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# FIRST SUBURBS IN THE NORTHEAST AND MIDWEST: ASSETS, CHALLENGES, AND OPPORTUNITIES

## **Cover Page Footnote**

Senior research manager at the Brookings Institution Center on Urban and Metropolitan Policy. All opinions are those of the author.

# FIRST SUBURBS IN THE NORTHEAST AND MIDWEST: ASSETS, CHALLENGES, AND OPPORTUNITIES

*Robert Puentes\**

## INTRODUCTION

The dominant trend in metropolitan America today is the decentralization of people and jobs. This trend is evidenced by an exploding exurban fringe, coupled with slow or no growth in the urban core. The trend is mostly evident in Northeastern and Midwestern metropolitan areas like Philadelphia, St. Louis, and Norfolk, where suburbs are gaining residents and central cities are losing them. The trend is also evident in Ohio, where suburban job growth in the late 1990s outpaced central business districts by nearly 300 to one.<sup>1</sup> The suburbs have emerged as key players in American life: their residents constitute over half of the nation's population and their elected officials occupy the majority of congressional seats.

While much has been written about suburbs in general, there is little research relating to the conditions of older, inner-ring or "first" suburbs. What is the state of first suburbs? Are they growing, stagnating, or declining? Are they facing challenges similar to central cities and newer suburbs, or are their challenges unique? Some Northeastern and Midwestern first suburbs are finding they have more in common with central cities than newly developing suburbs. Both cities and first suburbs are coping with population and job loss; declining household incomes and tax bases; changing demographics; aging housing and infrastructure; and general instability. That being said, not all first suburbs are declining. Some of the most stable and affluent communities in the country are first suburban areas. Many first suburbs, however, missed out on the nation's recent economic prosperity and reinvestment. This has rendered some of them stagnant.

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\* Robert Puentes is a senior research manager at the Brookings Institution Center on Urban and Metropolitan Policy. All opinions are those of the author.

1. JOHN BRENNAN & EDWARD W. HILL, BROOKINGS INST. CTR. ON URBAN AND METRO. POLICY, *WHERE ARE THE JOBS?: CITIES, SUBURBS AND THE COMPETITION FOR EMPLOYMENT 3-9* (1999), available at [www.brookings.edu/urban/hillfa.pdf](http://www.brookings.edu/urban/hillfa.pdf).

First suburbs often begin to decline as younger, wealthier residents, employers, and retail businesses move further out in search of a perceived higher quality of life. Left behind are those without the fiscal resources to contribute to the public coffers (in terms of augmenting the tax base) and the elderly, who may lack the physical ability to maintain their homes and communities. Attenuating tax bases, rising expenditures, and lack of investments make first suburban infrastructure difficult to maintain. These problems are compounded by the fact that government investments favor newly developing exurbs with new schools, roadways, and other infrastructure.<sup>2</sup>

Regardless of whether a suburb is healthy or declining, a new urban policy that reconsiders old notions of "cities" and "suburbs" is required. 1950s-style, Ozzie & Harriet suburbanization no longer accurately describes either first suburbs or new exurbs. Suburbs are no longer homogeneous affluent bedroom communities: they are very diverse in terms of employment, income, and racial composition.

This piece refers throughout to "first suburbs" and "first suburban areas." Since there is no national typology, many different monikers are used to describe such suburbs, such as "older" and "inner-ring" suburbs. First suburbs are older than the newly developing suburbs: they grew up before and immediately after World War II. They are the closest suburbs to the central cities, often beginning as bedroom communities for central city workers. Compared to center cities and outer suburbs, they have smaller populations and weaker governments. They have little land for development and are heavily dependent on residential taxes to provide basic services.

At the same time, newly developing communities on the suburban fringe are pushing outward at an incredible rate, taking with them jobs and wealthier central city and first suburban residents. As companies and middle-class families leave, the tax bases of first suburbs shrink, leaving them without the wherewithal to combat working poverty, disinvestment, and failing schools. But unlike central cities, first suburbs generally lack a sophisticated government infrastructure to cope with such problems. The result is that when these problems hit the first suburbs, they gain traction. Without a fundamental shift in our investment policies, many first suburbs will continue to decline.

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2. Bruce Katz, *Beyond City Limits: A New Metropolitan Agenda*, in SETTING NATIONAL PRIORITIES 303-31 (Henry J. Aaron & Robert D. Reischauer eds., 1999).

## I. ASSETS AND ADVANTAGES

Similar to central cities, first suburbs are where the issues that define our nation's future—economic growth, race, poverty, immigration, and education—are played out. First suburbs have unique attractions: established neighborhoods connected by sidewalks and interwoven with parks; easy access to downtown's commercial and entertainment districts; and the intangible benefit that accrues to places that have existed for decades—a sense of community.

Some of the advantages of a first suburb are as follows:

*Functional Land Use.* First suburbs in the Midwest and Northeast were developed before suburban expansion, increased automobile use, and exclusionary zoning. Thus, they often have more mixed uses. These patterns create a more functional jobs-to-housing balance and more walkable neighborhoods. They also facilitate frequent and regular transit service and the creation of civic spaces.

*Established Infrastructure.* Transportation, water, sewer, hospitals, and schools are already established in first suburbs. The costs of construction were borne long ago. Although the infrastructure must be maintained and sometimes rehabilitated, it provides the framework to guide future development. It is often cheaper to maintain and even expand existing infrastructure than to build new infrastructure on greenfield sites.<sup>3</sup>

*Transportation Alternatives.* Many Midwestern and Northeastern first suburbs have taken advantage of transportation investments that serve central cities in a radial format.<sup>4</sup> Because their densities are high, and because of their proximity to central cities, first suburbs often have good transit connections. Furthermore, first suburbs were built when sidewalks were the rule, not the exception. Pedestrian activities are not only possible, but probable. Contrast this with newly developed suburbs, which offer only one transportation mode: the automobile.

*Neighborhood Design.* Throughout the Midwest and Northeast, many historic districts and housing options remain in first suburbs. Since these are established communities, they often have natural amenities not found in newer developments: sidewalks, stately

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3. A greenfield is a "pristine area" of undeveloped and undisturbed land that requires more money to develop than already developed sites. See Introduction to Brownfields, at [http://www.epa.gov/Region8/land\\_waste/bfhome/bfintro.html](http://www.epa.gov/Region8/land_waste/bfhome/bfintro.html) (last visited Mar. 28, 2002).

4. Radial format refers to the flow of a transportation system outward from the center of a city. See ROBERT M. FOGELSON, DOWNTOWN: ITS RISE AND FALL, 1880–1950, at 44–68 (2001).

trees, established parks, and recognizable neighborhoods. Because of development patterns, there is also a wider, although concentrated, availability of affordable housing. Older communities are generally considered to have more character and identity.<sup>5</sup> For the prospective buyer, there may be more choices in housing style since housing probably does not simply reflect the design of a single developer. First suburbs already have the types of design standards that architects and developers are trying to replicate in new urbanist developments.

*Elderly/Children Amenities.* Schools in first suburban areas are often accessible by foot or short trips on public transit.<sup>6</sup> This inevitably makes children's commutes safer and predictable. Children become more familiar with their neighborhoods and more aware of their surroundings. The elderly similarly benefit from the lack of auto-dependence. Since houses tend to be smaller and at higher densities, they are more accessible and easier to maintain than those in auto-dependent developments.

*Convenience and Centrality.* Infrastructure and land use patterns make first suburbs in the Midwest and Northeast more convenient. Amenities are often closer together and easier to access. First suburban households can offer short commutes to the central city for one wage earner and suburban exit ramps for another wage earner. Residents can still take advantage of the benefits of a central city: universities, culture, health care, sporting events, and other entertainment. Another measure of convenience is travel time to work. In 1990, in the Philadelphia region, travel time was 26.7 minutes in the core, 22.8 minutes in first suburbs, and 24.4 minutes in the rest of the region.<sup>7</sup> Travel time was shortest in first suburbs because fifty-seven percent of these residents commute to jobs located in the first suburbs.<sup>8</sup> Research in the Philadelphia region has found higher sale prices of homes in locations with lower travel times to the central city.<sup>9</sup>

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5. Harrison Sheppard, *Valley an Economic Stronghold*, DAILY NEWS OF L.A., Oct. 23, 2001, at N1.

6. See generally NAT'L TRUST FOR HISTORIC PRESERVATION, HISTORIC NEIGHBORHOOD SCHOOLS IN THE AGE OF SPRAWL: WHY JOHNNY CAN'T WALK TO SCHOOL (2000).

7. DEL. VALLEY REG'L PLANNING COMM'N, THE FUTURE OF FIRST GENERATION SUBURBS IN THE DELAWARE VALLEY REGION 53 (1998).

8. *Id.*

9. Richard Voith, *Changing Capitalization of CBD-Oriented Transportation Systems: Evidence from Philadelphia, 1970-1988*, 33 J. OF URB. ECON. 361, 365 (1993).

*Redevelopment opportunities.* In some first suburbs, developers are buying smaller parcels left empty when development first swept across the suburbs. While it is more challenging to build in first suburban areas, developers are pursuing these opportunities because, in most cases, new homes are sold quickly.<sup>10</sup> In some cases, dilapidated housing is torn down or brownfields are renovated with new housing.

## II. WHY DO SOME FIRST SUBURBS DECLINE?

Recent analysis shows that many first suburban areas in the Midwest and Northeast are declining.<sup>11</sup> This usually occurs in conjunction with the decline of central cities. There are many complex reasons why some suburbs decline and others remain healthy. Below are some of the most visible and egregious:

*Lack of Proper Reinvestment/Investment.* All cities and communities age. They also go through cyclical periods of growth and decline. During periods of decline, reinvestment, reuse, and refill is necessary. If reinvestment and rehabilitation do not take place, deterioration is inevitable and rapid.

Unfortunately, when first suburbs start to decline, they continue to get no more than an annual touch-up. From 1988 to 2000, the Ohio state government channeled \$99.77 per person to Cuyahoga County's first suburbs, compared with an average of \$142.79 per person countywide.<sup>12</sup> The result in the Cleveland metropolitan area is that first suburbs rarely receive funding until urban decay has set in to a degree that is difficult to overcome without more dramatic and substantial measures. A common observation among first suburban leaders is that since large cities like New York, Detroit, and Chicago are more skilled at obtaining redevelopment aid, small and under-staffed first suburbs are left without the aid they require.

Transportation expenditures disproportionately pay for the expansion of roads into the countryside, making new suburban commercial strips and housing subdivisions economically feasible while first suburbs are overlooked. This is especially problematic be-

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10. Tanya Albert, *Building Boom Gives Old Suburbs New Life, Homes*, DETROIT NEWS, May 5, 2000, at A1.

11. WILLIAM H. LUCY & DAVID L. PHILLIPS, BROOKINGS INST. CTR. ON URBAN AND METRO. POLICY, *SUBURBS AND THE CENSUS: PATTERNS OF GROWTH AND DECLINE* (2001).

12. Press Release, Cmty. Connections, *Cleveland's Older Suburbs Secure Revitalization Funds* (June 16, 2000), available at <http://www.comcon.org/pubs/faxarchive/2000/cc061600.html>.

cause recent research has demonstrated that while highway investments affect land prices, population, and employment changes near the project, this comes at the expense of jurisdictions elsewhere in the region.<sup>13</sup>

Luring middle-class residents from first suburbs creates destructive economic segregation and robs first suburbs of the stability needed to remain viable. First suburbs are forced to offer heavy incentives to attract shopping malls—augmenting one community's municipal budget while harming those of its neighbors. This is a particular concern in the jurisdictionally-fragmented Midwest and Northeast. The Urban Land Institute estimates, for example, that up to twenty percent of existing shopping malls will become vacant in the next several years, "most[ly] in first ring suburbs."<sup>14</sup>

*Noncompetitive Housing Stock.* A major factor related to declining suburbs is the housing stock and deterioration related to fickle housing markets. First suburban housing units inevitably deteriorate. If not properly maintained, entire neighborhoods may rapidly decline. According to Bill Lucy at the University of Virginia, the resilience of a suburb (like any neighborhood) depends on its lasting qualities and middle and upper income demand. When relative or absolute income declines in first suburbs, the impulse by some middle and upper income people to avoid such areas is strengthened. Some first suburbs are also burdened because their houses have shown little appreciation in recent years while the market for larger suburban houses and in-town living has grown. Older, mass-produced houses common in first suburbs generally have two or three modest bedrooms, one bath, a small kitchen, and are about 1100–1300 square feet in size. By 1998, the typical new home was more than 2000 square feet.<sup>15</sup> When neighborhoods start to decline, property turnover accelerates sharply, leading to a shift from owner-occupied houses to tenancies. Tenants are less likely, and may even be precluded, from renovating their residencies to the extent it would make a difference in the neighborhood.

In addition to having homes that may not meet today's housing needs, first suburbs are also hurt by consumers' desire to buy "up

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13. MARLON BOARNET, THE BROOKINGS INST. CTR. ON URBAN AND METRO. POLICY, DO HIGHWAYS MATTER? EVIDENCE AND POLICY IMPLICATIONS OF HIGHWAYS' INFLUENCE ON METROPOLITAN DEVELOPMENT 12 (2000), available at <http://www.brookings.edu/urban/boarnet.pdf>.

14. Brad Segal, *Why the Suburbs Matter To Downtown*, DEN. BUS. J., June 25, 1999, at 55A; see also Urban Land Inst., Urban Land Archive, *ULI Forecast, Retail Properties* (2001), at [http://research.uli.org/DK/UrLand/re\\_Urland\\_4castfst.html](http://research.uli.org/DK/UrLand/re_Urland_4castfst.html).

15. HOUSING STATISTICS OF THE UNITED STATES 83 (Patrick Simson ed., 2000).



and out” in their housing. For instance, from 1997 to 1998, about eighty-six percent of the homeowners who moved in the Cleveland, Columbus, and Cincinnati metropolitan areas bought homes that were fifty-seven to sixty-nine percent more expensive than the homes they had left. In all three of these regions, the more expensive homes were located “further out.”<sup>16</sup>

*Tendencies To Spiral.* Unwelcome problems affecting first suburban areas tend to gain traction because there is little administrative infrastructure for dealing with them. According to Anthony Downs, this self-aggravating downward spiral is of particular concern to first suburban leaders. Schools become loaded with children from poor homes, local crime rates rise, many middle income households and viable businesses move further out, and local governments become fiscally strapped.<sup>17</sup> In addition, uncertainty negatively affects the performance of land values, which retards reinvestment. When first suburbs decline, obsolescence of elementary schools, neighborhood parks, and convenience shopping sets in.

*Lack of Recognition of Relationship Between the First Suburbs and Central City.* With the changing demographics, economics, and disinvestment of first suburbs, policy discussions are no longer just questions of city versus suburb. Many first suburbs are experiencing conditions that more closely resemble those of the central city than newly developing exurban areas.<sup>18</sup> To succeed, first suburbs must transcend those old lines, recognize this relationship, and maintain ongoing regional policy discussions.

*Lack of Appropriate Policy Discussion.* The experiences of first suburbs in the Midwest and Northeast are rarely integrated into policy discussions. Although many first suburban leaders are working to build alliances in their regions, they rarely collaborate with their counterparts in other metropolitan areas. Although states have begun to address issues like suburban sprawl, they often do so without focusing on the particular challenges of first suburbs. Newer suburbs on the fringe are the popular focus of the war on sprawl because of traffic congestion, overcrowding schools, and diminishing open space.

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16. THOMAS BIER, BROOKINGS INST. CTR. ON URBAN AND METRO. POLICY, MOVING UP, FILTERING DOWN: METROPOLITAN DYNAMICS AND PUBLIC POLICY 9 (2001), available at <http://www.brook.edu/dybdocroot/es/urban/publications/bier.pdf>.

17. Anthony Downs, *The Challenge of Our Declining Big Cities*, 8 HOUSING POL'Y DEBATE 359, 359-408 (1997).

18. U.S. DEP'T OF HOUS. AND DEV., THE STATE OF THE CITIES 6 (1999), available at <http://www.huduser.org/publications/pdf/soc99.pdf>.

### III. FIRST SUBURBS MATTER

It is difficult to know exactly how many people live in Northeastern or Midwestern first suburbs as opposed to newer suburbs. We do know that more than half of the U.S. population is suburban.<sup>19</sup> Pennsylvania, Michigan and Ohio, among other states, all have majority suburban populations.<sup>20</sup> From political, environmental, and economic perspectives, first suburbs are where some of our nation's most critical issues are played out.

*First Suburbs and Politics.* Many first suburbs are recognized as swing districts in state and national elections.<sup>21</sup> Changing demographics in this voting block has created a new paradigm for national politicians. Presidential candidates can no longer exclusively focus on the urban vote to carry them in a two-party race. In 1992, Bill Clinton was able to win the urban vote, but was also successful in capturing the first suburban vote.<sup>22</sup> These communities were home to the "forgotten middle class." George W. Bush's chief strategist during the 2000 presidential campaign, Karl Rove, predicted that three groups would be pivotal in the election: Catholics, Hispanics, and suburban voters—"particularly those from older [first] suburbs."<sup>23</sup>

*Smart Growth and First Suburbs.* Smart Growth strategies have become tightly woven into urban and suburban policies across the United States. At the heart of these policies is the objective of redirecting growth from the suburban fringe back into established areas where jobs, housing, and infrastructure are already in place—areas such as first suburbs.<sup>24</sup> First suburban leaders are often some

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19. See generally F. KEN BENFIELD ET AL., NAT'L RESOURCES DEF. COUNCIL, ONCE THERE WERE GREENFIELDS: HOW SUBURBAN SPRAWL IS UNDERMINING AMERICA'S ENVIRONMENT, ECONOMY, AND SOCIAL FABRIC (1999) (discussing the impact of suburban sprawl and arguing for smart growth alternatives).

20. William Schneider, *The Suburban Century Begins*, ATLANTIC MONTHLY, July 1992, at 33-44.

21. See generally, MYRON ORFIELD, AMERICAN METROPOLITICS: SOCIAL SEPARATION AND SPRAWL (2001) (discussing the problem of urban sprawl and proposing potential strategies for regions).

22. Susan Keeney, *Suburbs Rising Clout Draws Candidates, Shapes Strategies NH Towns May Be Proving Ground for Democrats Series: Elections 1992*, DALLAS MORNING NEWS, Feb. 2, 1992, at 1A.

23. Charlie Cook, *These Three Groups Really Can Swing*, NAT'L J., Aug. 1, 2000, at Politics.

24. Smart growth policies are generally those that mix land uses, create housing and transportation opportunities and choices, and foster compact walkable neighborhoods. For example, in 1997, the state of Maryland enacted Smart Growth laws to steer state road, sewer, and school monies away from farms and open spaces to "priority funding areas." See Smart Growth Economic Development Infrastructure Fund,

of the most vocal supporters of regional approaches to land use, transportation planning, and housing strategies.

*Rural, Environmental, and First Suburbs.* Rural and environmental constituents provide potential allies. Growth management policies are often rooted in open space preservation supported by rural residents who want to halt growth before it reaches them.<sup>25</sup> At the same time, environmental advocates are working to limit unfettered growth into the countryside. Both of these groups could be valuable allies for first suburbs that may aspire for exactly the type of development other areas deem as superfluous. Put another way, the argument to protect open space is bolstered if there is welcome “redirected” development.

*Market Changes and First Suburbs.* Market restructuring, airport expansions, and new job centers can make first suburban locations more critical. While first suburbs still reside on the inner-ring of the central city, they may not be the inner-ring of the region. As exurban areas grow, first suburbs become more centrally located. There are new airports and employment centers on one side and the traditional central business district on the other. Again, not all first suburbs are on the correct side of the divide but many are finding themselves uniquely situated as employment decentralization alters the landscape.

#### IV. LEVELING THE PLAYING FIELD

In order for first suburbs to compete for residents, jobs, and investments, first suburban leaders must pursue policy reforms. Some can be addressed at the local level, but systemic change will likely take significant intervention on the state and federal levels. In many ways, a federal and state reform agenda for first suburbs is fairly simple: focus on strengthening existing communities. The following are strategies for revitalizing older, inner-ring first suburban economies, strengthening established neighborhoods, and leveraging public investments.

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MD. CODE ANN. [Department of Business and Economic Development] § 5-701 (2001).

25. WILLIAM FULTON & LINDA E. HOLLIS, BROOKINGS INST. CTR. ON URBAN AND METRO. POLICY, OPEN SPACE PROTECTION: CONSERVATION MEETS GROWTH MANAGEMENT 1-6 (2002), available at <http://www.brookings.edu/dybdocroot/es/urban/publications/hollisfultonopenspace.pdf>.

### A. Equity Mechanisms

Property taxes continue to rise in many first suburbs. Evidence suggests that a major cause of these increases is the inefficient, sprawling development occurring at the suburban fringe.<sup>26</sup> Strong competition for commercial development between municipalities that rely heavily on property taxes to pay for local services can result in inefficient and uncoordinated land use. State borders further exacerbate the problem. As a result, when one community is successful at luring new businesses, neighboring communities must provide new services and infrastructure, but without the benefit of the tax revenue from that new business. Competitiveness between first suburban jurisdictions often hampers regional cooperation and leads to inequities between the jurisdictions' municipal coffers.

Minnesota state legislator and urban policy expert Myron Orfield has argued that tax base sharing can provide for lower taxes and better services while fostering regional cooperation.<sup>27</sup> The technique requires that each jurisdiction designate a portion of its revenue (from property taxes and other revenue) to be included in a regional pool of funds.<sup>28</sup> Specific formulas are created prior to this designation based on population (or other variables) to determine the distribution of the funding pool.<sup>29</sup> The purpose is to reduce competition between jurisdictions for non-residential properties and reduce disparities among jurisdictions in public services such as education.<sup>30</sup> Such an initiative is currently in place in seven Twin Cities area counties. Another program that shares state revenues among jurisdictions exists in Wisconsin.<sup>31</sup>

While tax base sharing is relatively short-term and designed to address immediate budgetary and fiscal issues, the cooperation that goes along with it sets the stage for long-term reforms. These long-term reforms include regional land use planning and fair housing policies designed to fundamentally change the health and vitality of the entire region. Of course, pushing solutions that force wealthy

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26. See, e.g., JAN K. BRUECKNER & HYUN-A KIM, URBAN SPRAWL AND THE PROPERTY TAX (2000); MYRON ORFIELD, METROPOLITICS: A REGIONAL AGENDA FOR COMMUNITY AND STABILITY (1997).

27. See generally, MYRON ORFIELD, *supra* note 26 (discussing how demographic research, forming alliances between cities and declining suburbs, and developing suburbs with low tax bases can revive metropolitan communities).

28. *Id.* at 36-37.

29. *Id.* at 38.

30. *Id.*

31. See Metropolitan Revenue Distribution, Minn. Stat. §§ 473F.001 - 473F.13 (2001); State Revenue Sharing, Wis. Stat. §§ 79.005 - 79.09 (2001).

areas to share their tax take is not easy and requires first suburbs to build political coalitions with cities.

### **B. Transportation Policy Reform**

Since a growing body of research is demonstrating that building new roads is not the best way to address congestion, first suburbs need a fundamental shift in transportation policy on every level. In 2001, New Jersey adopted a plan emphasizing a fix-it transportation policy that requires the state Department of Transportation to focus on rehabilitating existing transportation facilities: new highway construction is only permitted after explicit approval of the legislature.<sup>32</sup> Such a policy is, by definition, supported by first suburban areas. A similar program is in place in Illinois.<sup>33</sup>

Many first suburban areas benefit from a multitude of transportation options. Considering their proximity to central cities, they are often served by a radial rail network that provides direct access to the central business district and a feeder bus network that gets people from other locations to rail stations. Often times, however, there are few suburb-to-suburb connections that match residents with jobs in newly developing areas. Better access needs to be provided where it is lacking. Better coordination needs to be developed between transportation services in central city, first suburbs, and newly developing suburbs to prevent buses from stopping at municipal borders.

### **C. Housing Policy Reform**

Because some first suburban jurisdictions are in decline while others are healthy, low-income housing tends to be concentrated in the declining areas.<sup>34</sup> To make matters worse, when new development occurs in exurban areas, it often fails to include affordable housing.<sup>35</sup> Thus, concentrations of low-income housing in first suburbs get more intensive. This creates barriers to redevelopment.

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32. Press Release, New Jersey Transportation Planning Authority, Inc., NJTPA Board to Adopt 25-Year Transportation Plan for Northern New Jersey (Jan. 8, 2001), available at <http://njtpa.njit.edu>. The Access and Mobility 2025 Regional Transportation Plan is available at <http://njtpa.njit.edu>.

33. See Illinois FIRST (a Fund for Infrastructure, Roads, Schools and Transit), Joint Session Remarks, Governor George H. Ryan, Tuesday, May 4, 1999, available at <http://www.state.il.us/gov/pdf/ilfirst.pdf>. Illinois First was passed on May 21, 1999 pursuant to State Senate Bills 1018, 1028, 1066, and 1203.

34. See HAYDAR KURBAN & JOSEPH PERSKY, BROOKINGS INST. CTR. ON URBAN AND METRO. POLICY, DO FEDERAL FUNDS BETTER SUPPORT CITIES OR SUBURBS? A SPATIAL ANALYSIS OF FEDERAL SPENDING IN THE CHICAGO METROPOLIS 24 (2001).

35. DAVID RUSK, INSIDE GAME/OUTSIDE GAME 317-29 (1999).

One key policy reform would be to create incentives for quality infill/refill in impacted areas. Another would be for states to follow Minnesota's lead in threatening to cut off state aid to a wealthy suburb that has resisted affordable housing.<sup>36</sup>

In 1974, Montgomery County, Maryland passed the Moderately Priced Housing Law which required that all new housing developments of fifty units or more include 12.5 to 15 percent Moderately Priced Dwelling Units for those making sixty-five percent or less of the county's median income.<sup>37</sup> In return, builders are allowed density bonuses of twenty to twenty-two percent—in line with the state's strong smart growth policies.<sup>38</sup> This program has reduced affordable housing burdens in other first suburbs by equalizing them throughout a region. A similar ordinance exists in Fairfax County, Virginia.<sup>39</sup>

#### D. Commitment To Reinvestment

Possibly the biggest concern to first suburban leaders in the Midwest and Northeast is the frustration that comes with policies that provide newer suburban areas with resources to facilitate development when those resources should be reinvested in older, needier communities. These communities are looking to their states to be committed to a policy of reinvestment that focuses on refill/infill. This includes not only incentives for reinvestment, but also the elimination of policies that reward new development. First suburbs need to develop a series of refill/infill guidelines and redevelop-

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36. Maria Elena Baca, *Professor: Affordable Housing Crisis Nothing New to the Poor*, STAR TRIB., Jan. 20, 2001, at 2B.

37. Montgomery County Moderately Priced Housing Law, Montgomery County, Md., MD. CODE ANN., Housing §§ 25A-5(b)(3), 25A-8(b)(1) (1997). See DIV. OF HOUS. AND CODE ENFORCEMENT, MODERATELY PRICED DWELLING UNIT PROGRAM: MONTGOMERY COUNTY, MARYLAND'S INCLUSIONARY ZONING ORDINANCE (2001), available at <http://hca.emontgomery.org/Housing/MPDU/summary.htm>. For more information on such programs see generally KAREN DESTOREL BROWN, BROOKINGS INST. CTR. ON URBAN AND METRO. POLICY, EXPANDING AFFORDABLE HOUSING THROUGH INCLUSIONARY ZONING: LESSONS FROM THE WASHINGTON METROPOLITAN AREA (2001).

38. Montgomery County Moderately Priced Housing Law, Montgomery County, Md., MD. CODE ANN., Housing §§ 25A-5(b)(3), 25A-8(b)(1) (1997). See DIV. OF HOUS. AND CODE ENFORCEMENT, MODERATELY PRICED DWELLING UNIT PROGRAM: MONTGOMERY COUNTY, MARYLAND'S INCLUSIONARY ZONING ORDINANCE (2001), at <http://hca.emontgomery.org/Housing/MPDU/summary.htm>. For more information on such programs see generally KAREN DESTOREL BROWN, BROOKINGS INST. CTR. ON URBAN AND METRO. POLICY, EXPANDING AFFORDABLE HOUSING THROUGH INCLUSIONARY ZONING: LESSONS FROM THE WASHINGTON METROPOLITAN AREA (2001).

39. FAIRFAX COUNTY, VA, VA. CODE ANN., § 15.1-491.8 (Michie 1991)

ment models that would facilitate working with the private sector to redevelop disadvantaged neighborhoods. Adopting planning incentives to attract both new residents and new jobs to revitalized transit-friendly and pedestrian-friendly new suburban centers must be a part of such models. Transforming urban and suburban places already damaged by a half-century of sprawl and making new use of bypassed brownfield sites, often located in first suburbs, must also be a goal.

The challenge is to champion and implement a new infrastructure plan (rehabilitation of roads and sewer lines) that will leverage private investments. First suburbs are suffering from obsolete commercial strips that have difficulty competing with mega stores and big box retail. Flattening values and growing vacancies are challenging businesses and local officials to develop public/private partnerships to redevelop and market these places to fill niches and compete with the newer shopping districts.

## V. FIRST SUBURBAN COALITIONS

Policy reforms capable of contributing to meaningful change cannot occur in a vacuum. This is the heart of what has been hindering suburban improvements in recent years. Coalitions that cross spatial, partisan, ideological, and disciplinary lines are necessary. By their very nature, coalitions of such scope and diversity are difficult to build and sustain. Fortunately, in first suburban areas there are common issues, agendas, and experiences that can be built upon in order to bring cohesion to this vitally important metropolitan constituency. The following are examples of some regional coalitions that have been developed in response to problems of particular importance to first suburbs.

Cleveland's First Suburbs Consortium<sup>40</sup> was formed in 1997 by a group of first suburban officials to discuss common strengths, needs, and problems. This group has been successful at raising awareness of the need for reinvestment and working with state and county officials to negotiate real change.<sup>41</sup> In 2000, Cuyahoga County agreed to deposit \$40 million in local banks to leverage low interest loans for home improvements.<sup>42</sup> The consortium has also raised \$250,000 to hire consultants to recommend ways to make Cleveland's first suburban areas more competitive in the retail

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40. The First Suburbs Consortium has a website at <http://www.firstsuburbs.org>.

41. See Mark Rollenhagen, *5 Banks To Offer Bargain Lending Cuyahoga County Boosts Home Repair*, CLEVELAND PLAIN DEALER, July 5, 1999, at 1B.

42. *Id.*

market.<sup>43</sup> The Consortium has incorporated as a council of governments, and is developing a legislative agenda that includes establishing a \$20 million state revolving loan fund for redevelopment in the first suburbs. Similar coalitions are being formed in metro areas throughout the state.<sup>44</sup>

Through Build-Up Greater Cleveland,<sup>45</sup> local governments have agreed to coordinate their infrastructure planning. Local government, corporations, and other institutions analyze, prioritize, and lobby for infrastructure improvements. As a result of build-up, local funds have been leveraged to secure more state and federal funding.<sup>46</sup> Federal infrastructure decisions need to be responsive to this kind of local planning.

The North Metro I-35W Corridor Coalition was created by seven diverse suburban communities north of Minnesota's Twin Cities in response to rapid metropolitan growth and change.<sup>47</sup> The Coalition was formed to, among other things, bridge the gap between regional policies and local circumstances.<sup>48</sup> This area now boasts significant increases in building permits, new commercial construction and renovation, and increases in the value of new housing.<sup>49</sup>

In St. Louis, a coalition of faith-based organizations formed the St. Louis Reinvestment Corporation in 1995.<sup>50</sup> The SLRC is advocating limits on building in newer suburbs in order to encourage reinvestment in established neighborhoods near the core.<sup>51</sup>

### CONCLUSION

First suburbs do matter. Similar to central cities, first suburbs are where the issues that define the future of our nation are being played out. Although similar to central cities in some ways, many first suburbs are in worse shape because of their difficulty in responding to crisis and potential for rapid decline. A fundamental

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43. The First Suburbs Consortium discusses this service in greater detail at <http://www.firstsuburbs.org>.

44. *Id.*

45. Through Build-Up Greater Cleveland has a website at <http://www.clevelandgrowth.com/BUGC/mission/index.asp>.

46. *Id.* See Sara Melillo, *CRAIN'S CLEVELAND BUS.*, June 25, 2001, at 2.

47. More information about the coalition can be found at <http://www.i35w.org>; see Cynthia Boyd, *Neighbors: Spotlight On New Brighton*, ST. PAUL PIONEER PRESS, Mar. 11, 2002, at 1B.

48. See Boyd, *supra* note 47.

49. *Id.*

50. See <http://stlouis.missouri.org/enterprise/about/slrc.htm>.

51. *Id.*



change is needed to end unequal urban policies that focus on central cities and newly developing suburbs, bypassing first suburbs.

Creating systemic change will be difficult for first suburban municipalities if they continue to act alone. In recent years, several coalitions have emerged and are proving to be successful at leveling the playing field between first and newer suburbs and in articulating the point that the metropolitan core is no longer limited to central cities. Creating policies tailored to the needs of first suburbs is critical for a real metropolitan reform agenda that aims to change metropolitan growth patterns, promote reinvestment in core communities, and increase opportunities and incomes for low-income working families.

With metropolitan strategies on the mind of many legislators, other political leaders, and key constituencies, leaders from first suburbs have an opportunity to come together and build a policy agenda—and the right coalitions—to ensure that the next level of reforms go beyond open space preservation to more comprehensive approaches that respond to the needs of existing communities. The futures of first suburbs are completely intertwined, and the health of them are linked formally. They will need to act in alignment in order to achieve broad change.

## DATA APPENDIX

The plight of some first suburbs is sometimes obscured by a lack of dedicated analysis. Indeed, many urban scholars focus exclusively on trends in central cities or fail to distinguish between different types of suburbs. The term “suburb” is often used in a very general way to describe a residential area or a community outlying a city. But it is important to consider first suburbs separate from newer suburban areas—primarily because of the challenges they are facing and because the potential for rapid decline is so prevalent. The trends below highlight some first suburbs that are experiencing distress, but also some suburbs that continue to do well.

### I. POPULATION CHANGE

The 2000 Census confirms that the decentralization of economic and residential life is still the prevailing trend throughout the Northeast and Midwest. While, overall, the largest 100 cities grew in the 1990s, most grew at a slower rate than their metropolitan areas. This pattern of faster metropolitan growth was true whether the city’s population was growing, stagnating, or falling. The 2000 Census also confirms that, save for a few exceptions, communities in the Midwest and Northeast continue to lose or maintain their populations. Of the 100 largest cities in 1990, twenty-six either lost population or did not gain by 2000. Of these twenty-six cities, all but one was located in the Midwest, Northeast, or Southeast.<sup>52</sup>

Some cities are experiencing something of a renaissance and some first suburbs continue to remain stable. Hamtramck and Highland Park are both independent cities completely surrounded by the City of Detroit. Although just two miles apart, their experiences have been quite different. Both cities saw population and job loss through the 1980s, but Hamtramck saw its population rise twenty-five percent to nearly 23,000 during the 1990s.<sup>53</sup> Michigan’s first suburb, Highland Park, on the other hand, was once one of the region’s most affluent areas. Although population has been steadily declining since the 1940s, the city’s ability to turn itself around was severely hampered in 1995 when Chrysler moved its corporate headquarters to the outer suburbs. Highland Park lost one-third of

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52. Alan Berube, *Growing, But Losing Ground: Population Change in Large Cities and Their Suburbs 1990-2000*, in *REDEFINING URBAN AND SUBURBAN AMERICA: EVIDENCE FROM CENSUS 2000* (Bruce Katz & Robert Lang eds. forthcoming 2002).

53. U.S. CENSUS BUREAU, DEP’T. OF COMMERCE, QUICK TABLES, available at <http://factfinder.census.gov>.

its revenue (\$8 million in taxes) when this move occurred and has lost nearly seventeen percent of its population since 1990.<sup>54</sup>

Table 1 looks at population changes in the primary first suburban county of ten cities in the Midwest. In this analysis, the region's central city was omitted in order to paint a better picture of population change in these first suburbs. Table 1 illustrates that all of these first suburban counties, except Allegheny, experienced modest population increases in the 1990s. This population growth was possible even in the face of central city loss. The central cities of these ten suburban counties—except for Chicago, Columbus, and Minneapolis—saw their populations drop or (only in Kansas City) stay the same this past decade. However, these core urban counties grew at a slower pace than the metropolitan area as a whole.

**TABLE 1: POPULATION CHANGE IN TEN MIDWEST AND NORTHEAST FIRST SUBURBAN COUNTIES, 1990-2000**

FIRST SUBURBAN COUNTY	POPULATION 1990	POPULATION 2000	POPULATION CHANGE 1990-2000		CHANGE FOR METRO AREA
Hennepin County, MN (w/o Minneapolis)	664,048	733,582	69,534	10.5%	16.9%
Franklin County, OH (w/o Columbus)	328,527	357,508	28,981	8.8%	14.5%
Jackson County, MO (w/o Kansas City)	198,086	213,335	15,249	7.7%	12.2%
Cook County, IL (w/o Chicago)	2,321,341	2,480,725	159,384	6.9%	11.1%
Milwaukee County, WI (w/o Milwaukee)	331,187	343,190	12,003	3.6%	5.1%
Wayne County, MI (w/o Detroit)	1,083,713	1,109,892	26,179	2.4%	5.2%
St. Louis County, <sup>55</sup> MO	993,529	1,016,315	22,786	2.3%	4.5%
Cuyahoga County, OH (w/o Cleveland)	906,524	915,575	9,051	1.0%	3.0%
Delaware County, PA	547,651	550,864	3,213	0.6%	5.0%
Allegheny County, PA (w/o Pittsburgh)	966,570	947,103	-19,467	-2.0%	-1.5%

Source: U.S. Census Bureau

Table 2 looks more closely at the individual first suburbs that make up one of these counties. We discover that the goods news may not be universally shared. Cuyahoga County, including the City of Cleveland, lost 18,162 people during the 1990s, a decline of

54. Alan J. Heavens, "Emphasizing Livability; Older Suburbs, Facing Many of the Same Challenges as Cities, Fight Back, PITTSBURGH POST-GAZETTE, Dec. 12, 1999, at H-1.

55. St. Louis and Philadelphia are their own county-level designations and did not need to be extracted.

1.3 percent.<sup>56</sup> Early 2000 census figures show that nearly two-thirds of the county's cities experienced some population loss. Cleveland Heights's population dipped under 50,000 and could potentially cost the city over \$1.9 million in Community Development Block Grants ("CDBG").<sup>57</sup>

**TABLE 2: POPULATION CHANGE IN SELECT FIRST SUBURBS IN CUYAHOGA COUNTY**

FIRST SUBURB	1990 POPULATION	2000 POPULATION	POPULATION CHANGE 1990-2000	
East Cleveland	33,096	27,217	-5,879	-17.8%
Cleveland Heights	54,052	49,958	-4,094	-7.6%
Brook Park	22,865	21,218	-1,647	-7.2%
Lakewood	59,718	56,646	-3,072	-5.1%
Shaker Heights	30,831	29,405	-1,426	-4.6%
Bedford	14,822	14,214	-608	-4.1%
Euclid	54,875	52,717	-2,158	-3.9%
Garfield Heights	31,739	30,734	-1,005	-3.2%

Source: 2000 U.S. Census

But again, not all of Cleveland's first suburbs are experiencing population loss. Several of Cuyahoga County's suburbs, including Parma, Independence, and Strongsville experienced moderate population growth.<sup>58</sup> The newer further out suburban counties all continue to see population increases: Summit County grew by 27,909 to a population of 542,889, while Medina County grew by 28,741 to a size of 151,095.<sup>59</sup> Lorain County, just west of Cuyahoga, grew by 13,538, while Geauga and Lake Counties, to the east of Cuyahoga, grew by 9766 and 12,012 respectively.<sup>60</sup>

56. U.S. CENSUS BUREAU, DEP'T. OF COMMERCE, RANKING TABLES FOR COUNTIES 1999-2000, available at <http://www.census.gov/population/cen2000/phc-t4/tab03.pdf>.

57. Municipalities with populations over 50,000 are entitled to an annual U.S. Department of Housing and Urban Development CDBG grant. Job Training Labor Act, 42 U.S.C. §§ 1501-1792 (1995). Over the years these funds have become core operating support for an important network of services, providing rehabilitation opportunities and supporting neighborhood stabilization. Unfortunately, communities under 50,000 are not eligible for direct allocations and must compete within their respective states for non-entitlement CDBG funds.

58. U.S. CENSUS BUREAU, DEP'T. OF COMMERCE, QUICK TABLES, available at <http://factfinder.census.gov/servlet/BasicFactsServlet>.

59. U.S. CENSUS BUREAU, DEP'T. OF COMMERCE, RANKING TABLES FOR COUNTIES 1999-2000, available at <http://www.census.gov/population/cen2000/phc-t4/tab01.pdf>.

60. *Id.*

## II. RACIAL AND ETHNIC CHANGE

In many first suburbs, an important force behind the population trends above is racial and ethnic migration. An examination of racial makeup of the population change in these urban counties shows that in most of these counties, the white population decreased and the percentages of black, Hispanic, and Asian residents increased sometimes at a rapid rate. Table 3 looks at racial and ethnic change in ten first suburban counties.

**TABLE 3: RACIAL CHANGE IN TEN NORTHEASTERN AND MIDWESTERN FIRST SUBURBAN COUNTIES, 1990-2000**

FIRST SUBURBAN COUNTY (W/O CENTRAL CITY)	TOTAL CHANGE IN POP. 90-00	CHANGE IN WHITE POP. 90-00	CHANGE IN BLACK POP. 90-00	CHANGE IN HISPANIC POP. 90-00	CHANGE IN ASIAN POP. 90-00
COOK COUNTY, IL	159,384	-208,043 -11.2%	109,984 48.5%	169,754 114.4%	50,898 61.7%
HENNEPIN COUNTY, MN	69,534	12,475 2.0%	18,793 157.4%	10,186 167.6%	16,300 119.5%
FRANKLIN COUNTY, OH	28,981	8,860 2.6%	6,878 68.7%	4,313 172.9%	3,889 88.6%
WAYNE COUNTY, MI	26,179	-44,235 -4.5%	21,866 30.9%	8,007 36.3%	12,741 98.3%
ST. LOUIS COUNTY, MO	22,786	-57,011 -6.9%	53,758 38.7%	4,766 48.6%	8,556 61.39%
JACKSON COUNTY, MO	15,249	1,675 0.9%	7,590 111.3%	2,683 143.3%	-960 -82.3%
MILWAUKEE COUNTY, WI	12,003	-4,658 -1.5%	3,864 92.5%	5,498 104.5%	3,097 89.9%
CUYAHOGA COUNTY, OH	9,051	-36,993 -4.8%	23,780 20.8%	4,100 49.7%	5,947 46.5%
DELAWARE COUNTY, PA	3,213	-31,842 -6.8%	18,382 30.3%	2,370 39.5%	8,182 83.15%
ALLEGHENY COUNTY, PA	-19,467	-48,423 -5.4%	14,010 26.0%	1,478 28.1%	5,011 67.1%

Source: 2000 U.S. Census

Thus, the 2000 Census reveals substantial shifting in the racial and ethnic composition of these first suburbs. Drilling down a little further, the Census shows that the city of Chicago experienced an overall population gain of 112,288—growing to 2.89 million. At the same time, it became more diverse, losing 48,209 white and 22,702 black residents while adding 207,792 Hispanic residents. Cook County, excluding Chicago, grew by 159,384 people to a total of 2,480,725. Like Chicago, it lost a large number of white residents—208,043—and gained 109,984 black and 169,754 Hispanic residents. Many first suburbs within Cook County show similar patterns of migration.

**TABLE 4: RACIAL CHANGE IN SELECT FIRST SUBURBS IN COOK COUNTY, ILL**

FIRST SUBURB	TOTAL POPULATION 2000	WHITE CHANGE 1990-2000	BLACK CHANGE 1990-2000	HISPANIC CHANGE 1990-2000	ASIAN CHANGE 1990-2000	TOTAL CHANGE 1990-2000
Skokie	63,348	-6,716	1,487	1,163	4,350	3,916
Park Ridge	37,775	62	37	639	207	1,600
Riverdale	15,055	-6,357	7,385	-94	0	1,384
Calumet City	39,071	-14,308	11,568	1,816	8	1,231
Lynwood	7,377	-1,864	2,320	53	10	1,142
Arlington Heights	76,031	-4,902	227	1,347	1,779	571
S. Chicago Heights	3,970	-469	229	235	32	373
Midlothian	14,315	-1,699	517	434	130	-237
Chicago Heights	32,776	-6,125	698	2,814	46	-296
Oak Park	52,524	-6,546	1,881	459	423	-1,124
Park Forest	23,462	-5,588	3,072	400	-87	-1,194

Source: 2000 U.S. Census

### III. POVERTY AND WORKING POVERTY

In general, first suburbs do not have high levels of poverty (as defined by the federal government). In 1999, the poverty rate in suburbs was 8.3 percent compared to 16.4 percent for central cities and 14.3 percent for places outside of metropolitan areas.<sup>61</sup> As Table 5 demonstrates, however, a few first suburban jurisdictions do have excessively high poverty rates. Like central cities, these places face multiple challenges associated with concentrated poverty.

**TABLE 5: POVERTY VS. POPULATION CHANGE IN SELECT FIRST SUBURBS, 1980-2000**

FIRST SUBURB (URBAN COUNTY)	2000 POPULATION	1980 POPULATION	POPULATION CHANGE 1980 - 2000 (PERCENT)	POVERTY RATE (PERCENT) 1995 ESTIMATED
Highland Park, MI (Wayne)	16,746	27,909	-40.0	45.9
Chester, PA (Delaware)	36,854	45,794	-19.5	31.8
East Cleveland, OH (Cuyahoga)	27,217	36,957	-35.8	30.4
Harvey, IL (Cook)	30,000	35,810	-16.2	26.9
Inkster, MI (Wayne)	30,115	35,190	-14.4	24.8
McKeesport, PA (Allegheny)	24,040	31,012	-22.5	24.3
Chicago Heights, IL (Cook)	32,776	37,026	-11.5	21.1

Source: U.S. Department of Housing and Urban Development, "State of the Cities 1999" and U.S. Census Bureau.

61. U.S. CENSUS BUREAU, DEP'T. OF COMMERCE, PEOPLE AND FAMILIES IN POVERTY BY SELECTED CHARACTERISTICS: 1998 AND 1999, *available at* <http://www.census.gov/hhes/poverty/poverty99/pv99est1.html>. The census does not break these poverty figures down by type of suburb.

Although these first suburban communities are facing tremendous challenges because of the high poverty rates, they appear to be more of an exception than the rule. The concentration of that poverty is, however, definitely a concern.

Poverty is not the only measure of distress. The extent of public school children receiving free and reduced-cost meals in a community may be a better measure because it captures the degree to which families are earning incomes above the poverty level but still too low to make ends meet (the "working poor"). Students who qualify for federal lunch subsidies must come from homes where the family's income must not be more than 185 percent of the poverty level, which amounts to approximately \$30,000 for a family of four.<sup>62</sup> Thus, understanding the percent of students receiving federal lunch subsidies also gives us a picture of the extent of working poverty in a neighborhood because school populations, more or less, mirror the populations of the neighborhoods in which the schools are located.

First suburbs are now home to increasing numbers of low-income students and working poor families. During the 1990s, ninety percent of Minneapolis's first suburbs have been gaining poor children at a faster rate than the city of Minneapolis itself.<sup>63</sup> In the St. Louis region, the City of St. Louis had the highest percent of eligible students at 81.7 percent.<sup>64</sup> However, twelve out of the thirty-five schools with between 73.1 percent and 96.9 percent of their students eligible for free and reduced cost meals were located in the suburbs.<sup>65</sup> A prime example of the divide between the wealthy and the working poor is demonstrated in the Midwestern suburb of Johnson County, Kansas. Although this first suburban area outside of Kansas City has the highest median household income in the state, one in ten children qualify for free and reduced cost lunches, up from one in twelve in 1990.<sup>66</sup> In addition, the local food bank reported an eight percent increase in those needing help and they

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62. BROOKINGS INST. CTR. ON URBAN AND METRO. POLICY, *MOVING BEYOND SPRAWL: THE CHALLENGE FOR METROPOLITAN ATLANTA* 14 (2000).

63. MYRON ORFIELD, *METROPOLITICS: A REGIONAL AGENDA FOR COMMUNITY AND STABILITY* 48 (1988).

64. *The Next Step Forward*, A Proposal to the U.S. Department of Education's Community Technology Centers Program, Office of Vocational and Adult Education (proposed July 16, 2001), at <http://stlouis.missouri.org/btc/proposals/doefy01.html>.

65. MYRON ORFIELD, *ST. LOUIS METROPOLITICS: A REGIONAL AGENDA FOR COMMUNITY AND STABILITY* (1999).

66. Haya El Nasser, *Soaring Housing Costs Are Culprit in Suburban Poverty*, USA TODAY, Apr. 28, 1999, at A1.

expect that has doubled in recent years.<sup>67</sup> The homeless population in the county jumped nearly thirty percent from 1997 to 1999.<sup>68</sup>

#### IV. DECLINING INCOME AND TAX BASE

Population and income drive municipalities' tax bases. As household income and home values decrease and retail/commercial businesses disappear, the tax base diminishes. The lower tax bases of first suburbs create a daunting task: overcoming increasing poverty concentration, increased crime, and disinvestment, while providing services and upgrading infrastructure with fewer resources. Some first suburban communities that surround central cities have lost much of the fiscal capacity they need to respond to important new challenges. To make up for the shortfall, property tax rates rise: Upper Darby township and Delaware County rates have grown thirty-four percent and the school-district rate has jumped fifty-five percent.<sup>69</sup>

A study of the Rochester, New York metropolitan area found that assessed property values in three first suburbs were only forty percent of those in the three southeastern outer-ring suburbs. Also, between 1977 and 1995, the tax bases in these first suburbs grew an average of twenty-eight percent, compared to a booming 122 percent in the outer ring suburbs.<sup>70</sup> In the Chicago metro region there are sixty first suburbs that have a lower tax base per household than the city. About twenty of them have higher levels of social and economic need—the rest are following close behind.<sup>71</sup>

#### V. AGING HOUSING AND INFRASTRUCTURE

Housing stock in first suburban areas is getting older and requires more than just routine maintenance. The very poor and the very old are often not able to maintain their homes. Furthermore, an older housing stock, with its older wiring and absence of modern fire-retardant building material, is likely to increase the costs of

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67. *Id.*

68. *Id.*

69. Michael M. Phillips, *More Suburbs Find City Ills Don't Respect City Limits*, WALL ST. J., Nov. 13, 1997, at B1.

70. Press Release, U.S. Department of Housing and Urban Development, Now is the Time: Places Left Behind in the New Economy, available at <http://www.hud.gov/library/bookshelf18/pressrel/leftbehind/toc.html>.

71. MYRON ORFIELD, CHICAGO METROPOLITICS: A REGIONAL AGENDA FOR MEMBERS OF THE U.S. CONGRESS 30-31 (1998), available at <http://www.brookings.edu/urban/congprep6.pdf>.



guaranteeing any given level of fire safety. According to Tom Bier, if real estate deteriorates too far, it is difficult to bring back.<sup>72</sup> A potentially bigger crisis lives in the first suburban areas where sewers, schools, power lines, and other facilities constructed over the last fifty to seventy-five years are now in need of repair or replacement. When non-poor populations decline and tax revenues go down, there is less money to pay for the replacement of the infrastructure. Reacting to the high costs of low-density development patterns, Maryland Governor Parris Glendening pointed out that every new classroom the state is forced to build costs \$90,000.<sup>73</sup> Further, every mile of new sewer line costs roughly \$200,000, and every single-lane mile of new road costs at least \$4 million.<sup>74</sup> Such costs can be extremely burdensome for fast growing regions and low capacity jurisdictions. In Maryland, the statewide Smart Growth policy is, in many ways, a reaction to the high costs of infrastructure.<sup>75</sup> According to Ken Montlack, chairman of Cleveland's First Suburbs Consortium, "We can spend less overall if we invest in our communities before urban decay sets in."<sup>76</sup>

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72. Tom Bier directs the Housing Policy Research Program at Cleveland State University's College of Urban Affairs. For more information on Dr. Bier, see <http://urbancenter.csuohio.edu/staff/staff2.htm>.

73. Maryland Governor Parris Glendening, Keynote Address at the Brookings Institute Conference on Forging Metropolitan Solutions to Urban and Regional Problems (May 28, 1997).

74. *Id.*

75. *Id.*

76. Press Release, Community Connections, Cleveland's Older Suburbs Secure Revitalization Funds (June 16, 2000), *available at* <http://www.comcon.org/pubs/fax-archive/2000/cc061600.html>.

