



Perspectives on Regionalism:

Opportunities for Community-Based Organizations
to Advance Equity

A Review of Academic and Policy Literature

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Preface

On June 22nd and 23rd 1999, PolicyLink convened a group of California practitioners whose community based initiatives are promoting regional equity. This document — originally developed as a briefing manual for PolicyLink staff by Martha Matsuoka and Josh Kirschenbaum — contains a set of short synopses of books and articles on regionalism by academics, researchers, and policy advocates. The works were selected based on the authors' attention to equity in their research on regions. The intent of the literature review was to capture an initial understanding of the national debate on regionalism and the strategies being discussed as a way for PolicyLink to begin development of a policy agenda that has equity at its core. The selection of articles and books does not represent an exhaustive view of the field, rather, it serves as a starting point to understand the current thinking on equity and the region.

For each of the articles and books, the literature has been summarized using three categories.

- 1: What is the problem
- 2: Explanations of regional inequities
- 3: Strategies and approaches to address the problem

These summaries are not intended to be original pieces of research: most of the material has been directly lifted from the original work and the synopses rely heavily on direct quotations. As such, the strategies and policy directives were developed by the original authors. These summaries are only intended to provide a brief overview of the field and should not be used in place of the original work. In order to have a complete understanding of the authors' arguments and strategies, please refer to the attached bibliography.

In summary, we found that the literature:

- Approaches regional equity through a range of analyses and strategies: economic, environmental, and efficiency.
- Pays some, but limited, attention to the challenges of implementation within the context of existing power structures.
- Focuses heavily on inner-city communities and neighborhoods. Yet, there is little written about the roles of community based organizations and residents in public policy making.
- Depends heavily on a Black/white race paradigm to understand issues of regional inequity. There is little written on the changing demographics, which is particularly relevant for regions in the State of California.
- Does not take into consideration regional differences and variations.

For additional background material on equity and the region, please see the following publications. Several of the articles reviewed in this summary were published in these anthologies and reports.

- “How Smart Growth Can Stop Sprawl: A Briefing Guide for Funders” (1998) by David Bollier, Sprawl Watch Clearinghouse, Washington D.C.
- “Initiatives for America’s Regions” in the *The Regionalist* (Winter 1997) — National Association of Regional Councils and the University of Baltimore, Baltimore Maryland
- “The New Metropolitan Agenda” in the *Brookings Review* (Fall 1998) — Brookings Institution, Washington D.C.
- “Revitalizing America’s Cities: Searching for Solutions” in the *Stanford Law and Policy Review* (Summer 1997)

Scott Bernstein

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Publications Reviewed

"Community-Based Regionalism Key for Sustainable Future." *The Neighborhood Works*.
November/December 1997.

Toward an Alternative Economics for the Metropolitan Chicago Region. With Stephen Perkins,
Ph.D. May 7, 1997.

Center for Neighborhood Technology website: <http://www.cnt.org/>

What is the Problem?

U.S. regions — "their people, their communities and their markets — will come to grips with a staggering set of issues: regional long-range transportation plans; air and water quality attainment plans that can underwrite an improved quality of life; and potentially explosive growth in land area and sprawl if they don't reverse course."

Bernstein argues that the inability to address these issues is a result of the lack of governance structures and systems that enable regions to organize themselves and take action. Local government entities, regional and market-based institutions must "perceive the potential mutual gain opportunities in acting together toward a common set of goals, and in designing new systems to capture and distribute the benefits of innovations as they emerge."

Why the Problem?

Bernstein, along with the President's Council on Sustainable Development (PCSD), notes that regional cooperation and initiatives are developed and undertaken independent of the federal government. Helping develop ways for the federal government to support this initiative is a focus of the PCSD and the work of CNT. Through federal and regional partnership, it is possible to expand the range of regulatory and financing options available to community residents and businesses to restore the environment and revitalize the economy.

Regional Strategies to Address the Problem

Bernstein notes that the movement toward greater metropolitan cooperation is occurring throughout the country around issues such as water quality, sprawl and access to jobs, and is being done independent of the federal government. Regional cooperation and initiatives can be strengthened by federal action.

Bernstein and CNT's Metropolitan Initiative recommend the following actions to strengthen the relationship between federal government and metropolitan areas. CNT suggests that each region would define its own agenda for regional cooperation which would be embodied in a metropolitan compact between the parties. The regional pilot programs might include the following strategies:

- Realign existing interagency coordinating mechanisms to enable direct relationships with the metropolitan regional organizations.
- Redirect federal information and technology transfer programs to regions directly.
- Provide regulatory flexibility when regions produce superior environmental performance and community benefits.
- Target existing federal expenditures to meet regional priorities, including the use of innovative procurement procedures and financing partnerships.

In a recent paper titled, *Toward an Alternative Economics for the Metropolitan Chicago Region* (1997), Bernstein and Stephen Perkins suggest the following strategies for the Chicago region:

- Environmental Trading with Community Benefits
- Avoidance of Public Capital Investments
- Tradable Wetlands
- Tradable Development Rights
- Landfill Community Impact Fees
- Financing of Area-Wide Environmental Restoration
- Environmental Restoration insurance
- Location Efficiency
- Industrial Reinvention and Regulatory Flexibility

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Publications Reviewed

"Concentrated Poverty and Metropolitan Equity Strategies." *Stanford Law & Policy Review*.
Revitalizing America's Cities: Searching for Solutions. Volume 8:2. Summer 1997.

Proceedings from *Linking Regional & Local Strategies to Build Health Communities* a conference
of the Institute of Race and Poverty at the University of Minnesota. Spring 1996.

What is the Problem?

Concentrated poverty and spatial segregation within metropolitan urban regions results in low quality of schools, low level of municipal service, heavy tax burdens, low access to work, and low levels of safety. As poverty concentrates, neighborhoods decline, becoming "spatially and psychologically separated from good urban jobs, education and amenities." These factors lead to the creation of an urban underclass.

Regional approaches are required to address unequal development and concentrated poverty, but current approaches are limited because:

- Regional planning/government focuses on technical aspects of growth and development such as air quality and transportation; regional approaches therefore rely on quantitative and engineering measures.
- Regional planning/government is compartmentalized. "Institutional responses partition, not span, regional policy boundaries." The Metropolitan Transportation Authority in Los Angeles for example, has the authority to undertake regional public works projects, but has little authority over land use policies at the local level.
- Regional planning/governance is institutionally insular. Regional policy makers are distanced from direct accountability from the public. Elected and appointed officials are accountable foremost to represent local, not regional interests.

Why the Problem?

Bollens argues that “segregation and concentrated poverty are products of institutional discrimination and individual prejudice and constitute significant sources of future disadvantage and relative deprivation.” Conditions have not been adequately addressed because: 1) limits of regional governance/planning; and 2) community development strategies are constrained by people-based versus place-based strategy dichotomy.

Regional Strategies to Address the Problem

Regional planning/governance must integrate place-based and people-based strategies. Bollens suggests 10 initiatives to alleviate concentrated poverty.

- Channel federally assisted housing expenditures to lessen racial concentration. Federal Executive Orders give Councils of Governments (COGs) authority to review federal financial assistance and directed development activities. Through this authority COGs can direct federally designated housing expenditures to lessening concentrated poverty across the region. A fundamental component of a mobility/decentralization strategy.
- Establish a regional government campaign against residential segregation. Metropolitan governments could help establish and support non-profit fair housing organizations by establishing a regional division of housing opportunity. A mobility/decentralization strategy.
- Limit suburban sprawl. Strategies include defining minimum density standards to diversify housing types and sizes offered throughout the urban region. A place-based strategy to channel economic development and opportunities inward to inner-city households and individuals.
- Require “fair share” affordable housing obligations. A mobility approach that advocates for regional planning to disperse the region’s affordable housing equitably throughout the region through mechanisms such as allowing payments to be made to those jurisdictions willing to build more than their fair share of housing. Example: the Minneapolis/St. Paul COG which links the Council’s authority to allocate proceeds from property taxes with the Council’s initiative to encourage municipalities to develop affordable housing.
- Encourage balanced distribution of jobs and housing. A place-based strategy to integrate jobs and housing across the region to channel new jobs to inner-city neighborhoods and direct new housing closer to suburban job centers.

- Target regional transportation and redevelopment strategies. “The Intermodal Surface Transportation Efficiency Act (ISTEA) requires regional governments to consider the overall social, economic, energy and environmental effects of transportation decisions.” Strategies include restricting use of redevelopment authority and tax increment financing to the most distressed neighborhoods (as in Minneapolis/St. Paul). Initiatives could target brownfield sites in/near areas of concentrated poverty, and integrate social services with improvement of public schools.
- Modify development to advantage distressed areas. Expand existing review authority (i.e. “regional impact” or “metropolitan significance”) to incorporate social impact analyses.
- Site Locally Undesirable Land Uses (LULUs) based on equity criteria. Uses such homeless shelters, waste disposal facilities, polluting industries, and public housing can be equitably distributed across regions.
- Develop guidelines for local integration maintenance programs. “Integration maintenance (IM) programs are municipal strategies that encourage white homebuyers to locate in racially integrated neighborhoods and African-American homebuyers to locate in predominately white neighborhoods.” As a mobility strategy, IM programs would require regional planning agencies to develop regional databases based on quantitative and qualitative information re: ethnic stability and patterns of integration within neighborhoods.
- Attack root fiscal reasons behind ineffective municipal planning. Strategies include tax-base revenue sharing, e.g. the Minneapolis/St.Paul requirement that every local government in the seven-county region contribute 40 percent of its commercial and industrial tax base growth to a region-wide pool to address regional inequity. Other strategies include developing stricter municipal incorporation requirements to reduce fiscal competition between suburbs and central cities.

Robert Bullard

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Publication Reviewed

"Sprawl Atlanta: Social Equity Dimensions of Uneven Growth and Development." Environmental Justice Resource Center. January 1998.

Background

Robert Bullard is considered a founder and longtime leader of the environmental justice movement in the United States. His book *Dumping in Dixie: Race, Class and Environmental Quality* as well as two edited volumes: *Confronting Environmental Racism: Voices from the Grassroots* (1993) and *Unequal Protection: Environmental Justice & Communities of Color* (1994) illustrate the connection between racism and environmental quality. Racism Bullard argues plays a key factor in environmental planning and decision making and is reinforced by government, legal, economic, political and military institutions. In one of his recent publications on environmental justice, Bullard stated, "the most polluted urban communities are those with crumbling infrastructure, ongoing economic disinvestment, deteriorating housing, inadequate schools, chronic unemployment, a high poverty rate, and an overloaded healthcare system." In 1994 Bullard founded the Environmental Justice Resource Center at Clark Atlanta University to serve as a national resource for the environmental justice movement, advocating for a redefinition of environmentalism that emerges from the challenges facing low-income communities of color and a grassroots movement for improved quality of life.

Sprawl Atlanta is the product of a multidisciplinary approach to analyze the emerging crises resulting from urban sprawl in the ten-county Atlanta metropolitan region. Policy recommendations for the region were developed from a series of policy papers that were commissioned from a team of local experts, including sociologists, lawyers, urban planners, economists, educators, and health care professionals. In addition to analyzing the traditional factors and topic areas (i.e. housing, jobs, transportation) that contribute to sprawl, the study illuminated the rising class and racial divisions underlying the uneven patterns of growth in the metropolitan area.

What is the Problem?

Bullard argues that sprawl-driven development has negatively impacted the population, jobs, and investment capital and tax base of the urban core and is pushing people further and further apart geographically, politically, economically, and socially. Urban sprawl is responsible for many of the social ills in metropolitan Atlanta, and most of the negative effects of uneven development can be grouped in two broad categories: environmental and social. The environmental effects of sprawl include automobile dependency, urban infrastructure decline, increased energy consumption, air pollution, threat to farm land and wildlife habitat, and diminished quality of life. The social effects include core city abandonment and disinvestment, urban core poverty, unemployment, limited mobility, economic disinvestment, social isolation, city/suburban school disparities, public health threats and safety risks.

Both race and class are intrinsically linked to Atlanta's sprawl dilemma, but most studies of metropolitan growth gloss over the social equity implications of Atlanta's regional development. Thus, this report and policy recommendations.

Why the Problem?

Bullard's Environmental Justice Resource Center outlines 12 major factors that define the negative consequences associated with sprawl in Atlanta. Most of these conditions and descriptions are true for other American cities.

- **Demographic Shift:** The City of Atlanta's share of the metropolitan population has declined over the years, leaving the city as the "hole in the doughnut."
- **Disparities and Concentration of Poverty:** There is a widening gap between the "have" and "have nots" in the suburbs versus the inner-city. The 1990 poverty rate for Atlanta region was 7.7%, where the City maintained a rate of 24.6%. Noteworthy statistic: the City of Atlanta has 12% of the region's population and 65% of the area's public housing.
- **Atlanta's Regional Growth Machine:** Throughout the 1990s Atlanta has experienced extraordinary growth, however, most of this growth has been located outside of the city.
- **Urban Flight and Racial Polarization:** Sprawl-driven development is fueled by racial polarization and affect the racial and ethnic makeup of residential areas. Federal, state and local policies around housing, education, transportation, environment and lending have exacerbated sprawl-related problems.
- **School Segregation:** Segregated housing patterns created segregated schools. The education gap between urban and suburban schools in widening.
- **Barriers to Fair Housing:** Many barriers still exists for keeping people of color out of the suburbs: income, discrimination, restrictive zoning, inadequate public transportation, and fear.
- **Environmental Quality:** Health and environmental risks fall heaviest on the region's poor neighborhoods and their residents are least able to cope with the implications.
- **Transportation:** Building new roads is a key contributor to the sprawl problems of poor land use planning and unhealthy air. The regional public transportation system only serves two of the region's ten counties.
- **Air Quality and Public Health:** Vehicle emissions and air pollution are starting to take their toll on Atlantans and are major triggers of asthma and related respiratory illnesses.
- **Energy Consumption:** Sprawl development encourages the destruction of forests, farm land, and wildlife habitat outside of the central city.
- **Working Across Political Jurisdictions:** Sprawl cuts across political jurisdictions and has unintended consequences that are not randomly distributed.
- **Zoning and Land Use:** Zoning and land-use decisions have political, economic and racial dimensions.

Regional Strategies to Address the Problem

Communities are not waiting for government to help them correct the inequalities of sprawl and they are developing their own strategies to combat sprawl. A long list of policy recommendations is provided in the Sprawl Atlanta report. They are listed below and the details are included for the ones that have particular relevance for the community-based regionalism dialog.

- Develop broad coalitions and alliances to address sprawl.
- Create and implement a proactive race relations strategy.
- Narrow the public education gap between central city and suburban schools.
- Regional fair housing initiatives.
- Improve energy efficiency in housing.
- Protect and create vegetation and green space.
- Encourage and develop incentives for infill development.
- Enforce existing environmental, housing, health, transportation, land use, and employment laws. Examine the compliance of Title VI of the Civil Rights Act of 1964.
- Support land use reform and brownfields redevelopment.
- Develop a regional transportation authority to plan, administer, link and coordinate mass transportation services.
- Promote transit oriented development.
- Ensure development is pedestrian, bicycle, and transit friendly.
- Invoke gas tax reform and expand the use of a gas tax to include support for public transportation.
- Conduct equity analyses on federal transportation expenditures.
- Enforce air quality standards.
- Increase public health and safety for pedestrians.
- Encourage DoT investment in low-income communities and communities of color.
- Improve access to jobs.
- Conduct a regional transportation needs assessment.
- Develop a uniform public involvement process for regional decision-making.
- Conduct outreach to Atlanta's urban core stakeholders to obtain greater diversity in regional planning and decision-making.
- Develop performance measures and public information around regional growth.

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Publication Reviewed

"How America's Cities are Growing: The Big Picture." *Brookings Review*. Fall 1998

What is the Problem?

In his work, Downs argues that suburban sprawl produces:

- Traffic congestion, air pollution, destruction of open space, extensive use of energy, inability to provide adequate infrastructure to accommodate growth because of high costs, inability to locate region-serving facilities like new airports because they have negative local effects, and suburban labor shortages because of inadequate low-income housing near new jobs.
- Concentration of poverty in inner-cities, inner-ring suburbs, and a few outer-ring suburbs as well as high crime rates, poor-quality public schools, other poor-quality public services, and fiscal resources that are inadequate to address needed services.

Downs argues that opponents of suburban sprawl consistently cite the negative costs of sprawl, but rarely acknowledge that sprawl provides benefits such as "low-density residential lifestyles, relatively easy access to open space both at one's own home and in the countryside, a broad choice of places to work and live, relatively short commute times for most of those who both live and work in the suburbs, ease of movement except in peak periods, the ability of middle and upper-income households to separate themselves spatially from problems associated with poverty, and their ability to exercise strong influence over their local governments."

Why the Problem?

Downs argues that concentrated poverty in metropolitan regions is the result of:

- Policies that require that all-new housing meet quality standards that are so high that most poor households cannot afford them.
- Fragmented control over land uses within the region gives suburban municipalities the power to develop exclusionary zoning to raise local housing costs.
- Racial segregation in housing markets. Racial discrimination in realtor and homeowner behavior as well as resident behavior creates and reinforces residential segregation.

Regional Strategies to Address the Problem

To combat sprawl, Downs suggests alternative development strategies and tactics:

Strategies include:

- Tightly bounded higher-density development. This requires high density residential and other development, prohibition of urban development outside boundary, emphasis on public transit for movement, centralized coordination of land use plans, dispersion of new housing for low-income households.
- Loosely bounded moderate-density development. Permits some development outside the boundary, raises density somewhat above sprawl levels, some increase in public transit, centralized coordination of land use planning, some new low-income housing in growth areas.
- New outlying communities and green spaces. Strategy requires a tightly drawn urban growth boundary, but permits substantial growth outside the boundary within designated new communities centered on existing outlying towns.

Anti-sprawl tactics include:

- Establishment of urban growth boundaries
- Regional coordination and rationalization of local land use planning
- Regional tax-base sharing
- Regionwide development of housing for low-income households, by regional vouchers or regional new subsidies or by requiring developers to build a share of affordable housing in each new project
- Regional operation of public transit systems and highways, including new facility construction
- Vigorous regional enforcement of laws against racial discrimination

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Publication Reviewed

"Bridging Communities: Making the Link Between Regional Economies and Local Community Economic Development." *Stanford Law and Policy Review. Revitalizing America's Cities: Searching for Solutions*. Volume 8:2. Summer 1997.

What is the Problem?

Historically, community development activities and more recently, the burgeoning field of community building have focused on the discrete neighborhood as the unit for both analysis and practice. However, the globalization of international markets has placed a prominent emphasis on regions as a new unit of economic exchange. In response to these economic transformations, Foster-Bey suggests that urban researchers and practitioners, "adopt a new approach that lowers the metaphoric walls surrounding low-income, central city neighborhoods and enables residents to gain access to social and economic opportunities in the larger metropolitan region." Economic opportunity outside of poor, inner-city neighborhoods must be linked to residents living within these neighborhoods.

Why the problem?

Over the last four decades urban areas have undergone significant changes in population, economy, social structure and political influence. Three trends have surfaced in the wake of these changes including: "1) deconcentration of the urban population, 2) dispersal of employment opportunity throughout the metropolitan region, and 3) concentration of poverty within geographic pockets in the central city." Since 1970, urban poverty has increased and economic opportunity within central cities has declined. These structural changes in urban communities have been partially explained through two hypotheses *spatial mismatch* and *skills mismatch*. Spatial mismatch theory was originally proposed by John Kain in 1968 and states that businesses, jobs and economic opportunities have shifted from central cities to the suburbs within the metropolitan region. Significant barriers such as inadequate transportation and race and class segregation keep low-income people from finding housing near locations of new job growth. Skills mismatch theory suggests that economic transformations including the shift from a manufacturing based economy to one that is dominated by services and technology and globalization have reduced the need for low-skilled workers.

Regional Strategies to Address the Problem

“If the community development field is to meaningfully reduce urban poverty, it must embrace a new principle: *Think locally and act regionally.*” Three *Community-based Connection Strategies* are proposed to provide low-income residents with the opportunities within the regional economy.

- **Mobility Approaches:** Efforts to reduce or eliminate the physical distance between poor populations and economic opportunities. Tools include: “reverse commuting” programs and increasing the availability of affordable housing near employment-rich locations.
- **Livable Wage Employment:** Strategies to increase access to sustainable and meaningful employment opportunities within growing sectors of regional economies.
 - ⊙ *Sector Employment Initiatives:* develop access, through comprehensive alliances, to jobs in stable and growing sectors in a regional economy
 - ⊙ *Customized Job Training and Placement:* work closely with employers to design job training programs
 - ⊙ *Link Economic and Workforce Development:* strengthen bonds between economic development and human capital investment
- **Enhance the Labor Competitiveness of Poor Youth:** Create access to employment with promotion potential and upward income mobility for youth.

William Fulton

Journalist and Urban Planner
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Publication Reviewed

A Landscape Portrait of Southern California's Structure of Government and Growth. With Madelyn Glickfeld, Grant McMurrin, and June Gin. Claremont Graduate University Research Institute. 1998.

Background

A Landscape Portrait (1998) is a socioeconomic and environmental overview of the five-county Southern California region (Los Angeles, Ventura, Orange, San Bernardino, and Riverside counties; 35,000 square miles; more than 170 municipalities and more than 1,000 specialized local government units). Based on the socioeconomic and environmental (endangered species, water supply, air quality) condition of the Los Angeles metropolitan area, Fulton provides an analysis of local government structures and authority, and suggests metropolitan governance structures to influence and direct Southern California growth patterns. His key research question is: "Is it possible for local political jurisdictions to work together to alleviate the economic, environmental and social imbalances [of metropolitan regions] while at the same time retaining the efficiencies of political economy — and the advantages of government 'close to the people' that decentralization offers?"

What is the Problem?

Fulton suggests that extraordinary socio-economic and political changes are occurring in the four counties that surround Los Angeles County. The overall dynamics of these regional changes within the five county region require regional approaches and collaboration between local government units. Even though metropolitan regions are viewed as the basic economic and environmental unit, they remain politically fragmented.

Fulton's argument is consistent with his central argument in *The Reluctant Metropolis* (1997) that Southern California's "growth machine," "which for decades liberally spent public funds on the freeway network and other infrastructure projects aimed at facilitating profitable consumption of land, has begun to collapse,...governments continue to underwrite developments that generate net tax surpluses, such as hotels and shopping complexes. But the old practice of using governmental resources to help spread houses, schools and other tax-draining development across [the region] won't fly anymore."

Why the Problem?

- Expansion of urbanized area to accommodate population. “In the decade of the 1980s the population of outlying counties grew by 41% — by far the highest figure among outlying counties in any large metropolitan area in the United States. Population is expected to grow to approximately 19.2 million people by the year 2010 and 22.1 million by the year 2020. The largest population increases are expected in outlying areas that still have a large amount of undeveloped private land.”
- Demographic Changes. Trends of growing Asian and Hispanic populations and declines in Whites and Blacks will continue in Los Angeles County; in the four outlying counties “Anglo population dropped from 83% to 64% between 1970 and 1990 while Latino population grew from 14% to 25%. In the outlying counties, the Asian population exceeded the African-American population in 1980.”
- Political Fragmentation. “The political fragmentation of a typical metropolitan area, which inevitably means there are a multitude of jurisdictions, agencies, and institutions that have some measure of power and control over growth-related issues.” In the Los Angeles Region, there are more than 170 municipalities and more than 1,000 specialized local government units.

“The expected population increases will clearly strain the region’s ability to accommodate growth. In already built-up areas, even small increments of growth (at least in percentage terms) will be difficult to accommodate if current development and land consumption patterns do not change. In outlying areas more room is available, but the regional imbalances and environmental degradation associated with such growth is likely to be considerable.”

Regional Strategies to Address the Problem

Fulton suggests models (with pros and cons) for regional governance structures.

- Models such as the Metropolitan Water District, Air Quality Management District that are “governed in a centralized fashion by a combination of local officials and state appointees (as with the AQMD). Models such as these provide governance structures within which local communities can work together to deal with issues on a regional and sub-regional scale.
- Sub-regional strategies characterized by collaboration and interjurisdictional collaboration are possible and are currently in place. Examples: the four sub-regions nearly consistent with County boundaries of San Bernardino, Orange, Imperial and Ventura; the two sub-regions within Riverside County; and the nine (9) sub-regions in Los Angeles County (where 60% of the region’s population lives). These include the Westside of Los Angeles, the San Gabriel Valley cities, the Gateway Cities of southern Los Angeles County, South Bay cities, North Los Angeles County, the Las Virgenes-Malibu area around the Santa Monica Mountains. These sub-regional efforts are built on existing natural alliances among jurisdictions, often with common problems. For example the Gateway cities include the poorest and most economically marginalized areas in the Los Angeles region. These cities share a history of a dismantled industrial base and are now engaged in a sub-regional collaborative approach to leverage the infrastructure development of the Alameda Corridor.
- Joint-Powers Authorities. Formal cooperative relationships between non-governmental organizations, governmental entities, and other ad hoc efforts can affect regional growth and development.

Fulton concludes that “in a metropolis characterized by increasing socioeconomic diversity that is reflected in the political structure, reaching consensus on metropolitan governance goals — and implementing that consensus — will be very difficult indeed.”

George Galster

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Publications Reviewed

“The Disparate Racial Neighborhood Impacts of Metropolitan Economic Restructuring.” With Ronald Mincy and Mitchell Tobin in *Urban Affairs Review*. Volume 32, No. 6. July 1997.

“Place, Power and Polarization: Introduction.” In *Race, Space, and Polarization*, George C. Galster and Edward W. Hill, editors. New Brunswick, NJ: Center for Urban Policy Research, Rutgers, the State University of New Jersey. 1992.

Background

In his research with Mincy and Tobin, Galster examines the relationship between economic restructuring in a metropolitan statistical areas (MSAs) and changes in poverty rates in census tracts from 1980–1990 to examine “whether or not economic restructuring has had disparate impacts on neighborhoods occupied by minority groups.” While Wilson (1987) argues that economic changes disproportionately affected the Black community, Galster argues that “restructuring may have triggered the poverty upsurge in Black Chicago neighborhoods in two ways: 1) neighborhoods are concentrated in areas where plant closing occurred and locations were distant from place of expanding employment; 2) neighborhood residents could have had traits that made them particularly vulnerable to restructuring. (1997)

Key questions: “Is there a relationship between economic restructuring of a metropolitan area and the changing poverty rates within it? If so, is the relationship similar for predominantly white and Black neighborhoods? Do racial categories of neighborhoods differ in their poverty rate change because they are located in metropolitan regions with differing amounts of restructuring or because they are differently affected by any given amount of restructuring? If the difference occurs because the neighborhoods are differently affected, what characteristics of neighborhoods render them more vulnerable to restructuring?” (1997)

Findings:

- Restructuring has significant impacts on different neighborhoods classified by their predominant racial composition. Restructuring affects growth in poverty rates in predominantly Black neighborhoods more significantly than poverty rates in predominantly white neighborhoods.
- Comparative educational standing of census tracts affects its future economic status; a tract with a population that is educationally mismatched given the region’s occupational composition is more likely to show poverty growth in Black and white samples.
- Consistent with a growing body of literature, findings show that “racial differences in the spatial opportunity structure are generating racial disparities in poverty. Put differently, racism is increasingly becoming placism.”

What is the Problem?

Galster argues that economic restructuring has affected the number of jobs and key features of employment: wages, location, skill requirements, and distribution by industry and occupation. These features are important determinants of disparate impacts across metropolitan geography.

“The problem of equal opportunity for people of color in the United States is actually a nexus of problems built on a solid foundation of racism. Place — where people live, work, and socialize — cannot be ignored as a major component of this foundation. Powerlessness — personal and collective, economic and political — combines with spatial isolation to polarize American society. It is clear that progress from a polarized society toward an inclusive, multicultural society will not occur unless spatial isolation of people of color — especially African-Americans — ends. (1992)

Why the Problem?

Over the past twenty years, “the restructuring of the national economy has shifted from the production of goods to services, central cities to suburbs and Northeast and North Central regions to the South and West (Castells, 1985; Kasarda 1985, 1989). The restructuring has changed the type, numbers, locations and skill requirements of jobs within most metropolitan areas.

“America is not preparing for the coming labor shortage. Those who have been marginalized will not have the skills required to take advantage of the shortage. The resulting harm to the nation will not be based on a sense of social justice or equity; it will become a question of national economic security.” (1992) Galster and Hill suggest that three possible responses will result: 1) a deeper investment in the poor, accompanied by legal action to increase the mobility of the excluded; 2) increased immigration; and 3) continued exporting of employment. It is feared that a combination of the second and third responses will take place. (1992)

Regional Strategies to Address the Problem

Future research to improve on their work (1997) must:

- Address the differential in and out-migration effects in the income of the in-place population
- Examine changes in employment composition among other sectors (other than the focus on manufacturing).
- Develop a “richer measure of a tract’s accessibility to various centers of employment” to draw firmer conclusions about the effects of job residence patterns.

Robert Geddes

Dean Emeritus of Princeton University School of Architecture
Director of the Conference on Cities North America

Publications Reviewed

"Metropolis Unbound: The Sprawling American City and the Search for Alternatives," *The American Prospect*. No. 35 (November-December 1997): 40–46
(<http://epn.org/prospect/35/35geddfs.html>).

Other Publications

Cities in Our Future: Growth and Form: Environmental Health and Social Equity. 1997.

What is the Problem?

Robert Geddes examines rise of regionalism in the 20th century through the lens of geographic growth and the expanding urban form. Between 1970 and 1990, city-regions have expanded into their surrounding countryside at growth rates that are eight to ten times greater than their population increases. The consequences of the changing urban form and low-density development have taken on familiar characteristics including traffic congestion and inefficient transportation, unavailable and unaffordable housing, water and air pollution, social segregation and the lack of community. The persistence of old political boundaries prevents the problems of suburbanization from being addressed in conjunction with the central city and in a comprehensive manner. The problems of suburbanization get scattered attention in public policy and there is hardly any notice of the new form that American cities have taken. Also, there is little policy development and debate about growth-limiting forms of development that could be the basis of a new paradigm for city-regions and neighborhoods in the next century.

Why the Problem?

The emergence of a new form of human settlement is relatively rare in our history. For thousands of years, human settlements grew slowly and predictably. Before the industrial revolution, cities were constrained by the surrounding countryside to produce foodstuffs without mechanized vehicles. With the advent of the railroad and later the automobile, two massive shifts in populations have reshaped metropolitan regions — the farm to city shift after the Civil War and the city to suburb shift after World War II.

Los Angeles is seen as the first American city to remove itself from the European models of growth and form, its growth has become the epitome of suburban sprawl. The Los Angeles model is an extended, open unbounded matrix laced with linear corridors, and overlaid by freeways. This form has inequitable social consequences as ethnic colonies have become isolated and the city has become extremely fragmented.

In response to the problems of unregulated growth, Geddes poses the following question: *"If the goal of [sustainable development] is to balance the economy, the environment, and social equity, is the open extended matrix of Los Angeles the inevitable model for American cities?"*

Regional Strategies to Address the Problem

A city's form is directly related to public policies. Four types of policies are needed to revitalize neighborhoods and build strong and compact regions:

- Regional compacts to build and maintain infrastructure for transportation, water and waste systems,
- Regional compacts to preserve green spaces and natural ecological systems,
- Community growth boundaries to contain the urban build-up land uses, and
- Public initiatives to support the centers of cities and neighborhoods.

In support of these policy recommendations, several alternative models of urban growth and form are presented.

Toronto: Until the mid-1970s, Toronto managed its postwar boom with a system of governance called Metro-Toronto that integrated urban and suburban decision making. Toronto has become a more equitable city than Los Angeles because the city has not isolated its less affluent residents. Toronto built comprehensive transportation systems and created North America's largest stock of dispersed mixed-income housing. In 1972, the progressive style of regional planning was challenged when four mini-metropolitan governments were established and sprawl infiltrated the region for the first time. However, Toronto seems to be back on track with the formation of the new super-regional authority — Greater Toronto. Greater Toronto has oversight of transportation, social services and economic development for the region.

Cascadia: A chain of cities that include Portland, Seattle and Vancouver. The Cascadia concept provides an economically integrated vision of the settlements along a regional corridor — Interstate Highway 5. The cities of Cascadia have attempted to meet the needs of all residents by regulating the form of urban development through “urban growth boundaries” and “urban villages.”

States, rather than cities, have the authority to enact policies and programs that might effectively shape the development of cities. Oregon and New Jersey are two national leaders.

Oregon: Since 1973 Oregon has required each city to draw growth boundaries, and by 1986 all Oregon communities have growth plans that limit expansion and sprawl. These growth boundaries have stopped sprawl on farmland, directed attention back onto lands already committed to urban use, and have shown elected officials that their future is based on partnerships within metropolitan regions.

New Jersey: New Jersey is the first state to be completely occupied by metropolitan areas. In 1992, the state developed its first state plan to “coordinate public and private actions to guide future growth into compact forms of development and redevelopment.” *Compact development* is key to New Jersey’s plan, as compact development is able to generate more jobs in accessible centers throughout the region, thereby reducing jobless rates in inner-cities.

Neighborhoods: Strong neighborhoods are the foundations of healthy urban communities and vital economic regions. There are two spatial concepts of neighborhoods that can support policies to reduce sprawl — the urban core neighborhood and the street neighborhood. The urban core neighborhood can create a human scale community and sense of place within regions because of the inherent boundaries associated with this type of dense development. However, these neighborhoods can turn pathological if the territorial boundary becomes a tool for exclusion. Street neighborhoods lack the spatial clarity of core neighborhoods, but provide a venue for social interaction in a defined physical space. Harlem’s 125th Street is an example of this type of neighborhood.

Bennett Harrison

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Marcus Weiss

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Publication Reviewed

Workforce Development Networks: Community-based Organizations and Regional Alliances.
Thousand Oaks, CA: Sage Publications. 1998

Background

Harrison's work with Marcus Weiss on workforce development networks comes out of a long history of research by Harrison on economic restructuring, deindustrialization and the impact on labor. *Workforce Development Networks* examines job linkage strategies that involve CBOs in regional alliances. Harrison and Weiss provide case studies of workforce development networks focuses based on three types of networks:

- Hub-spoke networks, where a CBO is the hub of an employment and training network. Examples include: San Jose-based Center for Employment Training (CET) and Project QUEST in San Antonio, Bethel New Life in Chicago, and Coastal Enterprises in rural Maine.
- Peer to peer networks, where CBOs are networked together through a shared "secretariat" to provide employment and training. Examples include Chicago Jobs Council, the Pittsburgh Partnership for Neighborhood Development, and the Business Outreach Centers of New York City.
- Intermediary networks. A class of intermediary networks in which a non-CBO, a regional educational entity, a public-private planning agency, or a large company with strong recruiting and subcontracting networks — plays a central role. Examples: Regional Alliance of Small Contractors, a spin-off of the Port Authority of New York and New Jersey that connects small and women-owned contractors to construction firms and banks.

Findings:

- CBOs are a “trusted part of the recruiting and training networks of a region’s employers.” Center for Employment Training (CET) located in San Jose is a recognized model for its commitment to addressing what employers need as well as the needs of workers and trainees.
- “Narrow specialization on one or another element of the workforce development process is almost always inadequate....there is a need to package outreach, recruiting, training, placement, follow-up counseling, childcare, and transportation.” Project QUEST (San Antonio), an expensive but comprehensive packaging of services, including the provision of training stipends, “speaks to the need that the greater bureaucratic efficiencies offered by one-stop shopping by themselves cannot offer...it is precisely this need to package elements into a system: that so compels groups to network with one another and with mainstream institutions.”
- CBOs struggle to enter networks as a way of assessing capabilities or capacities that they do not have or cannot afford. Yet CBOs need certain capabilities or capacities to be able to scan the environment and decide which workforce development works are worth joining.
- There were limited instances of ongoing partnerships between CBOs or intermediaries and unions, despite the fact that there are natural opportunities for partnerships and collaboration between labor and community interests. Harrison and Weiss raise examples of labor-community alliances: Bethel New Life and the Midwest Center for Labor Research in Chicago and the Dudley Street Neighborhood Initiative and Hotel and Restaurant Employees International Local 26 in Boston. Successful efforts between Baltimoreans United in Leadership Development (BUILD an affiliate of the Industrial Areas Foundation) and the American Federation of State, County and Municipal Employees (AFSCME) pushed downtown construction employment possibilities toward job creation for parishioners. While the alliance succeeded, the initial jobs were poverty-level wages and provided few or no benefits. The alliance however later pressured local government officials and developers into legislating a living-wage ordinance, establishing a floor under the hourly pay of all contracted workers.

What is the Problem?

There is a growing demand for low skilled labor in urban regions, but not equal access; competition for jobs is defined by race and years of residence in a central city. According to the Bureau of Labor Statistics, "considering both new jobs and replacement vacations, only approximately one of eight higher than average growth occupations will require a college degree, whereas fully two-thirds will require no more than a high school diploma....The main problem is to dramatically improve the quality and reliability of basic skills for the majority of youth who will not go beyond high school. They, along with adults undergoing retraining, are increasingly expected by new employers to be better equipped to learn new skills on the job, to take further training, and to be, by mainstream standards, willing and able to accept the disciplinary requirements of most workplaces."

In a racist society, Harrison and Weiss argue, the increase of jobs does not guarantee equal access of all prospective workers to even these "low-end" jobs. The competition for these jobs in the context of weakened labor regulation (enforcement of national wage and hour and safety and health standards) provides a framework for understanding labor market restructuring.

Despite several decades of conventional workforce development policies and affirmative action, conditions for those living in the areas with the highest concentrations of poor are only marginally improved.

Why the Problem?

- Employers directly discriminate by race, gender or class. Internalized arrangements and increasingly market determination by employers are creating jobs, and determining a mix of types of jobs and work schedules. The nature of jobs and employment is increasingly becoming employer driven. Employers select job applicants based on the employer's perceptions of "skills, the trainees' ability to learn, and ability to socialize with others, creating implications for hiring discrimination — where employers are more easily able (and likely) to discriminate against Black men while screening and hiring are done more informally and subjectively. Soft skills are surely more likely to be 'processed' informally than through actual tests or by certification....[I]t is probably getting easier for employers to screen out Black men whom they do not want to hire for reasons other than lack of skill per se."
- Both employers and job seekers have insufficient information about one another. On average, employers do the best they can by screening (in or out) entire classes of people. Policy responses have generally emerged from these two explanations — policies that target government subsidies for education and training to the urban poor, improving the collection and dissemination of labor market information to job seekers, subsidizing employers to compensate for hiring and training people they would otherwise prefer not to hire, or making individual freedom from employment discrimination a right of citizenship such that discrimination by schools, employers, and other labor market actors becomes illegal and punishable.
- Out-of-date education and training as provided to low-income people, generally people of color from the inner-cities fail to link the needs of employers (demand-side) with job seekers (supply-side). "Purely individual or rights-based treatments are unlikely to be sufficient to make a major dent in poverty — certainly not through conventional labor market interventions per se. Prospective trainees and workers....will not succeed if they only undergo some training process, get stamped on the forehead as 'certified', and get sent out into the street to 'make it'."
- Conventional models and beliefs about how labor markets work do not consider the way in which workers, particularly low-income and people of color are organized into intersecting social and business networks.

Regional Strategies to Address the Problem

Harrison and Weiss argue that employment training and workforce development programs must explicitly link low-income residents with employers. “There is surely no reason to hold back on learning more about, and promoting the fortunes of, more unconventional approaches to workforce development, especially those that centrally involve low-income CBOs and activists of color. They suggest the following strategies to link low skilled labor to growing employment opportunities:

- Facilitate and encourage networking activities among CBOs. Funders, individual governments and associations such as the U.S. Conference of Mayors and the National League of Cities play a role in connecting small firm suppliers and partners with big city, suburban and international firms seeking local or neighborhood partners. Funders “can also invest in the capacity and promote the visibility of civic and trade associations that might serve as bridge builders (‘facilitators’), provided they are inclusive of businesses and social service organizations from different neighborhoods, races and ethnicities.”
- Foundations offering Program Related Investment (PRI) loan funds could encourage banks and local governments to create regional ‘capital funds’ to provide incentives (extra points in the scoring of applications and more attractive borrowing terms) to CBOs and businesses that explicitly build networking into their proposals.
- Funders, governments and trade associations might be encouraged to deliberately create (or favor) training consortia that facilitate locating, recruiting, training and postplacement follow-up. Consortia would also be engaged in providing development of the training staffs of individual CBOs.
- Funders can “under the rubric of ‘communications policy,’ get the word out and encourage more broad-based support for network activities.” Interorganizational network collaborations have potential not only for workforce development but also areas of housing, health care, child services, and transit.
- Funders can host regular area-wide forums with and among people from community organizations, business, government, unions, the media and the general public.
- Create guidelines for evaluating workforce development programs in the following four categories:
 - ⊙ Evaluating organizational capabilities and the growth of capacity
 - ⊙ Identifying and measuring training ‘inputs’ directly attributable to the project
 - ⊙ Identifying and developing indicators for measuring project outcomes
 - ⊙ Conditioning estimated outcomes on the institutional, social and local context

Paul A. Jargowsky

Professor of Political Economy

University of Texas, Dallas

Visiting Professor, John F. Kennedy School of Government, Harvard

Publications Reviewed

"Metropolitan Restructuring and Urban Policy." *Stanford Law & Policy Review. Revitalizing America's Cities: Searching for Solutions*. Volume 8:2. Summer 1997.

Proceedings from *Linking Regional & Local Strategies to Build Health Communities* a conference of the Institute of Race and Poverty at the University of Minnesota. Spring 1996.

Background

Paul Jargowsky continues to be a leading researcher in the area of poverty and segregation. His recent article is an empirical analysis of racial and economic segregation and concentrated poverty (national) from 1970–90. Case study of Milwaukee.

What is the Problem?

Jargowsky argues that within metropolitan regions, the following problems exist:

- Racial segregation. Though trends from 1970s to present show integration in regions, racial segregation levels remain high. Residential segregation reinforces cycles of discrimination that "results in and perpetuates large racial and ethnic disparities in educational and labor market outcomes."
- Economic segregation. "Empirical studies consistently show that economic segregation is relatively low compared to racial segregation. There is "considerably less variation in economic levels *between* neighborhoods than there is *within* neighborhoods at the household level. Despite low levels of economic segregation however, the analysis shows a *pronounced trend toward increasing economic segregation*. Economic segregation becomes a problem "only if its costs exceed the benefits to the families who move out. Perhaps the most important cost associated with economic segregation is their role in expanding ghettos and barrios."
- Concentration of poverty. Segregation by race and by income is visible in high-poverty ethnic neighborhoods. Spatial concentration of poverty has additional costs stemming from low quality of life where growing up in a poor neighborhood can have independent effects on the social and economic outcomes of residents.

Research and data suggests that "even in cities in which the percentage of poor residents did not rise noticeably, the physical boundaries of high-poverty areas have often widened through a process of selective out-migration. Ghettos/borderline areas that surround them empty out as metropolitan areas reshape themselves and move toward less dense settlement patterns."

Why the Problem?

Economic and social restructuring creates spatial segregation. "Rapid economic and technological changes, new legal frameworks for international trade, and dramatic increases in the concentration of poverty give urgency to the question of whether and how to assist our deteriorating urban centers." Technology has created "footloose economic actors, which in turn is causing metropolitan areas to be larger, more dispersed and less densely populated." Current trends toward decentralization "offers few benefits for traditional inner-city residential areas, especially those that have, or seem to be in the path of, concentrated social ills."

Regional Strategies to Address the Problem

Jargowsky argues that urban policy makers must recognize that "the problems of individual neighborhoods stem from larger forces operating at the metropolitan level." He suggests that mobility strategies as proposed by Mark Alan Hughes and Paul Gottlieb that connect low-income neighborhoods to regional opportunities, will ultimately benefit the more motivated and skilled inner-city residents. The outmigration of these residents will further destabilize the inner-city communities and worsen conditions for those left behind.

Because of the fragmentation of metropolitan areas, Jargowsky argues that the "most necessary and fundamental policy change is to end the bifurcated federal policy that exacerbates economic segregation on one hand while providing separate ghettoized relief to the resulting poor neighborhoods with the other." He proposes the following:

- Elimination of the mortgage interest deduction. Governmental stimulus of the high end of the housing market and no provision of support for the lower end, drives up prices and restricts supply of low and moderate income housing.
- Remedying the flawed approach of Enterprise Zones and other urban policies which "provide a separate recipe for economic development" in poverty neighborhoods. Such approaches will "never be able to incorporate such failed areas into the mainstream of the market, but rather will sustain them at a minimal level with only a patchwork of subsidies and hand-outs."
- Increasing pressure on state, local governments, and private developers to move toward more socio-economically mixed development patterns. "Rather than funding Enterprise Zones in an effort to cleanup after the damage is done, the federal government should strongly support regional governance capacity building and metropolitan planning processes that would breakdown exclusionary zoning, and use control over the placement of public amenities to influence the actions of private developers." The Federal government role includes structuring fiscal incentives such that state and local governments will have to "forego large federal subsidies unless they demonstrate commitment to their metropolitan areas."

Elmer Johnson

Director
Metropolis Project
Commercial Club of Chicago

Publication Reviewed

"The View From Metropolis." *Brookings Review*. Fall 1998.

Background

In this article Elmer Johnson offers seven key objectives to address the challenges facing the Chicago metropolitan area. The objectives are part of an upcoming report of the Commercial Club.

What is the Problem?

The City of Chicago, as a single, powerful urban center, has been displaced by an almost centerless network containing many nodes of varying strength, linked by countless channels of movement and communications. This network has an unlimited tendency to expand outward, leaving many residents of the central city and older suburbs mired in concentrated poverty and racial and social segregation. One of the many consequences of sprawl is that inner-city residents underwrite the more fortunate conditions enjoyed by residents living in the newer suburbs.

Why the Problem?

Technological advances in transportation and communications have dethroned many central cities, causing the spread of economic activity throughout the region and creating strong competition among sub-regional areas to attract and retain firms and skilled workers.

Existing state laws in Illinois give municipalities and other units of local government strong incentives to pursue their local objectives without regard to important social interests of the larger region. Local zoning laws and the local property tax system, condoned or established by the state, undergird the powerful bias toward localism and work against effective regional remedies to problems that are fundamentally regional in nature.

Regional Strategies to Address the Problem

In order to address the challenges posed by the expanding metropolitan region of Chicago, a strategy is offered, including the following seven objectives. Implementing this strategy will require strong political support from both key officials and major constituencies within each metropolitan area and from the governor and the state legislature.

- **Public Schools:** The most serious economic challenge faced by the City is providing a consistently high level of public education opportunities throughout the region. The City of Chicago is currently in the midst of reforming its elementary and secondary school system.
- **Economic Development:** More public-private partnerships must be established to pursue workforce development and job training regionally. Aggressive marketing of the Chicago region to foster business development in the inner-city is also needed.
- **Transportation:** Develop transportation systems that reduce congestion, improve economic efficiency, reduce environmental harm, and improve the mobility of those who are too old, young, poor, or disabled to drive.
- **Housing:** Generate political support for developing affordable housing in the suburbs. The Gautreaux voucher project has moved thousands of poor inner-city households to the suburbs without weakening the market conditions there.
- **Sustainable Spatial Growth:** Limit the outward expansion of new development, while fostering infill development and providing incentives to target infrastructure spending in the inner-city.
- **Taxes:** Push for tax-base sharing, both to equalize funding of public schools and to keep the region's 270 municipalities from engaging in destructive tax-base competition.
- **Forums for Decision Making:** Create the political will among fragmented governments to recognize the effectiveness of creating regional bodies with authority to deal with common interests, particularly regionwide infrastructures.

Bruce Katz

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Brookings Institution

Publication Reviewed

“Reviving Cities.” Brookings Policy Brief #33. June 1998.

What is the Problem?

American metropolitan areas are currently enjoying rapid growth and economic prosperity for the first time in almost five decades. However, much of the growth in the nation’s metropolitan areas has caused the decentralization of people, businesses, and jobs from the inner-cities. If metropolitan growth is examined with greater scrutiny, it is clear that the real growth is in the hinterlands, while the urban core lags far behind. This pattern of regional growth is fiscally, socially, and environmentally damaging and unsustainable; and the benefits of this new economic prosperity are not shared equitably. Suburbs enjoy a nirvana of low taxes and high services as they limit the development of affordable housing and exclude families with moderate means (particularly racial and ethnic minorities) from living in their neighborhoods or attending their schools. The middle class exodus has left the inner-city void of the resources to grapple with concentrated minority poverty, joblessness, family fragmentation, and failing schools. But the costs of sprawl are not only borne by those remaining in the inner-cities, as residents of new suburbs are finding themselves reacting to other costs such as traffic congestion, crowded schools and diminished open space.

Everyone in a region is affected when a sense of community disappears. Concentrated poverty, brought on by urban decline and sprawl, is directly related to higher crime, failing schools, and additional demands on services. Together, these conditions compel businesses and residents to leave for low-tax suburbs and keep businesses from locating in the inner-city. Addressing these challenges leads to higher taxes.

Why the Problem?

Katz outlines two sets of factors that have contributed to the inequitable metropolitan growth. One set of factors has *pushed* the middle class out of the city, and another set has *pulled* inner-city residents to the suburbs.

Push Factors

- The restructuring of the American economy and advances in technology have diminished the value of a dense urban location for certain businesses.
- Failing schools, the perception and reality of crime, bloated bureaucracies, and inadequate services have pushed middle and working class families out of cities.

Pull Factors: Federal and State Policies

Federal and state policies have perpetuated the decline of cities and inner suburbs and concentrated poor populations within the borders of the inner-city, while at the same time these policies have paved the way for the middle class exodus from the central city.

- Transportation expenditures pay for the expansion of roads into the countryside, making suburban commercial developments and housing subdivisions economically feasible and lucrative.
- Tax subsidies for homeownership disproportionately flow to new suburban jurisdictions, which enable developers to build bigger homes on bigger lots.
- Environmental and other regulations make the redevelopment of urban land prohibitively expensive compared to new development in outlying areas.
- Until recently, federal-housing policies only served the very poor in neighborhoods isolated from the economic mainstream.
- Federal housing vouchers have been impeded by parochial political jurisdictions rather than the real geography of the housing market.
- State laws allow suburban communities to practice exclusionary zoning and bar affordable housing within their borders.

Regional Strategies to Address the Problem

In order to address the problems caused by rapid suburban growth, there is a strong impetus to form new, powerful, majority coalitions at the local and regional level and develop a campaign to reform limiting state and federal legislation.

Metropolitan reforms have long had intellectual credibility, now they are gaining political traction. There is a growing recognition of common ground between cities and suburbs on issues as diverse as economic development, transportation spending, environmental protection and fiscal equity.

State Strategies

Many of the rules of the growth and equity game are set in state capitols. State governments — with their power over land use, welfare, housing, tax policy and local governance — hold many of the cards for meaningful change. Examples include:

- Oregon's urban growth boundaries for every city
- Maryland's 1997 smart growth laws to channel state road, sewer and school monies to already developed areas
- Minnesota's metropolitan governance policy that placed the control of sewer, transit and land use planning in the twin cities under one metropolitan entity
- Tax base sharing in the Twin Cities metropolitan area

Federal Strategies

In order for metropolitan reform to be successful and sustainable, the federal government must get into the metropolitan game. Federal transportation, housing and workforce development policies cross jurisdictional lines; are natural candidates for metropolitan solutions; and represent a beginning not an end. The federal government must systematically examine the spatial implications of existing and future spending programs, tax expenditures and regulations. Correcting policies that distort the market will go a long way towards putting cities and older suburbs on an equal footing with their neighbors in the new suburbs.

- **Transportation:** Since 1991, the Intermodal Surface Transportation Efficiency Act (ISTEA) has given metropolitan planning organizations the responsibility to devise regional transportation strategies and some resources to implement the plans. The Department of Transportation must ensure that state and metropolitan transportation entities 1) are governed in a fair and equitable manner, 2) welcome and respect community participation, 3) comply with civil rights laws in their operations and investments, and 4) make useful information about their funding decisions available to the public. The DoT must also give transportation agencies better guidance on how to integrate their work with other metropolitan initiatives such as land use planning, economic development, and welfare reform. Additional, analytic tools are needed to assess the impact of transportation spending and development on the economic and social vitality of older communities.
- **Housing:** The fragmentation of the housing voucher system impedes the ability of low-income recipients to exercise choice in the metropolitan housing market. Congress should place administrative responsibility for housing vouchers with metropolitan entities. At a minimum, all housing agencies in a metropolitan area should have the same rules for vouchers.
- **Workforce Development:** As Congress considers the consolidation of job training programs, it must ensure a role for community institutions and intermediaries that perform job networking functions that are not isolated from the mainstream economy. Policy needs to be developed based on promising examples of where community institutions have worked with suburban corporations to identify regional economic sectors that face labor shortages.

Daniel D. Luria

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Joel Rogers

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Director, Center on Wisconsin Strategy
University of Wisconsin-Madison

Publication Reviewed

Metro Futures. To be published by Beacon Press. 1999. Taken from: *Metro Futures: A High-Wage, Low-Waste Democratic Development Strategy for America's Cities and Inner Suburbs*. Madison, Wisconsin: Center on Wisconsin Strategy, 1998.

Background

Luria and Rogers provide an analysis of metropolitan growth patterns and the political coalitions necessary to address the problems of sprawl and uncontrolled growth in urban regions. They argue for a “high-road strategy for economic growth — strategies that focus on ‘value competition’ (higher wages supported by customer willingness to pay for higher quality, better design and superior service) and require continual innovation in quality, and thus depend on more skilled and cooperative workers. High-road strategies are associated with higher productivity, higher pay and better labor relations, reduced environmental damage and greater firm commitment to the health and stability of surrounding human communities, all needed to attract and keep skilled workers and managers.” The authors argue that urban regions are the “key to reversing the present stagnation in American living standards” and frame suburban/central city relationships within the context of the state of the national economy. “Metropolitan economies are the natural base for a high-road economy because the high road requires the sheer density of people and firms found only in cities.”

What is the Problem?

“The Iron Law of Urban Decay is an artifact of political choice, not nature...adverse trends in American income (including income distribution) result less from the downward pressures of international competition rather than domestic policy choices. Specifically, we have made ‘low-road’ strategies of response to competitive pressures too easy and ‘high-road’ strategies too hard. Low-road firms compete by keeping prices down, which means keeping costs down — beginning, typically with wages. Applied across the economy, low-road strategies lead to sweat-ed workers, economic insecurity, rising inequality, poisonous labor relations and degraded natural environments.”

Why the Problem?

Luria and Rogers argue that low-road economies promote sprawl and concentrated poverty. “Whether best understood as originating in a genuine concern for promoting growth in non-urban areas, or racism, or a misplaced equation of freedom with the automobile, the general effect of low road economic strategies has been to artificially lower the costs — to individuals and firms of living and working outside or on the outer fringes of our metro regions, while artificially increasing the costs of living and working within them, and concentrating poverty within them. The effect is to push investment out of high-tax, low-service urban areas, and into low-tax, high-service favored suburban quarters, while concentrating poverty in the central city core and, increasingly squeezing the working class suburbs in the middle.”

Regional Strategies to Address the Problem

Luria and Rogers point to examples and advocate for “metropolitan government, sensible planning policies, tax-base sharing between rich and poor neighborhoods within the same region, regional standards on zoning — including, critically, fair housing policies that put poor minorities next to opportunity.” Living wage and anti-subsidy abuse legislation as well as efforts to address dysfunctional education and training programs are all important elements of a regional project. The authors argue however, that while important, these efforts are hard to sustain. “None comprehensively put governance, planning, finance, standards, supports and popular organization pieces together; few have reached critical mass, tipping the dynamics of their regions.”

To reach the critical mass necessary to make regional change, Luria and Rogers argue that a wide-ranging political alliance must be organized. They identify interests such as white-dominated labor, central city Black, Latino, and Asian populations, inner ring suburbanites as a potentially powerful political coalition. “If people get organized, elected officials can be made to follow.”

While federal and state levels of government can support metropolitan reconstruction, regions must develop and implement a high-road policy for themselves. How? “The short answer is that they need to break squarely with the conventional economic development strategy (hereafter, CEDs) still pursued by most cities and counties — the strategy that lies behind the iron Law of Decay — in favor of a high road project that takes full advantage of metro density.” Luria and Rogers suggest five alternatives to CEDs whereby “sprawl would be reduced, planning capacity would rise, wages would increase and inequalities decrease, neighborhoods would become less segregated and safer, public goods would be more abundant: democracy would more evidently show its contribution to the economy.”

- Direct dollars only to high-road jobs. Localities “should make it easier for ‘good’ employers to stay and expand by providing a variety of services and opportunities for their improvement and competitiveness, while making it harder for bad; employers to do so by insisting on certain standards on wages, pollution prevention, etc.”
- Emphasize retention and renewing the existing base of firms rather than attraction strategies. Strategies would “focus on retention, renewal, upgrading, linkage, and incubation of existing firms — with local authorities investing in the infrastructure needed to realize gains from agglomeration.” Develop regional investment funds to support such intervention, increase community ownership of firms doing business there, and support promising spin offs and incubation centers.

- Set performance conditions on the receipt of public funds by tying subsidies to the achievement of specific ends — and “claw back” those funds from firms that do not meet the conditions.
- Use the market to allocate scarce resources efficiently and “punish the non-competitive by allowing public authority and popular organizations to say something about what the goals of economic activity should be.” “Breaking with ‘live free or die’/‘private markets or public hierarchies’ models of regulation, it would explicitly assign representative non-state institutions with local knowledge or other capacity not found in government itself (again, unions, employer organizations, community organizations) a role in economic administration...it might give substantial control over resources for skill training to sectoral training consortia, or control of the early warning network to responsible area unions.”
- Commit to and build public goods and infrastructure. This could mean heavy investment such as an effective transit system to connect job seekers to work throughout the region, or training programs.

Jeremy Nowak

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Lecturer, Urban Studies Department, University of Pennsylvania

Publication Reviewed

"Neighborhood Initiative and The Regional Economy." *Economic Development Quarterly*. Vol. 11, No. 1. February 1997.

Background

Nowak argues for a community development approach at the intersection of regional development and neighborhood revitalization and cites a case study of the collaboration between Delaware Valley Community Reinvestment Fund and the Annie E. Casey Foundation to analyze work and social barriers to employment for 100,000 persons in Philadelphia.

What is the Problem?

Nowak makes an argument that community development has had limited success in dealing with the persistence and acceleration of poverty. He argues that there are contradictory approaches in community development. On one hand, community development has roots in activism and community control. On the other, community development approaches advocate for internal rates of return on real estate projects and a reliance on mainstream capitalism. Community development approaches have proven to be successful but "limited in scale and perspective...massive development intervention is required to restore the ordinary mechanisms of the marketplace and make the area a place in which anyone with choice will want to remain or locate."

Why the Problem?

Nowak argues that while community development approaches have been successful in organizing around place and community, these approaches were “focused in terms of constituent services rather than in economic terms. Too little attention has been paid to the core issues of household poverty resulting from good jobs and the accumulation of wealth, e.g. workforce preparation, job location, and the relationships of families and social networks to link to non-neighborhood sources of opportunity.”

When examining community development strategies, policy makers do not make distinctions between neighborhood revitalization strategies (physical revitalization and improvement) and poverty reduction strategies (income security, accumulation of personal and family assets, creation of reliable connections to economic opportunities). He suggests that neighborhood development strategies can reinforce the segregation of the poor by: 1) building housing in poor employment markets; 2) directing business to areas of little market viability; 3) putting the burden of urban revitalization and action on the most marginal and powerless. Poverty alleviation strategies on the other hand, address the structural issues of poverty.

Nowak argues that if you take the poverty alleviation approach, three policy responses emerge:

- Funding and policy efforts spent on suburban affordable housing development, including the deconcentration of existing public housing stock.
- Reverse transportation strategies that systematically connect suburban job clusters with the inner-city work force.
- Design and implementation of high quality job training programs to prepare workers for jobs, thus increasing their mobility.

He warns however, that while these approaches are necessary, these strategies require large public investments which in the immediate and short term are “unavailable and fast diminishing.”

Regional Strategies to Address the Problem

Community development strategies must explicitly focus on poverty alleviation in terms of the relationship of the inner-city to the regional economy. This requires five perspectives:

- Understand the needs of local labor. Gain awareness and familiarity with where people work, what their skills are, what the barriers to employment are, and which training programs/schools are the best links to employers.
- Understand the regional economy. Awareness of sectoral growth dynamics, regional retail trends, residential housing trends, and work/labor needs experienced by employers.
- Promote residential housing scale and heterogeneity. Build and develop a residential market place that attracts mixed-income populations.
- Recognize local businesses as regional actors. “Where locational, consumer, and entrepreneurial opportunities exist, commercial and industrial development should be pursued to: a) rebuild physical assets and maximize local tax rates; b) create linkages or associations between neighborhood and outside firms; c) create a pipeline of local jobs that can be used to develop job skills and relationships for later employment.”
- Promote household services programs and asset accumulation strategies. Strategies that create relationships between households and the mainstream economy, e.g. self-employment credit (tax credits for small business that supplement other forms of household income) and the individual development account (to encourage savings for educational, housing and business investment opportunities). Other strategies include training and counseling in areas of household budgeting and mortgage and credit.

Nowak concludes that regionally defined community development cannot exist without other regional institutions such as business associations, industry trade associations, labor unions, community colleges, universities and corporations “that can accommodate the planning, information and program implementation needs of these communities” and prepare and link neighborhood residents to the economy.

Hon. Myron Orfield

State Senator, Minnesota

Director, Metropolitan Area Research Corporation

Publications Reviewed

“Conflict or Consensus? Forty Years of Minnesota Metropolitan Politics.” *Brookings Review*. Fall 1998, pg. 31–34.

Metropolitics: A Regional Agenda for Community and Stability. Washington, D.C.: Brookings Institution Press; Cambridge, MA: The Lincoln Institute of Land Policy. 1997.

Background

Orfield’s research and analysis established in *Metropolitics* (a case study of Minneapolis-St. Paul) is replicated in subsequent regional analyses throughout the U.S. Orfield’s research approach is grounded in regional demographic and tax base information presented by computer mapping to illustrate conditions of poverty in metropolitan urban regions — low-incomes, low levels of school investment, crime, etc. Orfield argues that in addition to a region’s central city, there are also three kinds of suburbs that make up metropolitan regions in the U.S.:

- Older suburbs which comprise about a quarter of the population of U.S. metropolitan regions. These older suburbs are declining socially faster than central cities and often have even less per household property, income, or sales tax wealth.
- Low tax-base developing suburbs which make up about 1–15 percent of U.S. metropolitan areas. These communities are growing in population, especially among school-age children, but without an adequate tax base to support the growth and the expanding schools, highway congestion, and ground water pollution.
- High tax-base developing community. These are the affluent communities, with the highest regional median incomes, and never amount to more than 30% of the region’s population. These communities have the benefits of a regional economy — access to labor and product markets, regionally built freeways and airports, but are able to externalize the costs of social and economic need on the older suburbs and the central city. (1998)

What is the Problem?

Orfield argues that metropolitan regions are becoming increasingly polarized with the concentration of poverty, disinvestment, middle-class flight, and urban sprawl becoming more severe. "The increase of real property wealth in certain outer suburbs, aided by truly massive regional infrastructure expenditures, and its decline in the central city and inner suburbs represent an interregional transfer of tax base from some of the most poor and troubled communities in American society to some of the most thriving and affluent." (1997) Federal urban policy is nonexistent to deal with this polarization or its costs.

Why the Problem?

"In blighted central city neighborhoods and decaying inner suburbs, poverty and social needs concentrate, racial segregation increases, and poor people grow more isolated from the functional economy and the middle class." (1997) "As people continue to 'move out' they take economic and social resources with them and leave behind an increasingly dense core of poverty in the city and rapidly growing social needs in the older suburbs. Pushed by concentrated need, pulled by concentrated resources, polarization gathers force." (1997)

Regional Strategies to Address the Problem

Regions with the "least economic disparity have the strongest economic growth and those with most disparity are the weakest economically." To address regional disparity and counter regional polarization, Orfield suggests six substantive reforms and one structural reform that must be accomplished on a metropolitan scale (1997):

- Reforms that address the resource equity, the need for physical rebuilding necessary to bring back the middle class and restore the private economy:
 - ⊙ Fair Housing
 - ⊙ Property tax-base sharing
 - ⊙ Regional reinvestment
- Reforms that provide for growth that is balanced socioeconomically, accessible by transit, economical with governmental resources, and environmentally conscious:
 - ⊙ Land planning and growth management
 - ⊙ Welfare reform and public works
 - ⊙ Transportation and transit reform
- Tax and public finance reforms must occur to overturn the perverse incentives created by generations of a highly fragmented, overregulated local marketplace.

As David Rusk writes in the foreword to *Metropolitics*:

“In the years between 1993–96, the ‘Metropolitics’ coalition in the Minnesota State Senate passed two regional fair share housing bills, approved a regional revenue-sharing formula pooling tax revenues from high-end housing, changed the state tax code to end abuse of tax increment financing by wealthy suburbs and protect farmers against pressure to subdivide their land, and revised how regional sewer services were funded. The powers of the Twin Cities Metropolitan Council (a regional planning and coordinating agency first established by the legislature in 1967) by placing regional sewer and transportation agencies with annual budgets over \$600 million under its administration....The Metropolitics coalition came within one vote on the Minnesota House floor of converting the gubernatorially appointed Metropolitan Council into a popularly elected regional government like Portland Metro. Beyond that one vote, the coalition most often was stymied by one other missing vote — Minnesota Governor Arne Carlson’s. Only vetoes by the governor prevented more sweeping redefinition of regional benefit-sharing and regional burden-sharing from taking effect.”

Orfield suggests that regional reforms are possible by developing coalitions between central-city and suburban legislators who represent struggling suburban districts to advocate for tax-base sharing — the lowering of property taxes and better services, particularly better-funded schools. “Regional reform is struggle. In order to achieve regional reform, we must achieve the broadest possible level of good feeling, gather to our cause as many allies as we can from all walks of life and from all points of the compass. We must educate and persuade. However, if there are those who stand in our path utterly — who will permit no forward movement — we must fight. In the end the goal is regional reform, not regional consensus.” (1998)

Manuel Pastor, Jr.

Chair, Latin American & Latino Studies
University of California, Santa Cruz

J. Eugene Grigsby III

Department of Urban Planning
School of Public Policy and Social Research
Director, Advance Policy Institute
UCLA

Publication Reviewed

Growing Together: Linking Regional and Community Development in a Changing Economy, with Peter Dreier, Director Public Policy Program, Occidental College; and Marta López-Garza, Associate Professor, Sociology, Occidental College. 1997.

Background

The study by Pastor, Grigsby, et al. expands on empirical research by Ledebur and Barnes (1995), Savitch et al. (1993) and Voith (1992) that shows the relationship of regional economic growth and poverty rates. Ledebur and Barnes illustrate that the widest gaps in regional incomes occurred in places of high level of segregated job growth and that the most robust regional economies had central cities that experienced income growth. Savitch et al. show that city-suburb disparities increase the likelihood of regional economic stagnation. Voith shows that in regions with above average rates of growth, central city poverty rates were in decline.

Pastor, Grigsby et al. expand this research by looking at 74 metropolitan areas in the U.S. and identify categories of four types of regions: 1) regions where growth and poverty are higher than the national sample median; 2) regional growth was high and poverty was low; 3) regional growth was low; poverty high; and 4) regions where both growth and poverty were below the national median sample. The study finds that in the 27 high-performing regions (based on growth of per capita income, changes in central city poverty, and residential dissimilarity), factors such as industrial mix, ethnic diversity, and public and private intervention were determining factors in a region's performance. The authors argue that the interrelatedness of key economic actors, the density of ongoing networks and the strength of social capital were also important factors.

What is the Problem?

Persistent poverty in urban neighborhoods has remained unaddressed because of “the traditional lack of attention given in the United States to the problems of cities in general and the inner-city poor in particular.” In addition, neighborhood poverty suffers from the restructuring of regional economies, as was the case when, in 1992 with the social unrest in Los Angeles, neighborhood poverty was the focus, but the regional economy was in collapse.

Why the Problem?

Economic restructuring and widening inequality “divides neighborhoods, rich and poor, Anglo and ethnic, city and suburb.” Federal policy focusing on the urban poor (even in its underfunded state) has shifted toward the challenge of regional economic recovery reflecting the view that “restarting the regional economy is a pre-condition for anti-poverty efforts and programs.”

Regional Strategies to Address the Problem

Pastor, Grigsby et al. argue that in order to create a collaborative framework that unites regional and community development, new attitudes and a new rhetoric are needed. They suggest a set of three principles:

- Encourage regional thinking.
 - ⊙ Though regional government is not likely, federal and state governments could tie funding to evidence of regional cooperation and planning.
 - ⊙ Cities could coordinate their economic strategies.
 - ⊙ Foundations could finance research that demonstrates economic benefits of regionalism, i.e. Irvine’s sponsorship of Joint Venture Silicon Valley.
- Ensure that regional strategies have an anti-poverty component.
 - ⊙ Develop a Social Impact Report (SIR) methodology to rank the equity effects of regional initiatives. Community groups, municipal authorities, regional bodies and others to evaluate regional initiatives could use SIR’s.
 - ⊙ Encourage and enhance labor mobility, e.g. revising empowerment zone strategies to give credits to firms that hire residents from poorer areas no matter where firms themselves are located.

- ⊙ Improve residential mobility by easing restrictions on Section 8 renters. Assist occupational mobility and social mobility by enhancing community college training programs and enforcing anti-discrimination laws and affirmative action guidelines.
- ⊙ Encourage and reward work. Expand education campaigns to notify residents about the Earned Income Tax Credit.
- ⊙ Encourage unionization efforts in low-income areas.
- ⊙ Regional initiatives should include “specific inducements to locate employment centers in poorer communities, partly to spur the development of ancillary retail and other small business.”
- ⊙ Encourage community-based minority entrepreneurship.
- ⊙ Encourage business to tackle issues of economic inequality and poverty. Steps include convening business-initiated conferences on the importance of poverty reduction, for example, how to meet the challenges of welfare reform.
- Link Community Development to Regional Dynamics.
 - ⊙ “Community Building” and its inclusion of community organizing with physical development and institution building, is necessary to meet the challenge of poverty, economic restructuring and demographic transition in neighborhoods and regions.
 - ⊙ CDCs must understand new business clusters, connect with key firms via first-source agreements, and rethink job training activities.
 - ⊙ CDCs must “look for the commonalties in their development efforts and try to offer a unified community voice at the regional level.” Possible steps include convening community leaders to discuss the benefits and scope of a new regional approach (i.e. efforts by the National Community Building Network).

Neal Pierce

Chairman, The Citistates Group
Journalist/Publisher of the Pierce Reports

Publication Reviewed

Citistates: How Urban American Can Prosper in a Competitive World. Seven Locks Press. 1993.

Citistates Web page: <http://www.citistates.com>

Background

The Pierce Reports provide challenging “outsider” views that are designed to inform and energize local civic forces on the future prospects of urban regions across the United States. Since 1987 the Pierce team has conducted assessments of metropolitan problems in regions around the country. The first six reports were reprinted in the book *Citistates: How Urban America Can Prosper in a Competitive World* (Seven Locks Press, 1993).

The Citistates Group is a network of journalists, speakers and consultants who believe that successful metropolitan regions are today’s key to economic competitiveness and sustainable communities. They have coined the phrase Citistates in 1993 to describe how metropolitan regions operate in the new, post Cold War economy. A Citistate is defined on the basis of economic transactions. A new economic paradigm is emerging that is not built upon the notion of federal, state, and local government structures. The Citistates group suggests that we consider global, regional, and neighborhood as an economic framework.

Pierce Reports have been published in the following newspapers on their corresponding metropolitan areas: *Arizona Republic Phoenix Gazette*, *Seattle Times*, *Baltimore Sun*, *Owensboro (Kentucky) Messenger-Inquirer*, *Dallas Morning News*, *St. Paul Pioneer-Press*, *Raleigh News & Observer*, *Spokane Spokesman Review*, *Philadelphia Inquirer*, *Boulder Daily Camera*, *Charlotte Observer*, *Reading Eagle and Times*, *Indianapolis Star and News*, *St. Louis Post-Dispatch*, and *Erie Times*.

What is the Problem? Why the Problem?

NOTE: *Unlike the other reviews, this review provides a summary of the philosophy of the Citistates group and provides a set of guideposts for preparing and strengthening regions to be internationally competitive. Therefore, we have combined the description of the problem with the discussion of why the problem exists.*

The overarching framework for the *Citistates* book is based on William Dodge’s (a Citistate associate) paradigm that the American economy functions on three new levels: *global, regional and neighborhood*:

- Global because critical issues have worldwide implications — global warming, economic restructuring, rapid global market repercussions.
- Regional because the metropolitan areas, or citistates, share areawide transportation systems, media outlets, medical assistance, goods, services, even crime. Success of the regional system — on every measure from workforce preparedness to the quality of the infrastructure — determines how competitive and successful the citistate will be for all its citizens in the long run.
- Neighborhood because it is on the personal, community level that escalating U.S. social problems can ultimately be dealt with.

The Citistates team believe the key to the future of American regions is to unlock the local talent, fuse it with the inherent skills of the citizenry, and use the license of newspaper commentary to reach virtually the entire reading population of a region. Pierce Reports are journalistic, independent products. They are based first and foremost on listening — interviews with a broad cross-section of a region's business and government leaders, activists, neighborhood representatives. They are not all-purpose formulas. They are not expected to substitute for fine ongoing journalism in the local press, or for any part of a citistate's own civic life. But they are intended to catalyze, to add perspective from what is happening in other American regions, to add credibility to the forces of reform and civic renewal inherent in American communities.

Regional Strategies to Address the Problem

The Citistates group developed eight guideposts for strengthening metropolitan areas.

- Recognize the indivisibility of the citistate: The inescapable oneness of each citistate covers a breath-taking range. Environmental protection, economic promotion, work force preparedness, health care, social services, advanced scientific research and development, philanthropy — success or failure on any one of those fronts ricochets among all the communities of a metropolitan region.
- Plan the regional economy to marshal internal strength: Find a profitable niche in the new world economy. Citistates that hope to prosper in the international economy need to plan as carefully as the smartest corporations. In developing strong business-government-academic partnerships, they need to decide what they're good at and seize their cooperative advantage.

- Reaffirm the critical importance of the citistate's heart: Its historic center city and neighborhoods. Center cities continue to define a citistate to the world....This means urban design, waterfront planning, streetscapes, and historic preservation are powerfully important issues for a citistate's entire presentation to the world.
- Focus on the growing link between social deprivation and work force preparedness: Go to work to fix the problem. Virtually all the world's citistates face serious social problems.
- Build a sense of regional citizenship: Americans are encouraged to have some loyalty to their nation, their state, and their local community. Adding another, the citistate, seems a daunting challenge. But regionalism has risen dramatically in peoples' consciousness during the '90s.
- Remember quality of life issues: Especially the environment. Once upon a time, quality of life may have been thought of solely as an aesthetic or social issue. No longer. Today it is a crucial economic issue profoundly affecting the future prospects of a citistate.
- Make governance work: Governments, unable to reach the most fundamental cooperative agreements, fighting over economic scraps, pushing environmental or social problems off to their neighbors, create the image (and too often the reality) of a malfunctioning, divisive citistate.
- Undergird governance with a strong citizen organization: Work consciously to build new leadership cadres. The logic of some form of region-wide citizen organization, pressing for the shared and common good over special interest pressures and the parochial positions of fragmented local governments, strikes one in region after region across the U.S.

john a. powell

Professor of Law

Director of the Institute on Race and Poverty

University of Minnesota Law School

Publication Reviewed

“Race and Space: What Really Drives Metropolitan Growth.” *Brookings Review*. Fall 1998.

What is the Problem?

Race is a major factor in the spatial configuration of our metropolitan areas. The outer-ring suburbs of metropolitan areas are overwhelmingly white, and inner-city urban centers are populated by people of color, especially Blacks. This spatial and racial pattern makes sharing or fairly distributing regional benefits almost impossible. White suburbanites resist regional strategies, reluctant to embrace something that will have negative economic consequences for them. Blacks also resist regional solutions because they fear a loss of cultural control or identity and a loss of political power.

The economic and political isolation of poor minorities in the inner-cities is caused by flight, or sprawl, and fragmentation. As a result of these forces, minorities find themselves in neighborhoods of concentrated poverty. Of the more than 8.2 million people that live in these areas, more than half are Black, quarter are Hispanic.

Why the Problem?

The residential segregation and concentration of poverty in neighborhoods inhabited by Blacks and other populations of color was constructed and is perpetuated through governmental housing and transportation policies, institutional practices, and private behaviors.

- In the 1940s and 1950s the Federal Housing Administration pursued an explicit policy against granting mortgages for homes in minority or integrated neighborhoods and preferred to back new construction rather than the purchase of existing units. These loans fueled the white exodus out of cities and confined minorities to the urban core.
- The development of the national highways system facilitated the exit from the central city and destabilized many urban neighborhoods.
- “Urban Renewal” efforts destroyed stable Black neighborhoods.
- Local governments implemented exclusionary zoning practices, including mandates for large minimum lots sizes and banning multifamily housing, which makes it nearly impossible for poor families to find affordable housing in white suburban communities

- Private measures, such as blockbusting by the real estate profession and the creation of racially restrictive covenants by homeowners, prevent people of color from moving to the suburbs.

These policies promote concentrated poverty in the inner-city and contribute to reducing the quality of life in urban communities. This concentrated poverty is self-perpetuating and when one part of the region becomes dysfunctional, the entire area can become compromised. Essentially, a poor and racially segregated urban community harms the entire region.

Regional Strategies to Address the Problem

Powell proposes that solutions should give cities or communities a way to maintain appropriate control of their political and cultural institutions, while permitting them to share in regional resources and balance regional policymaking. This means balancing “in-place” and “mobility” strategies. “In-place” strategies aim to alleviate the detrimental effects of sprawl and fragmentation on urban communities of color by moving resources and opportunities to low-income central-city residents to generate improvements in urban neighborhoods of color. Mobility-oriented schemes aim to disperse central-city residents to existing economic and political opportunities in outlying communities.

Even though in-place strategies are favored by a cohort minority leaders because they preserve cultural identity and the minority power base, Powell contends that metropolitan solutions need to address the concentrated poverty issues of the central core while respecting the right to effective participation in political and cultural institutions throughout the region. Tensions between local power and regional solutions are good, but these tensions must be structured in a way that leads to true democratic planning and cooperation that transcends racial polarization.

A federated approach is recommended that recognizes the regional nature of racial and economic segregation and provides a solution that integrates regional policy making with local governance. Tax-base sharing in Minnesota’s Twin Cities is one example and Portland’s regional housing strategy is another.

The ideal balance between “local” and “federated” strategies must be responsive to communities of color and the problems of regional and local concentrations of poverty. It is critical that racial minorities participate in policy development to ensure a balance between employment opportunities and political power within a regional context.

Henry Richmond

National Growth Management Leadership Project
Portland, Oregon

Publication Reviewed

"Comment on Carl Abbott's 'The Portland Region: Where City and Suburbs Talk to Each Other — and Often Agree.'" *Housing Policy Debate*. Volume 8, Issue 1. Fannie Mae Foundation, 1997.

Background

Portland is considered to be a successful U.S. example of regionalism. The metropolitan area is governed by an elected metropolitan council that has been in place since the late 1970s. The metro approach is supported by the State's growth management framework, initiated in 1969, and has had an Urban Growth Boundary (UGB) for 20 years. In late 1997, the boundary was reaffirmed and slightly expanded. In 1997, the Metro Council approved a Region 2040 plan establishing a regional transit oriented development program emphasizing a hierarchy of city and town centers. Factors for the Portland success include: support from high-levels of government, strong regional institutions, strong supportive political coalitions, low regional fragmentation, and consensual planning styles. In particular, well organized regional advocacy organizations such as 1000 Friends of Oregon, Livable Oregon, Citizens for Sensible Transportation Priorities, the Portland Audubon Society and the Coalition for a Livable Future and the political coalition they form, have lobbied state and regional political bodies, organized citizen input to planning processes, publicized regional causes in the media, developed models of alternative land use patterns, and provided specific policy recommendations to state and regional planning staffs. The coalition in Portland has grown over thirty years as groups have gotten to know each other and worked together within the state's growth management system. "Rather than a boosterish growth machine dominated by active or tacit collusion of business and real estate interests...coalitions can support progressive regional planning."¹

In his article, Carl Abbott argues that the success of Portland's metropolitan approach center on urban design, "but that the region's most distinguishing characteristic is its attention to political process — the value of extensive civic discourse, incremental policy making, and institution building" that are particular to Portland. In his critique, Richmond argues that contrary to what Abbott argues "the regional planning lessons from Portland, especially the use of the UGB (urban growth boundary) may be applied throughout the nation."

¹ Wheeler. Pg. 16.

What is the Problem?

Richmond argues that “rapidly outwardly expanding development produces metropolitan regions that are suffering from job-poor inner-cities, unstable blue-collar inner suburbs, disinvestment in core infrastructure, and the needless consumption of natural resources and open space.”

Why the Problem?

Richmond argues that suburban sprawl and the inability to control it are fueled by four conceptual myths which have challenged regional approaches to sprawl and inequity:

Myth 1: Land use policy reform is at odds with free economic markets. Urban Growth Boundaries (UGBs) are in fact, pro-development and pro-market by encouraging directed growth and addressing the external costs of development.

Myth 2: Regional land use reform creates conflict between local governments. More and more, local governments are collaborating because of mutual self-interest in providing affordable housing, and sharing tax-bases. Regional land reform can strengthen local control and local tax bases.

Myth 3: Land use reform is at odds with property rights. Richmond argues that in fact, sprawl creates opportunity for speculation for a handful of landowners at the urban fringe, while it “can also depress the residential and commercial values of a much larger group of property owners in the interior of the region.”

Myth 4: “Greedy Developers” are the problem. Richmond argues that “developers play the policy hand they have been dealt. The fact is, development is the *solution* to land use problems — not the cause.”

Regional Strategies to Address the Problem

As Portland's model illustrates, urban growth boundaries (UGBs) are necessary to address fast growing suburbanization and sprawl. A UGB addresses two key questions we must ask ourselves: "How are we going to do a good job of being an urban community?" and "How big an area can we afford to be to make the investments we need to make in order to be a functioning, healthy, fair and sound community?"

Richmond argues that UGBs address sprawl because:

- They are "pro-development"; they "signal where development is encouraged." For housing in particular, UGBs partially deregulated the housing market, increasing density zoning and leaving zoning sensitive to the market created affordability for consumers, reduced development on the fringe, and increased profitability for developers.
- They are "pro-market" and compatible with mainstream economic thinking. UGBs, Richmond argues, help protect the market's allocation function by addressing chaotic land use patterns that make it difficult to internalize the costs of land development. In this way, UGBs diminishes the externalization of costs by suburban development and the burden on urban development so that both urban and suburban areas share costs.
- UGBs help preserve farm and forest land. Though some good farmland has been lost inside the UGB, "this is a small price to pay for the vast amounts of growing soil and green space that are preserved outside the boundary." Designation of farmland is tied to soil testing by the Soil Conservation Service.
- UGBs comprise a core component of "transit shed planning." By concentrating urban growth within the UGB, sufficient density can be built for public transit.

Hon. David Rusk

Former Mayor of Albuquerque
Member, New Mexico State Legislature

Publication Reviewed

Cities Without Suburbs. Washington, D.C.: The Woodrow Wilson Center Press. 1993.

Background

In *Cities Without Suburbs* Rusk contends that successful metropolitan regions with notable social and economic equity are directly related to the “elasticity” of the urban area. Elasticity is the ability for a city to expand its boundaries to capture new growth in a metropolitan area. There are two mechanisms of elasticity in which a city can capture new growth. First, a low-density city can increase its density by building upward within existing boundaries to accommodate new growth. But, if a city is already densely populated, the city can only grow by the second and primary type of elasticity — extending its boundaries through annexation. Boundary expansion through annexation has contributed to approximately 80 percent of municipal elasticity, and cities with the greatest elasticity have vacant land to develop and the political and legal tools for annexation. Rusk suggests that *only elastic cities grow*, and the most elastic cities are the strongest economic performers with fewer social problems. These cities that dominate their metropolitan region — include both the central city and suburb in their boundaries — are, in effect, *cities without suburbs*. Examples include Houston, Indianapolis, Albuquerque, Seattle and Austin.

To analyze the concept of elasticity and its affect on demographic, social and economic patterns of cities, Rusk developed an “elasticity score” using census data from 1950 to 1990 for the 522 central cities in the nation’s 320 Metropolitan Statistical Areas.

Throughout the book Rusk lays out four laws of urban dynamics:

- Only elastic cities grow
- Fragmentation divides
- Ties (between city and suburb) do not bind
- Ghettos can only become bigger ghettos

As part of his argument, Rusk states that cities can reach the *point of no return*, where city-suburb economic disparities become so severe that the city is no longer a place in which to invest or create jobs. Cities past the point of no return are not hopeless, yet they cannot escape the grip of poverty solely by their own efforts. In his research, no city past the point of no return has ever closed the economic gap with its suburbs by as much as a single percentage point.

What is the Problem?

Jobs, housing, streets and highways, water and sewer systems, pollution, and revenues are common issues for urban areas, but America's real urban problem is the racial and economic segregation that has created an underclass in many of America's major urban areas. Segregating poor urban Blacks and Hispanics has spawned physically decaying, revenue-strapped, poverty-impacted, crime-ridden "inner-cities." These inner-cities are isolated from their "outer cities" — wealthier, growing, largely white suburbs.

Why the Problem?

- The real city is the total metropolitan area — city and suburb. Any attack on urban social and economic problems must treat suburb and city as indivisible parts of the whole.
- Most of America's Blacks, Hispanics, and Asians live in urban areas. Social and economic equality is a goal that can be achieved only by what happens in urban areas.
- Since World War II, all urban growth has been low-density, suburban style. The only cities that swam against the suburban stream were cities swimming with the immigrant stream.
- For a city's population to grow, the city must be "elastic." [Please see discussion of elasticity above.]
 - ⊙ Almost all metropolitan areas have grown (between 1950 and 1990).
 - ⊙ Some central cities have grown; others have shrunk.
 - ⊙ Low-density cities can grow through infill; high-density cities cannot.
 - ⊙ Elastic cities expand their city limits, inelastic cities do not.
 - ⊙ When a city stops growing, it starts shrinking.
 - ⊙ Elastic cities capture suburban growth; inelastic cities contribute to suburban growth.
 - ⊙ *Bad state laws can hobble cities.* State laws differ concerning the power they give municipalities to expand.
 - ⊙ *Neighbors can trap cities.* One municipality cannot annex property within another municipality. Older cities are surrounded by smaller cities, towns and villages that prevent annexation.

- ⊙ *Old cities are complacent; young cities are ambitious.* Elastic cities are younger than inelastic cities. Established older cities have focused on dividing up the pie rather than on making the pie larger.
- ⊙ *Racial prejudice has shaped growth patterns.* Racial prejudice played a role in the evolution of overwhelmingly White suburbs surrounding increasingly Black cities.
- Inelastic areas are more segregated than elastic areas.
- Inelastic areas that segregate Blacks, segregate Hispanics. Hispanics are significantly less segregated than are Blacks.
- City-suburb income gaps are more critical of a problem than overall income levels in metropolitan areas. The city-suburb income ratio is the single most important indicator of an urban area's social health. Mayors of inelastic cities must lobby for federal funds to support programs not supported by a tax base found in more elastic cities.
- Fragmented local government fosters segregation; unified local government promotes integration. A metropolitan area in which local government is highly fragmented is usually incapable of adopting broad, integrating strategies. A dominant local government has the potential to implement a policies to promote greater racial and economic integration.
- Dispersed and fragmented public education is more segregated than centralized and unified public education.
- The global economy sets the rules, but local areas can decide how to play the game. Deindustrialization has been more detrimental to older, inelastic cities than younger elastic cities, where the economy is more diversified.
- The smaller the income gap between city and suburb, the greater the economic progress for the whole metropolitan community. Metropolitan areas with the smallest city/suburb income gaps have the greatest job increases.
- Poverty is more concentrated in inelastic cities than elastic cities.
- Elastic cities have better bond ratings than inelastic cities.
- Rebuilding inner-cities has not happened from within.

Regional, State, and Federal Government Recommendations for Supporting Metropolitan Government

Regional strategies

Reversing the fragmentation of urban areas is an essential step in ending severe racial and economic segregation. The city must be redefined to reunify city and suburb. Ideally, such reunification is achieved through metropolitan government.

Four strategies are proposed:

End Fiscal Imbalance

By taxing a larger share of the wealth of metropolitan areas, a metropolitan government matches resources to problems.

Diminish Racial and Economic Segregation

Through planning and zoning powers and government housing assistance plans, a local government can shape where difference classes live to combat concentrated poverty.

Promote Areawide Economic Progress

Metropolitan governments nurture community spirit, support public-private ventures, and minimize jurisdictional competition around the siting of new business and industry.

Control Urban Sprawl

Growth management policies can ensure more balanced development, conserving the value of older residential and commercial areas, and promoting mixed-income housing in newer subdivisions.

State Government Initiatives

Unify Local Governments

Empowering Urban Counties:

Have county government absorb the functions and responsibilities of all municipal governments within its boundaries, and abolish all municipalities.

Consolidating cities and counties:

These consolidations unify the tax base and centralize planing and zoning.

Combining counties into regional governments.

Consolidation Impact

Uniform state laws should be enacted to encourage city-county consolidation through local initiative.

Authorize Annexation

Improve local annexation authority. State laws should empower municipalities to initiate and carry out annexations while protecting property owners against any harm from such actions.

Limit New Municipalities

Raise standards regarding minimum population, minimum land area and minimum ad valorem tax base. Establish zones in which existing municipalities can veto new incorporations.

Promote Regional Partnerships

Joint Powers Authorities and Tax-base sharing

Federal Government Initiatives

Incentives for Metropolitan Reorganization

Encourage formation of metropolitan governments through tax policy. Reduce the allowable federal income tax deduction to 50% (from 100%) of actual state and local income and property taxes. Restore tax cuts for metropolitan areas that support metropolitan government.

Slowing Suburban Sprawl

Congress should amend the federal construction (mainly highway and sewage treatment) grants to require state and local government applicants to analyze the impact of each project on the metropolitan area's residential density. If state and local governments want more suburban sprawl, they should pay for it through state and local taxes and user fees.

Leveling the Playing Field

Federal housing finance programs, environmental regulations, and tax laws are riddled with provisions that tilt the playing field in favor of new suburban areas. Congress should eliminate capital gains taxation on the sale of all homes.

Ending Public Housing Projects

Federal housing programs must avoid concentrating poor households in dense environments. For example, voucher-assisted residents should not occupy more than one-third of any apartment complex and voucher use should be limited to neighborhoods where the poverty rate is less than 150 percent of the region's poverty rate. The CRA and other federal mortgage regulations should be amended to allow mixed-income housing, accessible to former public housing tenants, in suburban areas to meet federal goals.

Policy Summary

Note: There is some overlap with the policies and recommendations above, but there are some new ideas included below.

Local

- Fair-share housing policies that encourage low- and moderate-income housing in all jurisdictions.
 - Fair employment and fair housing policies to ensure full access by minorities to the job and housing markets.
 - Housing assistance policies to disperse low-income families to small unit, scattered site housing projects and to rent-subsidized private rental housing throughout a diversified metropolitan housing market.
 - Tax-sharing arrangements that will offset tax-base disparities between the central city and its suburbs.
-

State

- Improve annexation laws to facilitate continuous central city expansion.
- Enact laws to encourage city-county consolidation.
- Empower county governments so that they can act as metropolitan governments.
- Require all local governments to have fair share housing laws.
- Establish national tax sharing arrangements.
- Engage strong statewide growth management.

Federal

- Focus federal research and evaluation on integrating poor minorities into social mainstream communities.
- Utilize the U.S. Advisory Commission on Intergovernmental Relations more actively.
- Each federal program should be reviewed to see whether it increases or diminishes racial and economic segregation.
- Initiate a major reform of the federal public housing program.
- Vigorously enforce federal laws on fair employment and fair housing.
- Determine whether public or private policies that result in economic segregation, because of their high correlation with racial segregation, are de facto violations of civil rights laws.

Hon. David Rusk (cont.)

Former Mayor of Albuquerque
Member, New Mexico State Legislature

Publication Reviewed

Inside Game, Outside Game: Winning Strategies for Saving Urban America. Washington, D.C.: Brookings Institution Press. 1999.

Background

In his most recent book, Rusk expands on his work in *Cities Without Suburbs* and his theory of relative elasticity of cities. He defines a city's elasticity as the ability for a city to grow within its boundaries to capture new growth in the metropolitan area by: 1) increasing density to accommodate new growth; and 2) if already densely populated, extending its boundaries through annexation. The latter elasticity has contributed to approximately 80 percent of municipal elasticity. In his research he found that the most elastic cities were in the South and West (Albuquerque, Charlotte, Nashville, Indianapolis); the most inelastic were in the Northeast and Middle West (New York, Detroit, Cleveland, Baltimore and Washington)

In *Cities Without Suburbs*, Rusk argues that cities should try to maintain or reacquire elasticity: "they should secure or defend workable annexation laws, promote city-county consolidations, and support unifying school districts. They should create, in effect, quasi-metropolitan, more unified, big box governance structures that could help diminish the racial and economic segregation that has created an underclass in many of America's major urban areas."

Inside Game, Outside Game examines the inelastic cities of the Northeast and Middle West, which cannot annex and are difficult to consolidate. Rusk cites case studies of these strategies: state landuse law in Portland, mixed-income housing laws in Montgomery County, Maryland where the county mandates that all new subdivisions and apartment developments provide for a minimum of 15 percent low and moderate income housing; voluntary multijurisdictional revenue-sharing program in Dayton, Ohio; and the state-mandated tax base-sharing program in Minneapolis-St. Paul.

What is the Problem?

Rusk argues that urban sprawl, concentrated poverty and fiscal disparity are harming metropolitan regions. Changing the “rules of the game” is necessary but “what is lacking is the political will to act in state legislatures county courthouses, and township and city halls around the country.”

The “inside game” is the term Rusk uses to describe the dynamics and conditions of metropolitan cities, namely how the cities got into their present state and the attempts to counter urban neighborhood decline over the past three decades. Federal government sponsored antipoverty initiatives are variations of this “inside game.” “Playing the ‘inside game’ is a losing strategy for even the most exemplary players. For both poverty-impacted cities and poverty-impacted neighborhoods, even the strongest inside game must be matched by a strong ‘outside game’ — regional strategies.”

Why the Problem?

Rusk argues that two major factors have shaped America’s urban areas: sprawl and race. Though his analysis revolves around race, Rusk states “there are words that I have not used: *racist* and *racism*...for me the words ‘racist’ and ‘racism’ are terms inextricably linked to personal attitudes feelings, and values....I doubt that the precipitous deterioration of urban ghettos and barrios is based primarily on continued racism in American society.” He argues (citing John Powell) that even with the clear racial bias in the geography of poverty it is hard to label whites as racists when they like other African-Americans move out of high-poverty neighborhoods. People move based on rational decisions about escaping poverty and poverty neighborhoods.

“The constant outward flight of people and investment, the abandonment of poverty-stricken neighborhoods, the concentration of poverty, and the associated decline of many central cities are, at the level of the *individual*, neither racist nor irrational acts. But from the perspective of *society* as a whole, these trends are immensely wasteful and tragically unnecessary.”

Regional Strategies to Address the Problem

Rusk's agenda for a regional strategy has goals to:

- Control sprawl and require regional land use planning
- Dissolve concentrations of poverty and ensure that all suburbs have their fair share of low- and moderate-income housing
- Reduce fiscal disparities and implement regional revenue sharing

Rusk suggests a three-pronged agenda that form the basis of an "outside game" to achieve these goals.

- Regional land use planning and growth management
- Regional fair-share low- and moderate-income housing requirements for all new construction
- Regional tax base or revenue sharing

To achieve this "outside game" Rusk argues that the following actors must be involved:

- Federal government with its influence in shaping national land use and housing patterns. [See *Cities Without Suburbs* for full discussion of suggested interventions such as incentives for metropolitan reorganization, conditions on federal infrastructure grants.]
- State legislatures because of their authority to set the rules for local governments' land use planning power (antisprawl controls), zoning powers (potential mixed-income housing mandates), and intergovernmental agreements (potential revenue or tax base-sharing agreements). "The next decade's battle must be fought in the statehouses...the most important policy: a mandatory mixed-income housing policy for all new residential construction."
- Because of the lack of political will to change the rules of the game, coalitions are needed to move the political system to act. Rusk cites case studies of faith-based movements (the Northeast Indiana Federation of Interfaith Organizations), business-driven groups (Virginia's Urban Partnership), the role of activist academics (the Ohio Housing Research Network) and grassroots citizens' groups (Rochester's Metropolitan Forum). In particular, church-based coalitions between central-city and suburban churches represent "the most politically potent of all." (Pg. 333)
- Philanthropic foundations also have a role to play by helping finance reform movements.

Peter Schrag

Journalist
Sacramento Bee

Publication Reviewed

Paradise Lost: California's Experience, America's Future. 1997.

Background

Peter Schrag's book, *Paradise Lost: California's Experience, America's Future* is a critical piece of work for understanding California's initiative process and the impacts of Proposition 13 on the local tax base. Schrag's work is also important background material on the State of California's legislative process, which has great bearing on land use policy and local zoning. This book was not reviewed in the format of the other summaries, as the work does not frame the regional debate around equity in a way that would benefit from the format. Instead, an excerpt from Chapter 1 is included.

Excerpt from Chapter 1

The recent history of the California initiative system has demonstrated the essential irony of that process: that as the public trusts the system less and less, it becomes ever more susceptible to untested quick-fix remedies that, instead of resolving the problems of the moment, limit public choice and make long-term solutions even more difficult. But it has hardly deterred it.

This book attempts to look at those forces, and at how they have shaped California in the past forty years, and particularly at the period since the beginning of the tax revolt in the mid-1970s. It is divided into five major sections. The first two deal with the before-and-after what of this story; the next two with the historical how of the past forty years; the last with the future-oriented question of what now:

- A section briefly describing California's heyday of post-World War II optimism, itself probably founded on excessive expectations, that peaked in the era of Pat Brown — roughly 1958–66 — and an examination of the demographic, economic, and political stresses that so quickly began to undermine it.
- A snapshot of California today, focusing on the state's Mississippified public services and infrastructure and the fundamentally changed government structure and social relations that California's tax revolt and its political progeny have produced.

- A section on the causes of the radical tax revolt that is associated with Proposition 13, and its consequences in California's ability to manage its affairs. Although 13 has become its enduring symbol, the attempt to mandate fiscal policies has run through scores of other ballot measures, some of them (in reaction to the tax limits) mandating certain kinds of spending, most further restricting either revenues or spending.
- An elaboration of the history, dynamics, and broader implications of California's orgy of plebiscites, as well as a discussion of the major measures of the past two decades, and their consequences both in substantive policy and in the increasingly constrained exercise of policy choices imposed on representative government in California.
- A brief coda examining the possibilities for a new political integration and a revitalized social ethic in California, describing the contrary forces pushing even further toward a market-based governmental ethic, and appraising the national implications and the stakes that ride on the outcome of the conflict between them.

Ray Suarez

Host, Talk of the Nation
National Public Radio

Publication Reviewed

The Old Neighborhood: What We Lost in the Great Suburban Migration. New York: The Free Press
— Simon and Schuster, Inc. 1999.

Background

This book is recommended as important supporting document to many of the other books and articles covered in this review. Suarez's book offers comprehensive reference material that adds a personal voice and tangible human element to the academic and policy literature on five decades of suburban development that has eroded many of America's urban neighborhoods. Since this book does not offer policy recommendations, it was not reviewed in the format of the other summaries, as the work does not frame the regional debate around equity in a way that would benefit from the format. Instead, a summary of the work and a review from Amazon.com are included.

Summary Overview

Ray Suarez's *The Old Neighborhood* adds a personal voice and tangible human element to the academic and policy literature on five decades of suburban development that has eroded many of America's urban neighborhoods. His open-ended, qualitative methodology provides a rich oral history of neighborhood change through conversations with longtime residents, recent arrivals, and recent departures, community organizers, priests, cops, and politicians; and scholars who have studied neighborhoods, demographic trends, and social networks. His observation of the suburban migration is constructed through case studies of neighborhood change in Chicago, Philadelphia, St. Louis, Brooklyn, Cleveland, Washington, D.C. and Miami. Suarez does not conclude with policy recommendations, rather he states that the path to urban neighborhood revitalization is found in honest discussions about race, schools, housing and jobs.

Review from Amazon.com

by Linda Killia

With a great deal of sadness, NPR host Ray Suarez chronicles the effects of the American migration from cities to suburbs in the second half of the 20th century. He visited a number of cities — including Chicago, Philadelphia, Cleveland, Miami, and Washington — to find out what went wrong. *The Old Neighborhood* makes its case with an effective mix of data and quotes from interviews with community organizers, government officials, people who stayed in the cities, and those who left. One of the best things about the book — no doubt a product of Suarez's radio background — is its tendency for extended quotes, where the voices of his interview subjects more fully emerge.

Suarez passes blame around freely for what happened to the cities and their neighborhoods, citing the loss of inner-city manufacturing jobs, crime, the decline of urban schools, and the increased availability of the automobile and development of highway systems. But mostly he blames America's inability to deal with race, asserting that whites simply don't want to live with Blacks and will continue to move out further and further to prevent that from happening.

Richard Voith

Economic Advisor
Federal Reserve Bank
Philadelphia, Pennsylvania

Publications Reviewed

“City and Suburban Growth: Substitutes or Complements?” *Business Review* (Federal Reserve Bank of Philadelphia). September–October, 1992. Pg. 21–33.

“Central City Decline: Regional or Neighborhood Solutions?” *Business Review* (Federal Reserve Bank of Philadelphia). March–April 1996. Pg. 3–16.

Background

Voith’s 1992 study of 28 metropolitan areas in the Northeast and North Central U.S. reveals a positive correlation of city and suburban population, per capita real income and employment growth, illustrating the “complementarity of the city and suburban economies.”

Voith (1996) focuses on local and regional collaboration. Rapid suburban growth and worsening economic and social problems in central cities have made it imperative for suburban, city and regional governments to re-examine their roles. Both local and regional approaches to solving central city decline have their strengths and weaknesses. The most viable solution to disturbing social problems is the combination of local imperative and regional cooperation. While people oriented policies can address the needs of lower income residents, regional support is necessary to delivery services that are regionally beneficial.

What is the Problem?

In his 1992 research, Voith argues that suburban areas have experienced increases in population and employment since the 1960s while urban cores suffered declines and stagnation. One common explanation is that suburban and central economies are completely independent of each other, others argue that central city decline if unaddressed, will eventually spread to the surrounding suburbs. Voith’s research focuses on the questions: “Do suburbs *substitute* for cities, or do they *complement* each other?”

Voith’s research of 28 metro regions (1992) suggests that cities and suburbs are complements where decline in central cities is likely to be associated with slow-growing suburbs. “Even if the most acute problems associated with urban decline do not arise in the suburbs, central city decline is likely to be a long-run slow drain on the economic and social vitality of the region.”

He argues the increasing concentration of poverty in central cities creates fiscal challenges for central city governments. Suburban governments face similar fiscal challenges as well, because they now bear greater burden of increased population, and social needs. Voith asks: "As the economies of cities and suburbs continue to diverge, should we be advocating for regional approaches to problems concentrated in central cities? Or instead, seek local solutions by transforming cities into a group of smaller, more autonomous communities?" (1996)

Why the Problem?

Local city and suburban governments face fiscal problems because cities depend largely on property values to generate tax revenues for redistributive purposes. "In recent years, technological changes have eroded the economic advantages of cities and their ability to redistribute. As the concentration of poverty increases, the tax base for providing basic services such as public safety, sanitation and education shrinks. At the same time, the costs per capita of providing basic services are higher when the recipient population is poor."

According to economic theory of location choice, equilibrium of migration between central cities and suburbs can be achieved through constant competition between the city and its suburbs each pursuing its own policies independently. "Growth or decline depends on each community's inherent attractiveness and on the efficiency of its public policies. If the suburbs are more attractive than the city, the central city population decline is simply a health response that results in more people and firms in the desirable area." However, when "out migration hinders the declining community's ability to provide basic public services, falling land prices may not be sufficient to halt the decline. Further, the decline may have 'spillover' effects that change the attractiveness of the entire region." (1992) Complementarity of city and suburban growth implies that unfettered competition between city and suburb resulting in rapid city decline may be counterproductive. Public policies to address inner-city decline may not be in the short-term interests of the suburbs.

Regional Strategies to Address the Problem

Evidence of complementarity "suggests that both city and suburb could improve their welfare through cooperative actions to arrest urban decline." These include:

- Regional financing of social service programs
- Regional efforts to improve educational opportunities for children in poor-quality school districts
- Elimination of large differences in local tax rates, especially taxes on mobile factors such as labor

Margaret Weir

Professor, Department of Sociology
UC Berkeley

Publication Reviewed

“Race and the Politics of Metropolitanism.” Aspen Institute Roundtable on Comprehensive Community Initiatives — Project on Race and Community Revitalization. June 1998.

What is the Problem? Why the problem?

Margaret Weir’s “Race and the Politics of Metropolitanism” does not frame metropolitanism as a problem or solution, rather it analyzes historical and contemporary literature about metropolitanism and its connections to urban distress through a political lens. Recent regional planning and governing movements and the deterioration of the inner-city have made the politics of regionalism more plausible now than in the past. However, Weir points out that many of the claims about the benefits of metropolitanism for poor communities are overstated because they pay little attention to mobilizing minorities and the poor as an essential part of the metropolitan effort. *Some elements of metropolitanism, particularly when combined with activation of low income communities may help to stem the trend of increasing polarization that has made community building efforts such an uphill battle.*

Race, Democracy, and Metropolitan Fragmentation: What is at stake?

Arguments about metropolitanism do not fall neatly into conventional political ideologies. Over the last forty years public choice theorists (on different ends of the political spectrum) generally oppose metropolitanism and technocratic elites and left liberals have historically both supported and denounced metropolitanism. Public choice theorists (political decentralists) challenge regionalism on the grounds of democracy and political power. Social, racial, and political activists of the 1960s were suspicious that metropolitanism aimed to dilute Black political power and social movements. This thinking remains true today in the contemporary regional dialog. Those in favor of regionalism base their claim on the role of racism in creating both extreme sprawl and the concentration of poor minorities in central cities.

“Authoritarian Government” and Technocratic Advice: Metropolitan Regionalism in Practice

Metropolitan efforts of the 1960s produced two tools of regionalism that are still in place today. However, these tools are largely apolitical and undemocratic.

- Special Districts: Set up for a single purpose, they promote economies of scale and make it easier to address problems that cross political borders. Unfortunately, these districts often operate to the detriment of minority communities by 1) making it possible for fragmented general purpose governments to exist and 2) not addressing or defining poverty, education, and low fiscal capacity as regional issues. These districts are also undemocratic, as they are run by appointed bodies.
- Councils of Government grew out of the 1954 Housing Act, where the federal government sought to promote comprehensive regional planning. However these coalitions of local government were typically weak organizations with no authority to override the objections of local government. Recently, the power of COGs has been further weakened and many exist only as research organizations.

The Current Revival of Metropolitanism: Can (and should) Cities and Suburbs be Linked?

The 1990s gave rise to a new interest in regionalism as cities continued to decline and the federal government showed few signs of resuming its support for cities. The current city-suburb situation creates a new context for the debate on metropolitanism, but many of the old questions remain about the role of low-income minority communities. Weir suggested that three approaches — political, administrative and civic — can be used to track the new regionalist movements. Her discussion of the political approach is most thorough at this point.

Political Conditions for Metropolitanism

Weir comments Rusk’s research on joining suburbs and cities into one political jurisdiction with Orfield’s resource sharing theory to demonstrate the political realities of their proposed polices. In her analysis of both authors she raises provocative questions about the implications of the proposed policy directives for improving the quality of life in low-income communities. Since both of these authors are profiled in other sections of this review, this summary will not include the arguments of the authors. Weir’s observations are included.

Weir on Rusk

- There is no evidence that poor minority neighborhoods are better off in elastic cities. Rusk's analysis stops at the city boundaries and does not investigate the neighborhood implications.
- Political boundaries between jurisdictions are harder to cross than neighborhood boundaries within those jurisdictions.
- There is no theory of political change in Rusk's work. This lack of political analysis makes it difficult to understand the conditions needed to enact any of his policies for linking cities and suburbs.

Weir on Orfield

Weir raises several questions about the applicability of Orfield's work to other metropolitan areas.

- How will metropolitan areas with greater racial diversity, more sharply drawn Black-white divisions, and histories of bitter racial antagonism approach city-suburb coalition building and resource sharing?
- Will the lack of ready institutional mechanisms and wide experience with them pose major obstacles to coalition building and resource sharing?
- Will partisan conflicts and/or district power competition between cities and suburbs that are stronger in metropolitan areas outside of the Twin Cities inhibit coalition building and resource sharing?
- How will legislation around tax base sharing, fair share affordable housing, and growth limit boundaries benefit poor minority communities? These communities must be organized to reap the benefits of new resources streams.

Programmatic and Civic Metropolitanism

The devolution of federal programs including housing, job training, and welfare have made a strong case for metropolitan approaches to implementing social programs. The "administrative geography" of social service delivery areas has the potential beyond traditional service areas. This process has begun to engage community-based organizations to make connections across political boundaries.

Regional Strategies to Address the Problem — Policy and Research Questions

Weir presents several policy and research questions.

- How have community organizations, representing low-income minority communities, been involved in the decisionmaking of metropolitan organizations, which were given more power and resources under the Intermodal Surface Transit Efficiency Act? What have been the barriers to access and influence in different metropolitan areas?
- What are the implications of housing and education vouchers on low-income minority communities?
- What are the distinctive obstacles and levers for inclusive regional organizing in different metropolitan areas?
- What are the implications of the Latino movement to the suburbs for regional politics?
- We need a method for assessing and characterizing regional decisionmaking. What groups exercise power and in what arenas?
- What is the federal role in promoting/prohibiting regionalism?
- How do state property tax limitation laws affect the prospects for various types of legislation that aim to promote regionalism?
- How do minority politicians view regionalism?

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