The Brookings Institution Metropolitan Policy Program

Information: A Tool to Transform America's Communities?

> Hartford, Connecticut May 5, 2005



Agenda

- The challenge before us
- Some context: Where are cities today?
- Why information matters
- The potential of next-generation information tools to power transformative community strategies



"Clearly, if we are to spur 'transformative' investments and effective urban markets, we need to develop new tools that go beyond the traditional resources and approaches that historically have been used in urban community development." **Doug Nelson** President Annie E. Casey Foundation

What are Transformational Strategies?

Big bets, not piece-meal approaches High risk-high return strategies Cross domain and jurisdiction Systematic interventions "Disruptive" approaches Common investment strategy Measure impact and performance

Information tools are critical to success



Some context...

Where are cities today?



<u>F</u>FI

The historic legacies of racial and class segregation persist





Research shows low income households pay hundreds more each year for:

White

37%

Percent Age 25 and over with Bachelors Degrees (100

10%

Latino

Largest Cities), 2000

14%

Black

- financial services
- insurance
- utilities

38%

Asian

40%

30%

20%

10%

0%

- appliances
- food

Major demographic change is taking place in the U.S.



Unprecedented economic transformation, powered largely by information

Deindustrialization



Knowledge industries





Rapid innovation



Demographic changes give cities a chance to compete for new residents and their consumption



- Young professionals
- Childless couples
- Baby-boomers
- New immigrants

Cities have become multicultural centers of creativity, commerce, and culture

	Milken	Gay	Bohemian
Metropolitan Area	Tech-Pole	Index	Index
San Francisco	1	1	8
Boston	2	8	9
Seattle	3	6	1
Washington, DC	4	2	6
Dallas	5	19	15
Los Angeles	6	7	2
Chicago	7	15	20
Atlanta	8	4	13
Phoenix	9	22	24
New York	10	14	3



- Ports
- Airports
- Other Transportation Networks
- Financial and other business services

- Universities
- Museums
- Theaters
- Restaurants

Density and a large stock of research institutions give cities a competitive advantage in the Knowledge Economy



 Dense labor markets and high clustering of jobs lead to knowledge spillovers, both within and across industries Density contributes to innovation by attracting young educated workers

Cities, in particular, have gained a strong footing in the Knowledge Economy





Cities have real assets that are highly valued by the Knowledge Economy



Underutilized Waterfronts



Downtowns



Human Capital



Universities



Active Neighborhoods



Infrastructure

Despite some promising trends, cities have yet to realize their true economic and human potential

Information will be critical to realizing this potential



Why? Information is a transforming force in markets...





Information Tool	Company	Impact on Market	
Use web to deliver competitive insurance quotes	Progressive Insurance	Changed ground rules of competition	
Use virtual design and CAD CAM tools to speed designs to market	Limited Brands	Accelerates pace of innovation, new product development	
Use web to provide "near universal" product selection everywhere	Amazon	"Death of distance"	
Leverage search results to create "real estate" on websites	Google	Creates new markets and products	
Use media, web, blogs, etc. to capitalize on "early movers"	"Buzz Marketing"	Speed product adoption, debug	

What about these information innovations has been fundamental to their transformative effect?

Platform investments

- Use disruptive technologies (Open Source)
- Scalable approaches
- Replicable tools
- Customizable

Standards for interchange/Interoperability

VC Investment model—concensus on where and how investments fit in the value chain



How does information work to drive change in markets?

- Provides the engine for transformational strategies:
 - Translating between markets, customers and domains
 - Illuminates the "systems" approach required
 - Enables "disruptive" strategies
 - Demonstrates a common investment strategy
 - Measure impact and performance



Some Community Examples



For business and industry:

Better portrayal of the underwriting risk profile of urban consumers

What?

Mortgage®? ... kind of home can I buy?

nower's

Who?

Where?

is "Location Efficiency"?

. is a Location Efficient Mortgage®?

are the LEM's requirements?

developed the LEM?

is the LEM available?

are the basic features of a Location Efficient

does the LEM do besides increase my buying



The impact on urban markets is:

Lowers the cost of borrowing for individuals and families.

LOCATION EFFICIENT MORTGAGE (LEM)

FAQ | LEM Lenders | Calculator



What is "Location Efficiency?"

Location efficient communities are neighborhoods where residents can walk from their homes to stores, schools, recreation, and public transportation. Residents of location efficient neighborhoods have less need to drive than people living in less convenient locations, so they save money on transportation costs.

Location efficiency is a measure of the transportation dollars people can expect to save by living in location efficient neighborhoods, based on the levels of population and public transit service in their communities.

What is a Location Efficient Mortgage®?

A Location Efficient Mortgage® (LEM) is a type of mortgage that recognizes the savings available to people who live in location efficient communities. LEM lenders count this available savings as additional income for people buying homes in location efficient communities. So people who might not otherwise qualify for a mortgage can become homeowners with a LEM, and qualified homebuyers can secure larger mortgages than would otherwise be available to them.

What are the basic features of a Location Efficient Mortgage®(LEM)?

Source: www.locationeffiency.com/faq, 2004

URBAN MARKETS

For business and industry:

In wake of exodus of major prime DOD contractor on Long Island, a web-based catalog of skills and competencies of local high tech manufacturing subcontractors to DOD



The impact on urban markets is:

Replaces "integrator" role in defense contractor marketplace; raises level of profile of companies that can fill niche requirements

January 1989: Grumman in Decline (Newsday)

"The F-14's demise cripples a major employer and plunges LI defense work into a steep dive" January 2005: Military spending boosts LI's defense industry *(Newsday)* "Many small contractors within Long Island's defense industry have

been the recipient of multimillions in extra work from the Pentagon and several large defense firms."

For government:

Parcel data on business location, land vacancy and residential investment



The impact on urban markets is:

Better industrial retention, and land use planning, grouping properties for investment, disposition

URBAN MARKETS



Philadelphia

http://www.trfund.com/policy/policy.rema.methodology.htm

For individuals:

Widely accessible career coaching or financial planning tools



The impact on urban markets is:

Increases employment opportunities, connects residents to economic mainstream, better management of credit





Source: www.Beehive.org, 2004



What about these information innovations has been fundamental to their transformative effect?

- Platform investments
- Use disruptive technologies (Open Source)
- Scalable approaches
- Replicable tools
- Customizable to individual
- Standards for interchange/Interoperability
- Investment model—consensus on where and how investments fit in the value chain



What is the potential of these tools for communities on the ground?



What the Next Generation of Information Tools can do...

- Build information capacity of community advocates on development issues
- Foster accountability, civic democracy and better inform public choices
- Connect citizens to the economic and social mainstream
- Map our future, set goals and measure progress



Next Generation Tools can...

- Build information capacity of community advocates on development issues
- Knowledgeplex.org
 - www.knowledgeplex.org
- Dataplace.org (in beta version)
 <u>http://dataplace.knowledgeplex.org</u>



😹 knowledge**plex** *

The affordable housing and community development resource for professionals

KIIUWIEI	ndehiez 📃 🔤	search	login register help		
TOOLS	Home				
Calendar Discussion Boards	Welcome to KnowledgePlex		WHAT'S NEW		
Expert Chats Multimedia Top News Stories Week In Review Newsletter	Are you making the most of KnowledgePlex? dia Are you making the most of KnowledgePlex? you can get added value from this site by: You can get added value from this site by: • Review ter • Subscribing to our weekly e-mail newsletter • Participating in our chats with experts • Cartifivities to argeing discussion for upped		Innovations Awards: Finalist Presentations Three unique and effective affordable housing programs		
TOPICS All Topics Affordable Housing Development & Finance	Submitting industry events to our calendar These benefits are available exclusively to registered K Registration takes just a few moments, and it's free! Click		have been named finalists for the Fannie Mae Foundation Innovations in American Government Award in Affordable Housing. The award is part of the Innovations in American Government Awards, a program of		
Economic Revitalization Fair Housing	Top News Stories	more	the Ash Institute at Harvard's Kennedy School of Government.		
Homelessness Homeownership & Mortgage Markets	Testimony: Statement by Armando Falcon, Jr. States News Service May 2, 2005 Topic: Homeownership & Mortgage Markets	😹 knov	vledgeplex [®] The affordable housing a	and community developmen	nt resource for professionals login register help
Land Use & Housing Planning Organizational	About 800 Homeless Move Into San Francisco Suppo The San Francisco Chronicle May 2, 2005 Topic: Homelessness	TOOLS	Home > Land Use & Housing Planning > Transportation & I	Parking > News Article	
Development Personal Finance & Asset Creation Public Housing Social & Comprehensive	Topic: Homelessness Calendar Ohio Smart Growth Group's Leader Shifts Priorities Discussion Boar The Journal-News, Hamilton, Ohio May 2, 2005 Discussion Boar Topic: Smart Growth HUD Raises Fines for Lenders Who Fail to Assist Troubled States News Service May 1, 2005 Week In Review Topic: Fair Housing Weekster		ACCESS AND REVERSE COMMUTE PROGRAM		
Development	Florida Senate Could Hand Homeowner Insurers Big Palm Beach Post (Florida) May 2, 2005 Topic:	Concession of the second se	States News Service April 14, 2005	ſ	CexisNexis*
	Popular Documents Most popular documents on KnowledgePlex, by number of days. Dealing With Neighborhood Change: A Primer On Ge	downlos	The following information was released by the Hou Committee: Connecticut lawmakers today announced a grant fr	use Ways and Means from the U.S. 221 594 for the Job	Printer Friendly Version Bookmark This Final This RELATED TOPICS
<u>.</u>		Mortgage Marke Land Use & Hous Planning Environmental Issues	 Access and Reverse Commute program (JARC). T administered through the Connecticut Department (ConnDOT) for statewide expansion of transit servi filling gaps between lower income Connecticut res 	t of Transportation ices geared towards sidents and regional	Transportation & Parking Facilities Development Public Housing Workforce Development RATE THIS
		Gentrification Preserving Affordability Housing Marke Trends & Studi Landbanking Planning & Zor Smart Growth Transportation Parking Organizational Development Personal Finance Asset Creation Public Housing	 These given bring methylater local control contro	a racinites. anomy by putting more ot to continue fully s more people to find ived these funds to n areas," said Lieberman previously inaccessible to taged neighborhoods." Johnson said. "These im eet their transportation ne orkers get where they neer r community who need it r tation they need to get baac	I hate it I love it C C C 1 2 3 4 5 5 a. "Our lower income workers to them via public transportation, uportant federal dollars will teds." do go," said Shays. "I am most." sk on the road to employment is



Next Generation Tools can...

 Foster accountability, civic democracy and better public choices

Memphis

<u>http://suds.memphis.edu/</u>

Use tools to track down fraudulent land transaction patterns that were pulling a neighborhood into decline

Intervention strategy with market players, lenders, realtors withing 90 days of suspect transactions



Map Display



Next Generation Tools can ...

- Connect people to the economic and social mainstream
- Create the link between, among and within communities:
 - LILA Los Angeles
 <u>http://lila.ucla.edu/</u>
 - Murmur, Toronto
 - <u>http://murmurtoronto.ca/</u>







news

- About [murmur]
- Media
- Have a story?

[murmur] in:

- Toronto
- The Annex
 - Kensington Market
- Vancouver
- Montréal

To receive occasional email updates about [murmur], enter your email address below:

subscribe

January 19, 2005: Location is Everything

Today Rhizome's online exhibit "Location is Everything" launched, featuring some excellent web-based mapping/locative projects, including [murmur]. Thanks to Jillian Mcdonald and Kevin McGarry. Visit the exhibit here: http://rhizome.org/art/exhibition/location is everything.

January 13, 2005: Nomination!

[murmur] has been nominated for an <u>Untitled Art Award</u> in the category "Best Exhibition/Project in Virtual Space". The winners will be announced at an event on February 16th at the Steam Whistle Roundhouse in Toronto.

October 8: [murmur] at the Drake Hotel

[murmur] has established a site at the <u>Drake Hotel</u> as part of the <u>McLuhan Festival of the Future</u>. Stop by the Drake during the festival and beyond to hear stories about the Hotel and the Queen West Neighbourhood. Look for the green [murmur] ear!

August 19: [murmur] in the Annex

[murmur] in Toronto's Annex neighborhood launches today! Thanks to the Toronto Arts Council for their support for this launch.

This week's City feature in eye Weekly is about [murmur],



Next Generation Information Tools can...

- Map our future, set goals and measure progress
- Used well, frames the debate
 - Jacksonville Community Indicators
 - 119 indicators, 9 categories
 - 20 years; highlights one issue each year for concerted community action across jurisdications and domains
 - Monitors results in subsequent years
 - <u>http://www.jcci.org/statistics/documents/2004_QOL_Progress</u> <u>Report.pdf</u>





JCCI has been a pioneer in developing and using indicators to measure community progr and is recognized around the world for its work. The <u>International Community Indicators</u> <u>Consortium (CIC)</u> brought JCCI to Repo. Nevada in 2004 to tell organizations from Austr

Achieving Educational Excellence
Growing a Vibrant Economy
Preserving the Natural Environment
Promoting Social Wellbeing/Harmony
Enjoying Arts, Culture and Recreation
Sustaining a Healthy Community
Maintaining Responsive Government
Moving Around Efficiently
Keeping the Community Safe

Contact Us

2004









Celebrating

Information Matters...to all of us

- Provides the engine for transformational strategies:
 - Translating between jurisdictions and domains
 - Illuminates the "systems" approach required
 - Enables "disruptive" strategies
 - Demonstrates a common investment strategy
 - Measures impact and performance



http://www.brookings.edu/metro/umi.htm





Questions, Comments?

Contact: Pari Sabety Director, Urban Markets Initiative Metropolitan Policy Program The Brookings Institution 1775 Massachusetts Avenue, NW Washington, DC 20036 Phone: (202) 797-4397 Email: psabety@brookings.edu

