staffed professional real estate operations. Some CDCs limit their activities to housing, usually rehabilitation; some only do commercial development; some do both. Many CDCs are active in other program areas besides real estate development, including social services, community organizing, home-ownership counseling, and homeless assistance. Despite their diversity, the common thread running through CDCs is that they are locally controlled, typically by a board of neighborhood residents, businesses, and representatives of social institutions (schools, churches, etc.), and that they seek the improvement of a defined territory.¹²

The number of formally constituted community-based development groups operating in the U.S. has grown from roughly 200 in 1970 to more than 2,500 today.

According to estimates, CDCs built some 500,000 units of affordable housing through 1996, and are responsible for approximately one-third of all affordable housing produced nationwide. In many low-income inner-city neighborhoods, CDCs are the only source of new housing and are increasingly important in light of governmental efforts to replace blighted public housing projects, which are reducing the number of units on the market.

In addition to being widespread, CDC housing production is reported to be increasingly proficient. Of all the housing produced by community-based developers and in place by 1993, nearly half had been built in the preceding five years.¹³

Notable stories of CDC-sponsored community development can be seen in cities and neighborhoods all across the nation. Take the Bronx, for example. Since 1980 the Mid-Bronx Desperadoes (MBD) Community Housing Corporation has sponsored, built or renovated over 2,300 new housing units in its 100-block area, representing an investment of over \$215 million. MBD also has been instrumental in developing a new retail complex in the heart of the neighborhood on a ten-acre site that the City tried but failed to develop in the mid-1980s. It has created two large new parks in the neighborhood. In collaboration with Bronx Lebanon Hospital and the Institute for Urban Family Health, MBD opened its first family health center in 1994.¹⁴

The Banana Kelly Community Improvement Association has rehabilitated over 2,500 housing units in the Bronx since 1978. It has weatherized an additional 8,000 units, and sponsored the development and construction of 500 houses for middle-income families to promote income diversity in the areas it serves.¹⁵ All told, an estimated \$5.5 billion in new real estate development has flowed into the South Bronx since 1980, transforming large sections of the borough. According to Census Bureau data, the area contained 20,000 vacant housing units in 1986. Just



A block in the South Bronx, before . . .

ten years later, nearly every one of these 20,000 had been rehabilitated, and plans were being readied for the remaining handful. In addition, over 5,000 new one- to four-family homes have been built on abandoned property.¹⁶

A broader renewal process has been underway in many areas of New York City, often fueled by community-based developers. For example: Abyssinian Development Corporation (ADC) of Harlem is one of New York's most prominent faith-based community development groups. Since 1989, ADC has created over 500 units of housing, with an investment of roughly \$40 million. ADC also has been involved in commercial revitalization along the 125th Street corridor.¹⁷ St. Nicholas Neighborhood Preservation Corporation in Williamsburg-Greenpoint, Brooklyn, has had particular success. Since its founding in 1975, "St. Nick's" has built or rehabilitated over 1,300 units of housing. In 1991, St. Nick's reached a milestone: It renovated the last remaining abandoned apartment building in the neighborhood.¹⁸

Cleveland's low-income neighborhoods have similarly been revived with the help of its community development organizations. According to the Cleveland Neighborhood Development Coalition, its 42-member organizations have raised more than \$100 million since 1990 for the construction or renovation of housing in the city; these funds have resulted in the building or planning of more than 1,600 new homes in Cleveland's neighborhoods, the largest total since the 1950s; 1,800 vacant homes have been restored and sold as affordable housing; and 1,040 units of rental housing have been created in 21 buildings, with more than \$36 million invested.¹⁹

In Chicago, more than 50 CDCs have together created some 10,000 units of housing in the past 16 years, accounting for close to half of the city's total residential development in those years. The result is reported to be a net gain of nearly \$750 million in new investment for these neighborhoods.²⁰



... and after redevelopment by the Mid-Bronx Desperadoes Community Housing Corporation.

Los Angeles is home to more than 130 community-based developers. In the last 15 years, L.A.'s nonprofit developers have created 15,000 units of affordable housing, more than half again as many units as in the city's entire public-housing stock.²¹

In Philadelphia, CDCs have been instrumental in building housing and more. From 1990 to 1996, according to the Philadelphia Association of Community Development Corporations, CDCs completed over 1,900 units of CDC-sponsored housing (473 homeownership and 1,447 rental); an additional 333 housing units in conjunction with private developers; 186,000 square feet of commercial, business, and incubator space; and 116,700 square feet of day care and other service facilities.²²

In Washington, D.C., according to the Coalition for Nonprofit Housing Development, approximately 15 active neighborhood-based development organizations built over 2,380 units of affordable housing between 1989 and 1995 while adding nearly 600,000 square feet of commercial and retail space. This represents an investment of over \$136 million in District neighborhoods, much of it private money leveraged by smaller investments of CDBG and local funding.²³

The idea of neighborhood-based community revitalization goes beyond the creation of housing and other physical development, however, important as that investment is in low-income neighborhoods. At a more fundamental level, community-based initiatives seek to restore efficacy as well as self-reliance to their communities. Paul Grogan, president of the Local Initiatives Support Corporation and an acknowledged leader in the field, explains this process in concrete terms:

As neighborhoods decline, citizens lose the capacity to bargain effectively with the local jurisdiction. So the trash doesn't get picked up, the police don't respond as quickly, park improvements are not made, and so forth. And this is one of the big negative multipliers that speeds communities on that downward spiral. These renewal efforts, and the citizens behind them, have a magical effect of beginning to again extract a response from the public jurisdiction. So one begins to see, as if by magic, park improvements, police response, a community being served again and holding its own with its local political jurisdiction.

[Another] reason for the movement's success is that it offers a very powerful strategy to break down the isolation, the utter isolation, of many of these inner-city communities from which mainstream institutions have withdrawn. Community development corporations form lasting business relationships with banks, foundations, local and state government, to draw in the necessary capital and expertise initially to accomplish these concrete projects. Over time, they open up channels through which ideas and capital can flow. And this breakdown of isolation, of course, has much broader, positive consequences.²⁴

Intermediaries and Supports

Foundations, and national nonprofits, such as the Local Initiatives Support Corporation and the Enterprise Foundation, have supported the growth and development of CDCs and other community-builders with funding, technical assistance, and access to financial markets. This support structure has been vitally important in ratcheting-up and spreading best practices, developing and advocating for new public policies, and increasing the flow and success of capital investment among participating organizations and neighborhood.

The Local Initiatives Support Corporation (LISC) operates intensive community development programs in 41 areas, involving hundreds of CDCs from coast to coast. Ten thousand affordable homes have been generated in Chicago; 15,000 in New York City; 4,000 in greater Boston; 3,500 in Newark; 1,000 in Miami; 1,700 in Houston; and 3,000 in the San Francisco Bay Area. In 18 years of operation, LISC has invested \$3 billion in housing. LISC's Community Building Initiative has committed \$4.25 million in grants and \$2.24 million in loans for block clubs, youth development programs, anti-drug efforts, health care plans, and other projects that knit communities together.²⁵

The Enterprise Foundation, a second, nationwide intermediary, works with more than 1,000 community-based organizations in more than 200 locations across the country. Since its inception, Enterprise has raised and committed more than \$2.3 billion in loans and equity to help develop over 86,000 homes and apartments.²⁶

The NeighborWorks network is a resident-led, 177-member network of local nonprofit organizations that works to build community and family assets and better neighborhoods. The network is part of a system that includes the Neighborhood Reinvestment Corporation, a national nonprofit created by Congress in 1978 and charged with providing both expertise and resources to local development. Neighborhood Reinvestment's network has rehabilitated 24,686 units — 56 percent of the network's total output of 43,749 housing units.

In fiscal year 1997, NeighborWorks achieved an all-time high in production of affordable housing, with 21,972 newly constructed, rehabilitated, or repaired units. This 37 percent increase over 1996 meant more than \$544 million in reinvestment in target communities. Another vital part of the system is Neighborhood Housing Services of America, which supports the network with a national specialized secondary market and tailored loan products. More than 50 major insurers also channel more than \$2 million in grants to NeighborWorks organizations to help defray their operating costs and boost their mortgage-lending pools.²⁷

In 1994 the National Trust for Historic Preservation began the Community Partners Program, an urban residential-neighborhood initiative designed to complement the Trust's Main Street program, which has helped revitalize more than 1,200 older commercial corridors in communities since 1977. The National Trust's Community Partners Program is currently active in 13 cities. In 1997 the program committed six loans totaling more than \$879,000 and three grants totaling \$70,000. These commitments contributed to projects including 373 units of affordable and market-rate housing and 237,029 square feet of retail, office, and hotel space valued at nearly \$57 million.²⁸

All this activity has attracted private, commercial investment as well. Several supermarket chains and other retail stores, contrary to the trend of businesses moving out of the inner city 15 to 20 years ago, are starting to return, driven by slow growth and competition in the suburbs and the lure of unserved markets in cities. Some supermarket chains like Finast in Ohio and Pathmark in the Northeast have embarked on major multi-store expansions in inner-city locations, and they are being joined by other retail chains like Walgreens and Rite Aid drugstores. An

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estimated 50,000 people per month shop at the Pathmark supermarket in Newark's Central Ward, making it the chain's highest grossing store.²⁹

Important Public Sector Support

Public and publicly induced private investments have provided fuel for neighborhood-level development, enabling community-based activity to go to scale. Flexible federal and local dollars, generally in the form of tax credits and block grants, and together with federal regulations prodding banks to lend, have contributed to a significant flow of capital available for community development. The National Community Reinvestment Coalition, which tracks inner-city private investments, reports that in the nineties alone, banks have lent or invested \$300 billion in the inner city, up from about \$1 billion per year in the late '80s, and \$400 million per years in the early '80s.³⁰

In 1975, the Home Mortgage Disclosure Act (HMDA) was passed requiring financial institutions to make available to the public data on where they were making home mortgage loans. Two years later, Congress created the Community Reinvestment Act (CRA) — legislation that prompted banks and thrift institutions to lend more aggressively in their communities. Subsequently, bank capital in inner-city and low-income communities has seen phenomenal growth — and the results have proven to be sound banking, not charity.³¹

The premise of CRA is that because banks are chartered by governments to serve public purposes and since they benefit from having this opportunity, as well as from access to federal deposit insurance, central bank credit, and having a government seal of approval, it is appropriate to require them to help achieve community development objectives. The muscle of the act is a function of



Before and after photos of Abyssinian House, a 25-unit rehabilitated apartment complex for formerly homeless families in New York City. Abyssinian Development Corporation of Harlem is one of New York's most prominent faith-based community development groups.

far-reaching changes occurring in banking. The consolidation of banks in the information age is fundamentally changing banking as an industry. In this setting of acquisitions and mergers, CRA provides attractive opportunities to community activists who can use CRA as an instrument to get banks to help them revive urban and rural communities. In an August 1996 report, the General Accounting Office described heightened CRA compliance efforts and cited improved results.³²

Studies of the impact of CRA draw a wide range of conclusions, in part reflecting the point of view of the authors and in part reflecting the fact that the law is general, making specific effects hard to discern and measure. Research by the Federal Reserve Board reflects steadily increased effects of CRA. A study by the Chicago Federal Reserve estimated that 100 loans and \$8 million in lending per metropolitan area could be attributed to CRA. CRA has influenced banks to form departments and expertise in community development, which in turn has had second-order impacts on improving the day-to-day business practices and technical competence of community developers.³³

Tax credits have complemented regulation in providing an important incentive for financing community development. Congress created the Low-Income Housing Tax Credit in 1986, a powerful incentive for corporations to invest in affordable housing. After years of hugely successful experiments, Congress made the Tax Credit permanent in 1993. Since 1986 the Low-Income Housing Tax Credit has spurred the development of 900,000 affordable rental homes and apartments, more than 90 percent of all affordable housing produced. The LIHTC has generated an estimated \$12 billion in private investment for the construction of affordable housing and renovation of neighborhoods, at a cost to the government of under \$1.6 billion.



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LISC's National Equity Fund, created in 1987, has mobilized \$2 billion in investments based on the Tax Credit. The Local Initiatives Managed Assets Corporation has created an unprecedented secondary market — \$125 million and counting — for affordable housing loans made by private financial institutions.³⁴

Conclusion

Locally led neighborhood renewal efforts are helping to ensure that central city neighborhoods again become an attractive option for working- and middle-class residents. They are making a necessary, vigorous, but by itself insufficient, contribution to the achievement of the cause.³⁵

Urban neighborhoods have serious problems attracting capital. The Community Reinvestment Act, the Home Mortgage Disclosure Act, and other anti-discrimination laws were enacted to prevent abuses such as the “redlining” of whole neighborhoods. As a result, more investment dollars now flow into inner-city communities and some institutions have found substantial — as well as profitable — loan markets there. The regulations implementing these laws have undergone recent revisions. Their contribution is essential and must be maintained, at a minimum.

Three federal efforts — Low-Income Housing Tax Credits, Community Development Block Grants, and the HOME Investment Partnership program — have fueled a considerable amount of low-income neighborhood revitalization activity. Each has demonstrated its effectiveness, enjoys broad popularity and is now heavily oversubscribed. Together, they cost the federal government less than \$10 billion annually, while homeowners' tax deductions cost \$480 billion.

The Low-Income Housing Tax Credit offers a good model for mobilizing private investments. The proposed Commercial Revitalization Tax Credit may well do for retail, commercial, and industrial development in distressed neighborhoods what Housing Credits have done for affordable rental housing development. A similar approach could stimulate the production of owner-occupied homes in low-income areas.

Institutionally, effective community builders provide an entry point into neighborhoods that previously were impervious to improvement from the outside. Where there are promising community initiatives under way, private and public support should be there to meet them. Where they are not already present, the system of external supports should nurture and build upon nascent, local efforts.

Experience suggests that to be successful, CDCs must arise from within a community, or at least be rooted in it and motivated by its needs. Local leadership, therefore, is essential. Prospects for strengthening the role of CDCs in the future appear promising. While there are many more in the Northeast and Midwest than elsewhere in the country, there are some CDCs in every state, and as many as 30 or more in some cities.

Our research on The Pew Charitable Trusts' Neighborhood Preservation Initiative underscores the wisdom of building on the strength of effective organizations, and networking them together to establish shared capacity at the community level. The importance of organizational qualities proved vital even

among established groups — factors such strong leadership, continuity, top-flight financial accounting practices, solid boards of directors with a firm grasp of organizational mission and their own appropriate role, community planning mechanisms, and legitimacy to neighborhood residents, perhaps above all, as well as a way of maintaining it.

The next stages of the Institute’s Study of Urban Neighborhoods and Capacity Building will focus especially on profiling neighborhoods according to the strength of *social capital* (as well as a host of other factors, including the presence or proximity of desirable and undesirable locational features; the relative quality of public services; economic, demographic, and housing characteristics). Attributes of social capital will include:

Attachment/Identification

Neighboring

Civic Infrastructure

Political/Civic Engagement

A long-term application of our analysis will be to draw conclusions carefully about the relationship between the condition as well as the trajectory of neighborhoods and the presence of social, political and economic infrastructure — opportunity structures that facilitate employment, civic engagement, or political mobilization among neighborhood residents.

Our goal is to more carefully delineate the capacity held by distinct forms of civic infrastructure, learn how effective forms are built, and how they may be replicated. By shedding light on neighborhood-level change and change-agents over time and across a cross-section of community types, we are hopeful that our methodology for studying the character and diversity of majority-minority neighborhoods will be beneficial to scholars, public policy makers, and ultimately, to the residents of these communities.

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Endnotes

1. A national survey conducted by the Pew Research Center for the People & The Press in February 1997.
2. The 16 metropolitan areas are Atlanta, Baltimore, Boston, Buffalo, Chicago, Cleveland, Denver, Detroit, Houston, Kansas City, Los Angeles, New York City, Philadelphia, St. Louis, San Francisco, and Washington, D.C.
3. Income categories are defined as follows: low-income residential areas are majority-black census tracts where the median household income is less than .5 times their PMSA median; moderate-income residential areas are majority-black census tracts where the median household income equals .5 to 1 times their PMSA median; middle-income residential areas are majority-black census tracts where the median household income equals 1 to 1.5 times their PMSA median; high-income residential areas are majority-black census tracts where the median household income is equal to or greater than 1.5 times their PMSA median.
4. Bureau of Labor Statistics data reported in *The State of the Cities: 1998*, U.S. Department of Housing and Urban Development, p. 4.
5. *Ibid*, p. 5.

Our research underscores the wisdom of building on the strength of effective organizations.

6. Ibid, pp. 5-6.
7. *Life in the City*, Report of the Urban Neighborhoods Task Force, Center for National Policy and the Local Initiatives Support Corporation, p. 49.
8. *State of the Cities*, p. 6.
9. *Life in the City*, Report of the Urban Neighborhoods Task Force, Center for National Policy and the Local Initiatives Support Corporation, p. 43.
10. *State of the Cities*, p. 7.
11. G. Thomas Kingsley, Joseph B. McNeely and James O. Gibson. *Community Building Coming of Age* (Washington, D.C.: The Urban Institute and The Development Training Institute, 1997), p. 6.
12. Orlebeke, Charles J., *New Life at Ground Zero: New York, Home Ownership and the Future of American Cities* (Albany: Rockefeller Institute Press. 1997), p. 186.
13. *Life in the City*, p. 58.
14. Ibid, p. 12.
15. Ibid, p. 13.
16. Ibid, p. 13.
17. Ibid, p. 14.
18. Ibid, p. 15.
19. Ibid, pp. 17, 18.
20. Ibid, p. 22.
21. Ibid, p. 27.
22. Ibid, p. 32.
23. Ibid, p. 37.
24. *The Newsletter of the National Commission on Civic Renewal*, Issue 2, Voices of Civic Renewal, at www.puaf.umd.edu/civicronewal/issue.htm
25. *Neighborhoods Reborn. Promises Kept. 1997 Annual Report.*, Local Initiatives Support Corporation, pp. 6, 12, 25.
26. Enterprise Foundation Homepage, at www.enterprisefoundation.org
27. Neighborhood Reinvestment Corporation, 1997 Annual Report, pp. 2, 3, 5.
28. *The NeighborWorks Journal*, Spring 1998, pp. 5, 6, 11, 12.
29. LISC 1997 Annual Report, p. 3.
30. Ibid, p. 3.
31. Nathan, Richard P., in Fleet Bank's *20/20 Vision. CRA Symposium Summary Report 1998.*
32. Report to Congressional Requesters, "Federal Oversight and Enforcement Improved but Some Challenges Remain," United States General Accounting Office Report, August 13, 1996.
33. Nathan, pp. 4, 6.
34. LISC 1997 Annual Report, p. 25.
35. In addition to the community-development-related items discussed here, it should be noted that inadequate schools are the primary reason that middle-class and working-class families continue to leave the cities. Consequently, the need to improve the educational system cannot be overstated. Realistic strategies are needed to promote business development within the city and to better connect more of the city's labor force to job opportunities within or outside the city. Further progress on reducing crime is essential to the future of cities and to the country as a whole. This discussion draws from recommendations made by the Urban Neighborhoods Task Force. ■