

Downtown Living: A Deeper Look

In a report titled *A Rise in Downtown Living*, the Brookings Institution and the Fannie Mae Foundation (1998) highlighted an emerging land use movement in 24 U.S. cities. The release of the 2000 U.S. Census data verified the progress in those cities in another brief, *Downtown Rebound* (Sohmer and Lang 2001). While these publications alerted the nation to a possible trend, they did have some limitations, which inspired Eugenie Birch's follow-up study, *A Rise in Downtown Living: A Deeper Look*, funded by Lincoln Institute, the University of Pennsylvania and the Fannie Mae Foundation.

This study, initiated in summer 1999, employs census data analysis, survey research, personal interviews and field visits to the sample cities. Birch draws on a larger and more representative sample of 45 cities, including 37 percent of the nation's 100 most populous cities selected for balanced regional distribution, and of these 100 percent of the top 10 and 62 percent of the top 50. The sample includes 19 percent of the 243 cities having a population of 100,000 or more. Birch defined each city's downtown by census tracts to create a baseline for mapping and collected data on nine population and housing factors for the downtowns and their cities and Metropolitan Statistical Areas (MSAs) over three decades. Birch administered two mail surveys, in 1999 and 2001, of city officials and business improvement district leaders to identify their respective roles in encouraging downtown housing, and she is currently making site visits to all 45 cities to verify the census data and survey results.

In this article, Birch summarizes seven key findings of her research, which were also presented at a Lincoln Institute lecture in March 2002 and reported in the *APA Journal* (Birch 2002).

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Although most people think they understand what downtown is, there is no single socioeconomic meaning or geographical definition for the term. While U.S. downtowns share several common characteristics (a central business district at the core, access to substantial transportation networks, a supply of high-density buildings, expensive land), they differ dramatically in their age, size, functions, contents and character. Furthermore, downtowns are in a state of flux as their boundaries and contents are changing. Tracking downtown boundaries over time reveals that in almost all the cities in the sample, the downtowns of today are remarkably different in size (measured in the number of census tracts included) than they were 20 years ago. Downtowns that are incorporating residences are also attracting more community-serving facilities, such as supermarkets or cineplexes that used to be in neighborhoods. Maps of several downtowns, created as part of this study, illustrate the size variations.

Residential Populations by the Numbers

The rates of increase in downtown residential populations vary enormously among

cities. While downtown growth rates are impressive, numerical counts for MSAs still overshadow those of downtowns.

Measuring the growth against basic benchmarks (1970 population levels for the defined downtowns and comparative growth rates with city and MSA) reveals just how fragile this movement is. For example, only 38 percent of the sample cities had more downtown residents in 2000 than in 1970. Only one-third had a downtown population growth rate between 1970 and 2000 that was greater than that of their cities. For the same period, 42 percent of the sample showed a negative downtown growth rate even when their cities had positive numbers. Finally, only seven cities (Chicago, Cleveland, Los Angeles, New York, Norfolk, San Francisco and Seattle) had downtown growth rates that exceeded those of their MSAs in the entire 30-year period.

Looking at the data decade-by-decade tells a different story. Not surprisingly, downtown population declined most severely in the 1970s, when 89 percent of the sample showed losses that ranged from 2.4 percent (Des Moines) to 60 percent

FIGURE 1 Downtown Boston 1970 & 2000

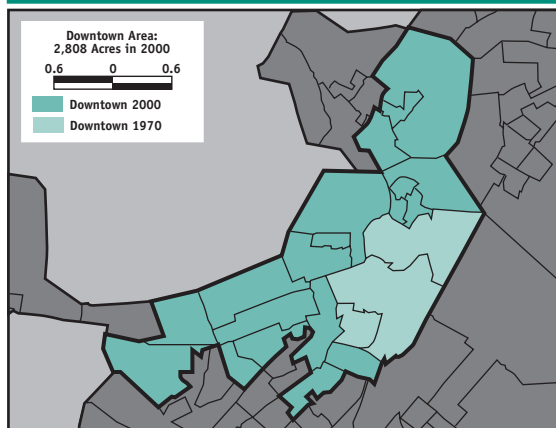


FIGURE 2 Downtown Philadelphia 1970 & 2000



(Orlando). In contrast, by the 1990s more than three-quarters (78 percent) of the sample posted increases. However, only four cities (Los Angeles, New York, San Diego and Seattle) had gains in all three decades. Comparing city and MSA data shows similar nuances.

Downtowns also vary in the amount and level of residential development. In 2000 for example, 24 percent of the sample cities had 20,000 or more downtown residents, while 20 percent had fewer than 5,000, and a great deal of diversity exists within the categories. Denver's downtowners number just over 4,200, but most observers perceive the city's record in attracting residents as a stand-out success, while Cincinnati, with about 3,200 downtown residents, is struggling to maintain a critical mass. At the other end of the scale, Chicago's 73,000 and Philadelphia's 78,000 downtowners are integrated into their larger metropolises.

Differences in the proportion of a city's population that lives downtown are also striking. For example, Boston and Philadelphia have roughly equal downtown populations, but Boston's comprises 14 percent of the total while Philadelphia's is only 5 percent. Finally, a simple numerical listing of the sample downtowns is misleading. Downtown population growth has occurred at varying rates with some cities experiencing the phenomenon for a longer time than others. This may account for the greater success of some cities. Also, given the varying geographical size of the different downtowns, density measures as well as demographic analysis should be added to any assessment in order to gauge the potential impact (economic, political, social) of new residents.

Approaches to Creating Downtown Housing

Over the past decade, policy makers and investors have relied on six types of approaches to create downtown housing, and they often blend more than one of these:

- fostering adaptive reuse of office buildings, warehouses,

factories and stores;

- building on "found" land such as a reclaimed waterfronts or remediated brownfields sites;
- redeveloping public housing through HOPE VI;
- constructing residentially driven, high-density, mixed-use projects;
- targeting niche markets such as senior or student housing; and
- using historic preservation to forge a special identity.

To accomplish these ends, cities have engaged in creative financing, leveraging public funds, tax credits, gap financing pools and other tools at their disposal. Philadelphia, Boston and Lower Manhattan present examples of the office conversion trend, while Atlanta, Minneapolis, Cincinnati and Cleveland have employed warehouse store adaptive reuse. Charlotte represents a combination of HOPE VI, new construction and historic preservation. The found-land approach is seen in Milwaukee with its riverfront redevelopment (including brownfields remediation), Cincinnati with its expressway diversion/riverfront development, Des Moines with its construction of a new downtown neighborhood, and New York at Battery Park City. Chicago is the king of mixed-use new construction. Columbus (Georgia), Lexington and Chattanooga have fostered historic districting as a means to protect older, downtown residential neighborhoods.

Deep Roots of Success

Today's growth in downtown living is the fruit of more than five decades of sustained attention to downtown revitalization. It has come about because cities have steadily improved their environments through downtown planning and additions of new elements to reinvent their old central business districts. In so doing, they have transformed their downtowns into new, hip places, thus making them competitive and attractive for housing. Although specific municipal policies such as favorable tax treatment, zoning amendments and infrastructure investments have, without doubt, flamed the private market activities in downtown housing, public investment in large-scale projects dating from the mid-1950s to the present have helped create a sympathetic climate for this investment. Preliminary evidence shows a strong relationship between investor choices and the presence of new downtown amenities. For example, developers in Los Angeles, Denver, Baltimore, Detroit and Memphis cite the presence of stadiums or sports arenas as important factors in their location decisions.

Demographic Characteristics of Downtowners

Downtowners are more affluent, more highly educated and more white than the city dwellers overall, but more diverse than those in the MSA. Singles, empty-nesters, gays, and childless or small households are more highly represented in downtowns than in MSAs. Families with children are present but not dominant. Other submarkets are students and the elderly. In some cities where the housing market is tight, notably Boston, New York, Chicago and San Francisco, low- and moderate-income groups are reporting difficulty in finding space for affordable housing. In other cities like Charlotte that have an excess of downtown land, much of it devoted to parking lots, the issue is not space but cost. In these contexts, questions arise

TABLE 1 Downtown Populations and Growth Rates for Selected U.S. Cities, 1990–2000

City	Population 1990	Population 2000	Growth Rate 1990-2000 (%)
Boston	77,253	80,903	4.72
Charlotte	6,370	6,327	-0.68
Chicago	56,048	72,843	29.97
Cincinnati	3,838	3,189	-16.91
Denver	2,794	4,230	51.40
Los Angeles	34,655	36,630	5.70
Minneapolis	36,334	30,299	-16.61
Philadelphia	74,686	78,349	4.90
Phoenix	6,517	5,925	-9.08
St. Louis	9,109	7,511	-17.54
Washington, DC	26,597	27,667	4.02

Source: Birch (2002)

as to what resources should be devoted to high-rent downtown units.

Private Development Efforts

Promoting downtown housing has emerged as a central strategy of private downtown groups, mainly business improvement district (BIDs), working in league with municipal government, often city planning and/or economic development departments. In 59 percent of the sample, BIDS or other privately sponsored organizations have engaged in pro-housing campaigns. As membership organizations their internal needs drive the agenda, so the amount and nature of their efforts vary widely.

Contribution to Citywide Growth

Downtown growth has contributed to the numeric changes in citywide populations in many cities. While the percentage contribution to overall municipal growth is often quite small, in 53 percent of the sample cities the downtown numerical contribution is a significant portion of the total, and in another 22 percent of the sample cities the downtown portion has offset losses in other parts of the city. In other words, without the downtown population growth, 60 percent of the sample would be worse off. In Boston, for example, downtowners constituted 25 percent of the increased number of people living in the city, while in Pittsburgh the additional downtowners reduced the city's population loss by only one percentage point.

Conclusions

Reviewing these seven findings reveals a few themes. Downtowns are ever-changing places. Their functions, their boundaries and their very characters have been evolving in the postwar period. They are like complicated jigsaw puzzles with players (urban leaders) fitting the pieces together slowly. Just as assemblers first frame a puzzle and then fill in the center, city leaders have provided infrastructure outlines—streets or street improvements, schools, redeveloped river edges, improved open space—and now are adding other parts. Downtown living is one of these. In many places it has fit very well, especially



in the past ten years. In a few cases, new downtown residents contribute significantly to the numerical growth of their city's population. Just as certainly, many downtowns have not really kept up with their MSAs, and a majority of cities have yet to recover their 1970 populations. Nonetheless, having formerly vacant and/or abandoned buildings occupied (and eventually paying taxes) and having more (and more diverse) people on the streets night and day, weekday and weekend, are positive factors for urban life.

Making sense of this housing phenomenon requires not only placing it in the context of contemporary metropolitan development but also making it part of an evaluation of past urban redevelopment programs. Downtown living is not a silver bullet for curing urban ills but one element of an ongoing planning and investment effort for a part of the city.

Public/private partnerships have been essential in achieving changes in downtown living. The existence of productive interplay between focused interest groups, especially the growing number of business improvement district leaders, and public planning and economic development units has resulted in bold, imaginative, creative and thoughtful approaches to creating housing opportunities.

The findings and themes in this research give rise to other questions related to individual downtowns, including an

evaluation of the costs and benefits of attracting different types of downtowners and an assessment of the reasons why some places have been more successful than others in gaining the populations. This information that would be useful, for example, for policy makers in cities having less developed downtowns who first must decide whether a downtown living approach is appropriate for their cities and, second, must determine whether supportive incentives or complementary activities are needed. Other questions revolve around how to spread downtown progress to nearby neighborhoods without provoking displacement or unwanted gentrification and how to resolve the inevitable political disputes that will arise with the newcomers.

All in all, the rise in downtown living is as complex and layered as any urban issue. While widely reported in the popular press, it deserves a balanced, scholarly appraisal. This study raises important planning and development issues that still need attention: for example, information on the critical mass of residents required to make a difference in downtown life, the relationship between downtown housing units and employment, and the number of households needed to support community-serving functions. All of these issues lead to questions of balancing appropriate density for new development and quantity for adaptive reuse with other downtown functions like office, parking, retail and entertainment. No one really knows the proper composition of a balanced downtown. **L**

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