

Stabilizing Legacy Cities : Why Policy Reform Matters to Future Prosperity



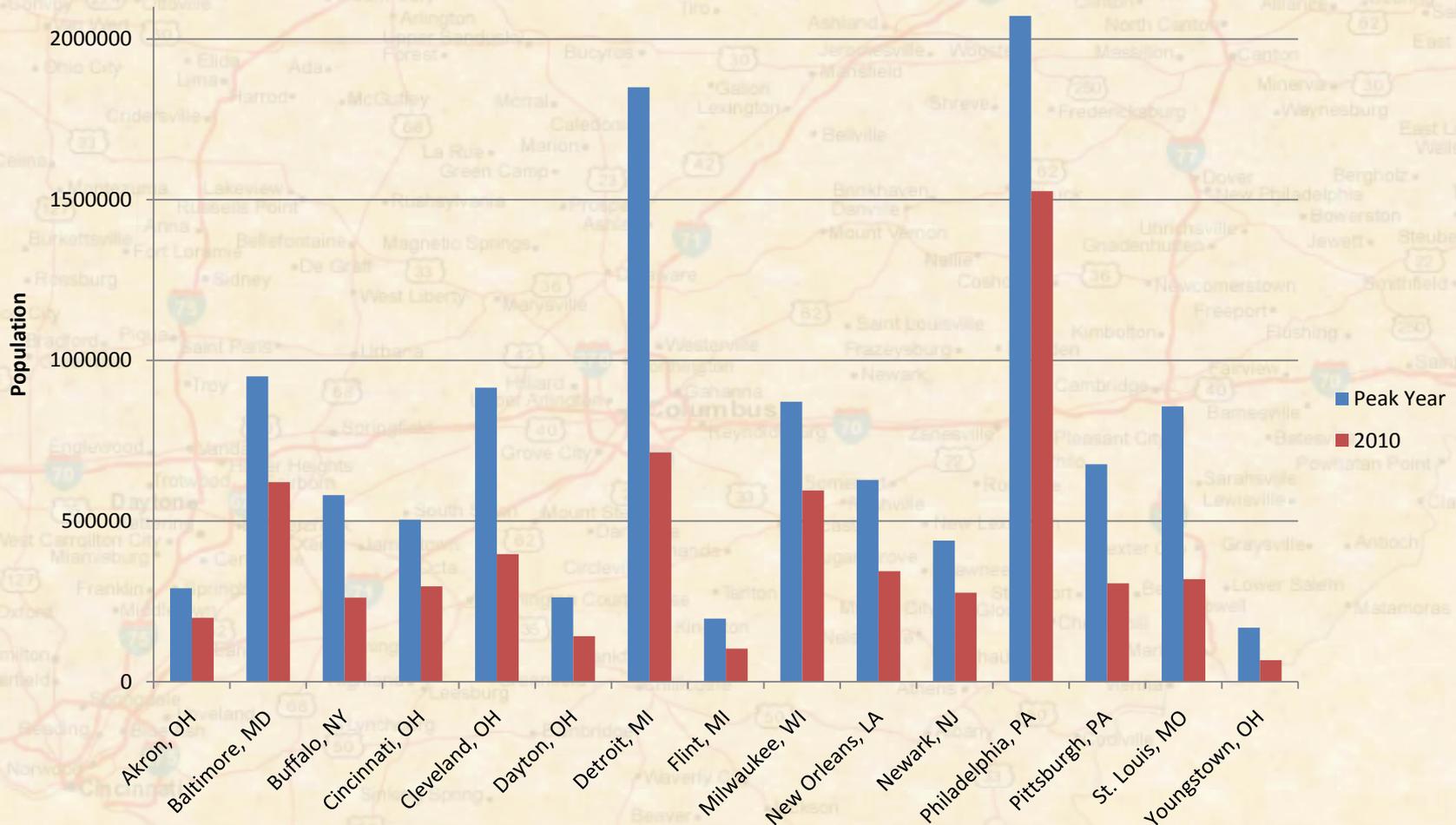
Lavea Brachman
*Executive Director,
Greater Ohio Policy Center &
Non-resident senior fellow,
Brookings Institution Metropolitan Policy Program*

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Cities in Transition and Population Shrinkage



Change in Population Growth



States play a critical role in shaping legacy cities' futures



- A state's future economic growth tracks closely with the health of its cities in transition.
- Cities in transition contain numerous anchor institutions, all of which will play important roles in future economic growth of the metros and state.
- States are already deeply involved in older cities through investments in anchor institutions and through social assistance programs.

States play a critical role in shaping legacy cities' futures



- States have historically tilted the playing field against cities through state laws, regulations, tax policies, and resource allocations. It is not unreasonable to ask the state to restore the balance.
- Local government fragmentation tends to cause fiscal imbalances—cities in transition often have very fragmented governments.

States play a critical role in shaping legacy cities' futures



- Cities lack the financial resources and capacity to fully address their challenges.
- States are better positioned than cities to be proactive with the federal government; federal and state actions can genuinely leverage one another.

State and Federal Policy Reforms Toward Legacy Cities



- Centrality of state policy
- Federal policy should maximize state action
 - Reward innovative governance
 - Incentivize cross-agency state programming
 - Neutralize local impediments

Principles for Policy Reform



- Make strategic investments to bolster stable areas
 - Ex: Channel state and federal resources to support locally-targeted neighborhood initiatives
- Build capacity to institutionalize reforms
 - Ex: Inaugurate a “race to the top” urban initiative
- Advance governance reform to empower these cities and their regions
 - Ex: Enact state incentives for shared services, inter-municipal and regional planning, joint taxation districts, and where appropriate, local government consolidation.

Principles for Policy Reform



- Leverage the cities' unique assets and innovation capacity
 - Create state Anchor Institution Transformation Zone programs
- Reshape disinvested areas for alternative uses
 - Encourage collaboration at state and local levels to foster innovative planning and implementation strategies for land reconfiguration