



Black Middle Neighborhoods in Legacy Cities, Part 1: Challenges and Opportunities

Moderator

Marcia Nedland
Organizer, Middle Neighborhoods Community of Practice
Principal, Fall Creek Consultants LLC



MIDDLE NEIGHBORHOODS

National Initiative focused on mobilizing attention to reverse the trend of decline in middle neighborhoods. The initiative does this through research, policy analysis, communications, and advocacy.

The initiative is coordinated by the **National Community Stabilization Trust** and is advised by a **Steering Committee** of 20 prominent researchers, practitioners, and policy makers.



This webinar presented by
**The Middle
Neighborhoods
Community of
Practice
(CoP)**

The **Middle Neighborhoods CoP** is an informal, facilitated network of over 300 practitioners, researchers and policymakers engaged in revitalizing middle neighborhoods. CoP members share learnings through topical webinars, referrals, site visits, phone calls, and occasional larger group events.

The CoP is supported by **NeighborWorks America** and staffed by a small team of organizers.

Join the Community of Practice at middleneighborhoods.org.



Characteristics of Middle Neighborhoods

Mostly single family housing: built for families with children.
Still well more than 50% owner-occupied, but slowly eroding.

Housing stock is aging, still in generally acceptable condition, but lacks features and updates to compete well for today's homebuyers.

Property values range from slow decline to flat to underperforming against city and/or inflation.

Most of our members do not see hyper-inflation of housing price as a risk in their middles. Only a few middle neighborhoods, those in prime locations and usually mostly white, are appreciating, even gentrifying.

More racially and ethnically diverse, a holder of hard-won middle household wealth.



Middle Neighborhoods Are Faltering In Their Sustainability

Ability to ***reliably attract replacement owner occupants*** and other neighborhood-friendly buyers.

Ability to ***generate home values that support quality maintenance***, repairs and updates without appraisal gaps.

Ability to ***repel irresponsible investors***.

Ability to ***maintain engaged residents taking stewardship*** of the neighborhood.

Ability to ***deliver home equity to owners and revenue to municipal government***.

Today's Agenda

Welcome and Introductions

The Research

The Practice

Q&A

Closing



Presenters

Alan Mallach

Senior Fellow, Center for Community Progress

Nedra Sims Fears

Executive Director, Greater Chatham Initiative

Member, Middle Neighborhoods National Steering
Committee

Co-Chair, Middle Neighborhoods Community of Practice

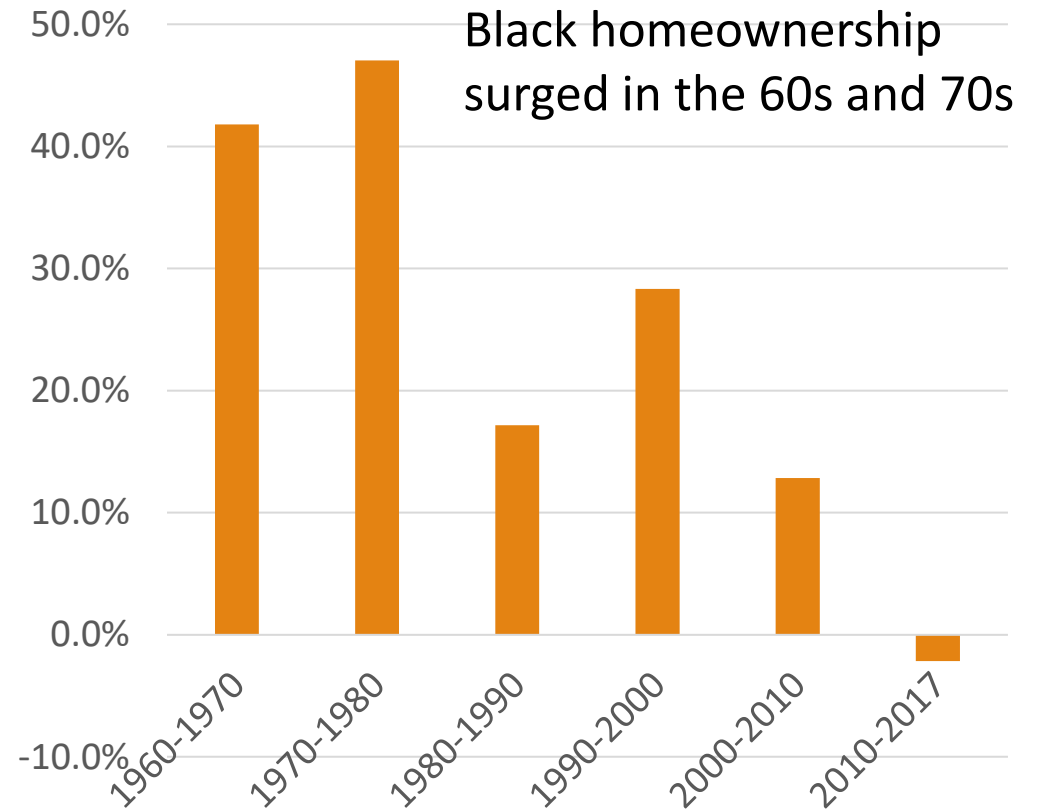


Black Middle Neighborhoods in Legacy Cities: Challenges and Opportunities

ALAN MALLACH, SENIOR FELLOW
CENTER FOR COMMUNITY PROGRESS
WASHINGTON, DC

The origins of legacy city Black middle neighborhoods

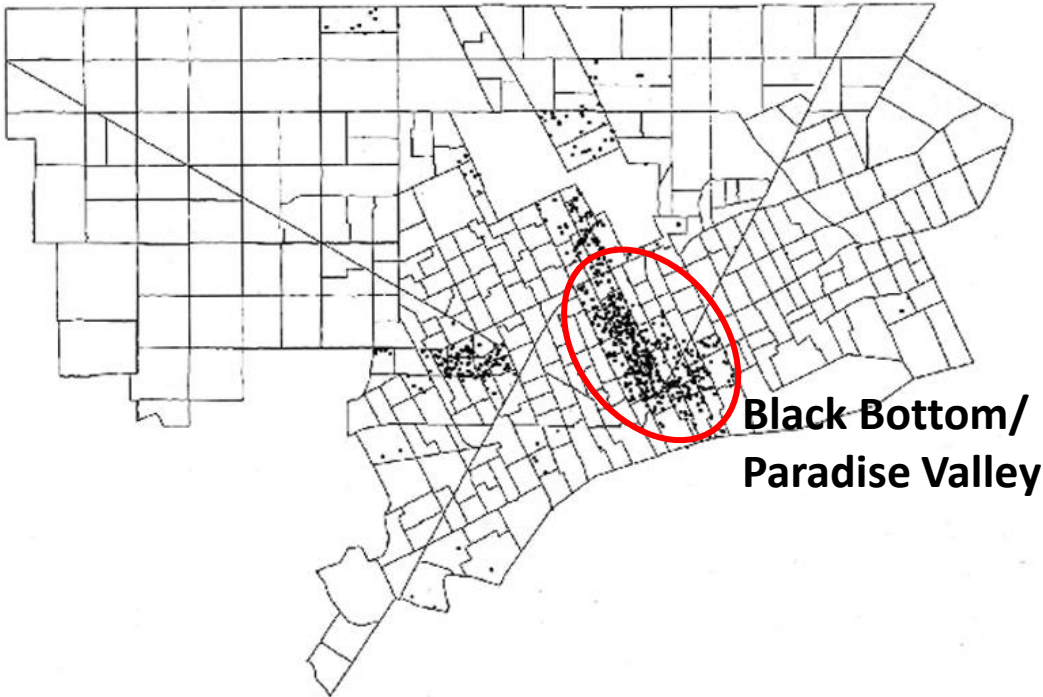
- Poor housing conditions
- Pent-up homeownership demand
- Removal of (some) barriers of discrimination
- White flight → opportunity



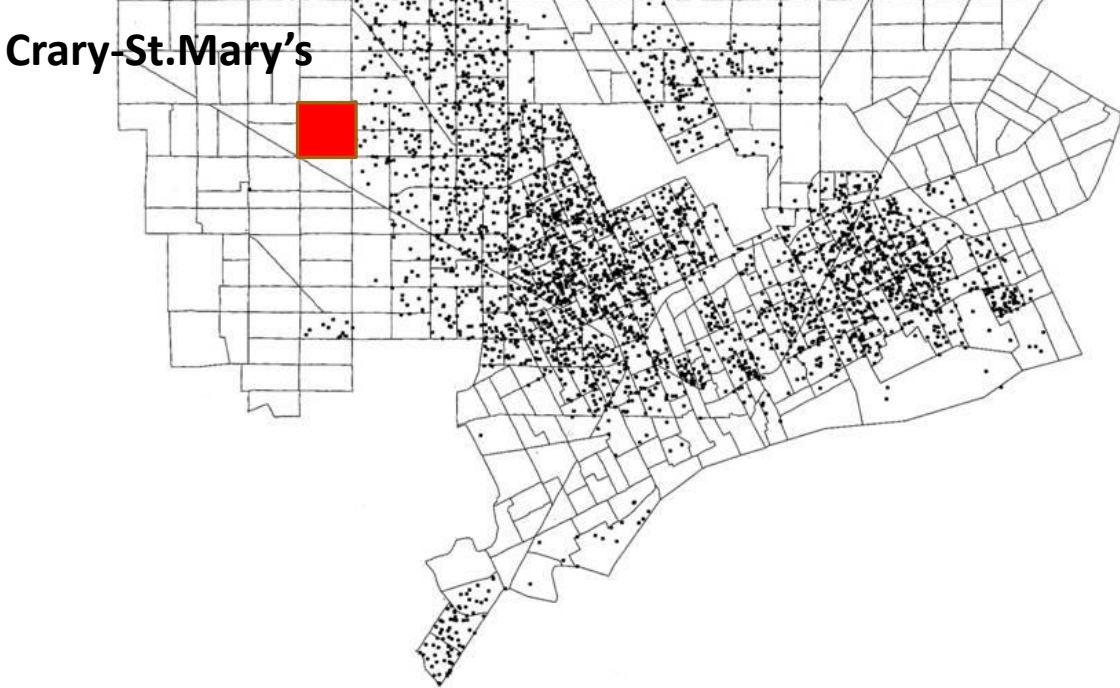
Detroit: from Black Bottom to Crary-St. Mary's



Detroit: 1940 to 1970



Map 7.1 (a). Black Population in Detroit, 1940. 1 Dot = 200.



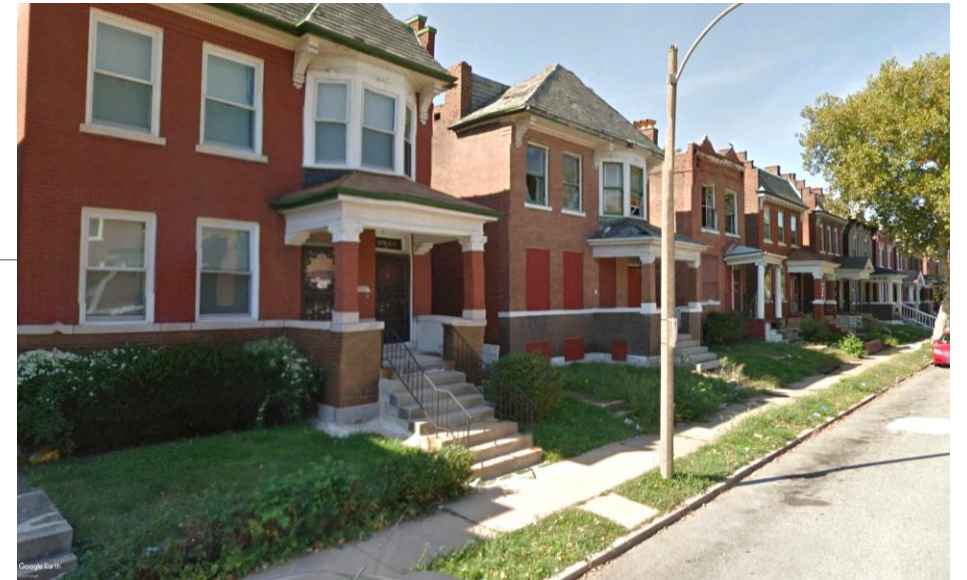
Map 7.1 (d). Black Population in Detroit, 1970. 1 Dot = 200.

A few Black middle neighborhoods



Pen Lucy
Baltimore

O'Fallon
St. Louis



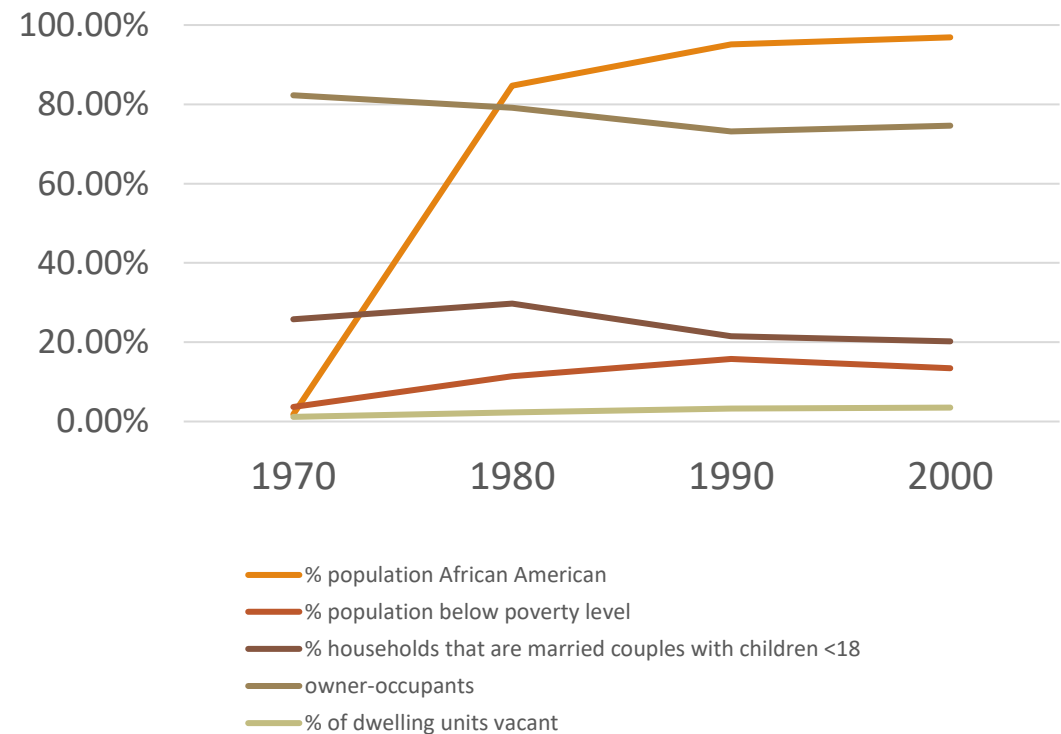
South Shore
Chicago

Black middle neighborhoods went through stresses, but generally held together until 2000

Stress factors:

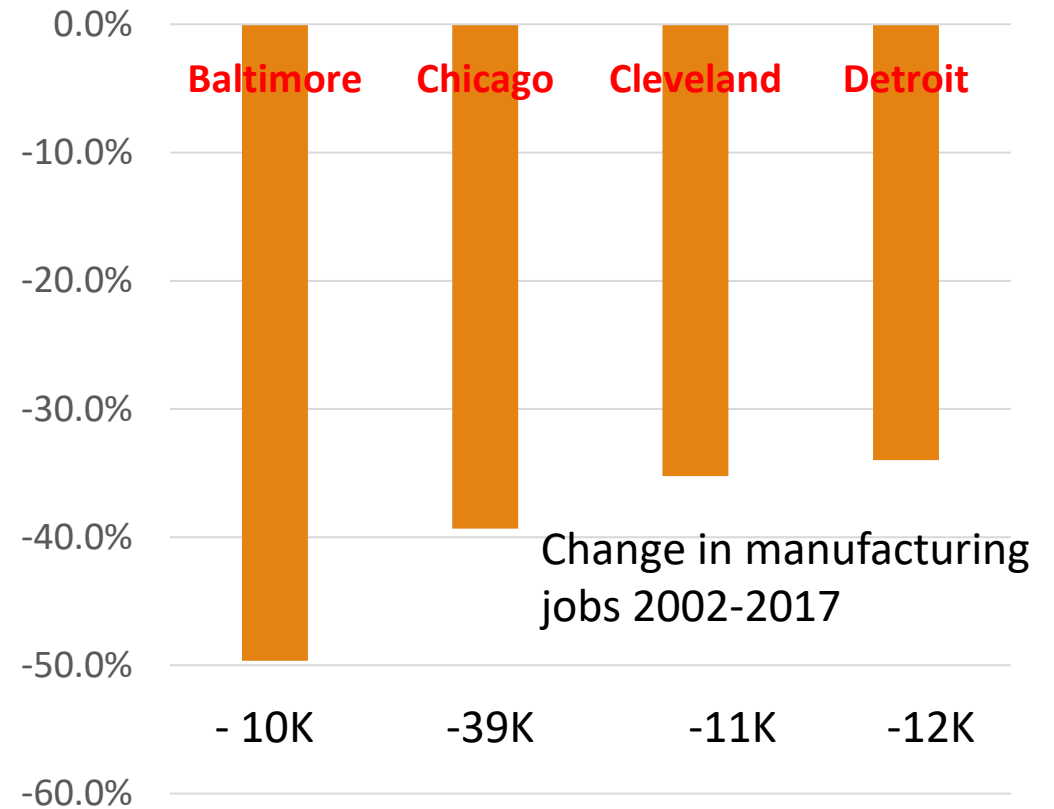
- Loss of well-paying manufacturing jobs
- Crack epidemic
- Incarceration
- Deteriorating public services

Crary-St. Mary's 1970 to 2000

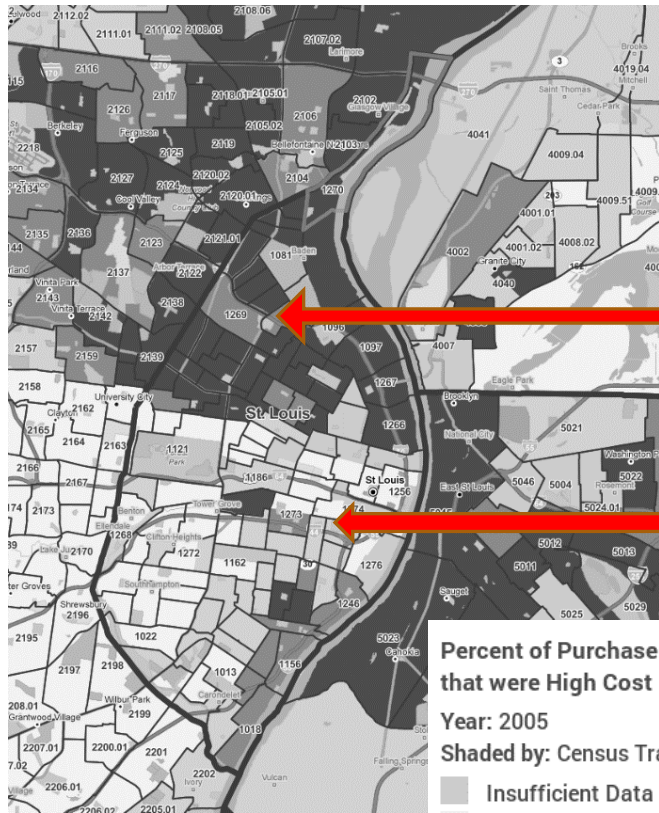


After 2000, things started to fall apart. Why?

- Continued loss of manufacturing jobs
- Subprime and predatory lending
- Foreclosures and loss of wealth
- Loss of homeownership
- Suburbanization

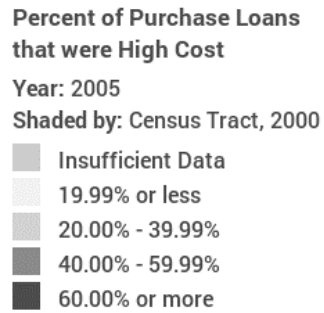


Subprime lending targeted neighborhoods of color



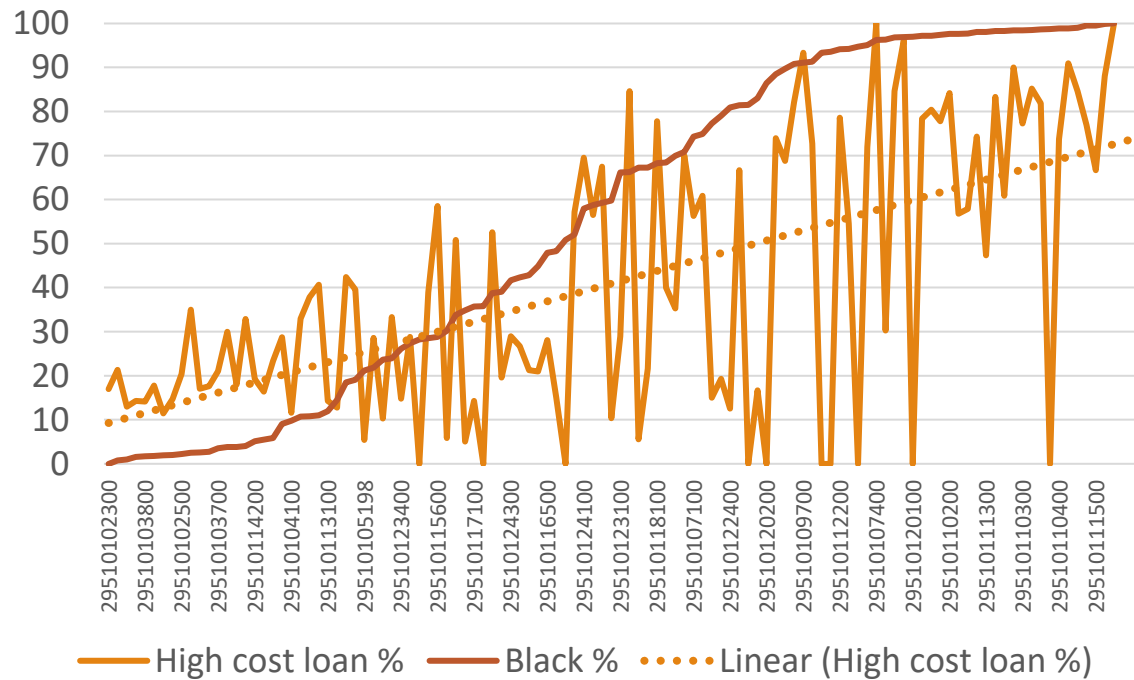
Northside
90%+ Black

Southside
25% Black



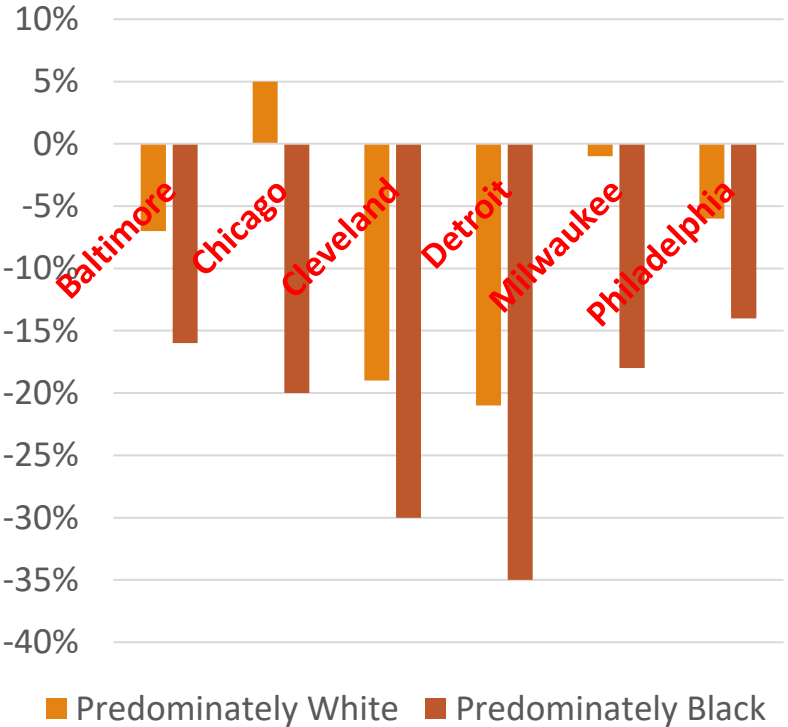
Source: HMDA

The higher the Black population share, the greater the share of high-cost loans in 2005



Neighborhoods are losing homeowners and homeowners are losing wealth

Loss of homeowners in middle neighborhoods 2000 to 2018



Loss of wealth

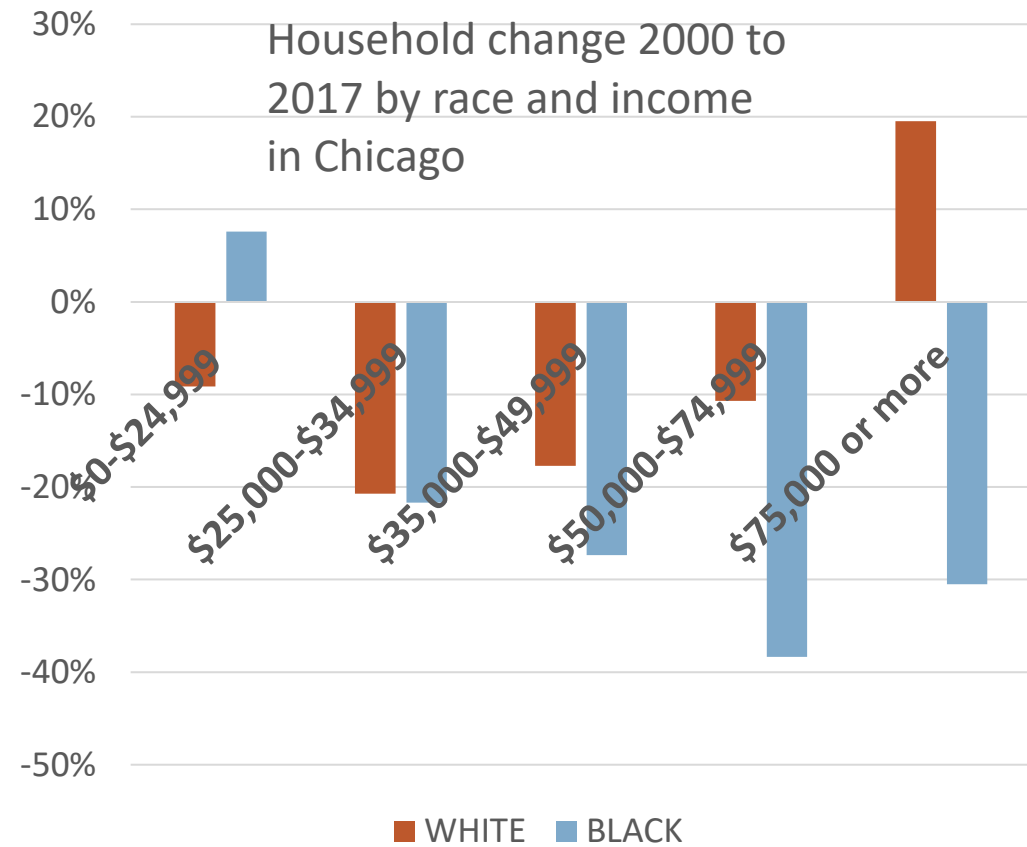
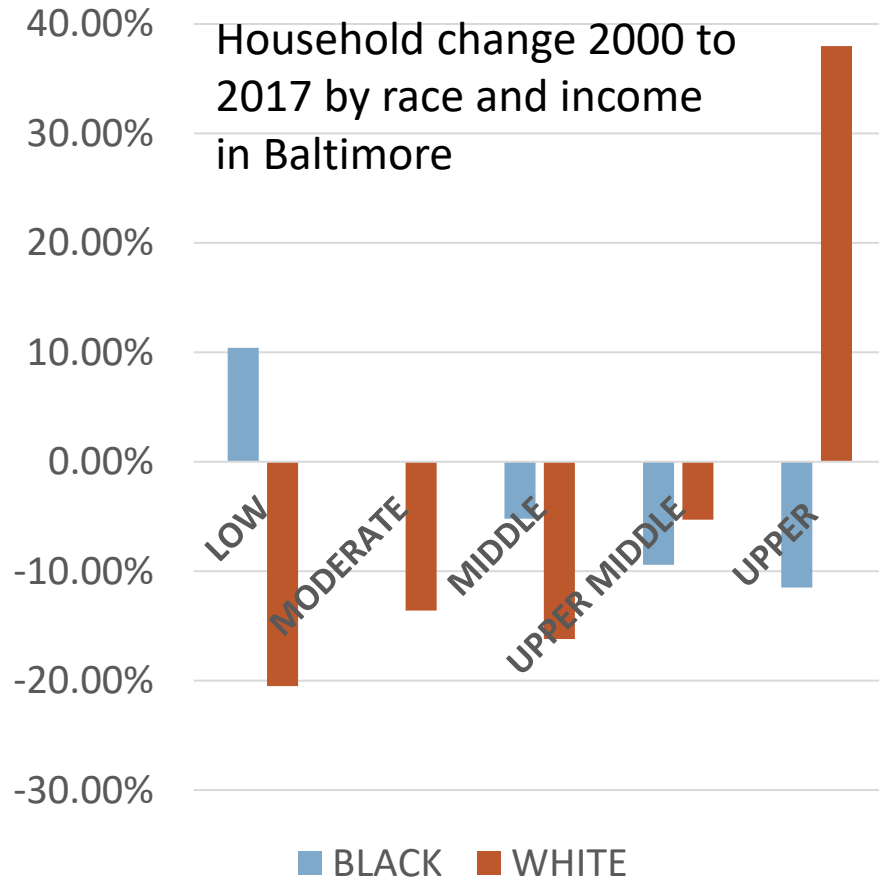
WALNUT PARK WEST/BADEN (Tract 1073)

Value of homeowner equity in 2008	\$ 57,393,450
Value of homeowner equity in 2016	\$ 22,337,000
Change	(-\$35,046,450)

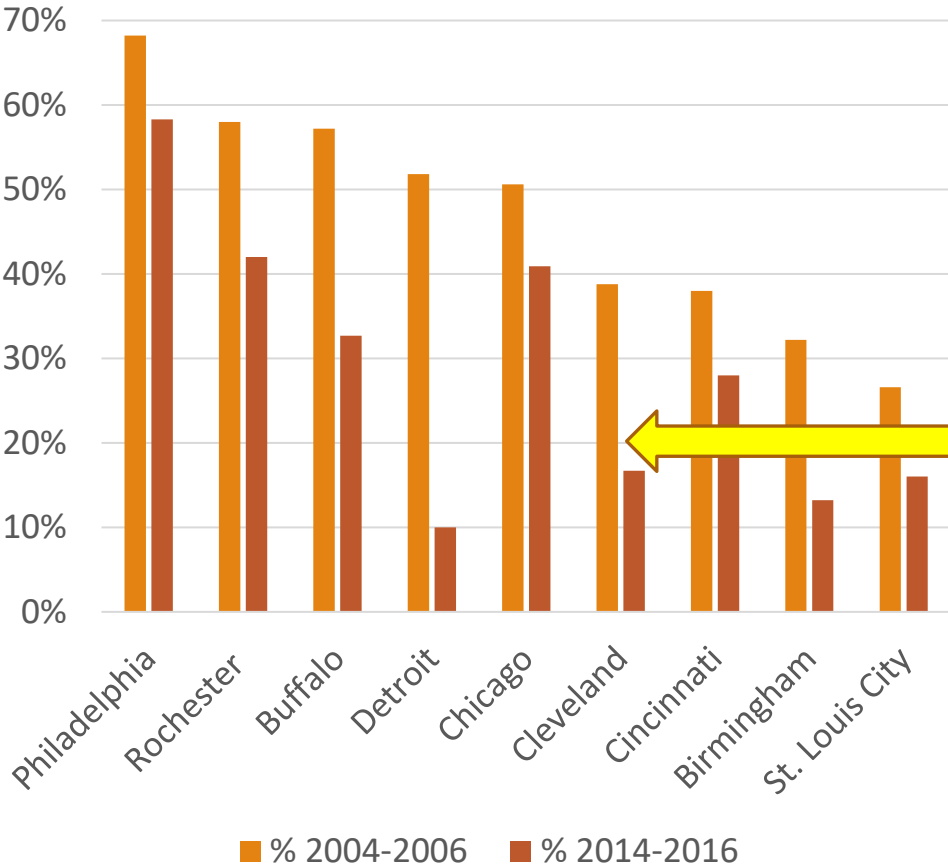
SHAW (Tract 1172)

Value of homeowner equity in 2008	\$ 60,165,500
Value of homeowner equity in 2016	\$ 106,913,500
Change	+\$46,748,000

Black middle-class families are leaving central cities



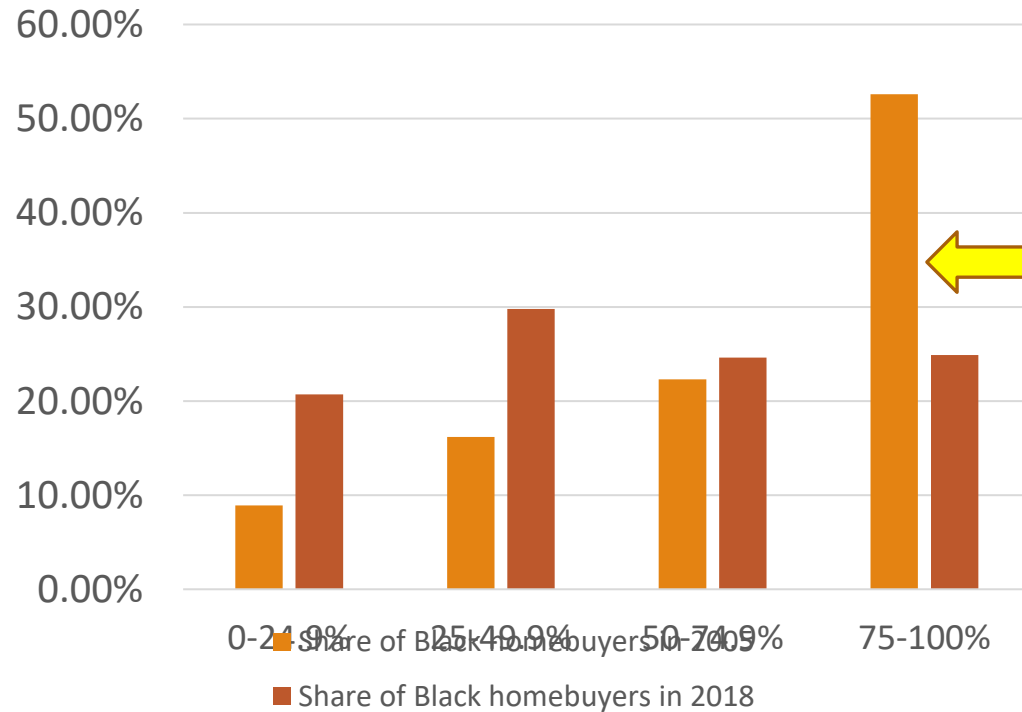
Black home buyers are increasingly buying in suburban locations.....



In the Cleveland area, nearly 40% of Black buyers in 2004-2006 bought homes in the city of Cleveland. In 2014-2016, less than 20% did.

...and inside many cities, increasingly buying in racially mixed neighborhoods

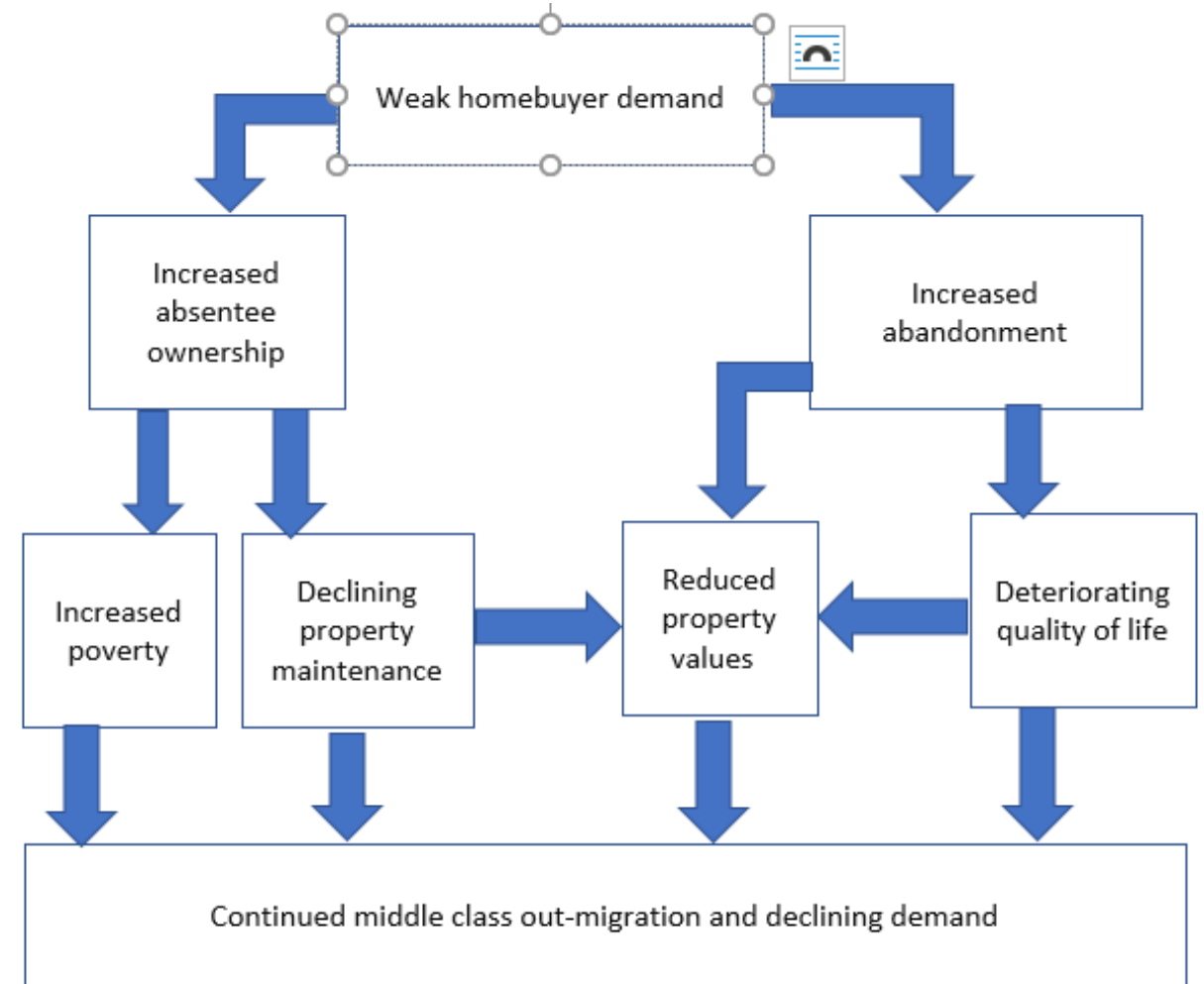
St. Louis 2005 and 2018



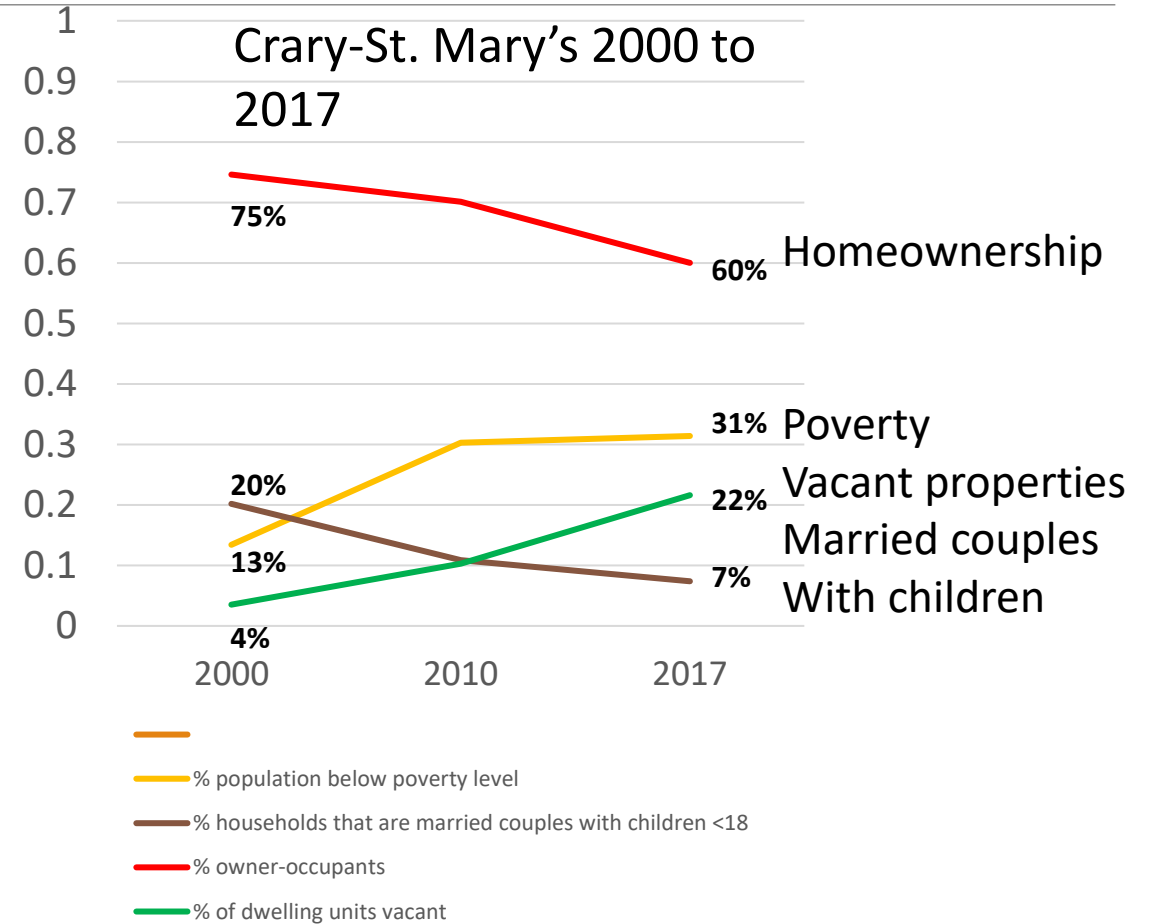
In 2005, over half of all Black home buyers in St. Louis bought homes in predominately Black neighborhoods. In 2018, only one-quarter did so.

What does this mean?

- Too few homebuyers to absorb supply
- Investors buy some houses, but many others remain vacant
- Property values stay low
- These changes trigger a vicious cycle of decline



Crary-St. Mary's today



Some of the factors that drive low demand in Black middle neighborhoods



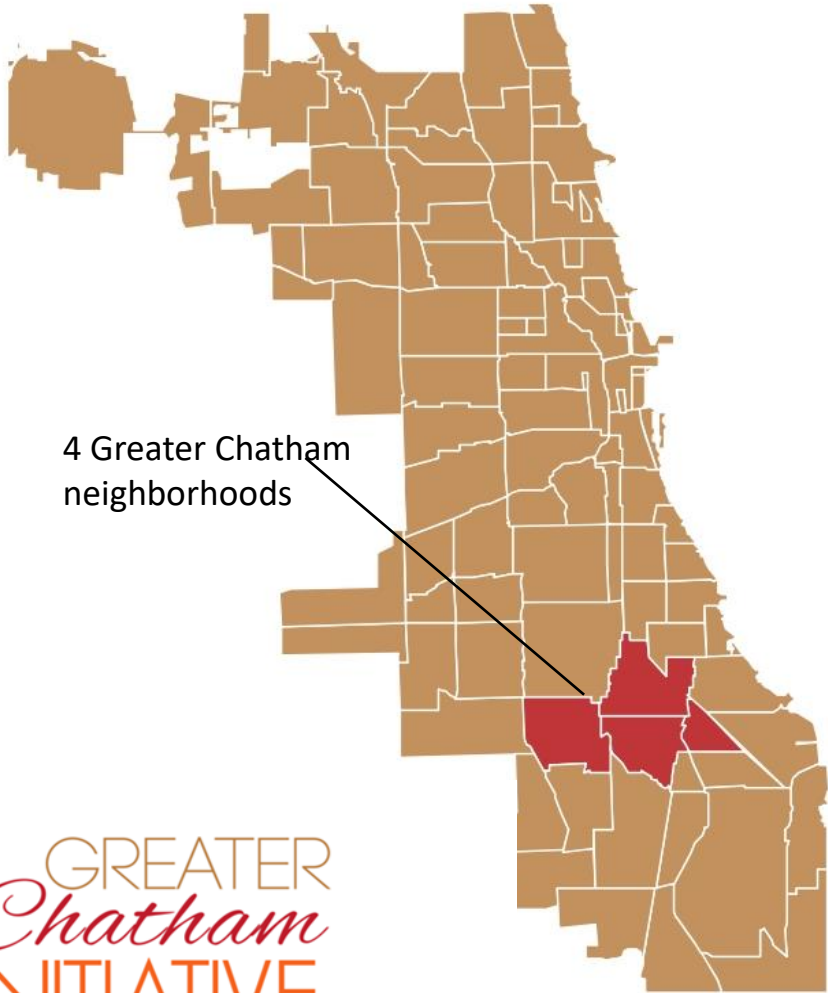
- Low expectations of equity growth
- Difficulty accessing capital for homebuyers
- Obsolete housing stock
- Public safety (real and/or perceived)
- School quality (real and/or perceived)
- Racially-driven homebuying decisions by non-Black buyers

Closing comments

- Black middle neighborhoods matter. We should not think of them as disposable.
- Strategies to stabilize and revive Black middle neighborhoods need to address the central issue of low homebuyer demand
- Addressing that issue needs taking a close look at the underlying reasons for low demand in each neighborhood.
- **IT CAN BE DONE!**



City of Chicago



4 Greater Chatham neighborhoods

GREATER
Chatham
INITIATIVE



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Greaterchathaminitiative.org

BLACK MIDDLE NEIGHBORHOODS IN LEGACY CITIES PART 1: Challenges and Opportunities

Chicago's Black Belt

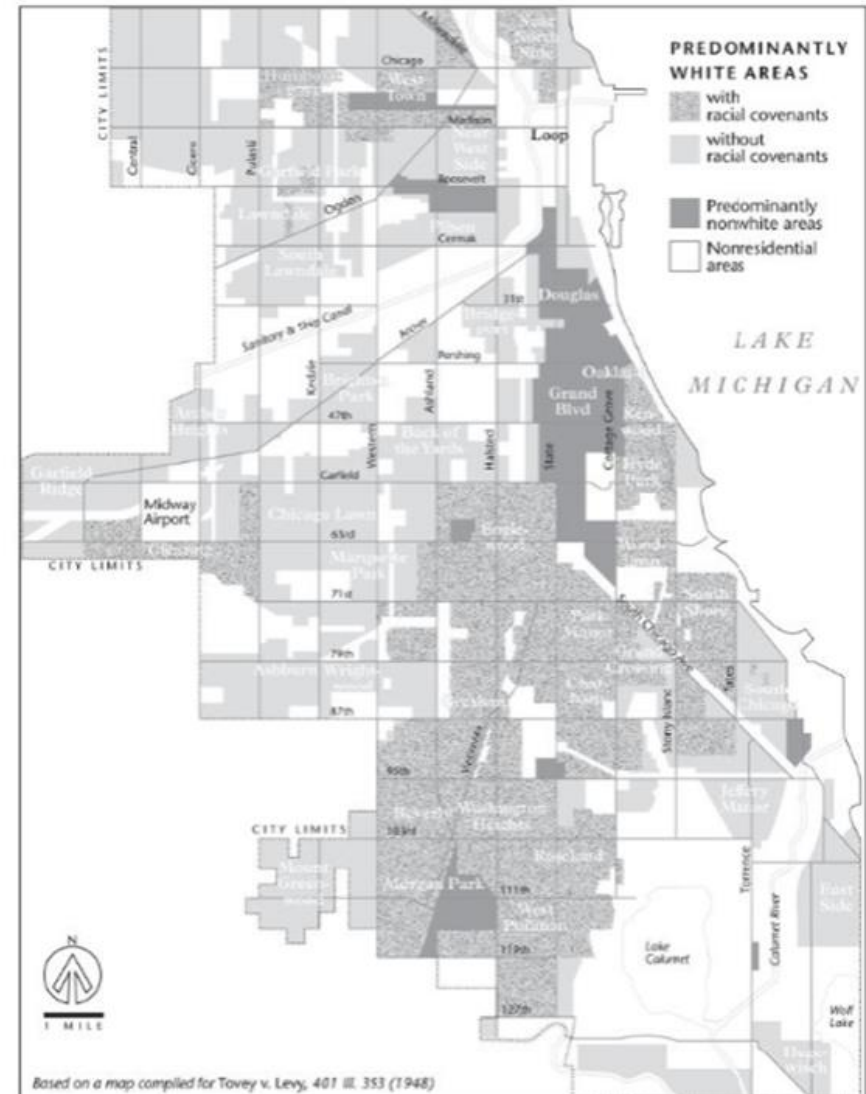
First Wave-The Great Migration 1910-1930

Second Wave-Industrial Jobs 1940-1960



Racial Restrictive Covenants on Chicago's South Side in 1947

Racial Restrictive Covenants on Chicago's South Side in 1947

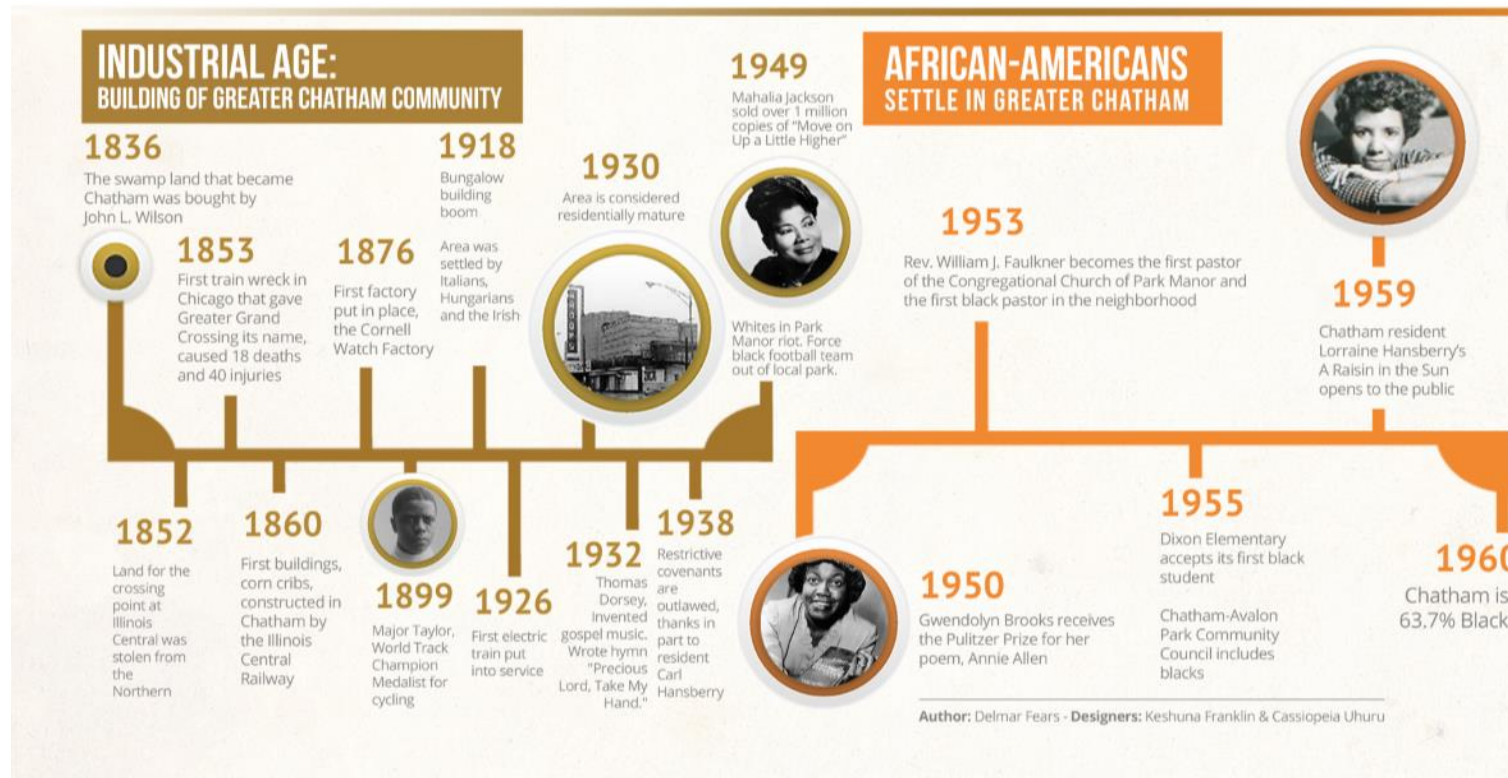


Supreme Court Strike Down Restrictive Covenants Lifted in 1948

Greater Chatham's African American History

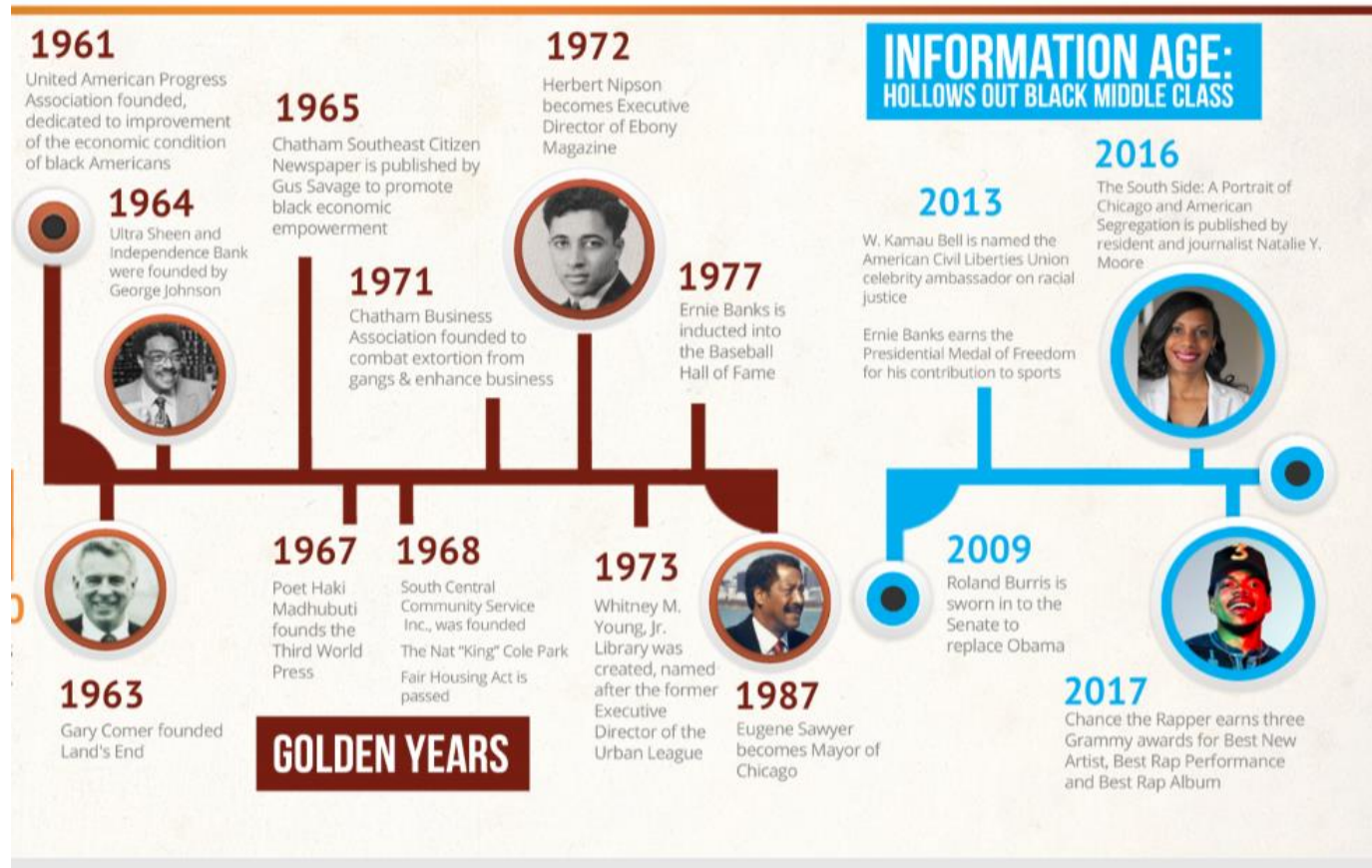
HISTORY OF GREATER CHATHAM

Greater Chicago: Crossing served b



Greater Chatham's African American History

Greater Chatham encompasses four neighborhoods in the South Side of Chicago: Auburn Gresham, Avalon Park, Chatham and Greater Grand Crossing. These four neighborhoods have similar histories and today are served by the Greater Chatham Initiative as one focus area.



Sims Fears Family Chatham History



- ARCHIVES
- AWARDS
- BADGES
- FALLEN OFFICERS
- HISTORY

National Law Enforcement Officers Memorial:
Panel # 19-E: 8

[View Incident Details](#)

Patrolman Osbourne Sims



Agency:
Chicago Police Department

Star #:
4848

Age:
33

Date of Birth:
21 OCT 1923

Appointed Date:
26 AUG 1955

Incident Date:
06 DEC 1956

End of Watch:
06 DEC 1956

Served:
1 year, 3 months, 10 days



Memorial Details:



Why African-American neighborhoods?

Legacy neighborhoods

Preserve intergenerational wealth

Preserve cultural, educational and business assets

Social cohesion

Celebrate black identity

Safe-haven against racism



2019 Greater Chatham profile

RESIDENTS

97% African American

122,000 persons live in 46,444 households

Females 56% and Males 44%

Age Breakout

Birth to 5 years is 6%

Grades K-8 is 13%

Grades 9-12 is 5%

Four-Year College or University is 6%

Adults (Ages 18-64) excluding college students is 54%

Seniors (65 +) is 16%

Household Incomes

60-71% have annual incomes <\$50,000

14-17% have incomes \$50,000-\$74,999

14-26% have incomes >\$75,000

BUSINESSES

Greater Chatham has 7,400 firms

Firms generate >\$720 million in annual sales

Firms hire 51,000 employees of which 20% live in the community

Workers have

- Graduate degrees-7%
- College graduates-12%
- Associate degrees-8%
- Some college, no degree-30%
- High School Diploma-29%
- Less than high school-14%

June 2020 unemployment rate-14-15%



Data is from World Business Chicago and Institute for Housing Studies at DePaul



Tale of two communities

HOMEOWNERS

35-40% of residents are homeowners

Greater Chatham median income is \$55,400

Nt'l median net worth is \$98,910*

Average Chicago mortgage payment is \$1,276



RENTERS

60-65% of residents are renters

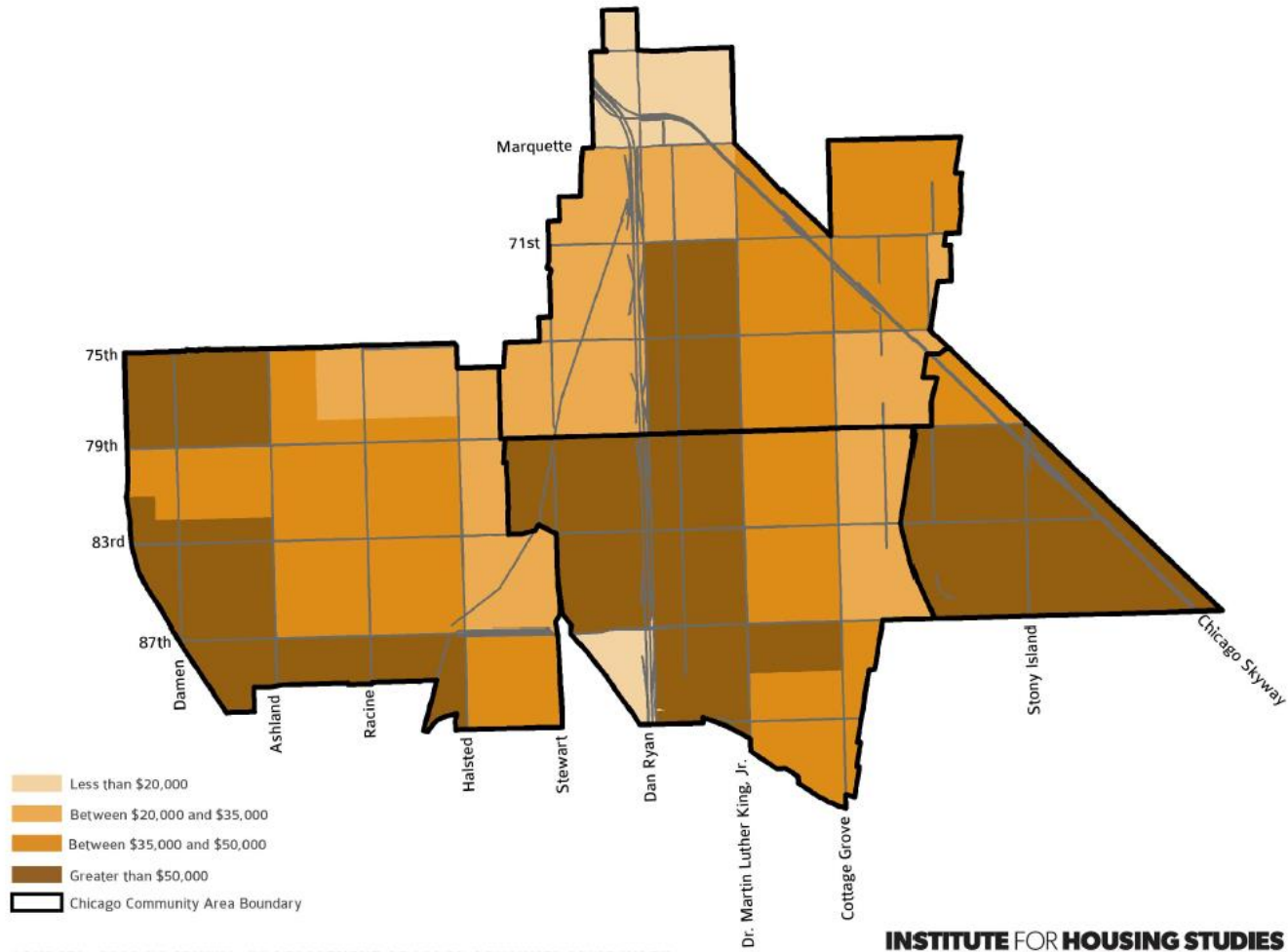
GC Median income is \$22,500

Nt'l median net worth is \$1,810*

Average rent is \$900

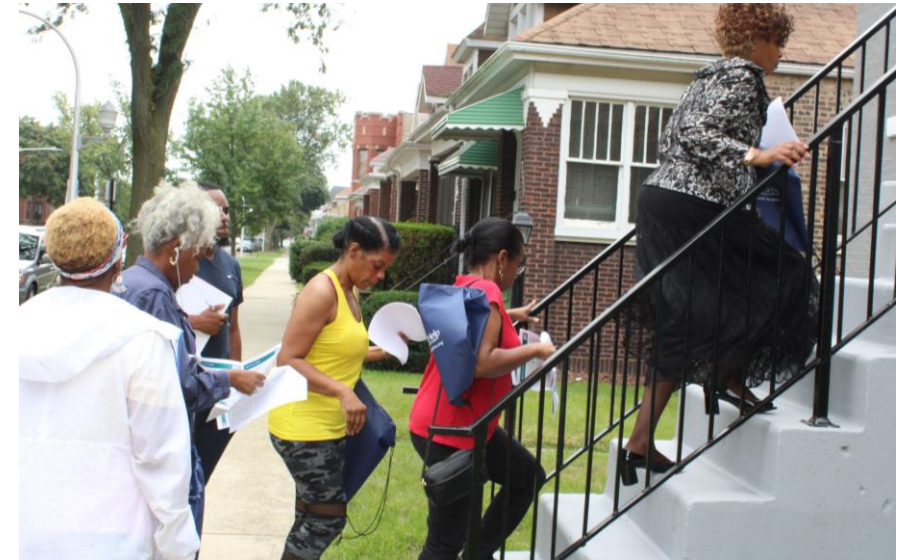


Median Annual Household Income by Census Tract, 2000, Data Adjusted to 2014
Auburn Gresham, Avalon Park, Chatham and Greater Grand Crossing



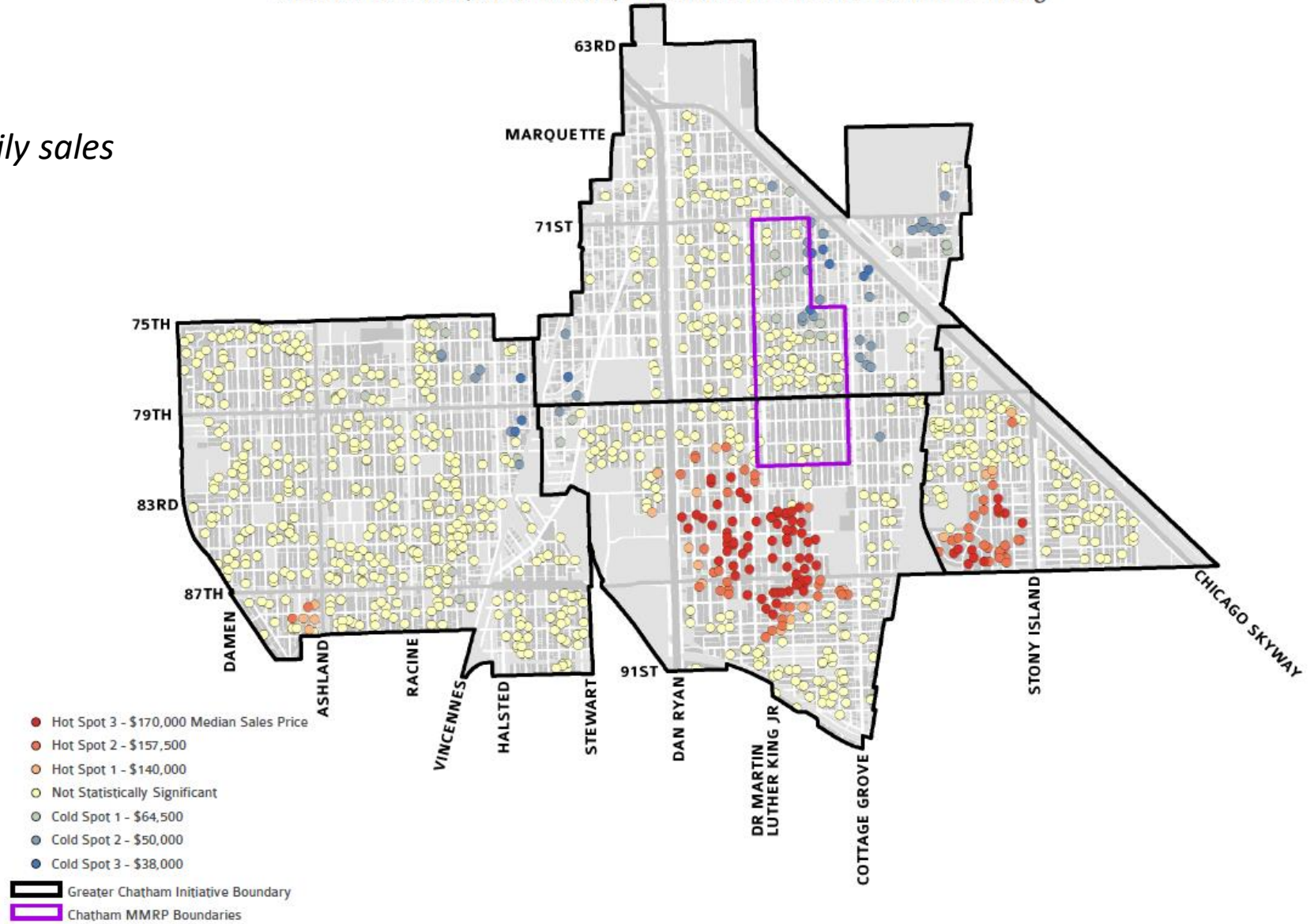
SOURCES: 2000 US CENSUS, US DEPARTMENT OF LABOR CONSUMER PRICE INDEX

INSTITUTE FOR HOUSING STUDIES
AT DEPAUL UNIVERSITY



Hot Spot Analysis of Sales Value per Square Foot in Single Family Homes, 2019
 Auburn Gresham, Avalon Park, Chatham and Greater Grand Crossing

2019 Greater Chatham median single-family sales price was \$99,000



Residential Real Estate

September 18, 2019 03:41 PM UPDATED 3 HOURS AGO

Two South Side neighborhoods are bright spots in the real estate gloom

Both are "good places for families and have a nice physical community of well-maintained properties," one agent said. They're also "still very affordable."

HOUSE PRICE INDEX

Cook County House Price Index: Second Quarter 2018

October 12, 2018

KEY FINDINGS

Year-over-year price changes

- Areas with the largest increases in single family sales prices between the second quarters of 2017 and 2018 include Chicago submarkets Auburn Gresham/Chatham (14.3 percent increase) and Humboldt Park/Garfield Park (12.1 percent increase). In suburban Cook County, the largest annual increases were seen in south suburban Calumet City/Harvey (11.7 percent increase).

Homebuyers, flippers descend on South and West sides in search of cheaper deals

The crowded housing market is pushing investors into neighborhoods yet to fully recover from the foreclosure crisis, driving prices up

TRD CHICAGO / By [Alex Nitkin](#)

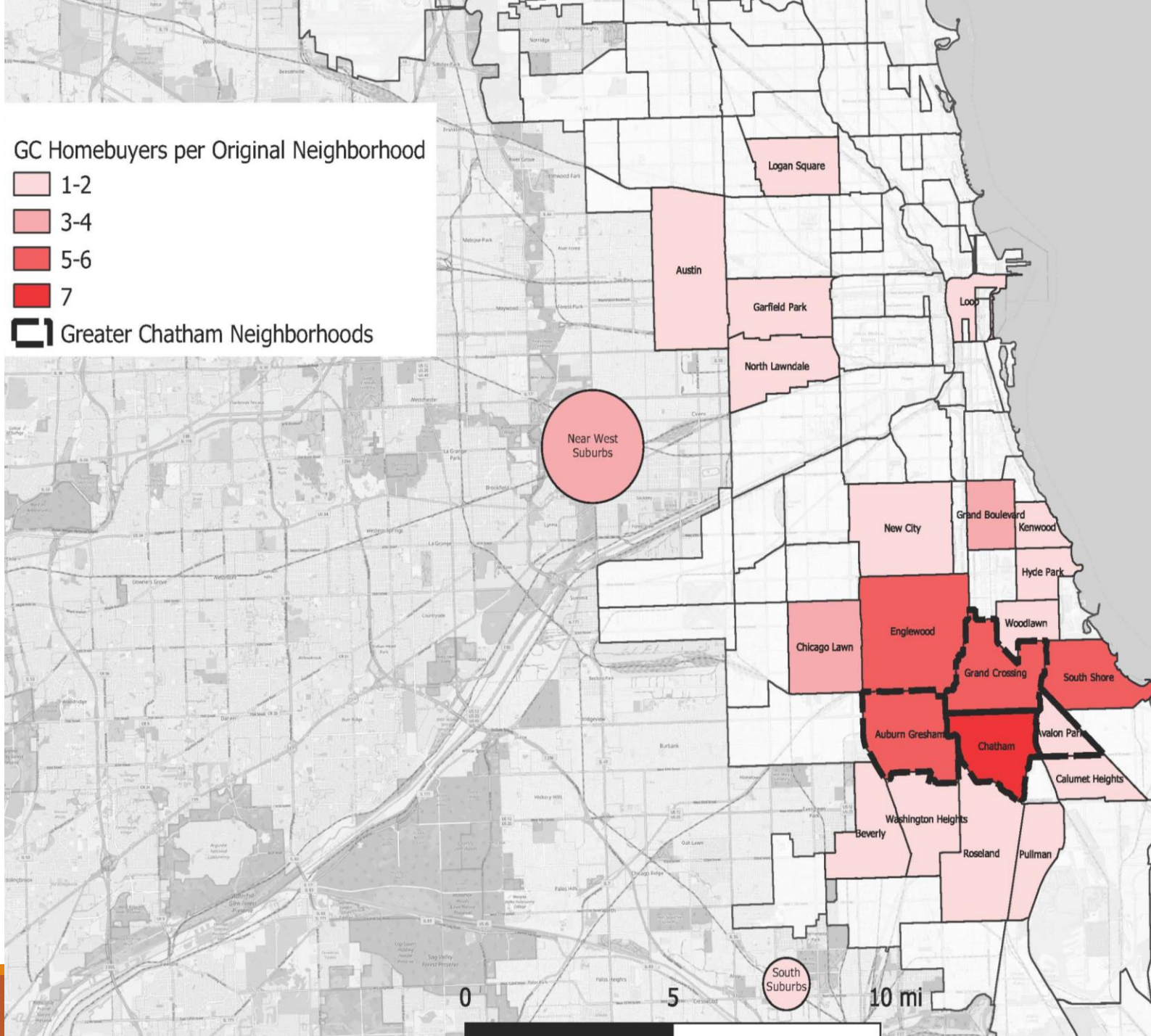
November 06, 2018 11:00 AM

•55% of new home buyers are from Greater Chatham or other South Side neighborhoods

• 26% are from Southwest Side and West Side neighborhoods

•19% are from the near west suburbs, loop or south suburbs

Neighborhood Housing Services of Chicago's map of the original addresses of the 66 new Greater Chatham home purchasers who bought from January 2018-June 2019.

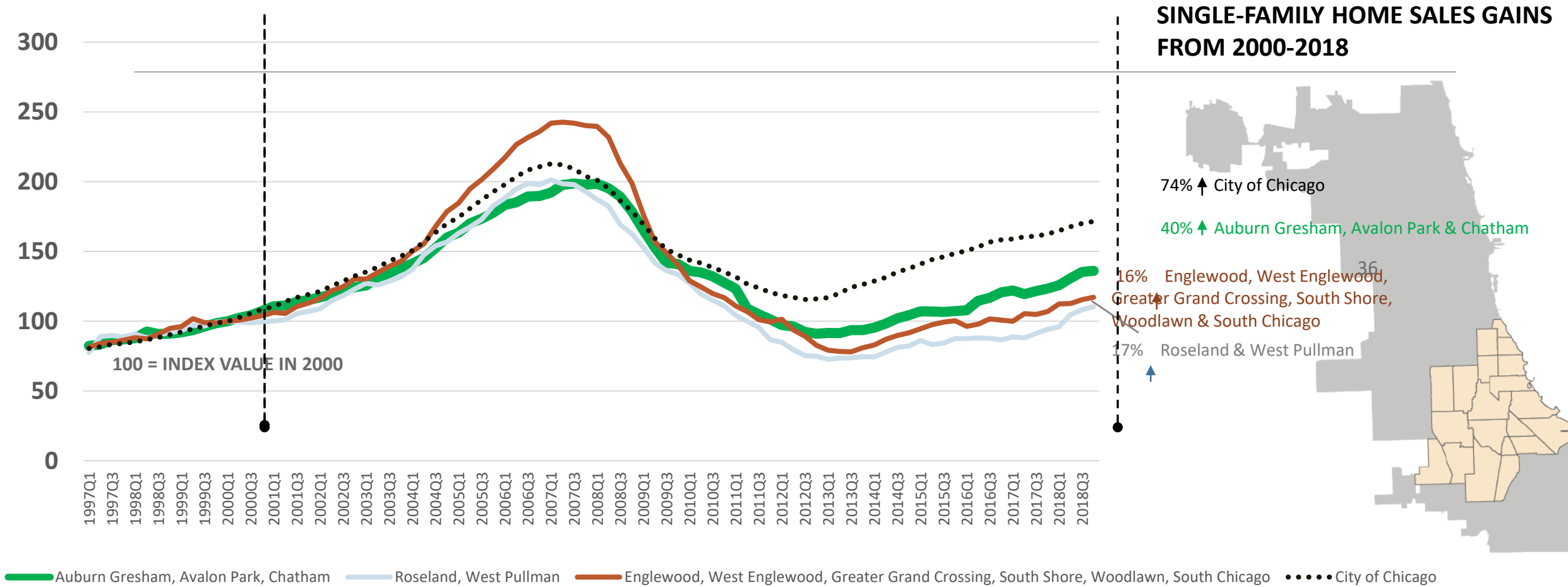


FROM 2000-2018, SINGLE-FAMILY HOME PRICE CHANGES IN ALL OF CHICAGO INCREASED 74%

* Modest market area-1.8 x's slower in Auburn Gresham, Avalon Park & Chatham

* Slow market area-4.6 x's slower in Englewood, West Englewood, Greater Grand Crossing, South Shore & South Chgo

* Slow market area-4.3 x's slower in Roseland and West Pullman



Source: IHS QUARTERLY SINGLE-FAMILY HOUSE PRICE CHANGES IN CITY OF CHICAGO SELECT NEIGHBORHOODS INDEX

Greater Chatham Public Schools

30 Elementary Schools

56% are rated 1+ or 1

24 or 89% are Attendance Area Schools

3 or 10% are Charter Schools

2 or 6% are Magnet School

1 or 3% is a Classical School

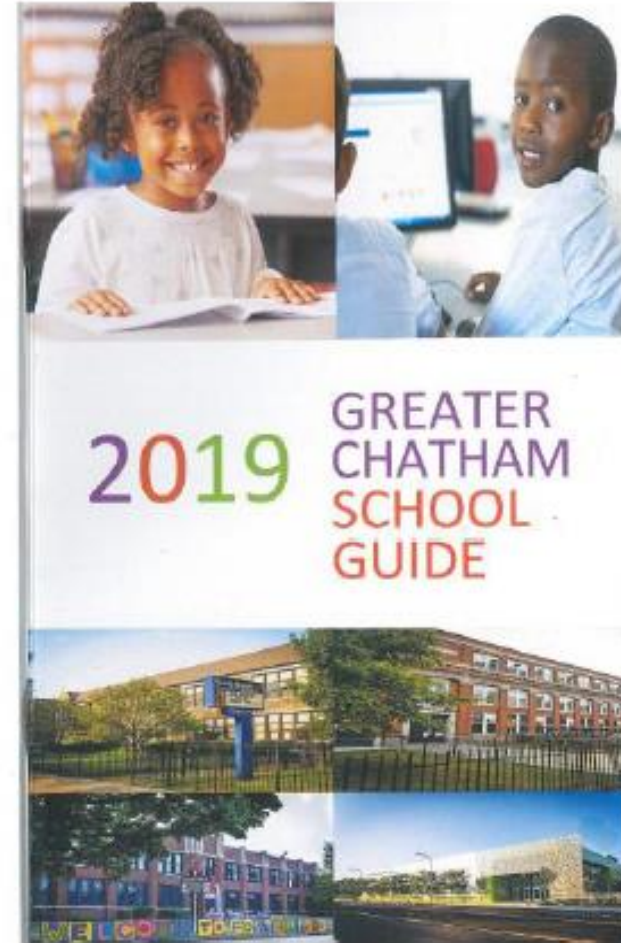


INFORM HOMEOWNERS WHY GC IS A COMMUNITY OF CHOICE

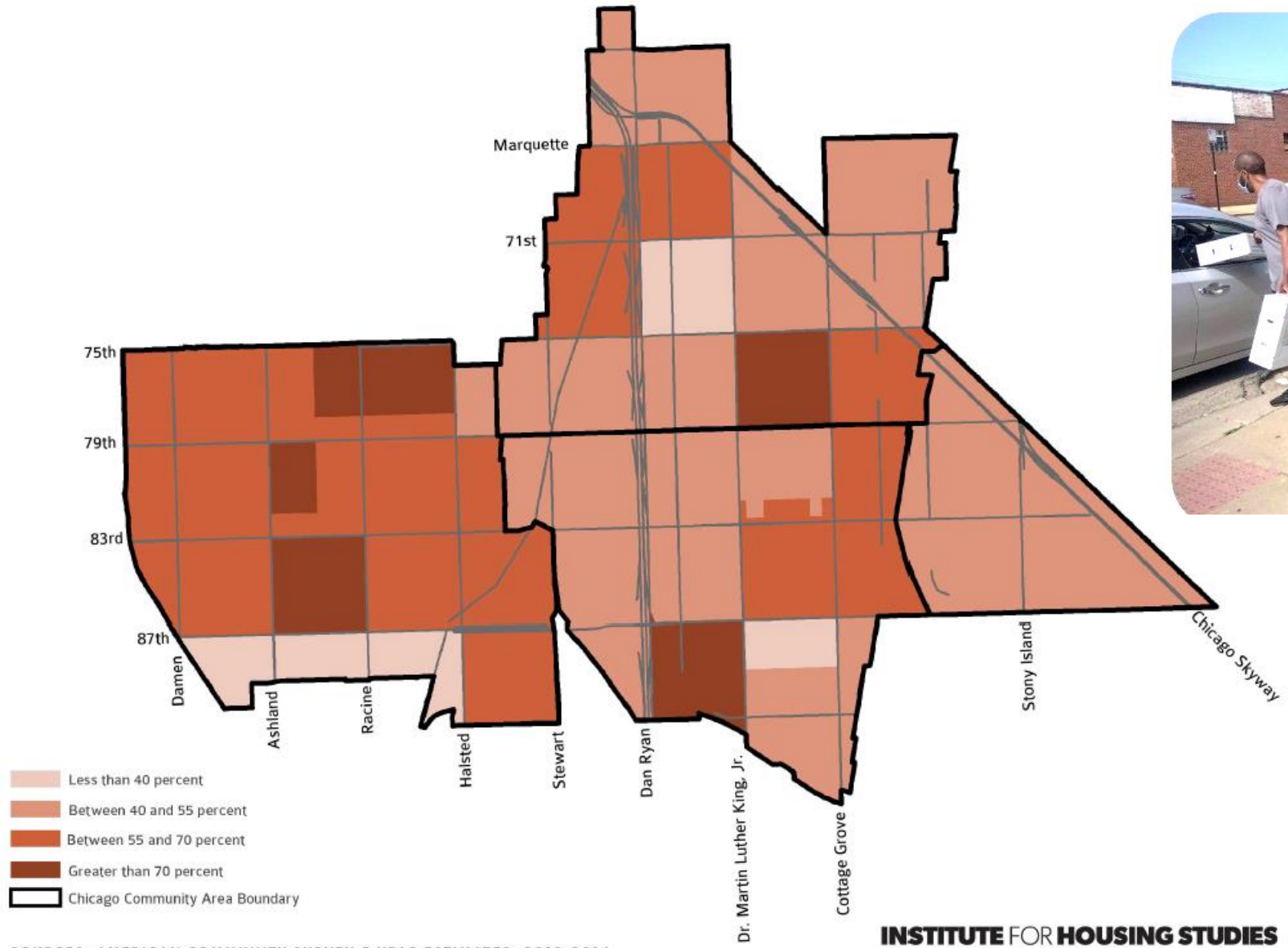
Chatham Center Chicago Map



School Guide



Share of Renter-Occupied Households that are Rent Burdened by Census Tract, 2014 Auburn Gresham, Avalon Park, Chatham and Greater Grand Crossing



SOURCES: AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES, 2010-2014

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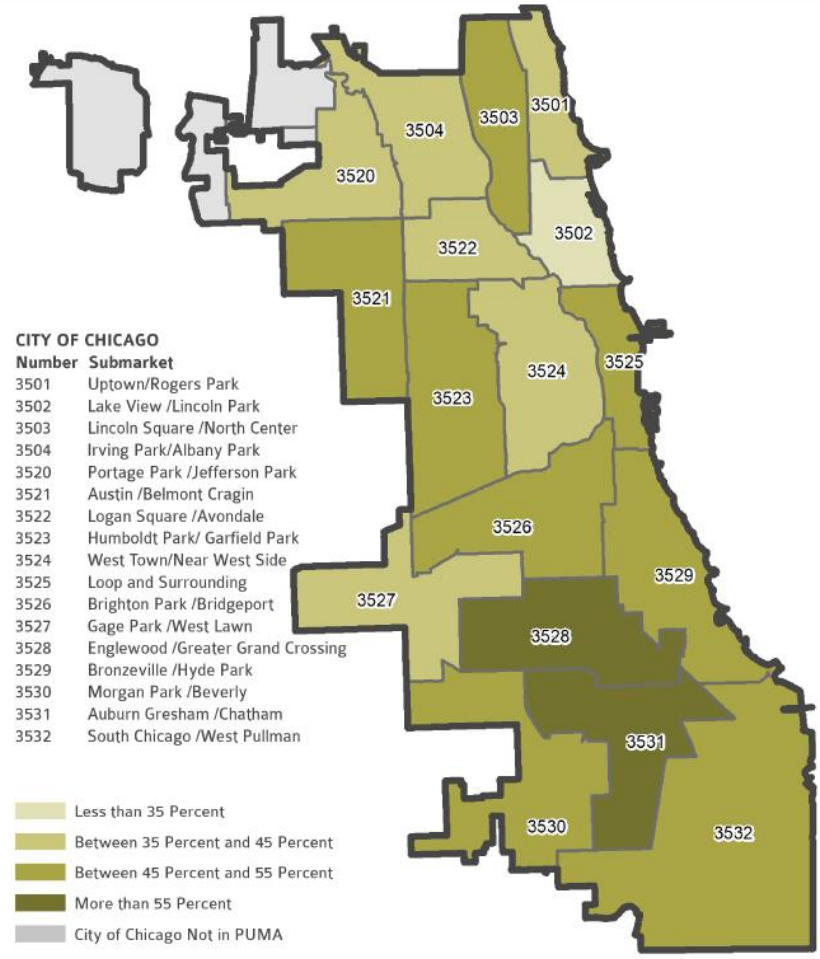


How might COVID-19 affect Greater Chatham housing market?

- Short-term, enhanced unemployment benefits should help stabilize affected workers, but concerns and questions remain about longer-term housing market and economic impacts
- Analysis looks at working households with at least one wage-earner in vulnerable industry
- In general, Greater Chatham has higher levels of vulnerable populations than city
- Lower-income households more vulnerable to layoffs
- Renter households likely to be in vulnerable industry
- Higher share of vulnerable renter households are already cost-burdened



Share of working renter households in vulnerable industries that are cost burdened by PUMA



SOURCE: 2018 ACS MICRODATA ,IPUMS USA, IHS CALCULATIONS BASED ON CODE DEVELOPED BY NYU FURMAN CENTER

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GREATER Chatham INITIATIVE

Strategic Partners



Upcoming Webinars

Black Middle Neighborhoods in Legacy Cities, Part 2:
Strategies

Noon, August 25, 2020

Community Engagement Strategies during COVID19

Noon, September 29, 2020

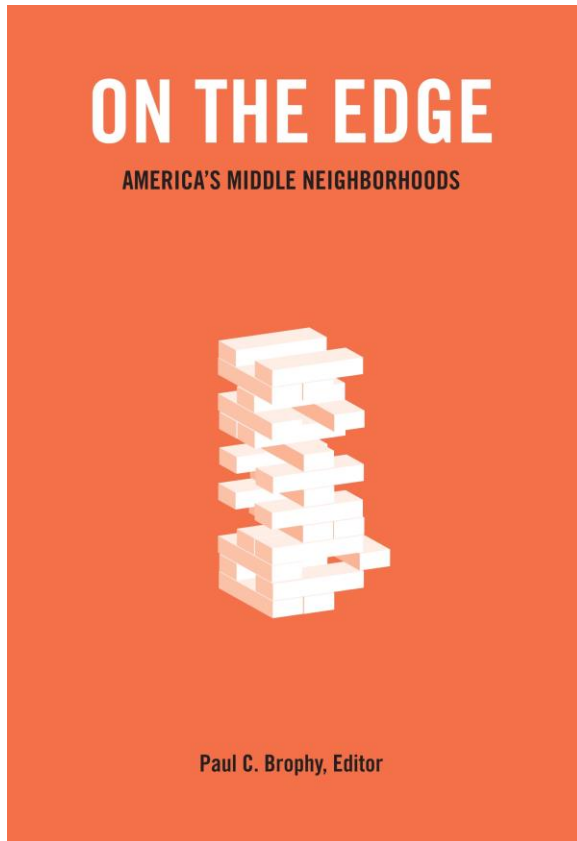


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Center for Community Progress

Check out: [The Cornerstone Webinar Series](#)

Questions?



MIDDLE NEIGHBORHOODS

2018 CLEVELAND ACTION AGENDA ABOUT THE BOOK NEIGHBORHOODS NEWS CONTACT



Why Middle Neighborhoods Matter

In many cities, up to forty percent of residents live in middle neighborhoods, representing a major source of

UPCOMING EVENTS

THE MIDDLE NEIGHBORHOODS CONVENING IN CHICAGO

WHEN

More information forthcoming

[Learn more >](#)

JOIN THE CONVERSATION

[Middle Neighborhoods](#)

MIDDLE NEIGHBORHOODS

May 2019 Newsletter



Cleveland community celebrates opening of new bike lane in Old Brooklyn with Mayor Frank Jackson. Photo credit: Old Brooklyn Community Development Corporation.

[What We Talk About When We Talk About Middle Neighborhoods](#)

By Nelson Beckford, The Cleveland Foundation

Picture this: a rectangular table with 30 leaders from Cleveland's community development field. We were there to discuss the concept of "middle neighborhoods" and to provide a recap of the Middle Neighborhood working group meeting in Cleveland for those who weren't able to join. I didn't know what to expect. Will the group take offense to the term "middle neighborhood"? [Read more](#)

For more Information

www.middleneighborhoods.org