

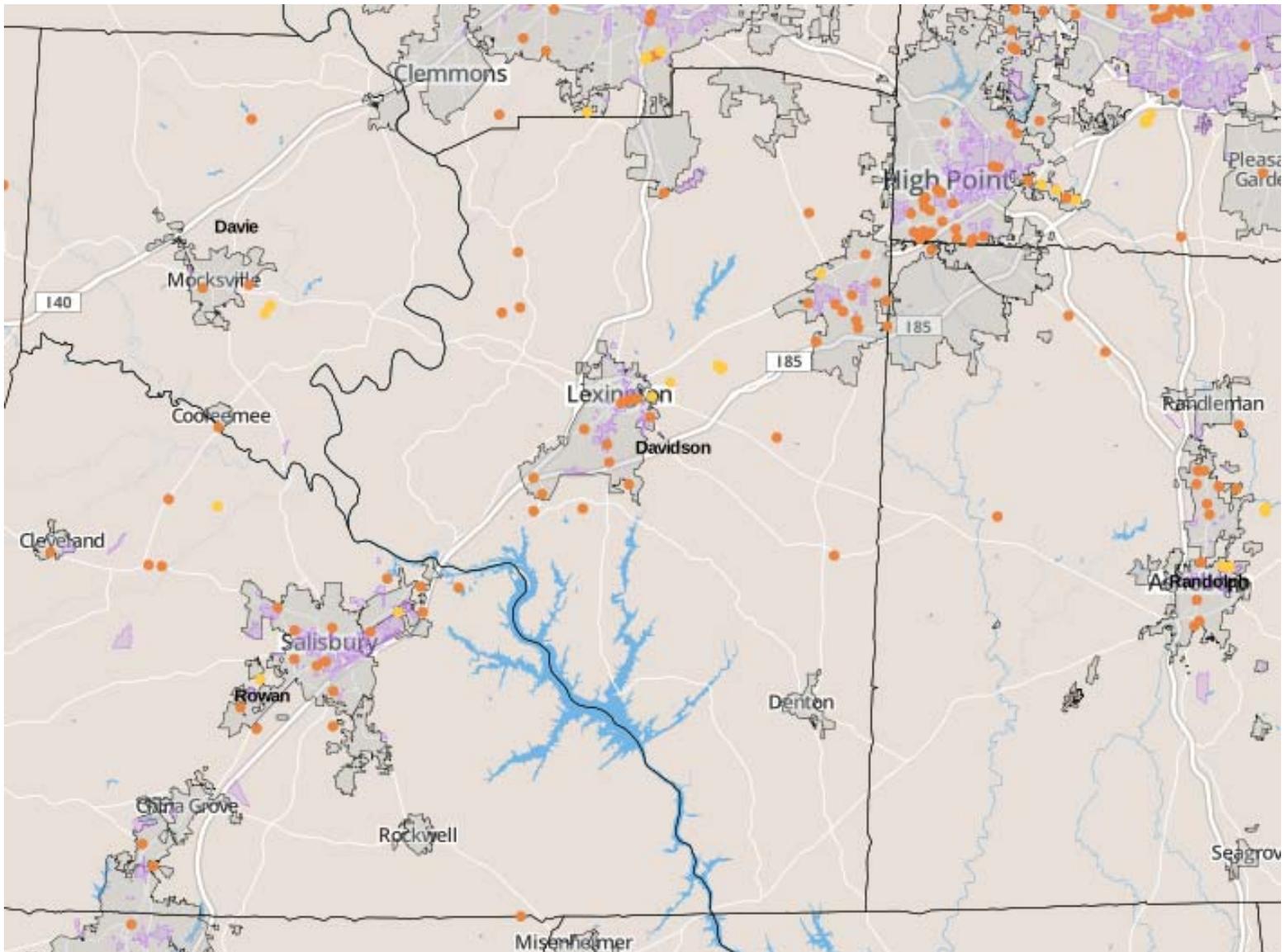


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The State of Exclusion

Davidson County, N.C.

An In-depth Analysis of the Legacy
of Segregated Communities



Davidson County sits between the Triad and Charlotte in the Piedmont of North Carolina. Its two largest towns, Lexington and Thomasville, were manufacturing centers for the textile and furniture industries, but almost all major industry has left, in part as a result of free trade agreements. Population in Lexington declined between 2000 and 2010, while Thomasville continues to grow due to its proximity to High Point and Winston Salem. Over two-thirds of the African American and Latino population of the county resides in these two towns, which are also home to the majority of individuals below the poverty line (51%), even though the towns contain only 28% of the total county population.¹



Figure 1: Northern Davidson County

Two newer towns, Midway and Wallburg, abut Forsyth County and were recently incorporated in 2006 and 2004, respectively, in part to avoid annexation by Winston Salem. Midway is 87% white and Wallburg is 94% white, and both have median incomes that are nearly twice as high as the other towns in the county. These towns are essentially bedroom communities for Winston Salem and High Point, each of which is about 50% white.

¹ Most information was provided by the local governments in response to public records requests, from census data, from the US Department of Housing and Urban Development (HUD), the NC Department of Public Instruction (DPI), or from the UNC Environmental Finance Center. Sources for all data are available upon request. Please email pgilbert@email.unc.edu.

JURISDICTION	POPULATION	MEDIAN HOUSEHOLD INCOME
DAVIDSON COUNTY	162,878	\$44,318
THOMASVILLE	26,757	\$34,253
LEXINGTON	18,931	\$28,922
WALLBURG	3,047	\$60,729
DENTON	1,636	\$33,017
MIDWAY	4,679	\$54,511

Southern Davidson County is home to Denton, the smallest town in the county, which has a median income equivalent to Thomasville or Lexington, but is 99% white and has only two individuals who self-identified as African American on the 2010 census. Anecdotal evidence suggests that this high level of segregation is not accidental. In 2012 Denton made the news when the Ku Klux Klan sent a threatening letter to the promoter of a semi-professional wrestling exhibition scheduled to appear at Denton Elementary school to prevent an African American wrestler from performing. There are no African American students at Denton Elementary.

Housing

Affordable housing is provided nationally through four main programs, all of which are funded, at least in part, by HUD and generally administered locally. These programs include traditional public housing units operated by local housing authorities, rental vouchers through Section 8, privately owned rental affordable housing subsidized by HUD through the low-income housing tax credit, and privately owned rental housing subsidized through various multi-family assisted housing programs. Although HUD regulations and the federal Fair Housing Act require that these programs be administered in such a way as to reduce residential racial segregation, almost all subsidized housing in Davidson County is clustered in Lexington and Thomasville, with very little subsidized housing available anywhere else in the county. One effect of clustering subsidized housing in already concentrated areas of poverty and non-white population is to exclude African Americans, Latinos, and other low wealth residents from neighborhoods of higher opportunity that have greater access to employment, higher median incomes, and better educational opportunities. This county-wide pattern of exclusion perpetuates racial segregation and frustrates the purposes of the Fair Housing Act.

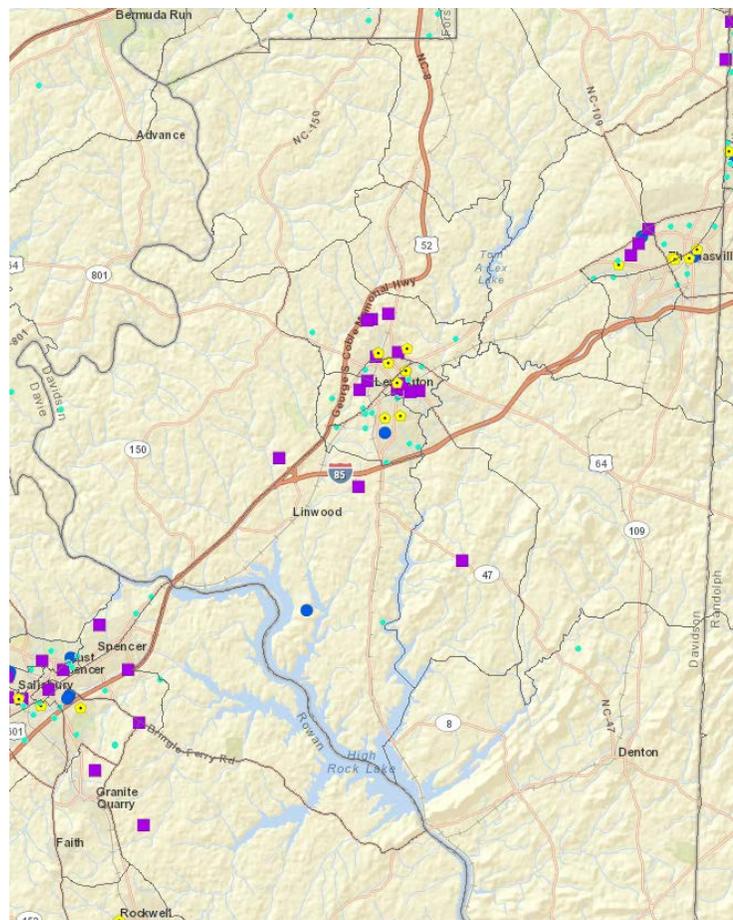


Figure 2: HUD map showing the location of subsidized housing clustered in Lexington and Thomasville.

Education

According to a recent study by the Duke University Sanford School of Public Policy, Davidson County has the second most racially segregated schools in North Carolina, trailing only Halifax County. Not by coincidence, Davidson and Halifax are each home to three separate school districts, a county school district and two city school districts. Thomasville City Schools and Lexington City Schools are very small districts, both of which are even more racially isolated and higher in poverty than the towns themselves. Academic achievement in the city schools significantly lags behind the county school district which is much larger, wealthier, and whiter. While per pupil funding is higher in the city schools, the difference does not overcome the negative educational effects of poverty and racial isolation.

SCHOOL DISTRICT	STUDENT POPULATION (12-13)	PERCENTAGE OF WHITE NON-LATINO STUDENTS (12-13)	PERCENTAGE OF STUDENTS ELIGIBLE FOR FREE OR REDUCED LUNCH (12-13)	TOTAL PER PUPIL EXPENDITURES (10-11)	OVERALL END OF GRADE (EOG) TEST PASSING RATES (10-11)
DAVIDSON COUNTY	20,095	87%	45.90%	\$7,135	73%
LEXINGTON CITY	3,048	26%	87.44%	\$10,720	56%
THOMASVILLE CITY	2,439	25%	90.75%	\$10,203	44%

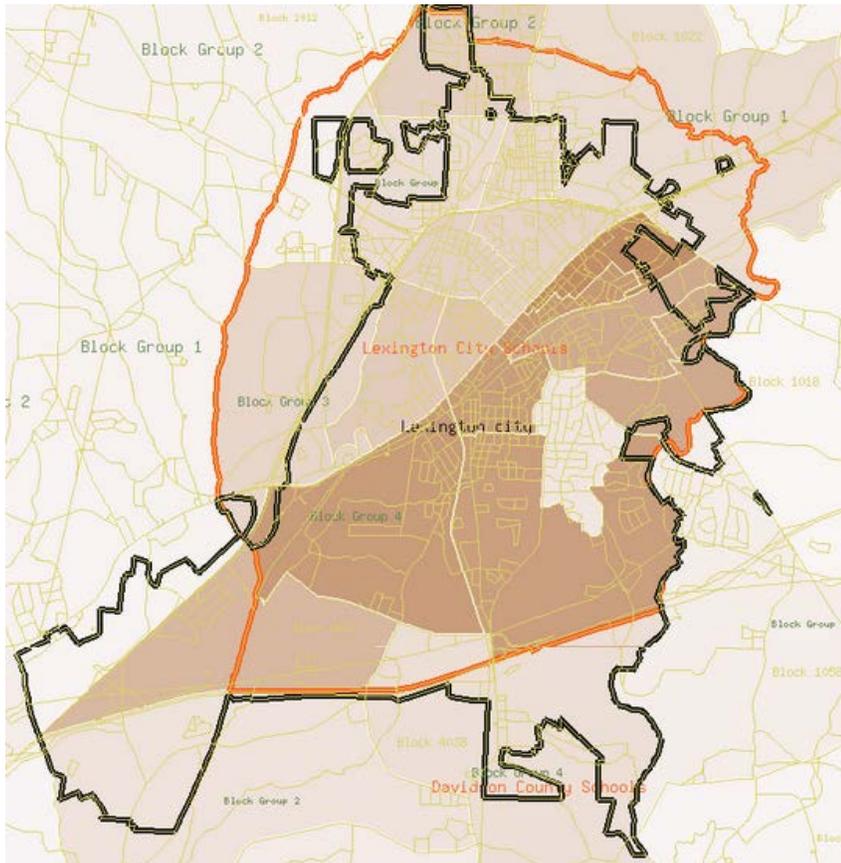
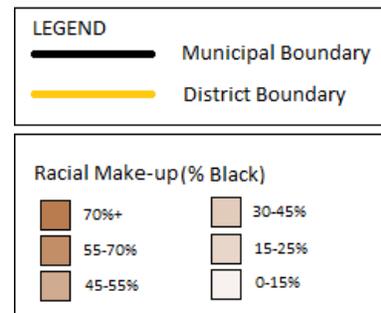


Figure 3: Lexington City Schools

The non-white racial concentrations in the city school districts are even greater than in the towns themselves, which is the result of school district policies that increase the inequities of residential segregation. The Lexington City school district is both over- and under-inclusive of the city boundaries. The school district does not include neighborhoods inside the city on the south side of the town that are whiter than the town as a whole, but the school district extends outside municipal limits on the north and west sides of town to include neighborhoods that have a higher percentage of African American residents than the surrounding county.



The Thomasville school district is smaller than the town in almost every direction—the district only includes the concentrated African American population in the town’s center, and few of the majority white neighborhoods further out. The underbounded school district results in part from Thomasville’s annexation of predominantly white suburban areas without a corresponding expansion of the school district. Another cause of the segregation is more nefarious. In 1955, just one year after *Brown v. Board of Education*, the North Carolina General Assembly approved legislation that transferred areas containing the majority African American Kern Street and Church Street schools from Davidson County Schools into the Thomasville school district—reinforcing segregation and excluding those African American students from the majority-white Davidson County District.

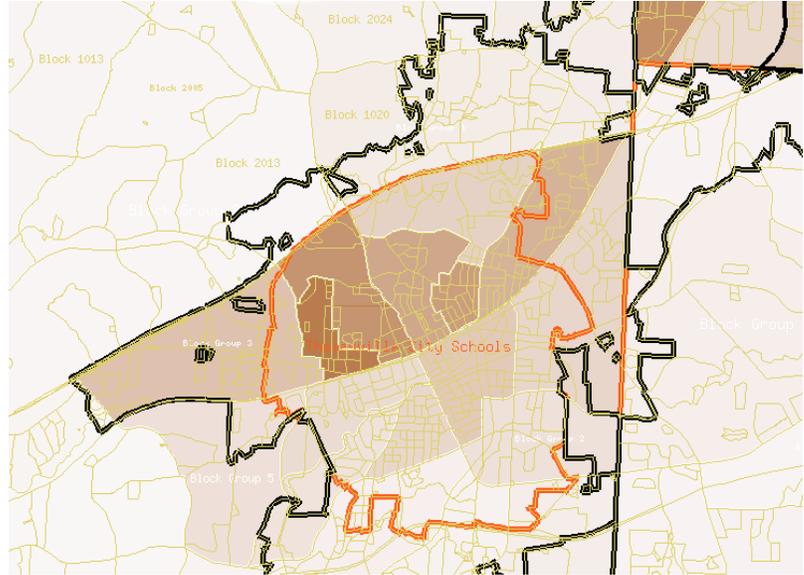


Figure 4: Thomasville City Schools

Political Representation

Political representation directly reflects the exclusion in the county seen in housing and education. Only Thomasville and Lexington have non-white elected representatives. Thomasville elects seven city councilors and a mayor, all at-large. Two of the Thomasville councilors are African American, a higher percentage of representation than the town’s African American population. Its school board is appointed by the city council and has five board members, three white, and two African American.

Lexington has eight city councilors and a mayor. Six of the councilors are elected from districts; two councilors and the mayor are elected at-large. Two of Lexington’s city councilors are African American, representing the two districts that are majority African American. As Lexington is almost 30% African American, they are slightly underrepresented on the city council, probably due to the two at-large seats. The Lexington City School Board is appointed by the city council from the same districts, with two at-large members and one appointed from outside the municipal limits by the Davidson County Commissioners. Three of the nine school board members are African American and one is Asian American.

All other elected officials in the county are white. The county has seven commissioners elected at-large. All are white men, five of whom are over 60. The Davidson County School Board is also all white, elected at-large but with residency districts. Midway, Wallburg, and Denton also have all-white city councils, all elected at-large.

Utilities and Infrastructure

Water is provided through much of the county by three of the municipalities and by three private water suppliers: Davidson Water, Inc., AquaAmerica, and Handy Sanitary. Davidson Water serves most of the northern and central areas of the county, including the towns of Midway and Wallburg. Handy Sanitary covers much of the southern portion of the county. AquaAmerica only serves a handful of newer private subdivisions. Thomasville, Lexington, and Denton operate water systems that serve those municipalities and most of the rest of the county. Between these seven suppliers, almost all of Davidson County has water service, but at varying rates.

Water and Sewer Rates in Davidson County

UTILITY PROVIDER	WATER BILL AT 5,000 GALLONS/MONTH	SEWER BILL AT 5,000 GALLONS/MONTH	COMBINED WATER AND SEWER	COMBINED BILL AS A PERCENTAGE OF MEDIAN HOUSEHOLD INCOME ²
DAVIDSON WATER, INC.	\$24.45	N/A	\$86.51 (combined with Davidson County sewer)	.66% (only water) 2.34% (combined with Davidson County Sewer)
DAVIDSON COUNTY	N/A	\$62.06	\$86.51 (combined with Davidson Water, Inc.)	1.68% (only sewer) 2.34% (combined with Davidson Water)
HANDY SANITARY	\$39.00	\$55.00	\$94.00	2.54%
AQUAAMERICA	Rates not reported	Rates not reported	Rates not reported	Rates not reported
LEXINGTON IN-TOWN	\$20.99	\$32.75	\$53.74	2.23%
OUT OF TOWN	\$47.22	\$73.69	\$120.91	5.02%
THOMASVILLE IN TOWN	\$31.85	\$43.00	\$74.85	2.62%
OUT OF TOWN	\$71.65	\$96.78	\$168.43	5.90%
DENTON IN TOWN	\$36.90	\$37.10	\$74.00	2.69%
OUT OF TOWN	\$73.80	\$74.20	\$148.00	5.38%

Water and sewer rates are roughly equivalent across the county, with generally lower rates paid by municipal residents. The few residents who live outside municipal limits and purchase water from a municipality pay twice as much, which is allowed under N.C. law.

Unlike water, sewer service is not available in large portions of the county. Some sewer service is provided by the county but it is very limited; sewer is mostly provided by Lexington, Thomasville, and Denton to their residents and in a limited way beyond town limits. The Town of Midway reports in its land use plan that it is in the process of extending sewer lines which will continue to be owned and operated by the county. Midway did not respond to requests for information about where service is currently available. There is no obvious evidence of racial disparities with respect to water and sewer access. Because of the concentration of African American and Latino residents in Lexington and Thomasville, those residents are more likely to have sewer service than rural white county residents.

² Median household income is as reported by 2012 American Community Survey of the U.S. Census Bureau. The median home income for each individual town is used where applicable; otherwise it is based on that of the entire county.

Underbounded Communities

Underbounding occurs where a municipality’s limits do not include a neighborhood that would otherwise be within the municipal limits based upon its location, density, and history. Underbounding is sometimes obvious; an African American neighborhood may be a geographic doughnut hole, completely surrounded by municipal limits but not included. Other cases are not as apparent; a community may be near but not directly adjacent to a municipality, but still underbounded based upon the social and historical context.

Often underbounded communities are the result of historical racial segregation or deliberate exclusion. Many towns incorporated when Jim Crow segregation was legal, allowing them to draw their boundaries so as to exclude African American neighborhoods. Other towns have grown by annexing wealthier white suburbs, but have had no financial incentive to annex underdeveloped communities of color. An analysis of Lexington both from computerized maps and on-the-ground inspection reveals two neighborhoods that have a higher proportion of people of color than the town as a whole, and are underbounded from Lexington.

Adjacent to the north side of Lexington is Northside Gardens, a relatively densely populated working class neighborhood where most residents identify as Asian American. Nearby streets inside the town limits have water service, but an on-the-ground inspection reveals no fire hydrants or evidence of water service in census blocks that are majority non-white. The town does not provide water or sewer to the community. The streets are paved but lack sidewalks, storm drains, and streetlights. Despite its close proximity to the town, this area relies on the county sheriff and is not served by city police. If annexed by Lexington the residents would have to pay additional taxes, but they would also be provided public water and sewer and save the expense and having to maintain wells and septic tanks.



Figure 5: Northside Gardens



Figure 6: Eastern Heights

Eastern Heights is part of an unincorporated peninsula surrounded on three sides by the Lexington city boundaries, east of Abbott’s Creek and south of Finch Park. The neighborhood is mostly African American, with a large Latino population as well. Part of the community has paved roads without sidewalks and a few streetlights that are probably privately maintained. Other roads are unpaved. Many residents live in a few multi-family rental units. There is no sewer service despite the dense population and nearby sewer lines. There is water service, but no fire hydrants were observed in this neighborhood.

Conclusions and Recommendations:

The deep divides in Lexington County suggest solutions that sound simple, but will not be easy. Limited and geographically concentrated access to affordable housing, school districts that are divided by race and class, and the complete lack of any non-white representation in county government are deep issues, and they share a common root of residential segregation. Proposing solutions is much simpler than building the political will to challenge these entrenched divides and power structures.

Potentially the easiest issue to address is the lack of services in Lexington's underbounded neighborhoods. As an initial priority, the residents should be surveyed to determine whether they are interested in pursuing annexation. If so, depending on income levels and other factors, they may qualify for a 2011 addition to North Carolina's annexation law that under certain conditions requires the town to annex distressed communities and to provide them with water and sewer service.

Consolidation of the three school districts would be an important step to overcoming the divides of race, poverty, and educational performance between them, and would save money by eliminating the redundancies of three separate school administrations and capital expenses. The Davidson County Board of Commissioners has the power to consolidate the districts, as do the courts, and the N.C. General Assembly can adopt legislation to facilitate such action, but any solution would require significant pressure from the community.

The underrepresentation of African American voters compounds the issue. More equitable political representation in county government and on the majority white town councils could be accomplished through changing to districted elections instead of at-large elections. Like school consolidation, this could be required by the legislature, the courts, or voluntarily adopted by the various governments.

To remedy the lack of subsidized affordable housing outside of Thomasville and Lexington, the county must commit to building housing in areas of higher opportunity, especially in or near the higher wealth towns of Midway and Wallburg. In order to receive funding from HUD, all counties must conduct a formal "Analysis of Impediments to Fair Housing," and certify that they are taking steps to address those impediments and meet HUD's goal to "Affirmatively Further Fair Housing." Principles of fair housing dictate that affordable housing must not be concentrated in racially and economically segregated areas but should be placed in areas of higher opportunity to achieve the express goal of racial integration. The lack of affordable housing anywhere but the two poorer post-industrial towns is a severe impediment to fair housing; without making concrete strides to remedy this, the county could be denied future HUD funds.

About the Inclusion Project

Civil rights advocates have long recognized that housing segregation creates inequality in living conditions related to housing, like clean drinking water, the type and condition of homes, and exposure to pollution. Residential segregation also undermines equal access to education, public resources, and employment, and frustrates democracy at every level. Despite this understanding, most advocates address these issues piecemeal. Schools may desegregate for a time, but as segregated housing patterns persist they tend to re-segregate. A community may successfully fight off one polluter but lack the political power to prevent the next. Few victories stay won.

One impediment to integration is an individualistic legal framework where civil rights are perceived as individual rights and racial discrimination as a personal experience. The opposite is true. Housing segregation operates at a neighborhood level. When a neighborhood is overwhelmingly one race, all of the residents face impacts of that segregation, regardless of their own race or circumstances. Individuals face other forms of racial discrimination individually, for example in employment or access to higher education, but even these types of discrimination are reinforced and perpetuated by segregated communities.

This project uses North Carolina as a case study of impacts tied to super-majority non-white neighborhoods called excluded communities. The term “excluded” is applied broadly to refer to any community excluded socially, politically, or economically from opportunities available to other residents. These studies hypothesize that super-majority non-white neighborhoods will face greater than average impacts of housing segregation suggestive of community exclusion based on race.

One particular form of exclusion this report analyzes is the phenomenon of municipal underbounding. Underbounding occurs where a municipality’s limits do not include a neighborhood that would otherwise be within the municipal limits based upon its location, density, and history. Underbounding is sometimes obvious; an African-American neighborhood may be a doughnut hole, completely surrounded by the municipal limits but not included. Other cases are not as immediately apparent; a community may be near but not directly adjacent to a municipality, but still underbounded based upon the social and historical context.

The goal is to provide communities, advocates, funders, and policy makers with an understanding of the shared causes of the overlapping challenges facing excluded communities, provide them with data on the seriousness of the issues, and to suggest where additional data is needed. The first phase of the project was a statewide analysis resulting in the publication of the *State of Exclusion* report. The results were startling, especially with respect to educational disparities and environmental justice issues, but ultimately the report raised more questions than provide answers. The Inclusion Project of the UNC Center for Civil Rights now continues this work with further research into individual counties and communities and through continued direct representation.

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