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Front and Center: 2005 Brought Both Catastrophe and Optimism on the Metro Program Beat

So what was that all about?

In 2005, we jammed e-mail boxes with announcements of 36 reports, five books, 175 speeches, and 28 newspaper op-eds and web commentaries by Metropolitan Policy Program (MPP) scholars.

You responded by downloading these publications from our website three-quarters of a million times.

With all that volume, the curiosity is legitimate: What does it all mean?

Well, without a doubt, 2005 was the year of Hurricane Katrina—not just for MPP researchers, but for all who care about cities, metro areas, and the ways flawed or wise policy choices can and do influence metropolitan outcomes.

But for all that, it was not solely, or even mainly, a discouraging time for those of us who love cities and metropolitan places. In fact, notwithstanding the wreckage in New Orleans, 2005 saw our group begin to present a new, more aspirational, and even optimistic view of cities and metropolitan areas.

More than ever before, we suggested how cities and suburbs can seize the moment to become pivotal players in a globalizing economy.

Borne of years of analysis and on-the-ground research, this new view transcends the doom-saying of many urban commentators, and much past scholarship. In fact, the new tone transcends some of our own past pessimism! But in any event, our renewed optimism is real: Cities are gaining new traction, and stand poised to become the new locus of competition in a borderless global economy.

To that extent, 2005 was a year of both catastrophe and optimism—a year in which we picked through wreckage yet sensed a new day coming for cities and urban America.

Learning from New Orleans

Coming near the end of the year, Hurricane Katrina roared onto our agenda and dominated our year as no single event in our history ever has.

Committed by our mission statement to "redefine the challenges facing metropolitan America" and "to help communities grow in more inclusive, competitive, and sustainable ways," we

realized within days that the disaster involved every aspect of our research and would bring into play every aspect of our thinking.

Television images of thousands of mostly black New Orleanians waiting for relief underscored that the city was far from inclusive. The obvious poverty of the population attested to the fact that the economy had been far from prosperous. And helicopter pictures of wrecked levees and horizon-to-horizon flooding showed the region was far from sustainable.

So, we went to work. On September 12, MPP Director Bruce Katz and Policy Director Mark Muro published a web commentary on the Brookings Institution website urging the emergency use of housing vouchers as a creative, rapid response to the mind-boggling shelter crisis prompted by the storm's aftermath. Later that week came an essay in the *San Francisco Chronicle* criticizing the Federal Emergency Management Agency's slow-moving, potentially ghettoizing plan to place the displaced in vast trailer parks across the Gulf region.

And on October 12, the program released two major reports probing the disaster and its implications from the perspective all that we've learned over nearly a decade. "New Orleans after the Storm: Lessons from the Past, a Plan for the Future," written by Muro and Rebecca Sohmer, described how a series of flawed housing, land-use, and economic policies had exacerbated the catastrophe, and suggested how a meaningful federal reconstruction plan can help the region rise again to better footing by undoing the mistakes of the past. "Katrina's Window: Confronting Concentrated Poverty Across America," meanwhile, by Alan Berube and Katz, nationalized the story and demonstrated that the disastrous racial and economic segregation exposed by the hurricane extends to many cities. In each case, MPP products argued forcefully that proven, sensible, and cost-effective public- and private-sector interventions have the power to help replace segregated neighborhoods with inclusive ones, low-wage economies with better ones, low-quality land-use patterns with more sustainable development. Together, the two reports represented a major MPP effort to turn the wreckage of New Orleans into a "teachable moment"—an opportunity to show how *transformation* (not just stabilization) might be advanced not just in New Orleans but in many cities.

Yet that was not all of our work on Katrina. With the lack of a deep and earnest federal commitment to the affected families and communities of the Gulf Coast still evident months after the storm, we felt compelled to help keep Katrina on the national radar screen. Consequently, MPP scholars have served as regular commentators on the major shortcomings of the Bush administration's inadequate and chaotic responses to the short- and long-term housing needs of Katrina evacuees, many of whom are facing expiring hotel deadlines in February.

And there was more research. In mid-November, a team led by Matt Fellowes reviewed the cost and effectiveness of the federal housing response to the hurricane, and found the array of Federal Emergency Management Agency (FEMA) housing options to be too limiting and confusing to families and too costly in their over-reliance on hard-to-obtain and deploy trailers. Even more striking was the government's failure in its emergency responses to utilize HUD's emergency 18-month housing vouchers—a proven, human, flexible, and rapid way to meet the extensive housing needs of the displaced.

Likewise, we launched a major effort to monitor the progress of reconstruction in the Gulf Coast in order to keep the media, policymakers, and state and local groups informed about the state of things on the ground. To do this, the program released in December the initial installment of the "Katrina Index"—a digest of economic and social indicators, such as the number of jobs and

homes restored or number of families filing for bankruptcy, designed to paint an objective, data-driven picture of the pace of recovery in New Orleans and the Gulf States. The publication of a selection of these indicators on the op-ed page of the *The New York Times* editorial page indicated the continued interest of the media to stay on top of the Katrina story. And it further positioned Brookings as a leading source of basic information on the chaotic aftermath of the disaster and slow move toward reconstruction.

In this fashion, the program brought all of its energy to bear on a terrible disaster. Looking ahead, we intend to stay on the case, pressing for a responsible and humane federal commitment to the families and communities in the Gulf Coast.

Coming: An Urban Age

And yet, hardly did urban triage, or hand-wringing about the state of cities and metropolitan areas, characterize the MPP year. Instead, numerous MPP presentations and publications in 2005 provided encouraging new information about the state of urban places, even as Bruce Katz proclaimed the imminent arrival of a global "Urban Age."

Tantalizing empirical hints of a new era emerged in several new MPP trend analyses:

- Eugenie Birch assessed population, household, and income trends in 44 selected U.S. downtowns and found that the aggregate population there grew 10 percent in the 1990s, reversing 20 years of overall decline
- Deputy Director Amy Liu and Katz both gave frequent talks about how today's changing demographics and markets favor more dense, compact development
- Visiting Fellow Bill Frey looked at 1960–2004 U.S. Census data and concluded that two-thirds of large central cities added population since 2000, notwithstanding kaleidoscopic regional variation
- And Peter Taylor and Robert E. Lang found that while U.S. cities are generally less globally connected that their European and Asian counterparts a handful of U.S. cities—New York, Chicago, and Los Angeles but also San Francisco, Miami, Atlanta, and Washington—are now firmly linked to the emerging "world city network"

More sweepingly, a series of speeches by Katz announced the onset—in a globalizing world—of a new urban order in which broad demographic and market forces such as the new premium being placed on education and skills are increasingly promoting density, urbanism, and, yes, the resurgence of American and world cities.

In this "Urban Age," urban centers beckon—as Katz declared in a major February presentation on the future of cities—to a growing constituency of household types: immigrant families seeking tolerance, seniors seeking convenience, young people experimenting with urban lifestyles, and middle-aged "empty nesters" ready for a change (or a shorter commute!). Similarly, cities—or at least metropolitan areas—have gained a "renewed economic function" in the switch to an economy that prizes knowledge, ideas, and innovation. In this era, cities are frequently where critical "knowledge institutions" like universities and medical research centers reside and where educated workers flock to and thrive. Likewise, cities and metropolitan regions

provide the density and efficient transport systems that facilitate labor productivity and quick idea exchange.

The result: American cities—many of them, if not all—are growing again after decades of decline, as Birch and Frey reported. The hope: U.S. cities and urban places—given a new lease on life by gigantic demographic and economic forces—will now seize their opportunity. In sum, the time is now to build a distinctively American Urban Age characterized by urban centers that are, at once, more inclusive, competitive, and sustainable than they have ever been. Only then will thriving cities add to the health of their suburbs and create strong competitive regions that can compete in the global economy.

Making It Real

Now of course, the realization of an Urban Age in America is hardly a foregone conclusion. Not without deep-going policy reforms that promote the inclusivity, competitiveness, and sustainability of urban places will a renaissance be achieved. Moreover, a wide range of state and federal policies continue to institutionalize the sprawling, unbalanced status quo that precludes renewal.

In this regard, the program sought in vain in 2005 for signs of even a minimal federal commitment to the importance of cities and metropolitan areas to national competitiveness. However, we became even more confident not only that the metropolitan policy community knows what needs to be done policy-wise, but that solid policy innovations and strategies are emerging in America's states and localities.

In this spirit, numerous MPP publications in 2005 described, evaluated, or recommended proven, practical policies to help states and localities leverage the role of the market to unleash the full potential of U.S. cities and metropolitan areas.

Toward an inclusive Urban Age

Making the Urban Age inclusive, for example, will require deploying a series of available interventions that promote economic mobility and social integration.

Why does inclusivity matter? "Mind the Gap," prepared by Rebecca Sohmer, argued forcefully that a region's economic health hinges on narrowing the gaps—in education, poverty, wealth, and job access—that separate low-income and minority workers and neighborhoods from the rest of the metropolis. Most notably, directly confronting skills disparities is imperative if the next generation of workers in a region is going to ably replace the thousands of educated baby boomers who will begin to retire in six years.

And so a suite of metro program products this year pointed to three associated paths for policy development: *growing the incomes* of low-income households; *reducing the prices* that urban consumers pay for basic goods and services; *creating housing policies* that help build family assets and create neighborhoods of choice.

Growing incomes. On this front, the metro program continued to suggest that one of the easiest ways to boost lower-wage workers' incomes is connect them to existing federal benefits they

may not be tapping. To that end, we continued to promote greater usage of the Earned Income Tax Credit (EITC) and added other tools to the arsenal.

For example, in "¿Tienes EITC?" Alan Berube outlined the need to harness the benefits of the EITC for immigrant families and communities by boosting volunteer tax preparation capacity in high-immigrant neighborhoods. And in "Leaving Money (and Food) on the Table" Matthew Fellowes and Berube showed how billions of dollars of food stamp benefits remain unclaimed by millions of nonparticipating eligible families, depressing the income-boosting potential of this federal program. For that matter, another paper co-authored by Berube for the Urban Institution / Brookings Tax Policy Center suggested the value of utilizing federal tax policies with particular benefits for lower-income urban residents, such as the child care credit and health insurance subsidies, to boost the incomes of lower-income working people. Boosting incomes in this way, we also shared, can also help close the widening gap between wages and the cost of necessities like housing.

Reducing prices. A second innovative strategy seeks to help lower-income families by reducing the prices that urban consumers pay for basic goods and services. On this front, a major MPP report, "The Price is Wrong," demonstrated that market failures frequently cause low-income working families in Philadelphia to pay thousands of dollars more annually for food, housing, utilities, insurance, and financial services than comparable middle-income suburban consumers, and outlined innovative local strategies for reducing those costs. These responses include local efforts to reduce the use of high-priced tax refund loans that erode the benefits of the EITC, as discussed in "Step in the Right Direction," and state-level efforts to curb lending market abuses and reduce the costs of serving lower-income consumers.

Creating "neighborhoods of choice and connection." And then, there is housing and neighborhood policy. As the national attention on the Lower Ninth Ward in New Orleans underscores, the quality of a neighborhood matters vitally to the well-being of families. Yet unfortunately, too many urban neighborhoods lack good schools, quality housing, access to jobs, and even basic safety. So this year our program continued to examine how-to strategies for transforming lower-income housing markets into economically integrated, diverse "neighborhoods of choice and connection"—neighborhoods that residents readily "choose" because of their quality and that in turn "connect" households to opportunity, whether in the neighborhood or in the larger region.

In that vein, Rod Solomon reviewed the results of recent federal housing-policy reforms dating back to the 1990s and concluded that—while recent federal funding changes jeopardize progress—important strides have been made in rebuilding distressed public housing, reducing destructive concentrations of poverty, and consolidating the Section 8 certificate and voucher programs to craft a more market- and user-friendly system for aiding more families.

At the same time, the District of Columbia's Comprehensive Housing Strategy Task Force, co-chaired by Senior Fellow Alice M. Rivlin of the Brookings Greater Washington Research Program, has been assembling numerous proven tools promoting neighborhood inclusivity as it drafts recommendations to improve the housing options and affordability available to residents amid the District's real estate boom. Among the featured strategies: density bonuses for affordable housing; preservation of project-based Section 8 voucher units; inclusionary zoning requirements; and efforts to transform distressed public housing projects into viable mixed-income neighborhoods.

Relatedly, Valerie Piper and Mindy Turbov provided a largely glowing assessment of the neighborhood benefits of the U.S. Department of Housing and Urban Development's HOPE VI program. Using four case studies, Piper and Turbov concluded that HOPE VI and other mixed-finance redevelopments have largely succeeded in creating affordable homes in a mixed-income setting, reviving market interest, and bringing an attractive quality-of-life back to formerly neglected neighborhoods.

The takeaway: HOPE VI works. Across the U.S., the program has been instrumental in replacing distressed public housing and the frequent segregation it breeds with attractive, mixed-income neighborhoods that link residents to opportunity. No wonder such American-grown concepts are increasingly catching on in British housing and planning circles as well.

Toward a prosperous Urban Age

MPP scholars similarly laid out the sort of policies, tools, and practices needed (and not needed) to bring about an Urban Age of prosperity.

What is *not* needed, argued Heywood Sanders in a widely discussed report, are more big bets on convention centers, the latest in a long line of highly-touted "silver bullets" for struggling cities. With the overall convention marketplace glutted and in decline, according to Sanders, the local chase to build glitzy meeting spaces, expand existing centers, or—even worse, subsidize convention center hotels—often yields taxpayers debts, not profits.

What's the alternative? Rather than try to save a downtown with a single mega-project, developer and Visiting Fellow Christopher Leinberger argues that a comprehensive, private-sector driven approach and vision to downtown revitalization is essential. Central to that vision are strategies to create "critical mass" of residents, workers, employments, and amenities. And so Leinberger laid out a crisp "twelve steps to revitalization" in his report "Turning Around Downtown," arguing that cities and suburbs need to reclaim the appeal of traditional downtowns—their "walkable urbanity." For Leinberger, we know what works. Private-public partnerships to develop a strategic plan, establish a business improvement district, and create a "catalytic" development company are all prerequisites for establishing a vibrant private real estate market, in Leinberger's view. Once those collaborations are in place, people—the crucial base for redevelopment—can be systematically enticed back to downtown through a staged series of steps to establish, first, a concentration of entertainment and retail venues and, then, rental housing, for-sale housing, and finally new office space.

Another good bet for urban revitalization is the human and economic contribution of higher education, as outlined in Jennifer Vey's paper "Higher Education in Pennsylvania: A Competitive Asset for Communities. Such institutions of higher learning are not only key to growing the nation's human capital, but they can often serve as anchors of revitalization in urban neighborhoods, Focusing on the plethora of campuses in the Keystone state, Vey confirms that higher education institutions of "all types and sizes can be key engines of growth and revitalization," especially in older communities.

Additionally, a series of releases by MPP's Urban Markets Initiative reminded leaders of the proven power of quality information to unleash the full power of urban markets. Most notably, an important paper by Robert Weissbourd and Riccardo Bodini reviewed the many ways better information resources and tools can shift, or tap, market energies to enliven underserved urban economies. Similarly, Andrew Reamer and Pari Sabety argued that something as simple as continued support for federal statistics programs will go far toward unleashing the true value of urban markets.

Toward an Urban Age of sustainability

Finally, MPP scholars in 2005 began to advance—often in speeches exploring the need for "transformative investments" in metropolitan areas—important ideas for improving the sustainability of Urban Age centers, often through bold new efforts to reshape the physical dimension of cities.

Work led by Fellow Rob Puentes took stock of the key threats to the competitiveness of the nation's older "First Suburbs"—aging and obsolete infrastructure, struggling business corridors, underutilized or unassembled commercial land—and proposed basic responses ranging from ensuring fiscal equity for basic services to improving neighborhoods and promoting reinvestment.

Meanwhile, Bruce Katz, Andy Altman, and Julie Wagner began to spell out what they called a "transformative agenda for U.S. Cities"—a series of confidant proposals (inspired by extensive fact-finding in Europe) on how to put cities on a healthier base by reclaiming underused waterfronts, channeling land use with transit and, developing green infrastructure. In each case, they grounded their optimism not on hope but on real-world projects now underway: Milwaukee's removal of a little-used spur of the Park East Freeway to make room for redevelopment of a riverfront; the outstanding success of transit-oriented development in Arlington County, VA; Denver's plan to reinvest itself as "A City in a Park." Once again, MPP work—far from worrying about the future of cities and urban places—hailed the emergence of a new Urban Age with specific proven policy options.

In Sum

The year-that-was at the metro program was a year of concern and hope—of grappling with a disaster while also imagining a dawning, brighter future.

On balance, though, optimism won out, or persisted and strengthened, as many of us came to believe that a new "metropolitan reality," and the vital role of cities within it, has dramatically improved the prospects of urban places as centers of regional and global competitiveness.

And yet, for all that, an air of urgency pervades our office, as MPP remains painfully aware that the future of American cities and metropolitan areas depends heavily on their obtaining substantial state and federal policy reform to curb sprawl, promote reinvestment, and realize an Urban Age in a suburban nation.

Nor will it be easy. The hard truth of the matter is that the anemic federal response to New Orleans' needs in the wake of Katrina epitomized the current administration's neglect of cities

and metropolitan areas. Likewise, much, much work remains to be done to realign the powerful place-shaping and family-strengthening influence of states with the imperatives of revitalization.

And so, looking ahead, MPP will be working to ensure key metropolitan issues—the importance of cities, the value of reinvestment, the importance of education—are brought up in the 2006, and then the 2008, elections.

Much of our work this year examined federal policies. However, states retain a huge and increasing role in implementing policies on land use, education, infrastructure, and regulation, so look for program reports and scholars to weigh in forcefully on what needs to be done in state houses to unleash the full potential of cities and metropolitan areas at the onset of an Urban Age. Anticipate, for example, significant trend and policy analysis covering Massachusetts, Pennsylvania, and Maine in the election year; new assessments of the nature of both "First Suburbs" and exurbs; and the first salvo in our effort to understand and develop a policy agenda for America's "weak market" cities. And oh yes, we turn 10 in 2006!

In the meantime, please accept our warmest season's greetings. We truly hope your days in the coming year will be metropolitan and bright.