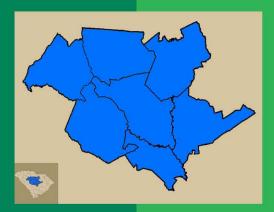
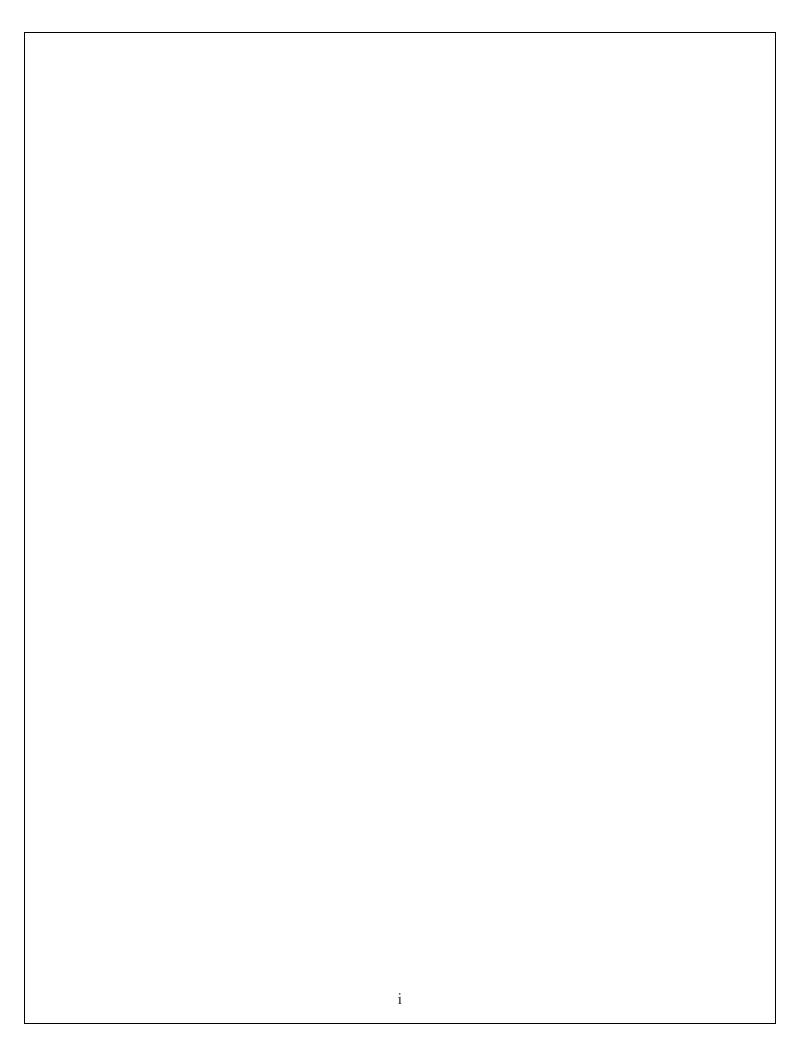
# **Growing Together** Thriving People for a Thriving Columbia





Prepared by The Center for Social Inclusion A Project of the Tides Center

65 Broadway, Suite 1800 • New York, NY 10006 • 212.248.2785 • www.thecsi.org



#### **Acknowledgments**

This report was made possible by the generous support of the Open Society Institute and the Ford Foundation. Jason Reece and Denis Rhoden, of the Kirwan Institute for the Study of Race & Ethnicity at Ohio State University, Columbus, Ohio, contributed research on zoning impacts and tax bases in Richland County and the maps in Figures 10, 18, 19, and 20.

#### Copyright © December 2007 by

#### The Center for Social Inclusion

All rights reserved. No part of this report may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or by any information storage and retrieval system, without the permission of the Center for Social Inclusion: A Project of the Tides Center.

#### The Center for Social Inclusion: A Project of the Tides Center

65 Broadway, Suite 1800 New York, NY 10006 (212) 248-2785 www.centerforsocialinclusion.org

## TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	4
REGIONAL OPPORTUNITY TRENDS	6
Defining the Columbia Region	6
Suburban Sprawl and Urban Redevelopment	7
Concentrated Poverty	9
Housing Opportunities	. 12
Economic Growth and Sustainability	
Public Health	. 19
Racial Isolation and Regional Prosperity	. 22
CURRENT POLICY	
Growth Planning Policy	. 26
Economic Development Policy	
Impact of Current Policy on Future Growth	. 30
RECOMMENDED POLICY DIRECTIONS	. 35
Planning for Inclusive and Sustainable Growth	
Sustainable Economic Development	
Opportunity-Based Affordable Housing	. 39
Essential Infrastructure	
CONCLUSION AND RECOMMENDATIONS	

## **EXECUTIVE SUMMARY**

Our regions thrive when people throughout the region thrive. People thrive when their communities have what all communities need for healthy growth – clean air and water, affordable and decent housing, living wage jobs, quality public schools, and quality healthcare. The health and prosperity of the Columbia region<sup>1</sup> are critical to South Carolina, the South, and the country. By investing in the health and economic well-being of all its people, the Columbia region could lead the way for the South and the nation.

Metropolitan regions are increasingly replacing cities as the new economic units, as the ideal scale at which communities, businesses, and government interrelate and operate most effectively. For example, businesses increasingly make location or relocation decisions based on the strength of the region.<sup>2</sup> If we invest in well-being in the most marginalized communities, we reap the benefits across all communities in the metropolitan region.

To build greater regional prosperity, we have to know where opportunities are located regionally and who has access to them. Analyzing the socioeconomic conditions of communities across the region, regional development patterns, and state and local policies, this report identifies where growth is needed, where it is unsustainable, and what policy interventions can inform planning for healthy growth.<sup>3</sup>

This report finds that, while the city is growing, suburban development still dominates residential and job growth and only in relatively wealthy suburbs, which strains public coffers and is fiscally and environmentally unsustainable. In the Columbia region, Black communities experience the highest rates of poverty because they are isolated from opportunities. Racial isolation from regional opportunities has helped fuel sprawl, wasteful and costly development at the region's urban edges and beyond. Low-income Black communities in rural areas do not have critical public infrastructure, like water and sewer lines. This is both a serious public health issue and an economic and social development issue. Without essential infrastructure to attract capital and jobs, these communities also lack the tax base and tax revenues to pay for quality schools and essential services.

<sup>&</sup>lt;sup>1</sup> In this report, we define the region as Richland County and its six adjacent counties: Calhoun, Fairfield, Kershaw, Lexington, Newberry, and Sumter counties.

<sup>&</sup>lt;sup>2</sup> Manuel Pastor et al., *Regions That Work: How Cities and Suburbs Can Grow Together* (University of Minnesota Press 2000) 3, 6, 100.

<sup>&</sup>lt;sup>3</sup> This report follows up on our first report on Columbia, which examined growth and opportunities in Richland County. We analyzed the Richland County Council's 1999 Comprehensive Land Use Plan and related draft zoning ordinance to identify the likely impact of the Plan's proposals to produce healthy growth. We found that despite the County's intent and laudable goals, its proposals were likely to permit sprawl where it is occurring, while restricting development and increasing poverty in poor Black communities, where development is sorely needed. Center for Social Inclusion, *Race and Place: A Preliminary Look at Land Use Planning in Richland County, S.C.* (2004).

- Columbia needs more affordable housing to connect low-income communities to regional opportunities. Over a third (37.6%) of Black residents are paying more than they can afford in rent (more than 30% of their income). Affordable housing located near good jobs, good schools, and quality services can connect low-income communities to regional opportunities. Inclusionary zoning and housing trust fund programs in other metropolitan regions have produced affordable housing for low-income people and created mixed-income communities, improving the lives and economic base of area residents.
- Columbia needs more transit options to connect poor community residents to regional job centers. Over a fifth (23.8%) of Black residents live in concentrated poverty neighborhoods neighborhoods where at least 20% (rural) or 40% (urban) of the population lives at or below the federal poverty level. Concentrated poverty communities lack good jobs, good schools, and essential services. Many low-income Black residents living in rural areas cannot get to good jobs concentrated in wealthy suburbs, because of gaps in public transit service (17% of Black households in the region lack access to a car).
- Columbia needs more infrastructure investment in under-developed communities to increase overall wealth and well-being of the region and its people. Despite very high homeownership rates in some parts of the region (72% in predominately Black Lower Richland County), Columbia's low-income Black communities have low home values, due in part to weak tax bases in Black neighborhoods. Lower Richland's 1LR tax district, which is the largest in land mass of the area's three tax districts, has only 20% of the Northeast's tax base. The median value of Black-owned homes in the region is \$80,500 compared to \$113,700 for White-owned homes.<sup>4</sup> Columbia should provide public water and sewer services to low-income Black communities living in rural areas where population is dense, like those in Hopkins. Investment in water and sewer and other infrastructure in poor communities can reduce poverty, improve public health, and build community wealth.
- Columbia should promote the participation of low-income Black communities in emerging green markets. Markets, such as renewable energy and organic farming, are viable rural economic development opportunities that can enrich Columbia's low-income Black communities living in rural areas, as well as its Latino, Asian, and White rural communities, promote a healthy environment, and build a strong regional economy. Renewable energy production already has created thousands of jobs and boosted local economies in other parts of the country. And U.S. producers are turning to organic farming systems to capture high-value markets and premium prices and boost farm income.

<sup>&</sup>lt;sup>4</sup> These figures are based on data for the Metropolitan Statistical Area (MSA), which includes 5 of the 7 counties in our definition of the metropolitan region (Calhoun, Fairfield, Kershaw, Lexington, and Richland) plus Saluda County. U.S. Census (2006).

• Policies to control sprawl in wealthy areas are essential to the well-being of the region. Areas like Northeast Richland County, with its quality public schools and amenities, are straining under undeterred residential and population growth as middle-income people move there in search of opportunities they cannot find in other parts of the region, like Lower Richland County. Infrastructure is becoming stressed, as schools become overcrowded and traffic becomes more congested. While laudable in its intent to stop sprawl, Richland County's proposal to downzone rural areas may actually increase unhealthy growth. The proposal limits development in Lower Richland but does not create disincentives to sprawl in areas of the County where it is most rampant.

#### State policies, in addition to city and county policies, must support healthy growth.

- The State should narrow its economic development subsidies to ensure they target poor communities. Currently, the whole state of South Carolina qualifies as an Enterprise Zone, which means the state's program is likely subsidizing growth in wealthy areas. Intended to boost economic activity in blighted areas, neither South Carolina's Enterprise Zone Act nor its Tax Increment Financing program are targeted to promote growth in poor neighborhoods, like Lower Richland. Given their broad eligibility criteria, these programs most likely have been subsidizing growth in wealthy areas of the region.<sup>5</sup>
- The State should consider public transit options to benefit rural poor communities and help urban communities reach suburban job centers. Despite the availability of federal matching funds for public transit, there are currently no plans to expand public transportation to connect rural residents to jobs in other parts of the region.
- *The State needs new impact fee legislation.* New developments do not pay for the public infrastructure required to sustain them. State law allows but does not require impact fees that would hold developers accountable to pay for costs created by new development. The law also prohibits charging developers for school construction, often the single largest cost created by new subdivisions.

To develop a strong and sustainable regional economic base, Columbia needs a set of policies that can promote sustainable economic development in rural Black communities and connect low-income residents in urban areas to opportunities, such as good jobs and good schools, in other parts of the region. Through policies that create opportunity for Columbia's low-income Black communities, the region can create a strong and sustainable regional economy and a clean and safe environment. A stronger, fairer and healthier Columbia metropolitan region is possible. All that is required is the will to grow well.

<sup>&</sup>lt;sup>5</sup> Alyssa Talanker, Kate Davis, and Greg LeRoy, *Straying from Good Intentions: How States are Weakening Enterprise Zone and Tax Increment Financing Programs* (Washington, D.C.: Good Jobs First, 2003).

We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly.

*-Rev. Martin Luther King, Jr.* 1963, Letter from a Birmingham Jail

## INTRODUCTION

Our communities and regions thrive when people throughout the region thrive. People thrive when their communities have what all communities need for healthy growth – clean air and water, affordable and decent housing, living wage jobs, quality public schools, and quality healthcare. The health and prosperity of the Columbia region are critical to South Carolina, the South, and the country.<sup>6</sup> "As the South goes… so goes the nation."<sup>7</sup> The South's population is growing fast and faster than the Northeast and Midwest.<sup>8</sup> It is also the poorest region in the nation, with 15% of the population living below the poverty line.<sup>9</sup> The South and the nation cannot thrive without investments in poor communities. By investing in the health and economic well-being of all its people, the Columbia region could lead the way for the South and the nation.

Metropolitan regions are increasingly replacing cities as the new economic units, as the ideal scale at which communities, businesses, and government interrelate and operate most effectively. For example, businesses increasingly make location or relocation decisions based on the strength of the region as a whole.<sup>10</sup> If we invest in wellbeing in the most marginalized communities, we reap the benefits across all communities in the metropolitan region.

Current trends and policies, however, feed unhealthy growth in the Columbia region. Good jobs, public resources and other opportunities are unfairly and inefficiently distributed. Infrastructure investments and tax subsidies for business location have neglected Columbia's low-income Black communities. Black communities in rural areas do not have city water and sewer. Without essential infrastructure to attract capital and jobs, they lack the tax base and tax revenues to pay for quality schools and essential services. Living in rural areas, many low-income Black residents cannot get to the good jobs concentrated in wealthy suburbs, because of gaps in public transit service (17% of Black households lack access to a car).<sup>11</sup>

<sup>&</sup>lt;sup>6</sup> In this report, we define the region as Richland County and its six adjacent counties: Calhoun, Fairfield, Kershaw, Lexington, Newberry, and Sumter counties.

<sup>&</sup>lt;sup>7</sup> W.E.B. DuBois. In this report, we define the south as the region commonly referred to as the "Black Belt South," which includes the states of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia. Allen Tulos, "The Black Belt," *Southern Spaces*, April 19, 2004, http://www.southernspaces.org/contents/2004/tullos/4a.htm

<sup>&</sup>lt;sup>8</sup> U.S. Census (2005, 2006).

<sup>&</sup>lt;sup>9</sup> U.S. Census (2005).

<sup>&</sup>lt;sup>10</sup> Manuel Pastor et al., *Regions That Work: How Cities and Suburbs Can Grow Together* (University of Minnesota Press 2000) 3, 6, 100.

<sup>&</sup>lt;sup>11</sup> U.S. Census (2000).

Failure to invest in Columbia's poor Black communities is undermining the regional economy and harming the environment. Racial isolation from regional opportunities has helped fuel sprawl, inefficient and costly development at the region's urban edges and beyond. Suburban development still dominates residential and job growth and only in relatively wealthy suburbs, which strains public coffers and is fiscally and environmentally unsustainable. For example, in Northeast Richland, with its sought-after public schools and amenities, undeterred residential and population growth are straining its infrastructure, as middle-income people move there in search of opportunities they cannot find in other parts of the region, such as Lower Richland. Schools have become overcrowded and traffic has become more congested.<sup>12</sup>

This report follows up on our first report on Columbia, which examined growth and opportunities in Richland County. We analyzed the Richland County Council's 1999 Comprehensive Land Use Plan and related draft zoning ordinance to identify the likelihood of the Plan's proposals to produce healthy growth. We found that despite the County's intent and laudable goals, its proposals were likely to permit sprawl where it is occurring, while restricting development and increasing poverty in poor Black communities, where growth opportunities are sorely needed.<sup>13</sup>

To build greater regional prosperity, we have to know where opportunities are located regionally and who has access to them. Analyzing the socioeconomic conditions of communities across the region, regional development patterns, and state and local policies, this report identifies where growth is needed, where it is unsustainable, and what policy interventions can inform planning for healthy growth. The report concludes with policy recommendations that can promote a stronger, fairer, and healthier Columbia metropolitan region.

<sup>&</sup>lt;sup>12</sup> Warren Bolton, "County needs to decide it will guide growth in the Northeast," *The State*, July 11, 2007

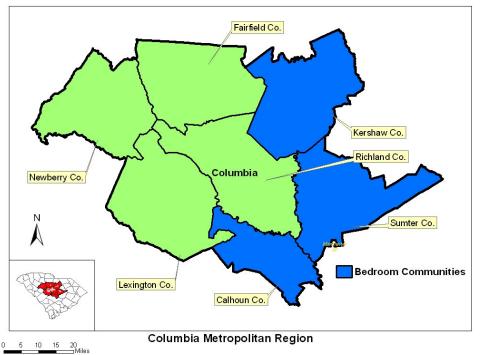
<sup>&</sup>lt;sup>13</sup> Center for Social Inclusion, *Race and Place: A Preliminary Look at Land Use Planning in Richland County, S.C.* (2004).

## **REGIONAL OPPORTUNITY TRENDS**

## **Defining the Columbia Region**

In order to understand the tremendous opportunities for healthy and sustainable growth in Columbia and how to promote these opportunities, we have to examine the region as a whole, not just a part of the region. Cities and their neighboring suburbs are mutually dependent for their social, political and economic well-being.

In this report, the Columbia metropolitan region is defined by the interdependent economic and political relationships between the City of Columbia and its surrounding counties: Calhoun, Fairfield, Kershaw, Lexington, Newberry, Richland and Sumter counties. The "bedroom" communities of Calhoun, Kershaw, and Sumter counties provide a substantial commuter base to Richland County.<sup>14</sup> (Figure 1) The state capital city of Columbia sits within the boundaries of both Richland County and Lexington County. The local governments of Richland, Fairfield, Lexington, and Newberry Counties are connected through the Central Midlands Council of Governments, an advisory body on regional concerns and local and regional planning.<sup>15</sup>



Source: ESRI, Inc.

Figure 1: Columbia Metropolitan Region

<sup>&</sup>lt;sup>14</sup> South Carolina Employment Security Commission (2000). Almost 27% of all eligible workers over the age of 16 in Kershaw County commuted to Richland County for jobs, as did almost 20% of Calhoun County workers and 5.2% of Sumter County workers. Ibid. (based on data from the U.S. Census (2000)).

<sup>&</sup>lt;sup>15</sup> Central Midlands Council of Governments. Since 1969, the Central Midlands Council of Governments (CMCOG) has been assisting local governments in the development of local and regional plans within the four midlands counties (Fairfield, Lexington, Newberry, Richland) of South Carolina, as well as providing local governments with planning and technical support to "improve the quality of life within the region." Ibid.

## **Suburban Sprawl and Urban Redevelopment**

Like the rest of the South,<sup>16</sup> the Columbia metropolitan region has witnessed dramatic population growth over the last decade. Population grew 55% between 1990 and 2000, with sizeable increases of both its Black and White communities.<sup>17</sup> Across the region, Black Population is growing at a much faster rate than White population (20.5% versus 14.4%).<sup>18</sup> Though still small in number, Columbia's immigrant communities (primarily Latino) are growing exponentially, from 149% in Sumter County to over 2000% in Fairfield County between 1990 and 2000.<sup>19</sup> (Figure 2)

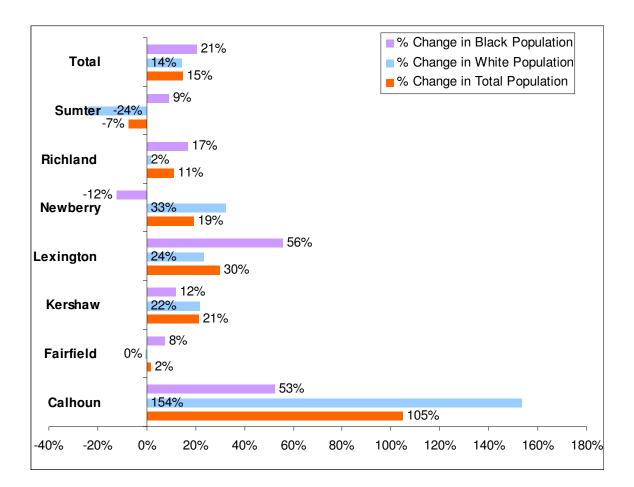


Figure 2: Population Change between 1990 and 2000 in the Columbia Metropolitan Region (U.S. Census)

<sup>&</sup>lt;sup>16</sup> From 2000 to 2005, the population in southern states grew by more than 4%, slightly behind western states' growth rate of over 5%. U.S. Census (2000) and American Community Survey (2005). Over the last twenty five years, the South has seen faster population growth than the nation as a whole (40% compared to 30%). MDC, Inc., *The State of the South* (2007), 13. Economically, the region has seen tremendous job growth since the 1980's and is the headquarters of global corporations, commercial banks of national importance, entertainment and media industry giants, and pharmaceutical research and production, among other big industries. Ibid., 9.

<sup>&</sup>lt;sup>17</sup><sub>18</sub> U.S. Census.

<sup>&</sup>lt;sup>18</sup> U.S. Census.

<sup>&</sup>lt;sup>19</sup> U.S. Census.

The region is growing, but this growth is unhealthy. Infrastructure investments and economic development subsidies have favored the region's wealthy suburbs, neglecting development in poor rural areas. Although the City of Columbia is populous and growing, suburban development continues to dominate both residential and job growth. Between 1970 and 2003, Columbia's suburban population grew 100%, while the city grew 3%.<sup>20</sup>

Development trends have continued to drive residential and job sprawl, further isolating poor Black and other low-income communities from regional opportunities. In the past 15 years, over 40,000 new housing units have been built across the metropolitan region. Suburbs in Northeast Richland and Blythewood are the fastest growing areas in populous Richland County.<sup>21</sup> Nearly 90% of major employers in the region,<sup>22</sup> which together provide 187,540 jobs, are located within 100 meters of existing water and sewer lines located in wealthy, predominately White suburban areas, such as eastern Lexington County and northern Richland County.<sup>23</sup>

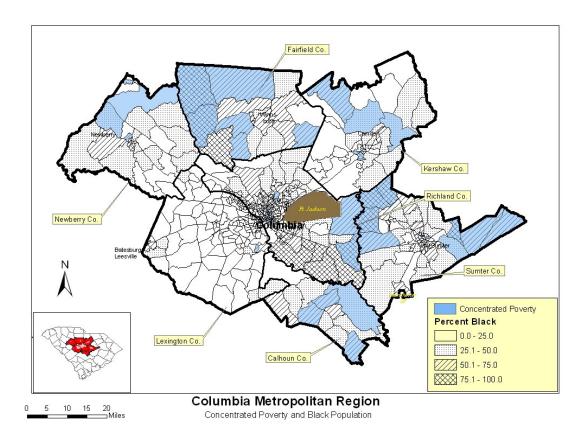


Figure 3: Concentrated Poverty and Black Population (2000)

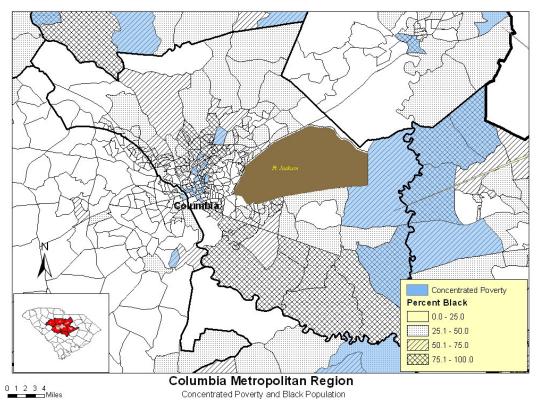
<sup>&</sup>lt;sup>20</sup> These growth figures are based on data for the MSA. Department of Housing and Urban Development, State of the Cities Database System. <sup>21</sup> "Hot Communities for Homes and Businesses," *The State*, October 10, 2007, sec. X.

<sup>&</sup>lt;sup>22</sup> Major employers are defined as those with twenty or more employees.

<sup>&</sup>lt;sup>23</sup> This analysis was done in the Geographic Information Systems (GIS) program ArcView. A layer was created to represent the water and sewer lines in the region. The union between a 100 yard buffer around the water/sewer layer and a layer representing all the large businesses was calculated, resulting in a dataset of all large businesses within 100 yards of these services. This dataset was then compared to the entire large businesses dataset.

## **Concentrated Poverty**

The region's failure to build infrastructure in poor Black communities keeps them trapped in extreme poverty. (Figure 3 and Figure 4) Over a fifth (23.8%) of Black residents compared to 5.5% of White residents live in concentrated poverty neighborhoods – neighborhoods where at least 20% (rural) or 40% (urban) of the population lives at or below the federal poverty line.<sup>24</sup> Concentrated poverty neighborhoods have large numbers of poor people because they lack good jobs, good schools, and essential services.<sup>25</sup> Poor Black residents, who are more likely to live in concentrated poverty neighborhoods than are poor White residents, have far less possibility of living in a good neighborhood with good jobs and good schools.



Source: U.S. Census, ESRI, Inc.

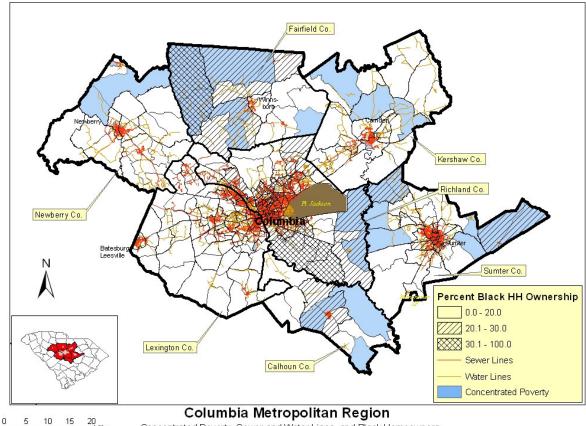


<sup>&</sup>lt;sup>24</sup> U.S. Census (2000).

<sup>&</sup>lt;sup>25</sup> Neighborhoods of concentrated poverty invariably lack good employment opportunities and tend to be saddled with inadequate schools, overcrowded medical facilities, high crime rates, and dilapidated housing. Martha Paskoff and Libby Perl, *Poor Excuses: How Neglecting Poverty Costs All Americans* (The Century Foundation, 2004); Paul Jargowsky, "Ghetto Poverty among Blacks in the 1980s," *Journal of Policy Analysis and Management* 13 (1997): 288 (noting connection between concentrated poverty and low-performing schools); Robert J. Sampson, Stephen W. Raudenbush, and Felton Earls, *Neighborhoods and Violent Crime: A Multi-Level Study of Collective Efficacy, Science* 277 (1997), 918-24 (linking high levels of racial isolation with higher violent crime rates); Cong. Office Of Tech. Assessment, "The Technological Reshaping of Metropolitan America," (1995), 222, http://www.smartgrowth.org/pdf/TTROMA.pdf (noting the difficulty residents of inner cities have accessing information about job openings and support for the application process).

Black residents, especially in rural areas, need public transit to get to jobs in distant suburbs but live outside of the regional transit grid. Almost a fifth (17%) of Black households, compared to only 4% of White households, have no access to a car.<sup>26</sup> The Central Midlands Regional Transit Authority (CMRTA) provides regional bus service to the larger suburbs in the greater Columbia area but not to rural areas, like Lower Richland.<sup>27</sup> In every county, unemployment rates for Black residents are more than double the unemployment rates for White residents. The Black unemployment rate (10.3%) for the region is almost three times as high as the White unemployment rate (3.7%).<sup>28</sup>

Many of Columbia's Black neighborhoods lack essential infrastructure, such as water and sewer lines and hospitals. (Figure 5) Most of the region's hospitals are not located in or near poor Black neighborhoods. (Figure 6) Lower Richland, for example, does not have a single hospital, even though it constitutes 11.2% of the Richland County demand for emergency services.<sup>29</sup>



0 5 10 15 20 Miles Concentrated Poverty, Sewer and Water Lines, and Black Homeowners

Source: U.S. Census, CMR Council of Governments, ESRI, Inc.

#### Figure 5: Concentrated Black Poverty and Access to Sewer and Water

<sup>&</sup>lt;sup>26</sup> U.S. Census (2000).

 <sup>&</sup>lt;sup>27</sup> Served suburbs include Cayce, West Columbia, Forest Acres, Arcadia Lakes, Springdale, and St. Andrews.
 Central Midlands Regional Transit Authority, "Routes & Schedules," http://gocmrta.com/routes.asp
 <sup>28</sup> U.S. Census (2000).

<sup>&</sup>lt;sup>29</sup> *Imagine Richland 2020 Comprehensive Plan*, (Benchmark Incorporated, 1999) (adopted by the Richland County Council on May 3, 1999) 3G-12, Table 37.

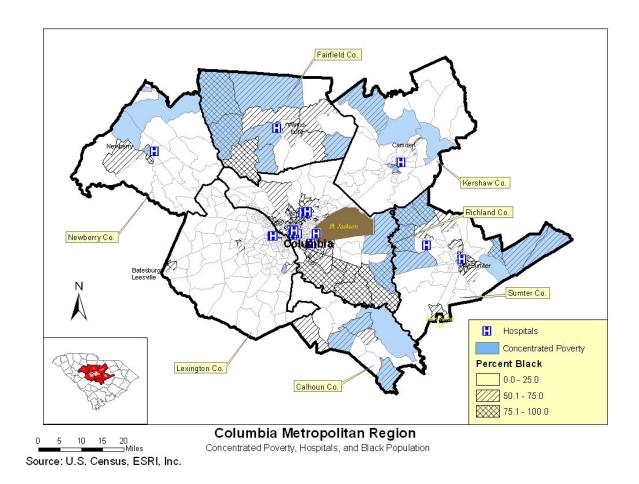


Figure 6: Concentrated Poverty, Black Population and Access to Hospitals

## **Housing Opportunities**

Housing is more than a place to live. It is the link to quality education, good jobs, and wealth creation. Regionally, homeownership is high (68%), but varies greatly by race.<sup>30</sup> (Figure 7) While 72% of White residents own homes, only 26% of Blacks are homeowners.<sup>31</sup>

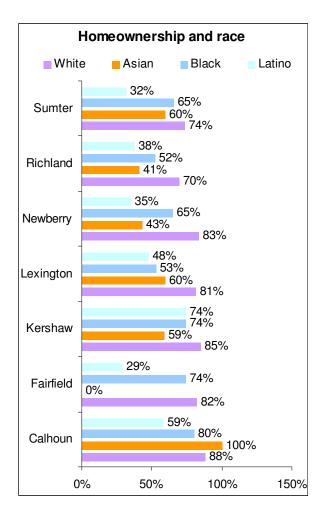


Figure 7: Homeownership by Race (2000)

<sup>&</sup>lt;sup>30</sup> U.S. Census (2000).

<sup>&</sup>lt;sup>31</sup> U.S. Census (2000).

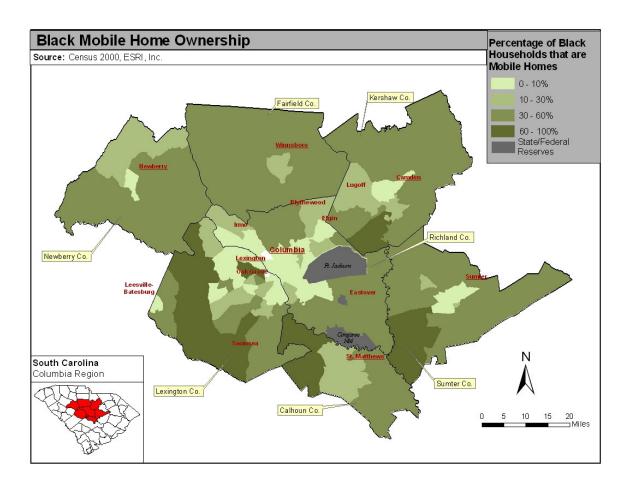


Figure 8: Black Mobile Homeownership (2000)

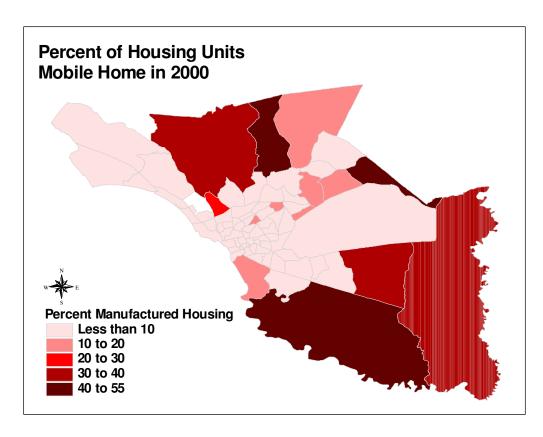
For Black residents who do own, many are mobile home owners, possibly due to lack of access to financing for traditional housing.<sup>32</sup> Mobile homes do not appreciate in value. In rural communities, where most Black homeowners live, 53% of Black homeowners own mobile homes.<sup>33</sup> (Figure 8) In Lower Richland, where 72.4% of Blacks are homeowners, <sup>34</sup> 30% to 40% own mobile homes.<sup>35</sup> (Figure 9)

<sup>&</sup>lt;sup>32</sup> Nationally, communities of color have the highest denial rates for home purchase loans. In 2005, the denial rate was 27.5% for African Americans. Robert Avery et al., "Higher-Priced Home Lending and the 2005 HMDA Data," *Federal Reserve Bulletin* (Sept. 2006).

<sup>&</sup>lt;sup>33</sup> U.S. Census (2000).

<sup>&</sup>lt;sup>34</sup> U.S. Census (2000).

<sup>&</sup>lt;sup>35</sup> This is correlated to financing denials for the area, which were in excess of 40% in 2000. Federal Financial Institutions Examination Council (2000).



#### Figure 9: Percent of Mobile Home Units – Richland County (2000)

Despite high Black homeownership rates in some parts of the region, Black communities have lower home values. The median value of Black-owned homes is \$80,500 compared to \$113,700 for White-owned homes.<sup>36</sup> Without essential infrastructure (Figure 5) and other investments, rural Black neighborhoods have had little if any potential for development that would increase area incomes and home values and build area tax bases, crucial resources for schools and essential services.<sup>37</sup>

For example, predominately rural and Black Lower Richland,<sup>38</sup> which covers three tax districts (1LR, 1HF and 1TE), has little to no access to city water and sewer lines, and has the lowest incomes and some of the highest poverty rates in Richland County - 17% for the 1LR district (Lower Richland's largest tax district in land area) and 20% for Eastover. Eastover (1TE tax district) has a sewer system, <sup>39</sup> but it is a small

<sup>&</sup>lt;sup>36</sup> This is based on data for the MSA. U.S. Census (2006).

<sup>&</sup>lt;sup>37</sup> Census data for the year 2000 show that sewer access is highly correlated with Black poverty rates. Analysis at the block group level showed that areas in the region with less than 10% sewer coverage had an average Black poverty rate of 17.6%. Areas with greater than 75% sewer coverage had an average Black poverty rate of 6.2%. U.S. Census.

<sup>&</sup>lt;sup>38</sup> For planning purposes, Richland County is divided into six planning areas, which represent distinguishable geographic areas within the County. These planning areas have unique characteristics. Therefore, they identify differences around the County in growth patterns, opportunity structures and infrastructure needs. Not surprisingly, they show not only patterns of growth in places of wealth, but also patterns of under-development and racial isolation in poor areas. *Richland County Town and Country Plan* (1997).

<sup>&</sup>lt;sup>39</sup> University of South Carolina, GIS Data Server and Clearinghouse (accessed 2004).

system, which the Town of Eastover pays for, not the City.<sup>40</sup> It remains poor, in spite of having some infrastructure, because of a weak tax base and low incomes due to lack of economic development. It is not served by public transit that could connect residents to good jobs located in distant suburbs and has a weak commercial tax base. Per capita incomes in 2000 were less than \$15,000 in all three Lower Richland districts, and Eastover had the lowest in the County.<sup>41</sup> Northeast Richland County, however, has extensive city water and sewer service and has the highest housing values in the County.<sup>42</sup> In 2000, the 1LR tax district, the largest in land area of the three Lower Richland tax districts, had only 20% of the Northeast's tax base (2DP tax district).<sup>43</sup> (Figure 10)

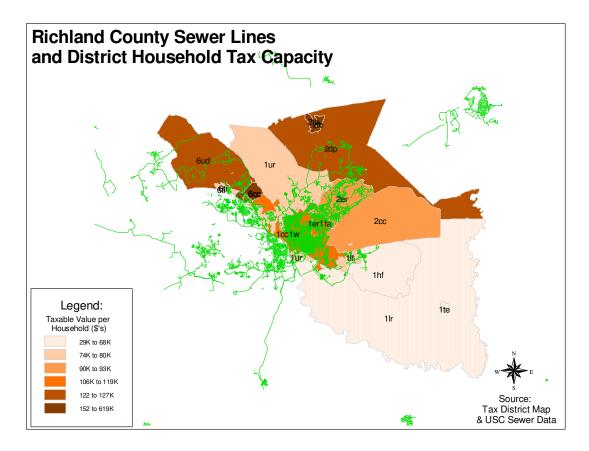


Figure 10: Richland County Tax Capacity Overlaid with Sewer Access

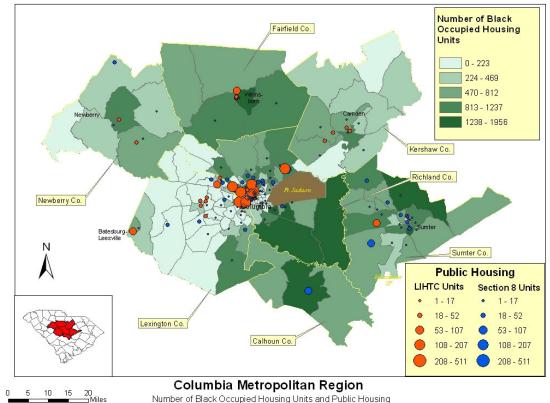
<sup>&</sup>lt;sup>40</sup> Richland County Department of Public Works, Utilities and Services Division, "Public Water Systems within Richland County" (2007) (map depicts the City of Columbia's water service area, which does not include the town of Eastover).

<sup>&</sup>lt;sup>41</sup> The GIS technique used to analyze the income data for the tax districts produces an estimate for aggregate income values. This estimate usually contains the highest margin of error for small geographic areas. Therefore, the smallest geographic tax districts in the County may have income estimates that are slightly less precise than the estimates for the larger tax districts.

<sup>&</sup>lt;sup>42</sup> In 2000, three-quarters (75.3%) of homeowners in Northeast Richland, had homes valued between 90,000 and 200,000 or more. U.S. Census (2000).

<sup>&</sup>lt;sup>43</sup> University of South Carolina, GIS Data Server and Clearinghouse (accessed 2004); Harry A. Huntley, CPA, Richland County Auditor, "Richland County 2002 Millage Schedule" (2002).

Most Black residents are renters, paying more than they can afford for rent, and the poorest among them live in neighborhoods that lack good jobs, good schools, and quality amenities. Over a third (37.6%) of Black residents are rent-stressed, paying more than 30% of their income to rent.<sup>44</sup> The concentration of public housing in very poor neighborhoods also severely limits the ability of poor Blacks to access affordable housing in opportunity-rich neighborhoods. More than four fifths (85%) of federal Low Income Housing Tax Credit (LIHTC) housing units and over half (63%) of Section 8 housing units are located in neighborhoods with 20% or more of residents living in poverty.<sup>45</sup> The data do not indicate who is living in these housing units. The overlap, however, between the location of these units and areas with substantial Black populations, suggests that federal public housing residents in the Columbia region are likely to be Black. (Figure 11)



Number of Black Occupied Housing Units and Public Housing

Source: U.S. Census, HUD, ESRI, Inc.

#### Figure 11: Black Residents and Federal Public Housing (2000)

<sup>&</sup>lt;sup>44</sup> U.S. Census (2000).

<sup>&</sup>lt;sup>45</sup> U.S. Department of Housing and Urban Development (2000 and 2004). Lack of access to other data makes it difficult to pinpoint the deficit and location of affordable housing in the private market.

## **Economic Growth and Sustainability**

The region has experienced impressive economic growth. Between 1990 and 2000, average household income increased 12%.<sup>46</sup> The number of jobs in the region also grew substantially. Its Central Midlands Region<sup>47</sup> ranked second in the state for job creation in 2005.<sup>48</sup> Between 1990 and 2006, Columbia's labor force increased by 31.4%.<sup>49</sup>

Regional job and labor force growth, however, are somewhat misleading given the region's high unemployment. Nearly six percent (5.6%) of the region is unemployed, almost tied with the state's unemployment rate of 6.6%, ranking the fourth-worst in the country.<sup>50</sup> Also, living wage jobs are shrinking. This means that poor Black and other low-income communities are likely to be funneled into the region's limited number of low-wage service sector jobs. Columbia's current economic base reflects national trends with a sharp decline in manufacturing jobs, dominance of retail and low-wage service sector jobs and some growth in its knowledge job sector (e.g., technology, research).<sup>51</sup> Currently, almost half (48%) of the jobs in the region appear to be in moderate to highskill professions.<sup>52</sup> (Figure 12)

<sup>&</sup>lt;sup>46</sup> U.S. Census.

<sup>&</sup>lt;sup>47</sup> The Central Midlands Region includes the counties of Fairfield, Lexington, Newberry, and Richland. Central Midlands Council of Governments, http://www.centralmidlands.org/

<sup>&</sup>lt;sup>48</sup> South Carolina Department of Commerce, Capital Investment Report (2005),

http://www.sccommerce.com/EventInit/2005CapitalInvestmentReport.pdf

<sup>&</sup>lt;sup>49</sup> This figure is based on data for the MSA. U.S. Bureau of Labor Statistics. Labor force growth may be mostly attributable to increased migration into the region. Available data does not provide us with the growth in jobs for the whole region as defined in this report. The MSA experienced a 16% growth in jobs between 1990 and 2006. Bureau of Labor Statistics.

<sup>&</sup>lt;sup>50</sup> U.S. Census.

<sup>&</sup>lt;sup>51</sup> Bruce Katz, *Remaking Transportation and Housing Policy for the New Century*, Congressional Testimony, U.S. House of Representatives, Appropriations Subcommittee on Transportation, Housing, and Urban Development, and Related Agencies, Feb. 28, 2007.

<sup>&</sup>lt;sup>52</sup> American Community Survey (2005).

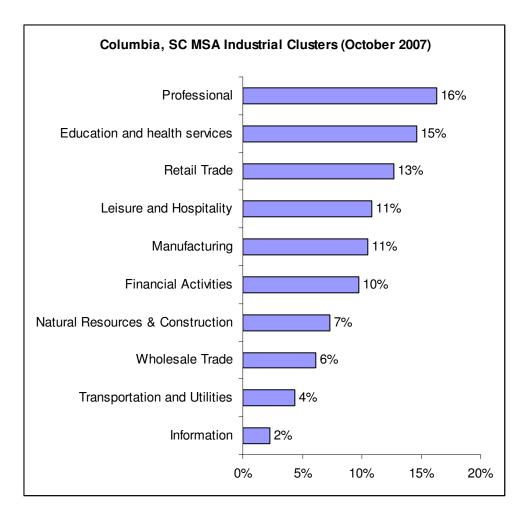


Figure 12: Percentage of jobs by industry (U.S. Bureau of Labor Statistics 2007)

Blue collar jobs (manufacturing) are now a mere 11% of regional jobs.<sup>53</sup> The disappearance of these jobs is largely due to cuts in textile jobs. Between 2001 and 2004 alone, the state lost 56,800 manufacturing jobs.<sup>54</sup>

Recent trends suggest continued growth primarily in high-wage, skilled labor jobs or low-wage service jobs. Between 1997 and 2007, the following sectors had the highest growth in the region: education and health services (50%), financial activities (34%), professional and business services (31%), and leisure and hospitality (22%).<sup>55</sup> The completion of the University of South Carolina's Innovista Campus, where research will focus on emerging technologies and intellectual clusters (biomedical, environmental, nanotechnology, and future fuels), is also projected to substantially enlarge the region's share of knowledge-based jobs.<sup>56</sup>

<sup>&</sup>lt;sup>53</sup> South Carolina Department of Commerce.

<sup>&</sup>lt;sup>54</sup> U.S.-China Economic and Security Review Commission, "Effects of Chinese Imports on South Carolina Textile Manufacturing," Written Testimonies by Norman Chapman, President, Inman Mills, Jan. 30, 2004, Columbia, South Carolina Field Hearing.

<sup>&</sup>lt;sup>55</sup> These figures are based on data for the MSA. Bureau of Labor Statistics.

<sup>&</sup>lt;sup>56</sup> Innovista University of South Carolina, "Research," http://www.sc.edu/research/innovista

While growth in higher-skill jobs is good in general, in order to lift the region out of poverty, it is critical to create jobs with career ladders for low-skill workers so that they have opportunities for economic and social mobility in the long-term. Service sector jobs do not pay a living wage and often do not provide health benefits.<sup>57</sup> Cost of living analysis for Richland County indicates, for example, that to sustain a family of four where one adult is the breadwinner would require a gross annual income of \$39,382.<sup>58</sup> The median wage for service jobs in the Columbia region, however, is \$11,836 (arts, entertainment, and recreation, and accommodations and food services sector). This is not even half the median income for manufacturing jobs (\$33,533).<sup>59</sup>

Columbia also is not prepared to participate and compete in the new, knowledgebased global economy. Its public school system is under-funded and struggling.<sup>60</sup> Sixtythree percent of public schools in the region did not meet federal performance standards for the 2006-2007 school year.<sup>61</sup> On average, 40% of all district school revenue for South Carolina schools is from local sources and only 9% is from federal government funds.<sup>62</sup> The majority of South Carolina's poor and minority students live in rural areas and attend under-funded schools.<sup>63</sup> In 2000, 28% of Black residents in the region and 14% of Whites did not have a high school diploma.<sup>64</sup> For those who are able to go on to college, it is often not affordable. Tuition and fees at technical and community colleges in South Carolina grew at the highest rate in the nation between the 2001-2002 and 2002-2003 school years.<sup>65</sup>

## **Public Health**

Many of the region's Black residents live in appallingly polluted neighborhoods and face serious health risks. Given high poverty rates in the region's Black communities, this is not surprising. Research has found that cities with more racial equity (i.e., economic equity and political inclusion) have stronger environmental

<sup>&</sup>lt;sup>57</sup> Elise Gould, "The Erosion of Employment-Based Insurance," Briefing Paper #203, Economic Policy Institute, November 1, 2007, http://www.epi.org/content.cfm/bp203

<sup>&</sup>lt;sup>58</sup> Poverty in America, Living Wage Calculator, Richland County, SC (July 25, 2007), http://www.livingwage.geog.psu.edu/

<sup>&</sup>lt;sup>59</sup> These are data for the MSA. U.S. Census American Community Survey (2006).

<sup>&</sup>lt;sup>60</sup> In *Abbeville County School District v. State*, 515 S.E.2d 535 (S.C. 1999), a suit by 91 school districts against the state alleging that the state education finance system violated the state and federal constitutions and a state funding statute, plaintiff witnesses testified to shoddy school facilities, lack of equipment, overcrowding, and high rates of teacher turnover due to funding inequities in South Carolina schools. Access, "South Carolina Litigation," http://www.schoolfunding.info/states/sc/lit\_sc.php3

<sup>&</sup>lt;sup>61</sup> The percentage was calculated based on data provided on the South Carolina Department of Education Website. South Carolina Department of Education.

 <sup>&</sup>lt;sup>62</sup> Sheree Speakman and Bryan Hassel, *Charter School Funding: Inequity's Next Frontier* (August 2005), 117.
 <sup>63</sup> Ibid.

<sup>&</sup>lt;sup>64</sup> U.S. Census (2000) (percentage of residents by race age 25 and over who did not have a college diploma).

<sup>&</sup>lt;sup>65</sup> William Trombley, "The Rising Price of Higher Education," *College Affordability in Jeopardy*, Winter 2003, Public Policy and Higher Education,

http://www.highereducation.org/reports/affordability\_supplement/affordability\_1.shtml

policies.<sup>66</sup> Also, nationally the trend has been for waste facilities and other environmental hazards to locate in poor neighborhoods of color; and research has found that these sitings tend to come after these neighborhoods have formed, not the other way around.<sup>67</sup> Black neighborhoods are host to a high concentration of the region's waste, pollution, and toxic hazards. In Richland County, waste facilities, landfills, and toxins are concentrated in areas with majority Black populations – in both the central city and rural Lower Richland.<sup>68</sup> (Figure 13) Lower Richland is home to a Superfund site (federally designated contaminated waste site)<sup>69</sup> and many toxic chemical releases by the International Paper Company.<sup>70</sup>

In rural areas, Black neighborhoods also have contaminated water. Hopkins, an unincorporated, rural and primarily Black community six miles from the City of Columbia boundary, has many lead-contaminated wells.<sup>71</sup> Studies have linked lead exposure to higher incidences of cancer and asthma and other respiratory illnesses.<sup>72</sup> In Hopkins' middle-income neighborhood of Franklin Park, residents recently discovered that poisonous lead had been seeping into their water supplies for two decades.<sup>73</sup> As of 2006, about half the households that had been tested for lead showed elevated levels of the toxic metal in their blood.<sup>74</sup> Even low blood lead levels have been linked to learning disabilities in children and kidney problems and hypertension in adults.<sup>75</sup>

<sup>&</sup>quot;James K. Boyce, "Inequality and Environmental Protection," *Political Economy Research Institute Working Paper Series*, No. 52 (1993). Racial equity in this study was measured across four variables: voter participation, educational attainment, Medicaid access, and tax fairness. Higher voter participation and educational attainment suggest greater ability to influence policy based on a link between information and social and political inclusion. Access to the Medicaid program and a composite measure of tax fairness are taken to reflect disparities on the expenditure and revenue side of state fiscal policies, respectively. Ibid.

<sup>&</sup>lt;sup>67</sup>Manuel Pastor, Jim Sadd, and John Hipp, "Which Came First? Toxic

Facilities, Minority Move-in, and Environmental Justice," Journal of Urban Affairs, 23 (2001), 1-21.

<sup>&</sup>lt;sup>68</sup> Data on pollution and toxic sites were taken from the Biennial Reporting System (BRS), a national system that collects detailed data on hazardous waste; the CERCLA (Comprehensive, Environmental Response, Compensation and Liability Act of 1980) program, which requires identification of hazardous sites for cleanup; the South Carolina Department of Health and Environmental Control (SCDHEC) data on hazardous waste generators, nuclear power stations, radiological waste generators; U.S. Environmental Protection Agency (EPA) on Superfund (hazardous waste sites designated by the federal government for cleanup due to risk to human health and/or the environment) and information on toxic chemical releases via the EPA's Toxic Releases Inventory, a database that contains information on toxic chemical releases and other waste management activities, and information on treatment, storage and disposal facilities.

<sup>&</sup>lt;sup>69</sup> Environmental Protection Agency, "South Carolina NPL/NPL Caliber Cleanup Site Summaries: SCRDI Bluff Road."

<sup>70</sup> Ibid.

<sup>&</sup>lt;sup>71</sup> City of Columbia, City Council Work Session Minutes, January 15, 2003,

http://www.columbiasc.net/citygov/011503w.htm

<sup>&</sup>lt;sup>72</sup> Nachman Brautbar, M.D., *Lead Toxicity: Low-Level Environmental Exposure*,

http://www.environmentaldiseases.com/article-lead-toxicity.html

<sup>&</sup>lt;sup>73</sup> Sammy Fretwell, "State health agency faces criticism for not ensuring water was safe to drink," *The State*, October 11, 2005.

 <sup>&</sup>lt;sup>74</sup> Sammy Fretwell, "Tests show drop in lead water," *The State*, January 22, 2006. Some residents had lead in their blood at more than twice the national average. Ibid.
 <sup>75</sup> Over time, exposure to lead-tinged water can contribute to learning disabilities in children and kidney

<sup>&</sup>lt;sup>75</sup> Over time, exposure to lead-tinged water can contribute to learning disabilities in children and kidney problems and other ailments in adults. Richard L. Canfield et al., "Intellectual Impairment in Children with Blood Lead Concentrations below 10 µg per Deciliter," *New England Journal of Medicine* 348 (16) (2003), 1517-26.

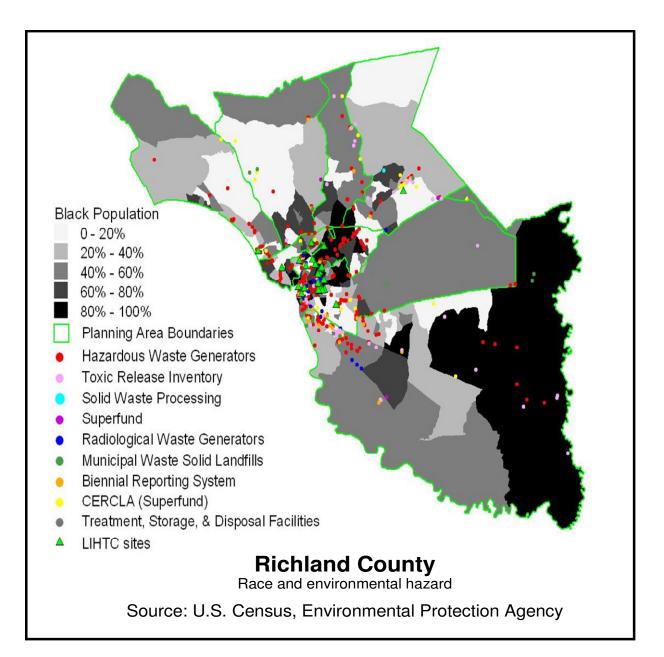


Figure 13: Environmental Hazards and Black Population in Richland County (2000)

## **Racial Isolation and Regional Prosperity**

Overall, the region is becoming more racially diverse, but within some communities, racial diversity is decreasing.<sup>76</sup> In particular, Calhoun and Newberry counties appear to be growing with less racial diversity, while the rest of the region has stayed basically the same in terms of racial composition. Between 1990 and 2000, White population increased in both Calhoun and Newberry counties. White communities in Lexington, Fairfield, Newberry and Calhoun counties have remained largely White, while Black communities in Richland, Sumter and Kershaw have remained largely Black.<sup>77</sup> (Figure 14)

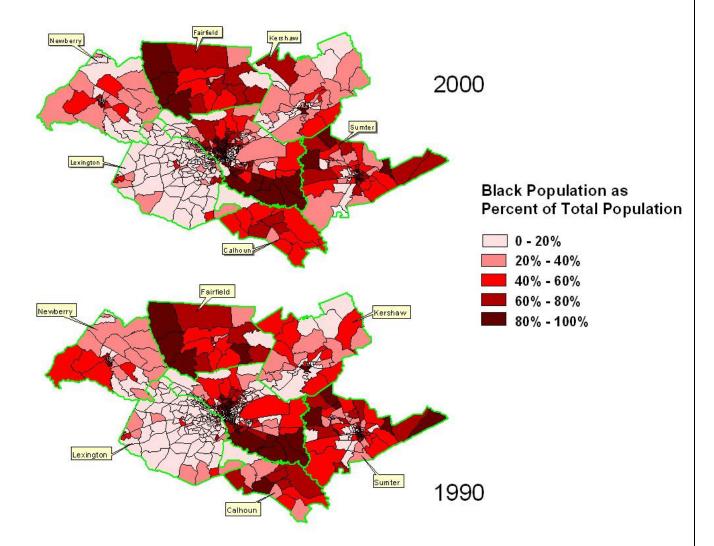


Figure 14: Black Population as Percent of Total Population: 1990 and 2000 (U.S. Census)

<sup>&</sup>lt;sup>76</sup> In this case, we identified racially isolated areas as any block group or group of block groups where 40% or more of the population is of one race. <sup>77</sup> U.S. Census (1990 and 2000).

The decreasing diversity within the region's communities is a mark of increasing racial isolation from opportunities. Development trends have ensured that such isolation continues to be the norm. Good jobs and schools, for example, tend to track White population growth. When areas become predominately White, the trend in the Columbia region and nationally has been the flight of capital and jobs from predominately minority neighborhoods to White neighborhoods.<sup>78</sup> In each county, the Black poverty rate doubles or triples the White poverty rate. Poor Black residents make up 20% or more of the population in each county in the region. Latino communities, though still small in number, are growing fast and also have high poverty rates across the seven counties (17% or higher). Asian poverty rates are also fairly high in most counties (16% or higher in five of the seven counties in the region).<sup>79</sup> (Figure 15)

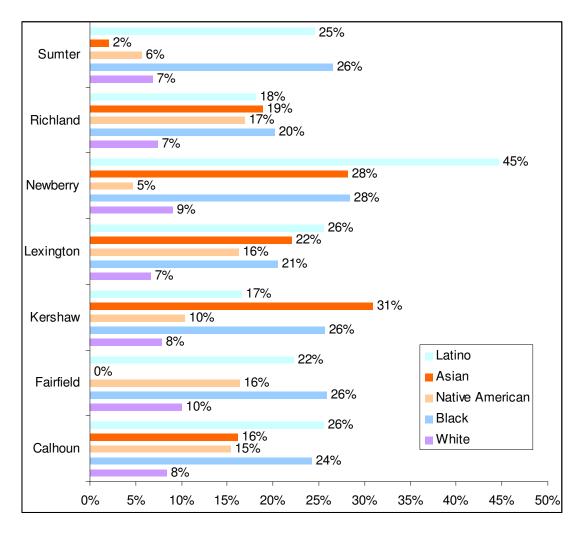


Figure 15: Percent of residents living at or below the poverty line by county and race in 2000 in the Columbia Metropolitan Region (U.S. Census 2000 (SF3))

<sup>&</sup>lt;sup>78</sup> john powell, "Addressing Regional Dilemmas for Minority Communities," *Reflections on Regionalism* (Brookings Institution Press: Washington, D.C., 2000) (on national trends).

<sup>&</sup>lt;sup>79</sup> U.S. Census (2000).

Racial isolation is driving unsustainable growth that is not good for any community in the region. For many, the region, including the city, is becoming more expensive to live in, with high-dollar condos and climbing housing prices in new subdivisions.<sup>80</sup> This form of urban redevelopment is a national trend, making cities increasingly places where only the wealthy can live. Without affordable housing and other provisions, low-income residents may be pushed out of the city of Columbia by the high rents and hefty property taxes that have historically come with this form of revitalization of urban centers in other parts of the country.<sup>81</sup> Good jobs and quality schools will remain out of reach for the region's low- and middle-income residents who cannot afford to live in neighborhoods with these opportunities. Thirteen percent of the region's residents live at or below the federal poverty line and 17% of residents made \$15,000 or less in 2000.<sup>82</sup>

<sup>&</sup>lt;sup>80</sup> "Hot Communities for Homes and Businesses," *The State*, October 10, 2007, sec. X.

<sup>&</sup>lt;sup>81</sup> Allison Peeler (noting gentrification of north Columbia); Gina Smith, "New political era may be dawning," *The State*, April 2, 2006; John C. Drake, "Workshop allows north Columbia, S.C. residents to get say in planning," *The State*, June 26, 2005.

<sup>&</sup>lt;sup>82</sup> U.S. Census (2000).

## **CURRENT POLICY**

Columbia's growth is leaving behind many among its Black, Latino, Asian, and White communities. If this practice continues, the region will also be left behind. In order to build a prosperous region, we have to identify what policies are promoting unhealthy growth so we know what new policy choices we need to make. Historic racism and bad policy choices have created and perpetuated the region's unhealthy growth by driving disinvestment in marginalized communities. From federal housing policy to Jim Crow laws, the region's concentrated Black poverty is rooted in a history of racism that built racially isolated communities and denied Blacks access to good jobs and schools.<sup>83</sup>

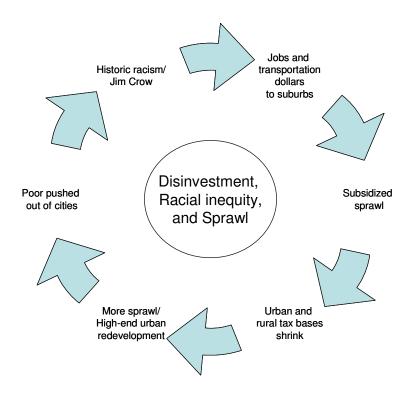


Figure 16: Disinvestment, Racial Inequity, and Sprawl

<sup>&</sup>lt;sup>83</sup> Peter F. Lau, *Democracy Rising: South Carolina and the Fight for Black Equality Since 1865* (Lexington: University of Kentucky Press, 2006). While many Black families in the region have owned land for generations, they have been continuously denied the opportunities to build their land value. Denied sufficiently large tracts of land to sustain farming and discriminated against in access to credit and programs to support family farming, many of these families are low-income with no other assets. John Berlau, "Smart Growth Is More than a Slogan: It's a Threat to Landowners' Rights," *Investors Business Daily*, April 4, 2002, 1.

The nation's suburbs, including Columbia's, were constructed on policy choices, largely federal ones. Government-created incentives targeted Whites and subsidized their flight from the cities and their relocation to the suburbs.<sup>84</sup>

Though Jim Crow has ended, we have failed to make good policy choices that would promote healthy growth by investing in the ability of all communities to access and benefit from opportunities. Current housing, education, economic development and transit policies in the region perpetuate poverty by keeping poor Black and other lowincome communities isolated from opportunities. (Figure 16) This section identifies local and state policies that are promoting poverty and sprawl in the Columbia metropolitan region.

#### **Growth Planning Policy**

Fragmentation of local government and inadequate financial resources limit Columbia's capacity to conduct effective regional land use planning. The counties decide land use and zoning issues, but the City of Columbia controls water and sewer services. While a regional planning body exists, it serves only in an advisory capacity and cannot force cities and counties to coordinate planning.<sup>85</sup> Effective regional planning is also undermined by current state and county growth planning policies, such as impact fees and zoning.

#### 1. Impact Fees

Infrastructure for new residential development is costly, and existing residents usually pay for the new services (e.g., new schools, roads, and water and sewer lines) needed to serve new residents through increased sales, income, and property taxes.<sup>86</sup> In Washington state, a study found that the cost for new infrastructure was \$83,000 per new residence, most of which was passed onto taxpayers.<sup>87</sup> These tax increases can create a burden, particularly for low- and moderate-income homeowners,<sup>88</sup> who often end up

<sup>&</sup>lt;sup>84</sup> The Brookings Institution, New Orleans After the Storm: Lessons from the Past, a Plan for the Future, October 2005, The Brookings Institution, http://www.brook.edu/metro/pubs/20051012\_NewOrleans.pdf. The process began with New Deal legislation, like the National Housing Act of 1934, which created the agency that subsidized and insured private mortgages. Federally subsidized mortgage loans often required new owners to refuse to sell to Black people through racially restrictive covenants in deeds. Richard Thompson Ford, "The Boundaries of Race: Political Geography in Legal Analysis," 107 Harvard Law Review 449, 451 (1995). By the 1950s, about half of all home mortgages were federally insured through the Federal Housing Administration (FHA) and the Veterans Administration (VA), but only in segregated neighborhoods. David Rusk, Inside Game/OutsideGame: Winning Strategies for Saving Urban America (1999), 86-88. The FHA's underwriting manual required a determination about the presence of "incompatible racial or social groups." Michael H. Schill and Susan M. Wachter, "The Spatial Bias of Federal Housing Law and Policy: Concentrated Poverty in Urban America," 143 University of Pennsylvania Law Review 1285, 1286-90 (1995). People of color were literally classified as nuisances, to be avoided along with "stables" and "pig pens." Ford, 451 (citing Charles Abrams, Forbidden Neighborhood: A Study of Prejudice in Housing (1955), 231). The FHA urged developers, bankers, and local governments to use zoning ordinances and physical barriers to protect racial homogeneity. Rusk, 87 (citing Irving Welfeld, Where We Live: A Social History of American Housing (1988)). This meant that Blacks had far fewer choices about where to buy a home and no federal support to help them buy homes, as Whites did. <sup>85</sup> Central Midlands Council of Governments, http://www.centralmidlands.org/committees.asp

<sup>&</sup>lt;sup>86</sup> Susan Opp, Center for Environmental Policy and Management, "Development Impact Fees as Planning Tools and Revenue Generators," Practice Guide #17 (Spring 2007).

 <sup>&</sup>lt;sup>87</sup> Eben Fodor, The Columbia Public Interest Policy Institute, *The Cost of Growth in Washington State* (2000).
 <sup>88</sup> Susan Opp.

subsidizing infrastructure of new wealthier residents, who do not pay their fair share. This burden is often the result of either having no laws or weak laws to make developers pay their fair share for the costs they create by bringing new development.<sup>89</sup>

Drafted largely by real estate developers,<sup>90</sup> state impact fee legislation is a blunt tool unable to discourage costly, unhealthy development. State legislation allows but does not require the levying of impact fees,<sup>91</sup> one-time charges to developers to pay for additional infrastructure and other capital construction costs created by the new development. The legislation also specifically prohibits charging developers for school construction,<sup>92</sup> often the single largest cost created by new subdivisions.<sup>93</sup> Because impact fees are voluntary in South Carolina, it is difficult for localities to impose them since developers can just move on to the next locality that will not impose fees.

#### 2. Zoning

Zoning policies, both existing and proposed, also fail to offer effective ways to fight unhealthy growth. In Richland County, for example, sprawl continues unchecked in the Northeast, I-77 Corridor and the Northwest planning districts.<sup>94</sup> And in middle-income areas of Lower Richland closer to the City, developers increasingly have been eying and buying land for new residential and strip mall development.<sup>95</sup> Meanwhile, growth has not reached under-developed, low-income Black communities in the North Central and I-20 Corridor planning districts, and Lower Richland (e.g., Hopkins). Under current policies and trends, these new residential developments are also likely to get access to City water and sewer lines, while low-income Black communities living further into Lower Richland likely will continue to not be provided access.<sup>96</sup>

Some counties have tried to make up for shortcomings in state and local policy but have proposed the wrong strategies. As part of its 1999 comprehensive plan, the Richland County Council proposed large-lot zoning (also called downzoning), a regulatory technique that seeks to slow down development by increasing minimum lot sizes for building in rural areas.<sup>97</sup> Research has increasingly found, however, that large lot zoning is a weak anti-sprawl tool. Increasing lot size, even to only one acre, can

<sup>94</sup> Warren Bolton, "County needs to decide it will guide growth in the Northeast," *The State*, July 11, 2007;
 Kristy Eppley Rupon, "Pushing into Northeast Richland," *The State*, June 23, 2007, sec. S22
 <sup>95</sup> "Hot Communities for Homes and Businesses," *The State*, October 10, 2007, sec. X.

<sup>89</sup> Ibid.

<sup>&</sup>lt;sup>90</sup> Dawn Hinshaw, "What happened to the plan?," The State, April 2, 2006.

<sup>&</sup>lt;sup>91</sup> South Carolina Development Impact Fee Act, SECTION 6-1-920

<sup>&</sup>lt;sup>92</sup> Ibid.

<sup>&</sup>lt;sup>93</sup> Elena Irwin and Dave Kraybill, "Costs and Benefits of New Residential Development," Department of Agricultural, Environmental, and Development Economics, Ohio State University, August 1999, http://wwwagecon.ag.ohio-state.edu/programs/ComRegEcon/costsdev.htm

<sup>&</sup>lt;sup>96</sup> This inequity in access has been the experience of Black communities in many southern cities and towns, like Mebane, North Carolina. James H. Johnson et al., "Racial apartheid in a small North Carolina town," *The Review of Black Political Economy* 31, no. 4 (2004).

<sup>&</sup>lt;sup>97</sup> "The planning team recommends that for those areas not designated for development or preservation as part of a village, and not deemed environmentally sensitive, a new large lot zoning designation be introduced." *Richland County Comprehensive Plan*, Section 7.3.4.

actually create more sprawling development.<sup>98</sup> Larger lots mean more land must be consumed for new housing, creating a larger "footprint" for development and therefore, patchy open space, unusable for farming, forestry, and wildlife habitat or recreational trails.<sup>99</sup> Regionally, more rural land is lost to housing development.

Though well-intended, the County's downzoning proposal is not likely to stem sprawl. It does not provide disincentives for unhealthy growth in areas of the County with rampant sprawl.<sup>100</sup> Instead, it is likely to prevent healthy development in economically depressed areas of the County where development is sorely needed,<sup>101</sup> increasing isolation of poor communities from regional opportunities. It may also increase the loss of open space in Richland County. In Lower Richland, the additional one-quarter acre needed for each residential (RU) zoned housing unit, would result in a 25% increase in land converted to development. By 2010, even at Lower Richland's conservative growth rate of 5%, the area would see a population increase of about 2,100,<sup>102</sup> requiring an additional 840 housing units. Under the new large lot zoning strategy, new housing units would occupy *at least* 840 acres of land and consume a minimum of an additional 210 acres of undeveloped land.<sup>103</sup>

#### **Economic Development Policy**

Existing state and local policies are not likely to promote economic development in Columbia's poor neighborhoods. South Carolina has two programs for promoting economic development in economically depressed communities: the 1995 Enterprise Zone Act, and its Tax Increment Financing (TIF) program, enacted in 1984.<sup>104</sup> Enterprise zone programs provide tax breaks and other subsidies to businesses to encourage them to locate in economically depressed areas. TIF districts are designated districts for the redevelopment of blighted areas. Part of the TIF property tax revenues, the *increases* resulting from the redevelopment and higher property values (the tax increment), are diverted to subsidize the TIF district redevelopment. In other words, TIFs are used to

<sup>&</sup>lt;sup>98</sup> James Frank, "The Cost of Alternative Development Patterns: A Review of the Literature" (Washington: Urban Land Institute, 1989). Also, this study found that the cost of infrastructure for a sprawling new 1-acre development was 80% higher than for traditional more compact development. Ibid.

<sup>&</sup>lt;sup>99</sup> Randall Arendt, "Open Space Zoning: What It Is & Why It Works," Planners Web: Planning Commissioners Journal, http://www.plannersweb.com. Researchers, planners, and farmland specialists report that large lot zoning creates more sprawl by spreading out development. "Critics Fear Higher Costs and Even More Sprawl," *The Atlanta-Journal Constitution*, June 23, 2003; "Density Limits Only Add to Sprawl – Large Lots Eat Up Area Countryside" *The Washington Post*, March 9, 2003; "For New Jersey Towns, an Experiment: Putting Growth Here, Not There," *The New York Times*, April 21, 2004.

<sup>&</sup>lt;sup>100</sup> *Imagine Richland 2020 Comprehensive Plan*; Warren Bolton; Kristy Eppley Rupon, "Pushing into Northeast Richland," *The State*, June 23, 2007, sec. S22.

<sup>&</sup>lt;sup>101</sup> Center for Social Inclusion, *Race and Place: A Preliminary Look at Land Use Planning in Richland County, S.C.* (2004).

<sup>&</sup>lt;sup>102</sup> Projections are based on the growth rate of the 1990s applied to the 2000 population for Lower Richland.
<sup>103</sup> Based on the previous zoning for rural land in Lower Richland, these new housing units would only consume
630 acres of land. Estimates are based on minimum lot sizes identified per zoning category. Housing demand was estimated based on population change and the average housing unit size for Richland County (approximately 2.5 persons).

 <sup>2.5</sup> persons).
 <sup>104</sup> Alyssa Talanker, Kate Davis, and Greg LeRoy, *Straying from Good Intentions: How States are Weakening Enterprise Zone and Tax Increment Financing Programs* (Washington, D.C.: Good Jobs First, 2003).

make new development pay for itself. Future (expected) gains in taxes are used to finance the current redevelopment that is supposed to create those gains. The diversion of tax payments continues until the TIF district expires or the TIF bonds are paid off (between 7 and 30 years). TIFs shift large amounts of tax revenue to economic development and *away* from public services for long periods of time.<sup>105</sup>

A nationwide study and extensive government research have exposed the ineffectiveness of both programs and abuse by municipalities bending eligibility rules in some cases.<sup>106</sup> The majority of states structure these programs to be ineffective. Most Enterprise Zone programs create only modest job gains for zone residents and are not targeted enough to attract investments to economically depressed communities.<sup>107</sup> South Carolina ranks among the seven weakest states in terms of its enterprise Zone, which means the State's program is likely subsidizing growth in wealthy areas.<sup>108</sup> South Carolina's TIF program is also a weak link in the region's economic development. An amendment in 2001 allows TIF districts to include non-blighted areas - in "redevelopment project areas" as long as "the municipality makes specific findings of benefit to the redevelopment project area and the project area is located within the municipal limits."<sup>109</sup> TIF projects, in other words, can be located basically anywhere.

Current local proposals also appear unlikely to promote economic development in the region's poor communities. As part of its land use plan, the Richland County Council, for example, recommended the creation of seven rural "non-employment" villages in its Lower Richland planning district and redevelopment of the Town of Eastover, an incorporated town in Lower Richland designated as economically distressed.<sup>110</sup> Lacking commercial base and infrastructure, these towns do not present viable economic development opportunities. Eastover has some water and sewer, but has a weak commercial base. Historically, the sites the County chose for village development were thriving towns along rail lines. As the use of rail transportation declined, however, so did the towns. As a result, many of these rail towns are no more than a name on a map and a signpost in the middle of nowhere, as the picture of Kingville so vividly shows. (Figure 17) Kingville, one of the proposed village sites, is located down winding back roads near the Congaree Swamp, about twenty miles from the city of Columbia, and serves merely as a pass through for freight trains.<sup>111</sup>

<sup>111</sup> University of South Carolina, Institute of Southern Studies, *Names in South Carolina*, http://www.cas.sc.edu/iss/index.html; http://www.indo.com/cgi-bin/dist?place1=Kingville%2C+South+Carolina&place2=Columbia%2C+South+Carolina;

http://www.hometownlocator.com/City/Kingville-South-Carolina.cfm

<sup>&</sup>lt;sup>105</sup> Ibid.

<sup>&</sup>lt;sup>106</sup> Ibid.

<sup>&</sup>lt;sup>107</sup> Ibid.

<sup>&</sup>lt;sup>108</sup> Ibid.

<sup>&</sup>lt;sup>109</sup> Ibid.

<sup>&</sup>lt;sup>110</sup> Richland County Town and Country Plan (1997).



Figure 17: Kingville Township, Columbia, South Carolina (2004)

Funding for multiple village developments in Lower Richland is also unlikely. Based on the Town and Country Plan, a single village would cost at least \$40 million for just the residential component. Between 1999 and 2004, the total single family residential investment in *all* of southern Richland County totaled only \$174 million for a four-year period. Moreover, most of this development was located on the southern outskirts of Columbia and not in the rural portion of Lower Richland.<sup>112</sup> Other than the village of Eastover, no large established villages exist in Lower Richland. No tangible measures have been taken and no subsidies have been identified to promote village development. Even if the villages were funded, no employment bases have been identified for these villages. Despite the availability of federal matching funds for public transit, there are currently no plans to expand public transportation to connect rural residents to jobs in other parts of the region.<sup>113</sup>

## **Impact of Current Policy on Future Growth**

Assuming current land use and economic development policies, projected population growth patterns suggest increased sprawl and concentrated poverty. Without policies to promote investment in low-income Black communities, middle- and upperincome residents have no incentive to remain in poor, predominately Black communities. With investment dollars following continued population loss, the cycle of racial inequity, White and middle-class Black flight and sprawling development are likely to continue. Growth is projected to be fastest in northeastern Richland County and western Lexington County, already densely populated areas. Newberry, Fairfield, and Calhoun, all poor counties, will likely lose population. White population will likely grow the most in

<sup>&</sup>lt;sup>112</sup> Southeast Area Profile (2004); Central Midlands Council of Governments.

<sup>&</sup>lt;sup>113</sup> South Carolina generally has not invested much in public transit. A 2001 report by the Sierra Club showed that the state spent \$193.67 per person for highway development compared to just \$11.73 per capita for public transit. *Sierra Club, Make the Grade? Sprawl Ratings by City and State* (2001), http://www.sierraclub.org/sprawl/report01/charts.asp

Lexington, followed by western and northeastern Richland, all wealthier areas of the region.<sup>114</sup> (Figure 18 and Figure 19)

Under current policies, rural areas are still open to development, but likely in unhealthy ways. Some may become bedroom communities for residents who will commute to the city for work and leisure, or for retirees. Areas that are developed solely as residential and without investments to connect low-income communities to jobs with good pay are likely to lead to increased property taxes that may push out existing residents. Also, residential development without economic development does not grow an area's tax base, because development that is solely residential often drains a community's fiscal resources.<sup>115</sup>

<sup>&</sup>lt;sup>114</sup> County wide projection calculated by using a cohort-based population projection. Sub-county trends and trends by race were taken from estimates and projections gathered from the Environmental Systems Research Institute's (ESRI) business analyst software.

<sup>&</sup>lt;sup>115</sup> Irwin and Kraybill. Also, if businesses are concentrated in one community and residences in another (bedroom community), the property tax rates are likely to be low in the community with the businesses and high in the bedroom community. Ibid.

## POPULATION CHANGE (White percentage): 2000 - 2010 (projected) RICHLAND COUNTY, SC AND ADJACENT COUNTIES

This map displays percentage change in White population at block group level in Richland County, SC and its adjacent counties Prepared by: Kirwan Institute for the Study of Race and Ethnicity Source: ESRI Business Analyst Dated: May 12, 2008

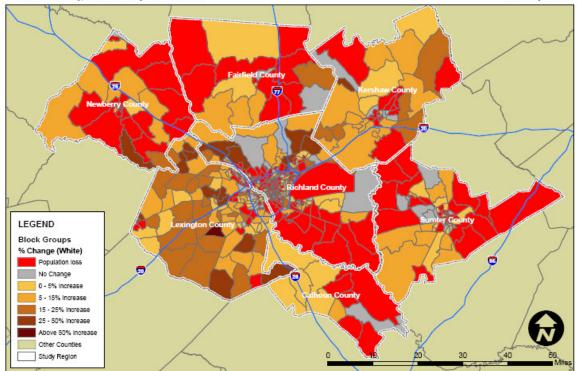


Figure 18: Projected Growth in White Population between 2000 and 2010 by Percentage

#### POPULATION CHANGE (Whites percentage): 2000 - 2010 (projected) RICHLAND COUNTY, SC

This map displays percentage change in White population at block group level in Richland County, SC Prepared by: Kirwan Institute for the Study of Race and Ethnicity Source: ESRI Business Analyst Dated: May 12, 2006

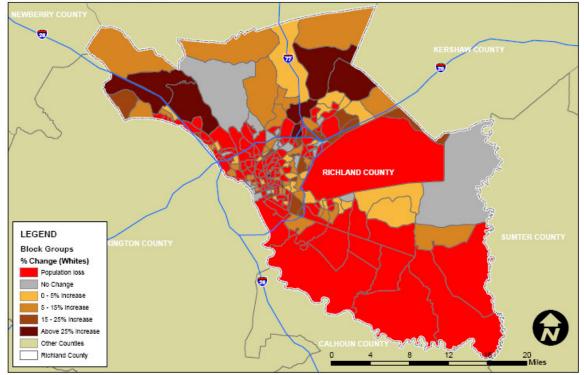


Figure 19: Projected Growth in White Population between 2000 and 2010 by Percentage (Richland County)

Within counties, the projected impact is similar to that for the region. Richland County, for example, will lose White population in most areas except for the far western and northeastern areas of the County. (Figure 19) These areas are expected to grow 25% or more by 2010.<sup>116</sup> Almost all of asset-poor Lower Richland is expected to lose White residents. Black population will grow in most of the County by 2010, primarily in northeastern Richland. (Figure 20) The projected increases in Black population in northeast and northwest Richland suggest that middle-class Blacks who can move will continue to do so in order to access the opportunity structures – good schools and services – that currently exist in those communities and not in Lower Richland.

<sup>&</sup>lt;sup>116</sup> Change is based on a comparison to 2000 population numbers. County wide projection calculated by using a cohort based population projection. Sub-county trends and trends by race were taken from estimates and projections gathered from ESRI's business analyst software.

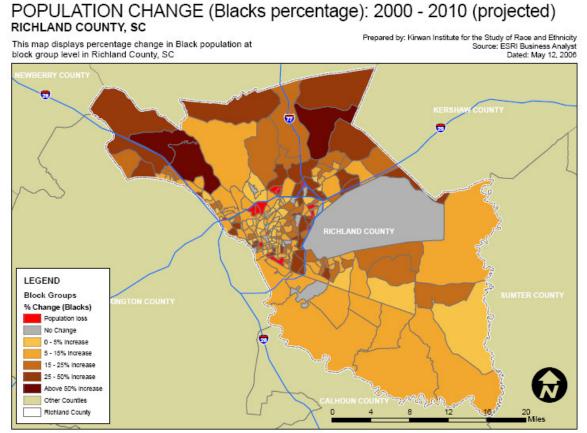


Figure 20: Projected Growth in Black Population between 2000 and 2010 by Percentage (Richland County)

# **RECOMMENDED POLICY DIRECTIONS**

Policies to create avenues to opportunity for Columbia's low-income Black communities can build a thriving region with a strong and stable regional economy and a clean and safe environment. Regions that promote public and private investment to connect low-income communities to growth opportunities have both lowered poverty and created overall economic growth.<sup>117</sup> A study of seventy-four metropolitan areas across the country found that reducing central city poverty helped increase regional income growth.<sup>118</sup> Cities with more racial equity also have stronger environmental policies.<sup>119</sup>

Columbia, like the rest of the South, is undergoing dramatic demographic changes. Although still small in number, the Latino population is growing exponentially. This growth combined with the metropolitan region's substantial Black population has important economic implications. Economic growth cannot be sustained without minority businesses and an infusion of capital into these businesses.<sup>120</sup> Currently, there are only 686 minority-owned businesses in the whole state of South Carolina.<sup>121</sup> Business analysts point out that the U.S. must increase its productivity growth to stay competitive in the global economy and that to do this, requires investments to increase the productivity of minority communities.<sup>122</sup>

In order to develop a strong and sustainable economic base for the region, Columbia needs a set of policies that promotes sustainable economic development and infrastructure investment in rural low-income Black communities and that connects lowincome residents in urban areas to good jobs and good schools in other parts of the region. Through policies that create opportunity for Columbia's poor Black and other low-income communities, the region can create a strong and sustainable regional economy and a clean and safe environment.<sup>123</sup>

## Planning for Inclusive and Sustainable Growth

Land use planning tends to treat urban and rural areas as distinct. This approach misses the fact that in many U.S. cities, urban and rural areas are closely connected. Planning processes that do not cross city limits miss critical issues that affect residents

<sup>118</sup> Pastor et al., *Regions That Work*. After a period of major investments in poor communities through affordable housing and jobs programs in Boston in the mid to late 1980s, the city both lowered poverty across all racial groups and experienced economic growth. Ibid., 147-50

<sup>119</sup> Boyce, "Inequality and Environmental Protection."

http://mba.tuck.dartmouth.edu/pages/faculty/matthew.slaughter/pdf/MBDA%20Bernard-Slaughter%20Paper%20Final.pdf <sup>123</sup> Pastor et al., *Regions That Work*; Boyce.

<sup>&</sup>lt;sup>117</sup> Pastor et al., *Regions That Work*.

<sup>&</sup>lt;sup>120</sup> Minority dollars are likely to make up the majority of the increase in purchasing power in the coming decades. Up to 32% of total purchasing power may come from minority consumers by 2045 and up to \$6.1 trillion of disposable income. U.S. Department of Commerce, "The Emerging Minority Marketplace."

<sup>&</sup>lt;sup>121</sup> South Carolina Department of Transportation, "South Carolina Unified Certification Program: Unified DBE Directory."

<sup>&</sup>lt;sup>122</sup> Andrew B. Bernard and Matthew J. Slaughter, "The Life Cycle of a Minority-Owned Business: Implications for the American Economy" (September 2004),

throughout a metropolitan region. Urban planning in Columbia must be integrated with planning for its rural areas. Like much of the South, the Columbia metropolitan region has an urban core and large rural areas,<sup>124</sup> a geography current urban-based planning models do not adequately address.<sup>125</sup> Planning and development must consider the relationship between suburbanization, inner-city redevelopment, and the impact of both on quality of life and the regional economy. It should also take into account the national and global demographic and economic trends that have reconfigured our local economies.<sup>126</sup>

To identify and implement the right set of policies for good growth planning, Columbia has to provide the conditions that can support inclusive community planning processes. Community participation is critical to the effectiveness and local acceptance of planning decisions.<sup>127</sup> Inclusion must go far beyond providing a few public forums for input. Communities need to participate directly in planning processes and therefore need to be provided with the resources to do necessary research. The most effective planning processes are not only inclusive of communities but are led by communities. In fact, "all the historic evidence indicates that significant community development takes place only when local community people are committed to investing themselves and their resources in the effort. Communities are never built from the top down, or from the outside in."<sup>128</sup> Inclusive planning also helps build critical alliances for implementing growth planning that is racially equitable, builds a strong economy, and is environmentally sustainable.<sup>129</sup>

Metropolitan regions must prioritize community inclusion in planning, even and especially where local governments have limited resources. Many local governments are implementing processes to facilitate community participation. In Seattle, Washington and Rochester, New York, local governments built effective public-private partnerships that have provided research and technical support to enable community-driven planning. In Rochester, the city acts as a partner with citizens and provides them with tools, such as

<sup>&</sup>lt;sup>124</sup> The definition of rural areas varies, but these areas are often characterized by their low-density populations and open space and include isolated farming communities, as well as communities on the fringe of major metropolitan areas. LaStar Matthews and William H. Woodwell, Jr., "A Portrait of Rural America – Challenges and Opportunities," *Research Brief on American Cities*, National League of Cities 3 (2005), 2.

<sup>&</sup>lt;sup>125</sup> Research on sprawl, for example, has focused primarily on urban metropolitan regions and inner-city poverty. There has been useful comparative research on sprawl in cities across the country, which includes southern cities. David Rusk, "America's Urban Problem/America's Race Problem," *Urban Geography* 19 (8) (1998). Few, however, have examined the unique dynamic of Black landownership in rural areas near urban centers. The South has about half of the nation's Black population, who primarily live in poor rural areas. U.S. Census (2000).

<sup>&</sup>lt;sup>126</sup> Katz, Remaking Transportation and Housing Policy for the New Century, 3-4.

<sup>&</sup>lt;sup>127</sup> Pastor et al., *Regions That Work*, 37.

<sup>&</sup>lt;sup>128</sup> John P. Kretzmann and John L. McKnight, "Introduction," *Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets* (Institute for Policy Research, 1993), http://www.northwestern.edu/ipr/publications/community/introd-building.html

<sup>&</sup>lt;sup>129</sup> Pastor et al., *Regions That Work*, 37.

city databases and mapping software, as well as human resources. The city also uses participatory budgeting, empowering citizens to direct the city's spending priorities.<sup>130</sup>

## Sustainable Economic Development

To create avenues to opportunity for Black and other poor communities and build a sustainable economic base for the region, economic development policies must connect these communities to opportunities, as well as build career ladders into good-paying jobs. This requires building a strong public school system that serves all communities. Economic competitiveness is directly related to a skilled and educated population, which is dependent on a quality education system.<sup>131</sup> South Carolina's Council on Economic Competitiveness has recognized the need to focus on education, stating, "In our world economy, smart, skilled workers are recognized as the single most valuable resource."<sup>132</sup>

Economic development policy should also build the tax bases of poor communities. This can be done by promoting community ownership of resources by the region's rural Black communities. Substantial opportunities exist for rural economic development that can build community assets. Sustainable agriculturalists and farmland preservationists seek to identify or develop models for economic development of rural communities at the urban edge as "places to nurture connections with the land, preserve rural life, and contain and sustain cities" (also known as new ruralism).<sup>133</sup> Two emerging markets suggest a few possibilities: 1) renewable energy, given the increasing recognition of the need to reduce dependence on fossil fuels and traditional energy sources that are causing climate change and expanding markets for renewable sources; and 2) increasing demand for organically and locally grown foods.

#### 1. Renewable Energy

From biofuels to solar energy, renewable energy markets offer significant economic development opportunities for Columbia's rural Black communities. Solar power is rapidly growing worldwide with applications ranging from home roof systems to solar power plants. Biofuels, biomass energy produced from organic fuel, such as plant matter, animal waste and methane gas emitted by landfills also provide opportunities for rural communities to produce renewable energy.<sup>134</sup> Researchers are also starting to look more closely at the possibilities nationwide for the production of geothermal energy, which may be more sustainable than other sources. A recent study led by the Massachusetts Institute of Technology has found sources nationwide, including in South Carolina, for geothermal energy production.<sup>135</sup>

<sup>&</sup>lt;sup>130</sup> Debra Carlton Harrell, "Cities Copied 'Seattle Way' in Planning," *Seattle Post Intelligencer*, July 6, 2007; Tony Favro, "Rochester Gives its Citizens the Power to Shape Their City," City Mayors, April 2, 2006, http://www.citymayors.com/government/rochester\_nbn.html

<sup>&</sup>lt;sup>131</sup> Federal Reserve, "Education and Economic Competitiveness," *Commentaries and Reports*, September 26, 2007, EducationNews.org, http://www.ednews.org

<sup>&</sup>lt;sup>132</sup> New Carolina: South Carolina's Council on Competitiveness, "About," http://newcarolina.org/about

<sup>&</sup>lt;sup>133</sup> David Moffat, "New Ruralism: Agriculture at the Metropolitan Edge," www.sagecenter.org

<sup>&</sup>lt;sup>134</sup> Office of the New York State Comptroller.

<sup>&</sup>lt;sup>135</sup> Geothermal Resource Base Assessment, *The Future of Geothermal Energy* (2007).

Geothermal energy production involves "mining the huge amounts of heat that reside as stored thermal energy in the Earth's hard rock crust" and "could supply a substantial portion of the electricity the United States will need in the future, probably at competitive prices and with minimal environmental impact."<sup>136</sup> Geothermal-based energy production already has created thousands of jobs and boosted local economies - 11,460 full-time jobs were supported by the existing US geothermal industry in 2004.<sup>137</sup>

Local governments can help build local markets for renewable energy. For instance, twenty-two states already have passed laws to require public utilities to increase the use of renewable energy resources. As a result, so far, 9% of energy consumed nationwide comes from renewable sources.<sup>138</sup>

#### 2. Local and Organic Farming

Organic farming became one of the fastest growing segments of U.S. agriculture during the 1990's. U.S. producers are turning to organic farming systems as a potential way to lower input costs, decrease reliance on nonrenewable resources, capture high-value markets and premium prices, and boost farm income.

Rising energy costs and growing health concerns also point to a growing market for locally grown food. Higher energy costs will make transporting food across the country an unsustainable way to procure food.<sup>139</sup> Concerns over pesticides, hormones, and antibiotics in food production already have given way to resurgence in locally grown food.<sup>140</sup>

Organic farming systems rely on ecologically based practices, such as integrated, cultural, and biological pest management, and crop rotation. Organic farming systems virtually exclude the use of synthetic chemicals in crop production and prohibit the use of antibiotics and hormones in livestock production. Many producers, manufacturers,

<sup>&</sup>lt;sup>136</sup> The Future of Geothermal Energy; "MIT-led Panel Backs 'Heat Mining' as Key U.S. Energy Source," Jan. 22, 2007.

<sup>&</sup>lt;sup>137</sup> In rural Imperial County, California, geothermal activities supply 25% of the county tax base, producing over \$12 million in tax revenue and over 285 jobs. Center for Energy Efficiency and Renewable Energy (CEERT), "Geothermal Power," http://www.ceert.org/ip/geothermal.html (accessed August 15, 2005). CalEnergy, the largest geothermal company in the region, is the single largest taxpayer in Imperial County. Ibid. Benefits are projected to continue. According to a recent study, the construction of two new geothermal plants by Calpine Corporation in Siskiyou County, California will result in a total economic benefit of almost 114 million dollars over a thirty year period. David E. Gallo, Center for Economic Development: California State University, Chico, "The Economic Impact of Calpine's Geothermal Development Projects, Siskiyou County, California," Prepared for Calpine Corporation, June 2002, http://www.csuchico.edu/cedp/pdf/esp.calpine.pdf

<sup>&</sup>lt;sup>138</sup> Center for Policy Alternatives, *Progressive Policy Models for the States 2006* (2006), 39-40, http://www.stateaction.org/publications/policymodels/2006PolicyModels.pdf

<sup>&</sup>lt;sup>139</sup> House Small Business Committee, "Impact of Rising Energy Costs on Small Businesses," August 10, 2006, http://www.house.gov/smbiz/Reports/ENERGY%20REPORT%202006.pdf

<sup>&</sup>lt;sup>140</sup> Jim Slama, *The Future of Food is Sustainable and Organic*, Conscious Choice, March 2002, http://consciouschoice.com

distributors, and retailers specialize in growing, processing, and marketing an ever growing variety of organic food and fiber products.<sup>141</sup>

## **Opportunity-Based Affordable Housing**

Columbia needs to create sufficient affordable housing stock for poor and lowincome families. Equally, if not more important, this affordable housing should be located in neighborhoods connected to the region's current opportunity structures, like job centers, quality health care and good schools. Two tools that have been successful in creating affordable housing are inclusionary zoning and housing trust funds.

#### **1. Inclusionary Zoning**

Inclusionary zoning takes the form of a local ordinance that requires builders to include a certain amount of housing units affordable for low- and moderate-income households in their market-rate housing developments. In exchange, builders get a density bonus, which allows them to build more units than the number allowed by the zoning ordinance. Inclusionary zoning laws can be either voluntary or mandatory. Mandatory programs are generally more effective. They produce more affordable units for low- and very low-income households. Voluntary programs can be highly effective but generally not without substantial federal, state, and local subsidies to create a sufficient amount of incentives.<sup>142</sup> To create housing that is truly affordable for low- and moderate-income residents, affordability must be defined in relation to the local context of real median wages and the local housing market. Housing must also remain affordable in the long run and keep pace with changing market conditions, as many inclusionary zoning programs are designed to expire or sunset after a defined time period.

#### Inclusionary Zoning to Create Affordable Housing Montgomery County, MD<sup>143</sup>

Montgomery County, Maryland is widely considered the most successful case of inclusionary zoning to create affordable housing. Montgomery's mandatory inclusionary zoning policy applies to developments of 50 or more residential dwellings and links the percentage of affordable units required to the amount of density bonus units a developer can accommodate on the site (ranging from 12.5% to 15%). Over 13,000 units have been produced over thirty years through Montgomery County's program.<sup>144</sup> The program also increased the County's racial diversity, and both child poverty and overall poverty rates for the county decreased to nearly half the state's rates.<sup>145</sup>

<sup>&</sup>lt;sup>141</sup> U.S. Department of Agriculture: Economic Research Service, "Briefing Rooms: Organic Agriculture," http://www.ers.usda.gov/briefing/organic/

<sup>&</sup>lt;sup>142</sup> Nicholas Brunick, Lauren Goldberg, and Susannah Levine, Business and Professional People for the Public Interest, *Voluntary or Mandatory Inclusionary Housing? Production, Predictability, and Enforcement* (2004).

<sup>&</sup>lt;sup>143</sup> Nico Calavita et al., "Inclusionary Housing in California and New Jersey: A Comparative Analysis," *Housing Policy Debate* 8(1) (1997); Karen Destorel Brown, *Expanding Affordable Housing Through Inclusionary Zoning: Lessons from the Washington Metropolitan Area* (Washinton, D.C.: The Brookings Institution, 2001).

#### 2. Housing Trust Funds

Linkage fee, or housing trust fund, programs also have been effective in creating affordable housing. Generally, linkage fee programs are enacted through local legislation and administered by city staff. The local agency that issues building permit applications and zoning variances typically collects the fees and ensures that developers are in compliance. Usually, fees are placed into a housing trust fund or the general budget. Developers of new commercial structures contribute, either through fees or actual construction, to the affordable housing stock or to other community needs such as job training, public transportation, or child care. Beyond this general structure, there are significant variations among linkage fee programs depending on political and economic contexts.<sup>146</sup>

# Housing Trust Funds to Create Affordable Housing Boston, Massachusetts

The most heralded linkage fee program is the Boston, Massachusetts program, which generated almost \$44 million for the construction or renovation of nearly 4,100 affordable housing units between 1986 and 1997. Under Boston's program, fees are charged to developers for commercial developments over 100,000 square feet. These fees then go to a city-managed trust to pay for the creation of affordable housing. Equally important to the affordable housing it has created, has been the broad support for the program. Strong advocacy and partnership between city government and community-based organizations made implementation of the program possible and has helped sustain the program for two decades.<sup>147</sup>

Though powerful and important tools, inclusionary zoning and housing trust funds should be viewed as two important pieces of a set of policies needed to create and sustain affordable housing over the long-term. Even mandatory inclusionary zoning programs, like the one in Montgomery County, Maryland, for example, are designed to expire after a certain number of years.

## **Essential Infrastructure**

Individual neighborhoods and the metropolitan region need infrastructure for economic development. Without physical infrastructure, like water and sewer lines, communities cannot attract jobs and investments crucial to build local tax bases, the

<sup>&</sup>lt;sup>144</sup> Brunick, Goldberg, and Levine.

<sup>&</sup>lt;sup>145</sup> Calavita et al.

<sup>&</sup>lt;sup>146</sup> Policy Link, "Commercial Linkage Strategies," http://www.policylink.org/EDTK/Linkage/

<sup>&</sup>lt;sup>147</sup> Ibid.

largest resource for schools and services.<sup>148</sup> Infrastructure investments in poor communities can reduce poverty, as international studies show.<sup>149</sup>

Infrastructure is also critical to public health and quality of life. The National Infrastructure Alliance, an alliance of business and environmental and public health professionals, has highlighted the crucial role of water infrastructure in a community's health, economy and environment.<sup>150</sup> Local governments must prioritize extending water and sewer services to under-developed communities. Low-income Black communities living in rural areas in Lower Richland, for example, have been ignored by economic development and suffered serious health risks from lead-contaminated wells. Poor Black communities, like those in Hopkins, do not have access to city water and sewer despite their large and dense populations.<sup>151</sup>

Water and sewer are critical, but there must also be investment in infrastructure that connects residents in rural areas to good paying jobs. Targeted infrastructure investment should include expanding public transit to connect rural residents to regional job markets. Building public health care infrastructure, such as hospitals, is also crucial to the health of the region's under-served communities. A strong impact fee law, supported by zoning strategies, is also needed to ensure efficient and fair infrastructure investments and to direct infrastructure where it is needed.

<sup>&</sup>lt;sup>148</sup> Irwin and Kraybill.

 <sup>&</sup>lt;sup>149</sup> Poverty-Environment Partnership, "Linking Poverty Reduction and Water Management," World Health Organization, http://www.who.int/water\_sanitation\_health/resources/povertyreduction/en/index.html
 <sup>150</sup> Amy Santos, "Water Is Life, and Infrastructure Makes It Happen," Underground Infrastructure Management,

January/February 2007.

<sup>&</sup>lt;sup>151</sup> The population of Hopkins, S.C. was 13,025 people in 2000. U.S. Census.

# **CONCLUSION AND RECOMMENDATIONS**

The Columbia region is at an important crossroads. It has important choices to make. It can create policies that will promote healthy growth and a thriving region, or it can continue on its business-as-usual path of investing only in wealthy parts of the region and be left behind. If Columbia invests in poor Black and other marginalized communities, it will promote prosperity and the well-being of everyone in the region. It can follow the lead of other regions that have ignored the needs of low- and middle-income communities and experienced social, economic and environmental decline, or it can lead the way for the nation by investing in the well-being of all communities.

Emerging green markets, such as renewable energy and organic farming, can build wealth and resources for schools and services in rural Black communities. Inclusionary zoning and housing trust funds can connect low-income communities to good jobs and good schools in the region's opportunity-rich suburbs. Building infrastructure in existing communities can build an investment base for these communities, as well as help prevent stressed infrastructure and sprawling development in other parts of the metropolitan region. And, inclusive planning that links urban and rural planning and is led by communities can promote social harmony, equity, a healthy environment, and a strong, sustainable regional economy.

But under current trends and policies, the region is not prepared to reap the benefits of growth for its communities, putting regional prosperity and overall well-being at risk. Current policies promote unhealthy development, which is not only leaving Black and other low-income communities behind, but also the region. Sprawling development of housing and jobs has been taking resources from poor neighborhoods at the expense of the entire region through infrastructure costs passed on from developers to taxpayers. Like many cities throughout the country, the city of Columbia will soon become a place where only the wealthy can live, while low-income residents and workers are likely to be pushed out, unable to afford high rents in luxury condominiums. Even middle-class communities are being squeezed and will have a harder time making housing payments and paying for their children's education, if current trends continue.

Columbia has tremendous potential to reduce poverty, build its middle class, and ensure a good quality of life for all of its people by investing in its marginalized communities. It can promote healthy growth through policies that recognize the connection between investment in low-income communities, a healthy environment, and a strong economy. A thriving Columbia metropolitan region is possible if its leaders have the vision and the will to grow well.

# Actions that Can Build a Thriving Columbia

- Conduct a competitive economic analysis for the metropolitan region that identifies its growth industries. This analysis should consider how to leverage the assets of the region's rural Black communities to take advantage of emerging markets, such as geothermal energy and other forms of renewable energy and organic farming.
  - Identify what other states have done and are doing to take advantage of these markets and invest public and private capital in equipment, training and other infrastructure that will enable community ownership and management of the means of production.
  - Adopt renewable portfolio standards to build a local market for renewable energy. The state should set renewable portfolio standards that require public utilities to increase use of renewable energy sources over time.<sup>152</sup> Twenty-two sates have enacted renewable portfolio standards. As a result, 9% of the energy consumed nationwide comes from renewable sources.<sup>153</sup>
- Adopt high-road economic development policies. Require businesses that receive state tax credits to provide health benefits and living wages. At least 43 states, 41 cities, and five counties have attached job quality standards to some government contracts or subsidies.<sup>154</sup>
- Enact inclusionary zoning ordinances, or create linkage fee programs, to create more low- and moderate-income affordable housing in opportunity-rich neighborhoods. Also, enact policies to ensure a long-term supply of affordable housing.
- Invest in essential infrastructure in rural Black communities, including providing city water and sewer services. Other priorities for infrastructure investment should include building and expanding public transit to connect rural residents to regional job markets and building public health infrastructure in under-served Black communities.
- Implement inclusive participatory planning processes. Use resources available for research to hire expert consultants who are accountable to inclusive community visions for healthy growth. Take advantage of budget-neutral approaches to community inclusion, such as participatory budgeting.

<sup>&</sup>lt;sup>152</sup> Most Renewable Portfolio Standards (RPS) laws require that, over a period of 20 years, renewable energy be gradually increased until those sources account for 10 to 20% of total energy production. Center for Policy Alternatives. <sup>153</sup> Ibid. <sup>154</sup> Ibid.