

NEIGHBORHOOD REGENERATION IN A DECLINING CITY:  
THE CASE OF DETROIT

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NEIGHBORHOOD REGENERATION IN A DECLINING CITY:  
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## Abstract

### NEIGHBORHOOD REGENERATION IN A DECLINING CITY: THE CASE OF DETROIT

Gentrification and neighborhood regeneration tends to occur in cities with tight housing markets, where the demand for housing by middle-income residents generates investments into older deteriorating neighborhood (2001, p.1; Kirk & Laub, 2010, p. 461). This tight housing market is typical for growing cities (Glaeser e.a., 2006), not for declining cities. Structural decline provides a context where most neighborhoods are declining (unable to regenerate) and any new demand will re-concentrate into specific neighborhoods(Beauregard, 2013, p. 187). So if gentrification and neighborhood regeneration occur in a city that experiences severe decline, then the assumption can be made that these neighborhoods must have managed to alleviate the problems that constrain neighborhood regeneration.

The aim of this research is to understand how regenerating neighborhoods in Detroit (a city experiencing severe structural decline) alleviate the problems posed by the structural decline.

In order to understand how regenerating neighborhoods in Detroit alleviate the problems posed by severe structural decline, two questions require answering, namely: where does the neighborhood regeneration occur and how do the regenerating neighborhoods alleviate the constraining problems posed by the structural decline of the city?

This study will use a mixed method, two-step analysis. A citywide analysis with spatial data at census tract level will be conducted with the goal of mapping neighborhood dynamics. Hereafter the focus is on how regenerating neighborhood alleviate the constraining problems that are associated with structural population decline. Data from official statistics will be used and data will be collected through interviews with residents, private sector officials.

Keywords: *neighborhood regeneration, declining city, Detroit, population decline, gentrification*

## **Chapter 1: Introduction**

### **1.1 Introduction**

Gentrification and neighborhood regeneration research is often conducted in cities that are economically growing or prosperous (such as New York and Vancouver since the 1970s; Lees, 2000, p. 390). As Kennedy & Leonard emphasize, gentrification and neighborhood regeneration tends to occur in cities with tight housing markets, where the demand for housing by middle-income residents generates investments into older deteriorating neighborhood (2001, p.1; Kirk & Laub, 2010, p. 461). This tight housing market is typical for growing cities (Glaeser e.a., 2006), not for declining cities.

Declining cities experience a housing market where demand for housing may have declined to zero, which may lead to housing abandonment. Housing abandonment and declining housing values are the polar opposite of gentrification and neighborhood regeneration, yet they may occur in close proximity to each other (Marcuse, 1985, p. 195). The link between neighborhood regeneration and structural decline at city level requires more understanding.

The link between neighborhood regeneration and structural decline at city level requires more understanding because structural population and economic decline results into problems that constrain gentrification and neighborhood regeneration (Baldassare, 1982, p. 27; Rousseau, 2009). These constraining problems can be both objective and subjective (Rousseau, 2009, p. 772) and range from crime, high taxes, unemployment, poverty and issues with the school system to housing abandonment.

On the one hand, the problems posed by structural decline will cause demand for housing to fall to zero in most neighborhoods in a declining city (depending on the severity of the decline). On the other hand, if some housing demand remains or if new demand arises, it will concentrate into specific commercial districts and neighborhoods (Beauregard, 2013, p. 187). This re-concentration is often the effect of a spatial reshuffling of a constant or declining number of people within the city (Marcuse, 1985, p. 217).

However the spatial reshuffling thesis posed by Marcuse assumes that the constant or declining number of people within the city have enough resources to move within the city while not wanting to leave the city. This assumption may hold for a city with little population decline, but it may not hold for a city in severe structural decline. Severe structural decline will cause a negative spiral of decline that causes many interrelated problems (Hoekveld, 2012). These problems will cause the quality of life to drop sharply. Therefore the people who have resources will have left the city while the people who don't have resources will be unable to leave their current dwelling, which makes the spatial reshuffling thesis unlikely in a city that experiences severe population decline.

Thus, while structural decline provides a context where most neighborhoods are declining (unable to regenerate), new demand will re-concentrate into specific neighborhoods. So if gentrification and neighborhood regeneration occur in a city that experiences severe decline, then the assumption can be made that these neighborhoods must have managed to alleviate the problems that constrain neighborhood regeneration.

### **1.2 The case of Detroit**

Detroit is probably the city where population decline, economic decline and housing abandonment have been most severe and structural, making it a prime example to study neighborhood regeneration in a declining city. To illustrate the severity of Detroit's decline: Detroit has lost 62% of its population, 60% of its businesses, 30% of its homes and almost 60% of its tax incomes from 1950-2010 (Galster, 2012, pp. 221-224). This led to problems ranging from a high crime rate, high tax rate, high insurance rates,

issues with the school system and a municipal fiscal crisis<sup>1</sup>, which all render the city unattractive to many people, thereby constraining neighborhood regeneration.

During the 2000-2010, the pace of the decline in Detroit has increase. During this period Detroit lost 16.7 percent of its households, causing many more neighborhoods to experience severe decline, with thousands of homes falling to tax foreclosures each year (DFC, 2012, p. 211). Although most of Detroit's neighborhoods experience decline, some neighborhoods in Detroit are showing signs of regeneration since 2010 (ibid).

### **1.3 Aim of the study**

The aim of this research is to understand how regenerating neighborhoods in Detroit (a city experiencing severe structural decline) alleviate the problems posed by the structural decline.

### **1.4 Research questions**

In order to understand how regenerating neighborhoods in Detroit alleviate the problems posed by severe structural decline, two questions require answering, namely:

*1) Where does neighborhood regeneration occur?*

It can be assumed that neighborhood regeneration is highly localized and concentrated into specific commercial districts and neighborhoods (Beauregard, 2013, p. 187). It is therefore likely that neighborhood regeneration occurs either in the greater Downtown area (home to many commercial districts) or near the suburbs since these areas are the most proximate to employment, institutions and amenities (Pacione, 2009, p. 211; Downs, 1981, p. 76).

To answer this question, neighborhood dynamics need to be mapped at city level in order to know where regeneration, decline and neighborhood stability occurs and to understand the extent of regeneration. This will be done with a citywide analysis using spatial data.

This citywide analysis will be conducted with spatial data at census tract level (as a proxy for neighborhood level). If the neighborhood dynamics are mapped at city level, a generalized model of neighborhood change will be created that reveals general trends in large areas, however this analysis does not reveal why the regeneration is occurring.

*2) How do the regenerating neighborhoods alleviate the constraining problems posed by the structural decline of the city?*

Three assumptions can be made regarding the answer to this question. It can be assumed that in order for neighborhoods to regenerate that these neighborhoods:

- I) Somehow manage to alleviate the problems that constrain neighborhood regeneration (Baldassare, 1982, p. 27), *or*
- II) That the regenerating neighborhoods never experienced the problems associated with the structural decline, *or*
- III) That the new residents are unaffected by the constraining problems;

To answer this research question, an in-depth analysis of the regenerating neighborhoods will be conducted. The goal of this analysis is to understand how the regeneration process occurs and how these different neighborhoods deal with problems associated with the structural decline of the city. In order to perform this analysis,

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<sup>1</sup> During this research, on July 18, Detroit filed for Chapter 9 bankruptcy protection, having \$18 billion in debt and long-term liabilities.

statistical data will be used and data will be collected through interviews with residents, private sector and public sector officials.

### **1.5 Scientific relevance**

The link between neighborhood regeneration and structural decline at city level requires more understanding because structural population and economic decline results into problems that constrain neighborhood regeneration. If gentrification and neighborhood regeneration occur in a city that experiences severe population decline then these neighborhoods must have managed to alleviate the problems that constrain neighborhood regeneration. Understanding how regenerating neighborhoods in Detroit alleviate the problems posed by the structural decline will give more insights into understanding the link between neighborhood regeneration in a declining city.

### **1.6 Societal relevance**

By understanding how regenerating neighborhoods in Detroit alleviate the problems associated with structural decline, insights can be created that may enable neighborhoods in other declining cities to alleviate problems associated with structural decline. Insights may be used for formulating regeneration strategies for Detroit and other declining cities. Declining cities are becoming a new international phenomena (although population decline is not a new phenomenon, the structural nature and severity of population decline is considered a recent phenomenon; Hoekveld, 2012, p. 179; Oswalt, 2006) and neighborhood regeneration may prove essential in breaking the vicious circle of decline and help declining cities revive (Power, 2006).

### **1.7 Design of the study**

This thesis has been divided into four sections:

The first section, the theoretical framework, seeks to provide an overview of neighborhood regeneration literature (chapter 2 -6). Chapter 2 will define neighborhood regeneration. Chapter 3 discusses conceptualizations of neighborhood change and neighborhood regeneration. Chapter 4 will discuss factors underlying neighborhood regeneration at city and neighborhood level. Chapter 5 will discuss neighborhood regeneration in a declining city. Chapter 6 will discuss the case, namely Detroit.

The second section, chapter 7, will discuss the methodology and describe the analyses.

The third section discusses the results, which consists of two chapters. Chapter 8 will discuss the citywide analysis. Chapter 9 will discuss the greater Downtown neighborhood analysis.

The fourth section discusses the conclusions.

## **Chapter 2: Definitions**

### **2.1 Introduction**

It is important to define neighborhood regeneration and gentrification in order to understand the difference between these two similar processes.

#### *2.1.1 Side note on neighborhood regeneration*

This research uses the term neighborhood regeneration. Other terms exist such as "neighborhood revitalization", which may be used by different authors, but refers to the same thing.

### **2.2 Chapter outline**

This chapter will first provide definitions of neighborhood regeneration and gentrification. After the definitions have been provided, the distinction between neighborhood regeneration and gentrification will be highlighted. Hereafter, the occurrence of displacement in Detroit is discussed. The chapter ends with a summary.

### **2.3 Definitions**

Neighborhood regeneration is sometimes used in the literature without the provision of a solid demarcation of what it constitutes. Neighborhood regeneration is a process of neighborhood change (Beauregard, 1990). Sometimes it is used to refer to the opposite of neighborhood decline, namely improvement of older deteriorated neighborhoods. In such definitions there is consensus on an important element of neighborhood regeneration, namely that the neighborhood has to have suffered deterioration before it might be referred to as regenerating. Normally this deterioration is caused by normal market mechanisms (Sumka, 1979).

#### *2.3.1 Definition of neighborhood regeneration*

Neighborhood regeneration is defined as "the process of enhancing the physical, commercial and social components of a neighborhood and the future prospects of its residents through private sector and/or public sector efforts" (Kennedy & Leonard, 2001, p.6). The physical components refer to the upgrading of the housing stock and physical environment (e.g. streets); the commercial components refer to the enhancement of businesses and services for the community; the social components refer to reducing crime and providing increasing employment. Sometimes gentrification occurs in the midst of the neighborhood regeneration process (Kennedy & Leonard, 2001, p.6).

#### *2.3.2 Definition of gentrification*

Gentrification was first mentioned of gentrification by Ruth Glass (1964) referred to gentrification as the process of middle-class invasion in working class quarters (positioned in London's older deteriorated neighborhoods) through upgrading houses and thereby changing the neighborhood's social class. However the definition of gentrification has changed and expended to incorporate for example, super-gentrification (gentrifying already gentrified neighborhoods into elite enclaves; Butler & Lees, 2006). Therefore gentrification often refers to the "creation of affluent space" (Doucet e.a., 2011, p. 1438), where a sharp class transformation occurs that displaces original low-income tenants (van Criekingen & Decroly, 2003, p. 2454).

### **2.4 Distinction between neighborhood regeneration and gentrification**

Although definitions of neighborhood regeneration and gentrification are often quite similar (Maloutas, 2011, p. 33), there is a distinction. The vital distinction between neighborhood regeneration and gentrification is that gentrification implies displacement (Davidson & Lees, 2005, p. 1187), while neighborhood regeneration does not imply displacement (Kirk & Laub, 2010, p. 461; Kennedy & Leonard, 2001; Downs, 1981, p. 61; see also table 1).

Table 1: Difference between neighborhood regeneration, gentrification and super-gentrification.

	<i>Deteriorated housing</i>	<i>Upgrading</i>	<i>Displacement</i>
Neighborhood regeneration	Yes	Yes	No
Gentrification	Yes	Yes	Yes
Super-gentrification	No	Yes	Yes

## 2.5 Reflections on this research and Detroit

The scale of vacant property is far greater in Detroit than in other American cities (DFC, 2012, p. 273). Housing values declined 66% during 2000-2010 (ibid, p. 211) and while rising house values can lead to displacement, declining house values do not (Marcuse, 1985). Therefore this research assumes that displacement is unlikely to have occurred in Detroit. Due to this assumption, this study will use the term neighborhood regeneration instead of gentrification.

## 2.6 Chapter summary

This chapter defined neighborhood regeneration and gentrification, thereby highlighting the difference between them: gentrification implies displacement, neighborhood regeneration does not. It is assumed that neighborhood regeneration is occurring in Detroit rather than gentrification because the occurrence of displacement is questionable in Detroit.

## **Chapter 3**

### **Conceptualizing neighborhood change and neighborhood regeneration**

#### **3.1 Introduction**

Neighborhood regeneration and gentrification are part of a wider process of neighborhood change. Neighborhood change is defined as “encompassing a variety of objectively measurable changes to a neighborhood’s physical and social environment” (Tempkin & Rohe, 1996, p. 159). Neighborhood change is the result of a complex interplay between different factors rather the result of a single set of factors.

It is important to conceptualize neighborhood change in order to understand what kind of factors influence neighborhood regeneration. Neighborhood change was conceptualized differently by three schools of thought, namely the ecological school, the subcultural school and the political-economy school (Pitkin, 2001; van Beckhoven e.a., 2009).

#### **3.2 Chapter outline**

This chapter will first provide a short summary how the ecological school, the subcultural school and the political-economy school conceptualize neighborhood change. Hereafter, four points of critique on these conceptualizations will be given. The chapter ends with a summary.

#### **3.3 Conceptualizations of neighborhood change**

The ecological school, the subcultural school and the political-economy school each have their own conceptualization with regard to neighborhood change. This paragraph will provide a short summary of how these schools conceptualize neighborhood change.

##### *3.3.1 Ecological school*

The ecological school is one of the oldest schools of thought on neighborhood change and their theories argue that physical downgrading is the casual force that causes neighborhood change. These conceptualizations are based on the concepts proposed by Chicago School scholars such as Hoyt and Burgess (van Beckhoven e.a., 2009, p. 23; Pitkin, 2001, p. 3). They argue that all neighborhoods will inherently decline (with no chance at regeneration) due to physical downgrading. Physical downgrading is deemed to occur as dwellings age. Older dwellings often depreciate due to physical decline (which causes, for example, higher maintenance costs) and due to competition with new built houses (this competition with new built houses is also referred to as relative depreciation).

##### *3.3.2 Subcultural school*

The subcultural school assumes a behavioral approach and argues that social factors are the causal force behind neighborhood change. They argue that neighborhoods have an infinite life-span because they can be renewed again and again (Grigsby e.a., 1987; Megbolugbe e.a., 1996). As long as social downgrading is prevented, neighborhoods will not decline. When neighborhoods experience decline, residents are confronted with a trade-off between moving-out or staying and trying to improve the neighborhood (Cox, 1983). Residents are deemed to stay if they are attached to the neighborhood and their will to improve the neighborhood might just break the negative spiral of decline (van Beckhoven e.a., 2009, p. 33). Thus, neighborhood internal forces such as active resident organizations (examples of strong social fabric) can react to the negativities of decline with action; a high social capital may regenerate a neighborhood (Tempkin & Rohe, 1996; Tempkin & Rohe, 1998; van Beckhoven e.a., 2009, p. 33).

### *3.3.3 Political-economy school*

The political-economy school argues that the causal force behind neighborhood change is the accumulation of capital by powerful elites or 'growth machines' (van Beckhoven e.a., 2009, p. 34; Logan & Molotch, 1987; Logan & Molotch, 2007). Neighborhood decline is not the end result of an aging housing stock but that neighborhood decline is caused by neighborhood external forces such as powerful elites or by the restructuring of economic conditions (Pitkin, 2001, p. 15). If a declining neighborhood offers the potential exploitation for powerful elites, then the neighborhood will be regenerated; if a declining neighborhood does not offer potential exploitation for powerful elites, then the neighborhood will further decline. Thus for neighborhoods to regenerate, intervention is needed by powerful agents (Smith, 2006, p. 192).

### **3.4 Four points of critique**

The conceptualizations of neighborhood change by the ecological school, the subcultural school and the political-economy school can be critiqued on four points: oversimplifying neighborhood change, negligence of internal and external forces, negligence of multiple geographical scales and negligence of variations in the process of neighborhood regeneration and gentrification (Beauregard, 1990; Engels, 1999; Pitkin, 2001, Maloutas, 2011). These points of critique will now be elaborated on.

#### *3.4.1 Oversimplification*

First, neighborhoods are complex and are filled with multiple interests, this makes neighborhood change a complex phenomenon and many conceptualizations put too much emphasis on a single causal force (Pitkin, 2001, p. 17).

All three schools explain neighborhood change as occurring only due to physical, social or economic factors, rather than looking at all these factors together. The emphasis on a single casual force causing neighborhood change also influenced conceptualizations of neighborhood regeneration and gentrification (Maloutas, 2011, 34). In the conceptualization of neighborhood regeneration and gentrification, there was a long debate on the causal force being either social factors (Zukin, 1987; Ley, 1981) or economic factors (Smith & Williams, 1986; Smith, 1996), rather than assuming an interplay between both these factors.

#### *3.4.2 Negligence of internal and external forces*

Secondly, when conceptualizing neighborhood change, forces from inside and forces from outside the neighborhood must be acknowledged (Pitkin, 2001, p. 21). The subcultural school focusses mainly on forces from within the neighborhood that contribute to neighborhood regeneration and gentrification, such as the role played by residents and resident organization (Zukin, 1982; Temkin & Rohe, 1996; Ley, 1996; Temkin & Rohe, 1998; van Beckhoven e.a., 2009, p. 33); while the political-economy school focusses mainly on forces from outside the neighborhood that contribute to neighborhood regeneration and gentrification, such as role played by financial institutions, real estate agents and governments (Logan & Molotch, 1987; Beauregard, 1990; Smith, 2006, p. 192; Logan & Molotch, 2007).

Forces within the neighborhood, such as community organizations, matter for neighborhood change. This is true also for neighborhood regeneration and gentrification. The social dynamic within a neighborhood can resist or assists neighborhood changes because the willingness and commitments of residents to stay and work on improving the neighborhood will determine the stability of the area (Ahlbrandt & Cunningham, 1979, p. 29). Therefore internal forces such as active resident organizations can influence neighborhood change (Temkin & Rohe, 1996; Temkin & Rohe, 1998; van Beckhoven e.a., 2009, p. 33).

Forces outside the neighborhood –larger social, economic and political factors- impact neighborhood regeneration and gentrification. The local housing market, the flow of capital for financing the purchase and upgrading of housing and mortgage insurance etc., result into different local housing markets (Harvey, 1985) and cause many different variations in neighborhood dynamics (Beauregard, 1990, p. 856). Therefore external forces such as financial institutions, real estate agents and governments matter for neighborhood regeneration and gentrification (Logan & Molotch, 1987; Beauregard, 1990; Smith, 2006, p. 192; Logan & Molotch, 2007). This is due to the institutional context that they create, which may support or constrain neighborhood regeneration and gentrification.

#### *3.4.3 Negligence of multiple geographical scales*

Thirdly, neighborhood change should be analyzed at multiple geographical scales, taking into account micro and macro dynamics (Pitkin, 2001, p. 22). Neighborhoods are embedded within a specific citywide context; neighborhoods do not exist in a vacuum, they are embedded in many geographical scales. Since neighborhoods are not autonomous entities, they are affected by the citywide context. People who move into a neighborhood do so not solely for the neighborhood characteristics, but also for the city characteristics. The characteristics and developments in the city create a citywide context that influences the occurrence of neighborhood regeneration. Therefore city characteristics, such as quality of life, quality of public schools, number of facilities and jobs, matter for neighborhood regeneration

Although there may be a gratuitous amount of variation in neighborhoods concerning local characteristics (e.g. crime rate and quality of public school may have an uneven distribution whereby some neighborhoods are more affect by crime or have higher quality of public schools than other neighborhoods).

#### *3.4.4 Negligence of variations in the process of neighborhood regeneration and gentrification*

Fourthly, neighborhood regeneration and gentrification do not follow a single trajectory; there is a great amount of variation in the process of neighborhood regeneration and gentrification (Beauregard, 1990; Engels, 1999; Maloutas, 2011). Neighborhood regeneration and gentrification are often portrayed as following a single trajectory without variation as a result of oversimplification, negligence of internal and external forces and the negligence of multiple geographical scales. The process of neighborhood regeneration and gentrification is more complex than the many conceptualizations infer since neighborhood regeneration and gentrification can follow multiple trajectories (Engels, 1999, p. 1473).

Berry (1985) already acknowledged the variations in the trajectory of neighborhood regeneration and gentrification. He stated that the process of neighborhood regeneration and gentrification occurs in three different stages, whereby the division between stages is based on the actors involved and on the extent of regeneration occurring. Stage 1 is small scale 'sweat equity' regeneration with private capital, whereby no external actors are involved. In stage two, public attention of the regeneration attracts some external actors to be involved. In stage three, enough attention is attracted for many external actors to be involved and the high demand for living may lead to displacement.

### **3.5 Summary**

This chapter showed that the ecological school, the subcultural school and the political-economy school have different conceptualizations of neighborhood change. These conceptualizations are critiqued for oversimplifying neighborhood change, neglecting the importance of internal and external forces, neglecting the importance of multiple

geographical scales and neglecting that variations in the process of neighborhood regeneration and gentrification exist. Therefore when conceptualizing neighborhood regeneration and gentrification, the following must be taken into account:

- I) Neighborhood regeneration is often the result of a complex interplay between different factors, rather than the result of a single set of factors. A multitude of factors can cause neighborhoods to regenerate (Pacione, 2009, p. 211; Downs, 1981, p. 76).
- II) Internal and external forces should be taken into account when analyzing neighborhood regeneration and gentrification. Therefore residents & community organizations (internal forces; Zukin, 1982; Temkin & Rohe, 1996; Ley, 1996; Temkin & Rohe, 1998) and financial institutions, real estate agents & governments (external forces; Logan & Molotch, 1987; Beauregard, 1990; Smith, 2006, p. 192; Logan & Molotch, 2007) influence neighborhood regeneration and gentrification.
- III) Multiple geographical scales influence neighborhood regeneration and gentrification (Pitkin, 2011, p.22; Downs, 1981, p. 75). Characteristics and developments in a city create a citywide context that influences the occurrence of neighborhood regeneration.
- IV) The process of neighborhood regeneration and gentrification may differ among neighborhoods due to contextual differences, such as the differences in neighborhood characteristics and actors involved.

## Chapter 4

### Factors underlying neighborhood regeneration at city and neighborhood level

#### 4.1 Introduction

Chapter three has shown that when conceptualizing neighborhood regeneration and gentrification that multiple geographical scales, the interplay between multiple factors and the internal & external neighborhood forces should be taken into account when analyzing neighborhood regeneration. Taking into account multiple geographical scales means that neighborhoods are embedded in a city and therefore the city characteristics can influence neighborhood regeneration. Taking into account internal and external forces means that agents within and outside the neighborhood can influence neighborhood regeneration.

Whether or not a factor may or may not cause regeneration depends on context and, thus, may be different for each neighborhood (Beauregard, 1990; Engels, 1998; van Criekingen & Decroly, 2003) nevertheless generalizations about the causes behind neighborhood regeneration can be made. The factors that underlie neighborhood regeneration at city and neighborhood level are shown in table 2 & 3.

Table 2: Factors underlying neighborhood regeneration at city level.

---

<i>Factor</i>
Strong Downtown business district and employment growth
High and rising incomes
Rising house values
High quality of life
High quality school system
Low taxes and strong local government
Positive public representations

Table 3: Factors underlying neighborhood regeneration at neighborhood level.

---

<i>Factor</i>
<i>Neighborhood characteristics</i>
Proximity to employment, institutions and amenities
Low vacancy rate
Aesthetic housing stock
Low crime perception
Housing offering investment potential
<i>Neighborhood internal forces</i>
Resident attachment, confidence and satisfaction
High social capital/Community organization
<i>Neighborhood external forces</i>
Commitment by local government
Commitment by private sector
Willingness of financial institutions

## **4.2 Chapter outline**

This chapter will first discuss the factors that underlie neighborhood regeneration at city level. Then the factors that underlie neighborhood regeneration at neighborhood level will be discussed. The chapter ends with a summary.

## **4.3 Factors underlying neighborhood regeneration at city level**

Table 2 shows the factors underlying neighborhood regeneration at city level. These factors will now be discussed individually.

### *4.3.1 Strong Downtown business district and employment growth*

A city having a strong Downtown business district and employment growth creates demand for living near the Downtown area (Pacione, 2009, p. 215). The increased demand for living near the Downtown will help neighborhoods near the Downtown area to regenerate.

### *4.3.2 High and rising incomes*

High and rising incomes will increase the ability of households to upgrade their homes, thereby contributing to neighborhood regeneration (Pacione, 2009, p. 215).

### *4.3.3 Rising house values*

Rising house values means that housing has investment potential, which attracts capital and promotes neighborhood regeneration (Smith, 1979; Smith, 2002, p. 442).

### *4.4.4 High quality of life*

There is a clear link between the quality of life and the attraction of capital (Rogerson, 1999, p. 982). Quality of life is a central element to economic growth (Hall, 1995, p. 20). A high quality of life will directly and indirectly increase the attractiveness of the city and promote neighborhood regeneration.

### *4.4.5 High quality school system*

A high quality school system will make the city attractive for retaining and attracting families.

### *4.4.6 Low taxes and strong local government*

A strong local government can support neighborhood regeneration and low taxes are attractive for people and businesses. High taxes can lead to an exodus of people and businesses. High taxes can also lead to nonpayment of property taxes and nonpayment of property taxes by landlords and building owners is one common form of disinvestment in declining neighborhoods (Smith, 2006, p. 192).

### *4.4.7 Positive public representations*

A city that has good public representations will be subjectively experienced by people as attractive. The press can enhance the subjective perception of the city, which can aid city marketing and neighborhood regeneration (Rousseau, 2009).

## **4.4 Factors underlying neighborhood regeneration at neighborhood level**

Table 3 shows the factors underlying neighborhood regeneration at neighborhood level. These factors can be divided into neighborhood characteristics, neighborhood internal

forces and neighborhood external forces. The individual factors will now be discussed individually.

#### *4.4.1 Proximity to employment, institutions and amenities*

This factor refers to the locational benefits that a neighborhood may offer. The exact type of locational benefit may differ among people. Neighborhoods that experience regeneration are often located nearby areas of employment and/or near strong institutions or desirable amenities, such as parks (since most people work in Downtown and most institutions and amenities are located in Downtown, it logical that neighborhood regeneration often occurs around Downtown; Pacione, 2009, p. 211). Neighborhoods that are offer little locational benefits are less likely to regenerate.

#### *4.4.2 Low vacancy rate*

The vacancy rate refers to the amount of housing that is vacant in a neighborhood. The vacancy rate is often low under normal market conditions. If banks foreclose homes, these homes increase the vacancy rate of the neighborhood drastically. As home foreclosures increase, crime increases (Kirk & Laub, 2010, p.444). Vacant houses, if not demolished, may drag down neighborhoods by serving as a haven for criminal activity (Wallace, 1989). If a neighborhood experiences a high vacancy rate then living in the neighborhood is deemed undesirable and therefore investments in the neighborhood tend to be absent, while a low vacancy rate means the neighborhood is a desirable place and therefore investments in the neighborhood may be made.

#### *4.4.3 Aesthetic housing stock*

The housing stock influences neighborhood regeneration. Should the housing stock consists of new buildings with good design or old building with good design or history, then the neighborhood has a desirable housing stock (Pacione, 2009, p. 211). The aforementioned types of building are often desirable because of their value (symbolic, aesthetic value and/or potential future economic value). Although housing preference differs among people, neighborhoods with old buildings of poor design and buildings of no historical value are generally not regenerating.

#### *4.4.4 Low crime perception*

Crime perception is an important factor for neighborhood change. Crime can be categorized into actual crime and perceived crime. The presence of crime and subjective feeling of unsafety will scare-off people and can lead to population losses (Hipp e.a., 2009; Kirk & Laub, 2010, p. 457). For a neighborhood to regenerate, it has to be perceived as safe. This does not automatically mean that a regenerating neighborhood has a low crime rate; a regenerating neighborhood may experience a short-term increase in robberies and larceny crime (Kirk & Laub, 2010, p. 463). So, the type of crime also matters: neighborhoods experiencing violent crime (e.g. murder, arson) are very unlikely to regenerate.

#### *4.4.5 Housing offering investment potential*

According to Smith's (1979) rent gap theory, low house prices typically tend to offer a gap whereby an opportunity for profitable reinvestment attracts gentrifiers. The houses in declining neighborhoods are depreciated because they are older and deteriorated, but when upgraded they may be sold with a considerable profit. The possibility of making a profit may attract investors.

#### *4.4.6 Resident attachment, confidence and satisfaction*

Resident confidence, satisfaction and commitment to the neighborhood reflect on the willingness to live and invest in the neighborhood (Firey, 1945; Pitkin, 2001, p. 6). The investments made do not have to be economical (such as upgrading houses), but can also be social such as becoming a member of a resident organization.

#### *4.4.7 High social capital/Community organization*

A high social capital can regenerate a neighborhood (Temkin & Rohe, 1996; Temkin & Rohe, 1998; van Beckhoven e.a., 2009, p. 33). A high social capital can translate into residents organizing themselves to form active resident organizations (example of a strong social fabric). An active resident organization can react to the negativities of decline with action by their ability to pressure the local government, for example, to improve services and enforce housing codes (Pacione, 2009, p. 215). Also, a strong community can enhance the citywide perception of the neighborhood, thereby generating a range of activities and services and supporting the regeneration effort (Beauregard, 1990, p. 856). If residents do not organize themselves, they are less able to pressure the local government and thereby to influence neighborhood changes. In order for residents to organize themselves, they have to be committed to the neighborhood.

#### *4.4.8 Commitment by local government*

A neighborhood is more likely to regenerate if the local government is committed to support the regeneration effort. The local government can support the regeneration effort though allocating resources and providing services to the regeneration effort. The commitment of the local government to upgrade infrastructure and to provide public services reassures private investors of the long-term value of homes (Downs, 1981, p. 76; Pacione, 2009, p. 214).

#### *4.4.9 Commitment by private sector*

A neighborhood is more likely to regenerate if the private sector is committed to support the regeneration effort. Especially when the local government is constrained by fiscal stress, then private sector resources are required to support the regeneration process (Marcuse, 1985, p. 196). The private sector can support the regeneration process with financial support and by providing services/amenities to the neighborhood. The presence of commercial areas within a neighborhood also mean that the neighborhood offers commercial amenities, which is favorable for neighborhood regeneration compared to neighborhood that do not have any commercial amenities.

#### *4.4.10 Willingness of financial institutions*

The willingness of financial institution to provide mortgages and loans plays an important role in making home-ownership and the process of regeneration easier (Downs, 1981, p. 76; Pacione, 2009, p. 214). Financial institution such as banks have the power to constrain or support the process of regeneration by making mortgages easier or harder to obtain (also known as 'redlining' and 'greenlining'). Disinvestments by financial institutions can lead to neighborhood decline (Smith, 2006, p.189)

### **4.5 Summary**

This chapter discussed the factors that are relevant for neighborhood regeneration at city and neighborhood level. Since neighborhoods are embedded in a city, factors at city level influence neighborhood regeneration. Factors at city level relate to economic growth and increased demand for living in the city. These factors will cause a tight

housing market, which is typical for growing cities (Glaeser e.a., 2006). Cities with a tight housing market tend to experience neighborhood regeneration since demand for housing by middle-income residents generates investments into older deteriorating neighborhoods (Kennedy & Leonard, 2001, p.1; Kirk & Laub, 2010, p. 461).

The factors that are relevant for neighborhood regeneration at neighborhood level show that both the actions of internal (residents/community organizations) and external forces (local government, private sector and financial institutions) influence neighborhood regeneration and that neighborhoods need to have certain characteristics (e.g. proximity to employment, low vacancy rate, aesthetic housing stock, investment potential and low crime perception) in order to regenerate.

## Chapter 5 Neighborhood regeneration in a declining city

### 5.1 Introduction

As Kennedy & Leonard emphasize, gentrification and neighborhood regeneration tends to occur in cities with tight housing markets, where demand for housing by middle-income residents generates investments into older deteriorating neighborhoods (2001, p.1; Kirk & Laub, 2010, p. 461). This tight housing market is typical for growing cities (Glaeser e.a., 2006), not for declining cities.

Declining cities are different from growing cities since declining cities experience population and economic decline, which may result into a negative spiral of decline (Hoekveld, 2012). This negative spiral of decline can lead to a whole range of undesirable effects, which may include: a declining labor force, loss of service level, loss of investments, loss of taxes (that may lead to a municipal fiscal crisis), declining house values, housing abandonment, problems with the school system, lowering of the quality of life and loss of spending power (Hollander e.a., 2009, p. 4; Schilling & Logan, 2008, p. 452). Which of these effect will or will not occur depends on the local context, the cause of decline and severity of the decline. The aforementioned problems, which declining cities experience, constrain the possibility of neighborhood regeneration (Baldassare, 1982, p. 27; Rousseau, 2009) and have been summarized in table 4.

Table 4: Problems caused by structural decline that constrain neighborhood regeneration at city level.

*Factor*

- 
- Declining Downtown business district and unemployment growth
  - Low and declining incomes
  - Declining house values
  - Housing abandonment
  - Lowering of quality of life
  - Lowering of quality school system
  - Loss of tax incomes
  - Negative public representations

### 5.2 Chapter outline

This chapter will first discuss the problems caused by structural decline that constrain neighborhood regeneration at city level (see table 4). Then the alleviation of the constraining problems on neighborhood regeneration at neighborhood level will be discussed. The chapter ends with a summary.

### 5.3 Problems caused by structural decline that constrain neighborhood regeneration at city level

Table 4 shows the problems caused by structural decline that constrain neighborhood regeneration at city level. These problems will render the city unattractive and reinforce each other to create a negative spiral of decline (Hoekveld, 2012) that will make neighborhood regeneration unlikely at city level. These problems will now be discussed individually.

#### 5.3.1 Declining Downtown business district and unemployment growth

A city having a weak Downtown business district and unemployment growth will see a decline for housing demand near the Downtown area. The declining demand for living near the Downtown may cause neighborhoods near the Downtown to decline. Many

Downtowns have declined due to the loss of production and distribution functions as markets have decentralized; the challenges for modern Downtowns are to attract and retain high-tech and service industries (Palen, 2012, pp. 97-98). Unemployment growth is a severe problem that can lead to socio-economic problems, which also impact neighborhoods (Wilson, 1996, p. 21; Palen, 2012, p. 205).

### *5.3.2 Low and declining incomes*

When people lose their job and refuse to relocate for new employment, it may have implications for neighborhood conditions because without income, residents are less capable of caring for their homes, which can lead to the deterioration of a neighborhood's housing stock (Hollander, 2010, p. 137). If banks foreclose homes, these homes may further reduce neighborhood quality because of the vacant status. When the city becomes undesirable, the people who can, move out of the city, leading to a process of residualization, whereby the poorest people, unable to move, get stuck behind.

### *5.3.3 Declining house values*

Glaeser & Gyourko (2005) empirically show that housing prices decline at a faster rate in depopulating cities than prices grow in growing cities, suggesting that housing durability creates a long-term threat to neighborhood stability. Declining house values will motivate people to leave the city and if the house values decline sharply, then people might even abandon their houses (Galster, 2012, p. 221).

### *5.3.4 Housing abandonment*

Housing abandonment negatively impacts neighborhoods. Abandoned houses contribute to neighborhood decline and constrain neighborhood regeneration by taking on negative economic and social value (Cohen, 2001, pp. 415-416). They can lower house values and may cause higher-income households to leave the city (Marcuse, 1985, p. 196). Abandoned houses can also drag down neighborhoods by serving as a haven for criminal activities if they are not demolished (Wallace, 1989) or as targets for arson (Galster, 2012, p. 237). City that have experienced structural decline may have large portions of abandoned houses that will have little to no chance at being renovated (Cohen, 2001, p. 415).

### *5.3.5 Lowering of quality of life*

Population decline means that public services and commercial services have to cope with the decline. The coping process has a quantitative and qualitative side (Elzerman, 2010, p. 23). The quantitative side means a reduction in the total amount of facilities. The qualitative side means a decline in the quality of services due to the rising gap between costs and yields. A reduction in the total amount and quality of services reduces the quality of life and also employment opportunities.

Quality of life is severely limited by crime as people are scared by violence and the unpredictability of violence (Palen, 2012, p. 178). Crime- and drug problems are triggered by mass unemployment and may lead to the undermining of social organization in the neighborhood (Wilson, 1996, p. 21; Palen, 2012, p. 205), thereby leading to a lowering of the quality of life in both the neighborhood and in the city.

### *5.3.6 Lowering of quality school system*

Declining cities tends to have poor quality public schools with poorly trained school graduates (Downs, 1997, p. 384). In addition, due to white flight, the percentage of minorities attending public school increases and many white households with children

decide to move to the suburbs when the percentage of minorities attending schools is higher than 50% (Downs, 1997, p. 378).

### 5.3.7 Loss of tax incomes

The loss of people and commercial activities causes a decline of tax income for the city because the city's tax base is eroding. This can lead to fiscal stress, even to fiscal crisis and governance problems, as tax incomes decrease while operating costs increase. The city might be forced to reduce expenditures and this may negatively impact the city, such as reducing city services. The fiscal stress may also mean that the city is unable to financially support neighborhood regeneration efforts.

### 5.3.8 Negative public representations

Negative public representations can create a subjective problem for declining cities; a negative public representation, as a result of negative press, may reinforce the social and economic problems that declining cities face (Rousseau, 2009, p. 772). Negative public representations may therefore constrain neighborhood regeneration.

## 5.4 Alleviating the constraining problems at neighborhood level

The problems caused by structural decline impact the probability of neighborhood regeneration occurring in a declining city. Most deteriorated neighborhood in a declining city will not regenerate since problems posed by structural decline will reduce demand for housing to zero, which is reflected in the fact that people leave the city. If housing demand remains, it will concentrate into specific commercial districts and neighborhoods (Beauregard, 2013, p. 187). Since the greater Downtown is often home to most commercial districts, it is likely that neighborhood regeneration occurs in the greater Downtown (Pacione, 2009, p. 211; Downs, 1981, p. 76). If neighborhood regeneration occurs in a city that experiences severe decline, then these neighborhoods must have managed to alleviate the problems (see table 4) posed by structural decline.

For neighborhoods to alleviate the problems that constrain neighborhood regeneration, intervention by powerful agents is needed (Smith, 2006, p. 192). These agents can be residents/community organizations, the private sector or the local government (see also table 4). In order to alleviate the problems that constrain neighborhood regeneration in a declining city, a vast amount of resources and management are required (Carmon, 1999, p. 155; Metzger, 1997). The regeneration capability is determined by the amount of agents involved (see table 5).

Table 5: Regeneration type, agents involved and capability.

<i>Regeneration type</i>	<i>agents</i>	<i>Regeneration capability</i>
Bottom-up community-led	CDC, resident organizations	Small/highly localized
Public-private partnership	Private sector Local government	Small-High
Three party partnership	Private sector, local government, community stakeholders (e.g. CDC)	Highest

Bottom-up community-led regeneration occurs due to residents and/or community organizations (e.g. community development corporations and resident organizations; Pacione, 2009, pp. 346-347). This type of regeneration is likely to occur in neighborhoods with a strong community (Temkin & Rohe, 1996; Temkin & Rohe, 1998; van Beckhoven e.a., 2009, p. 33). Resources can be a problem because resources have to come from the community. The available amount of resources depends on the socio-

economic status of the community. Poorer communities might not be able to influence neighborhood change as they have very limited resources.

The problems of deindustrialization and fiscal stress have reduced the capabilities of local governments and prompted partnerships with the private sectors as local governments became more entrepreneurial oriented (Harvey, 1989; Pacione, 2009, pp. 336-337). This type of regeneration is referred to as market-led regeneration (Carmon, 1999, pp. 147-148), favoring the private sector instead of municipal planning agencies (Brownill, 1990). The local government provides tax cuts and other incentives to attract post-industrial economic activities through the production of suitable infrastructure and environments with the associated socio-cultural identities & lifestyles (Jayne, 2006, p. 199). The production of suitable infrastructure and socio-cultural identities & lifestyles takes on a whole range of forms, ranging from high-prestige 'flagship' projects (Doucet e.a., 2011; Davidson & Lees, 2005) to public art projects (Zebracki & Smulders, 2012; Hall, 1995). The capability of public-private partnerships to regenerate neighborhoods is uneven and may lead to 'islands of renewal in seas of decay' (Berry, 1985), having little effect on other areas (although it may lead to the displacement of poorer people).

In declining cities especially, the severity of constraining problems require the use of partnerships between the public sector, the private sector and the non-profit sector/'third sector' to be able to fund and manage neighborhood regeneration (Carmon, 1999, p. 155; Metzger, 1997). This type of partnership may be able to create economic development and community at the same, without creating 'islands of renewal in seas of decay'. This type of regeneration may be ideal since it benefits both places and people (Carmon, 1999, p. 154), but coordination and creation of these partnerships may be difficult.

### **5.5 Summary**

This chapter discussed the many problems caused by structural decline that constrain neighborhood regeneration at city level (see table 3). These problems render a city unattractive and reinforce each other to create a negative spiral of decline (Hoekveld, 2012) that will make neighborhood regeneration unlikely at city level. For neighborhoods to regenerate, they must alleviate the problems posed by structural decline. To do this, intervention by powerful agents is required. These powerful agents include residents/community organizations, the private sector and the public sector. The regeneration capability is determined by the agents involved (see table 4) and ideally, all three work together to achieve neighborhood regeneration.

## **Chapter 6**

### **Declining city: the case of Detroit**

#### **6.1 Introduction**

Detroit was an industrial power house for most of the twentieth century (during WWII, Detroit was presented as “the arsenal of democracy”; Sugrue, 2005). The city experienced rapid growth and become one of America’s wealthiest, biggest cities (Sugrue, 2005). Detroit’s population was highest in 1950 at 1.85 million, but has been emptying out since; in 2010, 713,777 people remained (Galster, 2012, p. 219).

After WWII, Detroit and many other older industrial cities began losing their industries and people as a result of the long-term structural trends of deindustrialization and globalization (Sugrue, 2005). Deindustrialization and globalization impacted Detroit especially hard due to Detroit’s dependence on a single industry (automotive manufacturing). However Detroit’s dependence on a single industry is not sole factor behind the decline of Detroit (Galster, 2012). The decline of Detroit is a combination of dependence on a single industry, regional fragmentation and racial divisions.

A vicious circle of decline has led to the situation whereby Detroit experiences a whole range of problems. These problems are the result of the severe structural decline: from 1950-2010, Detroit lost 62% of her population, 60% of her businesses, 60% of her tax incomes and 30% of her houses (Galster, 2012, pp. 221-224). This has led to governance problems, socio-economic problems, crime and housing abandonment problems and quality of life and infrastructural problems.

#### **6.2 Chapter outline**

This chapter provides a short summary of the decline of Detroit, for a concrete overview of Detroit’s decline, see Sugrue (2005), Galster (2012) or Binelli (2012). This chapter will first discuss the structural decline of Detroit. Then the chapter discusses the problems posed by the structural decline that constrain neighborhood regeneration. The chapter ends with a summary.

#### **6.3 The structural decline of Detroit**

Detroit and other older industrial cities were built on Fordist industrialization (Rousseau, 2009, p. 772). The model of Fordist industrialization was slowly eroded by long-term structural trend of deindustrialization and globalization (Sugrue, 2005). These long-term structural trends meant a shift away from manufacturing towards a service economy. This shift has impacted Fordist industrial cities: industrial cities such as Chicago, Detroit, New York City and Philadelphia experienced a heavy decline of more than 50%, in manufacturing jobs from 1967 to 1987 (Galster e.a., 1997). Structural economic changes such as these have transformed the spatial patterns of production at both a regional scale and within urban areas (Sassen, 1990). Within urban areas, a whole range of interrelated problems –such as severe population decline, high unemployment, low skill levels among the labor force, high levels of urban violence- are the result of the socio-economic change caused by the long-term structural trend of deindustrialization and globalization (Rousseau, 2009, p. 772).

##### *6.3.1 Dependence on a single industry*

Detroit was especially hard hit by the by long-term structural trend of deindustrialization and globalization because it’s economy was dependent on a single industry (Sugrue, 2005). The local economy of Detroit was focused mainly on the manufacturing of cars. The model of Fordist industrialization meant that Detroit’s industries had little domestic competition and they were sheltered from intense competition abroad. When Detroit’s industries were exposed to international competition, car manufacturers either went bankrupt or relocated away from Detroit. This left Detroit in economic decline and

caused many people to lose their jobs and therefore their source of income, providing a motive to move to another city where more employment options exist.

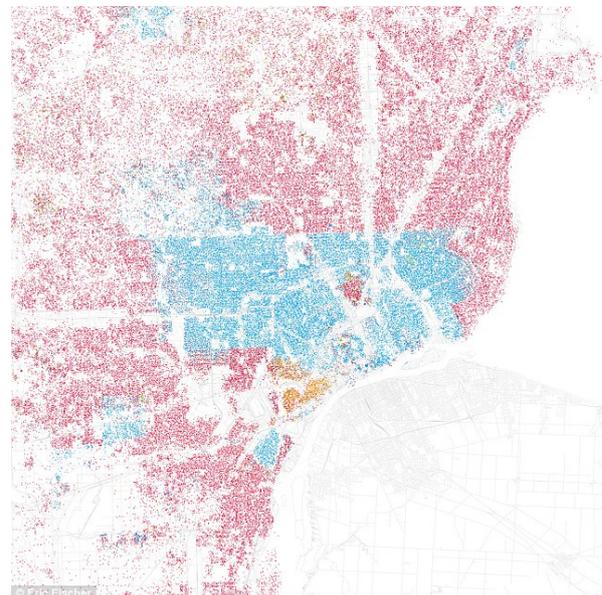
### 6.3.2 Racial division

Racial division is an important part of Detroit's history (Sugrue, 2005). The industrial boom that took place motivated many African-Americans from southern cities to move to Detroit and work in the automotive industry. Racial division led to racial discrimination in the workplace and in residential location (Sugrue, 2005; see also figure 1). African-American neighborhoods were segregated from white neighborhoods often in a forced way, such as by a concrete wall of half a mile to separate white middle-class homes from African-American homes (built in 1940; see figure 2). Attempts by African-Americans to relocate to white neighborhoods would encounter violent conflicts, such as was the case with Ossian Sweets (Boyle, 2004). The continued racial division and racial tensions in the workplace and neighborhoods led to race riots in 1943 and 1967. Through time, more and more white households moved to the all-white suburbs (the automotive industry also moved to the suburbs), which eventually allowed African-Americans to move to other neighborhoods within the city. Today racial division still persist: Detroit's population predominantly consists of African-Americans (around 90% of the city is African-American) while the suburban population predominantly consists of whites (Galster, 2012; see also figure 3).

Figure 1 & 2: Left: Sign displaying neighborhood racial division, 1942. Right: Concrete wall built in 1940 to separate white middle class homes from African-American homes.



Figure 3: Race map of metro Detroit. Red is white, blue is African American. Source: Galster, 2012



### *6.3.3 Regional fragmentation*

Detroit's regional fragmentation enhanced the severe population decline. While the city of Detroit has experienced a severe population decline, metro Detroit's population stayed stable from 1950-2010 (Galster, 2012, pp. 215-224). This means that most people relocated from the city of Detroit to the suburbs. Not only people relocated to the suburbs, also jobs moved to the suburbs (Sugrue, 2005). This suburbanization phenomenon is not unique to Detroit since it occurred throughout the US (Palen, 2012, pp. 115-146) but it occurred more severe in Detroit than elsewhere (Galster, 2012, p. 280). The reason that this process is more severe in Detroit than in other US cities is that Detroit's regional fragmentation promotes and rewards sprawl.

The housing development system -that because of the flat geography of Detroit in combination with the local government structure and social forces- enabled Detroit to sprawl at the edge of the city, while causing housing abandonment at the core (the concept of filtering; Galster, 2012). The new houses built in the suburbs are generally cheaper and of a better quality than the older houses in the city of Detroit (for the auto industry, it is also easier and cheaper to build new plants in the suburbs). This motivated people since 1950 to move towards the suburbs and motivated developers to build en masse at the edge of the city. "The result as of 2010: over 600,000 more dwellings were built in the region than there were households to fill them; the inescapable corollary is that almost an equal number of the least competitive dwellings were vacated, eventually abandoned by their owners, and ultimately demolished" (Galster, 2012, p. 217). Thus the regional fragmentation promotes suburban sprawl, while causing housing abandonment in the city of Detroit.

## **6.4 Problems posed by the structural decline that constrain neighborhood regeneration**

The structural decline of Detroit has created a number of problems that constrain neighborhood regeneration. These problems can be summarized as governance problems, socio-economic problems, crime and housing abandonment problems and quality of life and infrastructural problems. These problems will now be discussed individually.

### *6.4.1 Governance problems*

Governance problems are the effect of the decreased tax base (Detroit's tax base decreased with 60% between 1950-2010; Galster, 2012, pp. 221-224), which led to a municipal fiscal crisis (leading to bankruptcy in 2013), whereby the city is unable to fund basic city services. The inability to fund and provide basic city services causes a decline of quality of life and an increase in blight and associated problems. The decline of the tax base led the local government to increase the tax rates, though this has put Detroit at a competitive disadvantage (households pay three times more taxes by living in Detroit than in the average Michigan city; businesses pay two times more tax), thereby creating a burdensome and unfair tax regime (Detroiters pay the second highest amount of taxes, 14%, in the US; Galster, 2012, pp. 234-235). These high tax rates contribute to making the city undesirable for living. The fiscal crisis may also mean that the city is unable to financially support neighborhood regeneration efforts, thereby limiting the role of the local government in neighborhood regeneration process.

### *6.4.2 Socio-economic problems*

There are a variety of socio-economic problems in Detroit, ranging from poverty and educational problems to employment and mobility problems. Detroit's workforce is challenged by poverty and educational problems; The city has 38.1% people living in poverty (ACS, 2010), 30% of Detroiters have food insecurity (DFC, 2012, p. 163), Detroit public schools experienced a 60% decline in enrollment from 2001-2010 (DFC,

2012, p. 210), 20% of Detroiters do not have a high school degree (35% has a high school degree but no further training; DFC, 2012, p. 42) and many of the public schools in Detroit are considered to be of low quality (DFC, 2012, p. 43). Gallagher notes that inadequate public schools form additional incentive for families to leave Detroit (2013, p. 79). Employment problems relate to job distribution; there are 27 private sector jobs per 100 residents within Detroit and while 30% of Detroit jobs are held by Detroiters, 61% of employed Detroiters work outside the city (DFC, 2012, p. 42). Most jobs are found in the suburbs and due to inadequate public transport, a car is required to access these jobs but 21.5% of Detroiters does not have access to a car (DFC, 2012, p. 42). Thus not having a car could be unable people from accessing jobs in the suburbs, therefore a modal mismatch exists (Grengs, 2010). These socio-economic problems may constrain neighborhood regeneration.

#### *6.4.3 Crime and housing abandonment*

Crime and housing abandonment are major problems in Detroit. Detroit has the second highest violent crime rate (DFC, 2012, p. 210). Criminals might use abandoned structures as a haven for criminal activities (Wallace, 1989). 36% commercial parcels and 22% residential parcels are vacant in Detroit (DFC, 2012, p. 98), which often leads to blight and public safety risks that lower quality of life and constrain neighborhood regeneration. The abundance of vacant houses leads to declining house values; Detroit has the lowest owner-occupied housing value of the US (Boyle, 2001, p. 110) and experienced a 66% loss in median house sales price between 2006-2010 with a median sale price of 23,591 dollar in 2010 (DFC, 2012, p. 210). Housing abandonment and especially crime constrains neighborhood regeneration and requires some type of action to alleviate these problems in order for neighborhood to regenerate.

#### *6.4.4 Quality of life and infrastructural problems*

Quality of life and infrastructural problems are wide-spread in Detroit: only 40% of the existing street lights work, 27% of public roads are in poor condition (DFC, 2012, p.160), which may not only diminish quality of life, they might also reinforce the perception of unsafety at night. 21% of Detroit parks are in good condition and 46% of the recreation centers have been closed since 2005 (DFC, 2012, p. 272). These quality of life and infrastructural problems may constrain neighborhood regeneration.

### **6.5 Summary**

This chapter provided a short overview of the decline of Detroit. Detroit was built on Fordist industrialization and this model was undermined by long-term structural trends of deindustrialization and globalization. These economic changes impacted Detroit especially due to its dependence on a single industry, combined with regional fragmentation and racial divisions. The decline led to losing 62% of the population, 60% of the businesses, 60% of the tax incomes and 30% of the houses between 1950-2010 (Galster, 2012, pp. 221-224), which led to governance problems (e.g. fiscal crisis making unable to support neighborhood regeneration), socio-economic problems, crime & housing abandonment problems and quality of life & infrastructural problems. These problems, especially crime & housing abandonment, constrain neighborhood regeneration and require at least some degree of alleviation.

## Chapter 7 Method

### 7.1 Introduction

Chapter 4 discussed factors underlying neighborhood regeneration at city and neighborhood level and chapter 5 discussed neighborhood regeneration in a declining city. The factors that underlie neighborhood regeneration at city level are the opposite to Detroit, as it is a declining city (see table 6). This is as expected since most neighborhoods in a declining city will be in decline and any neighborhood regeneration will concentrate into specific commercial districts and neighborhoods (Beauregard, 2013, p. 187). However these specific neighborhoods are still embedded within the city of Detroit and therefore also these specific neighborhoods are exposed to the problems that constrain neighborhood regeneration.

The aim of this research is to understand how regenerating neighborhoods in Detroit (a city that is experiencing structural decline) alleviate the problems posed by the structural decline. In order to understand why certain neighborhoods are regenerating while the entire city is experiencing structural decline, two questions require answering, namely:

- 1) *Where does neighborhood regeneration occur?*
- 2) *How do the regenerating neighborhoods alleviate the constraining problems posed by the structural decline of the city?*

To understand how regenerating neighborhoods in Detroit alleviate the problems posed by the structural decline, this study used a mixed method, two-step analysis. The first analysis focuses on mapping the neighborhood dynamics at city level with the purpose to answer research question 1. The second analysis is an in-depth analysis of four regenerating neighborhoods with the purpose to answer research question 2.

Table 6: Factors underlying neighborhood regeneration at city level and constraining problems in Detroit.

<i>Factor</i>	<i>Detroit</i>
Strong Downtown business district and employment growth	Weak Downtown no employment growth
High and rising incomes	Low incomes
Rising house values	Declining housing values
High quality of life	Low quality of life
High quality school system	Problems with school system
Low taxes and strong local government	High taxes and local government in fiscal crisis
Positive public representations	Negative public representations

### 7.2 Chapter outline

This chapter elaborates on the methods used for answering the research questions. The citywide analysis will first be discussed. Then the in-depth neighborhood level analysis will be discussed. The chapter ends with a summary.

### 7.3 Citywide analysis

The citywide analysis was conducted to map where neighborhood regeneration occurs, with the purpose to provide the answer to research question 1: where does neighborhood regeneration occur? It is assumed that most neighborhoods are in decline or stable and that neighborhood regeneration is highly localized and concentrated into specific commercial districts and neighborhoods (Beauregard, 2013, p. 187). It is therefore likely that neighborhood regeneration occurs either in the greater Downtown

area (home to commercial districts) or near the suburbs since these areas are the most proximate to employment, institutions and amenities (Pacione, 2009, p. 211; Downs, 1981, p. 76).

This analysis mapped the factors underlying neighborhood regeneration at neighborhood level for the creation of a generalized model of neighborhood dynamics in Detroit. It is assumed that neighborhood regeneration is highly localized and concentrated, while most of Detroit's neighborhoods will be in decline or stable. Data was used from the census 2010 and census 2000 from the US Census Bureau since this was the most recent data available. Data at census tract level was used as a proxy for neighborhood level since neighborhood level data was unavailable and census tracts match most neighborhood boundaries in Detroit. Also insights from interviews were used in order to gain better understanding of the neighborhood dynamics that occurred in Detroit from 2000-2010.

To determine whether or not a neighborhood is regenerating, housing value change data is often used. However such data was not available and therefore neighborhood regeneration was measured not by increasing house prices, but by positive population/household change. This measurement does not conflict with the definition of neighborhood regeneration by (Kennedy & Leonard, 2001), namely that neighborhood regeneration is defined as "the process of enhancing the physical, commercial and social components of a neighborhood and the future prospects of its residents through private sector and/or public sector efforts".

Perhaps using population/household change may be more useful for neighborhood regeneration in a declining city than housing value change. A neighborhood that experienced positive population/household change was considered to be regenerating, a neighborhood was considered stable when negative population/household change was significantly lower than the mean decline and a neighborhood was considered to decline when the decline was higher or equal to the mean decline.

#### **7.4 Neighborhood level analysis**

The neighborhood level analysis used a qualitative analysis, which focused on a more in-depth analysis of the regenerating neighborhoods in the greater Downtown area with the goal of answering research question 2: how do the regenerating neighborhoods alleviate the constraining problems posed by the severe structural decline of the city?

Three assumptions can be made regarding the answer to this question. It can be assumed that in order for neighborhoods to regenerate that these neighborhoods:

- I) Somehow manage to alleviate the problems that constrain neighborhood regeneration (Baldassare, 1982, p. 27), *or*
- II) That the regenerating neighborhoods never experienced the problems associated with the structural decline, *or*
- III) That the new residents are unaffected by the constraining problems;

To answer this research question, an in-depth analysis of the regenerating neighborhoods was conducted. The goal of this analysis was to understand how the regeneration process occurs and how these different neighborhoods deal with problems associated with the structural decline of the city.

The literature states that for neighborhoods to alleviate the problems that constrain neighborhood regeneration, intervention by powerful agents is needed (Smith, 2006, p. 192). These agents can be internal and/or external and at multiple geographical scales (Pitkin, 2001). The following actors are important agents: residents & community organizations, the private sector (e.g. realtors, financial institutions and regeneration stakeholder companies) and the local government (Tempkin & Rohe; 1998; Beauregard,

1990; Carmon, 1999; Smith, 2006, p.192). The dialogue between these agents, especially in the shape of partnerships is important for neighborhood regeneration (Carmon, 1999, p. 155; van Beckhoven e.a., 2009, pp. 20-50).

Table 8: Interviews done by author.

<i>Agent</i>	<i>Number of interviews</i>
<b>Internal forces</b>	<b>11</b>
Residents	
New resident	5
Long-term resident	5
Community organizations (CDCs/EDS)	1
<b>External forces</b>	<b>7</b>
Private sector stakeholder companies	
Real estate agents	2
Financial institutions	2
Other	3
<b>Total</b>	<b>18</b>

Semi-structured interview where held with residents, community organizations (CDCs/EDCs) and stakeholder private sector companies (see table 8)<sup>2</sup>. These actors were asked about their how they dealt with problems associated with the structural decline of Detroit, their involvement in neighborhood regeneration, why a specific neighborhood was selected, which factor(s) played an important role in this selection. Data collection stopped when the point of data saturation was reached.

### 7.5 Summary

This chapter discussed the methods that were used in this study. This study used a mixed method, two-step step analysis.

The first analysis was a citywide analysis that mapped the neighborhood dynamics within Detroit. This was done to show where neighborhood decline, stability and regeneration occurred. The data that was used for the first analysis came from the census 2000 and census 2010. Insights from interviews were used to gain better understanding of the neighborhood dynamics that occurred in Detroit from 2000-2010.

The second analysis was an in-depth neighborhood level analysis of four regenerating neighborhoods in the greater Downtown. This was done to understand how these neighborhoods alleviated the constraining problems posed by the severe structural decline of the city. The data that was used for the second analysis came from 18 interviews that were held with neighborhood internal agents (residents and a CDC) and neighborhood external agents (real estate agents, financial institutions and other regeneration stakeholder companies).

<sup>2</sup> Interviews with the local government could not be performed as a result of the combination of the declared emergency law due to bankruptcy and government elections at the time that the author was in Detroit.

## Chapter 8

### Citywide analysis: mapping Detroit's neighborhood dynamics

#### 8.1 Introduction

The first analysis is the citywide analysis. This analysis maps the neighborhood dynamics within Detroit to show where neighborhood decline, stability and regeneration occur. Data at census tract level and census block level from the census 2000 and census 2010 are used for the following variables: population change, household change, housing unit change, vacant housing change, occupied housing change, average housing condition, investment programs and racial changes. Also insights from interviews are used for a better understanding of the neighborhood dynamics within Detroit. A generalized model of neighborhood dynamics was created to gain a better understanding of the neighborhood changes that occurred in Detroit from 2000-2010.

#### 8.2 Outline

This chapter will first analyze a series of maps, thereby discussing developments from 2000-2010 and the spatial distribution of these developments among Detroit neighborhoods. Hereafter the generalized model and its components will be discussed. The chapter ends with a summary.

#### 8.3 Mapping neighborhood dynamics

This part will discuss the maps 1 to 13.

##### *8.3.1 Mapping population dynamics*

Map 1 shows the percent change in population at census tract level during 2000-2010. An increase in population could mean that neighborhoods are regenerating, while a decrease in population means that neighborhoods are declining. Detroit's mean is a 25% decrease in population, indicating that 1 in 4 persons left Detroit during 2000-2010.

The map reveals that only a few census tracts have experienced a positive population change. The positive population change varies from 0.1%-50.0% and from 50.1% and greater. The two census tracts that fall within the latter group (50.1% grow or greater) have experienced such a great increase in population that it is likely due to statistical growth caused by new constructions; these areas had a very small population to begin with and even a marginal increase in absolute population would lead to a high statistical growth since change is measured in percentages. New constructed housing that becomes functional may lead to statistical growth since the site may have been unoccupied before the construction began. Qualitative in-depth interviews confirmed this:

*"If you look at the area around Hamtramck, the population is very low there, there's actually one building that is responsible for all the population change" – Interview XVII*

*"There is a geography to population change in Downtown. Part of what was happening between 2000-2010 was the building of two stadiums and several casinos. Large footprint developments that took away some housing, also Downtown never had that much population. It was a business center" – Interview IX*

*"Like all Downtowns, it is mostly a business center. There was only a small amount of residences" – Interview XVII*

The map clearly shows that most population growth at census tract level occurred in the greater Downtown area with the exception of some population growth around the autonomous municipality of Hamtramck and with the exception of one census tract in the western part of Detroit. In addition to the population growth that occurred at the greater Downtown area, there are also relatively stable census tracts (-19.9%-0.0%). Relatively stable census tracts are still declining, but at a lesser rate than the mean

decline of -25%. Therefore these census tracts are relatively stable in comparison to the other declining neighborhoods.

The relative stable areas are found in the greater Downtown area and at the suburban fringes of the city; therefore it can be stated, based on population changes at census tract level that the greater Downtown area is undergoing a process of neighborhood regeneration although two important notes have to be taken into account. First, it is uncertain whether the relative stable areas within the greater Downtown area will be undergoing a process of regeneration in the future or not. Second, there are some census tracts in the greater Downtown area where severe population decline occurred. This might have been caused by new constructions at sites where the existing population was either forced out or it might be caused by statistical growth if the initial population was small and even a marginal decrease in that small population translates to a severe decline in percentages.

The severest population decline occurred between the greater Downtown area and the relatively stable census tracts around the suburban border. This category covers more ground than the other categories, meaning that the majority of the city experienced severe population decline. This is reflected in the city's mean decline of -25% population change. These areas are thus the heaviest hit by the population decline.

### *8.3.2 Mapping household dynamics*

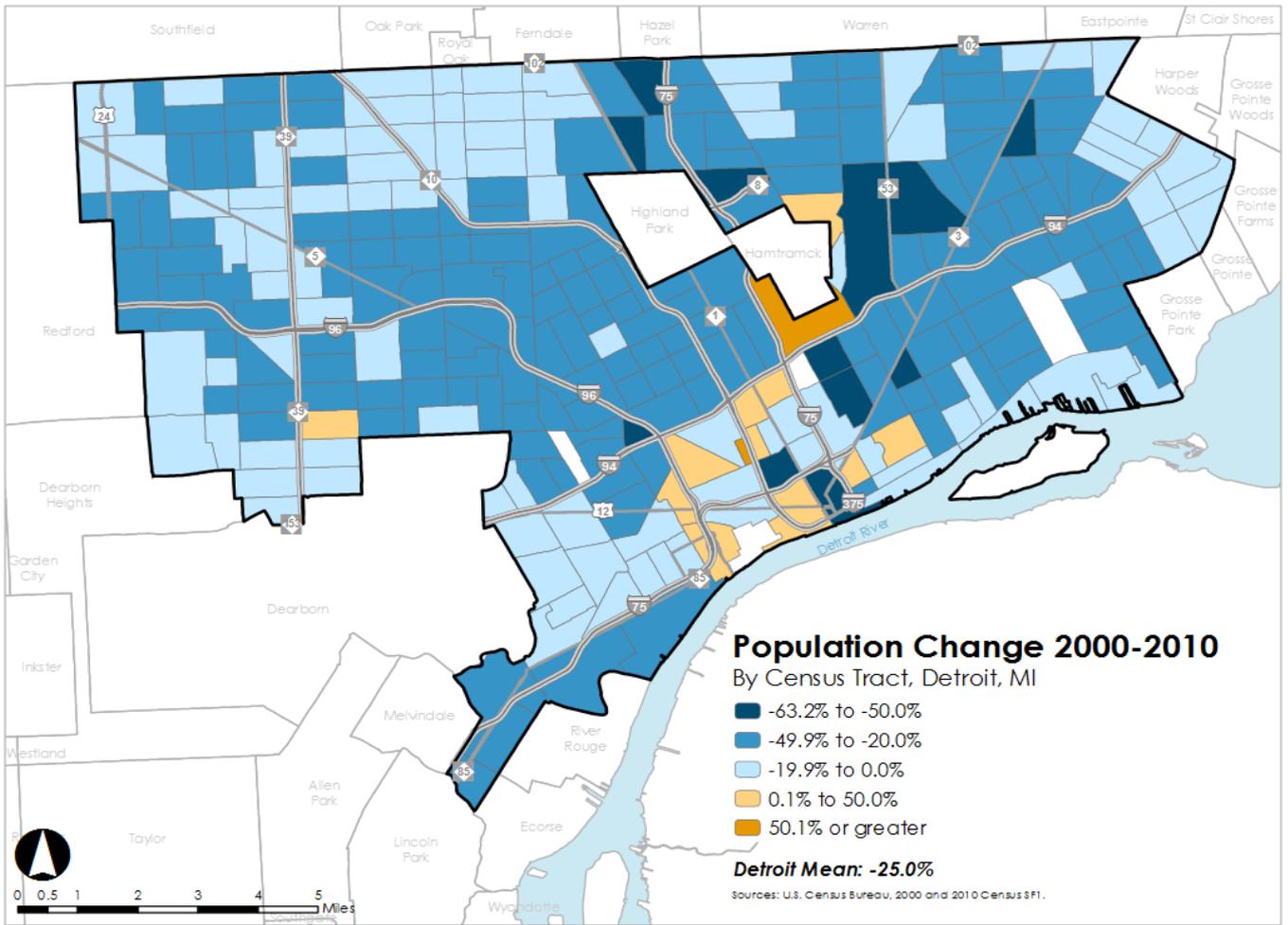
Map 2 shows the percent change in household at census tract level during 2000-2010. An increase in households means that neighborhoods are regenerating, while a decline in households means that neighborhoods are declining. Detroit's mean is a 16.12% decline in households.

When change in households is compared with population change, it can be noted that the mean population change (-25%) is higher than the mean household change (-16.12%), therefore it is likely that mostly families left the city during 2000-2010 (when a family of 4 peoples leaves, it will produce a change of -4 population but only -1 household). By comparing population change and household change, statements regarding the household composition can be made.

When comparing map 1 with map 2, the following observations can be made. First, Downtown has a large increase in single and two-person households since the change in households is much higher than the change in population. Secondly, Corktown and some other census tracts are experiencing an increase in households, but not in population; therefore families are moving out while smaller households move in. Thirdly, some census tracts in Midtown are showing a heavy decline in households (-30% or greater) while the total population is increasing; therefore it is likely that some families are moving in while many other households are moving out. This is confirmed with qualitative evidence:

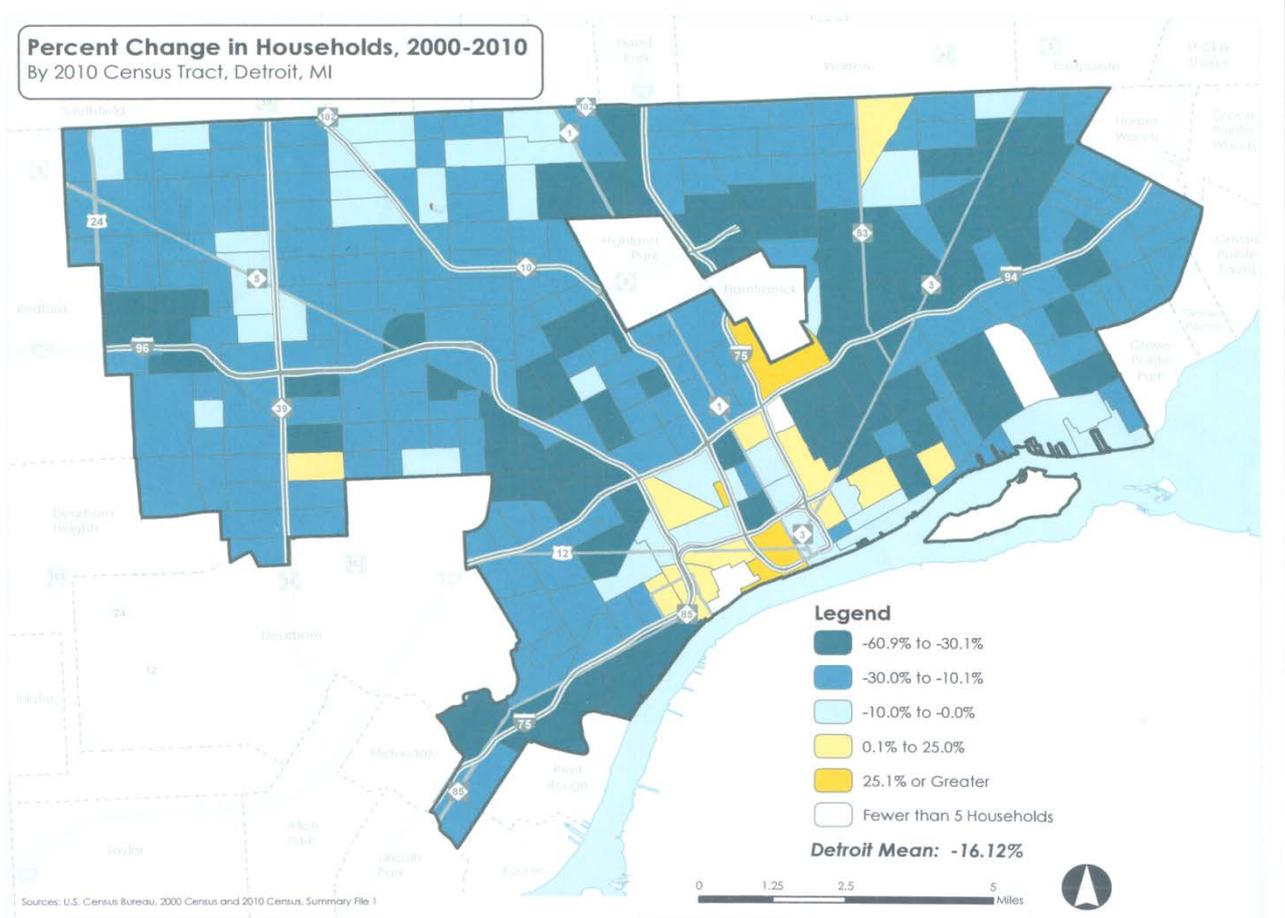
*"The Midtown/Downtown corridor is much more focused on condominiums as opposed to single family homes and that attracts more single individuals" – Interview VIII*

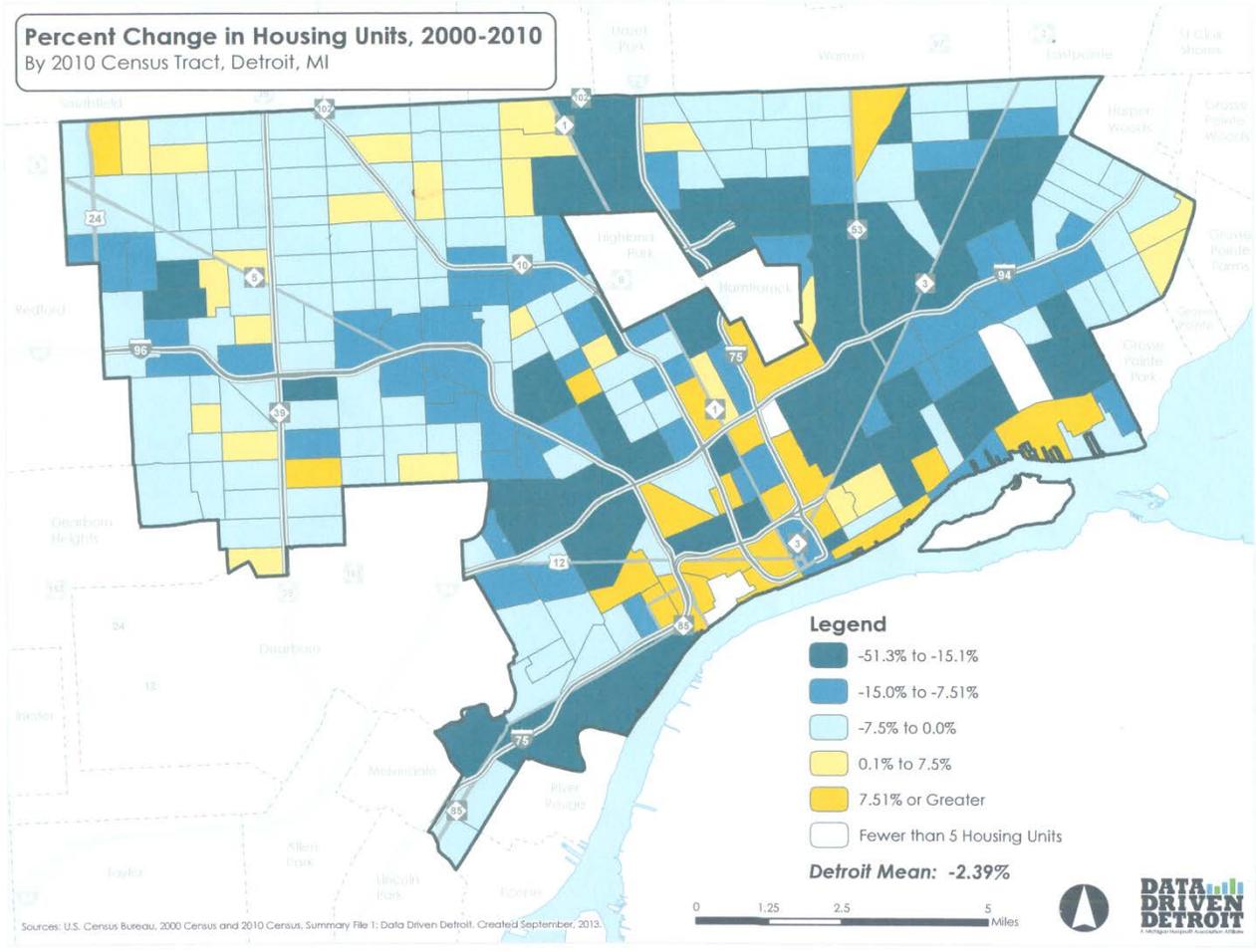
Fourthly, between greater Downtown and the relatively stable areas at the suburban border, there are clusters of very severe decline in households (-30% to -60.9%), which might mean that these areas have reached a tipping point of decline and are emptying out rapidly.



Map 1: percent change in population at census tract level during 2000-2010; in association with DataDrivenDetroit.

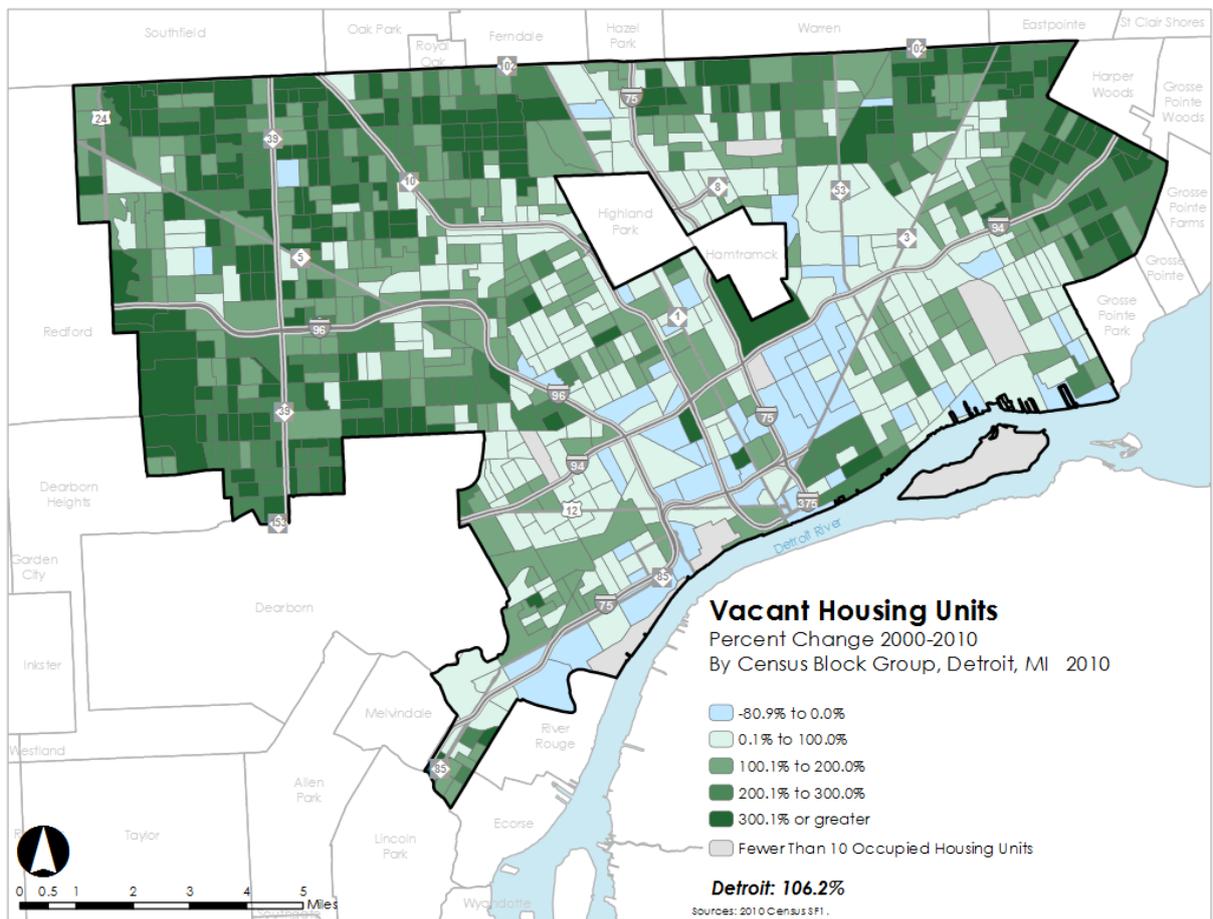
Map 2: percent change in household at census tract level during 2000-2010; in association with DataDrivenDetroit.





Map 3: percent change in housing units at census tract level during 2000-2010; in association with DataDrivenDetroit.

Map 4: percent change in vacant housing units at census block level during 2000-2010; in association with DataDrivenDetroit.



### 8.3.3 Mapping housing unit change

Map 3 shows the percent change in housing units at census tract level during 2000-2010. Housing units reflect on the amount of residential housing. A negative growth in housing units means that housing was demolished or became unfit for living. A positive growth means that either new housing was constructed, or that industrial/commercial buildings were converted into residential or that a residential building was converted into multi-household housing. Detroit's mean is -2.39%, meaning that more houses were demolished than new houses were constructed.

All most all of the positive housing unit change occurred in the greater Downtown area or in clusters near the suburban fringe (even though severe decline, -15.1% to -51.3%, occurred in some census tracts in the greater Downtown area); a different pattern can be seen in the area between the suburban fringe and the greater Downtown area. In this area, there are relatively stable neighborhoods, a few positive growth neighborhood and almost all the heavy decline (-15% or greater) is found here.

A lot of population and household growth occurs in the neighborhoods that have newly constructed houses. Neighborhoods that experience population increases also experience a high degree of positive housing change, meaning that newly constructed housing helps neighborhood regeneration, especially the demand for apartment buildings is high. This is confirmed with statistical evidence, namely that 66% of the housing demand in greater Downtown is for apartments while 65% of the city's housing stock consists of single family detached housing, (DFC, 2012, p 98). This was also confirmed with qualitative in-depth interviews:

*"People are spending money if the product suits their needs and they really want to live in a tower of security. They really want to live in an ivory tower and that's where they are willing to spend a lot of money for. [...] I have a huge struggle getting people to move into a townhouse because the door is on the street. Even if it is right next to a loft, the neighborhood is more tolerable if you are not on the first floor. We sale a lot of condos and only very few single family homes"* –Interview XIII, real estate agent.

*"The population change around [Wayne State University] is due to additional housing, in Downtown there has been a lot of stuff added too"* – Interview XVII

Also converting vacant houses and vacant commercial/industrial buildings into multi-family homes and apartments occurs:

*"These are big old houses and a lot of them are vacant but some developments are taking place here. Some have been bought up, restored and converted into multifamily homes. You can make great money with that, as long as the restoration is not too costly. A lot of land here is vacant because the house on it was torn down. There's also an old factory here which has now been converted into lofts"* – Interview II

### 8.3.4 Mapping vacant housing change

Map 4 shows the percent change in vacant housing units at census block level during 2000-2010. This map shows where the percentage of vacant houses has increased or decreased. An increase reflects neighborhood decline while a decrease could indicate neighborhood regeneration. Detroit's mean is a 106% increase in vacant houses, indicating that more houses have become vacant during 2000-2010.

The map shows that neighborhoods around the suburban border have experienced a stark increase in vacant houses. This is probably statistical growth since these neighborhoods probably had a little amount of vacant houses and thus a small increase in vacant houses will translate into a big increase in the percent of vacant houses.

A negative change in vacant houses occurred in and around the Greater Downtown area. This indicates that vacant houses have been declined. The decline of vacant houses in these neighborhoods can have two causes. Either they were demolished or they were re-occupied. By comparing this map with map 3, it can be noted that most neighborhoods that experienced a decrease in vacant houses also experienced an increase in housing units change. This means that it is likely that vacant houses were demolished and new construction or conversion followed, which is likely since demand is higher for newly constructed and renovated apartment buildings (see section 8.3.3)

#### *8.3.5 Mapping occupied housing unit change*

Map 5 shows the percent change in occupied housing units at census block level during 2000-2010. This map shows where the percentage of occupied housing units has increased or decreased. An increase reflects neighborhood regeneration while a decrease reflects neighborhood decline. Detroit's mean is 19,9% decrease in occupied housing units, indicating that less houses have been occupied during 2000-2010.

The maps shows that neighborhoods around the suburban border have been relatively stable, since the decline in occupied housing unit change is below Detroit's mean decline.

The neighborhoods between the suburban border and the Greater Downtown have experienced a stark decrease in occupied housing units. Qualitative interviews showed that this stark decrease in occupied housing units is the result of home foreclosures and job losses during the US national recession and housing bubble bust:

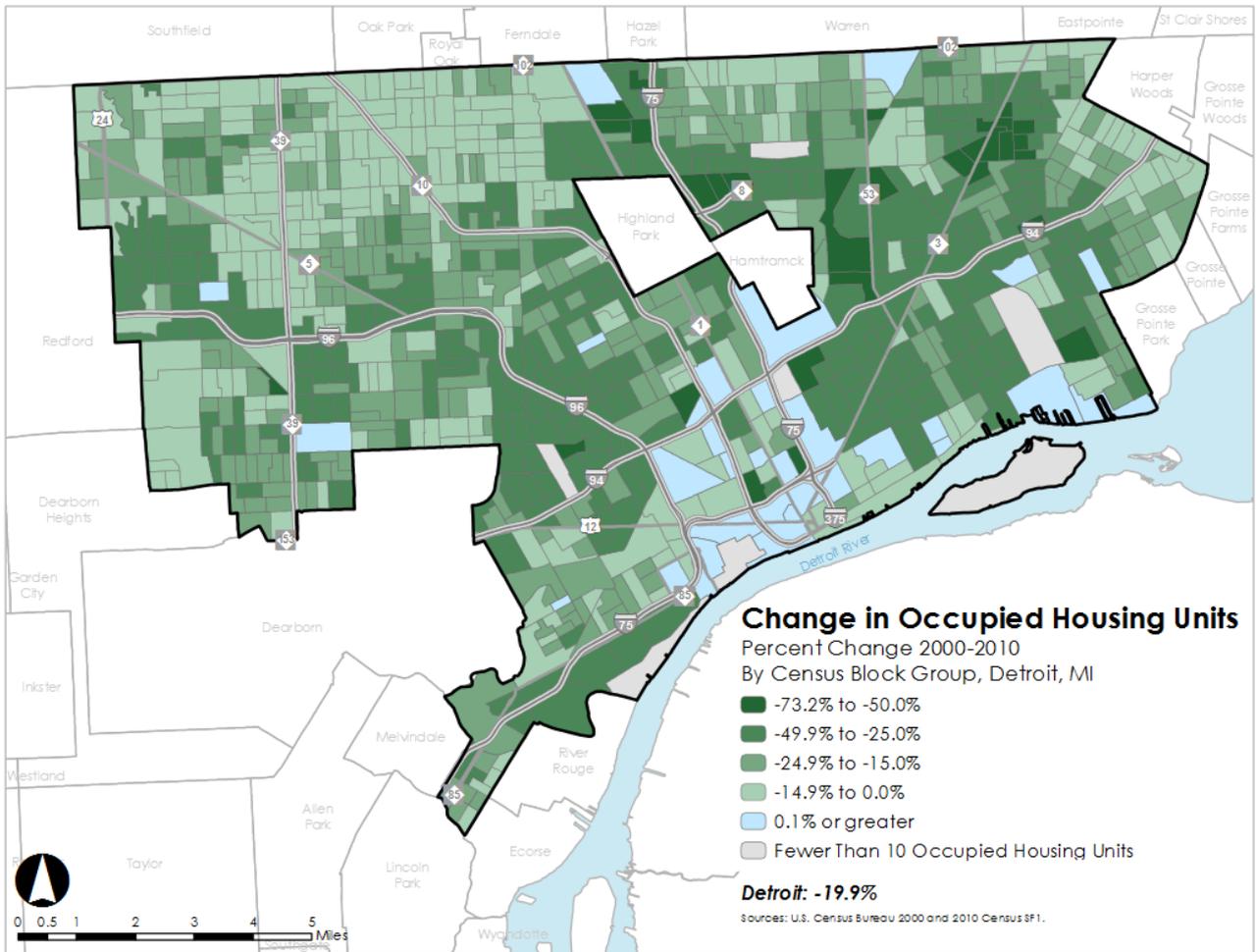
*"the neighborhood was quite stable but people started losing jobs. When you lose your job and the economy is down and you can't get a new job then the first thing you lose is your home[...] There are currently 6 to 8 houses vacant houses on the block either because people lost their job or because the mortgage industry collapsed and they were doing the balloon payments. People just couldn't keep their homes" – Interview VII*

The greater Downtown area neighborhoods are either relatively stable (with a decline under Detroit's mean) or have a positive change. This means that the neighborhoods with a positive change could experience neighborhood regeneration since more housing were occupied during 2000-2010.

#### *8.3.6 Mapping average housing condition*

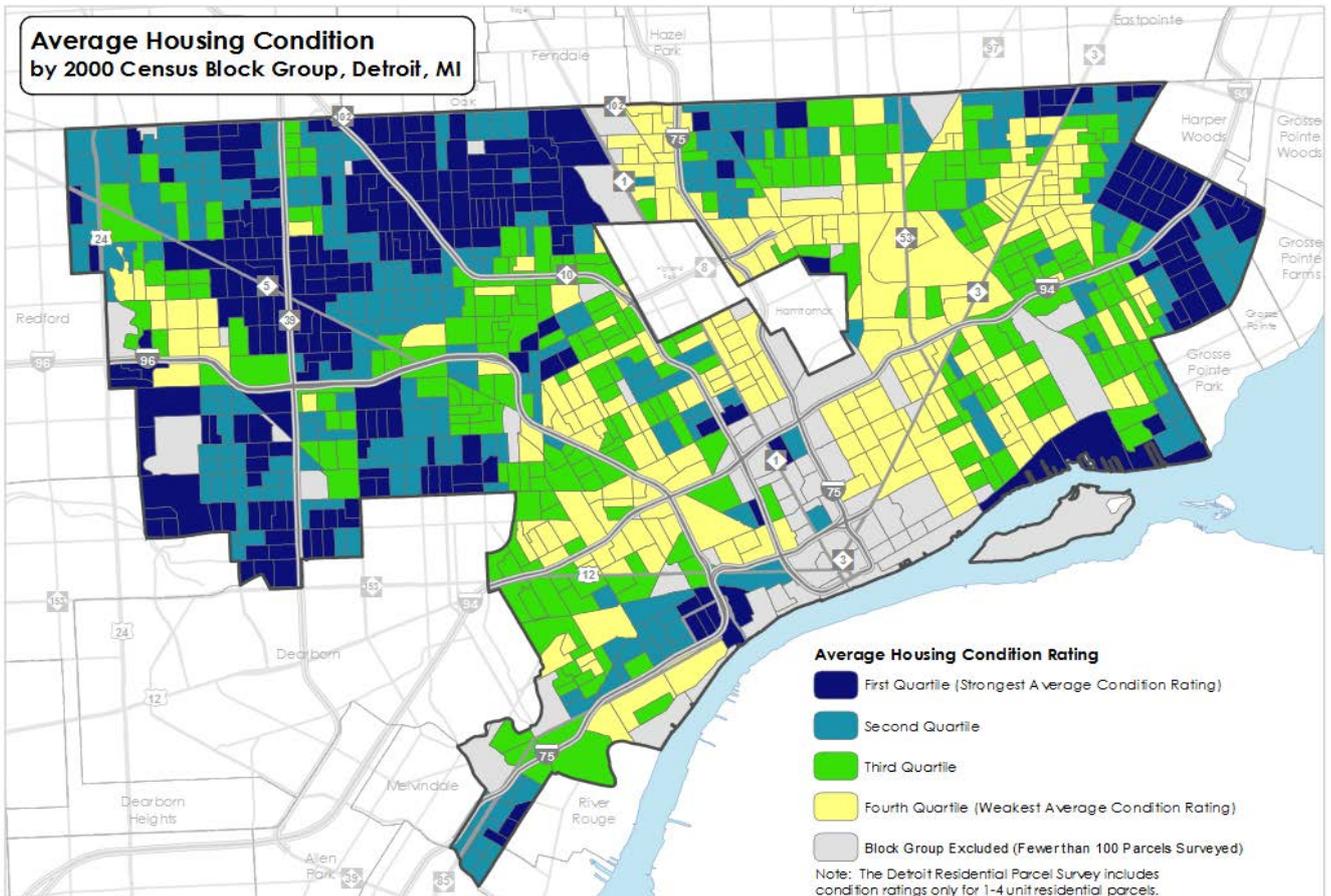
Map 6 shows the average housing condition at census block level 2010. A stronger average condition means that the neighborhood housing stock is more likely to remain stable and/or regenerate. A weaker average condition means that the neighborhood housing stock will constrain neighborhood regeneration.

The map shows that the average housing condition is stronger around the suburban border. The average housing condition is weakest in the area between the suburban border and the greater Downtown. The greater Downtown has some housing which is in the stronger segment and some housing that is in the weaker segment. The neighborhoods with a stronger average housing condition in the greater Downtown are most likely to regenerate.

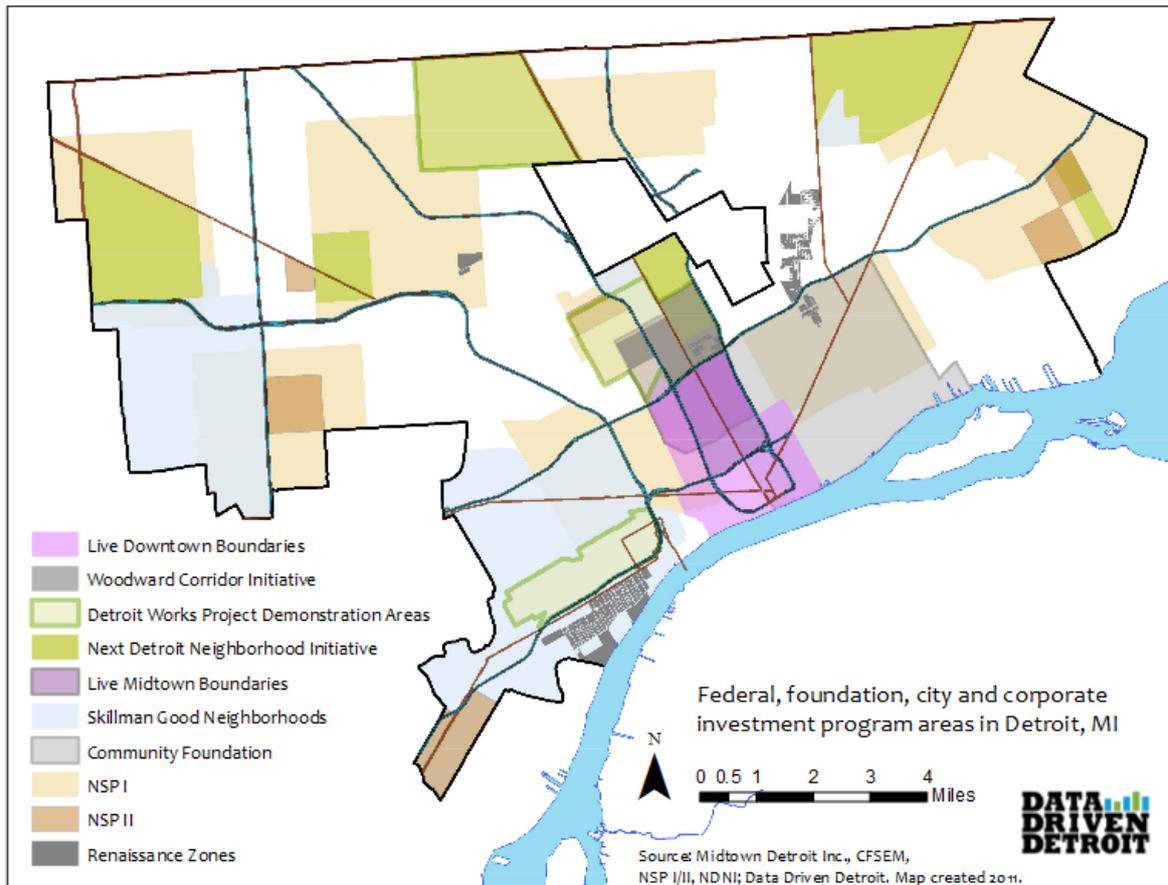


Map 5: percent change in occupied housing units at census block level during 2000-2010; in association with DataDrivenDetroit.

Map 6: Average housing condition at census block level 2010; in association with DataDrivenDetroit



Map 7: Investment programs at census block level during 2000-2010; in association with DataDrivenDetroit.



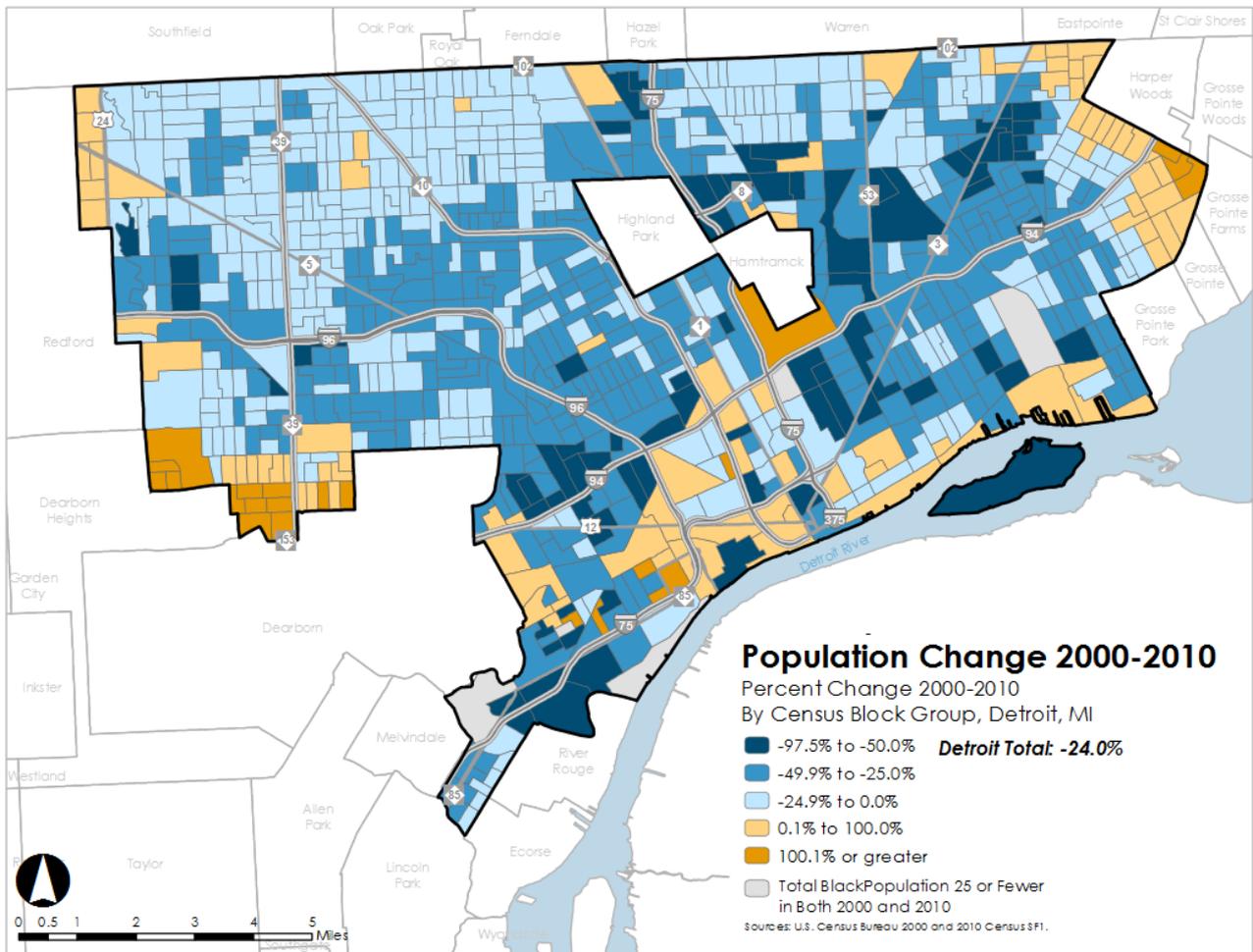
### 8.3.7 Mapping investment programs

Map 7 shows the locations of various investment programs. These investments originate from various actors and target different neighborhoods. The green colored programs are investment programs from the local government and these programs target neighborhoods near the suburban border. The brown colored programs are federal programs that targets neighborhood with vacant, abandoned and foreclosed properties, mostly in the area between the suburban border and the greater Downtown. The grey colored programs are foundation investment programs and these programs target Midtown and neighborhoods east of Midtown. The purple colored programs are corporate and quasi-corporate (non-profit CDCs/EDCs) and target Downtown and Midtown. Qualitative research showed that these investments play a crucial role:

*Q: You talked about some of these incentives that exist. What kind of a role do they play for people who move?*

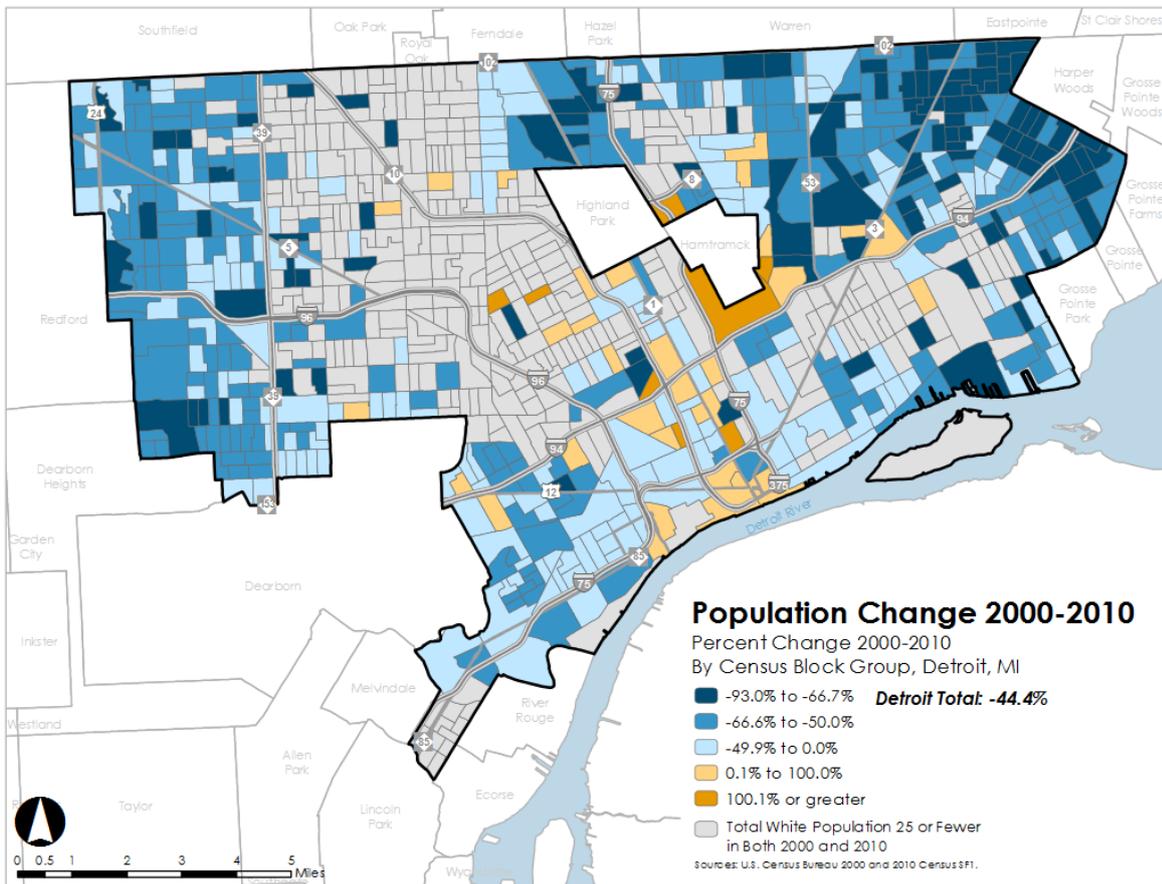
*A: They do exactly what they should do; they are incentives to lure people into putting their feet into the water and hopefully after two years of rent subsidies or mortgage down payment that they will stick around. However you do have to work for the major institutions, but when you can live in Midtown for less than you are paying for your current house in the suburbs and get to your job quicker, maybe even leave your car at home, then why not test it out for 2 years and experience the city for yourself. So is it working? yes I think it is working, the numbers show it is working. – Interview XVI*

*“Attempts were made to lure them [businesses and people] to Downtown, so it’s a story of the chicken and the egg. It is as much about the people who made plans to draw companies to come to Downtown. Dan Gilbert and others did not just do it own their own by just recognizing the value. Some of the mechanism to lure investments were stuff like tax breaks. The Illitch empire did not pay a lot of money for the Comerica Park, most of that was paid for by the tax payers. So it’s also some decisions being made concerning public investment” – Interview IX*



Map 8: percent change in African-American population at census block level during 2000-2010; in association with DataDrivenDetroit.

Map 9: percent change in white population at census block level during 2000-2010; in association with DataDrivenDetroit.





### 8.3.8 Racial changes

Racial population changes are shown in map 8, 9, 10 and 11 (respectively showing population change in African-American, white, Asian and Hispanic populations). Only the Hispanic population experienced a mean increase (3.2%). This means that more Hispanics are living in Detroit in 2010 than in 2000 while less African-Americans, whites and Asians are living in Detroit in 2010 than in 2000.

The greater Downtown has seen an increase in population for all races. Often it is implied that gentrification and neighborhood regeneration have a racial dynamic associated with the process, where white households replace African-American households, but empirical evidence shows that neighborhood middle- and upper income non-white households can also gentrify or regenerate neighborhoods (Bostic & Martin, 2003). Because of the increase in population for all races in the greater Downtown, it seems unlikely that a racial transition occurred in the greater Downtown.

Qualitative research shows that the increases in the greater Downtown is mostly the result of the inflow of people following their jobs rather than a spatial reshuffle of a constant or declining number of people as Marcuse (1985, p. 217) proposed:

*Q: Are the people who move to the greater Downtown long-term Detroiters?*

*A: No, most of the people who lived their entire lives in Detroit own their house and/or are comfortable in their neighborhoods. To move to Downtown, you will need money. – Interview X, real estate agent*

*“It is mostly suburban folks who move in, following their jobs. Can also be Hispanics who move from the suburbs if you talk about Southwest Detroit [see map –ES]. It could basically be anybody, but black people because black people move to the suburb”. –Interview II*

### 8.4 Generalized model of neighborhood dynamics

To get a better understanding of the neighborhood changes that occurred in Detroit, a generalized model was created (see figure 4). This is a generalized model of neighborhood dynamics that took place whereby the author grouped similar neighborhood developments together for the sake of understanding these dynamics.

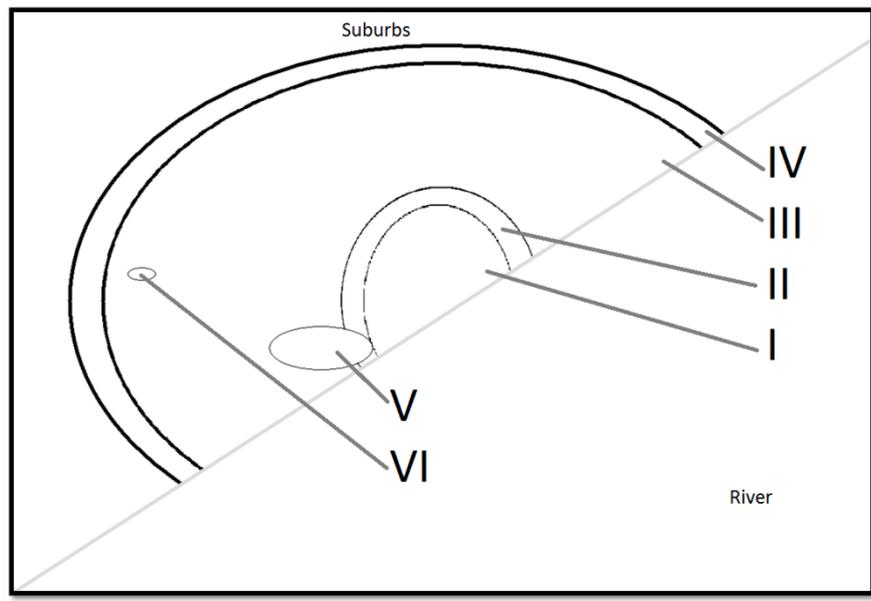
By generalizing about the developments, there is the risk that differences between neighborhoods become neglected; however the neighborhood level analysis (see chapter 9) is devoted to understanding the differences between neighborhoods, therefore the generalizations made regarding neighborhood developments in this analysis are deemed as a valid method for gaining understanding of neighborhood dynamics within the city.

The generalized model consists of several rings, namely the outer relatively stable suburban border ring (ring IV), the ‘big belt of decline’ ring (ring III), the regeneration fringe ring (ring II) and the greater Downtown regeneration ring (ring I). There are also two circles within the model that are referred to as the small cluster of incumbent upgrading (ring VI) and the cluster of immigrant upgrading (ring V). These rings and clusters will now be discussed separately and for a short summary per ring, see table 9.

Table 9: Summary per ring.

<i>Ring</i>	<i>Population dynamic</i>	<i>Housing change</i>	<i>Vacancy rate</i>	<i>Housing condition</i>	<i>Investments</i>	<i>Racial change</i>
I "greater Downtown"	Increase	New construction	Decrease	Strong	Yes	No
II "regeneration fringe"	Overall decrease	Relatively stable	Mixed	Mixed	Yes	No
III "big belt of decline"	Severe decline	Demolitions	Increased	Weak-Weakest	No	No
IV "suburban border/fringe"	Relatively stable	Relatively stable	Low but increasing	Strongest	Some	Yes
V "Immigrant upgrading"	Increase	Mixed	Low but increasing	Strong	Yes	Yes
VI "incumbent upgrading"	Increase	New construction	Low	Strongest	No	No

Figure 4: generalized model of neighborhood changes in Detroit, made by author.



#### 8.4.1 Ring I: Greater Downtown - regenerating

Ring I consists out of the greater Downtown area. The greater Downtown area is undergoing processes of regeneration and some gentrification. The processes of regeneration that are occurring in neighborhoods here, can be characterized as being in what Berry (1985) described as a variety of stage 2 and 3, meaning that the regeneration in this area has gotten public attention and this attention has attracted others to the neighborhood such a mix of federal, city, foundation and corporate investments.

One of the crucial reasons for the occurrence of the regeneration and some gentrification is that these neighborhoods were always relatively stable:

*"[the greater Downtown area was] always relatively stable. The areas that were relatively stable and never really lost any of that stability are the one that are becoming popular now. There is a definite connection" – Interview IX*

*"People see these neighborhoods; they are urban and recently rebounded. They are historic and you see restaurants and bars popping up. In the past there was a large art and culture scene going on there. These neighborhoods become regarded as cool places but beside that the proximity to Downtown/Midtown and the freeways plays a role. Also the fact that these neighborhoods are intact; the layout of these neighborhoods, Woodbridge and Corktown, are pre-automotive neighborhoods. So the homes are very close together and because they have stayed intact, there is not a lot of blight in these neighborhoods. That makes these neighborhoods safer and more appealing to people who are going to want to walk down their streets and sit at their porch. These neighborhoods have relatively little blight compared to other neighborhoods in the city" – Interview VIII.*

These quotes show that the greater Downtown neighborhoods have three important characteristics, namely locational benefits, an aesthetic housing stock of good quality and a low level of blight, which promotes a feeling of safety. All three have helped these neighborhoods to remain relatively stable, but still problems needed to be alleviated in order for neighborhood regeneration to take place. The alleviation of constraining problems is the main focus of the next chapter however.

Another crucial reason for the occurrence of regeneration and some gentrification is the economic developments that took place in Midtown and Downtown. These economic developments led to an increase in private sector investments into the greater Downtown area, which supported and enabled neighborhoods to alleviate constraining problems. The alleviation of constraining problems will be discussed in the next chapter however.

#### *8.4.2 Ring II: Regeneration fringe – small scale regeneration*

Ring II forms the fringe area where very small scale regeneration exists; some blocks and streets are in the process of regeneration while the neighborhood as a whole is not. Not only is the regeneration very small scale but it is also very recent:

*“This neighborhood was a terrible place 5 years ago. Nobody wanted to live here. This area is really quite close to where the riots broke out in the 1960s, so everybody started leaving this neighborhood and it never really recovered until the last few years” – Interview I, new resident*

*“This street is now quite lively. It used to be more rundown houses and the people living here had problems during the recession such as losing their jobs and then the foreclosures started and the houses were being sold for low prices and the people who moved into these houses started redoing them and now the street looks much nicer”- Interview XIII, long-term resident*

The regeneration is very small scale and very recent, meaning that the regeneration occurring in this ring was not visible statistically, especially since the statistics used were from 2000-2010. The regeneration that takes place here is what Berry (1985) describes as stage 1 regeneration, meaning that a small number of households began upgrading and this upgrading is done mostly with ‘sweat equity’ investments and private capital as interviews with residents confirmed:

*“I put a lot of money and work into the house. When I got the house, it was not in such a good shape, so a lot had to be done but I am satisfied with the house now” – Interview XII, new resident*

*“The house was in a pretty bad condition when I bought it. Holes in walls and that kind of stuff but my father is a retired carpenter. He has the knowledge to fix up the house and he has the time too. He has redone the entire living room walls and fixed up a lot of other stuff too” – Interview I, new resident*

The transition from decline to small scale regeneration is due to mainly two things: the availability of cheap housing and the locational benefit of being close to the greater Downtown (ring I). The availability of cheap housing was not always a given fact; home foreclosures created cheap housing since the foreclosed homes would be auctioned-off for undervalued prices. This may solve a constraining problem, namely the ability to finance a house purchase:

*“Also I moved here because I could get this house really cheap, for only 2600 dollars. I used to rent campus housing but I was paying a lot, 1200 dollars per month. I figured, why pay the rent if I can buy a house for almost the same price as two months of rent. I paid more for my car than for the house. Now I have much more space and own the place. This house is a 100 years old and the previous residents were evicted due to home foreclosure” – Interview I, new resident*

*“I could buy the house without a mortgage, so that saves me a lot of costs and this house is big and therefore well suited for my family” – Interview XII, new resident*

Although these houses are auctioned-off for undervalued prices, significant repairs (either in the form of capital or sweet equity) are required since the houses tend to be in a bad condition. The upgrading of the houses tends to cost such a significant amount of capital that the interviewees did not consider their house to be an investment nor that it

would generate profit when selling the house in the near future. This attitude is in accordance with Berry (1985) as he mentions that the scale of the upgrading is very localized and therefore the regeneration receives hardly any public attention, therefore the area is not considered to be attractive for other groups.

The people who move into this area tend to be people who have lived in Detroit for (almost) all their lives, therefore no racial transition is occurring either. Therefore this ring matches with what Marcuse (1985, p. 217) states, namely, that the regeneration in a declining city is the product of a spatial reshuffling of a relatively constant or even declining number within the city.

The localized nature of the regeneration in this area is easily visible when walking across a neighborhood since there is a clear division in the appearances of houses. There are fully upgraded houses, houses in the process of upgrading and houses in bad condition. The houses in bad condition are often rentals, whereby the tenant has been a long-term renter while the upgraded/upgrading houses have been purchased with the last five years by families. The reason that families move in is because the housing stock consists of spacious single-family homes and because the area is considered to be relatively safe and proximate to other regenerating area. Nevertheless almost all of the problems that constrain neighborhood regeneration have not been taken care off nor is there an organization that deals with these problems. Therefore it is likely that these new residents are less affected by these problems since they have been living in the city for almost all their live.

#### *8.4.3 Ring III: Big belt of decline - declining*

Ring III or the 'big belt of decline' forms the largest ring and is where the decline was most severe. This was not always the case; in fact a lot of these working-class neighborhoods were relatively stable until the 2000s. Since 2000, neighborhoods within this ring have experienced a rapid transition from stability to decline with some area experience a more severe case of decline than others. The reason that neighborhoods used to be relatively stable in this area was due to the high rate of long-term homeowners with little relatively little vacant housing and a high degree of social organization and feeling of community. Then the amount of vacant houses increased significantly as:

*"the whole United States economy took a downturn around 2005 and since then the decline was much sharper. First the neighborhood was quite stable but people started losing jobs. When you lose your job and the economy is down and you can't get a new job then the first thing you lose is your home. When you lose your home, the house sits empty and people who don't work or don't want to work will break-in and steal. This will further deteriorate the house because, for example, windows are smashed due to the break-ins. If the neighborhood doesn't do something to correct this situation quickly, then the neighborhood will follow"* – Interview VII, long-term resident

*"15-20 years ago they were very stable neighborhoods. They had decent schools, both public and private, but after things went sideways, a lot of the middle class there either found the means to move or didn't have the means to keep the house because they lost their jobs"* – Interview VIII

The neighborhood may further decline when a certain threshold has been reached, whereby living in the neighborhood becomes undesirable (Galster e.a., 2000). Usually this caused by crime and feelings of insecurity (Kirk & Laub, 2010; Palen, 2012, p. 178). Qualitative research showed that this threshold was researched in at least some neighborhoods within this ring:

*"Once you get a couple of houses with people who don't care, it can be just one house on the block and that changes the environment, tenses the atmosphere of the neighborhood. One house of parents who don't manage their children or parents who have issues and then the children have issues and so you have one house of people who will just break-in, steal cars, don't understand*

*property value and that will change the whole atmosphere. The lady next door to us lost her house and then people moved in, but they were bad people. These people would fire guns in their backyard at night, and that is right next door to me. Some neighbors and I also suspected they move stolen goods in there. They don't live there anymore but the house is still open, so they could come back or somebody else could come back. It is very sad to have to live with that. The worse thing is that these boys move from block to block. Now there are at the next block. Tearing through the neighborhood, you can call the police but they might not show up.*

*Q: Do you want to move out because of that?*

*A: Yes, I never knew something like that could happen. Even at my mother's neighborhood, which was a reasonable stable neighborhood that has gone into decline and a young man was just randomly shooting down the street. Not on my mother's block. It's almost like a movie. Nobody should have to live like that" – Interview VII, long-term resident*

This confirms with the literature. Mass unemployment, as a result of the recession, can trigger crime- & drug problems and undermine a neighborhood's social organization (Wilson, 1996, p. 21; Palen, 2012, p. 205). The increase of vacant houses adds to that because vacant houses can serve as a haven for criminal activities (Wallace, 1989). These factors can cause a neighborhood to decline.

There is also another factor causing neighborhood decline in this ring:

*"It was all owner-occupied, but the owners either died out because of old age or their grandchildren took over and they wanted to live bigger. So, they rented out the house and moved someplace better, like anybody would do. If you got a good paying job, you wouldn't buy one of these houses. So, the grandchildren rent them out and a lot of young people move into these rentals. Nobody wants to buy houses in this area and I don't blame them. [...] Very few of the original owners are still living here. The younger people who can afford it, move out and the once that can't or are renting it, they don't care. The renters don't consider the house their property" – Interview VI, long-term resident*

*"I have a second house in a neighborhood that used to be really good but has declined a lot the last ten years. Some of the people walked away from their homes, older people died and the kids took over the house. I know a lot of people who kept the house in the family after the mortgages were paid up and when the kids took over, they didn't pay the taxes and these houses were then foreclosed and that's another reason why you have vacant properties" – Interview V, long-term resident*

*"10 years can make a big difference. Old people die and the kids don't take care of the property. The rundown and vacant houses change the neighborhood. Young people don't buy property here because they don't have to stay in Detroit. They can cross over in suburbs" – Interview VI, long-term resident*

These quotes show how these neighborhoods and their housing stock were not perceived as desirable, which motivated people to move if possible and rent-out the house. With neither the tenant nor the landlord keeping up the house, houses began to deteriorate, having a negative impact on the neighborhood.

#### *8.4.4 Ring IV: Suburban border – relatively stable*

Ring IV, or the outer ring, borders the suburbs and has been relatively stable. Neighborhoods in the outer ring are relatively stable neighborhoods because the neighborhoods started-off wealthy, offers a locational benefit by bordering the suburbs (where more amenities and employment options are present than in Detroit itself such as shopping malls) and due to a strong community feeling and organization, these neighborhoods did not decline even though the city did:

*"These are really expensive neighborhoods at the edge of the city. When I take some of my friend from the suburbs for a drive around Detroit and they see these neighborhoods, they don't believe this is Detroit. They recon it's the suburbs still! There's a lot of community here. People have tried to create their own piece of public space in the shape of small neighborhood parks but it looks*

*rather sad to me. Also they have managed to change some of the road lay outs by having put in some barriers at certain places, so people can drive through the neighborhood in only a certain way. Most of the residents here are long-term residents and are quite wealthy, so they hired their own private security company to keep the neighborhood safe” – Interview II*

This quote shows that neighborhood internal forces such as active residents and resident organizations can react to the negativities of decline with action; therefore a neighborhood's social capital can make a difference (Temkin & Rohe, 1996; Temkin & Rohe, 1998; van Beckhoven e.a., 2009, p. 33). The residents arrange security to keep the neighborhood safe and also influence neighborhood design by managing road layout and creating public space. Therefore this quote suggests that resident organizations within this ring take on some of the tasks normally associated with the local government.

Sherwood Forest and Palmer Woods are two examples of stable neighborhoods at the edge of Detroit; they were built mostly in the 1930. These neighborhoods were wealthy from the start (they were built during the recession) and have stayed that way even when the city began to decline. To give an indication, the average house price in Detroit is around 20,000, but in Palmer Woods the average house price is 360,000. These neighborhoods are characterized by mansions, which were designed by architects, and are occupied mostly by upper class professionals such as doctors and lawyers.

Therefore it can be suggested that beside the aforementioned high community feeling and community organization, the proximity to the suburbs (where more amenities and employment options are present than in Detroit itself such as shopping malls) might play a role in keeping these neighborhoods relatively stable.

#### *8.4.5 Ring V: cluster of immigrant upgrading*

A small cluster of incumbent upgrading (ring VI) and a cluster of immigrant upgrading (ring V) also exist. These clusters confirm with Carmon that regeneration often takes three forms: incumbent upgrading, upgrading by immigrants and gentrification (1999, p. 147).

*“Around Mexican Town is where there is a growing immigrant population with large families” – Interview XVII*

*“An influx of migrants is what happened in the neighborhood Mexican Town. This neighborhood was pretty rundown and then a group of Mexicans moved in and fixed the place up. It's a tight community and now other people want to live there too. The upgrading by long-term residents is what is happening in those pockets of improving neighborhoods in the city. The community involvement there caused these neighborhoods to improve. For example, the community put in a lot of street lights because the streets lights were not working and the city wasn't fixing them” – Interview XI*

The cluster of immigrant upgrading consists mostly of Hispanics and is found in South West Detroit, near the greater Downtown (see map 11). It is presumed that immigrants move to these neighborhoods to take advantage of the cheap and spacious single-family housing available and the possibility of starting a business there, which may regenerate neighborhoods through increasing the number of businesses and the renovation of buildings (Winnick, 1990). The tightness of the community and its organization allows these immigrants to take on some tasks normally associated with the local government such as the quote shows about street light maintenance. The areas that fall within the cluster of immigrant upgrading experience a starker population change than household change since, in this case, the immigrant households consists mostly out of families with multiple children.

#### 8.4.6 Ring VI: Cluster of incumbent upgrading

*“There are like 5 or 6 pockets of regenerating neighborhoods within the city. [The regeneration of greater Downtown] is kind of obvious to me since it is right next to the Woodward Corridor and many of the major employment is right there in that area, the hospital, WSU and all of that. That’s obvious to me but all these other pockets in the city were either wealthy to start with or it’s because of the community involvement. Have you heard of the Brightmore District at all? That’s another area that has a pocket in it. That’s an area with huge community involvement. I know quite a few people over there and it’s amazing” – Interview XI*

The pockets of regeneration where this quote refers to are clusters of incumbent upgrading. Incumbent upgrading means that a community of long-term residents started upgrading, usually with the assistance of non-profit organizations and/or local authorities. Considering the hyper localized scale of this type of upgrading, it is presumed that these long-term residents received some assistance from non-profit organizations and perhaps from the local authorities (map 7 shows that federal investment programs target this area), though the extent of assistance provided and the type of assistance require more research since the main aim of this research was not on this type of upgrading. The clusters of incumbent upgrading are in accordance with the literature; Nathan (1992) states that incumbent upgrading, unlike gentrification, occurred in a less central neighborhood thereby leading to ‘zones of emergence’.

#### 8.4.7 A crucial note on generalized model

The generalized model used census tract data and although these census tracts resemble neighborhoods the problem of ecological fallacy exists. Neighborhoods are made up of blocks and although a neighborhood may be regenerating, not all blocks within that neighborhood do too. This is the case in Detroit (and presumably in other declining cities) since blight may be distributed unevenly within a neighborhood. This is clearly visible when the greater Downtown area is mapped with block level data as figure 5 shows and by observation through the neighborhood. To exemplify this, the author observed that within Woodbridge two regenerating streets paralleled with streets full of blight and abandoned houses (see also figure 6). This is not an uncommon observation in the greater Downtown area. Therefore the regeneration in greater Downtown follows almost a checkerboard-like pattern and caution needs to be exercised with the word *neighborhood* in neighborhood regeneration due to ecological fallacy, since it can be the case that:

*“there’s actually one building that is responsible for all the population change. [...] In most neighborhoods, you can just go in and point to why the population increase has happened” – Interview XVII, urban planner*

Figure 5: Checkerboard pattern of neighborhood regeneration, exemplified by the high percentage of vacant housing units within regenerating neighborhood within the greater Downtown area. Source: 2010 Census.

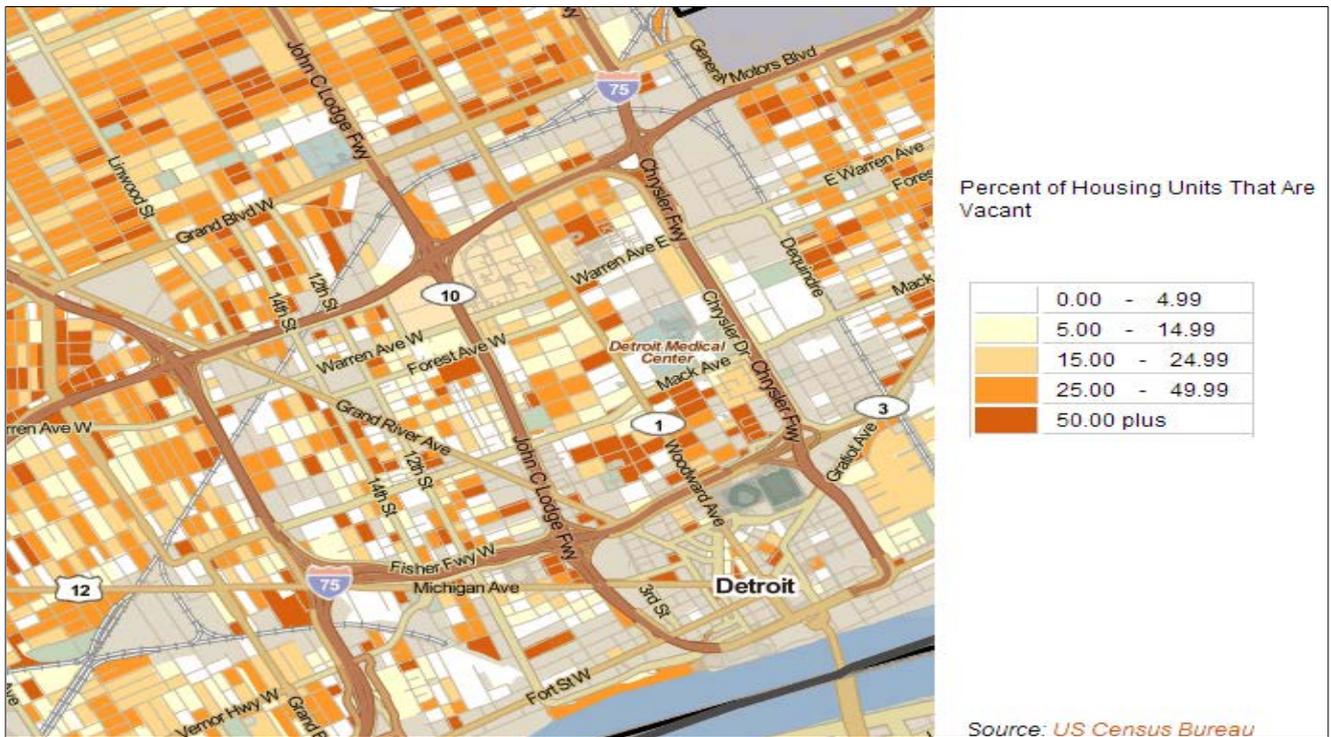
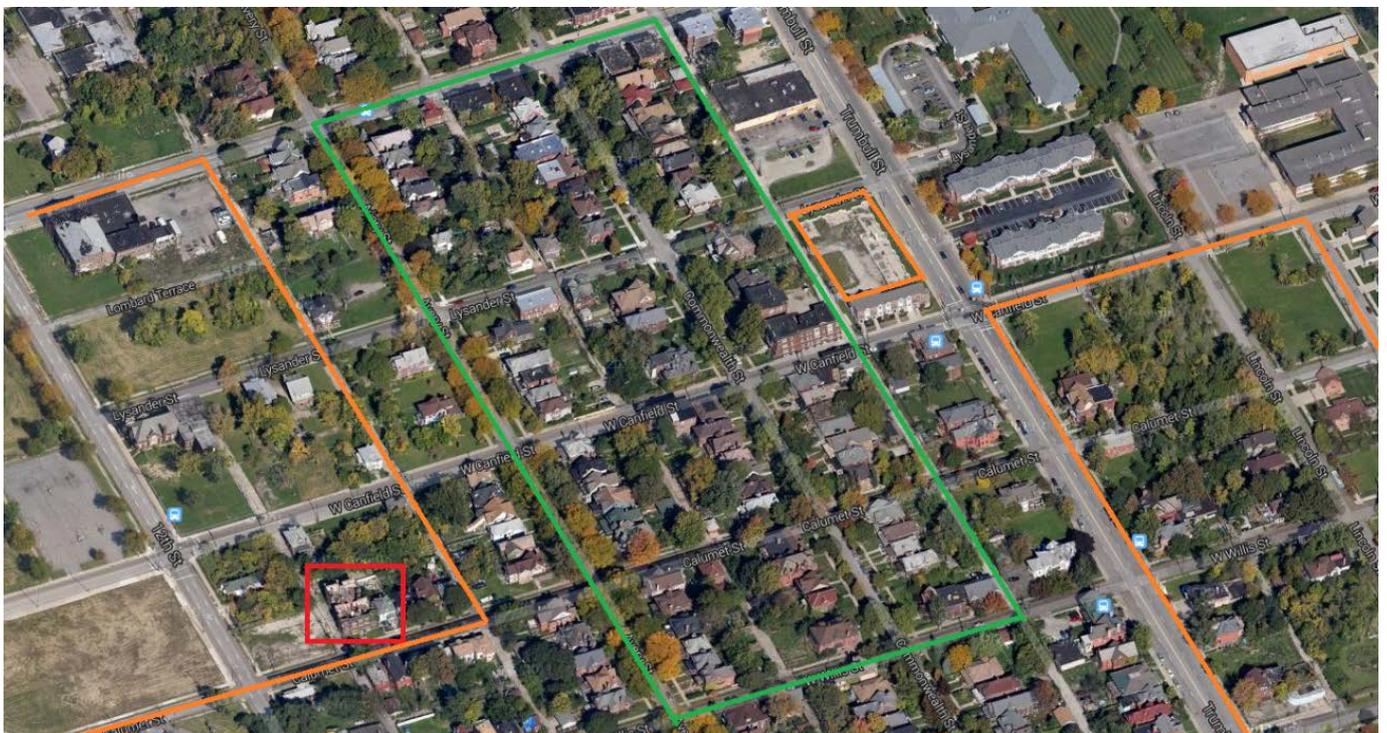


Figure 6: Blight and empty land parallels regeneration in Woodbridge; green means regenerating, orange means significant amount of vacant land and red means collapsed, abandoned building. Source: Google Maps



## 8.5 Summary

This analysis mapped the neighborhood dynamics within Detroit to show where neighborhood decline, stability and regeneration occurred. A generalized model was created that distinguished six rings that experienced similar neighborhood dynamics.

Neighborhood regeneration occurred in the greater Downtown as households and population increased while vacancy rates decreased. These new residents tend to follow their jobs and are not the product of a spatial reshuffle within the city. Greater Downtown neighborhoods may have alleviated the problems that constrain neighborhood regeneration. The greater Downtown was targeted by many investment programs and is home to commercial districts, which may have contributed to alleviating the constraining problems. Newly constructed housing contributed to the neighborhood regeneration process as demand was highest for this type of housing. No evidence was found to indicate that a racial change occurred in the greater Downtown since all races moved to the greater Downtown.

Very small scale neighborhood regeneration occurred in the neighborhoods surrounding the greater Downtown. The transition from decline to small scale regeneration is due to mainly two things: the availability of cheap housing and the locational benefit of being close to the greater Downtown. The housing stock consists out of very cheap houses in a deteriorated condition that requires capital and/or labor investments. The people who moved into these neighborhoods were long-term Detroiters and thus neighborhood regeneration in these neighborhoods is the product of a spatial reshuffle of Detroiters. It is likely that these new residents are less affected by problems posed by the structural decline of the city since they have been living in the city for almost all their life. Almost all of the problems that constrain neighborhood regeneration have not been taken care off nor is there an organization that deals with these problems.

Neighborhood decline occurred in between the greater Downtown and neighborhoods bordering the suburbs. The amount of vacant houses increased significantly as a result of two things. First, due to the economic recession and housing market collapse, many people lost their ability to pay for their house, which led to foreclosed homes that became vacant since they were not bought up. Second, many of the long-term residents had reached an age where they began dying-off and thereby passing the house on to their children. The children often did not want to live in these houses due to their small size and started renting them out until the house would be in such a deteriorated condition that they would abandon them (the children would not provide maintenance nor would the renters). These two processes led to a significant increase in social disorganization, loss of community and vacant houses that caused the neighborhoods to become less attractive due to increased blight, declining property values (reinforced by the national housing market bust), thereby possibly serving as havens for criminal activity (Wallace, 1989). The absence of strong community organizations and private sectors investments may have attributed to the severity of the decline.

Neighborhoods near the suburban border were relatively stable because the neighborhoods started-off wealthy, offer locational benefits by bordering the suburbs (where more amenities and employment options are present than in Detroit itself such as shopping malls) and due to a strong community feeling and organization, these neighborhoods alleviate problems that are posed by the structural decline of the city.

Clusters of neighborhood regeneration occurred due to incumbent upgrading and immigrant upgrading. The tightness of the community and its organization in combination with support more powerful organization (foundations, non-profit sector, local government and federal investments) allow these immigrants and long-term residents to take on some tasks normally associated with the local government.

## Chapter 9 Greater Downtown neighborhood analysis

### 9.1 Introduction

As the citywide analysis showed, neighborhood regeneration occurs in the greater Downtown (ring I of the generalized model). This analysis will focus on four neighborhoods, Midtown, Downtown, Corktown and Woodbridge, in the greater Downtown. The goal is to understand how these neighborhoods alleviate the problems posed by the severe structural decline of the city. With regard to the alleviation of the problems posed by severe structural decline, three assumptions were made, namely:

- I) Somehow manage to alleviate the problems that constrain neighborhood regeneration (Baldassare, 1982, p. 27), *or*
- II) That the regenerating neighborhoods never experienced the problems associated with the structural decline, *or*
- III) That the new residents are unaffected by the constraining problems;

An in-depth analysis of the regenerating neighborhoods was conducted. The goal of this analysis was to understand how the regeneration process occurs and how these different neighborhoods deal with problems associated with the structural decline of the city.

These neighborhoods share certain characteristics (see table 10). They are all located in the greater Downtown and therefore offer a locational benefit because of their high proximity to employment, institutions and amenities. The vacancy rate was relatively low compared to other neighborhoods in the city. The housing stock is in a good condition (see map 6) and varied, ranging from apartment buildings to single-family houses.

So these neighborhoods share neighborhoods characteristics that underlie neighborhood regeneration. However many constraining problems still exist such as crime and blight. Therefore it was particularly important that the constraining problems of crime and blight becomes alleviated. The way that these neighborhoods alleviated these constraining problems varies per neighborhood.

The literature states that for neighborhoods to alleviate the problems that constrain neighborhood regeneration, intervention by powerful agents is needed (Smith, 2006, p. 192). These agents can be neighborhood internal and/or neighborhood external and at multiple geographical scales (Pitkin, 2001).

Table 10: Factors underlying neighborhood regeneration at neighborhood level for studied neighborhoods (“-”: no data; “N/A”: no applicable).

<i>Factor</i>	<i>Midtown</i>	<i>Downtown</i>	<i>Woodbridge</i>	<i>Corktown</i>
<i>Neighborhood characteristics</i>				
Proximity to employment, institutions and amenities	High	High	High	High
Vacancy rate	Low	Low	Very Low	Very low
Aesthetic housing stock	Yes	Yes	Yes	Yes
Crime perception	Safe	Safe	Safe	Safe
Housing offering investment potential	Mixed	-	-	-
<i>Neighborhood internal forces</i>				
Resident attachment, confidence and satisfaction	High	High	High	High
Social capital/Community organization	Medium	Medium	High	Highest
<i>Neighborhood external forces</i>				
Commitment by local government	Yes	Yes	-	-
Commitment by private sector	Yes	Yes	N/A	Yes
Willingness of financial institutions	Yes	Yes	-	-

## 9.2 Chapter outline

This chapter will first discuss four greater Downtown neighborhoods, namely Midtown, Downtown, Corktown and Woodbridge. Then a reflection is given on the three assumptions that were made with regard to the alleviation of the problems posed by the severe structural decline of the city. Then neighborhood external forces at higher geographical scales are discussed. The chapter ends with a summary.

## 9.3 Analysis of Midtown, Downtown, Corktown and Woodbridge

### 9.3.1 Midtown

Midtown started regenerating due to Midtown Inc, a private non-profit economic development organization. This organization is the result of cooperation between the district anchor institutions, such as Wayne State University, Henry Ford Health System and Detroit Medical Center. Midtown Inc is in fact not a new organization, but it became more focused on actively taking part in the regeneration of Midtown:

*“It was the university-cultural-center-council and there was the intercity council and those two organizations came together some years ago and formed the Midtown Inc. They had distinct geographic districts and distinct missions and separate staff. They thought that if both of them joined, they could focus on a single mission and that is how Midtown Inc was born. [...] All things we do are done around the vision of revitalizing the district” – Interview XVI, Midtown Inc*

*“Midtown Inc. [has been Midtown Inc] for a couple of years, previously it was the university-cultural association and some other organizations that pulled in. Those organizations have a 30 year history in Midtown. A part of what has been happening in the Midtown area is pretty interconnected to Wayne State University. Wayne State has a long history of not paying attention to the neighborhood around it. Wayne State wanted to expand its athletic field by demolishing a part of Woodbridge and that caused a lot of community feeling in Woodbridge by trying to prevent this from happening. Wayne State is now more concerned over the last decade with what kind of*

*roles they play in the neighborhood around them, for example, the WSU police force. They are actively engaged in community policing, in and around the communities of Midtown” – Interview IX, Detroit Revitalization Fellowship Program*

These quotes show that cooperation between the anchor institutions existed a long time before Midtown Inc was established. The difference between the university-cultural-center-council and Midtown Inc is the role they partake in the regeneration effort. The university-cultural-center-council was mostly focused on the anchor institutions while Midtown Inc is focused on the community and supporting neighborhood regeneration:

*“Midtown Detroit Inc is a private, non-profit economic development corporation. Its mission is fourfold: infrastructure maintenance and improvements; economic development, which contains business attraction, retention, expansion and technical systems; real estate development; place making through public engagement and events”- Interview XVI, Midtown Inc*

These strategies work to create a market and by supporting market growth by connecting supply and demand through alleviating the inefficiencies and constraining problems that are posed by the structural decline of the city that make it difficult for supply and demand to connect.

Alleviate constraining problems posed by the structural decline of the city is in fact the goal of Midtown Inc. Creating a safe Midtown was among its priorities. It has managed to make Midtown neighborhoods safe by extending the range of the Wayne State University Campus Police to include all Midtown neighborhoods (and even Woodbridge). The patrolling of WSU police in Midtown neighborhoods along with other security measures has had a massive influence on neighborhood regeneration since Midtown began to be perceived as safe:

*“You know crime is a bit different in Midtown because the WSU police are here and their offices are tied to patrolling this area. They have a great response time and a good perception on the reality of crime. The perceived crime is a lot less and the actual crime is a lot less because of the presence of the WSU police patrols. Then there is a security committee, consisting out of WSU, residences, business owners and they come together on a two month basis and talk about hot spots, crime issues, security patrols, lighting and all those kind of things, so that they are on the same page. If you’ve got a hotspot over at a specific intersection or the break-in of cars at a certain area, then the coordinated communications helps out. In the Maslow’s hierarchy of needs, security is down at the bottom of the bottom, a thing you need before most things else and with WSU being here, that foundation is being cared of with shoppers feeling safe, landlords feeling safe, residents feeling safe and we can built on a community from there” - Interview XVI, Midtown Inc*

This perception of safety influenced the location decisions of new residents in Midtown and even in Woodbridge:

*Q: “Why did you move to this neighborhood?”*

*A: “The neighborhood has a lower crime statistic than other neighborhoods. One of the leading factors was the WSU police department, they cover this area. So, when the police services and that kind of thing went down in the city itself, this part actually improved at the same time due to the WSU police department [...] we called the WSU police and they were here in 40 seconds. Their response is just tremendous” – Interview XI, new resident*

*“It’s the private institutions that have stepped up and filled the [security] gap. WSU police is more responsive than Detroit police. So people don’t call 911 anymore, they call WSU police. The Detroit Institute of Arts has its own security. The medical center has its own security. [The WSU police] go pretty far. They go all around Midtown, Woodbridge. Right by my building, south of Grand Blvd. WSU is in conversation with the community development corporation of Brush Park, right by Comerica Park, all of the area by John R. and Woodward south of Mac. There are a lot of apartment buildings with students living in them there, so WSU is going to expand their patrol area to include Brush Park” – Interview XIV, real estate agent*

The strength from Midtown Inc comes from its ability to coordinate cooperation between residents/community, foundations, the private sector and the local government. This allows Midtown Inc to be a powerful agent in the regeneration of Midtown (many investments have been made by the anchor institutions such as the construction of bicycle lanes, a 1 billion dollar investment by the Henry Ford Health System to create a mixed-use campus and also programs that provide incentives for anchor institutions workers to rent or purchase housing in Midtown). This is in line with the literature, as Carmon (1999, p. 155) and Metzger (1997) note that a vast amount of resources and management is required in order to alleviate the problems that constrain neighborhood regeneration in a declining, which is ideally done through a 'three party partnership'. Midtown Inc is in fact the face of the partnership between residents/community, foundations, the private sector and the local government:

*"[Midtown Inc] has a focus on helping people and businesses to get from point A to point Z and point Z being Midtown. [Helping them] to their destination, which is opening a business, bringing in services and amenities to the community. Someone has to act as the leading organization to speak, lead, direct, guide, to create vision and implement and coordinate all the moving parts of the revitalization" - Interview XVI, Midtown Inc*

Sometimes gentrification occurs in the midst of the neighborhood regeneration process (Kennedy & Leonard, 2001, p.6). Midtown Inc wants to prevent displacement from occurring in Midtown by providing 30% subsidized rental housing aside from the already wide range of affordable housing within Midtown:

*"I think gentrification can be managed or controlled by organization. First of all, Midtown has 30% of the rentals available that are subsidized. The surrounding neighborhoods have only 6 to 8%"*

*Q: "was that 30% deliberately created as affordable housing?"*

*A: "yes, it was created at a time when nobody else was developing Midtown. How do you prevent gentrification? You take a hold of some properties early on and turn them into affordable housing or you control the land and have it improved so that the rents keep being affordable. [...] There is already a lot of affordable housing in the district, probably more subsidized housing in Midtown than anywhere else in the city. I bet there's not so much Downtown or in the neighborhoods" - Interview XVI, Midtown Inc*

### 9.3.2 Downtown

The regeneration of Downtown is different from Midtown. Midtown was economically mostly stable due to the presence of anchor institutions such as Wayne State University, Henry Ford Health System and Detroit Medical Center. These anchor institutions have been in Midtown for a long time and employ many people. In Downtown, many businesses left for the suburbs or went bankrupt, leading to a heavy decline of Downtown. ). Therefore regeneration strategies were required, which occurred mostly in the shape of public-private partnerships.

The local government has employed some strategies aimed at regenerating the Downtown. Since the 1990s, a number of programs have been started to alleviate some of Detroit's problems such as high taxes. Programs were put into place that reduce the tax rate in specific area with the use of programs such as the Neighborhood Enterprise Zone (established in 1992 by the city of Detroit) and the Renaissance Zone (established in 1996 by a collaborative effort between the City of Detroit, the County of Wayne and the State of Michigan; see also map 7). These programs focused on providing lower tax rates for both people and businesses, hereby rendering some control over the locations of where specific developments will take place:

*"Attempts were made to lure them [businesses and people] to Downtown, so it's a story of the chicken and the egg. It is as much about the people who made plans to draw companies to come to Downtown. Dan Gilbert and others did not just do it own their own by just recognizing the value. Some of the mechanism to lure investments were stuff like tax breaks. The Illitch empire did not pay a lot of money for the Comerica Park, most of that was paid for by the tax payers. So*

*it's also some decisions being made concerning public investment" – Interview IX, Detroit Revitalization Fellowship Program*

This quote also shows that these tax cuts aid in the alleviation of Detroit's unattractive high taxes (Detroiters pay the second highest amount of taxes, 14%, in the US; Galster, 2012, pp. 234-235). The local government also used entertainment-led regeneration strategies to regenerate Downtown by using public money to contribute to the construction of new sport stadiums and casino's since the 1990s (Binelli, 2012, p. 271). Whether or not this entertainment-led regeneration was the most useful spending of public money is not the focus of this thesis, but many interviewed residents did note that they value the Downtown entertainment.

*"I also love the casinos because they helped the police and firemen getting paid while also improving tourism" – Interview V, long-term resident*

*"The sport stadiums have been brought back to Downtown, so why wouldn't you follow your entertainment. All the fun is Downtown, the casino's too. So why wouldn't you move Downtown" – Interview XV*

Downtown also became more people-oriented rather than focusing solely on businesses. Tax cuts and other incentives were used to attract developers to Downtown with the goal of renovating buildings and/or creating new housing:

*Q: "When did the resurgence of the Downtown area started happening?"*

*A: "In the 2000s. In 2004, 2005, 2006, a lot of building where started to be renovated in Downtown. It was slowed because of the housing crisis but they started building a lot of lofts and studio 1 along the Woodward and the Kales. All become online at around that time. Once you can prove that a market exists, much more development will come."*

*Q: "Who mostly undertook these redevelopments?"*

*A: "A variety of different developers but they all had in common that they were financed to cover the gap that they had. There is still a gap and public money is needed to fill that gap or otherwise the developers won't come." – Interview XVII, urban planner*

The combination of incentives aimed at attracting businesses to Downtown together with historically low prices led many large-sized businesses to move to Downtown Detroit such as CompuWare (in 2003) and Quicken Loans (in 2011). To give an example of Detroit's cheap office space: skyscrapers can be bought in Detroit for around 1 million dollars, which might make it cheaper for large-sized firms to buy a building in Detroit than to rent one somewhere else. The in-movement of these businesses brought with them jobs and people following their jobs:

*"More and more people have taken an interest in moving to Detroit. Since employment has increased in Detroit, more people move to follow their jobs. The employment increased because companies move to Detroit, so basically the people are following" – Interview X, realtor*

*"The impact of business movements to Detroit has been huge for Downtown. It started by people using Downtown at daytime as a place of commerce and now there is some life at the evenings and more people are living in Downtown. It has been a tremendous change and wonderful" – Interview IX, Detroit Revitalization Fellowship Program*

*"Most people come here for jobs. There are a lot of other reasons to love [Detroit], there's a lot of community involvement and low entry barriers for entrepreneurs and artists but what we see from our data is that most people come here simply because of their jobs and that's because some of the major employers are still hiring like the Hospital, the automotive industry and now we have Quicken Loans and some technology based companies" – Interview XIV, real estate agent*

*"15.000 jobs [have been] added and 12.000 people moved Downtown as a result. So that's what is bringing people back and off course Dan Gilbert being the champion of Detroit as he is since he is the owner of Quicken Loans and Bedrock and 40 buildings in Downtown Detroit. He has made it*

*attractive for his employees to move to Downtown. Ernst & Young and Case Bank and Compuware, Wayne's communications and Blue Cross, Blue Shield, all of these big organizations are also in Downtown" – Interview XV, financial institution*

*"When Quicken Loans announced in 2008 that they would move to Downtown Detroit. That's what they are saying caused a lot more people to move to Detroit. While in reality it is not. More people were working in Detroit, people started moving to Detroit around 2010/2011 when they started seeing how cheap housing is in Detroit" – Interview I*

These quotes show that Downtown has undergone a recent and rapid change. The investment programs from local and state level have alleviated many of the high tax problems that constrain neighborhood regeneration. The alleviation of the tax problem together with very low prices made Downtown attractive for businesses and people to move to Downtown. This led Detroit to be ranked second in growth in ICT companies from 1998-2009 (DFC, 2012, p. 68). All together, these businesses added around 15,000 jobs to Downtown and 12,000 people moved to Downtown as a result. This raised the demand for living in Downtown and many buildings in Downtown are being redeveloped by public-private partnerships for mixed and residential use. Corporate investments and partnerships focus on alleviating constraining problems, for example by providing private security for Downtown to generate a perception of safety, by upgrading infrastructure and by offering financial incentives through the Opportunity Detroit and Live Downtown program. The Live Downtown program is a joint program from Downtown companies to provide their employees with financial assistance if they move to Downtown (for renters and homeowners).

It is clear that Downtown is now regenerating. The process of enhancing the physical (upgrading the housing stock and infrastructure), commercial (enhancing of businesses and services to the community) and social components (reducing crime and unemployment) of Downtown are clearly visible, however displacement can occur in the midst of neighborhood regeneration (Kennedy & Leonard, 2001, p.6). There are places in Downtown where the increased demand for living has resulted in displacement:

*"One of my sisters used to live in this apartment building [in Downtown]. When she moved down there, the rent was 1100 dollars a month. That was before the companies moved to Downtown, which happened during the last 5 years. When the companies moved to Downtown and people followed their jobs, the demand for apartments here in Downtown increased and with it did the rent. The rent went from 1100 to 2400 a month in a 3 to 4 year time period. She now lives somewhere else" – Interview II*

*"When I came to Detroit, I rented an apartment studio in between Midtown and Downtown but when the Detroit became popular after 2010, I had to move. I had to move because the rents increased as a result of the increased demand for living in Detroit. I found a place with good rent but the location is less favorable than where I lived before" – Interview III*

*"I think that [the Downtown developments are] wonderful, but there are hooks. The building Downtown where my daughter lives in, has its rent increased because of these developments and now all the average-income renters will be displaced because the rent was raised from 200 to 400 dollar per month. So people had to move out and a new group moves in. Younger, I don't want to say just white people, but they don't want the building to be just a concentration of African-Americans and to achieve that, they raise the rent by 200 to 400 dollar per month and higher-income groups can move in. A lot of displacement is happening in that building. People who have been living there for 20 to 40 years have to move because of the increased rents. This has all happened in only the last two years" – Interview VII*

*Q: "Is gentrification occurring in Detroit?"*

*A: "Yes, I think so. In and around the Downtown area it's occurring. Also it's occurring in some eastside neighborhood such as Indian Village and West Village and in a lot of Southwest Detroit neighborhoods" – Interview IX, Detroit Revitalization Fellowship Program*

These quotes show that the rapid regeneration of Downtown has increased the rents of at least a couple of buildings, thereby displacing long-term residents. The exact scope and the amount of displacement occurring requires more research. While the developments in Downtown help to bring back a tax base for the city, it is unsure yet whether the developments in Downtown will connect to other neighborhoods in Detroit since most Detroiters will not be able to afford Downtown rents and because:

*"It is very easy for Downtown to be an island on itself because it's latterly surrounded by freeways and geographically, there's a real opportunity that it will emerge as an enclave by itself. I don't think that is healthy for the city. People from the suburbs can move directly to Downtown by the freeway and totally skip the rest of the city's corridors"* - Interview IX, Detroit Revitalization Fellowship Program

### 9.3.3 Corktown

Corktown has always been a relatively stable neighborhood. Corktown's stability is partly the result of a neighborhood economy that relied heavily on the presence of the Tiger Stadium. This stadium was located in the neighborhood and it helped neighborhood businesses survive while Detroit was in decline since people from the suburbs still came to the neighborhood for the Tiger Stadium:

*"Next to the stadium are a lot of restaurants and bars which profited from the stadium because people would go there after or before the game. A lot of suburban folks also came here for sports"* – Interview II

*"Corktown is close to Downtown and very accessible because of the freeways and until the late 1990s, there was a baseball stadium there. The connection between the local energy around that stadium and neighborhood was very strong. It was that place [the stadium –ES] that made the economy in the neighborhood, which is very different from the economy of a modern day stadium or sport facility. The stadium did not have many high quality bars and food nor close by parking. The neighborhood around it profited from the stadium. For example somebody would offer up parking space during a game to earn some extra money. There was a community that had to do a lot with the stadium. Also, it has been identified as being the oldest neighborhood of Detroit, all though there is some contention there, and there is a pride there"* – Interview IX, Detroit Revitalization Fellowship Program

However the stadium closed in 2002 and was demolished, which impacted the neighborhoods desirability. Although, the closing and demolition of the stadium negatively impacted the neighborhood, the neighborhood did not decline as a result of a strong and committed community organization. Corktown has a tight community of long-term residents. The site where the stadium used to be was even turned into an asset by the community:

*"Now it is just a big field but it is used by people as public space where people have picnics and that kind of stuff. A family in Corktown cuts the grass of the old Tiger Stadium because the local government doesn't do that, so the community made it into a public place. The people who live here, a lot of them are long-term residents. Houses were passed along through the family so generations grew up here and that might have helped keeping a tight community"* – Interview II

The community also organizes community watches to keep the neighborhood secure. The compact building style also helps keep the neighborhood safe by providing 'eyes on the street', which together with neighborhood watches, keep the neighborhood perceived safe enough for parents to let their children play on the streets without parental supervision (author's observation).

Corktown's community was very influential in keeping Corktown's relatively stable and plays an equally important role in its regeneration. The community is shaped by a strong network of committed long-term and new residents, community leaders and businesses. The neighborhood's commercial strip is filled with many new commercial activities such

as Slows BBQ, which is perceived as a great amenity and has played a role in the regeneration of the neighborhood. This community network undertakes a diverse range of neighborhood improvements ranging from the construction of bicycle lanes, the organization of neighborhood watches, reducing blight and using vacant land as community space (the empty parcel where the Tiger Stadium used to be gets mowed by the community and it used as a park). The neighborhood has become popular again and displays some signs of gentrification; no houses are on the market in Corktown and when a house becomes available, it is sold quickly:

*"The inventory in Corktown is currently that there are not a lot of houses available. It's a very popular neighborhood and over the last couple of years has experienced a lot of appreciation in value. So most of the times these homes don't hit the market; buyers are lined up. In that neighborhood it's a pretty solid mix. In the past year I've worked with two clients who were couples with grown children. [...] It's relatively stable and the inventory is very tight. If you wanted to buy a house there right now, you'd have to wait at least 6 months to a year before you can find anything available to buy. The problem in the past was getting the collateral to the price at a level that would support a loan but now we have seen so much demand in the area that that problem went away."* – Interview VIII, financial institution

#### 9.3.4 Woodbridge

Woodbridge, unlike Midtown, Downtown and Corktown, is distinctively residential neighborhood, located next to Midtown. Woodbridge's location and relationship with Midtown is very influential. Woodbridge is now perceived safe as a result of Wayne State University police patrols, which patrol Woodbridge and thereby alleviate the constraining problem of crime. This perception of safety has supported neighborhood regeneration and influences the residential location decisions of new residents, as is shown in the following quotes:

*"No, [Woodbridge was not stable]. Woodbridge, in particular the areas south and west declined heavily and had a lot of crime and fires like everywhere in the city. That's not the case anymore now but it was"* – Interview XVII, urban planner

*"There suddenly seems to be so many things happening that are connected to investments made in Midtown and they are spilling over into this neighborhood"* – Interview XVIII, long-term resident

*"One of the leading factors [to move to Woodbridge] was the WSU police department, they cover this area"* - Interview XI, new resident

*"It's a safe neighborhood. You can see that it's a safe neighborhood because there are kids on bikes without parents. You would not see that in many other neighborhoods in Detroit. The WSU police patrol the area"* – Interview II

*"Woodbridge was not so popular 5 years ago, but now it is regenerating. The proximity to Midtown is the cause. The WSU police patrols Woodbridge, which has helped to keep the area safe and increased demand for living. The neighborhood also has good characteristics such as an aesthetic housing stock with architectural history. The community is pretty tight there and the old residents try to incorporate the newer residents into the community"* – Interview IV

These quotes show that Midtown's growth and direct influence (by providing WSU police patrols) has greatly impacted Woodbridge. However the regeneration in Woodbridge is highly localized and mainly concentrated around two streets, namely Avery Street and Commonwealth Street. Parallel to these streets are streets with blight and abandoned houses (see also figure 6). The highly localized regeneration questions whether the term *neighborhood regeneration* is appropriate:

*Q: [...] "Both Avery and Commonwealth are doing well but next to Avery, on the other side, there is a street with almost no houses on it..."*

*A: "I know, I live at Commonwealth, so I am quite familiar with what you are saying."*

Q: "The term neighborhood regeneration might not be the best?"

A: "it is very, very, local. It is interesting to look at" – Interview XVII, urban planner

In order to influence and promote neighborhood regeneration, Woodbridge tried a CDC approach but the CDC has become inactive. There is however a strong community network that relies heavily on long-term residents who want to connect with new residents through the organization of events such as neighborhood parties but lack the coordination and resources to actively influence neighborhood change:

*"There is a CDC in Woodbridge but it is mothballed, it hasn't done anything in the last couple of years. It was more active before the housing bust. It raised some money and did some home repairs but then during the housing bust, the bottom fell out of the real estate market and the way the CDC was acquiring money was through housing and it became difficult to keep going with just volunteers from the neighborhood. There was no money for staff. The CDC still exists but it is inactive at this point. There are a lot of things where people want to participate and contribute, just like we want to do, but everybody is unable because people have their own lives. We can't sit at four hour long meetings because we have a family and a lot of people are in that boat. You really need paid staff and input from the residents rather than just sitting around talking and never getting things done. People got frustrated by that"* – Interview XVIII, long-term resident

The lack of coordination and resources among residents' disables them to actively influence neighborhood change; therefore constraining problems posed by the structural decline of the city have to be alleviated through external forces such as Woodbridge's relationship with Midtown. The local government does not actively support neighborhood regeneration in Woodbridge, which makes it likely that problems posed by the structural decline of the city will not be alleviated. Street lights are an example to illustrate this:

*"We definitely have a problem with street lights in this area. [...] That makes it very easy for someone to commit a personal crime without being caught and it discourages people from walking at night. There were a couple of initiatives by people to put more lights on their porches to basically light up the streets since the street lights are not working"* – Interview XVIII, long-term resident

This quote shows that the absence of street lights hinders the local quality of life and perception of safety. Even though the local government is responsible for the street lights, it has not fixed them (a problem not uncommon in Detroit since only 40% of the existing street lights work; DFC, 2012, p.160; see also figure 7). Without a strong community organization, residents have to come up with initiatives themselves to deal with the problems. These initiatives are often very local in scope and unable to deal with the source of the problem; putting more porch lights on will not replace the effect of working street lights.

Figure 7: Avery Street at night. Photograph by author.



#### 9.4 Reflection on assumptions

With regard to the alleviation of the problems posed by severe structural decline, three assumptions were made, namely:

- I) Somehow manage to alleviate the problems that constrain neighborhood regeneration (Baldassare, 1982, p. 27), *or*
- II) That the regenerating neighborhoods never experienced the problems associated with the structural decline, *or*
- III) That the new residents are unaffected by the constraining problems;

##### 9.4.1 Assumption I

For neighborhoods to alleviate the problems that constrain neighborhood regeneration, intervention by powerful agents is needed (Smith, 2006, p. 192). These agents can be residents/community organizations, the private sector or the local government. Section 9.3 showed how four different Detroit neighborhoods manage to alleviate the problems that constrain neighborhood regeneration (see also table 11). Woodbridge and Corktown experience a bottom-up community led regeneration. Downtown experiences a regeneration through public-private partnerships and Midtown experiences regeneration as the result of a three party partnership, run by Midtown Inc.

Table 11: Regeneration type, agents involved, regeneration capability and neighborhood.

<i>Regeneration type</i>	<i>agents</i>	<i>Regeneration capability</i>	<i>Neighborhood</i>
Bottom-up community-led	CDC, resident organizations	Small/highly localized	Woodbridge, Corktown
Public-private partnership	Private sector & Local government	Small-High	Downtown
Three party partnership	Private sector, local government, community stakeholders (e.g. CDC)	Highest	Midtown

Woodbridge and Corktown experience a bottom-up community led regeneration. Bottom-up community-led regeneration occurs due to residents and/or community organizations (e.g. community development corporations and resident organizations; Pacione, 2009, pp. 346-347). This type of regeneration is likely to occur in neighborhoods with a strong community, like Corktown (Temkin & Rohe, 1996; Temkin & Rohe, 1998; van Beckhoven e.a., 2009, p. 33). Corktown has a strong community network that is able to influence neighborhood change. Woodbridge is more dependent on Midtown to alleviate constraining problems (such as crime). Woodbridge's community also tries to influence neighborhood change but the lack of resources and coordination hinder the ability to influence neighborhood change. Resources can be a problem especially in Woodbridge because resources have to come solely from the residential community since there is no business community, unlike Corktown .

Downtown experiences a regeneration due to public-private partnerships. The problems of deindustrialization and fiscal stress have reduced the capabilities of local governments and prompted partnerships with the private sectors as local governments became more entrepreneurial oriented (Harvey, 1989; Pacione, 2009, pp. 336-337). The private sector is favored instead of municipal planning agencies (Brownill, 1990). The local government has provided tax cuts and other incentives to attract post-industrial economic activities such as ICT firms. These new companies brought with them people and this has led to the regeneration of Downtown. However the capability of public-private partnerships to regenerate neighborhoods is uneven and may lead to 'islands of renewal in seas of decay' (Berry, 1985), having little effect on other areas (although it may lead to the

displacement of poorer people). There is a possibility that this could happen to Downtown Detroit also:

*“My concern is about Downtown and how this wonderful energy of Downtown connects to the rest of the city, what will it do for the neighborhoods. It is very easy for Downtown to be an island on itself because it’s latterly surrounded by freeways and geographically, there’s a real opportunity that it will emerge as an enclave by itself. I don’t think that is healthy for the city. People from the suburbs can move directly to Downtown by the freeway and totally skip the rest of the city’s corridors” – Interview IX, Detroit Revitalization Fellowship Program*

The regeneration of Midtown is the result of Midtown Inc. This organization connects residents/community with the private sector, the non-profit sector and with the public sector. Such a partnership has been referred to as a three party partnership (Carmon, 1999, p. 155; Metzger, 1997). This type of partnership may be able to create economic development and community at the same, without creating ‘islands of renewal in seas of decay’. The fact that Wayne State University Police also patrols neighborhoods outside Midtown can be regarded as evidence for the ties that Midtown has with surrounding neighborhoods, which makes it unlikely that Midtown will develop into an ‘island of renewal in seas of decay’. The three party partnership style of regeneration may be ideal since it benefits both places and people (Carmon, 1999, p. 154), but coordination and creation of these partnerships may be difficult. The required coordination and management is provided by Midtown Inc.:

*“Someone has to act as the leading organization to speak, lead, direct, guide, to create vision and implement and coordinate all the moving parts of the revitalization. [...] Resources might want to come to the community but where do they land when there is no runway for the resources to land on. An organization like Midtown Inc helps pave the runway [...] Other than inefficiencies by the government, we just step in where we can step in and if it’s possible to step in, we deliver” – Interview XVI, Midtown Inc.*

*“The municipality had 20 million unspent dollars laying on the table for development purposes and because of Detroit’s bankruptcy, the money had to be sent back to the state. Thus the money for neighborhood development is there, but the municipality isn’t using it. This is just one example of some of the inefficiencies of the local government. Neighborhood organizations like CDCs and EDCs can obtain the money from the municipality and must do so, because the municipality isn’t putting the money into the neighborhoods” – Interview IV*

#### 9.4.2 Assumption II

Assumption II holds that the regenerating neighborhoods never experienced the problems associated with the structural decline. Interviews revealed that the neighborhoods that are now regenerating have always been relatively stable:

*Q: “Would you say that the Downtown area was relatively stable after the decline started?”*

*A: “No, certain neighborhoods fared rather well. There are a couple of neighborhoods adjacent to Downtown such as Brush Park that started on the way down when everything else was and because it was close to Downtown a lot of the housing stock was whipped out and now there is nothing there. I would say that for the most part, areas like Woodbridge, Corktown and the Southwest of Detroit, have been fairly stable” – Interview VIII, financial institution*

*“Those areas were always relatively stable. The areas that were relatively stable and never really lost any of that stability are the one that are becoming popular now. There is a definite connection” – Interview IX, Detroit Revitalization Fellowship Program*

What kept these neighborhoods relatively stable is the low vacancy rate. Abandoned houses drag down neighborhoods by serving as a haven for criminal activities if they are not demolished (Wallace, 1989) and are targets for arson (Galster, 2012, p. 237). Corktown and Woodbridge are both historic districts. These neighborhoods had a small

amount of vacant houses and when a house became vacant, the community took care of it in order to prevent it from dragging down the neighborhood:

*"[What makes these neighborhoods attractive is] the fact that these neighborhoods are intact. So the homes are very close together and because they have stayed intact, there is not a lot of blight in these neighborhoods"* – Interview VIII, financial institution

*"[Corktown and Woodbridge] are attractive because the housing is nice. It's still upscale residential style communities where the housing is well maintained enough for people to move there. The housing is affordable and has been nicely maintained "* – Interview XIV, real estate agent

*"When you see houses that are not boarded up, those houses will be vandalized because criminals have easy access to them. Houses that are boarded up are going to be auctioned off. [...] Active communities do their best in keeping vacant houses looking good. They will board them up and sometimes they might mow the lawn or decorate the house, so people will not notice that the house is actually vacant. If there is no active community in the neighborhood, then they will just let the vacant house be which might attract crime. It's all volunteers who work to keep vacant houses in a good condition; sometimes corporations provide money such as non-profits" – interview II*

However Midtown, Downtown, Corktown and Woodbridge were not unaffected by the problems posed by structural decline. They may have been relatively stable, but relatively stable means that decline still took place. Within these neighborhoods, there can be a stark contrast between streets, whereby some streets are regenerating and others have declined (see also section 8.4.7 and section 9.3.4 for Woodbridge). Therefore assumption II has to be amended to the following: the regenerating neighborhoods experienced less of the problems associated with the severe structural decline of the city.

#### 9.4.3 Assumption III

Assumption III holds that the new residents in regenerating are unaffected by the problems that are associated with the severe structural decline of the city. Some problems that constrain neighborhood regeneration are unavoidable and have to be accepted like high taxes and insurance rates:

*"When it comes to taxes and insurances, there is no working around that except for some special programs that exist and we make sure to take advantage of those program"* – Interview XVI, Midtown Inc

Other problems can be avoided such as dealing with the issues regarding the school system. Since most new residents are singles or couples without kids, issues with the school system do not affect these new residents. New residents with kids might seek private schools in order to alleviate this constraining problem themselves:

*"The only group that is strongly missing is families with school-age children because the public schools that exist throughout the city don't meet the required"* – Interview VIII, financial institution

*"When you have jobs but not so good schools, you may not get the families but you will get the singles and couples"* – Interview XVI, Midtown Inc

*"For the most part I deal a lot with married couples who don't have children"* – Interview VIII, financial institution

*"The school issue.. Well people either don't have kids so they don't have to worry about it or when they do have kids they put their kids in private schools"* – Interview XIV, real estate agent

Interviews suggested that a major constraining problem for new residents and for long-term residents who want to move to the greater Downtown is financing the house. Long-term residents who want to move to the greater Downtown often have difficulty obtaining a mortgage:

*“There are so many people that need homes. I just talked to my friend in the last hour and she is looking for a new place but the mortgage company doesn’t want to work with them. [Downtown doesn’t] make the housing there attainable for the average Detroiter. If you don’t have a good job, you can’t pay those prices. Even with a good job, you will need two incomes because if your monthly notice is 800 or more, you simple cannot pay that from a single income and so it’s really discouraging people. So my option is to buy a property and rehab it. Then I don’t have to worry about heavy mortgage payments, inflation or anything because I own it. I am looking into buying cheap housing now” – Interview VII, long-term resident*

However, there have been two developments that have alleviated the finance problem, namely the creation of cheap housing due to home foreclosures as a result of the US national recession and housing market collapse. This enabled Detroiters to seek out cheap housing near the greater Downtown (which led to the creation of ring II, see generalized model; section 8.4.2). Another important development that alleviated the finance problem is the growth of the non-profit sector (including non-profit financial institutions) that alleviates this specific problem. The non-profit financial institutions help people that other banks would not help, thereby aiding neighborhood regeneration:

*“We are a full service mortgage brokerage, owned entirely by non-profit- and community organizations. Our job is to provide residential mortgage financing for people and properties that would normally be overlooked by more traditional banks. When we first started, there was a very large absence of mortgage providing activities within this city, so that’s what were here to do. to have revitalization in neighborhoods, people need access to finance in order to become owner-occupants. There are a lot of emerging pockets near Downtown where there is a lot of heads-up demand; people want to be able to buy properties but there were no mechanism in place to allow them to do that before”. – Interview VIII, financial institution*

The way that blight, housing abandonment, crime and other constraining problems are perceived by new resident also plays an important role. Interviews show that these problems may be perceived as less threatening by residents, new and long-term:

*“All my friends and family said: you are crazy to move to Detroit. [...] To move into a city like this, you’re going to have to love it or you won’t do it. At least that’s my feeling about it. I have a lot of my friends who recently moved here and feel the same thing” – Interview XI, new resident*

*“Maybe I am just used to the blight or see it in a different way where it does not look scary but just sad. Like a lot of things, when you live in the middle of it, things don’t look that bad as when you hear about it. You could show me a terrible list of crime number but since I have never been touched by it, I am not nervous about it, let’s put it that way. I am certainly not nervous about someone breaking into my house at night and coming to harm my family” – Interview XVIII, resident since ‘98*

*“Well my taxes are too high. My car insurance is too high because I live in the city. I don’t know what the answer to that is, but I wouldn’t move to the suburbs to have lower taxes” – Interview V, long-term resident*

## **9.5 Neighborhood external forces at higher geographical scales**

Neighborhood internal and neighborhood external forces at multiple geographical scales influence neighborhood regeneration (Pitkin, 2001). An important external force that influenced neighborhood regeneration in Detroit is the US national economic recession and housing market collapse.

The US national economic recession and housing market collapse have had two major impacts on Detroit. First, they (in)directly led to severe population decline in

neighborhoods across the 'big belt of decline' (ring III; see generalized model) as a result of job losses and home foreclosures. Second, they led to the creation of a perception that the city has reached rock bottom. The perception of hitting rock bottom means that housing prices can only go up again. This rock bottom perception was mentioned by multiple interviewees and it was this perception together with the historically low housing prices in Detroit that encouraged investments in Detroit:

*"there is a big set of realities and a big set of perceptions of the city hitting rock bottom and that made people think a little bit differently and with that rather large investments started to happen from the foundation community and the corporate community that happened at the same time. [...] Everything was cheap and underappreciated and therefore they could make a large amount of money. If it is rock bottom, it cannot go down further, only up. There had never really been that realization that we were at rock bottom"* – Interview IX

Q: *"Do you think that a lot of the people who move into these neighborhoods do so because they can make a lot of money?"*

A: *"Not so much anymore. Right after the crash, absolutely!, people bought up property right in Corktown and Woodbridge seeing a great deal on historic property and a lot of them have probably made their money"* – Interview VIII, financial institution

*"[We] put 35k [of investments] into the house. A lot of people did not understand why we did that, putting so much of an investment into a house in Detroit. But I firmly believe that property values are going to rise and that it's a good investment"* – Interview XI, new resident

Q: *"Was the short sale "frenzy" only due to the housing market collapse or also specific to Detroit?"*

A: *"I think it was specific to Detroit too because people were losing their jobs at that time. The automotive industry took a hit and a lot of people were laid-off. A lot of my short sale sellers were automotive workers. So not only was the house worth less, but also they lost their jobs or were no longer getting overtime, so whatever it was, these people could no longer keep up with their payments. So that's why they got in trouble and why we did so many short sales. The investors bought them and have been renting them out ever since"* – Interview XIV, real estate agent

These quotes show that investments came from multiple parties, namely from foundations, the corporate community and from new and long-term residents. These investments (from local, national and international origin) were speculative, that because the city/housing market has reached rock bottom, it can only go back up again, which led to house flipping (buying an undervalued house, invest in upgrading and then sell the house with a profit) and houses being bought up, upgraded and converted into rental housing. Interviewed real estate agents stated that house flipping occurred on a grand scale after the housing market collapsed and lasted until 2009/2010. These investments led to upgraded houses and created a new supply of houses that did not need renovations, which might have aided the regeneration directly by providing housing options that do not require extensive upgrading and also indirectly by creating the perception that Detroit is full of opportunities.

The perception that Detroit is the 'land of opportunity' seems to be valid for businesses too since Detroit is underserved in many markets and office and retail space is considerably cheaper compared to many other cities. Interviewee mentioned two examples of Detroit's underserved market: groceries and running shoes:

*"Meijer's is a 215,000-square-foot store at around 8 Mile and Woodward Avenue and it sells. It is the first in Detroit and it is very new. It opened this year [2013] in July. Its location is strategic since it can serve both Detroit and the surrounding suburbs and it is very accessible since it is near two important roads. The people who decided to put it here were very smart since the market for groceries is underserved in Detroit. In Driving Detroit, George Galster writes that Detroiters get most of their groceries at gas stations or drive to the suburbs, well that was true when he published the book in early 2013 but like the month after it got published, Meijer's was coming to Detroit. So that's how fast some of the changes can go here"* – Interview II

*"I was talking to a guy from Run Detroit the other day, he runs a store selling running shoes and he said when he came here that there were hardly any running stores here. Usually cities have multiple running shoe stores. Then he came here and he had a mortgage from Portland and was able to buy his house just with cash, no mortgage, no competition, enough retail space, affordable retail space...you know. There are some things that are higher such as the insurance rate for your car and home. Those things are higher but when you still look at it, like I don't have a mortgage on my house. That is not possible in most other cities. When you take away one of the biggest expenses that you have or two of them, you mortgage and car, you can take a risk and make an investment by starting a business. It is an opportunity for young entrepreneurs to get in the game. In most cities, you can't get in the game. When you go to New York City, you can't get in the game whether you are a real estate investor or a small business owner, the costs of getting in the game will kill you but in Detroit you can get in the game, be a player, and make a difference, a social difference and economic difference at the same time" – Interview XVI, community development corporation.*

These quotes show that Detroit has underserved markets. Groceries and running shoes are just two examples (Detroit was sometimes referred to as a food desert). These are examples of businesses moving to Detroit to take advantage of the opportunities in Detroit while simultaneously creating jobs and bringing shopping back to Detroit. This raises the level of amenities and the quality of life that the city has to offer:

*"This store [Meijer's] makes a great difference for people in Detroit. I drove to the suburbs for groceries and that took me quite some time, like a 30 min drive at least, now it's just 15 minutes. So this store raises the level and quality of the amenities in Detroit. Its influence on house values is noticeable. My grandmother lives 1 mile away and her house was worth 15k a year ago and now, after the opening of Meijer's, it is worth 22.5k! The store also created around 500 jobs, maybe even more. Another cool thing about Meijer's is that they use a lot of local and Michigan produced foods. Whole Foods just opened in the Midtown area and two supermarkets called Papa Joe's Gourmet Market will also open in the city this year. So the shopping is coming back to the city" – Interview II*

## **9.6 Summary**

This analysis focused on four regenerating neighborhoods (Midtown, Downtown, Corktown and Woodbridge). The goal was to understand how these neighborhoods alleviate the problems posed by the severe structural decline of the city. Three assumptions were made, namely:

- I) Somehow manage to alleviate the problems that constrain neighborhood regeneration (Baldassare, 1982, p. 27), or
- II) That the regenerating neighborhoods never experienced the problems associated with the structural decline, or
- III) That the new residents are unaffected by the constraining problems;

The analysis has shown that these neighborhoods experienced different processes of regeneration, whereby different agents influenced neighborhood regeneration. Evidence suggests that assumption I is true. Powerful agents (Midtown Inc. in Midtown, public-private partnerships in Downtown and a strong community network in Corktown) have alleviated many constraining problems such as crime, thereby creating safe neighborhoods that are more likely to regenerate. The way that each neighborhood alleviated crime is different. Midtown and Woodbridge are kept safe by the Wayne State University Police, while Downtown relies on private security and Corktown relies on neighborhood watches.

Assumption II is partly true. The regenerating neighborhoods did decline but less than other neighborhoods in Detroit. This means that the regenerating neighborhoods were less affected by the problems that are posed by the severe structural decline of the city. Blight and housing abandonment did not occur on a large scale in these neighborhoods, which kept these neighborhoods intact. Since these neighborhoods were intact and they experienced less problems that constrain neighborhood regeneration, these

neighborhoods can alleviate problems easier. This means that less resources, coordination and management is requires to address these problems.

Assumption III is true. Residents can be unaffected by certain problems (such as the issues regarding the school system by not having kids) or by alleviating these problems themselves (such as sending the kids to private school). All residents are affected by certain problems such as high taxes and high insurance and these problems have to be accepted.

Also this analysis has shown that external forces at higher geographical scales, namely the US national recession and housing market collapse, have influenced neighborhood regeneration in Detroit. The US national recession and housing market collapse led to the perception of the city hitting rock bottom. This perception together with the historically low prices spurred many investments and developments, which aid neighborhood regeneration as amenities and employment increases.

## Chapter 10

### Conclusion and discussion

The aim of this research was to understand how regenerating neighborhoods in Detroit (a city experiencing severe structural decline) alleviated the problems posed by the structural decline. In order to understand how regenerating neighborhoods in Detroit alleviated the problems posed by severe structural decline, two questions required answering, namely: where did neighborhood regeneration occur and how did the regenerating neighborhoods alleviate the constraining problems posed by the severe structural decline of the city? A citywide analysis was conducted to analyze where the neighborhood dynamics in Detroit from 2000-2010. An in-depth neighborhood analysis was conducted to analyze how four regenerating neighborhood alleviate the problems posed by the severe structural decline of the city.

Neighborhood regeneration that occurred in Detroit from 2000-2010 was highly localized and just like the literature predicted, it occurred mainly in the greater Downtown (Beauregard, 2013, p. 187; Pacione, 2009, p. 211; Downs, 1981, p. 76) and in some clusters of immigrant upgrading and incumbent upgrading outside the greater Downtown, which is also in accordance with the literature since it confirms with Carmon stating that regeneration often takes three forms: incumbent upgrading, upgrading by immigrants and gentrification (1999, p. 147). The scope of the regeneration was so highly localized that sometimes only a street or even a single building was responsible for the increase in population. The term *neighborhood regeneration* may therefore not be entirely appropriate to describe these developments.

The term neighborhood regeneration implies that the entire neighborhood is experiencing “the process of enhancing the physical, commercial and social components of a neighborhood and the future prospects of its residents through private sector and/or public sector efforts” (Kennedy & Leonard, 2001, p.6). It is often not the case that all three components are enhanced at the same time; regenerating neighborhoods may experience a multitude of problems concerning deteriorated infrastructure and blight even though the commercial and social component are enhancing. In fact, term *neighborhood regeneration* suffers from ecological fallacy, since a regenerating neighborhood may have both declining streets and regenerating streets, sometimes even parallel to each other.

All neighborhoods in Detroit will probably have had some degree of blight and housing abandonment, but some were more affected than others. The greater Downtown neighborhoods had a small amount of blight and housing abandonment compared since these neighborhoods were always relatively stable as a result of favorable neighborhood characteristics (locational benefits & aesthetic housing stock) and a strong community that took care for the neighborhood and influenced neighborhood change. This is in accordance with the literature, as it states that residents can influence neighborhood change (Temkin & Rohe, 1996; Temkin & Rohe, 1998; van Beckhoven e.a., 2009, p. 33). The presence of a tight community means that the neighborhood was already vital before the neighborhood began regenerating. As Palen notes, even when a neighborhood may be physically deteriorated, the social fabric can still be strong (2012, p. 159). The term *regeneration* should therefore not indicate that these neighborhoods were not vital, but rather as Kennedy & Leonard (2001) mention, indicate an enhancement of the neighborhoods physical, commercial and social components.

Even though the greater Downtown neighborhoods had favorable neighborhood characteristics (locational benefits, aesthetic housing stock, low vacancy rate), they were still were still exposed to problems posed by the severe structural decline of the city that constrain neighborhood regeneration. It was assumed that in order for neighborhoods to regenerate in a declining city, that these neighborhoods managed to alleviate the problems that constrain neighborhood regeneration or that the regenerating neighborhoods were always relatively stable or that the new residents are unaffected by

the constraining problems. The greater Downtown analysis revealed that all three of these assumptions are true. Crime was an important constraining factor that required alleviation. For neighborhoods to alleviate the problems that constrained neighborhood regeneration, intervention by powerful agents is needed (Smith, 2006, p. 192). These agents can be residents/community organizations, the private sector or the local government. While the local government played an important role by supporting regeneration in Downtown through tax cuts and public-private partnerships, it did not play an important role in the regeneration of the other neighborhoods. This might be due to the fiscal crisis. Therefore the constraining problems had to be alleviated not by the local government but by other powerful agents. Midtown Inc in Midtown, public-private partnerships in Downtown and a strong community network in Corktown have alleviated many constraining problems such as crime. The ability to alleviate constraining problems is dependent on the amount of resources, coordination and the involvement of agents. The scope of the regeneration is bigger in Midtown and Downtown than in Corktown and Woodbridge since Midtown and Downtown have more resources available that can be allocated to the regeneration.

### **10.1 Policy implication**

It is advisable to cities that experience decline to be committed and provide resources and coordination to support and enable neighborhood regeneration while structural declining cities in fiscal crisis (unable to provide resources) should be committed and guide neighborhood regeneration, which may mean shifting some functions to economic- and community development corporations; in order to alleviate the problems that constrain neighborhood regeneration in a declining city, a vast amount of resources and management are required (Carmon, 1999, p. 155; Metzger, 1997). Resources, commitment and coordination play a crucial role and while a growing city may provide resources, commitment and coordination to support neighborhood regeneration, the local government of a declining city may not have such resources. Therefore the resources either come from residents, the private sector, foundations or through public-private partnerships. The amount of resources needed means that residents can only have a limited influence in the regeneration process. Since residents have only a limited influence in the regeneration process due to the limited amount of resources, the resource vacuum (often filled by the local government) needs to be filled with resources coming from the private sector or foundations. The private sector is unlikely to fill this gap if normal market conditions do not apply, which may be the case in the declining city. Therefore non-profit organizations fulfill an important role in the regeneration process.

### **10.2 Theoretical implications**

The theoretical implication of this research is that the ability to alleviate the problems posed by structural decline solves the link between neighborhood regeneration and structural decline at city level. Rather than neighborhood regeneration in a declining city being the result of a spatial reshuffling of a constant or declining population as Marcuse proposed (1985), it is the result of the ability of powerful agents to alleviate the problems that constrain neighborhood regeneration.

Another theoretical implication of this research is that external forces at higher geographical scales can have an important impact on neighborhood regeneration. The neighborhood regeneration in Detroit occurred very rapidly (e.g. some neighborhoods in were perceived as very undesirable 5 years ago and now have families moving into them). This sudden shift was partly caused by external forces at higher geographical scales, namely the housing market bust and national recession that occurred around 2008, while dealing a heavy blow to the city in the shape of unemployment and home foreclosures, they also led to the creation of very underappreciated cheap housing and a general perception that the city reached rock bottom. This combination of underappreciated housing and rock-bottom perception generated two effects: a more coordinated effort at regenerating the city and spurring international, national and local

investments. Therefore it may be stated that the very events that caused many neighborhoods in the city to experience decline also helped to regenerate the greater Downtown area; these events had an asymmetrical impact on the city by causing many neighborhoods to decline while helping a very small amount of neighborhoods to regenerate. This illustrates how external forces at multiple geographical scales can influence neighborhood change (Pitkin, 2001).

### **10.3 Recommendations for further research**

The fact that neighborhood regeneration in Detroit occurred very rapidly also made it hard to document the regeneration in numbers. The statistical data that was used for this research comes from 2000-2010, which is, due to the rapid occurrence of the regeneration, in fact already quite outdated. If data from 2000-2008 and 2008-2013 would have been used, then the 2000-2008 would show a much heavier decline throughout all of the city including the greater Downtown and the 2008-2013 would show a much larger increase in population through the greater Downtown and especially in ring II since most neighborhoods experienced neighborhood regeneration after 2010; however such a data split was not available, nor was it performable. The extent of the regeneration was very limited in its scope. Often the regeneration occurred at the scale of a building, block, a few blocks or even a few streets, but hardly does it include an entire neighborhood. This highlights the modifiable area unit problem (MAUP) that occurs when generalizations are made for a neighborhood, which might not be true for every street/block within the neighborhood and therefore lead to ecological fallacy; this research used census tracts and census blocks as a proxy for neighborhoods and thereby the census tracts obscured part of the checkerboard pattern of regeneration that occurs at street level. Further research on street level regeneration may yield additional interesting results.

Sometimes gentrification/displacement occurs in the midst of the neighborhood regeneration process (Kennedy & Leonard, 2001, p.6). Whether displacement occurred and to what extent is debatable since displacement typically occurs when there is a loss of affordable housing in cities with tight housing markets. However Detroit does not have a tight housing market on the contrary, there is an abundance of affordable housing. Nevertheless, a neighborhood's housing market can tighten, as is the case with the regenerating neighborhoods whereby a small amount of streets have become extremely popular. While some displacement did occur in Downtown, it is not certain whether displacement occurred in Midtown (where 30% subsidized housing exist), Corktown or Woodbridge. Further research into this matter is required.

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