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This thesis entitled
Baltimore’s Changing Neighborhoods: A Case Study of Federal Hill, Little Italy,

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This thesis asks why four Baltimore City neighborhoods, Federal Hill, Little Italy, Washington Village/Pigtown, and Penn-North, each changed in a different way between 1970 and 2000. After an enormous population loss in the 1970s Baltimore neighborhoods faced an uphill battle to restore stability. This thesis looks at seven indictors to see which of them had the most profound effect on the way the neighborhoods changed. It also looks at how the history of the city and how it changed shaped the neighborhoods as well as individual neighborhood histories to see the internal factors that transformed the neighborhoods.

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Chapter 1: Introduction

Over 150,000 residents left Baltimore City, Maryland in the decade between 1970 and 1980. 45,000 had left in the two decades previous leaving behind thousands of abandoned residences and neighborhoods in shambles. A suburban lifestyle beckoning in Baltimore County and building pressure from high population density and racial tension in the city made it a suitable time for residents to leave. Unscrupulous real estate speculators stirred the pot by making White residents believe that their homes’ value would decrease as African Americans moved into mainly White neighborhoods. White residents left in droves beginning in the 1950s, and they were soon followed by middle class African Americans leaving mostly low income White and African American residents in the city center. This mass exodus left the many neighborhoods full of empty residences and left the city as a whole very unstable. It has taken the city more than thirty years to try to regain stability after this volatile change.

Baltimore, Maryland is a city of 272 neighborhoods, give or take a few, that change boundaries often. Residents of each neighborhood know what they consider the boundaries of their neighborhood to be, even though many neighborhood associations’ boundaries overlap each other. The city and all of its neighborhoods have experienced significant changes over the last half century. Many neighborhoods in the city center and on the west, south, and east sides of the city are still working to repair the damage.
For this thesis I will look at how four neighborhoods were impacted by this mass exodus from the city and how they have changed over the last thirty years. Federal Hill, Little Italy, Washington Village, and Penn-North were all affected by the population decline with high rates of vacancy as of 1980 Census. Each has changed in a different way since that time. Federal Hill was gentrified and has become one of the most desirable addresses in the city. Little Italy has managed to come through relatively unscathed. The neighborhood is still an Italian stronghold and its restaurants have become very popular with tourists visiting the Inner Harbor. Washington Village/Pigtown lost the least amount of residents during the 1970s and was able to remain a mixed race, mixed class, and mixed use neighborhood for the last thirty years although that may be changing now. Penn-North, a functioning middle class African American neighborhood in 1970, is becoming more run down every year with high rates of vacancy and renter occupied homes and low rates of educational attainment. Why did each of these neighborhoods, which have similar housing stock (two to three story brick and formstone rowhouses), change so differently?

Baltimore’s population is continuing to decline (from 651,154 in 2000 to an estimated 638,614 in 2002) leaving more abandoned properties and more neighborhoods that are unable to overcome the obstacles of drug addiction, low educational attainment, and female headed households. All of these problems, encapsulated in Simon and Burns’ (1997) book The Corner, explain why Baltimore neighborhoods are in need of more than just housing renovations. Many studies have
been done on gentrification of cities but few have looked at neighborhood change as a whole. Gentrification is just one part of the process of neighborhood change.

This study is important because it will show the factors that significantly affect Baltimore neighborhoods. Each of the four neighborhoods represents other Baltimore neighborhoods that are changing. Understanding why each neighborhood is changing the way it is will help predict future changes in the city and give planners and residents an idea of what to expect for their neighborhood.

In my findings five factors were the most significant in effecting how the neighborhoods changed: location, housing stock, median income, vacancy rates, and educational attainment. Theory on gentrification and housing succession led to the choice of variables studied - median income, median rent, median home value, educational attainment, vacant properties, and occupation. The history of the city and each neighborhood helps to create a better picture of how and why each neighborhood changed from 1970 to 2000.
Chapter 2: Literature Review

Residential Succession

Residential succession, the displacement and replacement of one population by another in a residential area, has been observed in North American cities for a long period of time (Gibbard 1941). Residential succession could be seen in Detroit as early as 1925 and was a main factor in the changing racial composition of Baltimore neighborhoods from 1940 to 1970. Succession is caused by a combination of factors - the size, age, or income of a household may change as young adults have children and the children grow up and leave the house. The neighborhood environment may also change as it is affected by blight, ‘invasion’ of other racial groups, or changing land values (Simmons 1968).

Chicago School

One of the first studies of residential succession was done in Chicago. Human ecology was compared to plant succession where each group of people had its niche in the city (Knox 1994). The areas each group lived in were not permanent; economic factors inside the city could cause changes in where a group chose to live. These studies of human ecology lead to Burgess’ concentric ring model of a city.

The terms ‘invasion’ and ‘succession’ taken from plant and animal ecology were used to describe common processes in neighborhood change. Different populations tend to remain separate, and when one population moves into the area of a second population the process is called invasion. If the original population is successful in keeping the new population out of their neighborhood, succession has
been stopped, but if the new population takes over the neighborhood, succession has happened and most of the original population will leave for a new neighborhood. This can also happen if residential areas are invaded by commercial land uses or vice versa.

Although the timeframe can vary by neighborhood, invasion/succession has four stages outlined by Duncan and Duncan (1957) in their Chicago study of moving African American population: penetration, invasion, consolidation, and piling up. Some neighborhoods do not have to travel through all four stages. Penetration, the first stage, is when residents of another race move into a neighborhood. They are usually the same class as the current residents with the same income range and same type of jobs. Invasion, the next stage, happens when a substantial number of members of another race move into the neighborhood. In the Chicago study, the number of new residents had to be above 250 in order to consider the tract invaded but it would be different for each neighborhood. The next stage, consolidation, is the continued increase in number of the new residents after invasion has taken place. This stage may continue until the neighborhood is full of new residents and the final stage, piling up, begins. During this stage the neighborhood’s population density continues to rise as no new housing is built, but the number of people living there climbs.

Researchers have worked to identify a “tipping point,” the point at which the African American population, for example, will cause the White population to leave, but each neighborhood varies so it is hard to point to one number that means change. Researchers have also argued that racial succession does not equal white flight so it is not possible to identify a “tipping point between the two” (Schwirian 1983).
The Chicago School model was greatly criticized in the 1930s and 1940s. The model works only for cities with similar structure to Chicago, with a dominant economic core and a rapidly growing metropolitan area. Another problem with this model is that it focuses only on economic reasons for succession and does not permit cultural factors to be part of a people’s decision to locate where they do (Knox 1994).

Neighborhood Life Cycle

The second model for residential succession is neighborhood life cycle. Like the life cycle model for residents, neighborhoods themselves go through a series of changes as they age. It can be used to complement the invasion/succession model. The life cycle of a neighborhood can be thought of as a series of invasions and successions.

Hoover and Vernon (1959) studied changes in New York City over many years and created a model of neighborhood change that is still well respected in the literature (Schwirian 1983). The model created by Hoover and Vernon (1959) has five stages, development, transition, downgrading, thinning out, and renewal. As the neighborhood changes so too does the status, race, and age of the residents. Land uses within the neighborhood also change, including the density, and the condition of homes. As with invasion/succession each neighborhood goes through these changes at different rates. Some neighborhoods do not pass through all of the stages and some remain in the same stage for quite a while.

The development stage, the first stage, occurs at the outer edge of the city in the early stages of maturity of the city. Single family houses are built at a low density, along the edges of the inner city. At this stage, the people owning the homes will
likely be people who make enough income to move out of apartment housing in the inner city.

The next stage, transition, results in more housing-fills in the area. It is usually multi-family housing, some of which replaces single family. The average density of the area increases. This generally coincides with invasion of other groups. Groups with lower incomes are able to move into the multi-family housing that the neighborhood now provides.

Stage three, downgrading, begins as older homes, both single family and multi-family, are converted into higher density uses. At this stage there is little new construction but both population and density continue to grow. Downgrading does not always follow the transition stage. Some neighborhoods will never go through downgrading. This is part of the full fledged invasion of the neighborhood by members of another income group.

Thinning out, the fourth stage of Hoover and Vernon’s model, is the gradual reduction of population and density in an area. There can be several factors for the loss of population. Buildings that were subdivided during downgrading can be converted back to single family homes or to larger apartments, while buildings that have become dilapidated are abandoned or torn down. To understand why this stage has occurred, past invasions during each period of invasion have to be reviewed. The income of residents usually goes down as the density increases and the housing ages and deteriorates.
Renewal is the fifth and final stage. This is when the neighborhood begins to rebuild. Population size may not increase very much but the type of population usually changes. There can be two different types of buildings that replace the rundown ones -- housing for mid to low income residents, or luxury housing for high income residents (this second option will later be known as gentrification). Renewal was based largely on public intervention. In the case of Federal Hill in Baltimore the entire neighborhood was about to be razed for construction of a highway when residents stepped in and lobbied to keep the highway out.

Several factors influence how quickly a neighborhood will go through the life cycle changes. The first factor is the rate of new housing growth and population, the second is the accessibility of the neighborhood to employment opportunities, the third is the neighborhood’s resistance to change, and the fourth is the city’s attempt to redevelop the neighborhood (Schwirian 1983).

Abandonment is another indicator of neighborhood change. Although it is quite severe an abandoned neighborhood can go either way. It can be successfully redeveloped or it can be razed to make way for new development, either commercial or residential. There are several main reasons for large scale housing abandonment. White flight to the suburbs, physical deterioration of the homes, and lack of demand for housing in particular neighborhoods because of social problems are just the beginning of the problem. Declining rent incomes from a combination of taxes and the low rent paying capability of low income individuals and redlining of the area
makes investing in homes impossible, and strict rent controls cause landlords to neglect needed repairs (Pacione 2001).

Empirical models have been developed that show that Hoover and Vernon’s original model is sometimes correct and still can be applied (Schwirian, 1983). Recent research into urban areas has focused on many other aspects of city development and very little research can be found on residential succession since the early 1980s, reflecting criticism of the model as outlined above.

**Blockbusting**

In the 1950s, “blockbusting” began in many Baltimore neighborhoods. Typically, blockbusting occurs when White neighborhoods are slowly infiltrated by African Americans. Real estate speculators come into the area and convince White homeowners that their property values are plummeting. White homeowners initially leave slowly and then rush to sell their homes at low prices to real estate speculators as African American Baltimoreans move into their neighborhoods.

In Baltimore, entire blocks of White homeowners sold out at the same time. Real estate speculators then turned around and sold these homes to African Americans desiring to move to the area. African Americans were able to buy nice homes for a reasonable price, but the real spoils went to the real estate speculators who made a huge profit (Orser 1991, 221).

Homes, at this time, were also converted into rental properties which allowed many of the future changes for these neighborhoods. As the rental properties
deteriorated, residents could move to the next neighborhood and the process would be repeated. This left many rundown abandoned properties at the city center.

Blockbusting not only changed the demographics of each neighborhood that it affected but it also changed the whole city. During this time the city population was shrinking as more people moved to the new housing developments outside of the city. Blockbusting was racial succession similar to what had been seen in Chicago in the 1950s. Duncan and Duncan (1957) looked closely at residential succession in Chicago and found racial succession.

*Reversal of Patterns*

Residential succession, in some cases, has created a reversal of patterns. As early as the late 1960s, wealthier groups began to move into areas formerly occupied by low-income residents (what later would be called gentrification) and some poor or working class peripheries developed (Hartshorn 1971). Baltimore’s downtown, after the renewal of Charles Place and the Inner Harbor, has become a high rent area with luxury apartments and high rises among the office building complexes. This reversal of patterns will lead to the next movement in the literature which is still being studied, the phenomenon of gentrification.

*Gentrification*

Gentrification is defined as the displacement of low income residents after their neighborhood has been redeveloped. Early gentrification was defined differently; it was either an indicator of housing market activity or a measure of changing household status drawn from census data (Ley 1986). Since the side effects, like displacement of
low income residents, have been noticed, the meaning of gentrification has changed
and it has become a word that many low income areas fear.

Gentrification was initially discounted in the literature because the process was
contrary to prevailing theory. The urban ecology models did not allow for the upper
class to return to areas that were mainly working class. Theory did not predict upper
and middle class families giving up their spacious suburban houses for small homes in
the central city (Smith 1982). Gentrification was brushed aside as “a chance,
extraordinary event, the accidental outcome of a unique mix of exogenous factors”
(Smith 1982, 141). Although theory about gentrification emerged in the late 1970s, it
was not until the early 1980s that gentrification was considered an authentic event.
Since that time research has focused more on gentrification than on residential
succession although gentrification can be considered a stage of succession.

Gentrification has been attributed to a range of possible explanations. These
include many cost factors such as escalating energy costs, the problems and costs of
commuting, and the cost of suburban housing. They also include the back to the city
movement and changing preferences. Many residents now want to live close to where
they work and make the most of underutilized inner city land. Some people want to
live in the city to take advantage of an urban culture with social and cultural diversity
rather than the perceived homogeneity of the suburbs. Gentrification is also said to be
caused by changing households; people are having fewer children and with two
incomes they don’t want to live in large suburban homes with high maintenance costs.
They are looking for a more adult-oriented lifestyle as opposed to the family-oriented
lifestyle of the suburbs. Institutions, both public and private, have also been explanations, promoting renovation of inner city properties. The final explanation is the change in classes going on in the city. White collar workers are replacing blue collar workers whose jobs have been decentralized (Ley 1986).

Gentrification theory has two distinct trends related to consumption and production. On the consumption side, a shrinking working class and a growing upper and middle class create a demand for housing and create gentrifiers. On the production-side is the so-called “rent gap theory.” Housing values fall so low that it is impossible for developers to ignore the profit potential and not buy the homes for renovation and sale (Pacione 2001).

Consumption Side

This theory is associated with David Ley who first proposed it in the 1980s. It mainly looks at who is moving out of the neighborhood and who is moving into the neighborhood. The consumption theory of gentrification explains that because of decreasing blue collar work in cities after the rise of technology there has been an increase in the number of white collar workers in cities. Cities are shifting from manufacturing goods to producing services. More people are working in the city and this creates a demand for housing in the city near jobs. Gentrifiers are attracted to the old homes in the city that are being vacated by blue collar workers as those jobs move out of the city. Once a neighborhood begins to gentrify, it snowballs. Once the “pioneers” are established, more people want to move to the area as it becomes a desirable place to live (Knox 1994).
Ley’s study (1986) of 22 Canadian Census Metropolitan Areas (CMA) was an empirical study looking at several different city factors including housing market dynamics, urban amenities, and economic base. He analyzed 35 different variables from the three groups above. He found the strongest correlation between urban amenities and economic dimensions and gentrification. Arguments could also be made for inner city reinvestment but he specifically states that there was no evidence to support the rent gap theory because gentrification was happening in higher priced areas of the CMAs.

Production Side (Rent Gap)

The definition of the rent gap is the difference between the actual capitalized land value or ground rent and the potential land value or ground rent of the same plot of land. This theory tries to separate the value of the land from the value of the homes or improvements to the land. Smith says that to really find out if gentrification has happened requires an exhaustive historical analysis of the land, separate from the structures (Smith 1987).

This second theory cannot ignore the role that banks, mortgage lenders, landlords, builders, and developers played in the gentrification of city centers. This theory says that as housing prices in the city fall they eventually become so low that developers cannot help but buy up the houses. The houses are then rehabilitated and sold at a great profit. In this theory, gentrification is encouraged by the institutions that have control of how capital is used in the city. The rent gap theory employs a more theoretical approach to explain the underlying causes of gentrification rather
than explaining particular instances. Empirical evidence that this theory really does happen has been inconclusive. The rent gap theory shows where gentrification may occur but not why or when. For these reasons, many scholars do not have a lot of faith in this theory (Pacione 2001).

The rent gap theory is based more on theories of market forces than empirical studies but Smith has made many convincing arguments over the years. Both Ley and Smith have had several published commentaries on why their own theory is correct and the other’s theory is flawed. Smith has admitted that there is a relationship between the two theories (Smith 1987). More recent theory has emerged that melds these two disparate theories into one that examines both the consumption side and production side.

*New Gentrification Theory*

Another theory emerged in the early 1990s, bridging the gap between the empirical consumption side and the theoretical rent gap production side. This theory is a combination of the first two believing that neither a new class of people or rent gap and developer’s profits can be the sole reason for gentrification; it has to be a combination of both. Hamnett (1991), for example, believes that it is necessary to have both the potential housing stock available at very low prices and the people who are willing to return to city life in order for gentrification to occur. Three conditions are needed for this final theory: there has to be (i) a pool of gentrifiers ready to move into the area; (ii) housing available at low prices to be rehabilitated; and (iii) demand for housing in the inner city (Knox 1994).
Gentrified neighborhoods become segregated by income, education, race, and household composition. The poor or working class people who formerly lived in the neighborhood leave and are replaced typically by people in their 20s and 30s, who are single, from the suburbs and have just completed college, or they are 50 or older and trying to get away from the suburbs now that their children have left the house (life cycle theory). There are very few families with children living in these neighborhoods and very little diversity (Pelton and Streeter 2000).

*Gentrification in Baltimore*

In the 1960s, many cities, including Baltimore, were already trying to bring business back to the city center to help improve crumbling central business districts. In 1957, Baltimore came up with a plan to revitalize the entire downtown but since that was too big to do all at once it was broken down into smaller plans. Charles Center was the first area to be started. When the redevelopment of Charles Center was successful, in 1964, before Charles Center was even completed, Baltimore came up with a plan to develop the Inner Harbor area.

The city developed a 30 year plan with four parts. The first part was reconstruction of the Municipal Center, followed by more office space, high and low income housing, and a “regional playground.” City officials quickly learned that they could accomplish much more when teamed with developers. As a public-private partnership, the city and developers began to lease out space and begin development.

All of the development was going well until 1971 when the city government cut back the funds to support redevelopment. This forced the backers of the
development to come up with other sources of income, so they began to promote the Inner Harbor as a tourist area to bring in people and money. They offered free activities and entertainment while continuously adding more hotels and attractions. This worked very well. By the late 1980s four million tourists were visiting the Inner Harbor yearly (Craig-Smith and Fagence 1995). The Inner Harbor “…captured the imagination of a new, sleeker ‘post-industrial’ Baltimore” (Merrifield 1993).

Although the Inner Harbor development greatly improved the downtown area of Baltimore, one component of the original 1964 plan seemed to be left out. The low cost housing that was supposed to be part of this area was not added. The Inner Harbor brings in millions of tourist dollars which has an economic impact of a billion dollars for the city. Since commercial space is much more valued than low cost residential, those plans were forgotten when the city cut the redevelopment budget. There are some luxury apartments and condos in the area but they are for the upper classes who are returning to downtown again (Craig-Smith and Fagence 1995).

Federal Hill was one of the first neighborhoods to undergo a full revitalization. The Struever Brothers, Eccles and Rouse Development Company, a major developer in the city specializing in the adaptive reuse of historic properties, began informally in 1975 with the renovation of 12 homes in Federal Hill (http://www.federalhillonlinecom/history.htm). Today Federal Hill is one of the most desired addresses in the city.

Gentrification often means the displacement of low income residents; so many Baltimore neighborhoods that are going through renewal at this time are trying to
avoid gentrification. The displacement of low income residents because of gentrification initially was not considered a problem. But as rents climbed in the city it became impossible to ignore (Schaffer and Smith 1986).

Redevelopment

Redevelopment of housing in cities is on-going. Baltimore has a lot of redevelopment that is focusing on repairing broken neighborhoods by helping the current residents restore their homes and find jobs. With redevelopment the neighborhood receives investments but the current residents are not displaced. Washington Village/Pigtown is working to revitalize the neighborhood without displacing the current homeowners. But the redevelopment of Pigtown (renamed Washington Village as part of the renewal process), beginning in the 1970s, has slowly changed the composition of the neighborhood. The influx of professionals to the neighborhood, at that time, increased the community’s diversity with a mixture of low and middle-income residents (Rehbein and Peterson 1979, 77). Nevertheless, given the increased tax base that comes with gentrification, it is a process that is usually welcomed and supported by local officials. High vacancy rates in Baltimore suggest that any efforts to gentrify or revitalize residential neighborhoods will likely be encouraged.

The theories discussed above show that neighborhood change is common to all cities and has a distinct pattern. I will look at which theories appear to have influenced Baltimore neighborhoods and how closely the four study neighborhoods follow the body of literature. Each of the study areas has changed in a distinct way
and the goal of this thesis is to discover why each changed the way it did and the factors as outlined in the theory that were involved in the change.
Chapter 3: Methodology

Census Data

From the literature review I have found several indicators that will gauge where a neighborhood is on the spectrum of neighborhood change. I downloaded the information by neighborhood for 1980 and 1990 from the Johns Hopkins Historical Census for Baltimore City website (http://webapps.jhu.edu/census/) and by census tract for 1970. The 2000 census data by neighborhoods was available from the Baltimore City Planning Department.

I collected data on the number of vacant properties, population, median housing values, education, occupation, median income, and median contract rent. Each of these served as an indicator of how the neighborhood has changed. All of these data have been recalculated for the neighborhood statistical area designated by the Baltimore City Planning Department for 1980, 1990, and 2000. For 1970 I will use the census tracts and use area weighting to calculate the attributes of the neighborhoods (explained below). Using ArcMap I mapped the indictors and also examine the data to see how each neighborhood has changed over the last thirty years.

Vacant Properties

Abandoned properties explain a lot about a neighborhood. Neighborhoods like Penn-North have high rates of vacancy and continue to decline. Vacancy can be caused by a variety of factors so none of the neighborhoods is without vacant properties. Vacant properties are found in the other neighborhoods but not to the extent of Penn-North’s
abandonment. Little Italy and Federal Hill also have vacant houses but they are not as visible as ones in Penn-North because the houses are in better condition.

*Population*

Population shows the stage of residential succession that a neighborhood is experiencing. A neighborhood with a high population for the amount of housing is experiencing downgrading. The current housing in the area is being converted for multi-family use and the population density of the neighborhood is growing. A neighborhood with a low population for the amount of housing is in the thinning-out stage of Hoover and Vernon’s model. This can be happening for a number of reasons such as dwellings converted to multi family are being rehabilitated back to single family or abandoned buildings are being razed.

*Housing Values*

Tracking changing housing values from 1970 to 2000 will do more than just show inflation. For most of the neighborhoods that I have chosen the housing values will rise significantly over the thirty year period but in Penn-North the housing values continue to fall showing that the neighborhood is still in decline. Housing values in the other three neighborhoods are rising, some very quickly due to new developments. The value of the housing will also give me an idea of the condition of the houses; houses in better condition should have a higher value.

*Education*

Gentrification theory has shown that as gentrification occurs in a neighborhood the type of residents change. People most likely to be gentrifiers are single professionals
or young married professional couples. These groups tend to have completed a higher level of education than residents of other lower income neighborhoods. High levels of education in a neighborhood indicate that gentrification has likely occurred. Tracking the changes in education will show when gentrification began to take place.

*Occupation*

The occupation of residents in inner city neighborhoods is another indicator of gentrification. In Ley’s study of 22 Canadian Census Metropolitan Areas it was one of the key indicators. I will look at the number of people in each neighborhood employed in the quaternary sector (professional, managerial, technical, and administrative jobs). I arranged the occupational categories into three groups, white collar, blue collar, and service. Occupation along with education will show if a neighborhood is experiencing gentrification or at what point in the past thirty years gentrification occurred.

*Median Income*

Median income will be an indicator of neighborhood change and gentrification. As a neighborhood declines the income level of its residents also declines. Neighborhoods like Federal Hill, on the other hand, are experiencing gentrification, and income levels of the residents are rising quickly to keep up with steadily rising housing costs and taxation.

*Median Contract Rent*

Gentrification theory has shown that median contract rent will be another indicator of whether or not gentrification has occurred. Rents will rise as housing values and
desirability of neighborhoods rise. Federal Hill rents are still feasible for young professionals but as housing values rise, through gentrification, rents will become out of reach for many of the young people still living in the neighborhood.

Weighting the Data

Census information was only available by census tract for 1970 so weighting was used to find the data for the neighborhoods that are being studied. Census tracts for 1970 were unioned with 2000 neighborhoods to find the portion of the census tracts that make up each neighborhood and the amount of each census tract that is part of the present neighborhood statistical area. Once the area of each Census tract overlapping a neighborhood was found the area of the whole census tract was divided by the area of the overlapping section. This gave the weight of the tract as part of the neighborhood. This method assumes that the attributes of the census tracts are evenly distributed, which is a limitation of the approach. Given the data sources, this was the best method available to account for the shifting census tract and neighborhood boundaries over time.

Federal Hill neighborhood information for 1980 and 1990 included another neighborhood, Montgomery. In order to get the correct data for the 2000 neighborhood boundaries, Federal Hill/Montgomery and Sharp-Leadenhall were unioned with current Federal Hill. The area of the two neighborhoods covered by Federal Hill was found and used to weigh 1980 and 1990 data so that the same amount of area was covered by all Census data.
Interviews

I interviewed the President of the Neighborhood Association for Federal Hill, Keith Losoya, Gary Letteron from Washington Village/Pigtown Neighborhood Planning Council, Cory Brown of the Baltimore Redevelopment Corporation (former city planner for Penn-North and surrounding neighborhoods), and Laurie Feinberg from Baltimore City Planning (Planner for the Harbor area, including Little Italy and Federal Hill). Getting varying points of view on issues that affect each neighborhood is interesting and useful. Seeing the neighborhood from the perspective of a planner and then from a resident or a person working directly with the neighborhood gives answers from both sides of the question.

Neighborhoods and their History

I have chosen four Baltimore Neighborhoods, Federal Hill, Little Italy, Washington Village/Pigtown, and Penn-North. I will examine how each neighborhood has changed over the last thirty years and the factors that have lead to these changes. Each of these neighborhoods has a very different history which has impacted its development and present-day characteristics.

To delineate neighborhoods, I use the boundaries created by the Baltimore City Planning Department. These boundaries are created from aggregating census blocks along the lines of the area the city considers the neighborhood; they are called neighborhood statistical areas. These boundaries are used by other city agencies and by the Baltimore Neighborhood Indicators Alliance (BNIA). Each neighborhood and its one or more neighborhood associations define the boundaries differently. For
research purposes the boundaries created by the city are the most clearly defined and simplest to use for data collection. Census information for 1990 and 2000 is available for each of the neighborhood statistical areas on certain topics, including vacancy rates, total number of units, and population.

*Federal Hill*

Federal Hill’s neighborhood statistical boundaries are Hughes Street and Key Highway to the north, Cross Street to the south, Key Highway to the east, and Hanover Street to the west (Figure 3.1). I chose Federal Hill because it is a neighborhood that has been successfully redeveloped after being nearly destroyed for a freeway project in the 1960s. The neighborhood is considered gentrified and housing prices continue to rise.

*Little Italy*

Little Italy’s neighborhood statistical boundaries are Pratt Street to the north, Eden Street on the east, Route 83 to the Jones Falls Bulkhead to the west, and the harbor to the south (Figure 3.1). Little Italy is one Baltimore neighborhood that has managed to remain stable over many years of change in the city. It has been a close knit Italian neighborhood since the early 1900s and even the renovation of the Inner Harbor did not make any noticeable changes in the neighborhood.

*Washington Village/Pigtown*

Washington Village/Pigtown’s neighborhood statistical boundaries are Martin Luther King Boulevard to the east, Monroe Street to the west, Russell Street to the south, and the B&O Railroad to the north (Figure 3.1). Ongoing redevelopment in the
neighborhood was reignited when Washington Village/Pigtown was designated an Empowerment Zone in 1994. Washington Village/Pigtown is experiencing vast changes at this time. The building of Camden Yards and the Ravens Stadium has led to new development in Pigtown. Camden Crossings, a new housing complex, continues to raise the prices for its units before they are even finished as housing prices in the neighborhood skyrocket.

Penn-North

Penn-North’s neighborhood statistical boundaries are the 1100-1200 blocks of Fulton Avenue and Cloverdale Road to the north, 1601-1659 north side and south side of W. North Avenue to the south, the 1900-2300 block of N. Fulton Avenue to the west and the 2300-2500 block of McCulloh Avenue to the east (Figure 3.1). Penn-North is a neighborhood still in decline. Housing prices continue to fall and vacancy rates are on the rise. Although the neighborhood does have a neighborhood association and a redevelopment corporation, little has been done to revive the neighborhood at this point.
Figure 3.1 Study Neighborhoods

Baltimore's Neighborhood Statistical Areas

City of Baltimore
Mayor Martin O'Malley
August 2002

Neighborhood Statistical Area Boundaries created from 2000 Census Block Geography

For Census Data About These Neighborhoods Please See Our Web Page At:
http://www.ci.baltimore.md.us/government/planning/index.html

Department of Planning
Charles C. Graves III, Director
City and Regional History

City and regional history provides clues as to why the neighborhoods changed. Federal Hill with its views of the city skyline and the harbor is a natural area for gentrification while Washington Village/Pigtown, surrounded by industry, is less likely to be gentrified. Construction of the stadiums and housing complex, however, may provide the impetus for gentrification in Washington Village/Pigtown.

Baltimore as a city has gone through many changes from blockbusting and its expanding African-American population to the renovation of the Inner Harbor which has brought tourism dollars to the formerly industrial city. Although parts of the city are very industrial to this day, service jobs now employ many people within the city. The convention center and the stadiums as well as Harborplace are going to continue to change the city as it expands its tourist base.

<table>
<thead>
<tr>
<th>Occupation (Percent of Total Baltimore City Population)</th>
<th>White Collar</th>
<th>Blue Collar</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>15.84%</td>
<td>14.98%</td>
<td>5.50%</td>
</tr>
<tr>
<td>2000</td>
<td>23.39%</td>
<td>8.01%</td>
<td>7.88%</td>
</tr>
</tbody>
</table>

Table 3.1: Baltimore City’s Main Occupations (Source: U.S. Census)

PRIZM

Prizm data were created by Claritas to use as a marketing tool for use in advertising and marketing products. It gives a good description of the people living in a certain area which will be useful in this study. PRIZM data will show changes in the social structure of neighborhoods. Although PRIZM is used primarily as a marketing tool, the classifications are remarkably good at delineating residential clusters based on
social status, life cycle, and ethnicity (Knox 1994). PRIZM data are available from 1990 to the present. Prior to 1990, I will analyze census variables used in the generation of PRIZM clusters to look for key social drivers of change.
Chapter 4: History

City History

Early Industry

Baltimore Town was first settled in the 1700s and incorporated as a city in 1797. The city’s merchants traded with both surrounding states and internationally. Baltimore exported grain and tobacco to the West Indies and Europe and imported sugar and coffee from the Caribbean and Latin America and shipped it abroad. Despite Baltimore’s commercial importance, the Harbor of Baltimore was continually behind New York and Philadelphia in terms of trade as the competitors were closer to European ports. To make the city more competitive Baltimore tried to gain control of inland markets by improving rail, canals, and roads and in so doing became a hub city for domestic trade. The city supplied the South with fertilizer and hardware for its tobacco plantations and was a distribution point for manufactured goods from the northeast (Fee et al1991).

In the years before the Civil War Baltimore had a large maritime trade which included shipbuilding and supported many businesses in the city. Baltimore also maintained a manufacturing center. After the Civil War Baltimore developed its industry aided by the existing trade networks which helped merchants trade their products and bring in raw materials. Until the early 20th century Baltimore’s main industries were men’s clothing and canning of oysters, fruits, and vegetables.

Cotton milling was another industry that dominated Baltimore. The mills supplied a national market with duck and netting. The mills originally used water
power but were converted to steam after the Civil War (Olson 1980). Late in the 19th century heavy industry began to appear in Baltimore. This included foundries and machine shops, railroad construction, and manufacturing of tinware, copperware, and sheet ironware. These plants employed hundreds to thousands of Baltimoreans (Fee et al 1991). Steam powered much of this early industry increasing production exponentially. It also led to unsafe work conditions and many accidents as production was automated (Olson 1997).

The Baltimore Fire of 1904

The fire of 1904, which burned 140 acres of Baltimore at a cost of $125 million, devastated the downtown but gave the city an opportunity to rebuild and improve public services. After the fire the city purchased much of the burned property fronting the harbor. Baltimore turned it into a series of public wharves that were leased to the shipping community (now the site of Harbor Pavilions and the National Aquarium, centerpieces of the downtown revitalization). At this time the city controlled about 170 acres of waterfront with connections to the railroads, making Baltimore a shipping and transportation center to inland states.

Location

Baltimore’s location made it very lucrative for trade. The railroads brought in raw materials and took out the finished products. The port allowed shipping along the U.S. coast and to Europe. Baltimore also had lower freight rates than other cities, did not tax manufacturing implements, had lower insurance rates on manufacturing and mercantile establishments, and had a supply of inexpensive power, light, and fuel
All of these factors should have lead to it becoming a great commercial center.

Baltimore’s location on Chesapeake Bay allowed the city to become a national leader in oyster packing. The Bay’s abundant supply of oysters and Baltimore’s many factories led Baltimore to become the largest oyster packing port in the United States. The can making industry also became a mainstay of Baltimore’s economy (Olson 1997).

Even with all of this commercial activity Baltimore never surpassed New York, Chicago, or Pittsburgh as an industrial city. Baltimore did not attract company headquarters; it became a city of branch offices as large companies, based in other cities, bought up local businesses. This would lead to a future decline in the city as outside businesses controlled its fate.

Annexations

Baltimore City annexed land from Baltimore County twice to reach its final size. The first annex occurred in 1888. Highlandtown and Canton refused to be part of the annexation so the land to the north and west was added. This increased the size of the city by 23 acres to nearly triple its original size.

The city’s next annexation in 1918 would be its last but allowed the crowded city to spread out. A housing boom followed the annexation but dropped off a few years later. The population in the new annex had doubled while the population in the city dropped by half; a trend that would be repeated again later (Olson 1997).
The annexes were soon racially divided. African Americans made up 20% of the original city, 10% of the first annex, and 4% of the second annex. The disparities grew larger over the next few years with more African Americans in the old city and fewer in the new annexes. Part of this was due to restrictive covenants used by developers in the annexes. The covenants not only restricted residents on race but also by religion, ethnicity, and income. African Americans in the city center were also restricted on where they could live by old social standards. Other ethnic groups began to spread out in the areas of the city where they lived but African Americans were limited in how far they could go (Olson 1997).

Present History

Early 20th century Baltimore was a city of homeowners. The average laborer was able to obtain loans to buy a home. Rents were cheap for those who could not afford homes and tenements were practically unheard of (Baltimore 1912).

By the mid 20th century Baltimore was losing its status as an industrial center and port city. In the 1950s residents began moving out of the city to the suburbs. The population declined steadily over the next 30 years leaving many abandoned properties in its wake. This led to a period of blockbusting and neighborhoods changed radically in just a few years. Urban renewal in the 1960s was synonymous with slum clearance, as demolition rates rose from 800 per year in the early 1960s to 2600 per year in late 1960s. Many of the homes that were demolished for expressways, schools, and public housing belonged to poor, elderly, and/or African American residents (Olson 1997).
Table 4.1: Baltimore City Population from 1940 to 2002

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940</td>
<td>859,100</td>
</tr>
<tr>
<td>1950</td>
<td>949,708</td>
</tr>
<tr>
<td>1960</td>
<td>939,024</td>
</tr>
<tr>
<td>1970</td>
<td>905,759</td>
</tr>
<tr>
<td>1980</td>
<td>786,775</td>
</tr>
<tr>
<td>1990</td>
<td>736,014</td>
</tr>
<tr>
<td>2000</td>
<td>651,154</td>
</tr>
<tr>
<td>2002</td>
<td>638,614</td>
</tr>
</tbody>
</table>

(estimate)
Figure 4.1: Baltimore City’s Population Density per Square Meter by Census Tract in 1940
Figure 4.2: Baltimore City’s Population Density per Square Meter by Census Tract in 1950
Figure 4.3: Baltimore and Surrounding Census Tracts’ Population Density per Square Meter in 1960
Figure 4.4: Baltimore City and Surrounding Census Tracts’ Population Density per Square Meter in 1970
Figure 4.5: Baltimore Metropolitan Area Population Density per Square Meter in 1990
Figure 4.6: Baltimore Metropolitan Area Population Density per Square Meter in 2000
The number of abandoned properties also increased during this period. In the 1970s the city began to rehabilitate 1500 abandoned homes, but the process was hindered by vandalism and theft. The city still remained racially divided and businesses began to move out of the tumultuous inner city.

The job market in the city was also declining at this time. “Between 1970 and 1985…the city lost 12,000 jobs in transportation, communications, and utilities; 17,000 in wholesale and retail trade; and 47,000 or almost half, of its manufacturing jobs” (Fee 1991, xiii). According to Olson (1997) Baltimore lost a total of 90,000 factory jobs between 1970 and 1995.

The deindustrialization of the 1980s coincided with a time of renewal in Baltimore. Plans were made to redevelop Charles Center and the Inner Harbor. Many businesses returned to the city center. Redevelopment spread to other areas of the city. Canton and Federal Hill quickly became fashionable places to live. The city continues to move forward with revitalization efforts in many neighborhoods surrounding the Harbor and Central Business District.

Neighborhood History

Little Italy

Background

Italian families immigrated to Baltimore from other U.S. cities in the 1800s for jobs. They arrived by ship to New York City and Philadelphia and came to Baltimore looking for family and friends that had settled there earlier. A new wave of immigrants, in 1849, came in search of gold in the West but many ended up staying in
Baltimore. They obtained jobs as railroad laborers and as cooks in the hostelries that opened to house immigrants.

The area now known as Little Italy was first settled by Germans, Jews, and Irish. As these groups moved to other parts of the city, selling their homes, Italians bought them. Until 1910 few Italians were homeowners; many of them were boarders in the neighborhood. Soon after, almost every house on both sides of every street, now part of Little Italy, was owned by an Italian family. The Church of St. Leo, built on the corner of Stiles and Exeter in 1880, became the center of Little Italy by 1920 when the neighborhood was almost exclusively Italian. The church, still standing, remains the center of Baltimore’s Italian society (Sandler 1974).

Little Italy, much smaller today than the original neighborhood that stretched to Broadway, has endured through nearly one hundred years in a rapidly changing city (Sweeney 2000). Perkins Homes, a public housing project to the north threatened the neighborhood. Pollution, smog, and smells from the Harbor haven’t forced people to leave. The Italians living in the close knit neighborhood have never turned their homes to rentals and fled to the suburbs like many other ethnic groups in the city.

**Demographics**

The 2000 population of Little Italy was 553 with 492 White residents (89%) and fourteen African American residents (2.5%). The population actually shrank from 1990 when the neighborhood was home to 737 residents. Slightly more than 50% of the occupied housing units in Little Italy are owner occupied. The neighborhood has a
Class

Little Italy has a mix of working, middle, and upper class residents. The neighborhood has many business owners that continue to run family restaurants. Nearly one-fifth of the population has a college degree. The median household income is $35,104.

Economic Structure

Little Italy is partly zoned as commercial with many restaurants mixed with houses. Most of the restaurants are locally owned. This gives the neighborhood a lively atmosphere with people on the streets in the evening. The neighborhood also hosts a summer movie festival. Movies are projected on a large outdoor screen and movie goers bring lawn chairs and sit in the street.

Interview

I was unable to contact any residents of Little Italy so I interviewed Laurie Feinberg from Baltimore City Planning; she is the planner for the Harbor area of Baltimore including Little Italy and Federal Hill. She described Little Italy as an anomaly; the neighborhood has remained insulated from broad changes in the city. The neighborhood first feared that renovation of the Inner Harbor would hurt their restaurants but it has only helped them. Little Italy is busy on warm evenings in the spring and summer as tourists dine in one of the many Italian restaurants the neighborhood offers.
Little Italy has stayed out of city planning; they have not wanted to have any major changes to their neighborhood. Feinberg believes that even the sale of a $4.2 million home in the neighborhood would not affect the neighborhood in any way because so few others are willing to sell their home to outsiders. Most home deals are done in private in Little Italy -- the sellers usually know the buyer and the home is never on the open market. She does not believe that Little Italy would follow in the footsteps of Federal Hill and Canton and become gentrified. Feinberg believes that there are no real threats to Little Italy because the neighborhood is so private; gentrifiers are not a threat because the homes are not sold on the open market. Feinberg believes that Little Italy is destined to stay the same as it has for nearly one hundred years. The neighborhood has managed to remain intact even as neighborhoods around it are changing rapidly.

Penn-North

Background

Very little has been written about Penn-North’s history. The area was first settled by English immigrants in the 1870s. By the 1890s European merchants were opening up shops in the area. The Penn-North neighborhood is over a century old and was originally an elite Black community. The African American community began to settle in the neighborhood in the 1900s and by 1920 had expanded to North Avenue (http://www.livebaltimore.com/neighbor/ penn_north.html).

Penn-North at one time was home to several slaughterhouses owned by wealthy Baltimoreans who made their homes in other parts of the city. During this
period Penn-North was just north of the city’s northern boundary so dirty industry was located outside the city. Although the boundary of the city was moved the area never lost its stigma as a slaughterhouse district (Olson 1997).

Parts of Penn-North were streetcar suburbs of 1875-1915. Commuting by streetcar made living farther from the city center affordable. City services were extended to most streetcar suburbs and the living conditions for residents of these neighborhoods improved (Hayward and Belfoure 1999).

Demographics

Penn North was home to 2,342 residents in 2000, 2,278 African American (97%) and 16 White (.7%). Two thirds of the occupied housing units are rented and 30% of the housing stock in the neighborhood is vacant (http://www.ci.baltimore.md.us/government/planning/census/index.html).

Class

Penn North is a working class neighborhood with many households below the poverty level. Female headed households make up 60% of the neighborhood families and the median income is $17,000.

Interview

I was not able to contact any of the people working with the Penn-North Revitalization Corporation so at the suggestion of Laurie Feinberg I interviewed Cory Brown of the Baltimore Development Corporation. He was the city planner for the Penn North area. I asked why he thought Penn-North continued to decline even with revitalization efforts. He said that Penn-North is declining at a faster rate than the city average. The
decline of the neighborhood began when city residents moved to the suburbs. The neighborhood along with the neighborhoods adjacent have never been able to recover.

The neighborhood faces many problems such as many single parent female headed households, a high percentage of renters, and high vacancy rates. He suggested that the vacancy rate reflected in the 2000 census might not be accurate and that the number could be higher or lower. These problems could make revitalization harder.

*Washington Village/Pigtown*

**Background**

The name Pigtown is rumored to come from the days when pigs ran through the streets from the nearby Union Stockyards to the slaughterhouses in the neighborhood. The neighborhood, like so many others, has experienced ups and downs through the years. Blockbusting was not a problem in Washington Village/Pigtown because the community’s homeowners did not have the resources needed to leave the neighborhood and move to the suburbs (Rehbein and Peterson 1979, 77). Germans, who called the area “Kuh Viertel” (cow quarter), originally settled the area in the 1800s. They chose the name because of the muddy cattle trails that crisscrossed the neighborhood. Today the neighborhood is a mix of low and middle-income residents along with students attending the nearby University of Maryland Baltimore campus (http://www.livebaltimore. com/neighbor/wvpig.html).

The name of Pigtown was changed to Washington Village in 1976. However, long-term residents continue to use both community names interchangeably. The
neighborhood’s designation as an empowerment zone included redevelopment incentives, which brought people of all backgrounds to Washington Village/Pigtown (http://www.livebaltimore.com/neighbor/wvpig.html).

**Demographics**

Washington Village/Pigtown is one of Baltimore’s most racially balanced neighborhoods. In 2000, the total population was 5,410 with 2,641 (49%) Whites and 2,422 (45%) African-Americans (http://www.ci.baltimore.md.us/government/planning/census/index.html). The neighborhood has a 21% vacancy rate. Fifty percent of homes are owner occupied.

Washington Village/Pigtown was one of the few Baltimore neighborhoods that became racially integrated without incident. In 2000, it had almost a 50/50 mix of African-Americans and Whites. However, this balance appears to mask a significant demographic trend occurring from 1990 to 2000, an increase in the black population (32% increase) and decrease in the white population (43% decrease). It is difficult to interpret this trend, which took place during a time of renewal efforts, housing incentives, tax breaks and new townhouse developments (http://www.ci.baltimore.md.us/government/planning/census/index.html).

**Class**

Washington Village/Pigtown was originally a working class neighborhood. It was near the terminus of the B&O Railroad and the slaughterhouses, which provided employment for the area’s blue-collar workers. Although it may not have been the most pleasant environment in which to live, community members did enjoy the
advantage of living close to their jobs. The redevelopment of Pigtown, beginning in
the 1970s, has slowly changed the composition of the neighborhood. The influx of
professionals to the neighborhood, at that time, increased the community’s diversity
with a mixture of low and middle-income residents (Rehbein and Peterson 1979, 77).
The median income is $21,645.

**Economic Structure**

In the early 1800s, slaughterhouses were common in Washington Village/Pigtown and
the surrounding areas. The neighborhood also had several kilns owned by Alexander
Russell; he also owned the largest brickworks company in America at the time. The
company’s bricks were used in the Shot Tower in Baltimore and in the Flatiron
Building in New York City (Rehbehin and Peterson 1979, 76).

In the late 1940s, hundreds of rowhouses in the area were demolished to make
way for Camden Industrial Park (Graduate City and Regional Planning Program
1985). The former industrial park is now the site of Oriole Park at Camden Yards.
Washington Village/Pigtown was designated as one of Baltimore’s Empowerment
Zones in 1994, providing tax breaks for home purchases, business start-ups, and
additional economic incentives to individuals and groups investing in the community

The Ravens Stadium and Oriole Park at Camden Yards have had a significant
impact on Washington Village/Pigtown. The stadiums have brought large numbers of
people into the neighborhood on game day that residents do not actually want there.
Parking has become a problem and Washington Village/Pigtown streets do not have
the same restrictions Federal Hill streets have to keep fans from parking in spaces needed by residents. Washington Village/Pigtown residents, many of whom cannot afford to attend games, have to deal with all of the trash left behind as the fans leave.

A new housing development, Camden Crossings, is going to cause even more changes for this racially mixed neighborhood. The townhomes have continued to rise in price and they are not even completed. As soon as ground was broken for Camden Crossing, the prices of houses in Washington Village/Pigtown doubled and many homeowners sold their homes and left the area. With continued revitalization in the area some parts of the neighborhood are trying to latch on to other successful redevelopments. One part of Washington Village/Pigtown is now calling itself Federal Hill West.

*Interview*

I interviewed Gary Letteron of the Washington Village/Pigtown Neighborhood Planning Council (WPNPC) who believes that it is only a matter of time before the neighborhood becomes gentrified and many of the original residents are forced to leave. The on-going revitalization has several goals (i) to get residents into the economy, (ii) raise the status of the neighborhood’s economy, (iii) make the neighborhood better, and (iv) to keep residents in the neighborhood once they have become financially stable.

The revitalization of Washington Village/Pigtown received a boost when the area was named an Empowerment Zone in 1994. Part of the Empowerment Zone funding went to establishing village centers, viable commercial districts as part of the
neighborhood. The WPNPC offers family support, career counseling, and in some cases substance abuse counseling. The program has placed a couple hundred residents a year in jobs.

Letteron believes that Camden Crossing is going to change the dynamics of the neighborhood. The perception that the neighborhood is coming up has already led to rising taxes and increasing rents. There is an escalating battle between the haves and have-nots in the neighborhood. Letteron, who is involved in public safety among other endeavors, has noticed that more break-ins are being targeted at the wealthier residents of the neighborhood. But overall crime in the neighborhood has decreased although the police have noticed an increase in the reporting of nuisance crimes.

Washington Village/Pigtown has received a lot of media attention as it works to revitalize. This has helped Baltimore residents become aware of the changes taking place. The neighborhood is now hosting an annual Pigtown Festival with a running of the pigs through the streets.

One comment that Letteron made that seemed significant was that he had always heard that “mixed race neighborhoods don’t gentrify.” He feels that Washington Village/Pigtown will be one of the first. The changes are happening so quickly at this point, that there is little control over them by the neighborhood.

Federal Hill

Background

Federal Hill, one of the oldest neighborhoods in Baltimore, was the site of a rally and march after Maryland ratified the Constitution in 1788. Sailors and merchants settled
here because of its proximity to the harbor and the shipbuilding industry, the source of many jobs (http://www.federalhillonline.com/history.htm).

Federal Hill was developed because of its proximity to the harbor and its valuable location for the shipping trade. However, as the core of Baltimore City deteriorated so went Federal Hill. In the early 1960s, homesteaders began buying and renovating rundown houses in the community. The area’s revitalization was threatened in the late 1960s, when a highway interchange was proposed that would cut through Federal Hill, the Inner Harbor, and Fells Point. The Society for the Preservation of Federal Hill and Fells Point was created in 1967 to fight the highway proposal. The Society filed a citizen’s suit against the highway administration and after nine years in court the plan was abandoned (http://www.federalhillonline.com/history.htm). If built as proposed, this interchange would have virtually destroyed all three of these areas that are today the jewels of downtown Baltimore.

**Demographics**

Federal Hill had a 2000 population of 2,402 (http://www.ci.baltimore.md.us/government/planning/census/index.html). Federal Hill went through a period of renewal in the 1960s and 1970s. Today, the former blue collar working man’s neighborhood is a haven for upper class Baltimoreans. In 2000, Federal Hill has 2,093 (87%) white residents and 213 (9%) black residents (http://www.ci.baltimore.md.us/government/planning/census/index.html). Fifty-six percent of the homes are owner occupied and the neighborhood has a vacancy rate of 9%.
Class

Federal Hill homes were originally built in the early 1800s for working class residents of Baltimore. One of the early housing developments of 1835-1845 sold homes for $700-$900. Today Federal Hill is one of downtown Baltimore’s upper class neighborhoods. It has been part of several revitalization efforts since the 1960s and has benefited greatly from the revitalization of the Inner Harbor. The median income is $62,466.

Economic Structure

In the late 1700s, Federal Hill was part of Baltimore’s busy shipping trade. In 1775, an observatory was built on top of Federal Hill to alert merchants to the approach of ships; the observatory closed in 1889 and was destroyed in a storm in 1902. Until the mid 1900s shipping dominated all aspects of life in Federal Hill; the shipping industry supported the community’s economy. During the 1800s, Federal Hill itself was mined for white sand, red clay, and low-grade iron ore. Local glassworks used the sand. This mining left permanent caverns in the hill that have recently created structural problems for the park. The iron ore mined from the hill was used as ballast for the ships departing from the harbor. Federal Hill almost became part of the harbor in 1859 when it was proposed to fill in the harbor with sand and clay from the hill and make more space for building and get rid of the hill considered unsightly by some (Olson 1997).

Through the years Federal Hill has been the site of many restoration projects. The Struever Brothers, Eccles and Rouse Development Company, a major developer
in the city specializing in the adaptive reuse of historic properties, began informally in 1975 with the renovation of 12 homes in Federal Hill. To date, the company has renovated many buildings in Federal Hill including the Sailor’s Union Bethel Methodist Church for the church’s 130th Anniversary.

Federal Hill’s Cross Street Market was established in 1846. Until the 1980s, almost all the vendors were direct descendents of South Baltimoreans. The Market continues today as a source of fresh produce, fish, and other goods. The Baltimore Branch of the Federal Reserve Bank is located in Federal Hill. The successful renovation of the Inner Harbor benefited Federal Hill due to its proximity to the many new attractions and its panoramic view of the new harbor (http://www.federalhillonline.com/history.htm).

Interview

Keith Losoya, President of the Federal Hill Neighborhood Association told me that Federal Hill’s location made the neighborhood a prime place for redevelopment. The neighborhood has rowhouses dating back to the 1850s and excellent views of the Harbor and Downtown Baltimore. It is also within walking distance of many of the city’s attractions including Ravens Stadium, Oriole Park, and Baltimore’s Central Business District.

Residents of Federal Hill take advantage of the business district with its restaurants, galleries, and coffee shops. Federal Hill Park is another feature that draws people to the neighborhood. During the summer, it hosts the annual Shakespeare on the Hill Festival.
Although many of Federal Hill’s buildings have been remodeled, development is ongoing. The task for the neighborhood association is keeping changes under control. The motto of the Federal Hill Neighborhood Association is “To preserve, progress, and promote our historic lifestyle.”

In contrast to Washington Village/Pigtown’s view of the stadiums, Federal Hill residents think of them as an asset. Losoya believes that the stadiums have allowed for more development and have enhanced the allure of the neighborhood. Federal Hill residents, unlike Washington Village/Pigtown residents, can afford to make use of the stadiums and Federal Hill has strict parking limitations that keep the neighborhood from being overrun on game days.

The neighborhood would like to maintain the balance of residential and commercial that Federal Hill has developed. They would like the neighborhood to continue to modernize but they do not want to lose sight of the historical attributes of the landscape in the process. Losoya thought that possible threats to the neighborhood would include uncontrolled development or work that is done without permission of the neighborhood association. As the market value of the homes continue to rise there could be a change in the demographics of the neighborhood, as young professionals may be unable to afford rents. Another problem he sees in raising taxes on the neighborhood properties. He thinks that it might drive residents out of the neighborhood and make it a less desirable place to live.

The history of the city and each neighborhood had an impact on how the neighborhoods changed over time. It is very important to look at the history in order
to understand that pattern of change. The history also helps to explain the changes in the GIS Analysis.
<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Background</th>
<th>Demographics</th>
<th>Class</th>
<th>Economic Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little Italy</td>
<td>Settled by Italian immigrants. Bought homes as other ethnic groups left area. Neighborhood centered around The Church of St. Leo. Neighborhood has been mainly Italian for 100 years.</td>
<td>553 residents in 2000 with 492 White and 14 African American residents. 50% of housing units are owner occupied. Vacancy rate of 15%</td>
<td>Mix of working, middle, and upper middle class. Median income of $35,104 (2000).</td>
<td>Partly zoned commercial, many restaurants mixed with homes</td>
</tr>
<tr>
<td>Penn North</td>
<td>The neighborhood was once a slaughterhouse district before it was annexed by the city. It became a street car suburb but did not lose the slaughterhouse stigma. At the turn of the century became an elite African-American neighborhood</td>
<td>2,342 Residents in 2000, 2,278 African American and 16 White. 2/3 of the housing units are renter occupied and 30% of the housing stock is vacant.</td>
<td>It is a working class neighborhood with many single mother headed households. The median income, in 2000 was $17,000.</td>
<td>Slaughterhouses employed Baltimore residents until annexed by the city. Currently a residential neighborhood</td>
</tr>
<tr>
<td>Federal Hill</td>
<td>Federal Hill is one of Baltimore's oldest neighborhoods. Sailors and merchants settled the area because of its proximity to the Harbor. Federal Hill experienced a revival in the 1960s after it was nearly demolished in 1967 when a highway plan for the city called for an interchange that would cut through Federal Hill. Federal Hill had a 2000 population of 2,402 with 2,093 White and 213 African American residents. 55% of the homes are owner occupied and the neighborhood has a vacancy rate of 9%.</td>
<td>Federal Hill at one time home to blue collar workers had become one of the most sought after addresses in Baltimore. The median income was $62,466 in 2000.</td>
<td>Federal Hill was part of the busy shipping trade in the late 1700s. Federal Hill itself was mined for sand and clay. The neighborhood now has many bars and restaurants that attract residents and tourists. The Cross Street Market was established in 1846.</td>
<td></td>
</tr>
<tr>
<td>Washington Village/Pigtown</td>
<td>Pigtown originally got its name from the days when pigs ran through the streets from the Union Stockyards to the slaughterhouses in the neighborhood. The neighborhood did not experience blockbusting in the 1970s. The name of the neighborhood was changed in 1976 to Washington Village as part of an urban renewal project that is still ongoing.</td>
<td>5,410 residents in 2000 with 2,641 Whites and 2,422 African Americans. 50% of the occupied housing units are owner occupied. The neighborhood had 21% vacancy rate.</td>
<td>Mixture of Middle and Working class residents. Median income is $21,645.</td>
<td>Residents worked at the nearby rail yard or at slaughterhouses in the past. Camden Industrial Park, now the Site of Oriole Park at Camden Yards is located in the neighborhood. Designation as empowerment zone brought more businesses to the neighborhood.</td>
</tr>
</tbody>
</table>
Chapter 5: GIS Analysis and Discussion

Vacant Properties

Vacant Properties are one indicator of neighborhood decline. As seen in Figure 5.1 the vacant properties in the four Baltimore neighborhoods have risen and fallen over the years. The brown neighborhoods have the highest vacancy rates and the yellow neighborhoods have the lowest vacancy rates. Properties can be vacant for a variety of reasons. Going back to the theory by Hoover and Vernon (1959) the neighborhood experiences thinning out as families move to the suburbs or leave dilapidated neighborhood houses for other areas.

The vacancy rates for all of the neighborhoods in the 1970s were fairly low. Washington Village had the highest rate with a little less than 4% of the houses vacant. Penn-North had the lowest rate with only 1.4% of houses vacant. The citywide vacancy rate for 1970 was 1.7%. By 1980, there had been a sharp rise in vacancy in all of the neighborhoods; with Penn-North having a vacancy rate of 15.2% and Federal Hill with 14.2%. Vacancy rates in the neighborhoods remained steady in 1990 with Penn-North and Federal Hill remained in the 14% to 15% range. The citywide vacancy rate at this time was nearly 9%; all four of the neighborhoods studied were above that number.

The 2000 census showed Penn-North had experienced a sudden decline in the 90s with the vacancy rate doubling to 30%. Federal Hill’s vacancy rate, on the other hand, decreased to less than 10% which is below the city average of 14%. In the 90s Washington Village/Pigtown’s vacancy rate also increased to 20% but as of 2004 the
neighborhood was undergoing rapid changes with the addition of a new housing
development which could bring people back to the neighborhood.

Figure 5.1: Percent Vacant Properties in the Four Study Neighborhoods 1970-2000

Percent Vacant Properties by Neighborhood
1970-2000
Population

The population of all four neighborhoods has changed dramatically over the last thirty years (Figure 5.3). Neighborhoods shown in red represent the highest population density and neighborhoods in dark green have the lowest. Population density was found by dividing the number of residents by the area of the neighborhood. The population density of each neighborhood shows the changes in neighborhoods that differ in size. The population per square meter will show how the neighborhoods have transitioned through the stages of the neighborhood life cycle.

The population density of Penn-North has steadily declined over the last thirty years. The neighborhood had a high of 11,825 residents per square kilometer in 1970.
and by 2000 had only 6,652 residents per square kilometer. This coincides with a rise in the number of vacant houses.

Washington Village/Pigtown’s population density was very low relative to other neighborhoods with only 2,614 people per square kilometer. By 1980, the density had risen to 7,419 residents per square kilometer and remained constant through 1990. In 2000, the density dropped slightly to 6,430 residents per square kilometer.

Federal Hill’s population density has fluctuated over the last thirty years. Of the four neighborhoods studied it went from having the second highest density (9,110, 1970) to having the lowest in just one decade (4,838, 1980). The density has slowly risen since 1980, with 5,592 residents per square kilometer in 1990 and 6,468 residents per square kilometer in 2000.

Population density in Little Italy remained steady through 1990 with 7,071 residents per square kilometer in 1970, 7,560 per square kilometer in 1980, and 7,335 in 1990. The neighborhood experienced a significant drop as of the 2000 Census with only 4,801 residents per square kilometer.
Figure 5.3: Population Density per Square Meter in the Four Study Neighborhoods 1970-2000
Housing Values

The value of the houses shows an interesting trend (Figure 5.5). The neighborhoods in red have the highest value while the neighborhoods in dark green have the lowest. Houses in the neighborhoods studied are all very similar in structure. Most of the houses built in downtown Baltimore were 12-14 foot wide rowhouses with 2 to 3 stories.

The neighborhood with the highest housing values in 1970 was Penn-North, although at that time all of the neighborhoods were within a $1500 range ($5000-$6510). Washington Village/Pigtown had the lowest values.

By 1980, Federal Hill homes had risen in value considerably to $42,425, nearly twice the value of Little Italy’s homes, the neighborhood with the second highest
home rates ($24,000). Washington Village/Pigtown and Penn-North were far behind with homes in the $11,200 and $13,200 respectively. Home values for all of the neighborhoods rose by the 1990 Census but Penn-North was the only neighborhood that did not more than double in value. Houses in Penn-North only gained $5000 in value while the other neighborhoods soared.

Federal Hill homes continued to gain value through the 90s and by 2000 the median value was $171,100. Values in the other three neighborhoods also rose, but Washington Village/Pigtown’s housing values only grew by about $7000. Recent development in Washington Village/Pigtown has raised the values of homes in the neighborhood.
Figure 5.5: Median Value of Homes in the Four Study Neighborhoods 1970-2000

Value of Owner Occupied Houses 1970-2000
Educational Attainment

Educational attainment is an indicator of gentrification. Gentrifying neighborhoods attract people with high incomes and white collar jobs; educational attainment is usually related to both of those factors. Figure 5.7 shows the percentage of the total population of the neighborhood attaining a high school diploma or more. Green is the lowest percentage and red is the highest. Educational attainment is based on the percentage of the neighborhoods’ population over 25 that have graduated from high school or college. The percentages may seem low but that is because it is normalized by the total population of the neighborhood.

In 1970, all of the neighborhoods had very few high-school graduates, but Penn-North had the most with 10%. By 1980, all of the neighborhoods had a higher
percentage of educational attainment. Federal Hill had moved up to 27% and Little
Italy had risen from 5% to 21%. In 1990, Federal Hill had risen to 65.3% of its
population having a high school degree or more; Little Italy had 51.3% of its
neighborhood receiving at least a high school diploma.

By 2000, 70.6% of Federal Hill residents had at least a high school diploma.
Little Italy’s rate dropped slightly to 46.8%. Washington Village/Pigtown rose
steadily. It doubled to 10% in 1980 and more than doubled to nearly 24% in 1990 but
never made it over 35%. Penn-North’s educational attainment rate rose very slowly,
only 8% between 1980 and 1990 and less than 2% between 1990 and 2000.
Figure 5.7: Educational Attainment in the Four Study Neighborhoods 1970-2000

Educational Attainment 1970-2000
Median Income

Available census information collected on income changed from 1970 to 1980 so in 1970 median family income was used, in 1980, 1990, 2000 median household income was used. Household income will have the most accurate information for the purposes of this study. The neighborhoods can be compared for each decade but decade to decade comparisons may be inaccurate. Figure 5.9 shows the median income of the four study areas. The neighborhood in yellow has the lowest income while the neighborhood in purple has the highest.

Federal Hill, in 1970, had the highest income of the neighborhoods. Washington Village/Pigtown was second followed by Penn-North and Little Italy.

The income of the neighborhoods only differed by a little more than $4000 but Federal
Hill’s income more than doubled Little Italy’s. City wide median family income was $8,815; all of the neighborhoods fell below the city wide median.

Penn-North fell below Little Italy to have the lowest income while Federal Hill still had the highest in 1980. In 1990, Washington Village/Pigtown moved the second lowest income with $17,240, well below the city wide median of $24,045. Little Italy and Federal Hill were above the city median with Federal Hill doubling the city’s median income.

In 2000, the trend remained the same. Washington Village/Pigtown and Penn-North were falling farther below the city median of $30,080. Little Italy’s median income ($35,104) had not changed very much but remained above the city median. Federal Hill’s median income elevated to $62,466 still doubling the city median.
Figure 5.9: Median Income of the Four Study Neighborhoods 1970-2000

Median Income
1970-2000
1970 Median Family Income
1980 Median Household Income
1990 Median Household Income
2000 Median Household Income
Occupation

Ley (1986) found that one indicator of gentrification was the percentage of the workforce in the white collar sector (professional, managerial, technical, and administrative occupations). Figure 5.11 displays the percentage of white collar workers in the four study neighborhoods. The light green neighborhood has the lowest percentage of white collar workers while the brown neighborhood has the highest. The percentage of white collar employment was found by dividing the white collar employment by the total population of the neighborhood.

In 1970, Penn-North had the highest percentage of white collar workers with 14.8%. Federal Hill had 12.5% and Washington Village/Pigtown and Little Italy both had 10.8%. As employment in the city changed the percentage of white collar
workers rose in some of the neighborhoods. By 1980 Federal Hill had 22% and Little Italy had nearly 20%.

In 1990 Federal Hill had 50.6% white collar employment while Little Italy had 35.7% and Washington Village/Pigtown and Penn-North lagged behind with percentages in the low teens. Little Italy’s white collar employment dropped by 2000 to 23.4% while Federal Hill’s rose to 61.9% and Washington Village/Pigtown’s white collar employment rose 1% and Penn-North’s dropped by a little over 1%.
Figure 5.11: White Collar Employment in the Four Study Neighborhoods 1970-2000

Median Rent

Median Rent is another indicator of gentrification. Figure 5.13 shows the median contract of the neighborhoods for 1970 and 1980 and the median gross rent of the neighborhood in 1990 and 2000. Although median contract rent is the better indicator it was not available for 1990 and 2000 by neighborhood. The neighborhood in tan has the lowest median rent and the neighborhood in blue has the highest.

Penn-North had the highest median contract rent for 1970 at $76.60; Little Italy had the lowest with $58.10. Federal Hill and Little Italy had the highest in 1980 with $159.8 and $143 respectively. By 1990 Federal Hill had leaped ahead of the other neighborhoods with a gross rent of $692.40 while Penn-North fell to last with
$351. Washington Village/Pigtown and Little Italy were not far behind with $390 and $380 respectively.

Median gross rent for Washington Village only changed by a little over $50 by 2000. Penn-North’s rose by about $60 while Federal Hill over $200 and Little Italy’s increased by nearly $300.
Age

One factor that was outside the scope of this study but still should be recognized is age. The age of residents in Federal Hill and Little Italy has changed dramatically over the last thirty years (Figure 5.15). The age cohort that typically makes up gentrifiers, young, single professionals and married couples with no children, ages 25-44 make up more than 50% of the Federal Hills population. This is more than twice the number of residents in this age group than 1970. The other three neighborhoods have nearly the same curve of residents in this age cohort.
The other age group that is affected by gentrification is residents under the age of 24. Most people moving into gentrified areas do not have children or their children are grown and do not live with them. As seen in Figure 5.16 the number of children living in Federal Hill has dropped significantly since 1970.

Little Italy also has an aging population which may bring trouble to the neighborhood in the future. Little Italy had the steepest drop of all the neighborhoods, going from over 60% under 24 to less than 20% under 24 years old (Figure 5.16). This means that the children and grandchildren of the long time residents are not staying in the neighborhood. The neighborhood could change over to another population group without this older generation who really care about maintaining the Italian culture of Little Italy.
Prizm Indicators

Several of the above indicators are also Prizm indicators; education, occupation, income, and home value. Prizm data also have several other indicators but for this study I will see how these four indicators would change the Prizm clusters of the four study neighborhoods. Although Prizm clusters are mainly used for marketing they also have good demographic data.

Education

Prizm data look at how many years of schooling a person has received; whether they have graduated from high school or college. The Prizm classification for all four of the neighborhood would have changed based on education. All four neighborhoods had tremendous changes in the level of education. Federal Hill, for example, went
from only 7% high school graduate or more to over 70% high school graduates or more over just thirty years. The other neighborhoods’ educational attainment rose but Washington Village/Pigtown and Penn-North never made it above 35%. Higher percentages of educational attainment would lead to different Prizm classification, as well as income levels and type of occupation.

**Occupation**

Prizm data cluster employment into five categories. This study used three but they are nearly the same. White collar workers will live in different types of neighborhoods than blue collar. The types of jobs available also influence who will live in an area. Baltimore City does not have nearly the blue collar workforce that it did in the 1970s and the change in the white collar employment in the four study neighborhoods enforced that assertion.

Both Federal Hill and Little Italy had huge upswings in the percentage of white collar employees while Penn-North and Washington Village/Pigtown showed little change. Federal Hill changed from a primarily blue collar neighborhood to a neighborhood with a high percentage of white collar employment. Little Italy’s white collar employment has fluctuated (35%, 1990 and 23%, 2000). This may mean that residents with white collar jobs decided to leave the neighborhood for other parts of the city.

**Income**

Due to inflation, income in all of the study neighborhoods rose but all of them started out below the city median income in 1970. By 2000 only Federal Hill and Little Italy
were above the city median. Penn-North and Washington Village/Pigtown have never been able to rise above the city median income and this may be due to the large percentages of blue collar and service workers in these two neighborhoods.

Home Value

The value of homes in all of the neighborhoods went up during the thirty years but Federal Hill’s homes grew by seven times the 1970 in 1980. Median home values in the other neighborhoods have also grown but not at the rate of Federal Hill. Penn-North’s median home value more than doubled from 1990 to 2000 this may mean that the neighborhoods housing stock is making a comeback even though the neighborhood has a very high vacancy rate.

All of these factors and the GIS analysis factors help explain why the neighborhoods have changed in the ways that they have. The next section will look at the changes in each neighborhood using the GIS analysis and neighborhood histories. The discussion will attempt to explain the patterns seen in the previous two sections.

Discussion

Penn-North

Penn-North’s stigma began before the neighborhood even existed, when the area was on the edge of Baltimore City and was home to slaughterhouses. The decline of Penn-North started in 1970s and has continued to the present. The neighborhood still has high rates of vacancy which increased from 1990 to 2000. The GIS analysis was surprising; Penn-North, in 1970, was a working and middle class neighborhood. It had the highest population density but it also had the lowest vacancy rate. The
neighborhood had the highest percentage of residents that had completed high school or more. A higher percentage of workers than the other neighborhoods were employed at white collar jobs. The median income was low but the median home value and median contract rent were higher than the other neighborhoods.

By 1980, Penn-North began to decline. The neighborhood had a 14% vacancy rate, a steep rise from the 1970 vacancy rate. The population density also dropped slightly at this time. It was at this point that Penn-North began to slowly fall behind the other study areas. It seems that Penn-North went through some sort of demographic changes such as blockbusting but that is not the case. The neighborhood was predominately African-American in 1970 and still remains so. One explanation for the sudden change is that the middle class African Americans living there may have also left the city, leaving behind only the people who could not afford to leave. Future research on mobility of Penn-North residents, beyond the scope of this thesis, may support this hypothesis.

It does not appear that change will come soon to Penn-North. The majority of the families in the neighborhood are female headed and two thirds of the homes are renter occupied. Penn-North is in the thinning out stage of the neighborhood life cycle and has been at this stage for the last thirty years. The Penn-North Revitalization Corporation, a non profit, is working in the neighborhood and with the Maryland Center for Community Development to improve Penn-North much the way that Washington Village/Pigtown has been renewed. Existing evidence does not suggest that change is imminent.
Little Italy

Little Italy has changed over the last thirty years but the changes have not affected the residents of the neighborhood. Italian families still sell homes to their children or their friends. The neighborhood has managed to keep up with changing Inner Harbor and downtown without losing its close knit culture.

The stability of Little Italy comes from its past residents’ decisions to stay in the neighborhood and the insularity of community. If homes in Little Italy were sold in the open market the neighborhood would have probably changed in very different ways. From the GIS analysis it can be seen that Little Italy’s changes were really not any different from the other neighborhoods. The population went down, median incomes went up, housing values went up, and educational attainment went up. All of these factors should have lead to a gentrified neighborhood especially as the Harbor was renovated and Federal Hill, Fells Point, and Canton all became fashionable places to live.

It was the opinion of Laurie Feinberg from Baltimore City Department of Planning that Little Italy will resist change in the future. But the age structure shows that changes could be forthcoming as the younger generations are leaving the neighborhood. The neighborhood has created a small but stable Italian stronghold that is very popular with tourists. The cultural ties that hold the neighborhood together and keep outsiders out have led to this anomaly.
Federal Hill

Federal Hill has been through the most significant changes of the neighborhoods, from the brink of destruction in 1967 to the present upper class haven. Federal Hill was a prime location for gentrification because of its proximity to the Harbor and the downtown. The 1850s rowhouses that needed major renovations attracted all kinds of people. In 1970, not much distinguished Federal Hill from the other neighborhoods in the study with the exception of a slightly higher median income which was still below the city median income. This slightly higher median income points to the fact that gentrification may not always happen in the poorest neighborhoods. People in this neighborhood already were making more money than people in the other three study neighborhoods that did not gentrify.

Federal Hill is a prime example of a gentrified neighborhood. At the end of the 1970s the neighborhood had high levels of vacancy but the median contract rent was the highest of the neighborhoods and continued to rise at a much faster rate than the other neighborhoods. The value of the homes increased by seven times from 1970 to 1980 and more than doubled from 1980 to 1990. Educational attainment of the neighborhood went from 7% in 1970 to 70% thirty years later.

After a thinning out stage in the 1970s when the population density dropped and the vacancy rate spiked, Federal Hill went through a well documented period of renewal. Federal Hill has reached the end of the neighborhood life cycle having past through all of the stages by completing the renewal. The neighborhood has only a few houses that have not been renovated and the next changes for the neighborhood are yet
to be seen. Once all of the houses have been renovated the prices of housing in the neighborhood will probably only go up since demand will be high.

Washington Village/Pigtown

Washington Village/Pigtown has changed over the years but the biggest changes may be yet to come. The neighborhood has remained true to its working class roots even after urban renewal projects tried to give the neighborhood a new image with a new name in 1976. Designation as an empowerment zone meant that more people moved to the neighborhood in the 1990s and more businesses opened. But an urban renewal program is not what is changing the neighborhood now; the construction of a new housing complex and the popularity of the stadiums are altering the neighborhood. The effects of these changes may not be evident for some time.

Washington Village/Pigtown is also in the final stage of the neighborhood life cycle, renewal. The original renewal plans wanted the neighborhood to remain a mixed race, mixed class, mixed use neighborhood but present plans may change all of this. The effect of the stadiums and the new housing complex have already changed the composition, with many residents selling their homes and leaving the neighborhood when housing prices skyrocketed (Letteron 2004). The changes are not obvious at this time but by the next census in 2010 the neighborhood will have experienced many changes, and possibly even gentrification.
Chapter 6: Conclusion

Several theories were discussed at the beginning of this thesis. I have shown how each of the four study areas, Federal Hill, Washington Village/Pigtown, Little Italy, and Penn-North have fit into and how their changes over the last thirty years have coincided with these theories. Several factors, both qualitative and quantitative, have affected why the neighborhoods changed.

Residential Succession

All four of the study areas have been through several of the stages of residential succession with Washington Village/Pigtown in the fifth stage, renewal. Federal Hill has completed all of the stages. Penn-North has been in the fourth stage, thinning out, for the entire period of the study and may soon be experiencing the fifth stage of renewal since housing values increased in the decade between 1990 and 2000. Little Italy has managed to avoid most of the stages through insular management of the neighborhood by lifelong residents. The neighborhood has experienced some thinning out but never to the point of widespread abandonment and the need for renewal. The experience of Little Italy challenges theories of residential succession and gentrification. Ethnic enclaves may be immune, in some cases, from the effects of larger residential shifts.

Gentrification

At this time Federal Hill is the only neighborhood of the four study neighborhoods to experience gentrification. Gentrification in this neighborhood was driven by a large stock of available housing in the early 1970s and its location close to the Harbor and
downtown. The revitalization of the Inner Harbor helped make Federal Hill one of the most desirable places to live in Baltimore.

Several of the indicators used to gauge neighborhood change came from Ley’s (1986) study of gentrification and its causes in Canada. Ley believed that the changing occupations in the city led to a demand for housing in the city center bringing more people back to the city. On the other hand, Smith (1987) believed that the availability of cheap housing stock made it profitable for mortgage lenders and developers to renovate dilapidated city homes. A combination of both probably led to the gentrification of Federal Hill. The historic homes available at low prices made it easy for developers such as Stuever Brothers and Eccles (now a well known Baltimore redevelopment company, Stuever Brothers, Eccles, and Rouse) to buy several houses and resell them after renovations. Federal Hill has a large percentage of its employees in white collar occupations, a major turnover from the 1970s occupation statistics for the neighborhood (12%, 1970; 62%, 2000).

Washington Village/Pigtown may also be facing gentrification because of current changes in the neighborhood. A new housing development is being constructed and housing values in the neighborhood have already gone up significantly. The neighborhood is trying to embrace its Pigtown roots again with an annual street festival and running of the pigs. Battles are already brewing between the have and have nots in what might become the next neighborhood to gentrify. Parts of Washington Village/Pigtown are trying to latch onto Federal Hill’s renewal by renaming their section of the neighborhood Federal Hill West.
Reservoir Hill, near Penn-North, is rumored to be among the next Baltimore neighborhoods to have a sudden renewal and the effects of that on Penn-North could be good and bad. Penn-North needs revitalization but the residents should not be forced to leave by rising rents in the mainly renter occupied neighborhood. Penn-North could have a comeback soon; housing values are already going up which may mean that more people there are making renovations and moving into the work force.

The four Baltimore neighborhoods studied have changed significantly in the thirty year period. All seven of the indicators were examined separately but it is easy to see how they complement each other. Population density is related to vacancy rates and median income and educational attainment are related to the percentage of workers engaged in white collar employment.

Race was not examined because four of the neighborhoods have had the same racial composition over the time of the study. Washington Village/Pigtown has fluctuated slightly but has maintained a near balance of White and African American residents. Penn-North, at one time an elite African American neighborhood, was a middle class African American neighborhood at the beginning of this study and to this day has an African American population of more than 95%. Federal Hill and Little Italy have sustained mainly White population throughout the time period of this study.

This study is important because it shows factors that significantly affected Baltimore neighborhoods. Each of the four neighborhoods represents other Baltimore neighborhoods that are changing. Understanding why each neighborhood is changing the way it is will help predict future changes in the city and give planners and
residents an idea of what to expect for their neighborhood. This thesis pointed out the factors that were the most significant in the study neighborhoods: location, housing stock, median income, vacancy rates, and educational attainment. These five factors held the most significance in why the neighborhoods changed the way they did.

Future studies should include the effects of the stadiums on both Federal Hill and Washington Village/Pigtown. Data from the 2010 census, as well as the annual American Community Survey (which the census bureau will release in July 2004 on a national level), will allow researchers to determine if Washington Village/Pigtown is gentrifying, if Penn-North is beginning a period of revitalization, and if Little Italy will manage to remain a stable Italian neighborhood as more downtown neighborhoods gentrify.

A host of factors, explored in this thesis, may impact the study neighborhoods in the years to come. Escalating housing prices in the Washington, D.C. area will continue to attract homebuyers to the relative bargains found in Baltimore. Aging populations may pull back some empty nesters into Baltimore City from the burgeoning suburbs. Renovation of the harbor in the post-industrial period will bring tourists and home buyers closer to the harbor to enjoy the amenity. Other factors not explicitly addressed in this thesis will affect the dynamics of the study neighborhoods. Local politics, school funding, race relations, service provision, investment patterns, and police and security issues, among other issues, will all impact the ability of the study neighborhoods to attract and retain residents that are willing to purchase homes and invest in their communities. Theories of residential and neighborhood succession
as well as gentrification help to explain some of the patterns, but given the multitude
of factors at a variety of scales that make and remake a city; this thesis offers only a
beginning in understanding neighborhood change in Baltimore.
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