FOREWORD

By David J. Erickson, Director, Community Development Department, Federal Reserve Bank of San Francisco and David H. Mortimer, President, The American Assembly

A younger colleague asked a profound question the other day: "Could community development be more like a vitamin instead of an aspirin?"[1] Of course, we need medicine to help heal communities in deep need—the aspirin. But what tools do we have to keep neighborhoods healthy in the first place? We need vitamins, too.

Millions of homes in this country provide shelter in communities that are mostly intact; they are in communities that may be struggling in some ways but have many existing strengths and assets. This housing stock—which is larger than all the government subsidized housing stock ever built—should be used in a strategic way to improve the lives of low-income and lower-middle income Americans.[2] These communities, often referred to as "middle neighborhoods," require some strategic investments—but at a much smaller scale than is required to provide affordable housing in a hot real estate market, or to revitalize neighborhoods that have fallen into deep distress and are full of vacant structures, high crime, and poorly performing schools. In many instances, a whole middle neighborhood might require less in government and philanthropic subsidy to keep it viable than it costs to build a single apartment in New York or San Francisco. And keeping these communities from sliding into neglect and disinvestment is also a long-term savings, since the cost of turning communities around once they have lost their confidence and their amenities have decayed is astronomical.

We must continue to have focused and energetic conversations about income and wealth inequality and how inequality can play out over geographic space—including gentrification, displacement, and neighborhood decline.[3] These problems are significant and require a robust response if we are to try to preserve a society in which everyone has the opportunity to lead a healthy, productive, and satisfying life. To that end, we need more tools to address these problems.

1 This idea came from William Dowling at the Federal Reserve Bank of San Francisco.

2 David J. Erickson, *Housing Policy Revolution: Networks and Neighborhoods* (Washington, DC: Urban Institute Press, 2009), p xvi.

3 Gentrification and displacement are significant problems in strong market cities where low-income renters and home owners are being displaced from their communities. It is worth noting, however, that this problem is isolated in a few places. An analysis in *Governing* magazine indicated that only 8 percent of census tracts experienced gentrification pressure between 2000 and 2010. For more information on methodology and their results, see Mike Maciag, "Gentrification in America Report," *Governing* (2015), available at http://www.governing.com/gov-data/census/gentrification-in-cities-governing-report.html.

But we also must have another conversation. We need to assess how middle neighborhoods can help create the opportunities we want for everyone in our society. Every middle neighborhood should be viewed as a potential to create an "opportunity neighborhood." A neighborhood that encourages work and achievement in school. A safe neighborhood where children can play and exercise. A neighborhood that builds social connections and community. A neighborhood where homeowners can expect homeownership to be a sound investment. A neighborhood that improves overall population health and helps check our runaway growth in avoidable chronic disease.

The essays in this volume tackle strategies to do just that. They do so from many angles and perspectives in communities across the country. The experts writing here are exploring new ways we can use middle neighborhoods as one of the most powerful tools we have to create opportunity neighborhoods and push back on the many headwinds that are leading to increased economic segregation in the United States. They show us how to produce more vitamins.

This volume represents a collaboration between the Federal Reserve Bank of San Francisco and The American Assembly of Columbia University, which was initiated by the book's editor Paul Brophy. It extends and complements the work and interests of The Assembly's Legacy Cities Partnership and the bank's well-known work in our nation's communities. The chapters were initially published in Volume 11, Issue 1 of the *Community Development Investment Review*.

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