National Urban Policy in the United States

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Brief Overview of Presentation

• Will explore a brief history of US Urban Policy – from Carter to Bush

• Will look at policy evolution and key influences, focus on Carter, Clinton & Bush’s differences in terms of:
  – Impetus, Objectives, Policy Strategies
  – Levers and institutional arrangements by which polices are effected
  – Monitoring of performance
  – Analysis of the approaches used in various administrations

• The Potential Future Basis for Urban Policy in the US

• Lessons for the Australian case
Summary of US Experience

- Like Australia, US has seen not an evolution of Urban Policy, but a cyclical addressing of metropolitan strategies.
- In US, impetus seems to have been from poverty reduction, social justice, and recognition that economy can assist in these areas.
- Productivity gains associated with well functioning cities very important, but an important by-product of reducing social exclusion, rather than as a means itself.
- Most holistic seems to be in the early years through Carter. In recent cases, direct incentives, particularly in infrastructure all but non-existent. Save for education and training.
- More in line with taxation reform / relief.
- Establishing the framework for a well functioning market system very important, but ensuring employment, infrastructure networks and housing appropriately addressed and located also essential. Most holistic response in late 1970s. Recent approaches, more ‘hands off’ or worse, indirect without assessment of impacts.
Urban Policy of Past Administrations


– “The deterioration of urban life in the United States is one of the most complex and deeply rooted problems of our age. The Federal Government has a clear duty to lead the effort to reverse that deterioration, and I intend to provide the leadership….

– But Federal efforts alone will never be enough… Everyone has a role….

– If we are to preserve the special values of urban, suburban, and rural life, we must recognize that those values are interdependent. To a greater extent than ever before, the future of our cities and the destiny of our Nation are joined. I believe that this link is now recognized by almost every American. Yet, throughout most of our history, America has been ambivalent about our cities”.

Carter, 1978
Urban Policy of Past Administrations


- Considered by many to be a retreat from proactive inner city revitalisation

- Built on the premise of efficient national economic growth and allowing private enterprise to facilitate revitalisation in distressed areas with minimal public sector involvement

- Stated that mix and quality of public services should be made by informed administrations at the state and local level

- Economic investment was key, not social investment

- Retreated from a city explicit policy basis
Urban Policy of Past Administrations (cont.)


- Dealing with large amounts of debt from the Regan years, spending on urban development was overshadowed by other focuses
- Measures to strengthen the economy, but in an aspatial way.
- Huge increase in defence spending took precedence (Iraq) and focus on tax at the forefront

“I believe in a government that promotes opportunity and demands responsibility, that deals with middle class economics and mainstream values, a government that is radically different from the one we have known for the last 30 to 40 years, but that still understands it has a role to play in order for us to build strong communities that are the bedrock of this Nation”

President Bill Clinton, 1995

- Impetus for policy came from poverty reduction. Emphasis was on revitalising inner city area and the overall need for cities to react and adapt to a changing US economy.
  - Major issues identified: Polarisation of rich and poor; Isolation and divisions of whites and ethnic groups; Discrimination in housing markets; Poverty concentration; Social despair; Continued outmigration, and Fiscal distress in central cities
- Metropolitan responses concentrating on
  - low inflation,
  - poverty reduction / social inclusion, and
  - private market functioning
- Individuals access to housing, jobs and civic infrastructure & leveraging private investment were seen as key to strengthening the economy
Clinton National Urban Policy – Strategies

Economic Growth Strategies include:

- Maintaining Fiscal Integrity
- Middle-Class Tax Relief
- Open the World to U.S. Products

Expanding Opportunities to All

- Rewarding Work and Making Work Pay
- Investing in Education and Training
- Expanding Access to Metropolitan Opportunities (through leveraging private investment & jobs, not infrastructure)
- Ensuring Access to Financial Capital
- Expanding Homeownership Opportunity
- Freedom from Fear
- Empowerment Zones and Enterprise Communities
State of the Cities 1999

- Was based on a request by the President for HUD to directly report on Urban Development Issues

- Served to gauge the effectiveness the implementation of the 1995 Urban policy and to adapt new strategies as times changed

- Purpose of the document 2-fold:
  - Highlight issues relating to current socio-demographic and economic conditions and the causes of these.
  - Set an agenda for Congress to resolve these issues

- Discontinued at end of Clinton Administration
Current Urban Policy


- Housing and Urban Development Strategic Plan
- The focus is on housing policy, affordability and tax relief rather than holistic urban development policy
- Absence of Metropolitan Focus & Word Cities can’t be found, although some urban revitalisation
- Aspatial focus & Language of ‘blame’ back on the agenda

- The US Department of Housing and Urban Development is responsible for implementing approved actions from Congress
Monitoring of Performance

- The Performance and Accountability Report is generated each year to ensure that HUD programs are performing adequately, effectively utilising public funding and that practices are corruption free.

- This Report is aligned with the HUD Strategic Plan 2006 – 2011 which reflects the principles and strategies of HUD in enacting programs.
Potential Future Policies

McCain

• No Urban Policy at all, no mention of transportation, transit or energy – Focus again on tax relief, some mention of climate change and also natural heritage.

Obama

• Although NYTimes would indicate it could go further, seems to be the most holistic since Carter

“Today, government programs aimed at strengthening metropolitan areas are spread across the federal government with insufficient coordination or strategy. Worse many federal programs inadvertently undermine cities and regions by encouraging inefficient and costly patterns of development and local competition”

Obama, March 2008
Potential Future Policies – Obama (cont)

• Strengthening Federal Commitment to Cities
  – Create a Whitehouse Office on Urban Policy
  – Fully Fund the Community Development Block Grant

• Stimulate Economic Prosperity in Metropolitan Regions
  – Support Job Creation & Access to Jobs
  – Enhance Workforce Training
  – Increase Access to Capital for Underserved Businesses
  – Create a National Network of Public-Private Business Incubators
  – Convert Manufacturing to Clean Technology
  – Strengthen Core Infrastructure
  – Invest in Skilled Clean Tech workforce

• Housing
  – Tax reform, Access to affordable credit
  – Increase supply of affordable housing through trust funds
Potential Future Policies – Obama (cont.)

• Strengthen Liveability of Cities
  – Livable cities
  – Efficiency of Buildings
  – Healthy communities through urban infrastructure, layout and functioning of communities
  – Polluters pays principles

• Urban Education
  – Teachers in urban areas
  – Early childhood education
  – School dropout reduction programs
  – Strengthen parents support with young children
  – Afterschool opportunities for all
Lessons for the Australian Case

- Looking back to the past (Carter), and looking towards to the future (Obama)
  - Need to recognise importance of well functioning cities and metro areas – Need explicit mention and need an urban framework policy
  - Need an efficient taxation system & a well functioning market system that leverages private investment – but only one part to a wider system
  - Need to ensure Federal Government Programs contribute rather than unintentionally take away from metro areas – Need to have a system in place that assesses the likely consequences of federal initiatives
  - Need to ensure that the States and Territories have the ability to show leadership and implement policies, while providing an incentives based system that tackles a variety of issues. The incentives need to be tied to good Urban Policy outcomes
    - Housing, transport, transit systems, energy, employment, training, etc
  - Need to ensure that there are means and ways of monitoring, tracking and reorganising priorities. Need to be constantly reviewing the benefits and unintended consequences to ensure that futures are maximised.
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