

# Some Philadelphia Neighborhoods Are Walking a Line Between Boom and Bust

Many of the city's "middle markets," caught between rich and poor, are all at once poised to thrive and at risk of failing.

Meet Diane Richardson, achiever of the American dream.

A Penn State graduate and the owner of a business that helps homeless veterans, Richardson followed a common trajectory for a child of the civil rights-era black middle class: She grew up in working-class neighborhoods alongside mostly black neighbors, and attended college, which was followed by a few years of working and saving while living with her parents. Then marriage and the search for a home of her own.

Like her parents, she migrated to places where she believed she could find a better life. By the time Richardson finished college in the 1960s, her parents had followed a familiar path of upward mobility from North Philadelphia to the city's West Oak Lane section, a neighborhood that had been mostly white and Jewish, but was then filling with middle-class black homeowners.

Once Richardson left the family home and struck out on her own, she and her husband, Ulysses, rented a house just to the west of her parents. The comfortable, middle-class neighborhood was called East Mount Airy.

Finally, in 1978, the couple bought their own home in the same 19150 Mount Airy ZIP code: a model house, in a tree-lined subdivision of moderne-style brick rowhouses built by a Jewish developer in the early 1950s, for \$25,000. The Richardsons raised their daughter there.

Like many of their neighbors, the Richardsons moved to Mount Airy in search of a neighborhood where they could own a house with a yard alongside homeowners of all different backgrounds. That's what she found at the outset.

“There were a few [African-Americans] already there” when she bought her home, she recalls. “But it was 80 percent Caucasian. That was what attracted us to the block, we were going to be multicultural. But I guess when they saw more of us moving here, they fled. And in a two-year period, they ran like crazy.”

Thirty-six years later, the neighborhood appears to be a portrait of middle-class stability. Tidy brick rowhouses stretch into infinity, all with neatly manicured front lawns. Neighbors sit on their front steps in good weather and wave at passers-by. In fact, you could probably take a photo of this block today, compare it to one taken around 1950 when it was new, and not notice anything different other than the faces of the residents. Then, they were white and many of them, Jewish; now, African-American. The racist fears of crime and decline that propelled so many of Richardson's neighbors to move were never realized. Today, the neighborhood is safer than average. Richardson's block is so well trimmed, cleaned and planted that it has won awards from both the Pennsylvania Horticultural Society and the Philadelphia More Beautiful Committee.

At 63, Richardson remains very involved with her neighborhood; she serves as a block captain, the head of her block's neighborhood association, and a Democratic ward committee member.

**Gallery: Seeing 19150**



A road repair is underway on Vernon Road in Philadelphia's 19150 ZIP code.



A slate of improvements are planned for the Vernon Road business district.



The foreclosure crisis hit the 19150 ZIP code hard, resulting in higher rates of vacancy in an area that has long had a high rate of homeownership.



A sign reminds 19150 residents of a street cleaning.

Her biography is a classic American success story, embodying powerful national narratives about economic mobility, inclusion for African-Americans and the utility of homeownership as a tool to generate wealth. It is also a classic Philadelphia tale. While the city's struggles with chronic poverty and, more recently, gentrification tend to dominate headlines, Philadelphia is a place that rises and falls on the fortunes of middle-class people like Richardson and the places they call home. Even as other post-industrial cities bled out all but the richest and poorest of their residents through the latter decades of the 20th century, Philadelphia managed to hold onto valuable tax-paying households in many neighborhoods.

The presence of schoolteachers, small business owners, craftspeople and social service professionals like Richardson kept the city afloat through lean times and enabled the rebound being felt in many parts of Philadelphia today as population decline trends slowly reverse, the number of jobs grow and

crime rates fall.

Furthermore, even as new investment and attention rain down on Center City and the gentrifying areas that border it, new data from Reinvestment Fund and Next City show that most of the population boom — 76 percent, to be exact — is actually occurring far from downtown in modest, outlying neighborhoods not all that dissimilar to the one that Richardson supports as a homeowner, civic leader and taxpayer, and most of the new residents are immigrants.

In ways that aren't often recognized, these places are where the city's future is being forged, says Emily Dowdall, a researcher at Reinvestment Fund who studies middle neighborhoods.

“Many middle neighborhoods are seeing significant population growth and for decades they have steadily contributed to the tax base,” Dowdall says. “They really have been places of upward economic mobility for Philadelphians, particularly African-American homeowners.”

People who study cities call these areas “middle neighborhoods,” a term popularized by urban planner and scholar Paul C. Brophy, the editor of a new book about American middle neighborhoods called “On the Edge.” Brophy, who happens to share Richardson's North Philadelphia roots, describes these places as walking the line “between growth and decline.” They are home to the people whose incomes fall in the middle of the spectrum, neither rich nor poor; median sales prices in these areas range from 50 percent below to 50 percent above the 2015 median home sales price citywide of \$96,500, according to municipal data. Today, 41 percent of all Philadelphians and 42 percent of homeowners citywide live in middle neighborhoods. They tend to be more racially integrated than other parts of the city and boast some of the highest voter turnout rates.

“These are neighborhoods where housing is often affordable and where quality of life — measured by employment rates, crime rates and public

school performance — is sufficiently good that new residents are willing to play the odds and choose these neighborhoods over others in hopes that they will improve rather than decline,” writes Brophy.

And in Philadelphia, three-quarters of the city’s population reversal was in these areas, indicating that many newcomers are indeed choosing them. Between 2000 and 2015, middle neighborhoods as a whole gained residents at a rate of 5 percent, compared to 2 percent across the city. Most of the growth, in part driven by immigrants from Latin America and Asia, is concentrated in Oxford Circle, Fox Chase and other parts of Northeast Philadelphia that already have large populations of Asian and Hispanic immigrants.

But even with so much riding on the stability of these areas, a secure future is far from assured, particularly in middle neighborhoods where more than two-thirds of the population identify as African-American. These areas have not experienced the growth of more diverse or white middle neighborhoods, and there are clear indications that these areas are more vulnerable to changing economic winds and market forces.

“Some of the recent trends indicate growing fragility in [African-American] areas, particularly as they compare to other middle neighborhoods,” says Dowdall. “Falling home prices, mortgage denial rates that are higher than elsewhere and higher involuntary mobility — the term we use for eviction and foreclosure. All of these are indicators of vulnerability.”

## **Strong Bones, New Pressures**

With a grant from the William Penn Foundation, Next City and research partners at Reinvestment Fund spent several months analyzing housing, demographic and economic data from Philadelphia’s middle neighborhoods. Our goal was to determine how these vital neighborhoods are faring in the wake of an uneven recovery from the 2008 mortgage crisis, and as the city as a whole reaps the benefits of their continued growth and relative stability.

([Download](#) the Reinvestment Fund research brief to read the report in full.)

But as journalists we know that data only tells you so much. Understanding economic trends requires first disaggregating it and then talking to those people whose experiences are being quantified. With that in mind, we decided to drill down on one focus neighborhood that covers all but a tiny sliver of the 19150 ZIP code Richardson calls home, encompassing the area bounded by Stenton Avenue, Cheltenham Avenue, Washington Lane and Ivy Hill Road, plus a small piece of West Oak Lane from Walnut Lane to Washington Lane.

What emerged was a portrait of a neighborhood simultaneously vulnerable to decline and positioned for tremendous growth. The strong bones that drew Richardson and her neighbors remain in place, but new pressures are bearing down and many of them are the descendants of racist housing and development policies of the 20th century.

White flight shaped Richardson's experience in 1980 and today, the legacy of that disinvestment persists in disparities in home values between black middle neighborhoods and peer neighborhoods with more white residents. Between 2000 and 2015, home prices in black middle markets experienced a decline in home prices of 5 percent, while white-majority middle neighborhoods experienced a 64 percent increase and middle neighborhoods in aggregate experienced a 22 percent increase. In the 19150 focus neighborhood, prices rose only 3 percent, putting the neighborhood ahead of other black middle neighborhoods but behind city averages across races. Citywide, home prices surged 33 percent in that period.

And while the era of redlining officially ended decades ago, data show that rates of mortgage denial are higher in middle neighborhoods where black people make up the majority of the population than in comparable white neighborhoods. In areas where most people identify as white, 79 percent of mortgage applications were accepted. In black areas, that figure drops to 69 percent — a denial rate of nearly one in three. The 19150 ZIP does better than

many black middle neighborhoods but worse than white peers with a mortgage acceptance rate of 71 percent. That figure puts the 19150 focus area in line with neighborhoods with a population classified as racially mixed.

Foreclosure and eviction rates too vary depending on the melanin in a neighborhood, with rates higher in predominantly black neighborhoods, including the slice of 19150 Richardson calls home. Every year between 2004 and 2015, the neighborhood experienced a higher rate of foreclosure than other middle neighborhoods and the city as a whole. Black middle markets had the highest rates in the city, with 35 foreclosure filings for every 100 home sales. Eviction rates were also highest in black middle neighborhoods with 10 percent of renters facing eviction in 2015, double the 5 percent rate in peer white-majority neighborhoods. In 19150, the empty houses don't announce themselves and aren't readily visible in many parts of the neighborhood. Richardson's block has no vacancies and she's unaware of recent foreclosures nearby, but that doesn't mean there isn't reason for concern.

“This community means so much to me. I love where I live. I work to keep it up. I don't want it to decline,” Richardson says. “If there are foreclosures, we need help from the city to resolve the issue and get new people in. To take us to the next level.”

Dowdall refers to eviction and foreclosure as “involuntary mobility.” When it come to voluntary mobility, 19150 and other middle areas where more than two-thirds (66 percent) of the population identifies as African-American have another problem: Their head counts are shrinking at a time when the city as a whole is adding residents and middle neighborhoods with more diverse populations are outpacing the city in growth.

In the section of 19150 where Richardson lives, the population contracted by 3 percent between 2000 and 2015.

An analysis of population growth across middle neighborhoods taking into

account racial and ethnic differences shows stark disparities. Those areas with the multicultural demographics that Richardson sought back in 1980 experienced a 9 percent net gain while peer neighborhoods with large Hispanic populations added people at a rate of 11 percent and white-majority areas stayed largely the same, growing at a 1 percent rate. In contrast, predominantly black middle neighborhoods shrank by 2 percent over that same period.

For Richardson and her neighbors, the threat of instability looms large. The homes they own carry a large portion of the wealth that will transfer to the next generation. Their value determines the economic foundation of a next generation of black Philadelphians.

“People have family members that are going to take over their property,” says Richardson. “I have a 34-year-old daughter. She was raised in this community and she is sure to take over our home and maintain in the same way I have. The goal is not to let the neighborhood go down.”

## **Searching for Integration**

“Please don’t call it Cedarbrook,” says City Councilwoman Cherelle Parker, who represents the 19150 ZIP code. “When we bought our homes here, it was Mount Airy. Now that we’re experiencing some trouble, they want to give it another name.”

Whatever name you use, the neighborhood is part of a belt of predominantly African-American middle neighborhoods that stretches across the northern tip of the city. There’s a lot of pride attached to living in Mount Airy: It’s the Philadelphia neighborhood that gained national fame in the days of blockbusting and white flight when local real estate agents drew a line in the sand and vowed to keep the neighborhood integrated as blacks in search of a better life began moving in.

In the 1950s, as the area’s population exploded, Mount Airy was split into two

ZIP codes, 19150 and 19119. While race was never a part of the public conversation about the divide, 19150 quickly became the zone for the part of East Mount Airy east of Stenton Avenue that instead of integrated was nearly all black. In the years following, the area became known in some quarters as Cedarbrook, though many residents, like Richardson, refer to their neighborhood as East Mount Airy. In 2015, 95 percent of the 32,835 residents of the 19150 ZIP code identified as African-American, the highest ratio among middle neighborhoods and one of the highest in the city.

Stenton Avenue is a color line and also a socioeconomic boundary. West of the avenue, the 19119 zone is 59 percent black, 32 percent white, 2 percent Asian, 2 percent other races, and 5 percent multiracial. That last figure is nearly twice the citywide percentage, indicating that the area remains one of the city's most integrated pockets. Economically, this area is thriving and much of it is classified by urban researchers as a “strong,” (not middle) neighborhood, based on real estate and income data.

The black Philadelphians who bought homes across Stenton, in 19150, were looking for the same things as their neighbors to the west — an integrated neighborhood where they could be sure that they would get the same city resources as white neighborhoods. But their experience was more typical of upwardly mobile middle-class African-Americans; instead of settling down in an integrated paradise, they eventually ended up in an all-black neighborhood again.

Shirley Armstead is the founder and owner of S.E. Armstead Real Estate, a small brokerage a few blocks from Richardson's home. Armstead established her real estate business in West Oak Lane in 1976, and moved it to its current location in 1992. Over the decades, she has seen the neighborhood through its share of transitions. Not all of them have been fun to watch. “A lot of people lost their houses” when the real estate bubble burst in 2008, she says. Yet watching the crisis unfold didn't shake her faith in the place where she has built a home and a business.

“It’s a good neighborhood,” Armstead says. “Crime here is no worse than in any other neighborhood and ... the values have gone up tremendously.”

The new Reinvestment Fund data reinforces Armstead’s point to a degree — crime is lower than it’s been in decades and home prices have risen, bringing the median sales price in 2015 to \$99,125, a few thousand dollars above the citywide median of \$96,500 and the median for middle neighborhoods as a whole. But those medians obscure the fact that prices in the area are not rising as fast as in comparable white neighborhoods or those with more diverse populations.

Nearly 10 years after the housing market crashed, the toll of the system’s collapse weighs heavily on the 19150 ZIP code. In 2015, according to Reinvestment Fund data, foreclosure filings accounted for 47 percent of all home sales in the area — more than double the 22 percent citywide rate and 21 percent rate in white areas.

“The number one issue is housing preservation and neighborhood preservation,” says Parker, adding that equity is “draining” from the neighborhood.

Richard Rothstein is the author of a new book called “The Color of Law: A Forgotten History of How Our Government Segregated America.” He says the trends seen in the section of 19150 where Richardson lives are representative of a larger phenomenon.

“Before the housing bubble burst in 2008, there was a substantial increase in African-American wealth,” says Rothstein. “But when that bubble burst, it wiped out that wealth. White neighborhoods have recovered from that bubble bursting while black neighborhoods have not.”

Parker grew up in the district she now represents, in West Oak Lane. She too has watched the neighborhood go through ups and downs. If housing values aren’t appreciating quite as fast here as in other parts of the city, that may be

just fine, she says. The bigger problem is stability — protecting the neighborhood from losing more homeowners to foreclosures and predatory lending, preventing evictions and assuring that homes maintain their values and people keep their wealth.

Part of the challenge has to do with an unfortunate coincidence of timing: The mortgage crisis hit at the moment when many of the neighborhood's residents were approaching retirement age, a time of increased financial vulnerability. Some people refinanced at the wrong time and suffered the consequence. Others are struggling now to keep up with the costs that come with maintaining a home, says Parker.

“People are retired, and because they're retired, they get only a fraction of the income they were getting, so they don't have enough” to pay for that roof repair or paint job, Parker says. “They've been contributors to the tax base, but with retirement, they make a nickel more than they need to qualify for the assistance programs the city offers. You see it block by block.”

Six years ago, Parker convinced the Kitchen of Love food pantry to set up shop in the basement of her district office. “I said, ‘These people don't need stuff like this up here,’” recalls Marlene Trice, the pantry's director. “But she said, ‘Come try it.’”

On a recent early spring day, lines of people waited outside the pantry to take their pick of meats, produce and canned goods donated by local grocers. By closing time, Trice had distributed 4,605 pounds of fresh fruit and vegetables and several shopping carts filled with meat and poultry. “It started out with about 25 or 30 people, and then we got bigger and bigger,” she says. After the pantry outgrew its original basement home, Parker found it a new home in a former city recreation center. “I'm up to over 800 people now,” says Trice.

This past winter, Richardson called a block meeting to discuss issues facing the neighborhood. Her neighbors echoed Parker: “What we have a problem with is the issue of them trying to call this Cedarbrook! Uh-uh, no! When we

purchased this home, it was Mount Airy. I don't want to be called Cedarbrook," she recalls them saying. Richardson and others blame what they see as a downgrade of the area's reputation on three widely reported killings that took place over the last year in the generally low-crime neighborhood. One, a double murder last April, included a neighborhood resident who was shot execution-style on Vernon Road while talking to an aide to Chris Rabb, a candidate for the state representative seat once held by Parker. The headline-making homicide happened on the block where Armstead has her office.

While crime rates remain low (and are dropping, in line with larger citywide public safety trends), residents fear that misperceptions about public safety could extinguish hopes to finally build the integrated neighborhood Richardson and others moved to Mount Airy to find three decades ago.

"I want this to be multicultural," she says. "We're hoping that people come in from the suburbs and move in with us and enjoy this part of the city."