Healthy City, Healthy Region: AN UPDATE: TEN YEARS LATER (January 2007) by David Rusk

Executive Summary

In 1997, the Gainesville City Commission and the Alachua County Commission jointly sponsored my assessment and recommendations on regional planning and housing policy. Through the sponsorship of the Gainesville City Commission, this follow-up report provides a ten-year retrospective on demographic, social, and economic trends since that earlier report. Although in no way is this update a comprehensive assessment of progress made on my 1997 recommendations, I will also comment on such information as I have been able to gather from city staff reports, on line documents, and other sources. Finally, I will reaffirm or offer new recommendations for action.

Summary of major trends:

- During the 1990s, Gainesville successfully annexed 13.3 sq mi, adding 38 percent to its municipal territory and has added another 6 sq mi since 2000; however, given the fact that most of its Urban Reserve Area (URA) is already substantially developed and "county" residents regularly defeat annexation referenda, there is little prospect that Gainesville will achieve its goal of annexing half of its now-78 sq mi URA by 2010 without more active assistance by county government or legislative amendments to the Alachua County Boundary Adjustment Act;
- Gainesville's median family income as a percentage of the county-wide median family income declined from parity (100 percent) in 1989 to 95 percent in 1999, dropping below the county median for the first time. The shift is due primarily to continuing growth of higher-income sub-divisions in unincorporated areas, primarily in Gainesville's URA;
- From 1989-04, the Gainesville region saw more rapid job growth (38 percent) than the national average (24 percent), but the region's growth in per capita personal income (15 percent) lagged the rate of national improvement slightly (17 percent); despite the fact that the Gainesville area has the 14th

- highest level of adults 25 years of age or older with bachelor's degrees or higher (38 7 percent), most job growth has occurred in lower-wage service occupations; the region could exploit its higher-skilled labor force more effectively;
- Though the Gainesville region was one of the less residentially segregated for African Americans in 2000 (112th least out of 331 metro areas), the Alachua County Public Schools are becoming more racially and, as a result, economically re-segregated a very alarming trend

Specific recommendation for action by the City Commission:

- 1) The City Commission and the County Commission should explore the jointly-appointed corporate limits council as a mechanism to support the city's annexation plans.
- 2) The City and County should explore "density" as a method of signaling or requiring the annexation of urban areas.
- The City Commission and staff should build a close working relationship with the Alachua County Board of Education and school district staff on planning and capital projects.
- The City Commission should appoint a Task Force on Inclusionary Zoning, composed of city officials, housing agency representatives, developer/builder/realtors, and housing advocates to develop a city inclusionary zoning law. If possible, the Task Force should be a joint undertaking with the County Commission.
- The City Commission should encourage amendment of the County Comprehensive Plan to establish a more rigorous standard for agricultural zoning (i.e. at least 20 acres per housing unit). This will help promote in-fill development within the city and other urbanizing areas.

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In 1997, the Gainesville City Commission and the Alachua County Commission jointly sponsored my assessment and recommendations on regional planning and housing policy. On October 30, 1997, I made presentations to the two commissions and business and civic leadership. I followed up that presentation with a narrative report and detailed policy recommendations.

Through the sponsorship of the Gainesville City Commission, this follow-up report provides a ten-year retrospective on demographic, social, and economic trends since that earlier report. As such, it should be read in conjunction with the earlier report (attached as appendix A).

Except for its analysis of trends in the Alachua County elementary schools, the 1997 report relied on census data from 1950 to 1990. Similarly, this update will have to rely on Census 2000 data for much of its information, which means that information on income and poverty levels will be seven years old. However, the census is the only reliable source for such information, especially at the census tract level. Whenever possible, I will update trends from more contemporary data, such as school report cards, property assessment records, and Census Bureau population estimates.

Although in no way is this update a comprehensive assessment of progress made on my 1997 recommendations, I will also comment on such information as I have been able to gather from city staff reports, on line documents, and other sources.

It will be organized in three sections: Part A: an update on trends; Part B: comments on progress on my recommendations; and Part C: closing observations.

Part A: Land Use, Economic, Fiscal, and Educational Trends

Land use and residential development patterns: The Gainesville "urbanized area" has continued to grow steadily, consuming land at a faster rate than the rate of growth of its population (Table 1). From 1970 (when

¹ Unlike "metropolitan areas" that, based on commuting patterns, are constituted by entire counties, an "urbanized area" is defined as a central city and contiguously developed commercial and industrial land and residentially-developed land at "urbanized" densities (usually, a minimum of 1,000 persons per square mile). With the exception of the 1990

the Gainesville urbanized area was first designated) to 2000, the area's urbanized population grew from 69,329 (93 percent within the city limits) to 157,508 (only 60 percent within the city limits). During that period, the amount of urbanized land grew from 29 sq. mi. in 1970 (90 percent within the city limits) to 77 sq. mi. in 2000 (less than 60 percent within the city limits). In summary, during the three decades, while urbanized land grew 167 percent, urbanized population grew only 127 percent — a land-to-population ratio of 1.3 to 1. (The rates of population growth and land consumption were almost equal in the 1990s.)

In 1950, Gainesville was a relatively compact, more densely developed city (as were all cities); 26,861 residents lived within its 5.5 sq. mi., or 4,834 persons per sq. mi.³ Since then, residential growth both within the city and its surrounding area has always been relatively low density development. By 2000, the city's density had been more than halved to 1,980 persons per sq. mi. though that latter figure (some 500 persons per sq. mi. less than the city's average in the preceding three decades) largely reflected annexation of as yet undeveloped land (see footnote 3) and the impact of typical household size falling.⁴ Throughout these decades, suburban development density averaged about two-thirds of the city's development density (but for the anomaly mentioned of the Census

census (which included Bradford County), the Gainesville *metropolitan* area has always been defined as including only Alachua County.

² According to official map of the Gainesville urbanized area, some newly annexed portions of the city on its northern edge were not yet urbanized by 2000. The defined urbanized area contains large portions of unincorporated developments outside the city limits but within the city's annexation reserve in its northwestern and, particularly, southwestern quadrants, and modest amounts of unincorporated developments in its southeastern quadrant. The urbanized area also appears to contain a small portion of the extreme southeastern corner of the City of Alachua.

³ For comparison, the central cities of the 157 designated urbanized areas in 1950 averaged 7,338 persons per sq. mi. These included all of the USA's biggest, most developed cities (New York City, Chicago, Philadelphia, etc.) that were at their historic population peaks.

⁴ Within Alachua County, average household size fell almost 40 percent from 3.85 persons per household in 1950 to 2.34 persons per household in 2000. That decline reflected both families having fewer children and more members of the extended family living independently, such as senior citizens and young people. The great expansion of off-campus living by students at the University of Florida has been a major contributor to the region's smaller household size.

2000 figure). The 2010 census should see the city's density back around the 2,500 persons per sq. mi. level since a) some of the annexed land newly annexed in the 1990s will have been developed, and b) city planning policies since 2000 have concentrated on promoting higher density, in-fill development, particularly around Downtown and the University of Florida.

The 1990s, however, saw Gainesville's second largest expansion of its city limits through annexation. The city limits expanded from 34.9 sq. mi. in 1990 to 48.2 sq. mi. in 2000, or 38 percent. (During the 1960s, Gainesville's municipal territory quadrupled in size from 6.5 sq. mi. in 1960 to 26.1 sq. mi. in 1970.) From January 2000 through May 2006, the city successfully executed 29 annexation actions, adding about 6 sq. mi. and reaching 54.2 sq. mi. in municipal area.

In the Age of Sprawl, a central city's ability to defend its market share of regional growth through annexation is vitally related to the city's economic, social, and fiscal health. My recent study found that, over the past fifty years, a city's ability to capture the population growth of its county through annexation was highly statistically correlated to its fiscal health (as measured by its municipal bond rating).⁵

The importance of a city's "elasticity" (that is, its ability to grow by annexation) is illustrated by Table 2. What if the City of Gainesville had remained frozen within its 1950 boundaries ("Old Gainesville"), covering only 5.5 sq. mi. instead of being able to expand to 48.2 sq. mi. by 2000 ("New Gainesville")? Not only would Old Gainesville have actually lost population (rather than growing by 255 percent as New Gainesville did), but its residents would be relatively much poorer.

- * Mean household income of residents of Old Gainesville would have been around \$21,000 (less than half of Alachua County's mean household income) rather than the almost \$42,000 recorded for New Gainesville by Census 2000 (or 93 percent of the county mean).
- * Old Gainesville's family poverty rate would have been substantially higher (23 percent) rather than New Gainesville's 15 percent family poverty rate.
- * Average home values (\$77,000) for Old Gainesville would have been barely three-quarters of New Gainesville's (\$99,000).

⁵ My study for The Brookings Institution, "Annexation and the Fiscal Fate of Cities," can be accessed at www.brookings.edu/metro/pubs/20060810 **fate**ofcities.pdf

* Using total household income as a proxy for tax base, Old Gainesville would have had about one-sixth the tax base of New Gainesville.

As a result of all these factors, Old Gainesville's municipal bond rating would probably have been a mediocre Baa1 rather than New Gainesville's healthy A2.

Moreover, my hypothetical estimates for Old Gainesville form probably a best case scenario. Such a "zero elastic" city would probably have suffered greater population loss, middle class flight, concentration of poverty, and fiscal distress as has indeed been the experience of small, "zero elastic" cities in the Northeast and Midwest.

Because of its past successful annexations, Gainesville has maintained reasonable income parity with the rest of Alachua County though its position has slowly declined from decade to decade. Table 3 tracks the city's median family income as a percentage of the county's median family income over the past five decades. At mid-century, the typical city family was substantially better off than the typical family in the county as a whole; the city's median family income (\$2,500) was 121 percent of the county's median family income (\$2,066). By 1990, the city (\$31,321) had dropped steadily to virtual parity with the entire county (\$31,402). During the 1990s, family incomes outside the city grew more rapidly such that by 2000, the city's median family income (\$44,263) was only 95 percent of the county-wide median (\$46,587).

Table 3
Gainesville median family income as percentage of Alachua County median family income from 1950 to 2000

	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>
Alachua County	\$2,066	na	\$8,329	\$17,072	\$31,402	\$46,587
Gainesville	\$2,500	na	\$8,655	\$17,425	\$31,321	\$44,263
city pct of county	121%	na	104%	102%	100%	95%

Source: US Bureau of the Census

Table 4 demonstrates where the higher income growth is occurring within Alachua County outside Gainesville's boundaries

Table 4
Local mean household income as percentage of county mean household income from 1980 to 2000

	<u>1980</u>	<u>1990</u>	<u>2000</u>
Alachua County	\$16,560	\$30,711	\$44,790
Gainesville city city pct of county mean household income	\$17,101 103%	\$29,844 97%	\$41,385 92%
Alachua city city pct of county mean household income	na	\$31,192 102%	\$47,190 105%
Archer city city pct of county mean household income	na	\$23,393 76%	\$33,501 75%
Hawthorne city city pct of county mean household income	na	\$23,362 76%	\$35,793 80%
High Springs city city pct of county mean household income	na	\$27,112 88%	\$40,997 92%
La Crosse town town pct of county mean household income	na	\$15,939 52%	\$27,073 60%
Micanopy town town pct of county mean household income	na	\$24,371 79%	\$42,975 96%
Newberry city city pct of county mean household income	na	\$24,162 79%	\$40,409 90%
Waldo city city pct of county mean household income	na	\$21,294 69%	\$37,281 83%
Unincorporated areas uninc. area pct of county mean hshld inco	na ome	\$32,125 105%	\$48,192 108%

Source US Bureau of the Census

While all Gainesville's sister municipalities except Archer improved their incomes relative to the countywide average in the 1990s, all except Alachua city and Micanopy town still have mean household incomes lower

than Gainesville's The region's high end growth is clearly occurring in unincorporated areas, particular on the fringes of Gainesville itself. This is a very adverse pattern for Gainesville's economic and fiscal health and a primary challenge for the city's annexation policies

Regional economic growth: In my 1997 study, I reported that Gainesville-Alachua County had experienced one of the USA's highest rates of growth in real median family income (that is, inflation-adjusted) over the previous four decades. During the past fifteen years, the regional economy created jobs faster than the USA average (table 5), but local growth in real per capita personal income, while it exceeded Florida's overall, lagged the national rate of real income growth slightly (table 6).

Table 5
National, state and regional job creation from 1989 to 2004

	total jobs <u>in 1989</u>	total jobs <u>in 2001</u>	total jobs <u>in 2004</u>	growth 1989-04	growth <u>2001-04</u>
United States	137,199,800	167,014,700	170,091,500	24%	1.8%
Florida	6,654,364	9,112,069	9,691,255	46%	6.4%
Gainesville-Alachu	a 110,783	147,996	152,470	38%	3.0%
Tallahassee-Leon	127,273	205,111	210,014	65%	2.4%

Source US Department of Commerce Bureau of Economic Analysis. Regional Economic Information Service

During the 15 years, Florida's booming economy created jobs at almost twice the rate (46 percent) as the national economy (24 percent). Gainesville-Alachua County's job creation (38 percent) lagged the state's dynamic growth slightly, but Tallahassee-Leon County's growth rate (65 percent) substantially exceeded the state – a common phenomenon of state capitol regions across the country.

Table 6
National, state and regional real growth in per capita personal income from 1989 to 2004

	per capita	per capita	per capita	real growth	real growth
	personal	personal	personal	in per cap	in per cap
	income	income	income	pers inc	pers inc
	<u>in 1989</u>	<u>in 2001</u>	<u>in 2004</u>	1989-04	2001-04
United States	\$18,520	\$30,574	\$33,050	17%	1 4%
Florida	\$18,836	\$29,273	\$31,469	10%	0 8%
Gainesville-Alachua	\$15,698	\$24,539	\$27,528	15%	5 2%
Tallahassee-Leon	\$15,518	\$25,605	\$27,990	18%	2 5%

Source. US Department of Commerce Bureau of Economic Analysis. Regional Economic Information Service

During the fifteen years, both the Gainesville (15 percent) and Tallahassee (18 percent) regions' real growth in per capita personal exceeded Florida's growth rate (10 percent). However, both North Florida regions' levels remained below both state and national averages in per capita personal income. ⁶

For the Gainesville region to outpace the national average in rate of job creation but fall somewhat behind the national average in the growth of per capita personal income points to much of the job creation having occurred in low wage retail and service industry jobs. There is substantial underemployment in the region

Adult educational attainment levels: My 1997 study reported that

As home to the University of Florida, the regional labor force has a high educational level. In the 1990 census, 31% of all adult workers had a bachelor's degree or higher. This compared with a national metropolitan average of 20%. Among 320 metro areas, metro Gainesville ranked 22nd by this measure of educational attainment.

By Census 2000, the Gainesville area had improved its ranking to 14th. Some 38.7 percent of all adult workers had bachelor's degrees or higher (19.0 percent had graduate degrees). In educational attainment, Gainesville was topped only by some other college towns and six of the USA's major high-tech centers.⁷

⁶ In my view, the Bureau of Economic Analysis's focus on personal income is a misleading indicator of economic well-being as compared with the Census Bureau's tabulation of money income. The two bureaus' definitions of what constitutes income are virtually identical (wages and salaries; proprietors' income; interest, dividends, and net rental income; social security income; public assistance income; and all other regularly received income such as veterans' payments, pensions, unemployment compensation, and alimony). However, their concepts of what constitutes a person differ radically. The Census Bureau counts only real, living, breathing people. The BEA's tabulation adds the income of "nonprofit institutions serving individuals, private noninsured welfare funds, and private trust funds." Thus, in 1987, for example, for New York County (Manhattan Island), the USA's financial capital, the BEA's estimate of "per capita personal income" (\$32,050) was 53 percent higher than the Census Bureau's estimate of "money income per capita" (\$20,904). By contrast, in the nation's poorest metropolitan area in 1987, Laredo TX (Webb County), with few bank trust departments, pension funds, etc., per capita personal income (\$7,453) exceeded money income per capita (\$5,642) by only 32 percent. (Both Gainesville and Tallahassee would not be the headquarters of major financial institutions administering such funds that would increase per capita personal income substantially.) Despite the drawbacks, BEA updates its calculations of per capita personal income annually for each metropolitan area – a service that is not available from the Census Bureau.

⁷ Higher ranked college towns were Boulder CO (Colorado: 52 4%), Iowa City IA (Iowa State: 47 6%), Lawrence KS (Kansas: 42 7%), Columbia MO (Missouri: 41 7%), Madison WI (Wisconsin: 40 6%), Charlottesville VA (Virginia: 40 1%), and Fort Collins CO (Colorado State:

In 2002, Carnegie Mellon University's Richard Florida published his widely-read and provocative book, The Rise of the Creative Class, in which he argued that concentrations of creative people had become the driving force of economic development in the Information Age Most enticing to me was that Dr. Florida ranked all metro areas according to his "creativity index."8 Among regions with less than 250,000 people, Gainesville ranked second only to Santa Fe NM (whose ranking is largely attributable to having Los Alamos National Laboratory nearby). Among all 264 regions, Gainesville ranked 34th, but 2nd with regard to the portion of its labor force in the "creative occupations," as Dr. Florida defined them. (Tallahassee ranked 14th among regions with 250,000 to 500,000 people and 80th among all regions.) Gainesville also ranked relatively high for "innovation" (30th) and "diversity" (48th), but relatively low with regard to "high tech industry" (170th). This certainly suggests that the Gainesville region could harvest the benefits of its rich intellectual resources much more effectively in its economic development initiatives. In fact, it strikes me that the Gainesville area has a bi-polar economy much like Albuquerque's: a highly educated, high salaried sector and a large, low-wage, low-skilled sector with not many workers in the middle range – not untypical of a non-manufacturing economy...

Racial and economic segregation: Since my 1997 report, a much more comprehensive source of information analyzing racial patterns in all metropolitan areas has become available. Table 7 compares recent trends in residential segregation for African Americans of all ages. 10

^{39 5%).} Tallahassee's percentage was 36.7% The high-tech centers were San Jose CA (45.5%), San Francisco CA (43.6%), Santa Fe NM (39.9%), New York City's suburban Fairfield County CI (39.5%), Boston MA (39.5%), and Washington DC (39.1%).

⁸ As so often happens, one is readily convinced by arguments that appeal to one's own prejudices and preferences Within Prof. Florida's four groupings of metro areas by population size, the top ranked metro areas were San Francisco CA (where I was born and attended college), Albuquerque NM (where I lived for twenty years and was mayor), Madison WI (a personal favorite where I have done extensive work), and Santa Fe NM (right up the road from Albuquerque, a delightful cultural center, with Los Alamos National Laboratory nearly).

⁹ The Lewis Mumford Center at State University of New York-Albany Its data analyses can be accessed at http://mumford1.dyndns.org/cen2000/WholePop/WPsegdata.htm

¹⁰ The segregation index or "dissimilarity index" measures the evenness or unevenness of the distribution of a minority population. On a scale of 0-100, a score of "0" would indicate complete integration, and a score of "100" would be complete segregation. Metro Gainesville's index of 38 means that 38% of all African Americans would hypothetically have to move into

Table 7
Residential segregation indices for African Americans (segregation index: 0 to 100; 100 = total apartheid)

	<u>1980</u>	<u>1990</u>	<u>2000</u>
United States (331 metro areas)	573	57.9	51 4
Metro Gainesville	52.2	43 5	44.7
Metro Tallahassee	54.5	53.2	45.9

Source: Mumford Center at SUNY-Albany

Thus, by Census 2000, both metro Gainesville (44.7) and metro Tallahassee's housing markets were less residentially segregated for African Americans than the national average (51.4). Gainesville ranked 112th and Tallahassee 119th least segregated out of 331 metro areas. Most of the metro areas with lower black/white segregation indices were metro areas in New England and western states with small African American populations. There were 18 small, southern metro areas with large black populations, such as Jacksonville NC (28) and Charlottesville VA (36), which had lower segregation indices.

Table 7 analyzes residential racial segregation for all age groups. Residential segregation is measurably higher when considering only youth 18 years old and younger (Table 8). The higher segregation indices for children and teenagers reflect the phenomenon that a) growing integration of inner-city neighborhoods largely reflects gentrification by white households without children – college students, young professionals (both singles and mingles), gay couples, and empty nesters.

Table 8
Residential segregation indices for African Americans 18 years old or younger (segregation index: 0 to 100; 100 = total apartheid)

	<u>1990</u>	<u>2000</u>
United States (331 metro areas)	583	53.8
Metro Gainesville	50.1	55.1
Metro Tallahassee	587	54.1

Source Mumford Center at SUNY-Albany

other neighborhoods for every neighborhood (that is, census tract) to have exactly the same proportion (19%) of African American residents.

Segregation indices for African American children and youth averaged seven to ten points higher in Gainesville and six to eight points higher in Tallahassee while the differential was only one or two points for the USA as a whole. The greater local differentials may reflect both regions' status as "college towns." However, more troublesome was the fact that, according to the calculations, during the 1990s, the residential segregation index for young African Americans in the Gainesville region *increased* measurably from 50 to 55.

Throughout our country, with its system of locally operated school districts and neighborhood schools, school enrollment patterns by race, ethnicity, and economic class have largely mirrored residential patterns. However, for at least three decades, the impact of the US Supreme Court's epochal *Brown v Board of Education* decision and subsequent federal court orders resulted in Southern schools being much more integrated than Southern neighborhoods.

By the 1990s, however, a much more conservative Federal court system began dismantling *Brown*'s school desegregation policies, sending African American children back to re-constituted neighborhood schools (a process that appears to have begun in the late 1980s in Alachua County). As a result, neighborhood schools are becoming racially re-segregated, reflecting the degree of neighborhood segregation.

That is clearly happening within the Alachua County public school system. In my 1997 study, I report that, based on 1989 data, "measured at the high school level, metro Gainesville had the most racially integrated public schools in the nation (an index of 10) in 1989-90." Though I have not re-calculated high school segregation indices nationwide, such is not the case today.

The Mumford Center at SUNY-Albany, The Urban Institute in Washington, DC, and I have focused on school segregation indices at the elementary school level. Table 9 traces trends in black/white school segregation indices from 1989-90 to 2004-05 for Alachua County's elementary schools. 11

¹¹ I cannot vouch absolutely for the precision or comparability of either the SUNY-Albany or The Urban Institute calculations. Both are based on mainframe computer tapes (the "Common Core of Data," or CCD) provided by the National Center for Education Statistics. Quality control of CCD is always an issue with millions of data points entered by over 18,000 public school districts. However, I can vouch for the accuracy of my calculations where the data was compiled by me from the demographic

Table 9
School segregation indices for African Americans (segregation index: 0 to 100; 100 = total apartheid)

school year	SUNY- <u>Albany</u>	Urban <u>Institute</u>	Rusk <u>studies</u>
1989-90 1990-91	20.1	21.3	
1990-91		22.4 23.9	
1992-93		28.5	
1993-94		31.4	
1994-95		34.0	
1995-96		35.0	33.6
1996-97		36.5	
1997-98		36.2	
1998-99		39.0	
1999-00	39.4	38.5	
2004-05			45.5

Despite issues of comparability (see footnote 13), the trend is unequivocal. The segregation indices for African American pupils *vis a vis* white pupils in the region's elementary schools have been steadily rising

"So what?" may respond critics of racial school integration policies (on both sides of the color line). A significant problem in sending children back to racially isolated neighborhood schools is that the level of economic segregation also steadily increases as a result.

Table 10 repeats the segregation indices by income, as measured by whether elementary school pupils qualify for federally-subsidized Free and Reduced price Meals (or "FARM") Again, the level of economic segregation trended steadily upward, tracking increasing racial resegregation of local elementary schools.

profiles of the school-by-school report cards. My calculations cover Alachua County's 25 regular elementary schools. Given their small enrollments, inclusion of the special charter schools (not operative during the 1995-96 school year) does not measurably change the indices

Table 10 School segregation indices for low-income pupils¹² (segregation index: 0 to 100; 100 = total apartheid)

school year	SUNY- <u>Albany</u>	Urban <u>Institute</u>	Rusk studies
1989-90	35.4	21 5	
1990-91		24.3	
1991-92		21.6	
1992-93		27.1	
1993-94		30.2	
1994-95		31.2	
1995-96		37.6	38.7
1996-97		37.9	
1997-98		46.8	
1998-99	· ·	36.3	
1999-00	39.9	35.8	
2004-05			43.6

In 1966, sociologist James Coleman released his path-breaking study, Equality of Educational Opportunity. The Coleman Report concluded that the socioeconomic characteristics of a child and of the child's classmates (measured principally by family income and parental education) were the overwhelming factors that impacted academic success. "The educational resources provided by a child's fellow students," Coleman summarized, "are more important for his achievement than are the resources provided by the school board. The social composition of the student body is more highly related to achievement, independent of the student's own social background, than is any school factor."

For over three decades, educational researchers, including Coleman, have revisited, refined, and debated Coleman's original findings. I myself have done such studies in 15 metropolitan areas. There has been no more consistent finding of educational research than the paramount importance of

¹² Based on CCD information, The Urban Institute study analyzed the relative isolation only of pupils that qualified for fully subsidized school meals (up to 130 percent of the federal poverty level, or a maximum of \$26,000 for a four-person household in 2006-07), Based on school-by-school profiles on the Internet, my studies covered pupils that qualified for reduced price meals as well (up to 185 percent of the federal poverty level, or a maximum of \$37,000 for a four-person household in 2006-07)

a school's socioeconomic makeup on academic achievement. Such studies (including my own) have also reconfirmed Coleman's other basic finding: that low-income pupils learned best when attending middle-class schools.

In my 1997 report I analyzed Alachua County's elementary schools for 1994-95 and 1995-96. I found that

"there is a very high correlation (87) between socioeconomic status and test scores – a finding confirmed by numerous educational studies. No other factor – teacher experience, expenditures per school, etc. – had a remotely comparable impact on test scores."

In that earlier study,

Charles W Duval Elementary had the highest proportion of low-income children (88%) and the lowest test scores (27th percentile). Conversely, William S. Talbot Elementary had the lowest percentage of low-income children (18%) and the highest test scores (80th percentile). [Applying the results of a similar analysis from my Albuquerque Public Schools study, I projected that] the difference between the average low-income child living near and attending Duval Elementary and that same child living near and attending Talbot Elementary would be, on average, a 16 percentile improvement in the child's test scores.

For this update, I have conducted a more extensive analysis of Alachua County's 24 regular elementary schools. I compiled six years' worth of reading and math FCAT scores for grades 3, 4, and 5 from 2001-02 through 2006-07; each school's percentage of low-income pupils for 2003-04 and 2004-05; each school's racial profile, expenditures per pupil, pupil-teacher ratio, percentage of teachers with advanced degrees, and average years of teaching experience.

The results:

- the correlation between a school's average test scores and its percentage of low-income pupils was even stronger now (894) than a decade ago (870);
- 2) in a multi-variate regression, the addition of five other variables to socioeconomic status only raised the correlation with test scores microscopically from 0.894 to 0.897;
- 3) none of the school-based factors mattered not expenditures per pupil, pupil-teacher ratio, nor average years of teaching

¹³ For some reason, FCAT exams were not administered at W. W. Irby Elementary School. Certainly, no results were available through the school's report card.

- experience (though the percentage of teachers with advanced degrees verged on the margin of statistical significance);
- significantly, in the multi-variate regression, there was no correlation between a school's average test scores and its percentage of non-Asian minority pupils; the racial factor was completely subsumed by the low-income factor the issue is not race but economic class

To put the matter simply, for the Alachua County elementary schools, one doesn't need to know anything about how much money is being spent per pupil, average classroom size, or the professional training and years of teaching experience of the faculty. Just provide a school's percentage of low-income children and one can accurately predict that school's average FCAT scores (plus or minus eight points) about 95 percent of the time. ¹⁴

In short, what's important is who the kids are and the income mix – or lack of income mix – in the classroom. With the federal courts now issuing supposedly "race-neutral decisions that directly lead to increased economic segregation, more than ever "housing policy is school policy." The steady increase in economic segregation within Alachua County schools is the greatest cause for concern that I have identified in my update of regional trends over the past decade

For two decades, "select pockets of east Gainesville neighborhoods, known as 'islands,' [had] been bused to attend west Gainesville schools. A smaller number of students residing west of W. 13th Street [had] been

Correlation between FCAT scores, the "y", or dependent variable, and six "x," or independent variables, for the 24 regular elementary schools of Alachua County Public Schools

adjusted R square = 0.897	standard error = 7.9	
independent variables	coefficient <u>estimate</u>	standard <u>error</u>
x1 = percentage of low-income ("FARM" eligible) pu		13 088019
x2 = expenditures per pupil (regular)	-0.002334#	0.0023386
x3 = pupil/teacher ratio	0 3046731#	0.9187475
x4 = percentage of teachers with advanced degrees	24 763819#	15.553529
x5 = average years of teaching experience	-0007263#	0.4965179
x6 = percentage of non-Asian minority pupils	-1.048539#	10 159444
# = not etatistically significant	* = < 0.10% level of significance	

^{# =} not statistically significant

** = <0 05% level of significance

¹⁴ For the statistically minded, the results of the multi-variate regression were as follows:

^{*** =} <0.01% level of significance

transported to eastside schools.... That practice tried to address what the School Board previously considered a higher priority in zoning: Limiting the share of students from low-income families attending any particular elementary school."¹⁵

In all, about 1,500 pupils were being bused in order to achieve greater economic balance. Such "busing" actually accounted for only a small fraction of the 15,000 pupils being transported to school by bus

In December 2003, however, the school board decided to end such efforts to achieve greater economic balance, effective for the 2004-05 school year. One school board member was quoted as saying "As we move away from islands that are bused, I think we're moving in the right direction. What we did was get rid of (busing that made) some developments feel they were being picked on."

Two parents' reactions were quoted in the Sun article. The first ("Ms. A"), a resident of Woodlawn Park housing complex in southeast Gainesville, favored the transfer of her two children from the westside Wiles Elementary to the much closer Idylwild Elementary. She "approved of how her son's learning progressed in his years at Wiles, but found visiting the school to often be inconvenient. 'I'm happy about (rezoning) because Idlywild is not far from where I stay."

The second parent ("Ms. B"), a resident of Lincoln Estates housing complex (also in southeast Gainesville) opposed the board's decision. Though her third grade son lives within walking distance of Williams Elementary, she had obtained a transfer for her son to continue attending eastside Littlewood Elementary (at her cost since the district does not provide transportation for transfer students)

Table 11 examines the two parents' reactions from my perspective (and lists similar data for other Gainesville elementary schools). The data available for my analysis coincidentally bracketed the 2003-04 school year

¹⁵ This and subsequent quotations and information cited are from "Cross-town business reaches end of road," Gainesville *Sun* (May 31, 2004).

¹⁶ The board also voted to end "the last holdover from the desegregation era: the race-dependent busing of students in Monteocha and LaCrosse, both rural areas of northern Alachua County. Since the 1970s, white students who lived in Monteocha and LaCrosse have been zoned for city of Alachua schools while black students were zoned for predominantly white schools in northwest Gainesville. Now all students in the Monteocha and LaCrosse areas who choose busing will attend Alachua schools "

(the last year of the former policy) and the 2004-05 school year (the first year of the strict neighborhood school policy).

Table 11
Socioeconomic status and test scores in selected Gainesville schools in 2003-04 & 2004-05

elementary school (quadrant)	pet FARM <u>2003-04</u>	pct FARM <u>2004-05</u>	test scores <u>6-yr avr</u>
Wiles* (SW)	42%	35%	331
Idylwild* (SW)	73%	73%	293
Littlewood (NW)	41%	42%	324
Williams (SE)	83%	72%	303
Finley (NW)	48%	48%	318
Foster (NW)	79%	70%	302
Glen Springs (NW)	52%	46%	322
Hidden Oak (NW)	33%	16%	340
Norton (NW)	28%	38%	332
Talbot (NW)	23%	15%	349
Terwilliger (NW)	62%	75%	308
Alachua-Irby# (NW)	52%	53%	302#
Chiles (SW)	37%	35%	338
Duval (NE)	86%	92%	282.
Metcalfe (NE)	91%	88%	273
Rawlings (NÉ)	88%	89%	275
Waldo* (NE)	72%	79%	297
Lake Forest* (SE)	88%	87%	279
Prairie View** (SE)	na	90%	277

^{*}listed as partially serving Gainesville in joint meeting presentation of October 2, 2006
** not listed as serving Gainesville in joint meeting presentation (area-wide magnet?)
FARM for combined enrollment; FCAI scores for Alachua elementary only

Thus, Ms. A was happy with her son's move from high-performing Wiles (331 average FCAT score, the Gainesville area's 4th highest) to low-performing Idylwild (FCAT: 293, the 6th lowest). By contrast, Ms. B was willing to fight for (and pay out of pocket for) her son's opportunity to continue at Littlewood (FCAT: 324) rather than accept his re-assignment to Williams (FCAT: 303).

The school board's abandonment of its former pupil assignment policy is a clear backward step. However, I sympathize with the school board's predicament. As the *Sun* article in 2004 described, "Gainesville's

population has continued to shift west, causing overcrowding of schools. The school district was compelled to redraw its attendance zones last year because Chiles, Hidden Oak, Talbot, and Wiles had become overcrowded. The resources of each school are stretched to the point where portable classrooms are necessary. The school district could not justify the expense of building a new west-side elementary school because most of the seven elementary schools east of 13th Street were under-enrolled."

Housing policy is school policy. Though the quality of local schools is a major factor in where middle class families choose to live, school boards do not control local planning and zoning policies. City and county governments do, however. Thus, the very fact that the Alachua County school board and the Gainesville City Commission held a joint meeting in October is very encouraging.

The Wake County Public Schools (Raleigh NC) have implemented a very successful, county-wide enrollment policy by which it has balanced all schools in socioeconomic composition. I have modeled what such a policy, enacted by local school boards, could accomplish in several metro areas.

- In the seven district Baltimore metro area, through school board actions alone (within each of their districts), the level of economic school segregation could be reduced from an index of 62 to 54, or 13 percent; however, if all local governments enacted a metro-wide inclusionary zoning policy as a complement to school board actions, over time economic school segregation would be reduced to an index of 26 a 60 percent reduction;
- In the 16-district Denver metro area, school boards could reduce economic school segregation from an index of 59 to 48, or 19 percent; adding inclusionary zoning could, over time, reduce economic segregation to an index of 14 a 75 percent reduction

A modest but uniform inclusionary zoning policy enacted by the City of Gainesville, Alachua County, and the smaller municipalities would be the single greatest action that could be taken to assure equality of educational opportunity for all of Alachua County's children in coming decades

Part B: 1997 Recommendations and Current Status

In the following section, my 1997 recommendations are reproduced **in boldfaced letters**; the city staff comments on status as of Fall 2006 are reproduced in 12-point type; and my additional comments as part of this update are printed *in italicized letters*.

Section 1: Annexation

Overview The City's revised annexation policies (adopted August 12, 2002) set forth an ambitious and unambiguous policy of continued municipal annexation under a difficult set of state "ground rules" and increasingly adverse local political conditions. The City's explicit goal is to annex successfully a) at least half of its 100 sq. mi. Urban Reserve Area by 2010, effectively doubling the current city's territory and b) to annex the entire Gainesville Regional Utilities Service Area "as soon as possible."

Nevertheless, there is an air of unreality about these goals – indeed, about the whole prospect for municipal annexations as set forth in state law (specifically, in the Alachua County Boundary Adjustment Act). The City can only annex property either at the voluntary request of property owners or by majority approval of registered voters in the area to be annexed. As Table 12 summarizes, over the past two decades, while the City has had a steady stream of voluntary requests for annexation of (typically) small parcels, voters have rejected other annexations almost two thirds of the time. ¹⁷

Table 12 Gainesville's annexation history, 1986-2006

type	<u>acreage</u>	votes for	votes against	<u>residents</u>
voluntary (47)	4,530	na	na	none in 42 cases
approved by referendum (8)	8,304	1,545	908	20,995
disapproved by referendum (13)	28,399	3,437	7,616	62,247

With voters having rejected formal city-county consolidation in 1990, the City Commission sought to annex about 51,200 acres (80 sq. mi,), containing an estimated 55,000 residents, all around the city's periphery in 1992. By barely 200 votes (5,978 for; 6,186 against), the voters rejected it – a crucial turning point in Gainesville's history. I have omitted this massive annexation attempt from table 12.

As a forecast for the future, this summary is misleading. Though some voluntary annexations have been substantial (University of Florida 903 acres, Gumroot 791 acres, and Ironwood 749 acres), the typical voluntary annexation has been quite small. (Thirty voluntary annexations have been for 20 acres or less). Moreover, of the 8,304 acres annexed with voter approval, 6,433 acres, or 77 percent occurred 15 years ago in two large annexations approved in the wake of the narrow rejection of the city's effort to annex 51,000 acres. With much of Gainesville's Urban Reserve Area already populated by higher income households, the prospects for the City's achieving its announced goal of annexing at least half of its Urban Reserve Area by 2010 are very poor. From January 2000 through May 2006, the City annexed about 6 sq mi, putting it on track to annex about 10 sq mi. in this decade and not its announced target of 50 sq mi.

With these overall comments as a prologue, let's revisit my 1997 recommendations.

1997 annexation recommendation #1: The Alachua County Commission should adopt a formal policy committing itself to assisting local municipalities to achieve their annexation goals as defined by the designated annexation reserves.

City staff 2006 progress report: The recent Urban Reserve Update was required by the Alachua County Boundary Readjustment Act; the County's visioning exercise was the methodology to accomplish the update. New Urban Reserve Areas for all municipalities in Alachua County have been adopted.

My 2007 comments: From an outsider's perspective who was not involved in the County's visioning process, the long-term vision for the region's growth and its future political geography certainly appears peculiar (table 13)

Table 13
Alachua County Urban Reserve Areas (as of January 2006)

category	pop 2003*	city limits (sq mi)	persons/ <u>sq mi</u>	URA (sq mi)	future size <u>(sq mi)</u>
Gainesville	117,182	54	2,165	78	133
8 towns	18,953	108	175	161	470#
unincorporated area	<u>95,161</u>	<u>712</u>	<u>134</u>	<u>na</u>	<u>271</u>
total county	231,293	874	265	239	874

^{*}These population estimates are from a state source and not from the US Census Bureau

[#]According to the map adopted on January 10, 2006, Hawthorne and La Crosse are envisioned to expand very substantially in area – which is not reflected in this statistic

Even as of 2006, the eight towns vary from small to tiny in population, but several already have extensive city limits (e.g. Alachua 32 sq mi, High Springs 17 sq mi, Newberry 47 sq mi) that would take decades for them to grow into ¹⁸ Yet all but Hawthorne and La Crosse are allocated substantial Urban Reserve Areas and often "extra-territorial" zones besides. The end result is that, at some undefined future point in time, the eight towns would embrace three and a half times more land area that the City of Gainesville.

Even though only Gainesville-Alachua, Alachua-High Springs, and Archer-Newberry have abutting city limits (and just barely at that), the Urban Reserve Areas seem to serve either as a mechanism for avoiding future annexation disputes between municipalities or (more likely) as a way of defining who will provide urban services to urbanizing areas (the county or the municipality).

The latter interpretation is underscored by the requirements of the Boundary Adjustment Act that "reserve areas for a municipality shall not

- b) Contain areas which cannot reasonably be foreseen to be provided with the urban services provided by the municipality within the next 10 years
- c) Contain areas which the municipality cannot reasonably have the capacity or capital facilities within the next 10 years to provide, at a minimum, the level of services provided by the county to the reserve areas."

While the City of Gainesville has the capacity (and, indeed, the desire) to provide services and facilities within the 10-year time frame, it is hard to imagine that such would be true of the eight smaller municipalities. That suggests that the vision for such Urban Reserve Areas is that they will be urbanized with the County as long-term urban services provider.

1997 annexation recommendation #2: Each municipality and the county government should develop and adopt jointly a comprehensive master plan for each municipality's annexation reserve area.

City staff 2006 progress report: While the City and County have a joint planning project underway for the highly urbanized SW area, no progress has been made toward developing a joint comprehensive master plan for each municipality's annexation reserve area. The County in 2005 adopted a new Comprehensive Plan which covers all unincorporated areas, including the Urban Reserve Area for each municipality. City

¹⁸ Without considering the degree to which annexed land is already subdivided for future development, none of the eight municipalities currently have even half the minimum required density (at least two persons for each acre) to justify the annexations they have already accomplished.

Planning reviewed the County's Future Land Use Element to determine if there are any issues or concerns related to adjacent land use. The County land use was found to be generally compatible with the City; however, City land use designations allow higher density development. An issue for the City is where the City has designated land for agricultural use in the city to match the County agricultural designation. This agricultural designation may be inappropriate for an urban area. City and County have completed one joint planning project for the SW 13th corridor. City, County and MTPO staffs are preparing a joint plan for the SW 20 Avenue Urban (Student) village area. Both the City and the County have intergovernmental coordination elements in their respective comprehensive plans.

My 2007 comments: It is hard to understand why the County would not participate in adopting identical master plans if the goal were to have municipalities successfully annex their Urban Reserve Areas. A contrasting example of genuine intergovernmental collaboration on annexation policy would be Charlotte-Mecklenburg County. With the County's guidance and encouragement, the City of Charlotte and the six smaller municipalities have mapped annexation reserves that would ultimately municipalize all unincorporated land within Mecklenburg County. County government's strategic plan is to exit from providing urban services completely except those that it would provide as part of county-wide intergovernmental agreements, such as park services To eliminate the possibility of conflicting planning and zoning policies, Charlotte and Mecklenburg County have a unified Planning Department that supports a jointlyappointed Planning Commission that has adopted a unified comprehensive plan. As of 2002, only 8.6 percent of Mecklenburg County's population lived in unincorporated areas:

In similar fashion, by 2002, Multnomah County, Oregon had almost completed its exit from urban services, Portland and eight smaller municipalities served 97.7 percent of the county's population. Within Florida, all land within Broward County has been allocated for future annexation by Fort Lauderdale and its 29 sister municipalities and the County does not provide urban services anymore, as of 2002, the remaining unincorporated areas contained barely 6 percent of Broward County's population. Both Tampa-Hillsborough County and Tallahassee-Leon County have joint planning boards.

As Table 1 showed, over 62,000 urbanized residents lived outside of the boundaries of the City of Gainesville (almost all in unincorporated areas under County control) In fact, in 2002, almost half of the population of Alachua County lived in unincorporated areas (108,713 of 222,894, or 48.9 percent) By 2020, the Alachua County Comprehensive Plan projects that

over 127,000 residents (or 45 percent of the county's total population) will continue to live in unincorporated areas (per table FLUE D & A 3). Though the County Comprehensive Plan projects that Gainesville's population will grow to 113,279 by 2010, such a projection appears to be far short of the City's goal of annexing half of its Urban Reserve Area by that date. Even taking into account the time it takes to develop newly annexed land, much of the City's Urban Reserve Area must already be developed. (I would note that the Census Bureau's population estimate of 108,184 for Gainesville in 2005 exceeds the County Comprehensive Plan estimate of 106,677 for that year) 19

1997 annexation recommendation #3: If possible, the County Commission should delegate planning, subdivision control, and zoning authority over its annexation reserve area to each municipality under the provisions of the Florida Intergovernmental Cooperation Act.

City staff 2006 progress report: The County has chosen to retain their authority over growth issues in the urban reserve areas, and provides urban services to those areas. In the Boundary Adjustment Act, Section 5, Paragraph 7 states, "The county shall also adopt a statement for each reserve area stating:

- (a) Whether the comprehensive plan and land use regulations of the county or the municipality for which the reserve area is designated shall apply prior to its being annexed.
- (b) Whether the municipality or the county shall enforce and administer the comprehensive plan and how proceeds from fines and fees charged pursuant to such enforcement will be distributed.
- (c) Which services identified pursuant to this section the county shall provide and which services the municipality shall provide in the reserve area, both before and after annexation, and how these services will be financed.
- (d) Any other matters related to the reserve area designation on which there is agreement."

It does not appear that the county would be interested in delegating this authority.

My 2007 comments: See above comments.

Annexation recommendation #4: If such intergovernmental planning agreements are not possible, within each municipality's annexation

¹⁹ The University of Florida's Bureau of Economic Research estimates Gainesville's current population at over 120,000.

reserve area, the county government should only approve subdivision plats and other development plans that are consistent with the approved joint plan for the annexation reserve area. Such approval should be conditioned upon either

- a) agreement that property owners shall immediately request annexation by the municipality, or
- b) if the property's location does not meet state requirements regarding contiguity to the existing municipal area, inclusion of deed covenants that require automatic petition by property owners for annexation whenever the requirements for contiguity are met.

City staff 2006 progress report: Since most of the Urban Reserve Area surrounding Gainesville has already developed, there is little practical chance of utilizing deed restrictions to spur annexations.

My 2007 comments. Since this area is already urbanized, the City and County should explore density level triggers for "automatic" annexations. When developers want to acquire and redevelop underutilized land in the Urban Reserve Area that also is contiguous to the City, the County should not grant zoning requests for increased density without its being contingent upon annexation. This language was contained in the original draft, but dropped out during the original adoption of the special act.

1997 annexation recommendation #5: The Alachua County Commission and municipal governments should request legislative enactment of either a general law or special law for Alachua County that allows municipalities automatically to annex "enclaves" – i.e. unincorporated land that is substantially surrounded by municipal territory or by unincorporated land covered by deed covenants regarding future annexation.

City staff 2006 progress report: No progress has been made toward requesting either a general law or special law for Alachua County that allows municipalities automatically to annex "enclaves" – i e unincorporated land that is substantially surrounded by municipal territory or by unincorporated land covered by deed covenants regarding future annexation. The City of High Springs sought to address enclaves through the County visioning process. The league of Alachua County cities should get together and request that this issue be placed on the agenda for discussion.

My 2007 comments: I would encourage Gainesville to join with High Springs in pushing for resolution of the issue of "enclaves." The Alachua County Boundary Adjustment Act should be amended to allow annexation of enclaves by city commission action.

Annexation recommendation #6: The Alachua County Commission and local municipalities should request amendment of state law to eliminate the referendum requirement for non-voluntary annexations and allow annexation by council action similar to the provisions of North Carolina state law.

City staff 2006 progress report: No progress has been made toward addressing this issue It is doubtful that Alachua County would be interested in seeing provisions of the North Carolina state law adopted. A corporate limits council was established by special act in the 1970s that allowed areas to be identified by the joint commission and then a pooled vote of City residents and those in the area proposed for annexation would decide it. The votes would be tabulated in total so City voters could cause an annexation over the objections of the annexed area. This approach has been used only once and, by pooled vote, resulted in the annexation of a little over 4 ½ sq. mi in 1979.

My 2007 comments: The possibility of using the mechanism of a "corporate limits council" (a jointly-appointed city-county commission) and subsequent annexation election by pooled vote should be thoroughly explored.

Section 2: Land Use Planning

1997 planning policy recommendation #1: The County Planning Department and various municipal planning departments should conduct a comprehensive build-out study of existing zoning in Alachua County to determine what might be the maximum residential population, amount of commercial and industrial acreage, park and recreational land, etc. envisioned under current plans. This should be compared to historical rates of development.

City staff 2006 progress report: The City and the County prepared build-out studies during the update of the Comprehensive Plan.

My 2007 comments Though I have seen population and land use projections as part of the revised Comprehensive Plan (on-line), I have not seen what I would define as a "build out study" A build out study asks the question "what if all that zoning currently allows were actually built? What would our community look like then?" For example, a build out study in which all 27 local government zoning maps were combined into one county-wide

analysis found that Kalamazoo County (2005 population: 240,536) was actually zoned for an estimated population of 810,000 with a 500 year inventory of industrially zoned land, five times as much land in asphalt (roads, parking lots, etc.) as in parks, and a total loss of farmland.

1997 planning policy recommendation #2: The Alachua County Planning Department, Planning Commission, and the County Commission should adopt a more rigorous standard for agricultural zoning. (In many urbanizing counties, such as Maryland's Montgomery and Baltimore Counties, effective farmland preservation requires a minimum of at least 25 acres per housing unit.) The County Government should designate major portions of the county for exclusive agricultural and forest use, and as recreational and natural areas.

City staff 2006 progress report: County Staff prepared policies to address this issue. Those polices were challenged by local groups and compromises were reached. The County's Comprehensive Plan has a full set of rural development policies.

My 2007 comments. Despite its own analysis that cited a study showing that minimum five acre lots were "generally ineffective" in protecting farmland, only quick reading of the County Comprehensive Plan indicates that it continues minimum five acre agricultural zoning. The County should revise its Comprehensive Plan to adopt a standard of at least 20 acres per housing unit in rural areas (which the cited study terms "generally effective"), over 40 acres would be "highly effective". The revised standard could endow agricultural land with proportional development rights that could never be used on-site for housing construction but could be sold through the Transfer of Development Rights (TDR) program or a publicly-funded Purchase of Development Rights (PDR) program. For example, under a 20-acre standard, a 100-acre farm could develop 5 housing units (preferably clustered) and would retain 15 development rights, under a 40-acre standard, it could develop 2.5 housing units and would retain 17.5 development rights.

1997 planning policy recommendation #3: With the cooperation of local municipalities, the County Commission should adopt a system of transferable development rights for agricultural property. Under the concept of transferable development rights, a certain potential

²⁰ See discussion on page 13 of the "Future Land Use Element Data & Analysis."

development level (for example, one housing unit for every five acres of agricultural land) is attributed to farmland designated for long-term conservation. Private developers seeking to develop property within urban areas at higher that authorized densities may then purchase the farm's development rights and apply them to higher-density urban development. In effect, the farmer has been given the opportunity to harvest the potential benefit of subdividing the land (through selling the development rights) but keeping the farm. The public benefits through conserving the farm as agricultural property in perpetuity while the cost is borne not by the taxpayer but by the private developer (and his future customers).

City staff 2006 progress report: The County's Comprehensive Plan established a voluntary Transfer of Development Rights (TDR) program. The County shall designate sending areas based on factors such a viability of existing agricultural uses, soils and general land use patterns. The program shall include designations of TDR receiving areas with appropriate infrastructure, environmental suitability, and capacity to absorb additional development potential (e.g. parts of the Urban Cluster designated in the Future Land Use Element for potential higher densities such as Activity Centers, transit corridors, and infill area east of Interstate 75, or within municipalities interested in participating in such a program. The City has such high densities in the city especially downtown and around the University of Florida that there is no need for transferable development rights in those areas.

My 2007 comments: All TDR programs are voluntary in the sense that a) developers must voluntarily want higher density development beyond their as-of-right density, and b) the actual price paid for a TDR is the result of a voluntary negotiation between developer and farmer. However, a TDR program only works when the local zoning authority doesn't just give away higher density through accommodating zoning changes but requires developers to buy TDRs to achieve the desired density in urbanizing areas. The County's zoning policies re: Gainesville's Urban Reserve Area will be crucial for the success or failure of the TDR initiative.

Planning recommendation #4: The Alachua County Commission should develop a long-term plan for financing the acquisition of greater park and open space and purchasing agricultural development rights. The voters of Bucks County, PA recently approved a \$50 million bond issue for open space acquisition. The voters of Albuquerque, NM have spent \$44 million in local taxes to remove 22,000 acres of scenic lands from development. The State of Pennsylvania enacted a \$100 million bond issue for acquiring farmland development rights. The Lancaster and

York County Commissions match the state funds with local monies at the level of \$500,000-\$1,000,000 a year. Such a program should be part of Gainesville-Alachua County's effort to assure meeting long-term growth management goals.

City staff 2006 progress report: Open space: In 2000 Alachua County voters approved Alachua County Forever, a program designed to purchase open space lands, and passed a \$29 million property tax millage to fund it. Through additional grants and partnerships, from November 2002 through December 2006, Alachua County Forever has been able to acquire 6,800 acres of open space (half during 2006) for \$51 million. To that publicly funded initiative can be added the work of the private Alachua Conservation Trust, which protected nearly 900 acres through direct acquisitions or donated conservation easements.

Park Facilities:

In December 2006 the County Commission approved a \$79 million bond issue for general government facilities, transportation improvements, and \$11 million in recreation projects (including the major, multi-sport Jonesville regional park).

The County Commission's action

"effectively puts the county into debt since it must pledge future tax revenues to pay off the bonds, but a majority of the commission believe that it was the right move

"I for a very long time did not support moving forward with bonding, but the more I thought about it, I decided that no one in America would own a home or a car if they had to pay cash," Chairwoman Paula DeLaney said. "Really, the issue here," she said, "is how much (debt) can we afford to carry to knock out these projects, and are these intergenerational projects that will serve people for a very long time?"²¹

My 2007 comments: Hurrah on both points.

1997 planning policy recommendation #5: Alachua County, the city of Gainesville, and other municipalities should reevaluate current Urban Service Area designations. The goal should be to adopt phasing plans that slow the constant outward extension of new development in the Urban Service Areas.

City staff 2006 progress report: The countywide visioning process was just completed with the adoption of new urban reserve areas for each municipality. The communities discussed establishing green areas between urban areas; the County is working jointly with municipalities to develop an inter-local government agreement for conservation land protection.

My 2007 comments: Certainly an encouraging development.

²¹ Cindy Swirko, "Officals say going into debt right thing to do," Gainesville Sun, December 13, 2006.

1997 planning policy recommendation #6: Annexation recommendations #2, 3, and 4 deal directly with the authority and responsibility over planning and zoning and should be adopted.

My 2007 comments: See Part C: Closing Observations

Section 3: Mixed Income Housing Policies

1997 housing recommendation #1: The Alachua County Commission should adopt a county zoning ordinance requiring a "fair share" of low-and moderate-income housing in all new developments of a minimum size (a minimum of 20 units might be appropriate) in all areas under its planning and zoning jurisdiction. This would include all annexation reserve areas that remain under county jurisdiction until annexation.

City staff 2006 progress report: The County studied this issue but determined that a fair share ordinance was not feasible for Alachua County. "Fair Share" or "inclusionary zoning" is a hot topic as it relates to attainable and/or workforce housing. The City of Gainesville Commission has indicated receptivity to setting aside 20-25% of units, particularly for projects that the Commission is providing incentives. No formal policies to this effect have been adopted.

On November 25, 2003 the Board of County Commissioners voted to approve county staff's recommendations as follows:

- 1 Accept Alachua County Affordable Housing Study Addendum and direct staff to prepare an ordinance that creates an incentive-based inclusionary housing program.
- 2 Direct staff to prepare amendments to the SHIP Local Housing Assistance Plan increasing the maximum purchase prices of new and existing homes up to the maximum amounts allowed by the Florida Housing Finance Corporation.
- 3. Direct staff to continue to coordinate efforts with the Alachua County Housing Finance Authority to develop incentive-based inclusionary policies and programs for both the Multi-Family Mortgage Revenue Bond Program and for the Single Family Mortgage Revenue Bond Program
- 4. Direct staff to report on other ways to promote inclusionary housing

Potential legal issues

A coalition of builders and Realtors® filed suit on February 28, 2006 in Florida's Second Judicial Circuit Court in Leon County challenging the <u>City of Tallahassee</u>'s mandatory

inclusionary zoning ordinance on the grounds that it violates substantive due process and is an unlawful taking and unlawful tax ²²

"While inclusionary zoning was likely imposed with the best of intentions in mind, the city has effectively added a regulatory barrier that will increase the price of new home construction by tens of thousands of dollars," said Len Tylka, the president of the Florida Home Builders Association and a West Palm Beach builder and engineer

My 2007 comments: Incentive-based inclusionary zoning programs simply do not produce inclusionary housing. The most recent example comes from Louisville-Jefferson County that adopted a purely incentive-based program in 2003 (I believe). Since that time, only about 75 inclusionary units have been produced while over 6,000 market rate units have been built; a properly designed mandatory ordinance would likely have yielded about 600-800 inclusionary units while adding to homebuilders' overall profitability.

An effective mandatory IZ law must strike the appropriate balance between meeting a community's affordable housing needs and protecting (even enhancing) the builder's profitability. Above all, the IZ law must assure that a builder's profitability must not be reduced as a result of complying with inclusionary requirements.

The economic engine that drives a fair and balanced mandatory IZ law is allowing more housing to be built on land than the underlying zoning would normally permit. This can occur in several circumstances:

- a) when the local government provides the builder with public land at zero (or certainly below market rate) cost;
- b) when land is rezoned from a lesser value use to a higher value residential use, such as rezoning agricultural land for residential development (as is certainly occurring in Urban Reserve Areas), from underutilized or abandoned commercial or industrial use, or from lower density residential to higher density residential, and
- c) when the mandatory IZ law provides automatic density bonuses as a "cost offset" for the inclusionary housing. The density bonus should be a higher percentage than the inclusionary set-aside so that the

²² The circuit court judge has ruled that the plaintiffs did not have standing on the ordinance as a conceptual issue. The judge left the door open for actual developers who would have standing (i.e. alleging direct injury") to re-file the suit.

builder gets the benefit of some bonus market rate units as well as "free land," in effect, for the inclusionary units (e.g. a 20% density bonus for a 10% inclusionary set-aside.

In addition to density bonuses, the IZ law should provide a flexible menu of other cost offsets to help meet affordability targets ²³ These can include reducing or waiving impact assessments and other city fees (building permits, etc.), rebating transfer taxes and recordation fees, providing lower interest construction loans, providing direct cash subsidies per IZ unit, and other cost offsets that should be devised in consultation with building industry representatives

This "win/win" approach is summarized by "The Baltimore Principles" (attached) that guided to work of the Baltimore City Council-appointed Task Force on Inclusionary Zoning (Though not a Baltimore resident, I was appointed to serve as one of 13 voting members of the Task Force) After 11 months' work, it recommended a comprehensive, mandatory inclusionary zoning law that received the full support of the developer/builder member of

Without working through the economics of the cost offsets in the context of the Tallahassee market, it appears to me that the city's ordinance meets this test

²³ The main features of Tallahassee's mandatory inclusionary zoning ordinance (adopted April 13, 2005) are

[•] Applies to new developments in specified locations within the City of Tallahassee

[•] At least 10% of the housing units in the development must be priced at no higher than \$159,378 and sold to eligible households or 15% of the housing units must be rented at workforce rates and rented to eligible households

A variety of development incentives, including a 25% density bonus, design flexibility, and transportation concurrency exemption are available in exchange for providing the inclusionary housing.

[•] When inclusionary housing becomes a mandatory requirement on October 1, 2005, the requirements will apply to all developments of 50 or more housing units in applicable areas (Map link). In addition to providing inclusionary housing within their development, additional methods of compliance will be available, including payment of a fee in-lieu into the City's inclusionary housing trust fund, and providing inclusionary housing at "off-site" locations.

[•] Development incentives are available only when the inclusionary housing is provided onsite, within the "primary development"

the Task Force²⁴ and the endorsement of several other prominent builders. During the Task Force's work, I personally held 17 meetings with individual or small groups of homebuilders. In such joint meetings we even modeled the proposed set-aside percentages, income affordability targets, and menu of cost offsets against builders' pro forma-s of actual developments.

The proposed mandatory IZ law was introduced in early December with the co-sponsorship of 13 of 15 Baltimore City Council members.

Within the context of a mandatory (but "win/win") IZ law, the county recommendations regarding the state SHIP program and the Alachua County Housing Finance Authority would be much more effective.

Either I or the Innovative Housing Institute (of which I am a board member) have worked with local communities and industry groups in developing IZ laws and other inclusionary housing strategies in a dozen communities and are well familiar with both challenges and solutions

1997 housing recommendation #2: The Gainesville City Commission should adopt a Moderately-Priced Dwelling Unit ordinance for new construction and major renovation within the city limits. Steps should be taken to assure that re-gentrifying neighborhoods maintain a modest "fair share" of low- and moderate-income housing.

The ordinance could be modeled on Montgomery County, Maryland's Moderately-Priced Dwelling Unit (MPDU) Ordinance. Since 1973, Montgomery County requires that a minimum of 15% of new housing units (in developments of 50 units or more) shall be affordable to buyers or renters in the lowest third of household income. Furthermore, and most importantly, the county housing authority has a legal first right of purchase for one-third of the affordable units (MPDUs), or 5% of all new housing built.

City staff 2006 progress report: The City may not want to do this without the County having a similar ordinance.

My 2007 comments: The City should certainly consider adopting an IZ ordinance even in the absence of County action. In over 30 counties nationwide, some pioneering municipality has taken the lead historically in

²⁴ Caroline Moore, CEO for Real Estate of Struever Bros, Eccles, and Rouse, Baltimore City's largest developer/homebuilder

enacting its own IZ ordinance without similar action by neighboring municipalities. In most cases, neighbors have subsequently enacted similar policies (including county governments for unincorporated areas). It would, of course, be highly desirable for the City and County to have concurrent policies, particularly since the county maintains planning and zoning control over the City's Urban Reserve Area. Perhaps the City and County should jointly establish a task force on inclusionary zoning a la Baltimore City.

1997 housing recommendation #3: The Gainesville City Commission should adopt a policy that prevents building further public housing projects or use of Section 8 rental vouchers and certificates in already poverty-impacted properties and neighborhoods.

City staff 2006 progress report: Progress in supporting inclusionary housing in the City's own projects or financially assisted projects is as follows:

The City has adopted, beginning with its 2005 funding cycle, policies that ensure that any Block Grant funding expenditures to housing providers result in housing developments with mixed-income levels. Within the CDBG Target Areas, the City committed to only funding housing developments that diversify the income levels of housing provided by requiring that any development over five units funded with Block Grant funds is required to include at least 50% market-rate units. Only outside the Target Areas can a development funded with Block Grant funds and consisting of over five units be all affordable, which will increase the income mix in those non-Target Areas where housing prices tend to be high. This policy has been implemented to date both inside and outside the Target Areas. The North Point at Ironwood development, for example, is being built with 50% market rate and 50% assisted units.

The City's housing developments, funded and implemented by the Housing Division, are geared toward mixed-income development including both market-rate and assisted units. Examples are Depot Gardens and the Southeast Gainesville Renaissance projects.

The Community Redevelopment Agency is considering amending its Transformational Incentive Projects Program, under which partial reimbursement of tax increment is provided to participating developers, to provide points for or to require, a certain percentage of affordable units in each development. Financial assistance for the Gainesville Greens development (resulting from an RFP by the CRA) was approved with a set-aside of ten units more affordable than the other units in the project.

The City Commission has also determined that it would not support tax credit projects that are 100 percent affordable housing in existing low income areas.

My 2007 comments: I strongly endorse the City Commission's policy to not support more exclusively affordable housing developments in existing low income areas but rather to require mixed income development. The mixed

income housing policies being implemented by the City's Block Grant and Housing Division agencies are admirable.

I do not see any mention, however, of the Gainesville Housing Authority and its programs. Though public housing authorities nationwide certainly consider HUD as their "Big Brother," it is my understanding that the Gainesville Housing Authority (GHA) was created by municipal ordinance (in accordance with federal requirements) and its board of directors is appointed by the City Commission. This suggests that the City could have substantial influence over how the GHA carries out its programs and could align its policies with the direct City agencies' policies.

1997 housing recommendation #4: The Gainesville City Commission and the city's public housing authority should seek federal funds to renovate existing projects in order to re-attract more working class households.

City staff 2006 progress report: The City Commission attempted to have a dialogue with the Gainesville Housing Authority along these lines, while at the same time the Hope VI program (federal funding) is no longer available for projects such as this. The Kennedy Homes (SEGRI) project is an example of the City proactively striving to address obsolete public-type housing units through the use of City bond funds and federal funds. The City has agreed to purchase the Kennedy Homes Property for \$1.9 million. The SEGRI/ Kennedy Homes work is being done by the City Housing Division, Block Grant staff, and planning staff and will also have CRA participation.

My 2007 comments: Federal housing funds have been drying up amid federal tax cuts and burgeoning deficits. The availability of state and local funds to fill the gap becomes all the more important.

Part C: Closing Observations and Recommendations

Through Part A, though I tried to provide national statistics to which Gainesville-Alachua County's trends could be compared, the analysis probably created a somewhat negative picture. In reality, by comparison with many other central cities and regions, Gainesville is doing well.

For example, today's Gainesville has a living example of "Old Gainesville" in York, PA. In 1950, the city of York was about 5 sq. mi. like "Old Gainesville." However, under Pennsylvania's state laws, it cannot annex new land at all. Let's make some comparisons.

- Between 1970 and 2000, urbanization of the Gainesville area produced a land growth to population growth ration of 1.3 to 1. During the same three decades, the York urbanized area's land to population ratio was 5.6 to 1 (and between 1950 and 2000 it was 8.3 to 1); the York area is a quintessential example of urban sprawl and "no growth" growth!
- Gainesville's population has grown from 26,861in 1950 to 108,184 by 2005, or a 303 percent gain; York's population declined from 59,953 to 40,418, or a 33 percent loss.
- In 2000, Gainesville's median family income was 95 percent of Alachua County's median family income; York's was 64 percent of York County's
- In 2000, Gainesville's "fair share of poverty index" was 125; York's was 435!²⁵
- In 2000, 38.7 percent of the Gainesville region's adult work force had bachelor's degrees or higher; the corresponding figure for the York region was 23.0 percent.
- On Dr. Richard Florida's creativity index, Gainesville ranked 2nd in its population class and 34th overall; York ranked 58th in its population class and 202nd overall.
- In 2000, the Gainesville region's black segregation index was 43 and Hispanic segregation index was 27; the York region's black segregation index was 72 and Hispanic segregation index was 54.

²⁵ The "fair share of poverty index" is the ratio of the city's family poverty rate to the county's family poverty rate.

- In 1999-2000, with its unified, county wide school system, Gainesville's black school segregation index was 39; with its 16 independent school districts, York's black school segregation index was 74.
- In effect, within Florida's "Big Box" local government structure, Gainesville shares Alachua County with county government and eight much smaller municipalities. Within Pennsylvania's "little boxes" local government structure, all York County is divided into 72 fiercely independent municipalities; county government has no authority whatsoever in most issues crucial to the future of York City.

I could multiply the example of York (a community I actually dearly love) many times over in order to show how favorable Gainesville's status is by comparison with many other communities ²⁶ If my analysis has seemed

- Between 1970 and 2000, the New Haven urbanized area's (UA) land area grew 60% (from 178 sq. mi. to 285 sq. mi.) while its urbanized population grew 19% (from 446,795 to 531,314). Compared to Gainesville UA's 1.3 to 1 land-to-population growth ratio, New Haven UA's ratio was over 3 to 1. Also note that, in 2000, the New Haven UA's density was 1,864 persons per sq. mi. compared with the Gainesville UA's density of 2,045 persons per sq. mi. New Haven sprawls more than Gainesville.
- In 1950, the City of New Haven had a population of 164,443 within its 17.9 sq. mi.; by 2005, the city's population was 124,791 (a 24% loss) within its 18.9 sq. mi
- In 2000, New Haven's median family income was 59% of New Haven County's median family income compared to Gainesville's 95%.
- In 2000, New Haven's "fair share of poverty index" was 295 compared to Gainesville's 125.
- In 2000, 27.7% of the New Haven region's adult work force had bachelor's degrees or high compared with Gainesville's 38.7%.
- In 2000, the New Haven region's black segregation index was 69 and its Hispanic segregation index was 60 compared with the Gainesville region's 43 and 27, respectively
- in 1999-2000, within the New Haven region's 23 school districts, the black school segregation index was 72 compared with the Gainesville region's 39
- Connecticut is another "little boxes" state. The City of New Haven shares the region with 27 other, legally co-equal municipalities. There is no unincorporated land whatsoever within the state of Connecticut and "New Haven County" is a

²⁶ Since the Gainesville City Commission visited New Haven in 2004, let me provide comparable data for the New Haven area

critical, it is because a) there is always room for improvement, and b) I have seen the handwriting on the wall too many times.

The staff reports cite a number of examples of city-county collaboration. That is encouraging. However, as I have commented, the level of city-county collaboration in Alachua County falls far short of examples like Charlotte-Mecklenburg, Portland-Multnomah County, or, in planning matters within Florida, Tampa-Hillsborough County and Tallahassee-Leon County. Most critically, Alachua County continues its policies of retaining its authority over growth issues in urban reserve areas and providing urban services to those areas.

Ultimately, Florida state laws establish the "rules of the game" for city and county governments. The long-term trend has been a steady strengthening of county government powers, particularly the authority to provide urban-type services to unincorporated areas. When such powers reach the point of effectively cutting off municipalities' ability to annex land for new development, the long-term viability of cities is jeopardized. 28

Beyond the state's "rules of the game," local politics shapes the nature of city-county relations. I have no "magic love potions" to offer the City of Gainesville in this respect.

One observation largely based on both my own experiences as mayor of Albuquerque and a participant/observer in many communities. In "Big Box" regions, an "elastic" central city accounts for the lion's share of county population. Gainesville is still 48 percent of Alachua County's population. Albuquerque is almost 82 percent of Bernalillo County's population.

Whether elected at-large or by district, one would think that a significant number of county commissioners would have a central focus on the best interests of their city. (Four out of five Bernalillo County Commissioners are elected from almost entirely from city districts.) Yet

geographic concept only for statistical purposes County governments were abolished in 1960

²⁷ It occurs to me, though, that had Gainesville's effort to annex 80 sq. mi. of the urbanizing area around its city limits succeeded in 1992 (rather than by being defeated by 208 votes in the referendum), Alachua County government would probably not be a significant urban services provider.

²⁸ I am not invariably a "city man." I can certainly be a fan of comprehensive county governments. In my judgment, Montgomery County MD and Arlington County VA are the USA's two best urban governments, and I have been a strong proponent of city-county consolidation.

time after time, I have seen county commissioners support policies that place county government in competition with the city – even county commissioners that have had long prior experience as city councilmembers!

Two phenomena seem to be at work. First, county commissioners tend to give great weight to residents of unincorporated areas – no matter how few the numbers. "County" residents become *their* constituents often to the great disadvantage of the great majority of voters who actually put the commissioners into office. Second, county commissioners take on the institutional coloration of county government. (The same occurs with state legislators, especially Appropriations and Finance Committee members, who act primarily as the board of directors of an enterprise called "state government" and only thereafter send the leavings to help their localities.)

The only solution is political: electing county commissioners who are publicly and unequivocally pledged to support county actions that will strengthen and not weaken their city. Clearly defining what such policies are is critical. The City of Gainesville's adoption of new policies regarding annexation in August 2002 was an important step along that path. Ultimately, the voters of Gainesville-Alachua County must determine the degree of city-county collaboration they desire.

Specific recommendation for action by the City Commission:

- * The City Commission and the County Commission should explore the jointly-appointed corporate limits council as a mechanism to support the city's annexation plans
- * The City and County should explore "density" as a method of signaling or requiring the annexation of urban areas.
- * The City Commission and staff should build a close working relationship with the Alachua County Board of Education and school district staff on planning and capital projects.
- * The City Commission should appoint a Task Force on Inclusionary Zoning, composed of city officials, housing agency representatives, developer/builder/realtors, and housing advocates to develop a city inclusionary zoning law. If possible, the Task Force should be a joint undertaking with the County Commission.
- *The City Commission should encourage amendment of the County Comprehensive Plan to establish a more rigorous standard for agricultural zoning (i.e. at least 20 acres per housing unit) This will

help promote in-fill development within the city and other urbanizing areas.

* The City Commission should initiate discussions with the County Commission about a process for joint planning coordination, which could eventually lead to a joint Planning Commission as in Charlotte-Mecklenburg County or in other Florida cities and counties

GAINESVILLE FL URBANIZED AREA CHANGES IN CITY/SUBURBAN URBANIZED POPULATION AND LAND AREA						160776C	
FROM 1970 TO 2000		1980	1990	2000	Total Change 1970-00	Pct Change	Pct Change 1990-00
:	1970					1970-00	
Total urbanized population	69,329	103,768	126,215	157,508	88,179	127%	25%
Γotal urbanized land area (sq mi)	29	52	61	77	48	167%	27%
Total population density (pers/sq mi)	2,391	1,996	2,062	2,033	-358	-15%	-1%
City urbanized population	64,510	81,371	84,770	95,447	30,937	48%	13%
City urbanized land area (sq mi)	26	32	35	48	22	85%	38%
City population density (pers/sq mi)	2,472	2,543	2,429	1,980	-491	-20%	-189
Suburban urbanized population	4,819	22,397	41,445	62,061	57,242	1,188%	50%
Suburban urbanized land area (sq mi)	3	20	26	29	26	909%	119
Suburban population density (pers/sq mi)	1,662	1,120	1,576	2,120	459	28%	359
Acreage per resident	0.27	0.32	0.31	0.31	0.05	18%	19
Acreage per net new resident		0.43	0.26	0.33	na	na	279
Total metropolitan population	104,764	151,348	181,596	217,955	113,191	108%	209
Jrbanized population/metro population	66%	69%	70%	72%	na	na	r
Γotal metropolitan land area (sq mi)	1,138	1,138	1,138	1,138	na	na	r
Urbanized land area/metro land area	3%	5%	5%	7%	na	na	

TABLE 2 ANNEXATION AMERICA'S BEST URBAN POLICY

	Old Gainesville no annexation since 1950	New Gainesville (annexations) as of 2000	
Municipal territory (sq. mi.)	5.5 sq mi	48.2 sq mi	
Population in 1950	26,861	26,861	
Population in 1990	22,315	95,447	
Population change	-4,546	68,586	
Percentage population change	-17%	255%	
Capture/Contribute Ratio	-3%	43%	
Black population percentage	25%	23%	
Family poverty pct	23%	15%	
Fair Share of Poverty Index	175%	125%	
Mean household income	\$20,711	\$41,476	
Pct metro mean household income	46%	93%	
Γotal household income	\$255 million	\$1.5 billion	
Average Home Value	\$77,300	\$98,900	
Municipal bond rating	Baal (est.)	A2	