

# *Building One America*

## *Inclusion, Sustainability, Economic Growth*

### *Strategies and Policies for Defending and Expanding the Middle Class in Metropolitan America*

#### **Executive Summary**

In America, social mobility and opportunity are powerfully connected to place. Increasingly, middle class suburbs - those developed before or shortly after World War II - have become the destination for millions of families from all walks of life seeking to enter the middle class as well as places where families struggle to remain middle class. They are rapidly becoming America's true melting pot.

But even as middle class suburbs - once known for their exclusivity and even restrictive practices - are becoming more diverse, years of bad federal policies have left the towns in the middle as both the most desirable and most at-risk communities in our metropolitan regions. In many parts of America, they are now experiencing an all-too-familiar set of challenges - increasing poverty, struggling schools, aging infrastructure and declining tax bases that threaten to undo their social progress and undermine them as engines of middle class wealth, opportunity and prosperity.

Too often, entrenched federal and state practices ignore the diverse middle class suburbs or promote programs and funding that pit towns against each other rather than promote regional planning and cooperation. The costs have been high. Yet, federal policies and programs can play an important role in reversing the destructive trends of the past by promoting stable, diverse communities and economically competitive regions. This policy paper suggests guiding principles as well as specific recommendations for how infrastructure and transportation investment, housing and school policy, and regional planning can be employed as tools to incentivize best practices.

Stabilizing and supporting today's diverse and welcoming communities is our best strategy for addressing suburban as well as urban poverty, for improving our schools, and for restoring our national economy. These politically and ethnically diverse communities hold the greatest promise for building the needed bi-partisan support for a unified agenda that can move our nation forward.



# Building One America

## Strategies and Policies for Defending and Expanding the Middle Class in Metropolitan America

### **I. AMERICA'S FIRST SUBURBS – DIVERSITY, OPPORTUNITY AND THE THREAT TO MIDDLE CLASS PROSPERITY.**

The face of metropolitan America is changing – most of that change is for the good but along with change come significant challenges. The most dramatic change has occurred in the nation's older, more built out communities that surround our central cities; what the Brookings Institution calls America's "First Suburbs" - communities developed before or shortly after World War II. These are frequently the first and second ring towns and school districts outside of our big cities and industrial centers.

These communities, once known for their exclusivity and even restrictive practices, are increasingly diverse and today are the most reflective of our nation's changing demographics. They are rapidly becoming our nation's real melting pot as they continue to be destinations for families from all walks of life seeking opportunity, safety, good schools, and a middle class life.

But these same communities, places such as Painesville, Ohio; Upper Darby, Pennsylvania; Redford, Michigan; Glendale, Arizona and Thornton, Colorado are experiencing a set of unique and significant challenges that threaten to undo their social progress, undermine middle class prosperity and diminish opportunity for the very people who have invested so much of their lives in their homes, schools and neighborhoods. Surging poverty, struggling schools, aging infrastructure, declining revenue and rising tax rates are beginning to overwhelm more and more of these communities and their local leaders.

While these diverse suburbs, small cities, and villages house much of America's middle class and embody many of our most admired characteristics and values, they are often overlooked by federal and state policy makers and passed over for many regional, urban and community development programs. Moreover, federal and state policies and investments have often reinforced or contributed to the regional disparities that have put many older suburbs and our most diverse communities at risk

#### **Middle class neighborhoods are disappearing as suburban poverty grows**

As the recession continues to grind away at middle class families, the communities, the neighborhoods and towns where the middle class live, have been shrinking like a melting iceberg in a warming sea. A new study from Stanford University recently reported in The New York Times shows the number of families living in middle-income neighborhoods has plummeted from a significant majority of the American population, 65% in 1970, down to only 44% as of the most recent census in 2010.

One explanation for the loss of middle class ground is the dramatic rise reported by the Brookings Institution in suburban poverty. New census data has revealed a stunning 53%

increase in suburban poverty between 2000 and 2010, compared with 26% in cities, with two thirds of that rise occurring during the recession since 2007.

A closer look reveals three major forces behind this shift in the American landscape: 1) Poverty is moving into once solidly middle class communities as low--income families move out of central cities and immigrants flee poor or oppressive countries. Both are seeking opportunity in America's suburbs; 2) Some families with more means are fleeing the older suburbs for exclusive suburban enclaves and higher performing school districts; and 3) More and more middle class families are themselves becoming poor as result of unemployment, rising prices, foreclosure and a financial industry crisis that has wiped out trillions in middle class savings and home values.

Years of bad federal transportation and housing policies that promoted sprawl on the outer edge of regions, abandonment, segregation and poverty concentration in cities have left first suburbs as the some of the most desirable and vibrant communities. At the same time some of the most troubled and endangered places in many of our nation's metropolitan regions.

### **First Suburbs, the global neighborhood, and the global economy**

A recent study of our most diverse metropolitan regions reported in the Washington Post found a dramatic rise in what sociologist John Logan calls the "Global Neighborhood." These are increasingly diverse communities where whites, blacks, Latinos and Asians are all represented. Throughout America, the old paradigm of the exclusive all--white enclave is rapidly disappearing and being replaced by communities much more inclusive and reflective of the demographic makeup of their metro regions and of the nation as a whole.

However, the study from the Russell Sage Foundation and Brown University points out that, while it is declining, white flight and the existence of all--white neighborhoods still endure, as does persistent racialized poverty that finds that half of all blacks and 40% of Latinos living in segregated communities in the same metropolitan regions examined in the study.

We are seeing America grow apart and come together at the same time. We see affluent and exclusive communities continuing to exist at the edge of most regions while racially isolated and poverty impacted urban neighborhoods seem stubbornly embedded in the American social landscape. This kind of fragmentation with deep pockets of poverty on one end and opportunity for an exclusive few on the other have only made our metropolitan regions more unstable and our country less competitive and less prosperous.

### **Towns in the middle, often ignored, must be a part of the solution**

Too often regional and urban policies favor the extremes in our metro regions – transportation and infrastructure dollars tend to promote sprawl and waste by following projected demographic trends, requiring matching funds or responding to the political power of wealthy and growing suburbs. Other dollars will flow into urban centers and big cities for transit projects, neighborhood revitalization efforts, and affordable housing or for bolstering failing schools. Yet there are an estimated 100 million Americans in metro regions who live in communities that are essentially disregarded by federal policies and too often passed over when programs are selected and dollars allocated. These are

communities that are neither rich nor poor; they are not all black or all white. These are the towns in the middle. They are the first suburbs. They are more likely to be diverse or trending diverse. They are middle class but they are rapidly losing ground as their home values stagnate, as unemployment impacts their families, as foreclosures multiply, and as billions in state and federal dollars dry up and push a greater and greater burden onto local businesses, homeowners, and taxpayers.

## **II. BUILDING ONE AMERICA – A NATIONAL POLICY AGENDA FOR EXPANDING AND DEFENDING MIDDLE CLASS COMMUNITIES**

### **Place Matters**

In America, social mobility and opportunity is powerfully connected to place. Economic disparities in income are intensely compounded by the disparities in wealth and opportunity tied to where we live. First suburbs are middle class communities but they are not simply places where middle class people live. They are places that have been engines of middle class wealth, opportunity, and prosperity. They continue to be destinations for families seeking to enter the middle class as much as they are places where people struggle to remain middle class. They are communities where people's destinies are intricately intertwined together through home values, neighborhood amenities, schools, local government services, and community institutions. They are places where families and homeowners literally share in each other's fortune and misfortune.

These communities, which represent about a third of the population in most metro regions, embody some of our most important values -- they are our sustainable and inclusive communities. They are some of the most welcoming and family friendly; they tend to have more diversity of housing types; they are likely to have public transit access and many have pleasant and walk--able downtown business districts with trees, parks, churches and synagogues.

Yet our state and national policies do very little to reinforce, reward or incentivize these values and characteristics. Instead our increasing overreliance on local revenue puts a massive burden on more densely developed communities and downtown business districts. Many federal programs and funding streams don't fit the enormous infrastructure needs and requirements of these midsize communities. Federal projects often pit towns against each other rather than reinforce regional planning and cooperation. Often first suburb communities are ineligible for federal programs and funds for schools and neighborhoods because their populations are not big enough or their problems are not severe enough. Federal and state housing and education programs have done little to help these communities deal with their growing diversity. And some have made matters worse.

But federal programs, policies and dollars can help if we begin to recognize the value and importance of these middle class communities not only in preserving the middle class but also for their role in lifting up their entire region and their importance to the nation's economy and for promoting a sustainable environment.

## Guiding Principles

Federal policies, funds and programs can be better aimed at bolstering and supporting these communities and promoting economic growth by incentivizing their best practices and characteristics, rewarding diversity, sustainable practices, regional cooperation and economic development while discouraging sprawl and exclusion through federal and state infrastructure and transportation investment, through housing and school policy and through regional planning.

Building ONE America proposes the following guiding principles for federal and state policies and spending to promote inclusive, sustainable, and economically competitive regions and communities:

- 1. Recognize and relate to the region wherever possible** - A fragmented or town-by-town approach to urban and regional policy has led to poorly coordinated infrastructure investments and unnecessary and unhelpful competition and even antagonisms between cities and suburbs and between suburb and suburb. There will always be some situations and programs that should be addressed on a municipal level but there are many that should require consideration of the region and regional plans and priorities.
- 2. Reward a community's relative diversity** - Today, many of our older, more built-out suburbs are much more reflective of their region's economic and demographic mix than either their central cities or outer suburbs. These communities should be recognized as providing an example of some of the region's most open and diverse neighborhoods and communities. Rather than waiting until a community becomes overwhelmingly poor or taking only a punitive approach to promoting diversity, we should reward communities that are diverse or becoming diverse relative to their region's demographics.
- 3. Consider a community's relative fiscal capacity** - When federal projects are tied to local matching dollars we are unintentionally continuing patterns of sprawl and regional disparities by rewarding communities that have more tax revenue and fewer social needs. This further encourages the race for ratables, creating destructive competition between municipalities for tax base and undermining regional cooperation and planning.

By prioritizing funding to communities based on their lack of money relative to their population (or lack of potential for revenue) we can reward and encourage smart- growth practices and more sustainable development as well as regional cooperation.

A community's per capita (or per student) revenue capacity can be used to determine a community's eligibility or priority for school aid, neighborhood development, transportation and infrastructure investment within the context of a regional plan.

Promote regional cooperation, job creation, and economic development - Current funding patterns and criteria do more to pit towns against each other than work together. Funding should target projects and communities that participate in regional plans and comply with regional goals for fair housing, sustainable development, and smart growth. Moreover, regional plans should demonstrate that they are designed to promote job creation, economic growth, and the overall competitiveness of the region.

Projects that fit with broader infrastructure investments and strategic planning goals aimed at building or supporting special economic sectors, attracting markets, promoting or enhancing import and export capacity, or to facilitate or enhance workforce availability and readiness and the global marketing of the region would receive priority consideration.

#### **4. More money is not necessarily the answer**

Building One America's agenda is less about money than it is about how money is spent and how policies can be retooled to promote better outcomes for our communities and regions.

With over a trillion dollars spent annually on FHA guaranteed mortgages, tax subsidies for housing, and direct grants-in-aid from EPA, DOT, DOE and HUD to communities, we can do better to strategically allocate tax payer dollars to promote our values, economic growth and the principles of livability and inclusion.

The following are specific examples of where federal policies can be applied to support first suburbs and promote stable diverse communities and economically competitive regions:

#### **INFRASTRUCTURE**

Past federal infrastructure expenditures in most metropolitan regions have lacked strategic focus and have done little to promote or reinforce regional cooperation and planning to reduce sprawl, encourage inclusion and support long-term economic growth. Most spending has been project-based, driven by political considerations, immediate needs, local capacity, and an outdated view of our metropolitan regions - especially when it comes to the increasingly diverse yet fiscally strained suburbs.

Federal and state Infrastructure investments can create thousands of badly needed jobs and fix bridges and roads in desperate need of repair. But quick fixes alone without integrated strategic planning will not necessarily build the long-term economic health of the region or contribute to its ability to compete in the global marketplace.

Regionally coordinated investments in transportation, communication, and water and power sources can have a profound impact on building and strengthening the future economy of American metropolitan regions and the nation as a whole.

#### **The surface transportation reauthorization**

A transformative transportation agenda has yet to be realized in part because ideological and partisan divides that pit urban against suburban and roads against transit. Americans and American industries want and use all modes of transportation. The question should be "what gets built where and for whose benefit"? As perhaps the most powerful driver of development decisions and investments (both public and private), a comprehensive approach to transportation can promote sustainability, reduce social disparities, and stimulate regional economic growth through smart growth investments in *all* modes of transportation infrastructure - highways, roads, and transit.

Both federal and state transportation investment patterns have largely reinforced sprawl projects on the edge of metro regions and big transit investments in urban centers while towns in the middle with tremendous infrastructure needs have been essentially ignored in recent years. And with the elimination of project-based earmarks, it is more important than

ever that federal investments be guided by much stronger criteria to promote the health and economic growth of the entire metropolitan region.

Much more can be done to improve the current national transportation program to encourage inclusion and strengthen the economic competitiveness of our regions. The federal transportation laws do call for regional planning, but those requirements do little to strengthen older suburbs and tie regions together to reduce sprawl, encourage integration, and promote economic growth. To meet these goals, planning performance measures can prioritize and incentivize funding for repairs and for capital projects for highways, roads and transit based on their contribution to attaining regionally agree upon social, economic and environmental goals.

There are a number of powerful ways that the enactment of the Surface Transportation Authorization Act can leverage good behavior and promote healthy, just, and economically competitive communities and regions.

### **Connect land use planning with transportation and housing**

The federal government should require that Metropolitan Planning Organizations (MPOs) and State Departments of Transportation (DOTs) connect transportation planning and funding allocation with sound land use planning in order to promote economic growth and sustainable development and encourage metropolitan regions to make the best use of their land and financial resources. Connecting land use planning with transportation and housing policies allows regions to avoid the job-housing mismatch, develop effective and efficient public transportation systems, and reduce urban sprawl. The best ways that MPOs and DOTs can do this is by encouraging clustered job development around transportation hubs, denser development along transportation corridors and by directing affordable housing support to job-rich, high opportunity areas.

### **Implement a *broad* “Fix It First” policy for transportation investment**

Federal policy guidelines that incentivize infill investment and strong anti-sprawl policies are essential to achieving a sustained commitment by MPOs and State DOTs to a “Fix It First” policy of devoting most federal and state grants to repairing and maintaining existing roads, bridges, and transit lines. Federal spending should be weighted toward the more densely developed, socially diverse communities before those that are exclusive and sprawling. However, density and diversity must not be defined so narrowly as to exclude large swaths of the region. Such criteria needs to be relative to the region and deliberately crafted to include those suburban communities in the middle and not based on unrealistic goals for urbanization and transit-oriented development.

### **Assure that transportation investments will result in more equitable communities**

State or local governments that receive federal transportation funds used to benefit housing development or redevelopment should be required to further fair housing goals and encouraged to use inclusionary zoning principles, setting reasonable but specific numerical goals for low, moderate and market rate housing to be included in such development, including transit-oriented development (particularly in high opportunity areas). On the other hand, communities where the housing stock and/or population is already diverse (relative to the make-up of the regional housing market and family income

levels) should be given priority consideration when making transportation infrastructure investments.

### **Strengthen and reform metropolitan planning organizations**

Reforming and strengthening our nation's metropolitan governance through its MPOs is necessary if we are to attain a growing, fair, and sustainable national economy. Metropolitan regions can be reinvigorated by establishing more accountable regional institutions that coordinate decisions across policy areas – matching housing and water infrastructure with transportation and land use planning – promoting governmental efficiency and expanding opportunity for all metropolitan residents. But older suburbs are significantly under represented in most MPOs, biasing their decisions towards big city transit projects or promoting additional sprawl with exclusionary results. The federal government can set clear guidelines for reforming governance structures of most MPOs to assure fair and accountable representation, while at the same time giving more power over federal dollars to local communities and metropolitan regions rather than state DOTs. Local communities represented through their MPOs need more power to integrate housing, transportation, land use and infrastructure across the region if they are to create sustainable and inclusive regions that can compete in a global economy.

### **Set regional goals to reduce sprawl, segregation and concentrated poverty and to promote economic growth**

Metropolitan planning organizations and State DOTs must be required to adopt and be held accountable to fair housing performance goals for entire metropolitan areas. This means aligning major investments in transportation, water infrastructure, employment, education, commercial development, and other infrastructure enhancements with regional fair housing goals. This is necessary for developing diverse, sustainable communities and for stabilizing the older, more diverse suburbs while encouraging open housing and inclusionary practices in job rich and more exclusive parts of the region. This would provide opportunities to all residents of metropolitan areas.

### **Water Infrastructure**

Not all communities have transit systems or bridges that need repair. But all have plumbing and many have huge sewer and water infrastructure needs that come with massive price tags. Many of these projects arise from requirements imposed on communities by federal EPA regulations mandated by the Clean Water Act. There are literally billions if not trillions in federally mandated yet unfunded water and sewer projects in the works or on the drawing board in thousands of older suburban communities across the country.

Unlike transportation, there is very little in the way of grants or loans for these projects. Most communities cannot raise the needed revenue. Homeowners are already paying high property taxes and increased fees to fund sewer and storm water day--to--day operations or for interest on debt for previous capital projects. Main Street again turns to Wall Street for billions in bonds putting many towns at greater financial risk and pushing payments a few years further into the future. Ultimately, it is local homeowners and taxpayers who will bear the burden through increased fees and taxes.



Through legislation such as the Clean Water Act, State Revolving Loan Fund (SRF) and executive action the federal government can better direct and provide resources in the form of loans and grants that better fit the scale more typical of first suburbs. This should not be difficult since most water infrastructure projects are mandated, approved and monitored by the EPA. Moreover, federal funding of water can be directed at regions to provide more local control and further encourage regional planning and sustainable and inclusive practices. Water infrastructure is one of the most powerful drivers of development, and when tied to a regional plan it can play a vital role in curtailng sprawl, encouraging inclusion, and promoting economic development and regional growth.

## **HOUSING AND SCHOOL POLICY**

Social segregation and concentrated poverty continue to plague most metropolitan regions. In many central cities and more and more of our middle class suburbs this lethal mixture of two of our most shameful legacies continue to lie beneath many of our most persistent social ills -- the cycle of crime, drugs, generational poverty, broken families and failing schools.

Government efforts to address these problems individually without addressing what Xavier de Sousa Briggs called the "Geography of Opportunity" have for the most part failed as both the Kerner Commission Report and Dr. Martin Luther King warned us five decades ago.

Courageous and bold programs such as those proposed by Nixon's first HUD Secretary George Romney to end "the concentration of the poor" and "the ominous trend toward stratification of our society by race and by income" were too often thwarted by shortsightedness and bigotry.

We have a chance to get this right and we will need to if we are to deal with some of our greatest and most entrenched social and economic challenges and first suburbs have an important role to play. Recent immigration and the growth in suburban poverty have expanded the problem while creating a powerful opportunity to build broader support for regional solutions to reduce destructive social disparities.

### **Support and enforce inclusionary housing policies**

Every community within a metropolitan region should be providing its fair share of low--income, affordable housing, but especially where poverty is low, schools are successful, and tax base and jobs are most plentiful. The federal government can enforce fair housing but it can also provide better incentives for compliance and reward and strengthen communities that are more welcoming and diverse.

Federal support for strong fair share housing policies (including state and local inclusionary zoning policies) will reduce the economic segregation of regions, de--concentrate poverty in urban areas and older suburbs, curtail sprawl, take the pressure off older, more diverse suburbs and allow low--income people better access to housing near jobs. The federal government's three largest federal housing programs — Section 8, public housing, and the Low Income Housing Tax Credits (LIHTC) — are far from the goal of "affirmatively furthering fair housing." These three programs, which serve over 4.5 million families in the nation, currently reinforce racial and economic segregation, but could be reoriented to expand choice and opportunity.

## **Section 8 Reform and Small Area Fair Market Rent (SAFMR)**

Although many aspects of the current Section 8 program need reform, a critical issue is that HUD's current ceilings on allowable rents steer housing voucher holders to low--rent and low--opportunity neighborhoods in core city and older suburbs. Even HUD's "exception rents" fall far short of attaining the rent levels necessary to open up many high opportunity communities.

HUD must take stronger steps to adjust maximum rents on a sliding scale based on the opportunity level found in a community.

HUD's 2011 Small Area Fair Market Rent demonstration was a weak initial attempt to do this. It came with no additional funding and no incentives for diverse communities or Public Housing Authorities to participate. This program should be retooled a) to increase voucher levels without decreasing the number of vouchers, b) to provide and require housing mobility counseling and c) include guidelines that will incentivize movement to the highest opportunity communities and provide assurances for the already diverse first suburbs that they will not be the only "next step up" for Section 8 voucher holders.

## **Expanding choice and opportunity in the Low Income Housing Tax Credit program**

The LIHTC is our largest low income housing development program, but the Treasury Department, which runs the program, has so far resisted developing civil rights guidelines for the program that would open up more opportunities for development of family housing in high opportunity communities. State LIHTC plans (adopted by state housing finance agencies with little or no guidance from the Treasury Department) could do much more to incentivize development in high--opportunity communities, and to use the LIHTC program to support already diverse first suburbs.

## **Strengthen enforcement of fair housing**

Promoting socially integrated neighborhoods throughout metropolitan regions will help reduce segregation and sprawl to the degree that race fuels residential steering and "white flight." Moreover, stable, racially integrated neighborhoods are usually more economically integrated neighborhoods. Fair housing enforcement is a key mechanism for achieving these results. The federal government must ensure and strengthen the compliance of all federal agencies and all federal grantees with their obligation to "affirmatively further fair housing." HUD's anticipated affirmatively further fair housing regulation could be an opportunity to expand fair housing on a metropolitan level and to support stable integration in diverse first suburbs.

## **Support diverse schools and districts**

The current policy debate around education tends to ignore the great strengths, opportunities, and huge social and fiscal challenges of these rapidly changing and important communities. Federal policies and programs can and should promote a path to school reform and narrowing the achievement gap that recognizes and leverages the realities of diverse middle class suburbs and school districts.

Racially and economically integrated schools prepare children to be global citizens in our increasingly diverse metropolitan regions. Moreover, educational results for low--income

children are clearly enhanced by mixed-income schools. On a metropolitan level, stable, racially integrated schools can reduce segregation and sprawl by removing the fuel for residential steering and white flight. Stable, racially integrated schools will, in most cases, also be economically balanced schools. Among the steps to promote racially and economically integrated schools are:

- An explicit goal of regional housing policy should be to promote policies that will lead to low-income children attending low poverty schools and not increase school-based poverty concentration. New low-income housing development should be prioritized in neighborhoods with low poverty schools, and should be discouraged in neighborhoods with schools at or above 50% FARM rates.
- Schools and school districts becoming more economically and racially diverse should be supported by federal policies that reward such programs. There should be increased federal financial incentives for schools to reward inter-district, economic integration programs that help communities and school districts meet the unique challenges that accompany more economically diverse and changing schools.
- Federal non-formula and competitive grants and state aid to schools and school districts should be tied in part to a district's economic diversity relative to its region and to its per pupil funding capacity. Schools that reflect the regional balance should be supported and rewarded to better incentivize diverse schools and to help stabilize schools before they become distressed and or reach a "tipping point."

### **Community Development**

Too often older suburbs struggle to receive federal dollars for Community Development Block Grants (CDBG) or the Neighborhood Stabilization Program (NSP). Many communities are ineligible because while they have experienced foreclosures and neighborhood blight they are not deemed distressed enough. Other suburban communities that would otherwise qualify are not large enough to receive CDBG funds directly. These federal programs and dollars tend not to encourage or consider regional plans or cooperation. In fact, they can promote destructive competition between communities that are trying to work together.

HUD can change the way it allocates NSP and CDBG funds to better consider the problems of fiscally stressed and increasingly diverse middle class communities before they become too distressed to stop blight or so blighted that they can't stop neighborhood decline.

HUD should also consider adopting (or extending) a comprehensive community development program similar to the Choice Neighborhoods Initiative, specifically targeted to strengthening diverse suburban communities.

### **Social Needs**

The recession has hurt families and neighborhoods in older suburbs as much as it has anywhere. Local officials and civic leaders do what they can to help their residents cope with the impacts of the loss of good paying jobs but there are limits to what they can do.

Suburbs don't have the kinds of social services infrastructure typically found in big cities but the loss of family income has put greater pressure on municipalities to address issues

of childcare, health, recreational services, and even homelessness. In many regions school districts turn to the town for help while state aid to municipalities is cut and federal programs of this type typically do not flow to middle class communities.

Federal and state policy makers should explore how programs and grants can better tailored to building on the strengths of these communities and their assets such as parks, recreational facilities and schools and recognize the changing demographic trends and patterns that make some of our funding regulations such as those guiding Community Development Block Grant dollars.

## **SUSTAINABLE COMMUNITIES**

The Sustainable Communities Initiative began as an exciting program introduced by the Obama administration and by the Department of Housing and Urban Development (HUD). It called for a collaborative and integrated approach between federal agencies – particularly HUD, DOT and EPA – to promote more equitable, livable and sustainable neighborhoods and communities throughout our metropolitan regions. It had tremendous potential to create and model, test case regions of smart growth, racial justice and economic prosperity that could both inform policy and blaze the political trail for broader and more comprehensive federal reforms. However, Sustainable Communities Initiative has largely avoided the more controversial and thus most transformative aspects of the President’s stated goals. It focused on efforts that are positive but do not sufficiently challenge destructive economic and social disparities within regions and do not address the role regional reform can play in promoting economic growth and competitiveness.

To make the Sustainable Communities Initiative a truly innovative and transformative program, it would need to ensure that the following principles are applied when determining qualifying communities, monitoring their progress or expanding the program:

### **SCI must apply to the entire metropolitan region**

Sprawl, segregation, poverty, and economic growth cannot be addressed locally. No city or town in a region can compete alone with China or India. Mayors of older suburbs and cities have tried every possible strategy to retain jobs, revitalize aging neighborhoods, support schools, and maintain infrastructure. Unless the Sustainable Communities Initiative is applied to entire metropolitan regions, including the first suburbs (and not individual neighborhoods, cities or towns), it will not have any real impact on the major challenges the President is hoping it will address.

### **SCI must require a strong focus on social and racial justice goals.**

Sustainable Communities Initiative must mean Sustainable and “Inclusive” Communities. Reducing concentrated poverty and economic segregation needs to have as much weight in the design of this program and the designation of eligibility requirements as does the reduction of sprawl and other important environmental goals tied to climate change.

### **SCI must be about economic growth, job creation, and global competitiveness.**

Sustainable Communities Initiative must mean sustainable and prosperous communities. SCI regions must demonstrate how regional planning and cooperation will promote regional economic development to support job creation strategies, labor market access,

research and development and the coordinated movement of goods and services, and investments in the future economic infrastructure of the region.

**SCI must be based on a clear analysis of the regional “Geography of Opportunity.”**

A condition of any SCI planning grant is that the grantee must conduct regional opportunity mapping that will analyze relative job opportunity, educational opportunity, public services quality, and socioeconomic environment on a community--by--community basis and clearly identify those that are high opportunity, medium opportunity, and low opportunity. The SCI grant should then explicitly support programs and policies to advance racial and economic diversity in high opportunity communities while stabilizing and strengthening medium and low opportunity communities.

**SCI must have a public engagement component.**

Past efforts at metropolitan planning and policy reforms have failed or been constrained by the lack of public input and support for those initiatives. SCI must require that recipient regions employ a comprehensive approach that will engage the public and elected representatives of the entire region in any planning process including the older suburbs.

**III. CONCLUSION – *BI PARTISAN AND MULTI RACIAL SUPPORT IS POSSIBLE***

**People are learning to live together**

Perhaps one of the most important and positive findings in the study conducted by Dr. Logan is data showing the growing acceptance of neighborhood diversity in more and more communities across America. The majority of communities looked at over the past 30 years did not see the cycle of “white flight” and resegregation that was so much part of our metropolitan story in the 1960s and 1970s. It tells us that integration can be stable and we know that many of the most stably integrated communities across America like Oak Park, Illinois; Shaker Heights, Ohio; Montgomery County, Maryland or South Orange and Maplewood, New Jersey are some of our most successful and resilient communities in their regions - with high performing school, strong residential housing markets sought after by people of all races and incomes.

**Old polices have not worked for the poor or the middle class**

There is a growing awareness that “in-place” urban strategies are not working -- especially when it comes to urban schools and traditional approaches to serving poor communities. It may seem reasonable and even more just to direct the bulk of our resources and programs at the most distressed cities, neighborhoods, and schools. But 50 years of failure to reverse the trajectory of urban poverty, or even to stop its deepening in cities and its spread to inner suburbs, should be enough to provoke serious reflection and a reevaluation of our programs and priorities. For while billions have been spent on urban programs and perhaps trillions on sprawl – the middle class towns in the geographic and demographic middle of our metropolitan regions are losing ground and many are near their fiscal breaking point.

What two centuries of our economic and history have told us is that the middle-class itself is the greatest engine of opportunity and prosperity. And growing and expanding the

middle class has been our nation's most successful and effective way to combat and reduce poverty and inequality.

It is the middle class that has been the ever--expanding and welcoming ship that has kept America afloat on a rising tide of growth and prosperity. But when the communities that sustain the middle-class are in crisis, it more resembles a crowded lifeboat whose passengers struggle to keep their heads above water than it does the powerful vessel that keeps us safe while always making room for more passengers. Defending, stabilizing, and supporting diverse and welcoming communities is the best strategy for addressing urban and suburban poverty, improving schools, and restoring our national economy.

### **The power of the diverse community**

The diverse community today while undergoing some of our nation's most significant challenges simultaneously hold the promise of our greatest opportunity for building multi-racial and bi-partisan support of a unified agenda to move our nation forward.

The destructive hyper-partisanship plaguing America is in part driven by place as we see especially in the primary election season when the most politically homogenous cities, suburbs, and rural communities dominate the agenda for both major parties.

This is not so in the more diverse communities. First suburbs are places where Republicans and Democrats live together, serve on councils and school boards together and actually pass budgets and deal with real issues every day without gridlock, showdowns, or shutdowns. They are the place where civil bi-partisan and non-partisan civic engagement is alive and well. These communities and their elected and civic leaders have an important role to contribute to the national debate and in getting America back to being an effective democracy. Moreover, first suburbs are where the nation's growing base of independent voters can be found as well as the swelling ranks of the Hispanic electorate. These diverse communities not only have an important role to play — they may have the decisive role!

As America braces for another turbulent and unpredictable election season, it is more than likely we will end up with a continuation of some form of divided government in 2014 and 2016 both at the federal level and in many state houses. American democracy and America's middle class may not survive many more years of the partisan wars of attrition that have seized our policy makers and elected leaders. It is imperative then that a more powerful middle ground be fiercely pursued and forcefully advanced by reasonable people. Diverse middle class communities fighting for a unified and unifying common sense agenda for inclusion, sustainability and economic growth will be a critical part of that pursuit.