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#### NEWS Local

<u>Transportation</u>

**Elections** 

Joel Connely

Robert Jamieson
Visitors Guide

Obituaries

**Sports** 

Nation/World

 $\underline{Business}$ 

<u>A&E</u>

Lifestyle

**NW Outdoors** 

**Photos** 

**Special Reports** 

#### COMMENTARY

**Opinion** 

Columnists

Letters

David Horsey

**Forums** 

COFFEE BREAK Comics & Games

Mike Mailway

TV Listings

#### **SHOPPING**

#### **NW**classifieds

- Jobs
- Autos
- Homes
- Rentals
- Place an Ad

#### **NW**source

- Coupons
- Online Shop

P-I ANYWHERE E-mail Newsletters PDA Tuesday, September 17, 2002

Census 2000: Seattle's rich areas get richer

By PHUONG CAT LE AND D. PARVAZ

SEATTLE POST-INTELLIGENCER REPORTERS

Gentrification spread through Seattle in the 1990s as median household incomes rose in most city neighborhoods, according to newly released census figures.

The city's richest neighborhoods got even richer in the last decade, and although the poorest saw some income gains, they still trailed substantially behind their wealthier counterparts.

"That's in line with everything I've heard about the prosperity of the '90s," said Diana Cornelius, city demographer with the Department of Design, Construction and Land Use. "The wealth of the wealthy increased by 28 percent, the wealth of the poor by about 20 percent . . and the disparity between the two groups became more pronounced."

The prosperity of the 1990s brought dynamic change to Seattle neighborhoods, infusing wealth into areas that had traditionally been poor. Yet, some neighborhoods, such as downtown and the International District -- which posted among the highest gains -- were still havens for the have-nots.

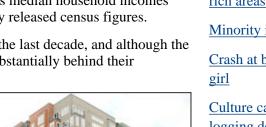
A slice of the Pioneer Square neighborhood, just south of Yesler Way,

saw a 20 percent gain, but still had a median income of \$11,265 -- the lowest in the city and in the county. More than one-third of the households made less than \$10,000 a year, and almost three-fourths had no access to a car.

Census data released today provides the first neighborhood-level look of incomes in 1999 as reflected by the 2000 Census "long form," filled out by one in six households. In Washington, 855,000 citizens, or about 14 percent, were asked to fill out a 53-question form covering everything from income and home values to plumbing and vehicles available.

The snapshot was taken in 1999, long before the dot-com boom went bust. But while the boom lasted, it changed the economic make-up of the city.

King County demographer Chandler Felt said neighborhood gentrification generally squeezes out older businesses and residents.





Three men wait along First Avenue hoping someone will hire them for day work. The man on the right, in the blue jacket, said he had a landscaping job for six years but his company went out of business. He said that as more condos are built in the area he and others will have to go elsewhere to wait for jobs.

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Felt said lower- or modest-income communities are heading south -- to Tukwila, SeaTac, Burien and Federal Way, cities that have seen a big influx of people of modest income in the past decade.

"People are being forced out of Seattle when they can't afford the rent and moving to those south King County communities," he said. "With a lot of gentrification going on -- increased rents, increased land prices -- it means longtime residents, including African American residents, can't afford to stay there."

In Madison Valley, between 23rd Avenue and 31st Avenue, incomes rose 31 percent from \$34,375 to \$44,894. This neighborhood also saw the biggest gain in the percentage of residents who are white, as well as the biggest drop in the percentage of residents who are black.



Nowhere is the change more dynamic than in Belltown and downtown, where the recent data reconfirms what construction cranes have signaled for years.

"In Belltown, you have enormous disparities," said Cornelius, the city's demographer. "It's probably the place in Seattle where you have the sharpest disparity. If you look at all the construction there, the cost of the newer construction isn't affordable to the traditional population that's been there."

In Seattle, Belltown, downtown and the International District were among the neighborhoods with the fastest-rising median household income, as more empty-nesters and young couples without kids settled into new luxury high-rises, lofts and apartments. More than 3,000 new condo units have been built in Belltown alone in the past three years.

Median household incomes rose 63 percent to \$35,139 in the downtown/Belltown census tract and drew more people like software developer Michelle Ellerd.

She moved downtown as she started making money, drawn to an area emblematic of the dot-com gold rush, with its glossy new condos and expensive hangouts.

"The nicer condos and just having so many cool things near is what brought me here," said Ellerd, 28. "If I wasn't close to Capitol Hill, bars, shopping, all that stuff, I wouldn't be here."

Belltown isn't a uniform example of last decade's economic boom. It's a schizophrenic mix of wealthy hipsters shopping for expensive modular furniture and homeless people who camp on the sidewalk.

In Seattle's richest neighborhood, in the Montlake/Capitol Hill area, median household income jumped by 28 percent, from \$78,858 to \$101,319, adjusting for inflation. The gap between the city's richest and poorest neighborhoods grew by 30 percent.

The neighborhood trends reflect what's happening statewide. Washington's income gap grew 4 percent from 1990 to 2000.

"The middle class is becoming smaller and smaller," said Aiko Schaefer, director of the Statewide Poverty Action Network. "The wealthy segment of our population is making things more expensive, and the other half are having difficulty affording homes and are really struggling to just keep up."

Some gap between rich and poor in terms of income gain will probably always exist in most places, said state economist Dr. Chang Mook Sohn. The census figures cover the period from 1990 to 2000, before the dot-com crash. While stock-option wealth skyrocketed and high-tech workers enjoyed growing incomes, Sohn said, many other wage earners saw their paychecks barely keep pace with inflation.

Those trends, he said, "created huge inequalities."

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#### Tale of two cities

In the poorest tract of King County, where broken automobile glass lines the street and the roar of traffic from Yesler Way and South Jackson Street is permanent background noise, life is described as "fine."

"But it's very dangerous over here," said Lourdes Pinto, on her way to a bus stop on 12th Avenue.

She lives in a white, two-story home she figures to be at least 40 years old, along with her three children and husband. She says her neighbors are nice, but admits

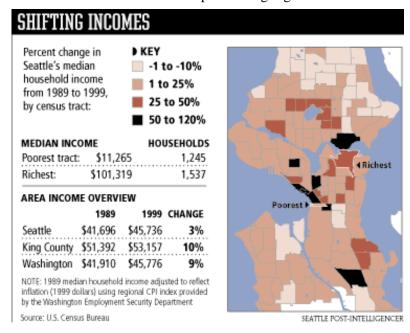
people keep to themselves.

Paul Joseph Brown / P-I Brooke Barnett, right, reads a book during a break from her barista job at Tully's Coffee at the intersection of Western Avenue and Wall Street.

"They never say nothing to me," said Pinto, 38, who has lived in the area for nine years.

A brisk, 20-minute walk from Pinto's neighborhood is the city's downtown core. Hemmed in by Fifth Avenue and state Route 99, Olive Way and Yesler Way, the area saw the second-fastest-rising income in Seattle -- up by 87 percent.

Here, luxury residential buildings rest atop high-end stores and restaurants, where men in suits and women with expensive highlights in their hair work, shop and live.



In the nearby downtown/Belltown tract, Census figures indicate a 63 percent increase in average income between 1989 and 1999.

"In 1980 and before, the residents there were mostly very poor. In 1990 . . . it transitioned into being downtown living for the well-to-do," said county demographer Felt. "I'm not surprised by the big increase, it's part of the change of character in downtown Seattle."

But for some people, the more things change, the less they really notice.

"Yeah, you see all the buildings all around, but that just means that it's growing, just like any other place," said Michael Green, an artist who spends a lot of time at StreetLife Gallery on Second Avenue in Belltown.

"I'm just glad they got rid of all the drug addicts. Well, not all of them, but most of

them," said Green, 46. He said that living in the area is more expensive, but that doesn't make a lick of difference to the homeless folks painting at the gallery or hanging out at Regrade Park on Third Avenue.

### **Becoming less affordable**

Economic growth has caused growing pains in some of the more affordable areas in King County.

In Columbia City, bustling restaurants and shops have edged out the drug dealers and prostitutes along Rainier Avenue. Young families -- attracted to the neighborhood's affordable housing and proximity to downtown -- are fixing up the once-crumbling houses.

And every month, the neighborhood attracts hundreds of people for a night of music similar to the art gallery events in Pioneer Square.

But progress has come at a considerable cost: Higher housing costs have forced out the poorer people, and higher rents have put some small businesses out of commission.

Since the last census, median income in the neighborhood shot up 41 percent, to \$39,554. And the median price of a house rose by nearly 10 percent each year. Rents have gone up an average of 7 percent each year.

"I couldn't believe how cheap the houses were," said Bert Harris, a 55-year-old massage therapist who six years ago paid \$119,000 for his one-bedroom bungalow. He got five adjacent lots in the deal, two of which he sold for \$126,000.

"I basically got a free house in four years. I love it down here," said Harris, while checking stock prices on the Internet at Lottie Motts, a casual neighborhood coffeehouse on Rainier Avenue South.

There's evidence of fiscal trouble elsewhere in the neighborhood, since 1999 when the census was taken.

Nearby, two struggling businesses display "For Rent" signs in the windows. Joyce Parker, owner of Parker Salon, put hers up last week because of the tanking economy and rising rent.

"I'll be honest with you, not everything's great here," she said on a slow day. "This community is so hot, it has to do with Starbucks and all the restaurants, but it's downtown prices, in terms of rent."

Similar problems are evident in South Beacon Hill, where property values and income levels zoomed up, largely after the Seattle Housing Authority began razing dilapidated Holly Park housing units in 1996.

The authority is now building NewHolly, a \$275 million development of 1,390 homes, ranging from very low income to market rate. A third of those homes will be for sale; the rest will be rentals. Of the approximately 148 homes sold so far, the median price was \$230,000.

In the International District, new office buildings, condos and restaurants stand as a stark contrast to the dive bars and dilapidated apartments just two blocks away.

"When I came here five years ago, this area was all very ugly," said Izume Takeda, 23.

She first visited Seattle as part of an exchange program in 1997, and has returned to study English.

"I can't believe how much it's changed," she said, though she added that, "It's still not nice at night.

"Even now, I don't like going there," she said, pointing toward Jackson Street and Pioneer Square, the county's second-poorest area, where relatively few "haves" rub shoulders with the more numerous "have-nots."

Here, battered buildings cast shadows over touristy shops and bars popular with the college crowd, and the price for that gentrification weighs heavily upon those who earn about \$13,057 a year.

"There's three of us in a two-bedroom place, and I can still barely afford to live here," said Mason Davis, 19, adding that his landlord has raised the rent twice in one year.

He said he'd like to move to a neighborhood where "there aren't so many drunks and fights."

But first, he said, he needs to save some money.

P-I reporter Vanessa Ho and The Associated Press contributed to this report. P-I reporter Phuong Cat Le can be reached at 206-903-0370 or phuongle@seattlepi.com

Back to top

<u>Home</u> | <u>Site Map</u> | <u>About the P-I</u> | <u>Contact Us</u> | <u>P-I Jobs</u> | <u>Home Delivery</u>

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