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SPRAWL'S INVISIBLE HAND

By Peter Dreier. *The Nation*. Feb 21, 2000. Vol.270, Iss. 7; pg. 6

Following up on one of Al Gore's central campaign themes, President Clinton in his State of the Union address called for more "livable" communities (to the delight of many, he had to correct himself after first saying "liberal"). At the same time, he made an impassioned plea for policies to reduce poverty. But what neither he nor his would-be successor seems to understand is that urban poverty and suburban sprawl are not unrelated. Propelled by the highway and home-building lobbies, the government has for more than half a century enacted policies that promote both suburban sprawl and city distress.

Despite the popular belief that people move to suburbs simply for their single-family houses, spacious backyards and better schools, America's postwar suburban exodus was (and still is) subsidized by federal policies that pushed people and businesses out of cities and pulled them into suburbs, helping to create the traffic congestion, pollution and loss of green spaces now known as sprawl. The government's massive highwaybuilding programs, for example, opened up the hinterlands to speculation and development. For years, the Federal Housing Administration (FHA) offered government-insured mortgages to whites who wanted to buy houses in the suburbs but denied them for urban homes. Each year Washington provides more than \$50 billion in tax breaks in the form of deductions for homeowners' mortgage payments (the biggest subsidies by far go to the wealthiest taxpayers with huge homes) but offers no tax relief for tenants who make rent payments—clearly a bias with a suburban tilt.

Policies that have kept gas prices low (fuel taxes are five to ten times higher in Europe), while marking gas tax and highway toll revenues for road-building instead of mass transit, give suburban commuters a free ride. Tax breaks to businesses to build new plants but not to modernize existing ones have encouraged many companies to pull up stakes in cities and move to outlying areas. Even job-creating defense facilities and military contracts have favored suburban over urban sites.

In contrast, during the past half-century federal aid to help cities has been a drop in the bucket. For the most part, urban programs from public housing to enterprise zones to mass transit have had to swim against the tide of Washington's preference for suburbanization. Most federal policies to assist cities have in fact exacerbated the economic disparities between urban and suburban areas. For example, subsidized housing for the poor has been limited almost exclusively to inner cities. The real estate industry helped kill proposals to encourage middle-class homeownership in cities, to require suburbs to approve their fair share of low-income housing and to create mixed-income housing. Not surprisingly, the concentration of poverty—the proportion of the nation's 34.5 million poor people who live in economically distressed urban neighborhoods—has increased dramatically. Sprawl has also hurt older, "inner ring" suburbs, left behind by exurban housing tracts, shopping malls and office parks.

The decline of our urban areas was not inevitable. It was a self-fulfilling prophecy. Abandoned by the middle class, many cities lack the tax base to provide residents with necessary public services. The Clinton Administration has taken some small but important steps to address urban poverty—raising the minimum wage, expanding the earned-income tax credit, targeting more FHA loans to cities and providing tax incentives to businesses that add jobs in urban neighborhoods. But these initiatives are puny not only relative to the need but also to the money still subsidizing suburban sprawl. Despite a booming economy, the poverty rate—now 12.7 percent—is three to four times greater than in most European countries. And the number of Americans without health insurance rose last year to 44 million—an increase of 4.5 million since Clinton took office.

Around the country, a grassroots "smart growth" movement is enlisting more and more support. Governors like Democrat Parris Glendening of Maryland and Republicans Mike Leavitt of Utah and Christine Todd Whitman of New Jersey are promoting various anti-sprawl initiatives—such as growth boundaries—primarily to address suburban congestion and pollution, not urban poverty. But there's a growing recognition among environmentalists, community organizations, labor activists, academic researchers and even some business leaders that cities and suburbs are in the same metropolitan boat and that attempts to address environmental and poverty issues must go hand in hand. In Little Rock, Arkansas, for example, the New Party, which holds four of ten City Council seats, is waging an anti-sprawl campaign to refocus resources on older urban neighborhoods. When the Deltic Timber Corporation, which had already persuaded the city to annex 3,500 acres on the outskirts of town, asked for another 1,200 acres of densely wooded land, the New Party organized an anti-sprawl bus tour for community leaders to show the effects of suburban development, posting signs at busy highway intersections with slogans like "Sprawl Costs Us All,"

Gore jumped on the smart-growth bandwagon last year, calling for federal programs to protect threatened farmland, preserve suburban green spaces, restore urban parks and clean up innercity brownfields. So far, however, he has paid more attention to the anxieties of affluent suburbanites than to the troubles facing residents and businesses in our working-class suburbs and inner cities. Bill Bradley, for his part, has offered no agenda on these issues. And GOP front-runner George W. Bush—a favorite of developers, who have made Texas a magnet for suburban sprawl—has done little as governor to stem urban decline.

The nation's suburbanization has changed its political landscape. The 1992 election was the first in which a majority of voters lived in suburbs, and Congressional districts that represent suburbs now outnumber urban districts. As a result, any national attempt to address urban problems must forge a coalition uniting cities and inner-ring suburbs. Its agenda might include prohibiting state and local governments from using subsidies and preferential taxes to compete with one another for businesses (from big-box Wal-Marts to footloose sports teams), using federal carrots and sticks to encourage municipalities in the same area to share tax revenues generated by new development, and targeting federal aid to local governments based on their fiscal capacity (the disparity between how much revenue they can raise and their need for essential services).

This approach builds on successful precedents. For more than a decade, the federal Clean Air Act has required localities in the same region to cooperate to address environmental problems that cross municipal boundaries. Local governments—suburban and urban—lack the resources to address these problems on their own. Federal policy helped produce the problems, and federal policy must help solve them.

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