

Elevating Cities

Obama and the Cities

The new president has a whole new notion of urban policy.

By [Alan Greenblatt](#) | April 1, 2009

For the past 40 years, through the Great Society initiatives of Lyndon Johnson, the Enterprise Zone programs of HUD Secretary Jack Kemp, and the Hope VI public housing projects of the past decade and a half, urban policy in America has essentially meant one thing: dealing with the problems of the poor.

Not anymore. Both President Obama and his chief urban adviser, Valerie Jarrett, have made it clear that federal urban policy is about to evolve into something very different: a means of helping cities and their regions become instruments of American economic strength. Just how the policies will proceed won't be clear for some time. But when it comes to the new administration's commitment to a different approach, there is little room for doubt.

Obama himself has been talking about this for months. "Yes, we need to fight poverty; yes, we need to fight crime," he told a group of mayors last June. "But we also need to stop seeing our cities as the problem and start seeing them as the solution. Because strong cities are the building blocks of strong regions, and strong regions are essential for a strong America." Jarrett makes the same point. "We're going to change things," she said in a recent interview. "We understand that it is the cities that are the economic engines of our country." During the 2008 campaign, Obama pledged to create a White House office devoted to formulating and promoting urban policy. Now he has done it.

A White House this interested in cities has become something of a novelty, but it seems like a natural fit for the new administration. Obama, after all, is the first genuine big-city president the country has had for nearly a century. Other modern presidents have lived in cities — John Kennedy, Richard Nixon and Franklin Roosevelt all got mail at New York City addresses at various times in their lives — but before Obama, none had been rooted in a major city since the late-19th and early-20th centuries, when the nation elected, in near succession, a mayor of Buffalo (Grover Cleveland), a New York City police commissioner (Theodore Roosevelt) and a county prosecutor from Cincinnati (William Howard Taft).

Obama grew up in Honolulu, went to college in Los Angeles and Manhattan, and has spent virtually his entire working life in Chicago. The Chicago chapters of his memoir, "Dreams From My Father," are filled with tales of civic engagement at the most basic levels, of police, patronage and aldermanic maneuvering. He writes at some length about his frustrations as a community organizer in trying to get the federal government to help public housing residents with such problems as plumbing, roofing and asbestos cleanup. "Obama is

an urban man in a way that is not so true of other recent presidents," says Michael McGerr, an Indiana University historian. "It's part of his base in a way that wasn't so much the case for other people."

Although Obama started his career working on the urban anti-poverty programs that were a hallmark of the Great Society, his mindset is a lot different from that of LBJ or any other recent president. Obama is less interested in rejuvenating urban policy than he is in reshaping its very dimensions.

In Johnson's day, "urban" essentially became a code word for all the ills associated with an underclass trapped in the inner city while the white middle class fled to the suburbs. But cities have changed dramatically since then, especially in the past decade. The middle class is no longer leaving the city in massive numbers; it is, little by little, returning to it. The president believes it's time for urban policy to reflect the new reality.

Obama has fundamentally accepted the argument of mayors and other local officials that metropolitan areas are the primary economic drivers in the country and deserve to be treated as assets rather than problems. It's not just that many central cities have experienced downtown revival and an uptick in population over the past decade. It's that metro areas are punching well above their weight in contributing to the nation's economic activity, even during the current downturn.

"Urban policy is not just about poverty, but realizing the core economic investments we need are around core cities and their suburbs," says Robert Weissbourd, a Chicago-based economic development consultant who chaired the Obama campaign's urban and metropolitan policy task force. "The knowledge economy is anchored in cities."

A liberal president such as Obama isn't going to shy away from poverty programs or what are now called equity issues. What seems higher on his agenda, however, is a redesign of federal policies so that they promote greater regional cooperation within the leading metropolitan areas.

An increasing volume of data from urban policy specialists suggests that regions matter more in the global marketplace than individual cities. Over the past decade, mayors of big cities such as Denver and Chicago have recognized this and made common cause with their suburban counterparts on subjects such as transit and housing. But too many cities and suburbs still take a beggar-thy-neighbor approach, competing with each other for federal funds and private projects, rather than pulling together in a more strategic way.

Adopting the metropolitan approach that Obama is pushing, therefore, will require many cities to change both the way they view federal relations and the way they interact with their neighbors. If federal officials have been guilty in the past of treating cities as needy basket cases, local officials have often been all too

willing to play the part, acting primarily as supplicants in search of more dollars for education and intervention against crime and poverty. "We want to get away from this old notion of cities with their hands out, responding to hundreds of RFPs from disparate federal agencies," Weissbourd says.

Despite the almost-unprecedented early outreach to mayors that the Obama White House has undertaken, the administration is not out to create a strengthened constituency office for cities, but to get local officials to recognize that the main challenges and opportunities facing them are broader in nature.

"This isn't going to work if mayors just think there is a new place to go for money and we don't bring our own resources — financially and organizationally — to the table," says Minneapolis Mayor R.T. Rybak, an early Obama supporter. "As helpful as this administration is going to be in helping urban areas, it's going to be most helpful in finally building regional partnerships, so we can not only help big cities but the regions that surround them, as well."

Presidents began losing interest in cities when cities began losing population and voters. Urban support was a key component of the New Deal coalition, perhaps the most important one, and mayors — and their political machines — still very much mattered to presidents well into the 1960s. But Nixon ran in large part against urban woes in 1968, beginning a trend that gradually reduced cities to political irrelevance. Republicans no longer found any meaningful constituency within urban territory, while Democrats took cities for granted. Ronald Reagan killed off most direct federal aid to localities — and George W. Bush eliminated much of the rest on a piecemeal basis. "His budgets would kill dozens or a hundred programs," Larry Naake, executive director of the National Association of Counties, says of Reagan. "And we'd work on the Hill to put those back in."

There was a brief flurry of Republican interest in cities and the poor under President George H.W. Bush, as HUD Secretary Kemp tried to fashion a free-market approach that would lead to increased homeownership in the most distressed urban areas. But this amounted to relatively little. Neither political party's national platform paid serious attention to urban affairs for more than 20 years. The 2004 Republican platform devoted three paragraphs to the subject near the very bottom of the document.

Under the most recent President Bush, mayors were sometimes informed about presidential decisions, but were almost never consulted. During his first year in office, Bush moved the Office of Intergovernmental Affairs from his policy division to the political wing of the White House. Its role was seen as lobbying in favor of the president's policies with state and local officials, not bringing urban perspective to bear when it came time to craft those policies.

The office may have provided good ombudsman service in handling complaints from cities and counties about EPA or transportation regulations, but it had next to no role in shaping any sort of overall strategy. "What's been said about intergovernmental being a lobbying office was true," says Rick Baker, the Republican mayor of St. Petersburg, Florida.

In the wake of this inattention, local officials saw the recent presidential campaign as their best chance to draw attention to the fact that, as Don Borut, head of the National League of Cities, says, "there has been for many years an unraveling of the intergovernmental system." Officeholders and interest-group leaders such as Borut and Naake took an active role in the campaign, making sure that presidential candidates got an earful from mayors and county councilmen while they made the rounds in early-voting states such as Iowa and New Hampshire. In Obama, they found a receptive listener.

The initial conception for an Obama office of urban policy put it smack at the heart of White House operations. The goal was to have someone to connect the dots across the wide variety of issues that touch on metropolitan regions and their economies, while making sure that the point of view of those regions was reflected in the policy discussions that would affect them. "It was conceived as a direct report to the president," explains Weissbourd, who also is a senior fellow at the Brookings Institution's Metropolitan Policy Program, which was a laboratory for some of the ideas the new White House office will champion. "The implication of elevating urban policy," he adds, "was that this office would inform and advise the National Economic Council and the Domestic Policy Council."

That way, the White House intergovernmental and urban affairs staff can prod the agencies that deal with cities — EPA, Transportation, HUD — to better coordinate their programs. The agencies are essential. White House staff, no matter how powerful, will not have the resources — the 10,000 employees and the \$50 billion budget a cabinet department might boast — to actually implement the policies agreed upon. "A lot of the thinking has already been done about how a new approach to urban policy should go," says Rachel Godsil, a Seton Hall University law professor who was a co-chair of the Obama campaign's urban and metro task force. "It's altering the ways by which the federal dollars are spent that's incredibly hard to do."

Some mayors and urban affairs specialists have privately expressed disappointment with the appointment of Adolfo Carrion, formerly the Bronx Borough president, to run the Urban Affairs office. They were hoping for someone more widely known — someone whose personal stature would signal the revived importance and centrality of urban issues. The fact that prosecutors are investigating services Carrion received at his home from an architect working on a housing project for the borough hasn't helped his initial reception. Carrion denies any wrongdoing and the White House has affirmed confidence in him.

In the end, hopes for meaningful change in urban policy rest not primarily with Carrion but with his boss, Valerie Jarrett. Before Carrion was hired, Jarrett had been meeting with groups of mayors on an almost biweekly basis since just before Christmas, with Obama often sitting in.

A close personal friend of both Barack and Michelle Obama, as well as a trusted adviser, Jarrett could have picked just about any position she wanted in an Obama White House. But her background is in city government in Chicago, where she was at various times deputy mayor, planning and development commissioner, and chair of the city's transit board. For the past dozen years, Jarrett has been an executive with The Habitat Company, one of the leading property management firms in the Midwest. As Weissbourd says, "Valerie has done policy, and she's built homes."

From their earliest encounters with her, many mayors seemed to feel that they were talking to one of their own. "Clearly, not only is there an intention to work closely with local governments," says Salt Lake City Mayor Ralph Becker, "but there's also an understanding of local governments that I have not seen in dealings with past administrations."

Persuading metropolitan governments and their organized constituencies to work together and put aside old parochial jealousies will not be an easy job, even for someone with Jarrett's background and commitment. But that will be her task. She will be in charge of "public liaison" outreach to interest groups, as well as the coordination of intergovernmental affairs. "That's very unusual, to have one person talking to unions and the mayors, to AARP and county officials," says MarySue Barrett, president of Chicago's Metropolitan Planning Council, on whose board Jarrett served.

Obama embraces the messiness of allowing the widest possible variety of parties a say in formulating new policies, so that they will have more of a stake in implementing them. One obvious hope is that getting mayors on board early with a new approach on housing or transportation will make them more willing implementers of the White House's wishes. "The administration's theory of governing is a collaborative one, not a competitive one," says Chris Coons, the New Castle, Delaware, county executive. "Their worldview as politicians is one of trying to build bridges across divides, whether it's the partisan divide in Washington, or the separation that has existed now for decades between Washington and lower levels of government."

The question is whether Jarrett and her staff can provide that much connective tissue. The relevant cabinet secretaries have been working well together at the outset of the administration, but there's a well-established tendency for interagency projects to attract people with lesser and lesser job titles as time passes.

Along with their internal juggling, Obama's urban and intergovernmental affairs staff will have to assuage governors who aren't terribly excited about a White House talking directly to mayors. And, while there are

some federal programs that force collaboration between states and localities, and sometimes nonprofits and businesses, there aren't many. "I've suggested to Valerie Jarrett that they use financial incentives to reward regional collaboration," says Denver Mayor John Hickenlooper. "A lot of this funding should force metro areas to break down the historic separation between our downtowns and our suburban neighbors."

Obama has yet to provide many details about his urban policy. There have been no bold announcements about immigration, transportation, criminal justice or poverty programs, let alone a coherent strategy for fostering regional cooperation and growth. The stimulus package enacted in February was, by the urgency of its rapid enactment, one last big example of business-as-usual in terms of formula funding and a segregated approach to programs and problems affecting local governments.

For now, most local officials seem comfortable having the new administration in study mode. They look forward to helping shape the new directions in urban policy. "As we see products come back, they reflect what we've had to say," says Greg Nickels, the mayor of Seattle. "Not that they agree with us exactly, but they're taking what we say into account."

Indeed, as the details continue to come together, not everyone will be pleased. The mere idea of the federal government "investing" new money in relatively healthy places because they are national assets in the global economy, such as Silicon Valley, won't sit well with some leaders in struggling communities or their representatives in Congress. Most metros and major cities already have to fight for funding in state legislatures against jealous out-state rivals. This same dynamic seems certain to play out in a similar way on a nationwide scale.

There's one further irony underlying Obama's interest in federalism. Even as he expresses more concern about the role of states, cities and counties than his predecessors did, he is presiding over a huge centralization of power in federal hands. The approach Washington has taken to the economic collapse may only represent the beginning of an expansion of federal influence over the economy, extending to issue areas where other levels of government have until recently had a fairly free hand due to Washington gridlock. Climate change and health care policy are just two prominent examples.

But Obama and his staff insist that no matter how big the federal government gets, it will rely on states and localities to carry out many of its programs. Cecilia Munoz, who runs Obama's intergovernmental affairs office under Jarrett, has told local officials that the administration's response to the economy will inevitably turn into a referendum on whether government can work, and that federal, state and local officials will face the verdict together. "State and local governments are critical to most everything you do in Washington," says Paul Posner, a former federal official now teaching at George Mason University, "but we haven't had a policy apparatus that will further the partnership."

Despite the many obstacles that might undermine Obama's approach to urban policy, he's still got one big advantage — he's serious about pursuing it. The creation of the new urban affairs office and the full engagement of one of his closest advisers mean that local governments have a say again in Washington.