The Middle Neighborhood Movement, 1970-2000

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Since the turn of the 20th Century a broad range of people and institutions have been concerned with improving neighborhoods in America's cities. Whether these were the reformers during the Progressive era fighting for building and safety codes or business leaders figuring out how to revitalize cities[1] in the 1950s and 1960s, actions to strengthen urban neighborhoods were sometimes part of those efforts.

During the 1970s, there was a remarkable surge in grassroots activity in moderate-income (i.e. working class and lower middle- income) neighborhoods across the country. It was well documented in the media and literature[2] The National Commission on Neighborhoods (1977-1979) produced two volumes of case studies of these remarkable organizations[3] National centers provided training and support to local groups.

Groups often sprang up in reaction to public projects like highway construction or school demolition. They turned their energy toward keeping the population they had and attracting new residents to neighborhoods that had been losing population. The phenomenon blanketed the country: Jamaica Plains, Boston; the Hill, Providence; North Ward, Newark; Southeast Baltimore; Manchester, Pittsburgh; Detroit Shoreway, Cleveland; North Toledo; Hamtramak, Detroit; Southwest Chicago; Blue Hills, Kansas City; Santa Fe Dr., Denver; Chinatown, San Francisco to name but a few of thousands.

The national convergence of local groups led to significant federal policy changes including passage the Community Reinvestment Act. For the last 20 years, however, the national recognition and support of this local energy, and attention to appropriate national policies for neighborhood revitalization, has largely disappeared. Where did that surge in national activity, funding, media attention, research and policy come from and where did it go? What remains and how do we use it to build critical attention to the plight of middle neighborhoods at this moment?

Where did the energy to revitalize middle neighborhoods come from?

The major upsurge of activity in middle neighborhoods in cities began as community organizing efforts. The success of that organizing led to enormous policy change for public and private institutions. The subsequent self-help neighborhood revitalization programs led

1 See https://www.youtube.com/watch?v=RUmECXiB_RU for an interesting period piece on how ACTION tried to generate support for improving neighborhoods.

2 See Henry Boyte, The Backyard Revolution: Understanding the New Citizen Movement, Philadelphia: Temple University Press, 1981.

3 The case studies were appendices to the Commission's final report, all of which are at http://catalog.hathitrust.org/Record/000303116?type%5B%5D=all&lookfor%5B%5D=national%20commission%20on%20neighborhoods&ft=

to a new set of strategies for neighborhood revitalization, many of which are standard practice today. The growth was from organizing to policy impact programs to strategies.

The organizing was the result of a convergence of three forces.

The first force was progressive organizing by religious institutions and religious institution-funded community organizations oriented to reducing white flight from cities and building organizations that could form effective coalitions with inner city minority and civil rights groups. The thesis was that cities would not survive if they became "black, brown and broke"[4] nor would there be effective political will for the resource allocations needed for inner city development without a coalition across the whole city.

The second force was a backlash in blue-collar, white communities resentful of the public attention and government resources devoted to minority, inner city communities when their blue-collar neighborhoods in the same cities were suffering their own problems.

A final force was the emergence of white ethnic identity organizing, partially in response to the emergence of black identity, but also from the efforts of third generation descendents of southern and eastern European immigrants to reclaim the values and ethnic strength of the first generation of immigrants.

While it began in community organizing, the movement turned to revitalization projects and programs to implement its aspirations. National foundations and support groups, long-time advocates of revitalization approach to community development, encouraged the expansion of the neighborhood organizations' agenda and capabilities. The Ford Foundation, for example, had pioneered such an approach in "the gray areas program" of the 1950s and the Community Development Corporation (CDC) program of the 1960s. The movement also had intellectual/academic underpinnings and advocates, from Herbert Gans study of Italian neighborhoods in Boston[5]to Jane Jacobs' advocacy of revitalizing walkable communities rather than demolishing and starting over with modernistic high-rises[6]. The concepts of neighborhood and the strategies of community organizing, mobilizing assets, revitalizing before dilapidation set in, and finding ways to compete in the market to attract new residents with assets have antecedents in earlier efforts that include the settlement house movement of the early 20th century to 1950s and 1960s civil rights opposition to urban renewal, modifications to the federal urban renewal program in the Neighborhood Development Program and the Federally Assisted Code Enforcement program.[7]

As the middle neighborhood organizations with origins in fighting public projects and

4 Msgr. Geno Baroni used this phrase in a speech at a conference on Minority Business Development sponsored by the Federal Reserve Bank of Boston in 1976,. Proceedings are at http://www.bostonfed.org/economic/conf/conf17/conf17.pdf

5 Herb Gans, The Urban Villagers: Group and Class in the Life of Italian-Americans, The Free Press, 1981.

6 Jane Jacobs, The Death and Life of Great American Cities, New York: Random House, 1961.

7 This chapter provides only a cursory history of a very complex set of activities that focused on neighborhoods in American cities in the 20th Century. For a far more complete history see Robert Halpern, Rebuilding the Inner City: A History of Neighborhood Initiatives to Address Poverty in the United States, Columbia University Press, 1995; and Steven Soifer, Joseph McNeely et al, *Community Economic Development and Social Work*, 2014, chapter 3-4 "History of Community Economic Development," pp. 91-168.

programs turned their attention to community development projects and programs, they were grouped with earlier Community Development Corporation (CDC) efforts in more distressed neighborhoods under the broad term of neighborhood development organizations. While the Ford Foundation and federal support continued for an early group of CDCs sponsored by the Ford Foundation, new federal initiatives were more broadly defined to fit the new universe of neighborhood development organizations. The Carter administration, for example, initiated programs at in many departments including Housing and Urban Development (HUD), the Economic Development Administration, the Department of Labor and Health and Human Services.

Some examples may help illustrate the evolving agendas and the enormous energy at the grassroots level

- While fighting blockbusting and white flight in her Austin neighborhood in Chicago in the early 1970s, Gail Cincotta encountered and her organization documented the disappearance of lending for home mortgages and home improvement loans. This withdrawal of bank involvement occurred in spite of the fact, as documented in a study by Northwestern University, that her community had assets on deposit in banks and savings and loan associations sufficient to completely revitalize itself. The disinvestment and discriminatory lending against racially mixed and middle city neighborhoods came to be called "redlining," after the red line the Federal Housing Administration drew on a map of the city around neighborhoods it considered too risky to insure. Cincotta and her organizers contacted similar middle neighborhood community organizations across the country that soon documented similar behavior. Cincotta and Shel Trapp, a leading Chicago organizer, created National People's Action to fight redlining in cities across the nation. This group fought redlining wherever it was occurring, in distressed neighborhoods or middle neighborhoods that lenders judged would lapse into distress and were not deserving of mortgage loans. Of course, the inability of buyers to get a mortgage created a self-fulfilling prophecy, causing neighborhoods to fall into distress. National Peoples' Action won support from a national organization, the National Center for Urban Ethnic Affairs, led by Msgr. Geno Baroni, that was encouraging local organizing in blue-collar neighborhoods across the country. Baroni's researchers and the staff of Sen. William Proxmire's Senate Banking Committee helped further document redlining and create a policy framework to address it. Baroni used his extensive contacts in the civil rights movement to build a genuine coalition of white ethnic, black and Latino organizations to press for the end of redlining. This movement led to the passage of the Home Mortgage Disclosure Act (1975) and the Community Reinvestment Act (1977), both of which have been instrumental in increasing bank lending in neighborhoods in cities and suburbs.
- In 1968, a neighborhood leader in Pittsburgh, Dorothy Richardson, quietly began a program that combined energies from neighborhood residents, banks and savings and loan associations, and city government to increase lending in transition neighbor-

hoods. The Neighborhood Services Program (NHS) combined three critical elements, and was aimed at middle neighborhoods. The three elements were (1) active organizing at the neighborhood level to engage residents in neighborhood improvement, (2) a commitment from lenders to provide mortgage loans and home improvement and marketing loans in the neighborhood to qualified buyers and owners, with a high risk loan pool for those not bankable, and (3) investments from city government in infrastructure in the neighborhoods and the use of code enforcement to get landlords and homeowners to improve their properties. This middle neighborhoods program soon caught on, and with enthusiastic support from the Federal Home Loan Bank Board [FHLBB], other NHS programs were started in other cities. By 1979, there were 13 operational NHS programs and another 10 in the development stage. This successful program to preserve middle neighborhoods was adopted by the FHLBB and HUD, and became housed in the Neighborhood Reinvestment Corporation, which is now NeighborWorks America, a Congressionally charted corporation.

- In Baltimore, the South East Community Organization [SECO], which had its origin in stopping plans for an interstate highway, and similar groups in five other cities engaged in a demonstration program funded by the federal Economic Development Administration to spread the revitalization work from housing to commercial areas. Going beyond architecturally driven models of the time (parking, brick sidewalks and public space improvements), SECO adapted the commercial real estate techniques of suburban malls with whom the older neighbor commercials strips competed. Their successful model added a central organization combining merchants and community leaders; the discipline of coordinated marketing and events; careful market capture analysis to determine the right mix of businesses to fill vacancies; and technical assistance and funding for business expansion. That model was later adapted to rural areas by the National Trust for Historic Preservation under the banner of "main streets." Ironically, Main Streets later reintroduced the concepts in urban commercial districts.

The middle neighborhoods also adopted other proven tools and incentives for revitalization: historic preservation; pre-purchase housing counseling; creative financing and appraisal techniques to promote housing rehabilitation and homeownership; and targeted workforce training directly linked to businesses in the neighborhood. The work in these neighborhoods by bankers and community activists through activities of banks undertook to meet the requirements of the Community Reinvestment Act led to a whole new domestic field of community development banking: leveraged lending techniques by which banks could help revitalize neighborhoods while still making safe investments and earning a profit.

Where did all this energy go?

There are many reasons that the middle neighborhoods energy and agenda diminished in importance in urban policy and practice.

First, the presidential administrations of Ronald Reagan and George Bush turned their focus away from neighborhoods and "the urban crisis" and the role of government in saving cities to dealing with housing and homelessness. For example, Jack Kemp's focus as HUD Secretary under President Bush was on reforming public housing. The effect was so lasting that even the subsequent Democratic administration of President Clinton only marginally increased resources to neighborhoods through his Empowerment and Enterprise Zones programs and some increase in appropriations for federal programs like the Community Development Block Grant Program.

As federal support shifted in the Reagan-Ford administrations, local philanthropy expanded dramatically to provide support for neighborhood development organizations. A new set of private, national support organizations grew up: the Local Initiative Support Corporation (LISC), the Enterprise Foundation, and the Development Training Institute. Working with local funders, these national organizations created a local infrastructure for technical assistance, funding and project development that helped stabilize the industry of neighborhood development organizations across dozens of cities. While some of the original national apparatus has disappeared, like the National Congress for Community Economic Development (NCCED) and the National Neighborhood Coalition, today there are city and state associations of these neighborhood development organizations as well as a National Association of Community Economic Development Associations (NACEDA), and other constituency groups of and for community development.

However, national attention, particularly in the philanthropic community shifted from the middle neighborhoods and community development generally to the issues of homelessness and poverty. The impact of the Reagan-Bush cuts in cities increased and made especially visible the number of homeless people. As the plight of the homeless became a constant front-page story, public support grew for government housing programs to address it; and finally in the late 1980s, led to new funding. That funding however was most targeted to the homeless and those deeply in need, not the neighborhood revitalization strategies of the middle neighborhoods. Similarly, as housing prices rose in strong-market cities and suburbs, it became clear that housing affordability was becoming its own crisis in America, and considerable energy was appropriately focused on dealing with the housing affordability crisis.

At the same time, policymakers were becoming acutely aware of the emergence of a new phenomenon of persistent poverty in concentrated, isolated, mostly minority census tracts of the hundred largest cities. The phenomenon was amply revealed in the census reports in 1970-1990 and extensively studied by leading researchers like William Julius Wilson.[8] With President Clinton announcing "the end of welfare as we know it," the plight of so many desperately poor people garnered the interest of leading foundations that had been supporting the neighborhood movement. With the focus on poverty alleviation, there was a growing disaffection with place -based strategies for their failure to eradicate poverty –

8 William Julius Wilson, The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy, Chicago: University of Chicago Press, 1990.

symbolized by the controversial but influential front-page New York Times Magazine article by Nicholas Lehman, "The Myth of Community Development"(January 9, 1994). Resources began to shift from neighborhood revitalization to strategies directly targeted to helping individual poor people get out of areas of concentrated, isolated poverty and into the mainstream economy through employment and other personal financial enhancement programs.

What did the neighborhood movement leave behind?

If national attention and national policy innovation is what led to calling the outpouring of local energy regarding neighborhoods a "movement," that spotlight moved on to other movements. Nonetheless, a high level of neighborhood-based activity continues in major cities across the country. The policies created by the neighborhood movement, like the Community Reinvestment Act, remain in force. The strategies and programs for neighborhood revitalization invented or refined in the1970s and 1980s, like early intervention and reversal of disinvestment in the housing market and neighborhood commercial revitalization, have become standard practice. Some of the national framework, like the national NeighborWorks America and the Local Initiative Support Corporation (LISC), continue robust programs of support and training. Many universities have incorporated some form of community economic development in their curriculum, even offering specializations or degrees.

Moreover many of the core principles of the middle neighborhood revitalization strategies are permanently ingrained in community development practice locally and nationally. These include:

- the focus on a specific defined geographic area;
- energizing revitalization when the disinvestment and deterioration has only begun rather than waiting until the neighborhood has been virtually abandoned and then initiating a process of clearance and redevelopment;
- a partnership of public, community and private sectors to design and implement neighborhood improvement actions;
- an emphasis on assets in the neighborhood as the driver rather than deficits as it often been the emphasis in government programs;
- a market orientation toward restoring conventional economics and reinvestment in a neighborhood;
- the use of private-sector investment and project development techniques applied with social values derived from a genuine community process, including market analysis and complex financial structuring; and,
- a comprehensive approach that integrates residential, commercial and human resource development.

While the strategies have been incorporated in best practices, there has been little national dialogue or discussion of the value and needs of the middle neighborhoods since the early

90s. Some cities have experimented with new configurations of the strategies for a new set of neighborhoods, like Battle Creek's, Milwaukee's and Baltimore's Healthy Neighborhoods but there has almost no discussion of a federal government role or support except in the trade associations of those organizations and the national networks to which they belong.

In 1979, James F. Timilty, the Chairman of the National Commission on Neighborhoods, ended his letter transmitting the Commission's report to President Carter by saying, "Now is the time for a national policy that works in, for, and through the neighborhoods for the people who live there." As others have written in this volume, it is still timely to take these words seriously to build from the energies within America's middle neighborhoods and to brighten their future.

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