The Brookings Institution

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VALUING AMERICA'S FIRST SUBURBS: A Regional Policy Agenda

National League of Cities First Tier Suburbs Council

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Brookings Institution Center on Urban and Metropolitan Policy Mission

- to **understand** the key demographic and market trends affecting America today;
- to identify the most promising strategies for growing healthy places;
- to develop a new urban and metropolitan agenda.

A Policy Agenda for Older, Inner-Ring Suburbs

- Decentralization is still the prevailing trend in metropolitan America.
- Suburbs are highly diverse.
- Range of suburban experiences is not reflected in the debate around metropolitan (*or "smart"*) growth.
- Older, inner ring suburbs seem to be caught in a "policy blindspot."

A Policy Agenda for Older, Inner-Ring Suburbs

FIRST SUBURBS:

- First in terms of development.
- First in terms of location.
- First in terms of importance.

Major Questions

- I. What challenges and opportunities are First Suburbs facing?
- II. What is the role of current federal and state policies?
- III. What is the First Suburban agenda?
- IV. Where do we go from here?



I. What kind of challenges and opportunities are First Suburbs facing?

Assets and Opportunities

Design and Quality

- Mixed-use neighborhoods, parks, sidewalks;
- Balance of jobs, services and housing;
- Can support frequent transit;
- Often well constructed.

Assets and Opportunities

Centrality and Convenience

 Located between new employment centers and the traditional central business district

 Near central city cultural, entertainment, sports and education amenities

Assets and Opportunities

Infrastructure

- Established transportation, water, sewer, schools.
- Established networks of hospitals and amenities.
- Reinvestment in first suburban infrastructure could be an asset to the region.

First suburbs are getting older

- Infrastructure (housing, roads, sewer lines, schools) suffers from age and limited maintenance.
- Shopping centers, retail strips and commercial corridors are declining.
- "Once you build it you're on your own".

Fiscal Stress

- There are large spending demands
 - aging infrastructure
 - services for the working poor
 - schools
- There are few revenue sources
 - tax base weighted towards residential
 - declining commercial base
 - inadequate capital/redevelopment financing.

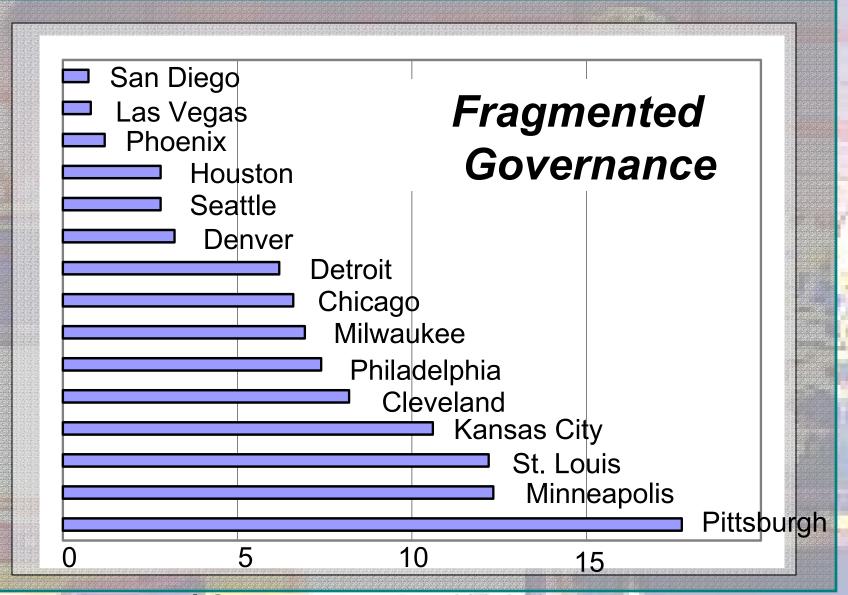
Aging Homes and Declining Real Estate

- Housing stock may be less competitive;
- Many have depressed market values

 may lack amenities and be modest
 in size.
- Often onerous property tax rates.

Working Families

- Families with earnings above poverty but below median are struggling.
- These families are becoming increasingly concentrated in First Suburbs.
- Welfare recipients are concentrating in urban counties as are working families who receive the EITC.



Local Governments Per 100,000 Residents



II. The Role of Current State and Federal Policies

Current State and Federal Policies

- Generally don't help First Suburbs:

 Focus is often on central cities or suburbs - particularly exurbs or newly developing places.
- Sometimes undermine First Suburbs:

 Policies set the rules of development and governance.

- Current State and Federal Policies -

1. States do not provide enough fiscal support to First Suburbs.
– First Suburbs may not be able to raise the money they need

2. Federal housing policy is not designed to meet the housing maintenance and redevelopment needs of First Suburbs.
– HOPE VI, CDGB, VA, 203k, CDCs - Current State and Federal Policies -

3. Federal and state policies neglect a vital element of First Suburbs' population: working families.

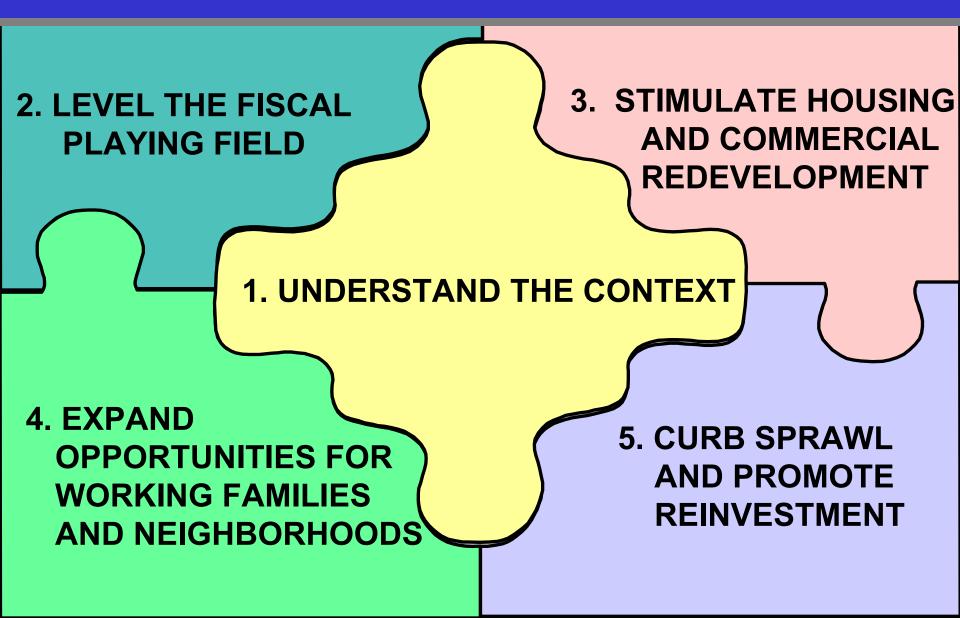
- Child care, health insurance

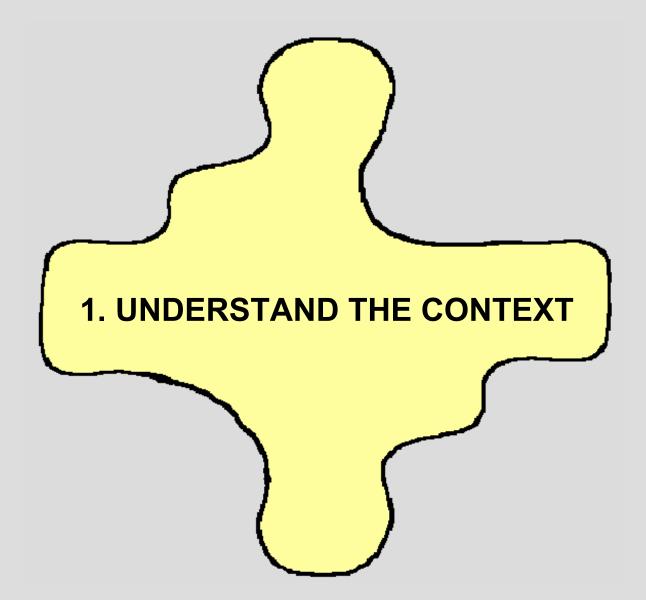
4. Federal and state policies facilitate sprawl, outmigration and the concentration of poverty.
– Transportation, taxation, annexation policies



III. A New Policy Agenda for First Suburbs

A Regional Policy Agenda for First Suburbs







Understand the first suburban experience through research

Ohio's Urban University Program Conducts Research for State Decision Makers and First Suburbs

The UUP Program is a state funded collaborative that links the urban centers of 8 universities.

- Assists local governments and policy makers by conducting research aimed at addressing Ohio's urban challenges.
- Maintains shared databases, GIS systems, and other information resources.

Understand the Context

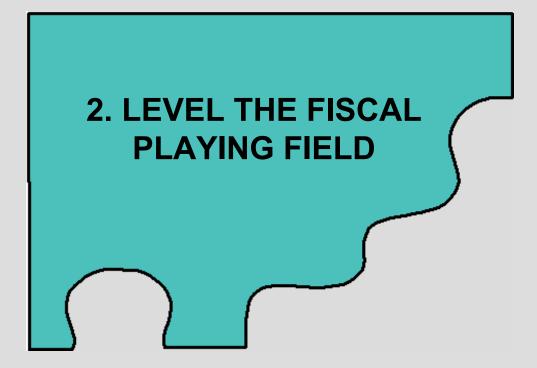
Understand the first suburban experience through research

Greater Philadelphia's Metropolitan Planning Organization Releases Studies on First Suburbs



Delaware Valley Regional Planning Commission

- Works to foster regional cooperation in a nine-county, two state region focusing on transportation, land use, environmental protection and economic development.
- Examines the effects of decentralization and disinvestment in First Suburbs.
- Produces a series of reports on first suburban trends and policy recommendations.





Federal and State Policies Need to Ensure Fiscal Equity for Basic Services

- Minnesota Fiscal Disparities Law Allocates 40% of the increment in property tax revenues arising from the area's commercial and industrial development. Funds in the pool - almost \$400 million in 1999 - are redistributed to communities
- Wisconsin State Revenue Sharing In 1997 almost \$1 billion in state revenues were shared among jurisdictions to use as they see fit.



Stimulate Housing and Commercial Redevelopment

Provide incentives for housing and commercial renovation and community revitalization.

- Tax credits to renovate historic and other older redevelopment - Several statewide examples (MD, OH, IN, WI), local examples (Euclid). Over 25k buildings have been rehabbed using federal credits.
- Maryland's Community Legacy Program Targets investments to struggling neighborhoods. Designed to assist established "at risk" places. (\$10 million in FY 2002)

Stimulate Housing and Commercial Redevelopment

Support metropolitan-wide fair share housing ordinances

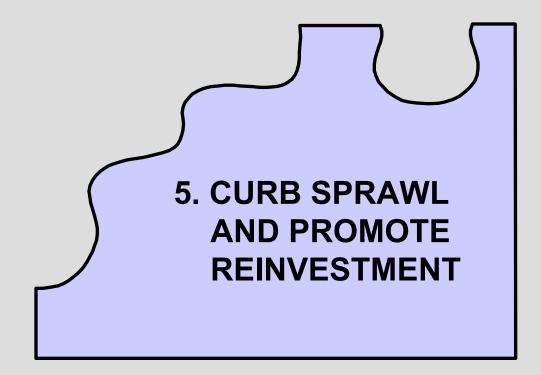
- Washington State Requires localities to provide existing & projected housing needs of families at all income levels.
- **Massachusetts** "Anti-snob" zoning law requires jurisdictions to include affordable housing in their plans; certification linked to funding.
- California State law mandates local plans to include a housing element which contains an analysis of projected housing needs including rental and affordable housing demand.



Expand Opportunities For Working Families And Neighborhoods

Invest in Children and Make Work Pay

- Federal and state governments can expand child care assistance by creating a less fragmented system for child care. Federal government needs to further increase funding for the child care block grant to give states more flexibility for welfare recipients and working families.
- States can create their own refundable earned income tax credits EITC is the largest federal program targeted at the working poor. State EITCs augments the federal programs and helps offset new tax burdens on the working poor. Currently in 16 states.



Curb Sprawl and Promote Reinvestment

State Transportation Policy Reform

- Maryland's Priority Funding Areas Targets major funding (e.g. transportation, housing, state facilities) to established areas.
- Fix-it-First Policies New Jersey requires the state DOT to focus on rehab. Illinois FIRST (a Fund for Infrastructure, Roads, Schools and Transit) is a five-year, \$12 billion program to restore aging infrastructure. Over \$1.6 billion of this funding is earmarked for projects within Cook County.

Curb Sprawl and Promote Reinvestment

Enact regional and statewide growth management and enhanced land use planning

- Minnesota's community-based planning supports mixed use and compact development - Provides local jurisdictions with grants and assistance to design and implement local planning. A related effort has targeted first suburban neighborhoods.
- Pennsylvania's land use law promotes planning between municipalities - Allows for the establishment of growth areas, local inter-jurisdictional coordination, and the transfer of development rights.



IV. Where do we go from here?

Organize for Regional Success

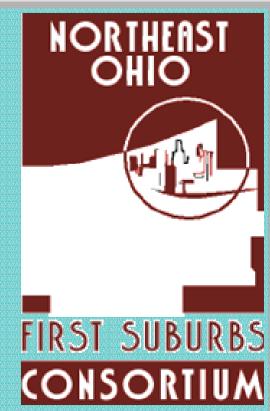
Organize regional first suburban coalitions around state reform and local practices

- Build regional and statewide political coalitions that reflect their unique set of issues and challenges
- Identify funding to staff and support coalitions
- Partner with university and research organizations for independent research analysis and policy positions

Organize for Success

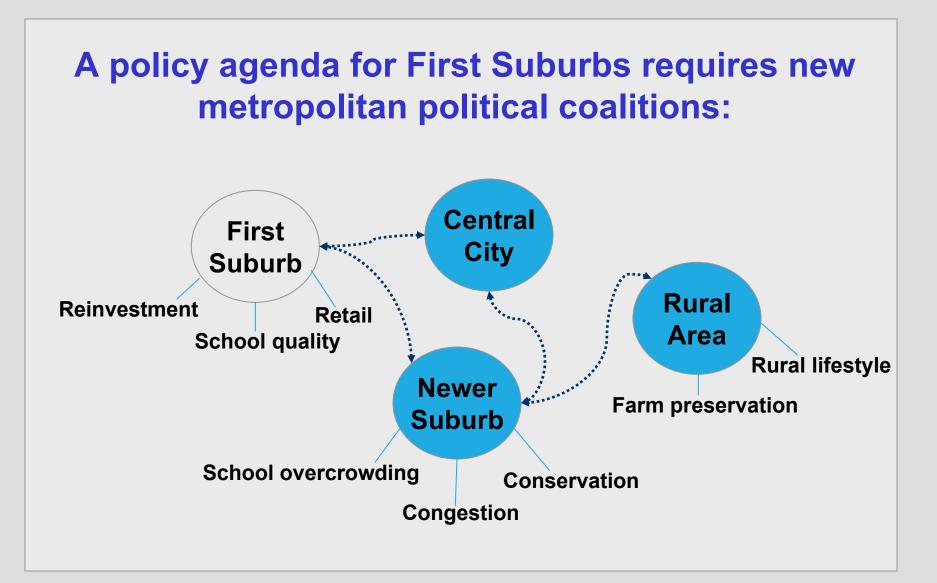
Organize first suburban coalitions around state reform

- Informally created in 1997 by a group of first suburban officials from the east and west sides of Cleveland to discuss their common strengths, needs, and problems.
- Works to encourage the establishment of similar organizations in the state's other metropolitan areas and helped develop a "Smart Growth Agenda for Ohio" focusing on reinvestment in first suburban jurisdictions.



• Have initiated major cooperative projects that address economic development and housing revitalization.

Organize for Success



A Policy Agenda for Older, Inner-Ring Suburbs

- 1) First Suburbs have their own distinctive set of opportunities and challenges that set them apart from their neighboring cities or suburbs.
- 2) First Suburbs are caught in a policy blindspot.
- Federal and state governments should do more to help strengthen the health and vitality of First Suburbs before they become the next ring of decline.

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