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INTRODUCTION

New Urbanism--“a quality of life movement that promotes the neighborhood as the building block of a healthy region”¹ --has taken a prominent place in the struggle to regain the stability and well being of our communities. New Urbanism differs from conventional planning principles in that it focuses on the belief that community design can influence or create particular social patterns. Southern Village, a 300-acre development in Chapel Hill, is used as a case study as it provides us with a clear example of a neighborhood attempting to implement the principles of New Urbanism. This paper examines the success of Southern Village in promoting the economic diversity New Urbanism proposes, focusing partly on the existence of affordable housing.

BACKGROUND

New Urbanism in the United States

New Urbanism (also known as Traditional Neighborhood Development, or TND) emerged in the late 1980s as a reaction to conventional suburban planning that had been practiced in the United States since the 1940s. New Urbanism is intended to be an alternative to suburban sprawl. Some of the issues surrounding suburban sprawl include:²

- Suburbs seen as confining and segregational.
- Inefficient land use and infrastructure leads to lack of “sense of community”.
- Physical environments built to suit automobility.
- Detached, single family housing consume vast amount of land, making walking impossible.
- Residential and commercial developments segregated across wide distances.
- Social isolation and increased pollution.

New Urbanism seeks to reintegrate the components of modern life (housing, work, recreation and shopping) into mixed-use neighborhoods that are compact, pedestrian-friendly, and linked by transit. The major principles of New Urbanism include:³

- A range of housing options for all types of people.
- Public places which help create community and nurture civic culture.
- Shopping, work, school, and recreation choices within walking distance, allowing a car to be a choice, not a necessity.
- A respect for our environment and our built heritage.

(Appendix A provides a full listing of these principles)

Concept of Economic Diversity in New Urbanism

In addition to being committed to an extensive list of neighborhood design principles, New Urbanists also claim to be committed to the concepts of social and economic diversity.⁴ In advocating “housing options for all types of people”, New Urbanist neighborhoods should ideally take into consideration the housing needs of families and individuals at all income levels, thereby making provisions for affordable housing within these neighborhoods. The Congress for the New Urbanism (CNU) is “one of only a few organizations addressing the confluence of community, economics, environment, and design in our cities, and the only one asserting that these issues must be addressed simultaneously through urban design and planning.”⁵ The Charter for New Urbanism put forth by CNU states: “Within neighborhoods, a broad range of housing types and price levels can bring people of diverse ages, races, and incomes into daily interaction, strengthening the personal and civic bonds essential to an authentic community.”⁶

According to Elizabeth Plater-Zyberk, one of the founders of the CNU, having houses of different sales prices together is an important part of New Urbanism design because, “in the last several decades we have

built housing that's been separated by price point, by income. People of different incomes are separated often by very long distances and . . .that's not a good social result."⁷

According to Steven Bodzin, also of the CNU, "although New Urbanist neighborhoods ideally should provide for the basic needs of people at all income levels, the very popularity of New Urbanist neighborhoods has made economic diversity difficult to maintain. Because the demand for these neighborhoods is so high, even the more affordable units can quickly rise into the higher-end part of the market in a region."⁸

New Urbanism in Southern Village

Southern Village was one of the first developments in North Carolina to use Traditional Neighborhood Development and to attempt to implement the goals of New Urbanism. The following is included in the Design Guidelines Booklet of Southern Village as one of the development's purposes: "To provide for living and working opportunities in a Traditional Neighborhood Development form."⁹ One of the goals of Southern Village, as also described in its Design Guidelines Booklet, is to "create a community offering a choice of housing types, employment, basic services, and shopping for its residents as well as for those in the immediately surrounding area."¹⁰ The Southern Village web site directs the visitor to "follow the links to see examples of how New Urbanism is made reality in Southern Village."¹¹ One of these links is "Mix of Turn-of-the-Century Housing Styles and Sizes: a variety of architecture and a wide range of home prices make the neighborhood more diverse and interesting."¹²

Jim Earnhardt, one of the developers for Southern Village offered the following comments regarding the role of New Urbanism in Southern Village:

"In order to create a community of people who represent a broad cross-section of socio-economic backgrounds, it is important to provide a wide range of housing options -- by price and configuration. Therefore, the original plan for Southern Village called out for apartments (1 to 3 bedroom), condos (loft, 1 to 3 bedroom), townhouses (1100 square feet, 2 bedrooms to 2400 square feet, 3 bedrooms with master suite), and single-family homes ranging in size from 1600 square feet to 5000 square feet. Additionally, the plan allowed for the construction of apartments over garages that could be leased to students or house 'mothers-in-law'."

"By contrast, the typical new community provides a narrow range of housing choices for fear of scaring off potential buyers who might not want to live in a neighborhood that includes people from different socio-economic backgrounds. As developers, we can allow for the housing choices described above by providing a land plan that integrates multiple housing configurations. We can also manipulate the land prices so that there are lots that are set up for smaller, lower priced homes."¹³

Although there is no question that Southern Village does offer a wide range of housing options and prices, what is in question is whether these options promote the economic diversity that is a core principle of New Urbanism. The following sections will analyze housing prices within Southern Village and evaluate to what extent it has been successful in achieving economic diversity.

METHODOLOGY

Economic diversity within Southern Village was evaluated with three indicators: housing price analysis, affordable housing analysis, and percentage of children receiving free or reduced lunch. First, the level of economic diversity was determined through a cross-sectional and longitudinal price analysis of single-family homes and apartments located within Southern Village. Data were gathered from the GIS Department of Orange County and from information gathered by author through phone calls made to individual apartment complexes. Second, the levels of affordable housing were calculated for the different

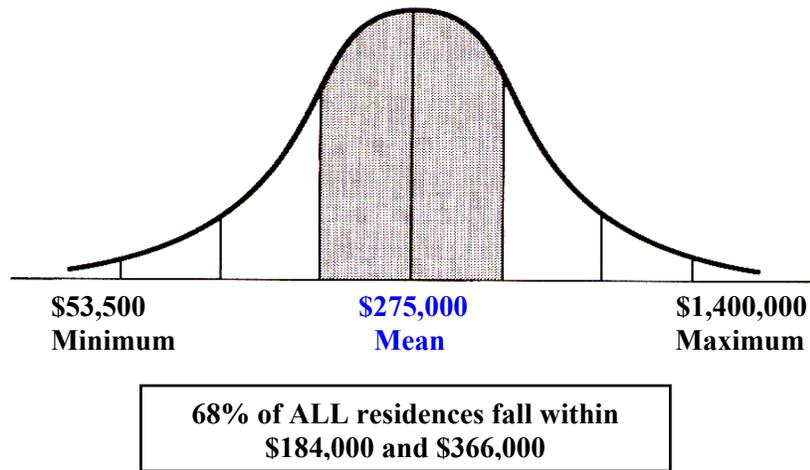
types of housing that exist within Southern Village. Finally, the percentage of children receiving free or reduced lunch that live within Southern Village was analyzed.

FINDINGS

Single-Family Home Price Comparison

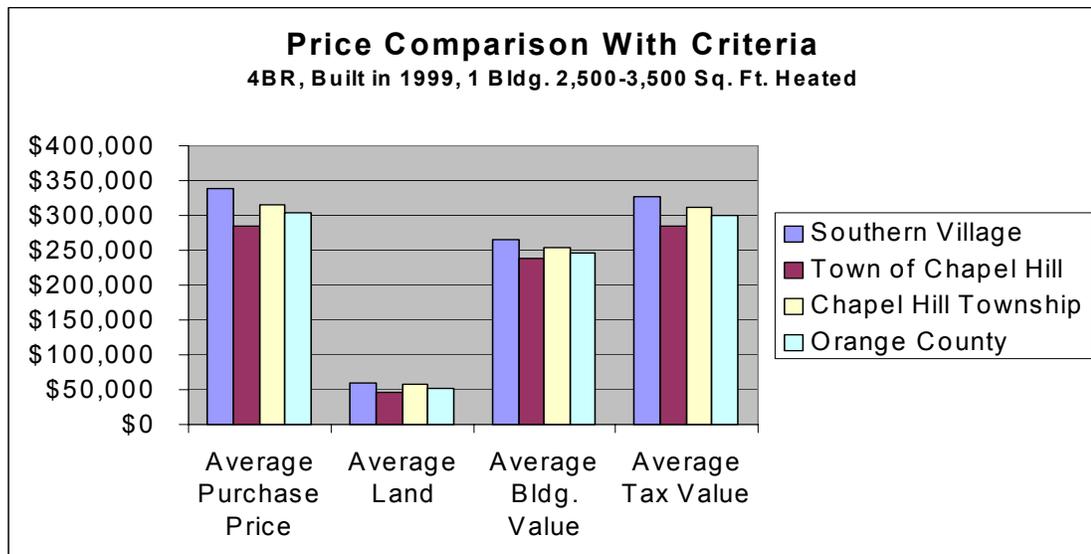
The following graphs show normal curves that generally depict the price dispersion of homes located within Southern Village (excluding apartments). Graph 1 includes single and multi-building residences (condominiums, town homes, and single-family homes). The results of this analysis shows that approximately 68% of all residences located within Southern Village fall within \$184,000 and \$366,000.

GRAPH 1



Prices for homes within Southern Village fall well above those in the surrounding areas. Graph 2 below depicts results from a cross-sectional price analysis of homes located in Southern Village compared to homes located in Chapel Hill, Chapel Hill Township, and Orange County meeting the following criteria: 4 bedrooms, built in 1999, 1 building, 2,500- 3,500 square feet heated. It is important to note, however, that the other three areas analyzed encompass much larger areas than Southern Village. For this reason criteria were chosen to limit the analysis to homes of similar characteristics. This analysis simply allows us to have an idea of where the prices of Southern Village homes fall within the larger housing markets, which surround it.

GRAPH 2



Aside from a downtrend in 1998, there has been a steady increase in the prices of homes within Southern Village since 1995 (See Appendix B). This downtrend could possibly be explained by the completion of the condominiums that year which cost significantly less than the single-family homes and the town homes. Overall there has been a \$98,000 increase in the average purchase price of 1 building/ 4 bedroom homes in the five-year period from 1995 to 2000. This steady increase in price can be attributed to the popularity of New Urbanist neighborhoods referred to earlier.

Apartment Price Comparison

A price comparison was also performed for 2 bedroom, 2 bathroom apartments located in Chapel Hill and Carrboro, as well as 1 bedroom, 1 bathroom located in these areas. Both of these analyses include all apartment complexes that responded to inquiries in the Chapel Hill/Carrboro area listed in the yellow pages of the local telephone book. Southern Village is the third most expensive of the twenty-eight 2 bedroom, 2 bath apartment complexes in the Chapel Hill area (Graph 5- Appendix C). The most expensive apartment was located at Meadowmont. These apartments were built in 2000 and offered 163 more square feet than Southern Village. The second most expensive apartment complex, Mill Creek, was only \$60 above the cost of Southern Village. Southern Village proves to be the most expensive of the thirty-nine 1 bedroom, 1 bath apartment complexes in the Chapel Hill area. (Graph 6- Appendix D).

Affordable Housing

Affordable housing is defined as housing that costs no more than 30% of the monthly income of moderate-income persons and families.¹⁴ That is, to be considered “affordable” the cost of housing (rent or mortgage payment plus utilities) must consume no more than 30 percent of a household’s income.

The following chart lists the minimum amount of monthly or yearly income that a family must make in order for housing within Southern Village to be considered affordable:

Housing Type	Minimum Family Income
1 BR/ 2 Bath Apartment	\$2,883/month (\$34,596/year)
2 BR/ 2 Bath Apartment	\$3,417/month (\$41,004/year)
3 BR/ 2 Bath Apartment	\$4,583/month (\$54,996/year)
Average Single-Family Home	\$94,666/year
Average Condominium/Town home	\$81,666/year

Percentage of Children Receiving Free or Reduced Lunch

The tertiary indicator is the percentage of children enrolled in Mary Scroggs Elementary School living in Southern Village who receive free or reduced lunch. This percentage was compared to other Chapel Hill and Orange County schools. (The eligibility standards for free and reduced-price meals are shown in Appendix E) Only 1.16% of students at Mary Scroggs Elementary School living in Southern Village receive free or reduced lunch.¹⁵ (Appendix F) It is important to keep in mind an inherent limitation with this indicator is that not all families residing in Southern Village actually have children. Therefore, this sample would be excluding the implied income ranges of families without children, whether it is on the high or low end of the income bracket. However, this miniscule percentage of children who live in Southern Village and receive free or reduced lunch indicates that there are few families (whose children attend Mary Scroggs Elementary) residing within Southern Village with incomes meeting eligibility standards for free or reduced lunch.

DISCUSSION AND CONCLUSIONS

From the results of these analyses it is evident that although Southern Village has been successful in achieving a degree of economic diversity by creating “a community offering a choice of housing

types,”¹⁶ these choices are exclusive of families and individuals in the lower income brackets. This degree of diversity does not include affordable housing for individuals or families wishing to rent a 1 bedroom apartment making less than \$34,596 per year, or for home buyers making less \$94,666/year.

Incorporating affordable housing for individuals in the lower income brackets should not be a far-fetched dream for Southern Village and other similar neighborhoods. The Town of Chapel Hill already has in place ordinances permitting low and moderate housing and providing density bonuses to encourage developers to increase “the availability of housing for persons of low and moderate income”.¹⁷ These types of ordinances are the first step towards achieving economic diversity within neighborhoods. However, there must also be efforts to require that certain percentages of affordable housing be included within new developments, and to incorporate procedures that ensure that the affordability of housing withstand resale and the popularization of these types of neighborhoods. With an increasing number neighborhoods attempting to adopt New Urbanist principles appearing across North Carolina and across the nation, it is important that developers, planners, and public administrators keep in mind the realization of all of the components of New Urbanism, not just the ones that are least troublesome to implement.

It is important that we do not place all of the blame for the lack of affordable housing within these types of neighborhoods solely on the developers. Developers, after all, are businessmen, and in business the focus is on supply and demand. The demand is high for residences within New Urbanist neighborhoods such as Southern Village, therefore, developers are there to fulfill the demand. They create the homes that are most likely to sell, and sell quickly. As stated by Rich Bell of the North Carolina Smart Growth Alliance: “It’s important not to demonize the developer for the large part of the problem that exists within the minds and hearts of housing consumers and existing neighbors. Most developers have a rate of return that they expect for the great financial risk and time they devote to a project. It might require a labor of love to invite political fights with neighbors, slower home sales, increased delay and expense, and lower return on investment—all in the name of racial and economic integration”.¹⁸

If New Urbanist neighborhoods truly aim to offer “a range of housing options for all types of people”¹⁹ then it is imperative that these neighborhoods also take into consideration the housing needs of individuals within lower income brackets. The results of this analysis are not intended to imply that Southern Village is a failure as a New Urbanist design. This analysis focused solely on the existence of economic diversity and affordable housing and did not attempt to incorporate or analyze any of the other New Urbanism principles. We can conclude from this analysis that while Southern Village has succeeded in offering a community with a variety of housing types, it has failed in ensuring that these housing types are inclusive of all types of people, including those within lower income brackets. Future New Urbanist neighborhoods should make all provisions necessary to ensure that economic diversity is not disregarded and that the communities they seek to create are not exclusive of individuals and families making below a certain income.

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- ¹ Congress for the New Urbanism web site, www.cnu.org
 - ² Christofordis, Alexander. (1994) *New Alternatives to the Suburb: Neo-Traditional Developments*. Journal of Planning Literature.
 - ³ Duany, A. E. P.Z. (1992). Towns and Town Making Principles. Cambridge, Mass.; New York, Harvard University Graduate School of Design, Rizzoli.
 - ⁴ Congress for the New Urbanism web site, www.cnu.org
 - ⁵ Congress for the New Urbanism web site, www.cnu.org
 - ⁶ Congress for the New Urbanism web site, www.cnu.org
 - ⁷ The Web site of The NewsHour with Jim Lehrer, www.pbs.org/newshour/newurbanism/plater-zyberk.html
 - ⁸ Email Interview, Steven Bodzin, CNU, January 29, 2001
 - ⁹ Southern Village Traditional Neighborhood Development Design Guidelines
 - ¹⁰ Southern Village Traditional Neighborhood Development Design Guidelines
 - ¹¹ Southern Village Web Site, www.southernvillage.com
 - ¹² Southern Village Web Site, www.southernvillage.com
 - ¹³ Email Interview, Jim Earnhardt, January 25, 2001
 - ¹⁴ North Carolina Department of Housing and Urban Development
 - ¹⁵ Email Interview, Cindy DeConti, Mary Scroggs Elementary School
 - ¹⁶ Southern Village Traditional Neighborhood Development Design Guidelines
 - ¹⁷ Code of Ordinances, Town of Chapel Hill, North Carolina, Sec. 5.20. Ordinances Permitting Low and Moderate Housing and Providing Density Bonuses.
 - ¹⁸ Email Interview, Rich Bell, NC Smart Growth Alliance, December 11, 2000
 - ¹⁹ Duany, A. E. P.Z. (1992). Towns and Town Making Principles. Cambridge, Mass.; New York, Harvard University Graduate School of Design, Rizzoli.

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The NewsHour with Jim Lehrer, www.pbs.org/newshour/newurbanism/plater-zyberk.html

Southern Village, www.southernvillage.com

Vermillion, www.vermillion-tnd.com

New Urban News, www.newurbannews.com

Traditional Neighborhood Design, www.tnd.com

MISCELLANEOUS

Southern Village Traditional Neighborhood Development Design Guidelines

Code of Ordinances, Town of Chapel Hill, North Carolina, Sec. 5.20. Ordinances Permitting Low and Moderate Housing and Providing Density Bonuses.