This Land is Our Land: A Call to Arms for State and Federal Policy Reform

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Introduction

I want to thank you for the invitation to speak before this conference.

The emergence of smart growth and The Funders Network could not be more propitious.

Our nation stands on the brink of an enormous wave of growth and development.

The Census Bureau predicts that the nation will grow by some 138 million people by the year 2050.

Population growth will itself drive a wave of building and construction; in fact, we predict that over half the American built environment in 2030 will have been developed in the next 25 years.

If current growth and land consumption rates continue, we will urbanize land at a rate seven times faster than our population will grow.

The question for the nation is, therefore, not whether we grow but how we grow, where we grow and what we grow.

We have, of course, been here before.

Between 1950 and 2000, our nation grew by some 130 million people.

> This population growth precipitated the rapid suburbanization of America. In region after region, the low density dispersal of people and jobs—“sprawl” in a word—dominated our physical landscape.
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> A whole new lexicon was created to describe America’s unique contribution to human settlement: “edge cities,” “edgeless cities,” “exurbia,” “boomburgs,” “spatial mismatch,” and, my personal favorite, the “exit ramp” economy.
>
> In some regions, the spreading out of population and employment was accompanied by the emptying out and hollowing out of once grand cities – Detroit, Cleveland, St. Louis, Baltimore.

> In many regions, the spreading out of population and employment did not share its benefits equally; rather many places became deeply stratified by race, class and ethnicity, isolating lower-income and minority Americans from the new geography of opportunity.

We cannot afford—economically, fiscally, environmentally or socially—to repeat the growth patterns of the past half century.

My argument today is that we do not have to.

First, broad demographic, economic, fiscal, and cultural forces, far from exclusively fueling sprawl and decentralization, increasingly promote diversity, density, and urbanity. To put it simply, smart growth has strong "wind behind its back."

Second, these forces are already fueling a visible though uneven and incomplete resurgence of American cities and altering the shape and composition of many suburbs.

Third, these changes are occurring in spite of state and federal policies—what I call the "rules of the development game"—that almost uniformly favor sprawl, concentrate poverty, and undermine cities and older suburbs.

Fourth, smart growth and regional equity will not occur until and unless we organize new majoritarian political coalitions to overhaul these state and federal policies.

Finally, American philanthropy has a central role to play in the drive for state and federal policy reform. I will discuss five essential steps that foundations can take to catalyze and sustain broad-based, structural reform in the country.

Let's start with the big picture.

Everyone in this room can attest to the breathless pace of demographic change that is sweeping the nation.

- Our country is growing by leaps and bounds—33 million people in the past decade, 24 million in the decade before

- Our growth is being fueled in part by an enormous wave of immigration. Thirty-four million of our residents are foreign born, 12 percent of the population, the highest share since 1930

- Immigration is essential to offsetting another major demographic trend—the aging of our population. Like much of the industrialized West, the U.S. population is growing older and living longer

- And our family structure is changing. Women and men are delaying marriage, having fewer children, heading smaller households

These demographic forces are giving cities and urban places their best shot at attracting and retaining residents—rather than watching them disperse out across the landscape—than at any time since the 1950s.

- Immigrant families who seek communities that are tolerant and welcoming

- Elderly individuals who seek places with easy access to medical services, shopping and other necessities of daily life

- Middle-aged couples whose children have left the nest and are open to new neighborhoods and shorter commutes

- Young people who are experimenting with urban lifestyles popularized on television shows like “Seinfeld,” “Sex and the City,” and “Friends”

The pace of demographic change in our country is matched only by the intensity of economic transformation.

- Globalization and technological innovation are reshaping and restructuring our economy and altering what Americans do and where they do it

- These forces have accelerated the shift of our economy from the manufacture of goods to the conception, design, marketing, and delivery of goods, services, and ideas

- These forces are placing a high premium on education and skills, with communities and firms now engaging in a fierce competition for talented workers who can fuel innovation and prosperity

- These forces are changing the ways businesses manage their disparate operations—enabling large firms to locate headquarters in one city, research and design somewhere else, production facilities still somewhere else, and back-office functions—within or outside the firm—in still other places

As with changing demographics, the restructuring of the American economy gives cities and urban places a renewed economic function and purpose—a function that holds out hope for re-centering regions and using land more efficiently.

Yes, globalization and technology do have decentralizing tendencies and have made possible “Sprawl-Mart.”

But, an economy based on knowledge bestows new importance on institutions of knowledge—universities, medical research centers—many of which are located in the heart of central cities and urban communities.

More generally, the shift to an economy based on ideas and innovation changes the value and function of density.

> We now know that employment density and cities with efficient transport systems contribute to labor productivity.
>
> Residential and employment density also enhances innovation. This happens partly by creating a "quality of place" that attracts knowledge workers and partly by enabling interactions and knowledge-sharing among workers and firms, within and across industries.

Finally, the evidence shows that the urban form is not only competitively wise, but fiscally sound.

> We have known for decades that compact development is more cost efficient—both because it lowers the cost of delivering essential government services (police, fire, emergency medical) and because it removes the demand for costly new infrastructure.

So here is my second point: Broad market, demographic and cultural forces are altering American growth patterns, giving our cities a second life and remaking the suburbs.

To be sure, low-density development continues to dominate the physical landscape.

But cities are growing again after decades of decline. Atlanta, Chicago, Denver, and Memphis literally "turned around" by converting a 1980s population loss into a 1990s population gain.

Immigrants are fueling population growth in cities and, in the process, renovating housing, revitalizing neighborhoods and spurring entrepreneurial activity. The Hispanic population in the top 100 cities grew by 43 percent during the 1990s, or 3.8 million people. The Asian population in the top 100 cities grew by 40 percent during the 1990s, or 1.1 million people.

Beyond demographics, cities have gained a strong footing in the "Ideas Economy." Some 60 percent of the jobs in America's cities fit squarely into "new economy" categories compared to only 40 percent in suburban communities.

Other signs of urban resurgence abound:

- Poverty rates declined in cities during the 1990s

- The number of people living in high poverty neighborhoods—and the number of high poverty neighborhoods—declined precipitously during the past decade

- Homeownership went up… unemployment fell… the numbers of minority and women owned businesses soared

Now don't get me wrong. We have not ended the urban crisis in America.

> Deep racial and ethnic disparities still persist on education, on incomes, on homeownership, on assets.
>
> Cities still house disproportionate shares of low income families and cannot, by themselves, respond to the inevitable challenges of housing affordability, heath care and public education.
>
> Cities still, given their social and fiscal starting points, struggle mightily to attract and retain middle class families.

Nor are all cities equally prospering from the advantageous turn of events. Even a casual visit to Detroit or St. Louis or Camden reminds us of the devastating impact of decades of persistent poverty and institutionalized racism.

But trend lines are moving in the right direction. Major forces unleashed in this country, coupled with a wave of innovation at the local level that I have discussed elsewhere, are improving the economic and social potential of cities.

Broad demographic, market and cultural forces are also remaking the suburbs.

With suburbs taking on a greater share of America's population, they are beginning to look more and more like traditional urban areas—in population and in form.

- In many metros, a substantial portion of immigrants in the past decade skipped cities and went directly to the suburbs. Racial and ethnic minorities now make up more than a quarter of suburban populations, up from 19 percent in 1990

- The similarities between cities and older suburbs also extend to economic integration. Many suburbs built in the early or mid part of the twentieth century are also home to the working poor—challenging ingrained perceptions of suburbs as isolated, wealthy enclaves

- Message to America: It is no longer your parent's suburb

The older suburbs are not just important because they resemble cities in their social and economic composition; they are also population centers of great magnitude.

- Our calculations show that America only has 64 “older suburban” or “first suburban” counties—places like Nassau County in Long Island, King County surrounding Seattle or Allegheny County surrounding Pittsburgh. Incredibly, these 64 counties house over 52 million people and comprise nearly 20 percent of the American population. That means that close to 50 percent of the American population—a majority of our nation—lives in traditional central cities and five dozen or so urban counties

A growing number of suburbs also increasingly resemble cities in one more way—their form.

- We see this as places like Montgomery County in Maryland develop downtown areas like Bethesda and Silver Spring that rival traditional central cities in their cultural amenities, their access to transit, their eclectic mix—often on the same site—of office, retail, and residential

- We see this as developers and financial institutions spend billions of dollars building or rebuilding malls—so-called “lifestyle centers”—that resemble nothing more than the traditional main street, evidence of the market value, acceptance of and demand for urban places

- All across suburbia and even exurbia, we see pockets of urbanity popping up as homebuilders and master developers, banks, and realtors embrace “new urbanism” and “smart growth”—movements that, like the wave of innovation in US cities, are only 10 years old

As with the story of city resurgence, the story of suburban urbanization is not uniform across the nation or even within particular counties or metros. Again, low density sprawl still dominates by far the physical landscape.

But it is clear that the market is increasingly emphasizing the “urban” in “suburban”—partly because it is told to by enlightened suburban jurisdictions and partly because it wants to, since density and urbanity pays more.

Now to my third point: The positive trends that I have noted are occurring in spite of state and federal policies that almost uniformly favor sprawl, concentrate poverty, and undermine cities and older suburbs.

The states and the federal government exert enormous influence on growth patterns. The choices they make on economic policy, regulatory and administrative decisions, tax and spending programs all send strong signals to consumers and the market about what and where to build.

Understanding the spatial and social implications of state and federal policies is not easy. It is made particularly difficult by the fact that our federalist system vests different types of powers at different levels of government.

But let me try to provide a roadmap for understanding the spatial implications of state and federal policies.

We simply cannot overestimate the roles that States play in metropolitan growth and development. Five state roles deserve particular consideration.

First, states set the geography of governance. They decide how many units of general purpose local government there are and then decide whether the boundaries of these local governments are fixed or subject to change through annexation—whether they are, in the words of David Rusk, “little box” or “big box.” They also decide the borders of school districts as well as other special purpose governments.

Second, states set the powers of local governance. They decide what powers to delegate to municipal governments and establish the parameters for how those responsibilities are exercised. They also decide which level of government wields such powers, be it local municipalities, counties, or even regional entities. For our purposes, the most important delegation involves land use, zoning, and planning powers. The devil here is in the details: some states permit and encourage innovative land use techniques; others stifle it. Some states require that local planning conforms to regional or state visions; others allow localities almost unfettered control.

Third, states establish the fiscal playing field for municipalities and school districts. They decide the form of taxes that municipalities can impose on residents and businesses —property taxes, sales taxes, incomes taxes, fees. They also determine the extent to which the state levels the playing field between rich and poor jurisdictions through general or specific tax sharing efforts.

Fourth, states help design the skeleton of regions through their investments in physical infrastructure, main street, downtown, public parks, and green space. How and where states distribute economic development subsidies (whether to lower-end retail projects in the greenfields or high-value pursuits in established areas) also makes a big difference.

Finally, states help shape the quality of the economic growth that occurs in metropolitan areas through their investments in K–12 education, higher education, and workforce development. State activity of this sort may also stress higher-wage industries, such as health care, corporate research, or higher-value producer services as opposed to lower-end service jobs. The regulation of the real estate sector is particularly important and many states, for health and safety reasons, have established uniform rules and codes for construction and building.

In almost all states throughout the country, the intersection of these disparate powers and policies has created in what I call the “rules of the development game”—rules that favor the creation of new communities over the redevelopment of older ones, rules that promote and even subsidize greenfield development rather than brownfield remediation, rules that often consign low wage workers and minorities to the "wrong side of regions."

Let me illustrate how sprawl and regional inequity is embedded and hardwired in the powers and policies of one state: the Commonwealth of Pennsylvania. As many of you know, the Heinz Endowments, the William Penn Foundation, and the Ford Foundation supported Brookings in a major examination of the state of growth in the Commonwealth.

Our report demonstrated the sprawl-inducing and city-emptying effect of an intricate network of state governance, spending, tax, regulatory, and administrative polices. Among these were:

- State governance policies that chop the Commonwealth into 2,566 municipalities and then delegate land use and zoning powers to every single one of these municipalities

- State building codes that make it cheaper to build new rather than renovate older properties

- State tax policies that leave cities stranded with tax exempt properties, saddled with the costs of maintaining older infrastructure and responsible for supporting a large portion of school expenses through their property taxes

- State transportation policies that spent only 42 percent of road and bridge spending in older urban communities, where 58 percent of the population lives

- State economic development policies that subsidize industrial parks on greenfields in exurban communities, while perfectly suitable sites on historic commercial corridors lie vacant and abandoned three or five miles away

The list in Pennsylvania, as in other states, goes on and on and on.

The end result of these policies is to create a dynamic in which every community in the state wakes up every morning trying to out compete its neighbors for growth that brings economic and fiscal benefits: high end residential, high end retail, high end commercial.

But the rules of the competition are stacked in favor of new communities.

> Want to attract a new mall or government facility? The state will generously pay for new infrastructure and roads.
>
> Want to grow your fiscal base? The State will allow newer communities to benefit exclusively from residential and job growth—and garner 100 percent of

> the tax revenues—without taking any responsibility for the impact of growth on regional traffic patterns or the environment.
>
> Want to avoid serving low-income families? The state will allow newer places to zone out affordable housing for low wage workers, let alone shelters for the homeless and the most vulnerable in our society.

Given this backdrop, the twin patterns of sprawl and urban abandonment that have defined Pennsylvania's development since the end of World War II are not accidental or happenstance; they are the logical, almost predetermined, outcomes of state policy.

States, of course, are not alone in setting policies that shape metropolitan growth patterns. The federal government—Congress, the executive branch, the Supreme Court, the Federal Reserve Bank, and other federal or quasi-federal entities—also plays a critical role.

Some of this role, of course, stems from the ways in which the feds set the big context for economic and physical growth in the U.S. through fiscal policy, monetary policy, trade policy, immigration policy, homeland security, judicial interpretation of the takings clause, and other key constitutional provisions. Those policies often seem out of reach, but their spatial implications are substantial. Make no mistake: "How you grow economically as a nation affects how you grow physically."

Closer to the ground the federal government impacts growth patterns in some fundamental and more recognizable ways.

First, the feds have a dramatic, multi-layered impact on housing markets – through the secondary mortgage market and government sponsored enterprises like Fannie Mae and Freddie Mac, through federal housing insurance, through tax expenditures like the mortgage interest deduction, through subsidy programs like public housing and vouchers, through civil rights and anti-redlining statutes like the Fair Housing Act and the Community Reinvestment Act.

Second, Washington has an enormous impact on the nation through its investment in both traditional physical infrastructure that affect the mobility of goods and people (like roads, airports, our ports, our passenger rail systems, and public transit) and in newer forms of technological infrastructure that affect the flow of ideas and information.

Third, federal environmental laws – and the degree to which those laws are enforced—help shape growth dynamics within regions and between regions. The Clean Air Act, the Clean Water Act, the Endangered Species Act, the laws governing brownfield remediation, lead based paint removal, sewer and stormwater treatment—all have impacts on places, sometimes intended, sometimes unanticipated.

Fourth, the federal government establishes the opportunity structure for low-wage workers in the United States and dramatically affects the equation for regional equity.

Minimum wage laws, worker benefits like the earned income tax credits, health care and child care coverage, bankruptcy protections, skills training, asset building provisions—all these help define whether low wage workers have access to quality jobs and whether work pays at a time of global change.

Finally, in addition to these uniform or universal policies, specific federal decisions and interventions also have huge spatial impacts in particular parts of the country. Think about the West, where the federal government is a major land owner and decisions about the disposition of land are essentially decisions about growth boundaries. Or think about areas of the country that have disproportionate numbers of military installations or medical research institutions.

The incredible thing about the federal government is how much spatial impact it has on the nation and how little spatial focus it gives to major legislative, regulatory, and administrative decisions.

> The feds set environmental policies without understanding that older communities might bear the brunt of unfunded mandates.
>
> The feds set welfare or school policies without understanding that, given the distribution of poor families in our society, these policies are hidden urban policies.
>
> The feds have been slow to align federal programs – transportation, workforce, housing—to the geography of regional economies, commuting patterns, and social reality.

Now how does this messy, conflicting, complicated array of programs and policies add up? What stamp does it ultimately put on the American landscape?

As with state policies, I think the federal government, on balance, principally encourages the decentralization of people and jobs and the concentration of urban poverty—subsidizes wealth creation in newer communities and subsistence in the core.

> Federal transportation policies support the expansion of road capacity at the fringe of metropolitan areas and beyond, enabling people and businesses to live miles from urban centers but still benefit from metropolitan life.
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> The deductibility of federal incomes taxes for mortgage interest and property taxes appears spatially neutral but in practice favors suburban communities, particularly those with higher income residents.
>
> Federal and state environmental policies make the redevelopment of polluted "brownfield" sites prohibitively expensive and cumbersome, increasing the attraction of suburban land.

Other federal policies have concentrated poverty rather than enhancing access to opportunity.

> Until recently, federal public housing catered almost exclusively to the very poor by housing them in special units concentrated in isolated neighborhoods.
>
> Even newer federal efforts—for example, the low-income housing tax credit program—are generally targeted to areas of distress and poverty, not to areas of growing employment. Fifty-eight percent of low income housing tax credits during the 1990s went to central cities, though these places have 30 percent or so of the population.
>
> We now know that concentrating poor families in a few square blocks undermines almost every other program designed to aid the poor.
>
> We also know intuitively that concentrating the poor places huge pressures on growth, and can throw it miles out to the fringe of metropolitan areas.
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> Sprawl and concentrated poverty are flip sides of the same coin.

Now my fourth point: The realization of smart growth and regional equity will not occur until and unless we alter the rules of the development game that are set at the state and federal levels.

The policies that I have discussed here today are not inevitable or somehow divinely inspired.

They are the product of political systems and political compromises and political tradeoffs.

Politics, in a word, determines policies, and policies shape markets and growth patterns and family opportunities.

My contention is that throughout the country, sprawl and economic and social change has left in its wake the potential for broad majoritarian coalitions that can reset policies to fit a new time and achieve a new set of objectives.

Our challenge in this room is to realize the potential of this mostly latent, still theoretical political coalition and stimulate the creation of networks of leaders and advocates across municipal jurisdictions, across disciplines, across racial and ethnic lines, across “red” and “blue” states and regions.

Given political and fiscal realities, our first line of offense is the states.

I believe that a growing number of states are ripe for change:

- because they are experiencing the fiscal wastefulness of unbalanced growth patterns

- because the recognize that an economy of ideas, innovation, and creativity thives in dense, urban areas

- because they are worried that endless sprawl is endangering the rural landscapes and environmental treasures that define many places

The states are ripe for change if we can change the political equation that drives decisions in state capitals.

And, if American history has taught us anything, states—as laboratories of democracy, as political battlegrounds for federal presidential contests—have the power through their experimentation to shapes federal policies and practices for decades to come.

Let me give you a hopeful lesson from our Pennsylvania work.

What we discovered in Pennsylvania was a smart growth coalition that was less than the sum of its parts. Pennsylvania, like many states, does not lack for talented mayors or business owners or community, faith-based, and civic leaders or real estate practitioners or university presidents or heads of health care systems or environmentalists or conservationists.

Yet these talented people are rarely organized to pursue structural change. City is pitted against city. Urban constituencies are pitted against urban constituencies. The city/suburban divide—sometimes racial, sometimes not—is deep and pronounced. Environmentalists and conservationists rarely talk to, let alone relate to, urban advocates and business leaders.

Urban advocates, conservationists, and many fellow travelers, in short, have perfected the "art of the deal" – the downtown real estate transaction, the major stadium or convention center, the major land acquisition—and neglected the "art of politics"—the mechanics of coalition building.

Only a year later, what we are witnessing in Pennsylvania is the slow, gradual evolution of a vibrant political coalition that is leading a discussion about city revitalization, balanced growth, and state competitiveness.

The confluence of powerful ideas, a progressive governor (Ed Rendell, the former mayor of Philadelphia) and a vocal network of advocates is already reforming policies:

> The state is embracing "fix it first" policies in transportation—stopping sprawl inducing road projects at the fringe in order to fund infrastructure repair in the metropolitan core

The state has resuscitated its State Planning Board to bring coherence to the actions of dozens of state agencies.

The state has revitalized an Interagency Land Use Team to better focus the state's actions and investments.

The governor is seeking substantial new resources to dedicate to brownfield remediation and land acquisition, illustrating the potential for common ground between old and new communities.

The governor is pursuing bold new reforms to prepare the Pennsylvania workforce for a radically different economic era.

And policy fermentation is breaking out:

- Should Pittsburgh consolidate with Allegheny County?

- Should metro areas in the state be allowed to experiment with new taxing regimes and governance forms?

- Should the state's fiscal receivership law be turned into a tool for attacking the structural roots of urban decline and distress?

Now the road in Pennsylvania is going to be long and hard. But we have started on the path towards systemic and structural reform. And how far we travel down that path will depend, in large part, I think, on how effective we are at organizing new coalitions.

Thus the new RenewPA effort that Caren Glotfelty described yesterday is critical to breaking new political ground.

Is Pennsylvania unique? I do not believe so. In fact, I think if structural reform can happen in Pennsylvania—fragmented, balkanized, riven by divisions – then it can happen anywhere.

That leaves us with the 800-pound gorilla of the federal government.

Now, of course, George Bush did not invent the anti-urban bias of the federal government. That predated him and persisted in many aspects even during the presidency of Bill Clinton.

But with the recent release of the president's budget we now know that the administration seeks to completely remake the fiscal and policy architecture of the United States and dramatically curtail the role and function of the federal government.

Make no mistake: The impact on cities and core communities of these proposed changes will be severe. And the impact on urban residents and low wage workers will be even worse:

- Dramatic reductions in community development subsidies

- Dramatic reductions in key infrastructure investments like Amtrak and transit

- The elimination of successful efforts to break up the concentration of poverty through the demolition of distressed public housing

- The failure to enforce a whole series of laws that protect consumers and encourage lending in cities: the Community Reinvestment Act, the Fair Lending Act, the Fair Housing Act, the Home Mortgage Disclosure Act

- The failure to enforce the linkage between the Clean Air Act and federal transportation laws, as was done in Atlanta in the late 1990s

- The crowding out of investments in working families: health care, child care, income supplements, nutrition assistance, worker training

- Harmful restructurings of key programs like Medicaid and housing vouchers

The same political imperative that makes it necessary for smart growth and regional equity advocates to play offense on the state level is critical to playing defense at the federal level.

But we cannot just defend subsidies for the existing panoply of federal policies and programs. That would just keep us on the current path of policy, facilitating sprawl and concentrating poverty

We are going to have to pursue a more complicated path: fighting to preserve resources for different kinds of public investments – housing, transportation – while simultaneously developing the longer term policy reforms we need once a more friendly administration, Democratic or Republican, takes power.

Finally, let me conclude with some thoughts about the role of foundations.

I know many of you in this room hear this discussion of the big picture and say to yourselves: I have as much chance to change key state and federal policies as I have to alter the weather.

I want to challenge that preconception.

> I believe that you are uniquely situated as respected civic leaders and investors to make a discernible impact on public discourse and government policy.

I believe that many constituencies involved in urban revitalization, community development, environmental protection, and land conservation are hungry for systemic change and want to be part of larger reform coalitions.

Finally, I believe that you do not have a choice: We will never reach the goal of sustainable communities through initiatives and investments that deal with the symptoms rather than the root causes of sprawl and regional inequity.

If you are investing in land acquisition, you will never succeed until rules of development game are changed to take pressure off of sprawl.

If you are investing in community development, you will never succeed until the rules of the development game are changed to leverage urban regeneration.

If you are a community foundation, your community will never be successful until you connect the dots between economic competitiveness, environmental sustainability and social inclusion.

Here are five things foundations can do, alone and in conjunction with others, to affect policy change.

First, and perhaps most comfortably, foundations can set the intellectual foundation for policy reform. The sad truth is that most states are "fact free" zones. There is very little understanding of the nature of trends, the impact of trends or the drivers of trends.

Our impact in Pennsylvania—and the impact of other research institutions in other states—was partly a result of filling this intellectual vacuum with incontrovertible facts about demographic, market and development patterns and the role of state policies and investments in fueling and facilitating those patterns.

I am not saying "go out and fund a bunch of research." I am saying build a network of researchers and research institutions—universities, MPOs, think tanks, even constituency organizations—that year-in, year-out, state by state—ask the right questions, track key trends and disclose and make transparent the distorting impact of biased tax systems or fragmented governments or state transportation spending.

Second, foundations need to support the institutional infrastructure for change. The reform of State policies ultimately depends on a strong, diverse network of organizations that work closely together.

Organizations that are explicitly dedicated to smart growth are a key component. One of the most hopeful signs in the past decade has been the emergence of groups like 10,000 Friends of Pennsylvania, or Greater Ohio or Grow Smart Maine, or the Michigan Land Use Institute. Many of these organizations are young but they have brought a new level of energy and enthusiasm and sophistication to the political and legislative table.

Organizations that seek to give voice to minority and low wage Americans are another critical component of the new infrastructure for change. I am very impressed by the work of the organizing prowess of faith based organizations, particularly around issues of affordable housing in the suburbs, fiscal equity and transportation reform.

Organizations that seek to channel and leverage the latent political power of older suburbs and urban counties are one more element of the new coalition. The creation of a First Suburbs Consortium in Cleveland or the Michigan Suburbs Alliance are smart, strategic investments that, if sustained, could alter the political dynamics of regions and states.

Third, foundations should consider direct support for the work of government—study commissions, task forces, blue ribbon commissions, multi-state retreats and the like. The fact is that most states have very little discretionary funding to spend on these kinds of activities and precious time is lost waiting for the next appropriations or budget cycle. Thus, the timely and generous support of Michigan foundations for Governor Granholm's Land Use Commission played an enormous role in catalyzing reform in that state.

Fourth, foundations should consider expanding the use of one of your most important, but least appreciated functions: the ability to convene constituencies across borders, across disciplines, across the increasingly polarized partisan and ideological divide.

Convenings—public forums, private roundtables—are tried and true ways to introduce new ideas to states and regions, and pull together, like a marriage broker, people of like minded interests and policy passions.

They are also a way for foundations to lead by example, to show that you are willing to connect the dots between related issues that are often kept separate and distinct, that you are willing to focus on the macro, not just the micro.

This is a subtle role, but well played and humbly played, it can be the tissue that binds together regions and states and can be an organizing tool by itself.

Finally, foundations should consider supporting, even catalyzing, issue campaigns for state reform. I am not talking about partisan or political activity. I am talking about efforts to galvanize widespread constituency and even public support for structural reform to the rules of the development game.

In many ways the issue campaign is the logical culmination of all the other efforts—reaping the full benefits of the research, the coalition building, the convenings.

It also complements the traditional “inside game” of lobbying one-on-one for legislative reform or administrative change.

It enables you, in short, to build an “outside game”—a parade of civic, corporate, urban, older suburban, community, conservation, environmental, faith-based leaders that political leaders can jump to the head of.

And it positions you to communicate broadly—to citizens, to the next generation—through traditional media like print, radio and television and through non traditional venues like high schools and community colleges.

Now, of course, what you campaign for will differ from state to state and from year to year. You need to pick your targets well, and ground them in the political culture and language of your state.

In many states, transportation reform—“fix it first” campaigns—seems to present an enticing target because of fiscal austerity and because of traffic congestion.

But other targets—governance reform, building reform, even tax reform—should be considered.

This is also not only about affirmative change. In some years and in many places, you will need to fight against something: against casinos in one state, against crippling tax reforms in another state.

In all these activities, I would set the bar high – for yourself, your grantees and your communities.

> Make big, calculated, systemic and sustained bets—in institutions, in policy reform, in research and public education.
>
> Organize yourselves differently: If the relevant political geography is the state, then somehow you need to connect your grant giving to state level reform.
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> Consider state foundation alliances on key issues. There is strength in numbers and collective action. That has been proven in Michigan with governor Granholm’s land use commission. That is being tested in Pennsylvania with the new RenewPA effort.

Conclusion

Let me end with where I began.

Our nation stands on the brink of an era of enormous growth and development.

I believe strongly that we are not doomed to mindlessly repeat the mistakes of the past.

I also believe that this country, or at least a significant portion of this country, can grow differently.

Smart growth and regional equity offers a compelling and attainable alternative to America's traditional growth and development patterns:

- Competitive cities and suburbs that create and nurture strong, resilient, adaptive economies.

- Sustainable cities and suburbs that promote accessible transport, residential and employment density and energy efficiency.

- Inclusive cities and suburbs that grow, attract, and retain the middle class and give all individuals, irrespective of race, ethnicity or class, access to quality jobs and good schools.

- Livable cities and suburbs that promote and preserve quality neighborhood design, abundant open spaces, irreplaceable environmental treasures, and distinctive public spaces as a foundation of competitiveness, sustainability and inclusivity.

But this vision will not just happen.

We will need to fight for it with focus and discipline and, most importantly, as part of new majoritarian political coalitions that demand supportive state and federal policies.

We are the majority: Now we need to act, organize and govern like one.