Regionalism: The New Geography of Opportunity

San Antonio: Mirror of Urban America

All of my life my home has been San Antonio, Texas, and always within a mile of the house where I grew up in Prospect Hill, a modest, working class neighborhood just 2 miles from the Alamo.[1] I have watched my neighborhood and the city that surrounds it change dramatically over several decades, a transformation that mirrors in many ways what has happened in urban neighborhoods across America for the past half-century.

Many of the original residents of Prospect Hill, built in the 1920s, were railroad workers of German descent. By the time I lived there though, Prospect Hill had become almost entirely Hispanic. Nearly every man on our block worked as an aircraft mechanic at nearby Kelly Air Force Base (Kelly AFB). Our neighborhood battle cry was "Viva Kelly!" At the height of the Vietnam War, 35,000 local workers were employed there, and when my high school class graduated it seemed as if the base would open the door to stable middle-class prosperity forever.

When my friends and I weren't playing ball or going to dances at Central Catholic High School, we were in downtown San Antonio shopping at Joske's and Frost Brothers department stores, watching movies at the Aztec, Empire, and Texas theaters, or just hanging around street corners with friends whose families had "moved up" to new tract-home subdivisions springing up on the north side inside Loop 410. Outside Loop 410 was wilderness, the beginning of the rolling Hill Country. My Cub Scout pack hiked and camped out all through those Bexar County hills.

To the eyes of a young boy, San Antonio seemed big, but in the 1950s it was a small, compact world with downtown as its center. At that time only 500,000 people lived in the entire area—80 percent within the city's 70 square miles.[2]

Today my family resides in Washington, D.C., but on trips home to San Antonio my son and I often visit the area where I used to hike. But my son doesn't really know that, because those hills are now the site of one of the largest regional shopping malls in southwest Texas. Loop 410—the edge of my childhood's civilized world—has been engulfed by endless subdivisions, malls and shopping strips, offices, and industrial parks. In fact, Loop 410 is now the "inner loop." The "outer loop," Route 1604, circles the area 7 miles farther out, and new developments spring up every day far beyond that boundary. The three-county region's population has nearly tripled to 1.3 million, and the region's so-called "urbanized area" covers 438 square miles.

My parents still live in the same house in Prospect Hill, but the neighborhood has changed. Few young families live there; they're out in newer subdivisions that are closer to their jobs. Kelly AFB has shrunk to about 15,000 workers and faces an uncertain, post-Cold War future. The neighborhood's average income is dropping, and many once-familiar neighborhood stores closed their doors years ago.

San Antonio's downtown area has changed dramatically too. There are soaring new office towers, and the Alamo and the River Walk are the biggest tourist attractions in Texas. But downtown San Antonio is no longer the region's retail center: the River Center Mall is only the fifth-largest shopping mall in the area, and San Antonio's great old department stores and movie palaces have closed.

Suburban Growth/City Decline

The extraordinary growth that has transformed San Antonio's metropolitan area occurred throughout America's urban areas in the decades after World War II. Urban America has not grown upward but has sprawled outward across the countryside. Since 1950 the metropolitan population of the United States has almost doubled, but the population density of the country's 522 central cities has been halved.

What happened to the city of San Antonio, however, stands in sharp contrast to the fate of many other American cities, including Detroit, Cleveland, and Hartford. Liberal annexation laws in Texas allowed San Antonio to expand and follow its sprawling suburban development. San Antonio is what David Rusk, former mayor of Albuquerque, New Mexico, has called an "elastic" city (Rusk, 1993). Through postwar annexations, San Antonio has increased its municipal territory nearly fivefold, adding over 260 square miles.

Like other elastic cities—for example, Charlotte, Columbus, Indianapolis, and Nashville—San Antonio incorporated new middle-class subdivisions, shopping centers, offices, and industrial parks within its expanding boundaries. Through expansion, the city remains home to more than 70 percent of the metropolitan area's population and has maintained a strong middle class, a broad tax base, and a high municipal bond rating despite the independent, upper-middle-class suburban towns in its vicinity.

Yet with many aging, poorer neighborhoods in its older core area, today San Antonio would be one of the country's poorest cities if it had not annexed new development. That kind of stagnation occurred in older, "inelastic" cities such as Detroit, Cleveland, and Hartford. Trapped within existing boundaries by incorporated suburbs and bad annexation laws, these cities were bled to support new suburbs. Middle-class families, stores and shops, factories, and offices relocated outside city limits. New office towers rose downtown, but older city neighborhoods became dramatically poorer.

American Dream/American Nightmare

The suburbanization of America was underwritten by a well-intentioned Federal Government. Federally insured, low-cost mortgages helped millions of veterans and working-class families buy suburban homes. Federal highway funds built freeways that made it practical for Americans to travel great distances to work, shop, and play. Low Federal gasoline taxes, which gave Americans the world's cheapest gasoline, helped fuel the cars needed for suburban living.

The American public has enjoyed enormous social advances during the post-World War II decades. Nearly two-thirds of American families own their own homes—60 percent above the prewar level and one of the world's highest rates of homeownership. Some 262 million Americans own 190 million motor vehicles, providing a level of individual freedom of movement unmatched in history. In 1950 only one-third of all Americans had graduated from high school and just 6 percent were college graduates; today more than 80 percent are high school graduates and 22 percent have college degrees.

Other doors have opened as well. I was San Antonio's first Hispanic mayor—unthinkable only 30 years before the election. As late as 1970, there were only 1,500 African-Americans and 1,300 Hispanic elected officials in the country. Now there are 8,000 African-Americans and 4,600 Hispanics holding local, State, and Federal offices.[3]

Pursuing the American dream, however, has also created an American nightmare—high concentrations of poor minorities in poverty-impacted, revenue-strapped, physically decaying inner cities and older suburbs who are isolated from the opportunities generated in wealthier, vigorously growing outer communities of metropolitan areas.

My grandfather moved from Mexico to San Antonio 70 years ago. He came seeking a better job, better schools for his children, better health care—in short, a better life. America's cities were meccas of opportunity for millions streaming in from farms and foreign lands.

For those seeking opportunity today, the mecca must be the entire metropolitan area—the central city and especially its suburbs.[4] Achieving the American dream for everyone requires opening up all of a metropolitan area's resources and opportunities to all of its residents. Only with diversity, balance, and stability everywhere can the decline of inner cities and aging suburbs be reversed.

Cities Without Walls

Annexation was San Antonio's strategy for sustaining growth. In the suburban era, annexation has been an effective countermeasure to suburbanization for about two-thirds of America's central cities. During the past 4 decades, central cities have annexed over 12,000 square miles and more than doubled in area.

Figure 1

Consolidation of Charlotte-Mecklenburg County, North Carolina

The regional development of Charlotte, North Carolina, has combined strong economic growth and steady racial progress. In the 1980s the gap between African-American and white family incomes narrowed in the Charlotte area while increasing nationally. Charlotte ranks third in housing integration among all major U.S. metropolitan areas with a large African-American population.

The critical factors in the Charlotte area's success have been North Carolina's annexation laws (the most liberal in the Nation since 1959), the court-ordered merger of the Charlotte-Mecklenburg County public schools in 1972, and the emergence of Charlotte as the Nation's third-largest banking center, due in part to the North Carolina Legislature's early permission for statewide branch banking.

Through annexation Charlotte has grown from 30 square miles to 204 square miles, tripled its population, and maintained average city incomes 22 percent above suburban levels. Within 10 to 15 years, however, Charlotte's annexations could end when the city's boundaries approach the agreed-upon spheres of influence of five smaller municipalities and the Mecklenburg County line.

To accelerate the unification process, Charlotte Mayor Richard Vinroot, the Charlotte City Council, and the Mecklenburg County Commission have initiated a formal process to consolidate the city and county. A citizens' commission appointed by both bodies is currently drafting a consolidation charter.

The city and county governments have already achieved a high degree of functional unification. They share a new government center and have a common planning commission and planning staff. Law enforcement agencies have been combined under city jurisdiction, with the exception of sheriff's court support functions. Parks and recreation activities have been merged under the county. Both governments are continuing to pursue other functional mergers.

Formal consolidation will probably be voted on by area residents in November 1995. The five smaller, independent municipalities can vote to opt out, which, given the precedents in Indianapolis, Jacksonville, and Nashville, they will likely do. In effect, the city-county consolidation represents Charlotte's final annexation and avoids a piecemeal takeover of Mecklenburg County in the next 10 to 15 years. A merged Charlotte-Mecklenburg County will then be able to turn its energies to forging better functional compacts with neighboring counties.

Source: Harrison and Weinberg, 1992.

Annexation, however, has been a tool used primarily by cities in the south and west, and more than 80 percent of all annexations have occurred in the Sunbelt. Annexations are increasingly rare around many midwestern cities, and in New England and the Middle Atlantic States annexations are all but impossible because of those areas' rigid political map.

A handful of cities have engaged in a form of "superannexation"—city-county consolidation. In the 1960s and 1970s, Nashville-Davidson County, Jacksonville-Duval County, Indianapolis-Marion County, Lexington-Fayette County, and Anchorage-Anchorage Borough were created through consolidation. All have fiscally sound, unified governments with strong credit ratings, and all are successful communities with rates of economic growth well above their competitors. Though none of these examples is without its flaws, in each case governmental unity seems to have fostered greater social mobility. Schools and neighborhoods are more integrated, public services and facilities are more equitably provided, and public officials serve a common constituency.

City-county consolidations are rare, however, and have often been rejected by Americans at the polls. Since World War II, only 20 consolidations have been approved, and more than 100 proposals have been voted down (U.S. Advisory Commission on Intergovernmental Relations, 1987). Though further consolidation movements are under way (see figure 1), it is likely that formal city-county unification will continue to be rare. Even in many southern and western States, annexation itself faces more and more political and administrative hurdles.

Things-Regionalism and People-Regionalism

How can the common problems of metropolitan regions be addressed when local governance is so fragmented? In recent decades the most common path to meeting regional needs has been the creation of "special districts." There are currently more than 33,000 special districts in the United States (U.S. Advisory Commission and Intergovernmental Relations, 1993), and they are now the most common form of local government in the country. More than 90 percent perform a single function. Thirty-six percent provide water and sewer services; 16 percent are fire districts; 6 percent provide postsecondary technical and vocational education and library services; 4 percent are health and hospital districts; and 4 percent perform transportation-related functions. About 11 percent are either State-chartered housing finance agencies or local public housing authorities whose activities are often limited to a single sponsoring jurisdiction.

Although special districts come into being for many reasons, including limitations on the taxing and service powers of local general governments, many are created because the territorial scope of existing city and county governments is too limited to address major regional problems effectively. Air pollution control and watershed protection are common examples. Another is transportation planning: The Federal Intermodal Surface Transportation Efficiency Act of 1991 requires regional transportation planning to be carried out by multijurisdictional agencies.

Most special districts are examples of what may be called *things-regionalism*. For the regional community, special districts build and operate larger public works such as water and sewer facilities, flood control and irrigation systems, regional airports, major roads and highways, and mass transit systems. Some special districts' boards are directly elected by the districts' voters, although the majority of boards are appointed by the State or local governments that set them up.

Local officials often find it very difficult to make things-regionalism work, as it requires negotiating initial agreements and continually balancing interests among many local communities. But what so many metropolitan areas desperately need—*people-regionalism*—is even tougher to accomplish.

People-regionalism must address the heart of America's "urban problem"—the new face of poverty. Forty years ago, rural workers and the elderly constituted the greatest number of poor people in this country. Today, tremendous improvements in Social Security, Medicare, and Federal pension laws have largely eliminated poverty among senior citizens, and the constant industrialization of American agriculture and migration to urban areas have reduced the numbers of rural poor. The most extreme poverty in America is now found in geographically isolated, economically depressed, and racially segregated inner cities and older, declining suburbs. Inner cities have become warehouses of America's poorest citizens.

But our inner cities are not warehouses of *all* groups of urban Americans living in poverty. In the country's 320 metropolitan areas there are 10.8 million poor whites, 6.9 million poor African-Americans, and 4.8 million poor Hispanics. In a typical metropolitan area, however, three out of every four poor whites live in middle-class, mostly suburban neighborhoods. By contrast, three out of four poor African-Americans and two out of three poor Hispanics live in inner-city "poverty neighborhoods" where at least 20 percent of the residents are poor. And many poor minorities live in neighborhoods where the poverty rate exceeds a shocking 40 percent. Highly concentrated minority poverty is urban America's toughest challenge.

We're All in It Together

Why should suburban residents care about the decline of distressed central cities? Why must all communities, as I argue, assume a common responsibility for "inner-city problems"? Haven't many suburban residents fled rundown city neighborhoods with their growing violence and crime, failing schools, rising tax rates, and declining city services? Why should suburbanites get involved? The reasons are simple, but compelling.

Together we can solve the problem. Many Americans are dismayed by the seeming magnitude of urban poverty, but the problem's size is an illusion created by its concentration. Hartford, the capital of Connecticut, for example, has become one of America's most distressed cities. Between 1950 and 1990 the city's population dropped 21 percent, to 139,000. In 1989 city residents' average income was 53 percent of suburbanites' income, and more than 27 percent of city residents were poor. Crime rates have soared, and school failure rates were so high that last year the Hartford school board brought in a private management company to run the city's school system. Seen solely as "the city's problem," Hartford's social agony seems unsolvable.

Figure 2

Integrating the Hartford, Connecticut, Regional Housing Market

Among all States, Connecticut ranks ninth in housing segregation and first in average city-suburb income gap. For decades before the State's economic slump in the 1990s, Connecticut also had the highest housing costs east of California. To address these structural housing problems, the Connecticut General Assembly approved in the late 1980s a variety of State laws to promote more affordable housing.

Most notable is the Affordable Housing Appeals Act of 1989, which states that promoting affordable housing is Connecticut's highest priority and requires each of the 169 municipalities in the State with less than 10 percent assisted housing to change its zoning practices to permit a more diverse housing supply.

A developer whose plans to build affordable housing are rejected by a town council can appeal to a special State court in Hartford. In court, the burden of proof is on the town council, which must convince a special State judge that the town's reasons for rejecting the proposal should be deemed a higher priority than the State's requirement that communities take affirmative steps to make housing more affordable.

Other legislative action in 1988 spurred creation of the Hartford area's Capitol Region Fair Housing Compact on Affordable Housing. The compact, which was endorsed by the region's 26 towns, projected the creation of 5,000 to 6,400 units of affordable housing in the region over 5 years. A slump in housing construction, however, caused projections to fall short.

A soft suburban housing market has greatly benefitted Hartford's Special Mobility and Section 8 programs. Administered directly by the city's department of housing rather than the public housing authority, the programs contract directly with suburban landlords. By mid-1994, 400 former Hartford households—about 15 percent of the city's total Section 8 certificate and voucher holders—had moved to suburban locations. Those who moved were 52 percent African-American, 38 percent Hispanic, and 8 percent non-Hispanic white. The suburban neighborhoods to which they relocated were more than 80 percent white and had an average poverty level of 7 percent. By contrast, the city neighborhoods in which other Section 8 tenants continued to live were 75 percent minority and had a poverty rate 4 times that of suburban neighborhoods.

Sources: Westbrook, 1992; Wallis, 1994; Peterson and Williams, forthcoming.

Yet when viewed from a regional perspective, problems in the Hartford metropolitan area (population 1 million) are not so insurmountable: Out of every 100 residents, only 3 are poor and white, 2 are poor and Hispanic, and less than 2 are poor and African-American. Poor whites are scattered throughout the metropolitan area; only 12 percent live in Hartford, and only 13 percent live in poor neighborhoods. By contrast, 76 percent of poor Hispanics and 80 percent of poor African-Americans live in city neighborhoods, and nearly 9 out of 10 poor minorities live in neighborhoods of concentrated poverty.

The problem is not the region's overall level of poverty—only 7 out of every 100 area residents are poor—but the high concentration of minority poor in inner-city areas. Viewed in that light, greater Hartford is capable of absorbing poor minorities into the region's prosperous, middle-class society, just as it already integrates poor whites into that society. And, indeed, the State of Connecticut and public and private organizations in metropolitan Hartford have begun to make a broader range of housing available to poor minority households (see figure 2).

With minor variations, Hartford's poverty ratios apply to all U.S. metropolitan areas. In elastic cities' metropolitan areas, poor minorities are somewhat less concentrated in poor neighborhoods, but in inelastic urban areas, where suburban zoning practices often exclude low-income households, they are much more concentrated in poverty-impacted, inner-city neighborhoods.

For both types of metropolitan areas, however, the overall weight of poverty is much the same. America is not a Third World country where the poor are many and the middle class are few. In America, the middle class are many and the poor are few. What this country lacks is not the *capacity* to end the isolation of the minority poor; it lacks the *will*.

Everybody wins as regions become global competitors. Economic civil war has racked many American metropolitan areas. Sears Roebuck and Company abandoned its magnificent skyscraper in downtown Chicago for suburban Hoffman Estates. The city of Detroit paid $230 million to subsidize General Motors' new Poletown plant, but then watched General Motors' top executives leave the GM "World Center" in Detroit for suburban Macomb County. Detroit's real competition, however, is not its suburbs but the regions of Baden-Wurttemburg in Germany and Kyushu in Japan. In the emerging global economy, communities must compete as whole economic regions, or what journalist-author Neal Peirce (1993) has called "citistates":

> The inescapable oneness of each citistate covers a breathtaking range. Environmental protection, economic promotion, work force preparedness, health care, social services, advanced scientific research and development, philanthropy—success or failure on any one of these fronts ricochets among all the communities of a metropolitan region. No man, woman, family, or neighborhood is an island. (Peirce et al., 1993)

Peirce argued that a citistate divided against itself "will prove weak and ineffectual," and that "political boundaries do *not* seal off problems of pollution, solid waste disposal, transportation, schools, inadequate infrastructure."

More importantly, political borders do not seal off the problem of concentrated poverty. A growing number of economists and sociologists assert that cities and suburbs are highly interdependent parts of integrated regional economies that depend upon the health of each jurisdiction to be competitive.[5] The higher a region's internal disparities by jurisdiction, by race, and by income group, the less its economy can be competitive. A recent national news magazine's cover story, "Inequality—How the Growing Gap between Rich and Poor in America Is Hurting the Economy," (Bernstein, 1994) noted:

> Most economists agree … that education and skills are key to economic growth. And there's a lot of evidence that skills suffer when the wealthy go it alone. For example, school districts that mix rich kids and poor kids have higher reading and math scores than those where each group attends different schools, according to a 1989 study of 475 California districts. Rich kids do score higher when they're all in one school. But with mixing, "low-achieving kids are pulled up more than the high end is dragged down, so the average is higher.…"

The article concluded that:

> Ever since slavery ended, the United States has at least partly lived up to the ideal that everyone should have an equal opportunity to prosper. Now, heightened inequality is undermining this concept. The United States will continue to suffer socially if the trend continues. And it's likely to suffer economically, too.

Doing the right thing costs less than continued neglect. Treating only the symptoms of poverty is costly, and trying to eliminate poverty by isolating the poor sacrifices the approach proven to be most effective: integration into mainstream society. Housing mobility programs that allow poor, minority households to resettle in middle-class, suburban areas result in higher employment rates, higher wages, and higher school attendance and graduation rates.[6] By contrast, high-poverty, inner-city ghettos are destructive environments that generate high crime rates.[7]

The most effective antipoverty programs help move people to opportunity: Most poor families succeed in more opportunity-rich environments. And taken together, such programs are actually cheaper for society than current attempts to concentrate antipoverty programs in isolated areas. In Rochester, New York, for example, buying a home in a middle-class neighborhood typically costs $80,000, and renting an apartment in the same area costs about $5,000 a year. By contrast, a new jail costs $125,000 per cell to build and about $30,000 a year per prisoner to run. Prisons close doors, not open them. Saving lives is cheaper than wasting lives.

Sprawl has its price. For three centuries America grew as if there were no end to this continent's vast supply of land, water, and forests. By the 1970s we had begun to deal with the polluted air and water that resulted, but urban sprawl continues to accelerate. In the Minneapolis-St. Paul area, for example, urban land has expanded 25 percent for every 10-percent increase in population (Orfield, 1994). From 1970 to 1990, Chicago's metropolitan population grew only 4 percent, but

Figure 3

An Inner-City, Inner-Suburb Coalition in the Minnesota Legislature

"Well, the Twin Cities are different," skeptics often scoff when I cite the area as a model of regional reform. And they're right, the Twin Cities area *is* different—a high level of civic culture, a 27-year-old metropolitan council (the Met Council), and a 7-county, 189-municipality Fiscal Disparities Plan, the Nation's most far-reaching regional revenue-sharing mechanism.

But what really distinguishes the Twin Cities area is that older, inner-ring, blue-collar suburbs are making common cause with the central cities. Primarily through the efforts of State Representative Myron Orfield of Minneapolis, legislators from communities such as Columbia Heights and Brooklyn Park now recognize that "inner-city" problems—poverty, crime, declining schools—are growing rapidly in their communities.

Both older suburbs and central cities have been hurt economically by disparity in regional growth, three-fourths of which has occurred in wealthy "Fertile Crescent" suburbs such as Bloomington, Edina, and Eden Prairie.

As a result legislators from the central cities, older suburbs, and Democrat-represented rural areas formed a powerful legislative coalition. In each of the past two sessions, the coalition passed a metrowide "fair share" housing bill that was twice vetoed by the State's Independent-Republican governor; restricted the use of tax-increment financing to depressed communities; changed State tax laws to remove incentives to subdivide farmland; and placed three regional agencies controlling transportation planning, transit services, and sewer services under the Met Council. The coalition failed by a narrow margin to add high-end residential property to the 23-year-old tax-sharing plan, and its attempt to convert the Met Council from gubernatorial appointment to direct election was defeated by a single vote.

The movement toward regional cooperation in the Twin Cities area continues to broaden its base: more than 350 suburban churches have become members of a metropolitan alliance committed to "fair share" housing in the suburbs; two dozen older suburbs have embraced the proposal for a metrowide, unified tax base; and support from the press, civic and business groups, and religious leadership continues to grow.

In regional reform, the Twin Cities area is the school of America. The successful political coalitions built between central cities and older suburbs there are a model for metropolitan areas across the country. What is missing in America's declining metropolitan areas is political leadership championing the common cause.

land used for housing increased 46 percent and land used for commercial development increased an extraordinary 74 percent (*The Economist*, 1994).

Such exaggerated sprawl is driven not only by the lure of greener pastures; it is also driven by abandonment of older, poverty-impacted neighborhoods. In many of Minneapolis' distressed neighborhoods, the housing vacancy rate has reached between 10 and 20 percent (Orfield, 1994). To restore their desirability as places to live, inner cities and older suburbs need balance and stability.

Suburbs can become "inner cities" too. During the past decade social distress—poverty, crime, school dropouts—has increased more in many old, inner suburbs than in many long-poor city neighborhoods. Inner-suburban social disintegration generally has not reached inner-city levels, but the downward trend in these neighborhoods is clear. Inner suburbs and inner cities both have a vital interest that every community in their region, including the most prosperous, do its "fair share." People-regionalism means diversity, balance, and stability in every area of a region (see figure 3).

Forging Regional Bonds

For several centuries the world has been divided into nations, provinces and states, and local governmental jurisdictions. As we enter the 21st century, a new model is emerging, driven by global trends in technology, investment, and human skills. Our most vital relationships are increasingly shaped at the global, regional, and neighborhood levels.

To overcome concentrated urban poverty in this emerging world, access to social and economic opportunity must be opened at each level. For many regions, an important framework through which access can be achieved is unified governance—central cities that annex potential suburbs, consolidated city-county governments, fully empowered urban counties, and unified school districts. For other large, complex regions, formal local government unification is no longer possible. The challenge is not to foster regional *government* but rather regional *governance* in these key areas.

"Fair share" low- and moderate-income housing. Land use planning and zoning have been the exclusive responsibility of local governments, and many suburban areas have adopted *exclusionary zoning* to discourage construction of low- and moderate-income housing. This problem is aggravated by private-sector developers, who typically build for narrowly defined income groups. The result has been greater geographic segregation by income class. Some State legislatures, such as those in Connecticut or Massachusetts, have enacted laws requiring local municipalities to accept a "fair share" of affordable housing. Progressive communities such as Tallahassee and Tampa, Florida, have adopted similar policies. The Nation's oldest and most comprehensive example of local *inclusionary zoning* policies is Montgomery County, Maryland (see figure 4).

Metrowide housing choices for households warehoused in inner-city projects. Begun with the best intentions as temporary housing for wartime workers, the Nation's public housing programs now simply do not work for people or communities. Our cities' poorest neighborhoods nearly always contain large, HUD-assisted

Figure 4

Inclusionary Housing in Montgomery County, Maryland

Montgomery County, Maryland, may have the Nation's most comprehensive and balanced local housing program. A wealthy suburban county outside Washington, D.C., Montgomery County had 757,027 residents in 1990 and, standing alone, would be the Nation's 54th largest metropolitan area.

Under a State law passed in 1927, the Montgomery County government exercises almost total planning and zoning control throughout the county. Using these legislatively endowed powers over the decades, Montgomery County officials have implemented one of the Nation's most comprehensive growth management systems. The system addresses a wide range of local planning and zoning issues and includes a long-range "wedges and corridors" plan, an annual growth policy, an ordinance that links subdivision approval to the orderly construction of public facilities, and a program to preserve one-third of the county's land for agricultural purposes.

In 1972 the Montgomery County Council adopted the Moderately Priced Dwelling Unit (MPDU) policy, then the Nation's only mandatory inclusionary zoning ordinance. The MPDU policy requires new developments with 50 or more residential units to set aside 15 percent for low- and moderate-income tenants or buyers. To compensate developers for making units available below market price, the county gives them an "MPDU bonus," which permits the development of 22 percent more housing units than is normally allowed in each zone.

MPDUs are sold or rented to individuals. By county ordinance, however, up to 40 percent of MPDU units in any development may be purchased as "deep subsidy" rentals by the county's Housing Opportunities Commission (HOC) and nonprofit organizations.

By 1994, 8,842 moderate- and low-income housing units had been created through the MPDU policy. About two-thirds were sale units and one-third were rental units. Between 1988 and 1991, the average price for sale units was $69,979—a bargain in a county where the median housing value was $208,000 in 1990. Sixty percent of these units' buyers were minorities, with an average household income of $26,497. The county's median family income at that time was $62,000.

An important facet of the MPDU policy is the role HOC plays as the county's housing finance agency. Despite some limitations on funds, HOC has helped MPDU buyers with low-cost loans and has purchased 1,099 scattered-site units throughout the county, making it the largest source of rental units for public housing families. HOC also manages 555 elderly apartments in 4 complexes and 328 family or mixed family/elderly apartments in 7 complexes, and administers the county's federally funded Section 8 rental subsidy program, which helps over 3,100 local families find low-cost housing each year.

HOC programs are particularly important because they spread low- and moderate-income housing around the county. HOC-assisted housing totals 3.4 percent of the county's total housing stock, and in 16 of the county's 18 planning districts HOC-assisted units represent 2 to 7 percent of all housing.

The MPDU policy and HOC's programs have helped Montgomery County accommodate—even encourage—a remarkable social transformation. In 1970 the county looked like a classic American suburb: wealthy and 92 percent white. By 1990, however, Montgomery County looked much more like a "rainbow": 12 percent African-American, 7 percent Hispanic, and 8 percent Asian. Montgomery County has gained a rich diversity of income groups while maintaining its preeminence as one of the country's 10 richest urban counties.

Source: Rusk, 1993.

public housing projects that provide shelter for many but opportunity for few. Over the past 2 decades, HUD's housing assistance programs have become more flexible and private housing-oriented, but HUD is now seeking congressional approval to completely transform these programs. Our goal is to give all public housing residents a genuine market choice to stay where they are or to move to private rental apartments throughout the region. To promote more economically diverse neighborhoods, HUD will no longer support housing that is exclusively occupied by the very poor. This approach will make Federal housing assistance a platform of opportunity for both poor households and communities. For maximum success, HUD must establish partnerships with local governments in metropolitan regions to assure diversity, balance, and stability everywhere.

Equal educational opportunities. American public education traditionally has been based on locally controlled school districts and neighborhood schools. Segregated housing patterns and great disparities in local tax bases, however, have created unequal educational opportunities for our Nation's children. In response, State legislatures have moved to equalize school funding, the Federal Government has allocated special funds to help the poorest schools, and State and Federal courts have promoted racial and economic integration. Racially integrated, mixed-income housing markets are the foundation of successful, racially and economically mixed classrooms.

Areawide growth management. To be global competitors, America's urban areas cannot afford the burden of either abandoned communities or abandoned people. Our current patterns of suburban growth have created both. As urban areas continue to develop, policies are needed to encourage both new "greenfields" development and older "brownfields" revitalization. In the past 20 years, nearly a dozen States have enacted growth management laws. One of the most effective, the Oregon Growth Management Act, gives the country's only directly elected regional government, the Portland Metro, the key local role in regional planning and growth management (see figure 5).

Areawide revenue-sharing arrangements. To achieve the goals of people-regionalism, moving money is much less important than moving people. It is true,

Figure 5

Portland Metro, a Directly Elected Regional Government

> We, the people of the Portland area metropolitan services district, in order to establish an elected, visible and accountable regional government that is responsive to the citizens of the region and works cooperatively with our local governments; that undertakes, as its most important services, planning and policy making to preserve and enhance the quality of life and the environment for ourselves and future generations; and that provides regional services needed and desired by the citizens in an efficient and effective manner, do ordain this charter for the Portland area metropolitan services district, to be known as "Metro."

With that as its preamble, Portland area voters adopted on November 3, 1992, a "home rule" charter for the Portland Metropolitan Services District. After nearly 70 years of experimentation, the charter was perhaps the boldest and most important step taken toward regional governance by voters in the Portland area, which now includes 3 counties and 24 municipalities.

In 1970 the Oregon State legislature authorized the creation of a Metropolitan Services District (MSD)—a flexible governmental "box" that could be assigned as many service responsibilities as voters or legislators in the Portland area wanted. Activated by local referendum, MSD's first project, planning a regional solid-waste disposal system, was financed by a small regional tax on used auto tires. MSD added a second regional function—operating the Washington Park Zoo—with the city of Portland's agreement and approval by area voters of an earmarked tax levy in 1976. In 1986 regional voters approved a $65 million bond issue for the Oregon Convention Center, to be planned, constructed, and operated by MSD.

For its first 8 years MSD was governed by a seven-member, federated board of local elected officials—one each from Portland and the three counties and three representing other cities in each county. In 1977 the State legislature changed MSD's governance, authorizing direct election of a 12-member board and a chief executive, local taxing powers by referendum, and regional planning responsibilities. Finally, in 1990, the legislature amended Oregon's constitution to allow MSD to have its own home rule charter.

Most critical for the Portland area's future is the responsibility given Metro in regional land-use planning and growth management. The area's citizenry affirmed in the new charter that regional planning is Metro's "primary function." The charter charges Metro with developing a 50-year "Future Vision" and a "Regional Framework Plan" by December 1997, including revising the State-required Urban Growth Boundary. The charter also empowers Metro to adopt ordinances to require local comprehensive plans and zoning regulations that comply with the Regional Framework Plan, to adjudicate inconsistencies between regional and local plans, and to change inconsistent local land-use standards and procedures. After decades of patient development, the Portland Metro represents a powerful but flexible structure for addressing many of the region's most critical problems.

Source: Rusk, 1993.

Figure 6

Revenue Sharing Through Regional Asset Districts

Who is the greatest patron of the Denver Zoo, the Denver Botanic Gardens, the Denver Museum of Natural History, the Denver Museum of Art, and the Denver Performing Arts Center? It is an organization with the jawbreaking title of the Scientific and Cultural Facilities District (SCFD).

The end of State subsidies in 1982, plus drastically reduced support from the city of Denver, created a financial crisis for Denver's civic facilities. Admission fees were rising, attendance was falling, and support from city residents was flagging, because most patrons of the struggling institutions were residents of Denver's suburbs and other areas of Colorado.

In 1988 voters in metropolitan Denver's six counties approved a referendum to create a special district—SCFD—that would levy a 0.1-percent sales tax to support these facilities. The tax currently produces $14 million a year, and funds are distributed by a formula that had to be hammered out by institutions and local government bodies with little experience in working together.

Such has been SCFD's success that the model was used again recently to set up a regional tax district to build and operate a new stadium for the Colorado Rockies professional baseball team. Suburban fans saw the Denver-based ballpark as a regional asset and supported the tax district overwhelmingly at the polls.

Across the continent in Allegheny County, Pennsylvania, 130 fiercely independent suburban cities surround Pittsburgh, the area's central city—a seemingly inhospitable environment for regionalism. Yet, with the success of Denver's regional model before it, the Pennsylvania General Assembly overwhelmingly supported a proposal to create a regional asset district in Allegheny County. The District, approved by the Pennsylvania State legislature in December 1993, was subsequently activated by vote of the Allegheny County Commissioners.

Administered by an independent, seven-member board, half of the revenue from the District's 1-percent, countywide sales tax supports regional parks and libraries, as well as the Pittsburgh Zoo, Three Rivers Stadium, and other regional cultural facilities. The other half is divided among county and municipal governments, with at least two-thirds of that amount earmarked by the legislature to reduce local taxes such as property taxes. The region's major business organization, the Allegheny Conference on Community Development, called the creation of the District "a truly historic achievement for southwestern Pennsylvania" that represents "the most significant improvement in the structure of our government in 40 years."

Sources: Wallis, 1994; *Regional Directions*, 1994.

however, as one neighborhood leader once told me, that “money isn’t everything, but it’s a nice piece of everything.” Many State governments provide aid to local governments, which helps equalize their tax revenues. County governments have also had a service-equalizing impact on local communities through their support of public health and social services. The special districts discussed previously play a similar role. Despite this history of cooperation across levels of government, few formal regional revenue-sharing arrangements exist. The State legislature-enacted Twin Cities Fiscal Disparities Plan for the 7-county, 189-municipality Minneapolis-St. Paul region is perhaps the most far-reaching. Elsewhere, Louisville-Jefferson County in Kentucky has created an income tax-sharing “Compact,” Rochester-Monroe County in New York has implemented the sales tax-sharing Morin-Ryan plan, and the Denver and Pittsburgh areas have created “regional asset districts” (see figure 6)—all models that other regions could follow.

Building Communities

Although people often travel significant distances to jobs, shopping centers, concert halls, movie houses, or ball parks, they are still part of a “community.” More than anywhere else, our poorest inner-city neighborhoods need community strengthening. What does “community” mean? We know what community is not. It is not streets darkened by the shadows of vacant buildings, deserted by people who fear sudden and vicious attack and know no one will help. It is not giant public housing projects where children die in the crossfire of rival gangs and security guards crouch around staircases to avoid Uzi-wielding drug sentries. Community is not a public housing project where decisions are made not by residents but by everyone else—planners, architects, city officials, Federal bureaucrats, housing authority managers.

So, what *is* “community”? A community first needs housing that is functional, sturdy, dignified, and attractive. But housing must be more than just shelter. It must be a stable place from which we can create opportunities for people: opportunities to go from homelessness to rental housing to homeownership; opportunities to go from joblessness, without education and training, to acquiring skills and self-sufficiency. Building community means helping neighborhood residents organize and develop partnerships with local government, nonprofit agencies, and business organizations.

For a quarter of a century, the Federal Government has helped build communities though community action programs, Model Cities, Community Development Block Grants, and Enterprise and Empowerment Zones. Government has helped build the capacity of neighborhood organizations, insisted that the preferences of neighborhood residents be considered in important programs, and rewarded those residents who work together.

Our efforts have had many successes. Neighborhood leaders have become school board members, city council members, mayors, legislators, and members of Congress. Neighborhood residents have secured jobs as community aides and risen through their competence and effort to professional roles. Homes have been renovated and new, low-cost housing built. Streets have been paved, sewers laid, sidewalks installed, and parks created.

Yet many inner-city neighborhoods and their residents are worse off today than they were decades ago, and it is clear that government's concept of "community development" has been too narrow. The forces of metropolitan development—and abandonment—have overwhelmed the achievements of many good community-based programs. If, as the old African adage says, it takes a whole village to raise a child, then it also takes a whole region to make a good community.

Civic Life and Civility: The Key to People-Regionalism

People-regionalism cannot be mandated by Washington. It must evolve from direct, constant, honest, and communitywide conversation and hard work in each metropolitan region. In his persuasive essay, "Bowling Alone," Harvard sociologist Robert D. Putnam (1995) comments on the decline of communal participation in America. He points out that though more Americans now go bowling than ever before, participation in bowling leagues has dropped 40 percent. Labor unions, parent-teacher associations, women's clubs, and fraternal organizations have all seen membership decline. Nonprofits find it harder to recruit volunteers. People find fewer friendships among neighbors. Fewer Americans take time to vote. This decline in "public capital," Putnam argues, has been accompanied by a decline in trust in our public institutions and in one another.

Pleading for a restoration of "the tolerant democratic spirit that can help us solve our problems," Vernon Jordan, former National Urban League president, recently said that "such civility is all the more important at a time when we are sailing in uncharted waters, when the world is changing faster than our ability to control change, when a confused and anxious people seek policies that take us forward without punishing those left behind."[8]

Commenting on Putnam's and Jordan's insights in a column earlier this year, *Washington Post* columnist David Broder (1995) called for "a strengthening of civic life and return of civility in our public discourse."

No problem in American life demands strengthened civic life and greater civility more than repairing the tattered social and political fabric of many of America's metropolitan areas. To compete and succeed, America's urban regions must act like true communities.

Charlotte, Hartford, Minneapolis-St. Paul, Portland, Denver, and Pittsburgh are all urban areas where business leaders, State and local officials, and citizen activists are forging new mechanisms to strengthen regional bonds. These pioneers of people-regionalism are new coalitions of diverse groups trying to heal old wounds and build new bridges. Their approaches may differ—city-county consolidation, metro housing strategies, empowered regional councils, tax sharing—but the goal is the same: A greater, more competitive regional community with greater opportunity for all.

Notes

1. This essay was first published in March 1995. The Department wishes to acknowledge the contribution of David Rusk, urban policy consultant, for making this essay possible.

2. Unless otherwise indicated, all data are from decennial census reports.

3. Annual counts of minority elected officials are made by the Joint Center for Political and Economic Studies and the National Association of Latino Elected Officials, both in Washington, D.C.

4. See Henry Cisneros, ed., *Interwoven Destinies: Cities and the Nation* (New York and London: W.W. Norton & Company, 1993).

5. See H. V. Savitch, "Ties that Bind: Central Cities, Suburbs, and the New Metropolitan Region," *Economic Development Quarterly,* November 1993; Richard Voith, "City and Suburban Growth: Substitutes or Complements?" *Business Review,* September/October 1992; and William R. Barnes and Larry C. Ledebur, *Local Economies: The U.S. Common Market of Local Economic Regions* (Washington, D.C: National League of Cities, August 1994).

6. See James E. Rosenbaum, "Black Pioneers—Do Their Moves to the Suburbs Increase Economic Opportunity for Mothers and Children?" in *Housing Policy Debate* 2 (4); and Florence Wagman Roisman and Hilary Botein, "Housing Mobility and Life Opportunities," *Clearinghouse Review* 27.

7. Among many studies, see John P. Kasarda, "Inner-City Concentrated Poverty and Neighborhood Distress," *Housing Policy Debate* 4; and William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Under Class, and Public Policy* (Chicago: University of Chicago Press, 1987).

8. Characterizations and quotations, including quotations from Vernon Jordan, are drawn from David S. Broder's column, "Civic Life and Civility," *Washington Post,* January 1, 1995.

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