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**South Star**

**Chile and the Future of Conservation Finance**

As Chile prepares to receive the world’s largest land donation from a single owner—Kris Tompkins, former CEO of the Patagonia label—it stands poised to offer the world a model for large landscape finance in the age of climate change: bringing business leaders and environmentalists together to leverage the enormous sums of funding required to save the planet.

**Money on the Table**

**Why Cities Aren’t Fully Spending Federal Grants**

Federal grants are a critical funding stream for cash-strapped state and local governments in the United States, yet hundreds of millions of dollars are going unspent every year. This article examines this complex problem and ways to improve grant program design and help fiscally distressed cities build capacity to absorb capital.

**Planning for Social Equity**

**How Baltimore and Dallas Are Connecting Segregated Neighborhoods to Opportunity**

Planners around the United States are revising policy to distribute resources more equitably in the built environment. Here’s how two cities with a history of segregation are dispelling concentrated poverty by providing transportation options, safe street networks, affordable housing, and access to jobs, good schools, health care, healthy food, and green space.

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**DEPARTMENTS**

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Transplanting Urban Innovation

WHEN WE ORGANIZE MEETINGS IN LATIN AMERICA, WE SOMETIMES HIRE SIMULTANEOUS TRANSLATORS TO ALLOW THOSE OF US WITH LIMITED PROFICIENCY IN SPANISH TO FOLLOW THE CONVERSATION. These translators are a gifted bunch, capable of processing words, context, meaning, and nuance in nanoseconds. From time to time, they get tripped up in amusing ways. One commonly used word in our meetings is suelo. It comes up frequently when we discuss políticas de suelo, which translates as “land policies.” But suelo also translates as “soil,” and, as some translators would have it, we’ve participated in high-level discussions of “urban soil policies.” This left me reflecting on whether urbanists might learn something from agronomy.

It is fairly easy to scour the globe for innovations and only a tad more difficult to transplant a novel policy, tool, or practice, and it can be costly to relocate creative new measures. I’ve only recently come to understand how insurmountable affordable housing shortages are native to one place in new terrains. Thus, the potato, imported from the New World, became a staple in the agronomist’s playbook.

It is a mistake to transplant a novel policy, tool, or practice, and it can be costly to relocate creative new measures and watch them wither on foreign soil. If we paid more attention to preparing the ground to receive new tools, practices, or policies, we might have more luck at replicating success. This is where we can take a page from the agronomist’s playbook.

First, we are not very good at learning from success or even accounting for it. We can observe whether a project or program is successful, but we usually provide only untested hypothetical accounts for why it works. Often our hypotheses are wrong, and attempts at replication wither and die. In other cases, it is impossible to replicate key elements of a program. Thus, for example, the celebrated successes of the Harlem Children’s Zone have not been repeated elsewhere. We have yet to see the scale or impact of the Chaplaim Housing Trust copied in other cities that face insurmountable affordable housing shortages. And although there is increasing interest from cities around the world, we have yet to see any that have successfully imported Sao Paulo’s practice of institutionalizing land value capture in its stock exchange.

Perhaps we fail to transplant these successes because we can’t clone the unique leaders who drove them. Or maybe we can’t mobilize the kinds of resources that one can find in New York, Burlington, or Sao Paulo. Or perhaps it is simply much harder to replicate success than we think.

I’ve spent the last three decades trying to address global challenges like poverty, inequality, and climate change with interventions that could grow sufficiently to meet the scale of these problems. I believed in the promise of innovation—social, scientific, or policy-related. I, like many of my colleagues and contemporaries, believed that my job was to find a magical idea or practice that could spread virally, by replication, or through spontaneous combustion, whatever it took. I thought of myself as an explorer looking for a sturdy potato to bring back from the far reaches of the Andes to feed the teeming masses of Europe.

I’ve only recently come to understand how badly I misconceived my job. It is fairly easy to scour the globe for innovations and only a tad more difficult to construct a hypothetical account for their success. But it is really hard to transplant a novel policy, tool, or practice, and it can be costly to relocate creative new measures and watch them wither on foreign soil.

Looking back, it is not surprising that we were unable to scale social or policy innovations through replication. Each new approach unfolds in a complex social, political, and legal ecosystem. We reduce this complexity by guessing at the salient elements of each complicated context to account for success. It is difficult, if not impossible, to do controlled tests to confirm our hunches. So instead we use trial and error, uprooting successful projects, programs, or policies and planting them elsewhere, hoping that they will take root. And they rarely do. When replications fail, it is easy to attribute failure to a deficiency in the destination. But if we paid more attention to preparing the ground to receive new tools, practices, or policies, we might have more luck at replicating success.

This is where we can take a page from the agronomist’s playbook. Soil, too, is a complex ecosystem. It is composed of minerals, organic matter, and trace elements that offer plants sustenance. But the process through which different plants extract nutrients from the soil is a very complicated process. It starts with the roots. In natural settings, the stems, leaves, and flowers of plants and their roots evolve to adjust to the complexity of the soil and the variability of climate. With the invention of agriculture, we interrupted this evolutionary process in order to cultivate non-native species in new environments. Through trial, error, and scientific inquiry, agronomists learned a lot about how to cultivate plants that are native to one place in new terrains. Thus, the potato, imported from the New World, became a staple in the agronomist’s playbook.

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Like many of our partners, the Lincoln Institute of Land Policy has ambitious goals. For example, we hope to use innovative land policy to mitigate or adapt to global climate change. We seek to promote financially resilient cities. We plan to help governments at all levels find the revenues needed to invest trillions of dollars annually in infrastructure. Our goals are embedded in the New Urban Agenda (NUA), an agreement signed by United Nations member states at Habitat III, UN Habitat’s recent Conference on Housing and Sustainable Urban Development. They also are aligned with the Sustainable Development Goals (SDGs) that replaced the Millennium Development Goals in 2015 to guide global efforts to achieve sustainable development that balances environmental, economic, and social objectives by 2030.

There are an estimated 650,000 jurisdictions on our planet. These range from around 30 megacities with populations over 10 million people; to 4,321 cities with populations exceeding 100,000; to more than a half-million places with fewer than 10,000 inhabitants. Implementing the NUA and achieving the SDGs will require reaching most of these places. How is it possible to change the path of development in so many locations?

Organizations trying to improve social, economic, or environmental outcomes at a global level typically work through theories of change—logic models that outline a process through which specific tactics and activities align to produce a desired outcome. A simplified theory of change might be: 1) find a successful social or policy innovation; 2) study it to understand why it succeeds; 3) export the innovation to new places; 4) measure its success; 5) repeat steps 3 and 4 until no longer necessary.

Most theories of change include ways to scale successful interventions through replication and other means. But there are fundamental problems with this “franchising change” model.

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We are learning that successful local people or organizations are the “root stock” that will sustain imported innovations and allow them to thrive. And we are learning that grafting an imported innovation onto this local root stock is a delicate task.

Staple in the Old World in the 18th century. But failure to account fully for the complexity of soil and environment generated some terrible unintended consequences, such as widespread blights that led to mass starvation in Ireland and Finland.

Uprooting a vegetable and planting it elsewhere is a crude way to replicate success. Growers of certain crops have more sophisticated ways to overcome the joint challenges of soil and climate complexity. They do this by treating a plant as two systems—the root system that delivers sustenance from the soil and the fruit system, or scion, that produces the desired output. Vintners find successful local varieties of a plant and combine their root stock with the fruit stock of a different desired variety of the plant. Skilled practitioners help them to weave these two systems together. This job was celebrated by John Steinbeck in The Grapes of Wrath:

> The men who graft the young trees, the little vines, are the cleverest of all, for theirs is a surgeon’s job, as tender and delicate; and these men must have surgeons’ hands and surgeons’ hearts to slit the bark, to place the grafts, to bind the wounds and cover them from the air. These are great men.

For example, a winery in Sonoma, California, that wants to produce wine using a Sangiovese varietal might import the fruit stock from Tuscany and graft it to the root stock of a Zinfandel vine that thrives in the local soil. The California vintners do not need to be soil scientists to replicate a successful Tuscan grape, but they do need to identify the vines that have successfully adapted to the complexities of the local soil and use their root systems to sustain and promote the growth of their chosen varietal. And they need skilled practitioners to graft the two parts of the plant together.

As we think more expansively about the practice of introducing new policies, tools, and approaches to the thousands of places that want help finding answers in land, we are learning a lot. We are learning about ways to prepare the ground to adopt new practices—understanding the “rules of the game” that define the local policy space, for example, and proposing revised rules to enable new policies. Or studying the local institutional ecosystem to identify all of the important stakeholders and inviting them to the table to help initiate new practices. We are learning that successful local people or organizations are the “root stock” that will sustain imported innovations and allow them to thrive. And we are learning that grafting an imported innovation onto this local root stock is a delicate task.

Many organizations focus on identifying and rewarding urban innovation—the magical interventions that help us overcome problems that result from our insistent efforts to urbanize the planet. At the Lincoln Institute, we are paying more attention to the process of replicating success. We will continue to document and share what we learn from transplanting innovation. Whether cities use land value capture to pay for infrastructure, create permanently affordable housing through community land trusts, or improve public schools with more resilient public finance systems buttressed by the property tax, each intervention will need to take root in local soil to succeed. We hope to be there to monitor and report on this success.

### China’s App-Based Bike-Share Market

**Implementing a Bike-Sharing Service That Has a Real Impact on City Transportation Usually Means**, among other things, getting the underlying system of docking stations right. You’ll need a “dense network of stations across the coverage area,” advises The Bike-Share Planning Guide, published by the Institute for Transportation & Development Policy. “The utility of dock-based bike-sharing systems depends on the presence of a fairly continuous network of stations,” agrees the Shared Mobility Toolkit, from the Shared-Use Mobility Center, “and building the network is a relatively capital- and labor-intensive task.” The process also requires careful planning to make sure the stations are arranged in the most effective locations—and that they don’t have negative side effects on their built environments.

But what if you could build a bike-share system with no stations at all, as some new enterprises in China are trying to do in a handful of major cities? One high-profile example is mobike, which launched last year and already has a fleet in the tens of thousands in Beijing. Its chief executive is a veteran of Uber’s operations in Shanghai, and it is backed by more than $100 million in investments from financial firms such as Sequoia Capital and Warburg Pincus. Mobike’s approach relies heavily on its unique smartphone app and technology built into the bike’s patented design. Most significantly, the bikes don’t need a docking station or even a parking dock. Instead they are equipped with a special locking mechanism on the back wheel, meaning users can theoretically leave them almost anywhere except indoors and a few other locations. To locate an available bike, users consult the service’s app, which presents a map that uses GPS technology to point out the nearest available mobikes; you can reserve one through the app to make sure nobody else snags it first. The app also generates a QR code that’s used to unlock the cycle.

The company is still too new to be fully proven, and it faces competition—including another dock-free enterprise called ofo. But its stationless model may be as intriguing from a planning perspective as from a consumer’s point of view.

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![Ofo, one of China’s stationless bike-share companies, aims to attract students with low prices and high distribution near universities. Credit: ofo](image)
Zhi Liu has tracked the development of bike-share programs in China for years. Formerly with the World Bank, where he focused in part on urban transportation issues, Liu is now director of the China program at the Lincoln Institute of Land Policy and the Peking University–Lincoln Institute Center for Urban Development and Land Policy in Beijing. He notes that it’s important to understand the context in which these new businesses evolved.

Bikes are equipped with a special locking mechanism on the back wheel, meaning users theoretically can leave them almost anywhere.

China has a long history with cycling. But even for enthusiastic bike owners, rough and heavily trafficked roads make for a challenging long-distance commute in modern Chinese cities. So when bike-sharing schemes emerged in a few cities around 2008, as a complement to metro and bus options, the idea was quickly embraced. In 2011, the National Transport 12th Five Year Plan explicitly encouraged urban centers to develop bike-sharing as a useful addition to existing mass-transit systems. "Planners and municipal governments now consider shared bikes a key component of public transport," Liu explains, "because it helps solve the problem of the so-called 'last mile.'" That is: You use public transport, and arrive at a station—and you still have another mile to reach your real destination.

Government programs in China didn’t face the same land-use challenges that might arise in a U.S. city, because urban land is state-owned. But other challenges persisted. By 2011, when a World Bank conference focused on domestic and international experiences with shared bikes, the major discussion was around "management and sustainability," Liu says. "What business model makes sense?" A mix of solutions emerged. In Hangzhou, a government-led model involving setting up a state-owned company; today this is reportedly the largest bike-sharing system in the world. Other cities have experimented with various public/private hybrids, searching for a balance that would make bike-sharing cheap enough to attract users but profitable enough to cover costs.

The latest wrinkle is businesses such as mobike and ofo, both of which also operate in other Chinese cities. These will clearly need to find that same economic equilibrium. But, perhaps because they’re both lavishly funded, each seems more focused for the moment on building ridership and acceptance.

Ofo overtly targets students, using lighter bikes with combination locks, university-centric distribution, and a very low deposit (13 yuan, or about $2). Mobike’s target is more likely to be an urban professional and/or cycling enthusiast. The deposit is 299 yuan (a little less than $50); rental is 1 yuan per half-hour. Its cycles are heavier but also more durable and distinct. "I do hear a lot of people talking about it," says Hongye Fan, a Beijing-based consultant for the Asian Development Bank and investment manager for China Metro Corporation who has tracked bike-share programs. "It’s an innovative model in China and spreading very fast."

Fan, previously an infrastructure finance and asset management consultant at The World Bank, points out some of the more intriguing side effects of the stationless models. Rolling out a major bike-sharing system can be, by necessity, a top-down process that doesn’t leave much room for flexibility once dock locations are built out—or, she notes, for "really thinking about and analyzing: What is the real demand from the citizens?"

Bike-sharing is a useful response to the last-mile problem, she continues, but "there is no universal last mile." In fact, a station fixed in a spot that’s out of a particular user’s way could turn the last mile into the last mile and a half. An almost Uber- or Zipcar-like system that’s more overtly shaped by demand could avoid that. And there are at least some experiments along similar lines elsewhere. A striking example is Copenhagen-based AirDonkey, essentially an app-based sharing platform that allows bike owners (including, notably, bike shops) to rent out their cycles to others. The startup hopes its model can work in other cities, even those where traditional share systems are in place.

Of course, such approaches involve other challenges and hurdles. Theft has been an issue for mobike, as it would surely be in almost any city in the world, although the company has said it’s a containable problem. Also, the demand-driven model could mean lots of bikes end up clustered in spots that are more popular as destinations than as starting points—meaning they’d have to be physically redistributed.

And, as Fan points out, planning would still play a crucial role in addressing problems that startups can’t—like designing and ensuring proper infrastructure, such as bike lanes, that makes bike riding safe and practical. But that’s true everywhere. Bike-share programs have proliferated wildly in recent years—Africa just launched its first, in Marrakech—and with an estimated 600 systems in place around the world, funding and implementation strategies vary. "We have not found any particular model that fits all cities," Liu says.

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Truth is, we probably never will find a universal solution. And that’s precisely why mobike and other new models—taking shape in China, the country with the most extensive bike-sharing systems anywhere—matter. Exploiting tech innovations in clever ways offers some compelling new potential routes to follow. Let’s see whether others take these ideas for a spin and where that leads. ☑️

Rob Walker (robwalker.net) is a contributor to Design Observer and The New York Times.
For North American conservationists, even a whirlwind visit to Chile can feel like encouragement from the future—an encounter with a strong beam of light shining northward. That’s thanks to the nature of the place, a showcase of spectacular landscapes neatly arranged in a tall, tight stack along the country’s narrow ribbon of land between the Pacific Ocean and the Andes Mountains. Equally it has to do with the people in that country and what groups and individuals have been doing during five-and-a-half centuries to protect these indispensable landscapes.

At a meeting I got to attend last fall at Las Majadas de Pirque, a kind of marzipan palace-turned-conference center outside Santiago, it became clear that a North and South American partnership, which got its start during several decades of quiet collaborations among conservationists in the United States and Chile, is already creating a sort of hemispheric force field of conservation concern. As a result, the partnership’s co-anchor, Chile, a country whose name according to one derivation means “ends of the earth,” feels like a close colleague though it remains more than 10 hours away from New York City on a plane.

Building on this affinity, the meeting—called the “Workshop on Emerging Innovations in Conservation Finance” and hosted by the Lincoln Institute’s International Land Conservation Network (ILCN)—invited participants to access the official workshop proceedings and to learn more about the ILCN, which is connecting people and organizations around the world that are accelerating voluntary private and civic sector action to protect and steward land and water resources, at www.landconservationnetwork.org.

Given how fast the biosphere is warming and changing, governments alone can’t afford the trillions of dollars needed to secure and then care for the places that have to be held onto for all time.
Chile’s Special Nature

Of course, not every visitor gets to stay in such an elegant setting as Las Majadas, but it’s easy for North Americans to feel at home in Chile—and not just because of the abundance of bookstores in Santiago or the gleaming high-rises in the city’s financial center, nicknamed “Sanhattan.” The countryside’s succession of landscapes and climates eerily echo those along our own Pacific coast west of the Sierras—though rather than being mirror images of each other, the relationship between the two countries is more like the upside-down reflection you’d see if you were standing on the edge of a lake: with deserts in the north, Patagonian glaciers and fjords far in the south, and in between a sunny Mediterranean coastline, like that of central and southern California, and a foggy temperate rainforest region, like in Oregon or Washington. Our fall is their spring. And Chile is as long as the distance from New York to San Francisco, but its western and eastern boundaries—the Pacific and the ridge line of the Andes—are almost closer than the distance between Manhattan and Albany, New York.

Yet Chile’s “bizarre landscapes” can still be humbling to North Americans: Chile doesn’t just have deserts, it has the world’s driest desert—the Atacama, known as Mars on Earth, with clear skies that will make it the first “starlight reserve” in the Western Hemisphere. Within a year, this professional astronomer’s paradise will be home to 70 percent of the world’s great telescopes: an ELT (Extremely Large Telescope) the size of a football stadium now under construction will supplement an existing VLT (Very Large Telescope), amid talk of an OWL (an Overwhelmingly Large Telescope) that could someday, according to the European Southern Observatory, “revolutionize our perception of the universe as much as Galileo’s telescope did.”

In the more southerly Valdivian temperate rainforest region, foggy and chilly and with dense understories of ferns and bamboos (our “cold jungles,” as Pablo Neruda, the Nobel Prize-winning Chilean poet, called it, “fragrant, silent, tangled”), many of the trees are among the world’s most ancient. “Today,” said one awed visitor (Ken Wilcox, author of Chile’s Native Forests: A Conservation Legacy), “the opportunity to walk for days among living things as old as the Sphinx is possible only in Chile.”

The monarch of these cathedral-like forests of evergreens—siempreverdes, in Spanish—is the world’s tallest living woody plant, the 260-foot-tall Alerce, a shaggier, slightly shorter but much longer-lived cousin of the North American giant sequoia. Even more striking is the 5,000-year-old Araucaria araucana, known as the monkey puzzle—is an ancient species often described as a living fossil for its close resemblance to its prehistoric ancestors. Credit: GERRY ELLIS/ MINDEN PICTURES/National Geographic Creative

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“Today, the opportunity to walk for days among living things as old as the Sphinx is possible only in Chile.”
The passion that these extravagant landscapes have evoked in Chileans is transformational, enduring, and contagious.

Of course, it’s a complex story with overlapping currents. For the country’s most powerful industry, mining—a mainstay of the national economy—the landscape has been a husk, something to peel away to reveal something else with greater value: copper. Chile exports a third of the world’s copper and depends heavily on the $11 billion it brings in annually for the government. Since Spanish colonial times, what’s underground has always trumped what’s on the ground for Chileans. Yet “if you haven’t been in a Chilean forest, you don’t know this planet,” yet until recently a forest would be felled if it impeded the development of a mine. It wasn’t until this decade that a Chilean court ruled that a tree-clad, Mediterranean slope not far from Santiago has more value standing than excavated; protected in 2013, that area is now the San Juan de Piche Nature Sanctuary. During a visit there, we got to crush a pungent, clean-smelling wood pulp for export in as little as seven years. “Wood is Chile’s new copper,” was a boast of the country’s current foreign minister, who has written that for many it was “a crushing loss of innocence. We had believed that our country was different from the rest of Latin America and could not fall prey to the horrors of dictatorship.” Conservation issues were one way for the country to start peacefully putting itself back to rights: widespread demonstrations in 1976 led to the alerce being proclaimed a national monument. “The military called us sondlos—watermelons—green on the outside, red on the inside,” Raphael Asenjo, a veteran of those days, said at our meeting. He’s now chief justice of the new environmental court in Santiago. “But if we went to court, it was harder for judges to rule against us since we weren’t political.” The military, which championed free market reforms, unintentionally rallied new conservationists by subsidizing owners of ancient, slow-growing forests to chop down hundreds of thousands of acres of these trees—repositories, according to Rick Klein, founder of Ancient Forest International, of the oldest genetic information above water—and replace them with monoculture plantations of imported North American pines. The substitute trees are such speedy growers they’re ready to be mashed into wood pulp for export in as little as seven years. “Wood is Chile’s new copper,” was a boast of the early 1980s.

The most dramatic conservation successes have come since the restoration of democracy in 1990—and they continue. By happy chance, I was seated next to Foreign Minister Muñoz, now the country’s champion of marine protection, on my flight down to Santiago. He was one of the lucky ones during the dictatorship; his only scar from a single torture session is a finger that never healed properly; Chile thinks of itself as a “tri-continental country” with claims on Antarctica and sovereignty over the Desventuradas, or Unfortunates Islands, a two-day boat ride west from the mainland, as well as over Easter Island, another five days farther away. In 2015, Chile created a no-take marine reserve the size of Italy around the Unfortunates. Illegal fishing is now, Muñoz told me, the world’s third most profitable criminal activity (after drugs and illegal arms sales). A much bigger 278,000-square mile Marine Protected Area (MPA) around Easter Island being developed with the local Polynesian community will be one of the largest in the world. Professional divers who’ve started exploring the Desventuradas waters liken the area to a Patagonia of the deep: “The walls of brightly colored fish make it nearly impossible to see the hand in front of your face. It’s only when we come to pristine places that we are reminded how it used to be before humans.”

Global Conservation Leader

The first protectors of this exceptional country were the indigenous Mapuche people from north-central Chile and southwestern Argentina. These canny warriors kept three successive armies at bay for 400 years—forces sent by the Incas and then the Spanish and finally the newly independent Chilean government—bottling up a growing population in the center of the country, south of the northern deserts. Much of Patagonia had no permanent settlements until the 20th century, and today 85 percent of Chileans still live in the Central Valley, where land in between big cities like Santiago is intensively farmed. Longtime vineyards are growing in size and number, joined more recently by an array of avocado orchards spreading up hillsides like sprawling subdivisions (“avo-condos,” we dubbed them as we drove past). With 19 percent of its land in a designated public park or preserve (compared to 14 percent in the U.S.), Chile is a global conservation leader. But 85 percent of Chile’s national parks and other protected areas are down south, while only one percent of the crowded center has that kind of security, though it is a special landscape in its own right, as one of the world’s five species-rich and distinctively Mediterranean ecoregions. Considering that 90 percent of all the land outside the park system is privately owned, this might sound like a discouraging prospect for
Modern conservation biology has shown that undeveloped land has ever-increasing value when kept in its natural state. So rather than constraining landowners, not building frees up a way for them to amass natural capital.

EL DERECHO REAL
Just months before our conference, after eight years of persuasion and debate, the Chilean Congress unanimously passed the derecho real de conservación, or “real right of conservation”—a new kind of property right, that had, as Raphael Asenjo remembers, been considered “a crazy idea.” The law invites Chilean citizens to participate in conservation by setting up PPRs (privately protected areas) that will now have the same durability and legal standing as public parks. It democratizes the perpetuity business by making it a personal, voluntary act—and is also considerably cheaper. “We do not need to buy up the land to save it,” William H. Whyte wrote in The Lost Ladscape, a reverberating 1968 open space manifesto, pointing to “the ancient device of the easement.” Since medieval times, Whyte said, land ownership has been understood to be a “bundle of rights,” which allows property owners to peel off the right to develop their land and then separately sell or donate that right for less than the full purchase price of a property to a parks agency or a nonprofit group called a land trust. In the decades since Whyte’s clarion call, 24,700,000 acres of the U.S. landscape (an area nearly as big as Virginia) have come under easement. But though the idea has been spreading globally, the remedy wasn’t available in Chile because it’s a civil law country, such as Italy or Switzerland—unlike the U.S., which is a common law country.

Common law in the United States and other English-speaking countries got its start in England after the Norman Conquest, when the new government attempted to coordinate regional customs by giving judges considerable leeway to decide what it was the customs had in common—making judges the main source of law. By contrast, the rest of Europe looked to rules that had been established for all time, it was thought, by the Byzantine emperor Justinian in a 6th-century compilation of Roman law. Under civil law, a decision not to build on a piece of land is considered a restriction on the main purpose of holding property, which is to make money for its owner. But recently, Jaime Ulibarri, a Santiago attorney with global experience (he has a Tokyo 6th-century compilation of Roman law. Under civil law, a decision not to build on a piece of land is considered a restriction on the main purpose of holding property, which is to make money for its owner. But recently, Jaime Ulibarri, a Santiago attorney with global experience (he has a Tokyo

TOMPKINS CONSERVATION
It began as a lark: young North Americans in a beat-up van—“conquistadors of the useless,” as they later called themselves—driving through South America in 1968 for another six months of “peak experience” skiing, surfing, and climbing before “coming to grips with entering the industrial work force.” They climbed Fitz Roy, the mountain now on the Patagonia label; one of them was Yvon Chouinard, who later founded the clothing company in 1973; another was Douglas Tompkins, also in the clothing business, who had started and just sold The North Face (financing the trip) and who, when he himself arrived back in California, founded Esprit, which he sold in 1989 to become what his detractors called an “eco-baron.” Tompkins moved to Chile and, in 1993, married Kristine Tompkins, until then Chouinard’s CEO at Patagonia. They bought two million acres of wild land in Chilean and Argentine Patagonia in chunks of tens or hundreds of thousands of acres, making them the largest private landowners in the world. Their aim was to build yet another brand, this one for perpetuity. The strategy: feed their land into Chile’s national park system through a series of deals, cumulatively establishing it as an irresistible force—a “gold standard” of protected places Chile will still be holding in trust for the world 200 years from now. Doug Tompkins unfortunately died in a freak kayak accident over a year ago, so it’s been left to Kris Tompkins to complete their project, which will be announced within the year, according to a report at our conference from Hernán Mladinic, a sociologist and executive director of one of the future national parks and the Tompkins team member negotiating final details with the Chilean government. Kris Tompkins will donate her last million acres, the biggest-ever single donation of land to a country; in return, the government will add 9.1 million acres of its own, creating five new national parks and expanding three others—all in the same moment. A couple of the new parks have until now been Tompkins showcases: Pumalín, which shelters a quarter of the country’s stock of ancient alerce trees, and Patagonia Park, the largest grassland restoration project in the world, along with its key species like pumas and Andean condors—a project that also, as Kris Tompkins
The Tompkins bought two million acres of wild land in Patagonia, making them the largest private landowners in the world. The strategy: feed their land into Chile’s national park system through a series of deals, cumulatively establishing it as an irresistible force.

They’ve always thought of themselves as developers, though on a different trajectory. This means building big parks and people and within them, showing them that parks are a competitive business (“more profitable than copper,” as Mladinic says), but at the same time doing something internal that only takes effect gradually. In Kris Tompkins’ words: “When you’re dealing in large landscapes, the number—one thing you have to do, before you leave or kick the bucket, is get it so that the citizenry itself has fallen in love with and therefore become protective of their national park system. That takes maybe a generation, a generation and a half. A park’s a huge money-maker, but much more important, it becomes a point of pride. And then if some knucklehead comes along, which they do every so often, and attempts to fill the edges of, say, Olympic National Park, people will go berserk.”

The Cost of Saving Paradise

For almost every species, the natural world is a kind of fixer-upper rather than a ready-made dream home—a storehouse of raw materials that can be raided and refashioned. So we have birds’ nests and beaver dams, changes to surroundings that make life easier and strengthen the odds of survival. Medical anthropologists call such species-specific infrastructure “deeds”—meaning “things they make themselves.” It goes beyond the realm of artifacts, our word for the changes humans make to the environment, by showing that what we do is a shared impulse; the urge to feather one’s nest is universal and inevitable. But weaving twigs and feathers into a small, shallow bowl has a minimal effect on the environment, and even beaver dams are disruptive and productive at the same time, creating large wetlands, upstream and down, that benefit many more species than they harm—whereas our reshaping of the world has brought Garden of Eden-like living conditions to many while casting out too many others and even destroying paradise.

One of the thorniest and most critical subjects at the conference came up during conversations about paying for perpetuity. Government and private donors have been traditional mainstays of land conservation, but they’ve pulled back since the worldwide 2008 recession. Getting the business and investment community more involved has to be the next step. They control $16 to $18 trillion in global savings, which, as David Boghossian, managing director of a Massachusetts-based socially responsible investment firm, told us, makes them “the most potent force for change available.” This is 30 times more than what’s in the hands of generous global philanthropists—money that seems like “decimal dust” in comparison.

Boghossian spelled this out in a presentation called “Making Impact Investment Boring.” Impact investing, a term only coined within the last decade, means hoping to do well financially while also doing the world a good turn. It’s a growing trend but remains years away from dullness and dependency—Boghossian’s desired state for impact investing, as an everyday transaction that feels as safe and comfortable as opening a bank account.

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Tony Hiss was a New Yorker staff writer for more than 30 years and is now a visiting scholar at New York University. He is the author of 13 books, including The Experience of Place and most recently In Motion: The Experience of Travel.
EVERY YEAR, U.S. STATE AND LOCAL GOVERNMENTS ARE LEAVING HUNDREDS OF MILLIONS OF FEDERAL GRANT DOLLARS ON THE TABLE. The national government allocates these funds to states and municipalities, frequently on a competitive basis, to help pay for many of a community’s most basic and critical local services, including education, transportation, and public safety. In fiscal year 2015 alone, the U.S. Government Accountability Office (GAO) identified roughly $994 million in undisbursed funds—money that had been allocated but not yet drawn down by recipients—in expired grant accounts in the Payment Management System, the nation’s largest platform for dispensing federal grant monies, responsible for making about 77 percent of all federal civilian grant payments. More than half of the accounts were at least one to three years past their expiration date (U.S. GAO 2016).

This trend would be perplexing in the best of circumstances, but it’s confounding in the current environment, when so many U.S. communities are struggling economically. More than 50 municipalities have filed for bankruptcy since 2010. Chicago Public Schools are in such tight financial straits that Moody’s Investors Services recently downgraded the district’s debt to B3, which is “six notches below investment grade,” said Moody’s Vice President Rachel Cortez in an interview with Marketplace (Scott 2016). In Petersburg, Virginia, a community of 32,000 located fewer than 30 miles from Richmond, the city is so far behind on its debt payments that fire and rescue equipment has been repossessed, lenders have stopped making loans to the city, and officials have approved measures to both cut public services and raise taxes.

These dollars are a critical funding stream for state and local governments. Absent federal grant funds, states and localities may have to withhold essential goods and services, secure loans, or cover costs by increasing taxes and fees for their residents, thus diminishing the pool of available local dollars to pay for a community’s critical needs.

“Counties and cities are limited by state mandates in how they can raise revenue. While they can collect property taxes and potentially income or sales taxes, it’s not a free-for-all where they can do whatever they want to get the money they need,” says Jenna DeAngelo, a program manager at the Lincoln Institute of Land Policy. “Federal funds are essential to help fill in that funding gap, to pay for the services that make up the fabric of a community, such as bridges, teachers’ salaries, fire departments, pothole repairs. The list goes on and on.”

Intergovernmental Grants

In 2016, the U.S. government allocated approximately $666 billion in federal grants to support state and local programs. Funded with federal tax dollars, these intergovernmental grants are designed to promote economic efficiency, redistribute resources, stabilize the economy, and foster innovation. There are grants to incentivize local governments to invest in infrastructure and other goods and services that benefit residents beyond their jurisdiction, grants to assist in the adoption of federal policy priorities, and grants to pilot initiatives that would be difficult to test in a single national program. In other words, the federal government uses the money to assist states and localities to build strong, vibrant communities that can attract and retain residents and, in turn, establish their own thriving local tax bases.

Navigating the landscape of federal grants can be complicated. There are more than 1,700...
Intergovernmental grant programs and two primary types of grants: categorical and block grants. Categorical grants constitute the bulk of federal grants and can be used only for a specific purpose. They are distributed on a formula basis, such as the Federal Transportation Administration's Urbanized Areas Formula Grant, which provides funding to urban communities for transportation-related planning activities based on population density. Other grants are distributed through a competitive application process, such as the Department of Transportation's Transportation Investment Generating Economic Recovery Program (TIGER), a $5 billion initiative that funds transportation projects most likely to produce significant economic and environmental benefits to a metropolitan area, a region, or the nation.

The other primary type of grant is block grants, which are pegged to broadly defined functions such as community development or social services, and afford state and local recipients more flexibility in how to use the funds to meet the program's goals. An example of a prominent block grant is the Department of Housing and Urban Development's Community Development Block Grant (CDBG), which supports affordable housing, job creation, and the provision of services to vulnerable populations. As of 2014, the federal government has awarded $144 billion in CDBG funds to cities, counties, and states.

Reporting and tracking grant allocations against outlays, so it's virtually impossible to know precisely what percentage of intergovernmental transfers remain unspent in a given year. The GAO and other researchers can illuminate only disparate pieces of the puzzle.

What happens to unused funds is also unclear, as it depends on the parameters of the grant program. "Unlike federal contracts, federal grants aren't governed by a single set of rules when it comes to the question of "clawbacks,"" explains Robert Cramer, managing associate general counsel at the GAO, referring to the recovery of funds that have already been disbursed. "The terms vary depending on how the grant is structured. One grant may allow for provisions that another does not. What is ultimately done with the funds that are not spent by a grantee and recovered by an agency can vary as well." In some instances, money must be returned to the Department of the Treasury, among others. There's no centralized system across agencies and programs for

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Dozens of federal departments and independent agencies administer the grants, but the largest is the Department of Health and Human Services (HHS), which is responsible for 22 percent of the grants and hosts the Payment Management System (PMS), which is used primarily by HHS but also by the departments of Labor, Agriculture, Homeland Security, and the Treasury, among others. There's no centralized system across agencies and programs for

Program Design and Management

In order to deploy intergovernmental funds effectively, both the grant-making agencies and the grant recipients have their part. The federal government needs to design programs that grantees can use on the ground. State and local governments need to comply with the grant requirements. All parties need to diligently track and manage the funds. While the vast majority of federal grant dollars are successfully deployed, there nonetheless are instances when this all proves easier said than done.

FLAWED PROGRAM DESIGN

For starters, it's complex to create a grant program that works well. In February 2010, President Obama established the Hardest Hit Fund (HHF), a $7.6 billion initiative to fund foreclosure prevention programs in 18 states and the District of Columbia by providing assistance to struggling homeowners. Designed to leverage the expertise of state and local partners, the HHF aimed to support solutions that were tailored to a community's specific situation. As a result, it relied on a massive network of state and local partners to administer the program, which not only decentralized operations but also created tremendous red tape. The HHF and participating partners had to execute the program in a complicated framework of a half-dozen federal, state, and local laws, some of which varied by state or community. The U.S. Treasury was also responsible for negotiating individual agreements with each housing authority that was a partner in the program. Against this backdrop, the HHF was slow to gain momentum. Nearly two years after its creation, only three percent of the HHF was slow to gain momentum. Nearly two years after its creation, only three percent of the HHF was slow to gain momentum. Nearly two years after its creation, only three percent of the HHF was slow to gain momentum. Nearly two years after its creation, only three percent of the HHF was slow to gain momentum.

The HHF's early failure is not a secret. "At various junctures of the program, the Office of the Special Inspector General found that there were no centralized goals or targets for measuring the HHF's program's effectiveness. Various reports noted that this lack of metrics resulted, in part, due to fears of impacting the dynamic

 Getty Images

Federal grants help cities pay to fix potholes and other street damage in U.S. municipalities. Credit: Justin Sullivan/ Getty Images
The federal government is not solely responsible for ensuring federal dollars are used. The states and localities receiving the funds play an equally large role in determining outcomes. While there’s a tendency to assume that only localities in fiscal distress fail to use the entirety of their grant allocation, this is not the case, says McCarthy. “You would be surprised by some of the cities that leave federal funds on the table. It’s easy to think it’s mostly an issue with distressed cities because they may have had to lay off staff or may lack other resources necessary to effectively administer the grants. But actually we’ve had numerous conversations with officials not only in distressed cities but also in thriving localities that choose not to prosecute undocumented immigrants solely for violating federal immigration laws, numerous cities and states have declared that they will risk losing the money rather than revise their policies—including New York City, which could lose nearly $10.4 billion, and Santa Fe, which stands to lose $6 million, roughly 2 percent of its annual budget.

POORLY MANAGED CLOSEOUTS
Yet it’s not enough to design an effective program. It must also be managed correctly throughout the four-step life cycle followed by most federal grants: the pre-award stage, when the program is announced and applications are received and reviewed; the award stage, when parties agree on the terms of the grant; the implementation phase, when the recipient spends the money; and the closeout stage, when final reports are received and evaluated once funds have been deployed and/or the grant’s end date has arrived. The “closeout” procedures are designed to ensure that the grantee has satisfied all financial requirements, submitted all required reports, and returned any unused money to the agency.

These closeout procedures are critical to maximizing available grant dollars, as this is the agency’s opportunity to redirect unused funds toward other projects or new grants, or to return the money to the Treasury, depending on the unique terms of the individual grant program. Failure to close out a grant in a timely manner can create opportunities for waste, fraud, or mismanagement by allowing grantees to continue drawing down the funds past the grant’s end date or by leaving unspent funds idling in accounts and accruing administrative fees. Nevertheless, grantees and local governments sometimes fail to close out grants as soon as they should, jeopardizing hundreds of millions of dollars. In September 2011, the GAO reported $794.4 million in unused grant funds from almost 400 different programs in PMS—approximately 3.3 percent of the total funds made available for these grants—and an additional $126 million in a second payment system. According to the GAO, this represents an improvement from fiscal year 2006, when the GAO last gathered comparable data. The unspent balances are more than $200 million less than the nearly $1 billion found in PMS in 2006, even as grant disbursements through PMS increased by roughly 23 percent, from $320 billion in 2006 to $415 billion in 2011 (U.S. GAO 2012). However, when the 2011 data is broken down by the individual agencies or by agencies’ specific programs, the total amount of unused money can be anywhere from 2.7 percent to a whopping 34.8 percent of the agency’s or program’s grant funding for the period.

At a variety of agencies, obstacles to correctly closing out grants include inadequate systems and policies for reconciling accounts, low prioritization of grant management processes, and unnecessary delays in making available the unused funds, according to independent reports by the GAO as well as the Inspectors General. Failure to do so can result in an “audit finding,” the term used to describe significant issues identified during an audit. Grant dollars affiliated with an audit finding are at risk of being clawed back by the federal government. To help avoid these sorts of mistakes, communities must invest in reliable reporting systems and staff with specialized grants management skills.

LOCAL LACK OF CAPACITY
But the federal government is not solely responsible for ensuring federal grant dollars are used. The states and localities receiving the funds play an equally large role in determining outcomes. While there’s a tendency to assume that only localities in fiscal distress fail to use the entirety of their grant allocation, this is not the case, says McCarthy. “You would be surprised by some of the cities that leave federal funds on the table. It’s easy to think it’s mostly an issue with distressed cities because they may have had to lay off staff or may lack other resources necessary to effectively administer the grants. But actually we’ve had numerous conversations with officials not only in distressed cities but also in thriving ones who report challenges in using their federal grant monies. The estimates we’ve received are that from anywhere from 9 to 20 percent of allocated grant money goes unspent in any given year. There are many reasons a locality may or may not succeed in spending federal grant money. A community may voluntarily forgo funds due to a philosophical disagreement with the policy priority that underlies the grant program. In response to President Donald J. Trump’s assertion that he will withhold federal funds to so-called “sanctuary cities” (communities that choose not to prosecute undocumented immigrants solely for violating federal immigration laws), numerous cities and states have declared that they will risk losing the money rather than revise their policies—including New York City, which could lose nearly $10.4 billion, and Santa Fe, which stands to lose $6 million, roughly 2 percent of its annual budget.

Or a community may end up leaving money on the table due to changing circumstances, says McCarthy. “Sometimes the way the locality intended to use the money has changed. They received money for a project they are no longer undertaking, for example, or their financial position has changed. In such instances, it is perfectly legitimate not to spend the money.”

Other times, the forfeiture of funds is unintentional, frequently due to errors related to the use or management of the monies. To successfully use a federal grant, the community must not only deploy the funds in accordance with the program guidelines but also provide consistent, accurate, and timely reports on how the money is being used. Failure to do so can result in an “audit finding.”
almost 20 percent over the same period. During roughly this same time, the city lost 34 percent of its full-time employees—about 4,500 people—including a third of its planning and development department staff, which administered the roughly $180 million in the Department of Housing and Urban Development’s (HUD) CDBG and HOME Investment Partnerships Program grants received by the city during the period.

The staff reductions meant a loss of not only employees but also of critical knowledge, compounded by a lack of documented policies and procedures, says John Hill, the chief financial officer for the City of Detroit. “At the time, Detroit didn’t have a good system for tracking grants,” says Hill, who first began working in Detroit in September 2013 as part of a team tasked with assisting the city to clean up its grants management. “Had the city implemented a tracking and reporting compliance group, it could have helped guard against leaving grant money on the table and failing to close out old projects, for example. As it was in the past, when someone left, all that institutional knowledge left with her, because there were no documented policies and procedures that would allow us to transition the grants management duties to another staff member.”

Information technology (IT) systems also play a critical role in preserving this kind of institutional knowledge and in successfully tracking and reporting grant funds. In the years preceding the bankruptcy filing, senior officials in Detroit “did not know the total amount of grant funds Detroit received from the federal government, because their various IT systems did not communicate with one another. … Grant account information appeared in numerous makeshift spreadsheets that did not necessarily match the city’s central accounting system. And Detroit’s general ledger did not update automatically with grant payroll or budgeting data … [making] it impossible for Detroit to capture reliable financial information,” according to a 2015 GAO report on the impact of fiscal challenges on grants management in Detroit and Flint, Michigan; Camden, New Jersey; and Stockton, California (U.S. GAO 2015). The city failed to complete basic accounting practices, resulting in inconsistent records and funds that were at risk of expiring. These and other IT deficiencies led to audit findings that required Detroit to compensate for the errors with money from its already-strained general funds.

A basic lack of capital can compound these problems, limiting a municipality’s ability to apply for federal grants, creating a negative feedback loop in which communities most in need of the funds can’t access them. Officials in the city of Flint postponed for three years their application to the Department of Transportation for a competitive Transportation Investment Generating Economic Recovery (TIGER) grant, which is evaluated in part by the amount of nonfederal matching funds the community can invest in the proposed transportation project, because they were doubtful they could provide the local funds in the near term. They also declined to apply for some federal grants that included “maintenance of effort” provisions, which would have required the city to maintain local investments in the project at a designated amount for a specific number of years, over concerns they may not be able to satisfy the requirement.

Detroit: Hard Times Demanded Solutions

Once the poster child for ineffective grants management, Detroit is now the model for other communities. When Hill and his team began their work in Detroit in the fall of 2013, every federal grant dollar the city received that year—more than $200 million—was potentially at risk of being clawed back due to a lack of effective grants management controls and procedures. Fast forward three years to today, according to Hill, only $214,000 of funds are at risk at the end of the City’s fiscal year 2015. Hill is quick to add that he thinks his team will be able to take the necessary steps to resolve the outstanding audit findings, reducing the total funds at risk to zero. “When we first arrived, the controls were so lax that any grant we were dealing with had the potential for problems, and we would risk having to give grant funding back. Now there’s less risk because we have better controls and a better understanding of the grants management process. We have fewer questioned costs and steps we can take when there is a questioned cost to gather the documentation so that we can resolve it,” explains Hill.

According to Hill, rebuilding the city’s approach to grants management was very similar to developing a corporation’s “go to market” strategy. “You want to go to market or, in this case, ask for funding in a way that shows that the entire organization, including the mayor, supports the project at all levels. When I first got here, it was clear that our ‘go to market’ strategy, so to speak, was not at all cohesive. It was very disjointed. There were instances when we were competing with ourselves for grants because various divisions were applying for the same funds.”

To better coordinate Detroit’s approach to identifying and using grant monies, Hill invested in a modern, centralized IT system. He also created a centralized office of grants management (OGM), and a chief development officer—to coordinate efforts within the city’s larger financial position. Once the poster child for ineffective grants management, Detroit is now the model for other communities.

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just implement a grants management office and still have an ineffective back of the house, you might get a couple of wins; but in terms of planning, procurement, budgeting—the strategic things that need to happen to support the mayor’s agenda—you’d still have big holes.”

As an example, he offers how the city handles the issue of securing local funds to match grant dollars, as required under certain grant programs. “In the past, we would receive a grant and have no knowledge of where the funds would come from to match it. Eighty percent of the money to fund a project would go away, because we couldn’t identify the funds to contribute our 20 percent. Now, before we even apply for a grant, we identify where the matching funds would come from as part of our planning process and set those funds aside.”

If Detroit is the model for a successful reboot, that may be due in part to the city’s unusual access to financial resources. While Detroit is infamous as the country’s largest municipal bankruptcy, it is also beloved as the birthplace of the nation’s automobile industry and a major driving force behind the country’s postwar economic boom. Mindful of—and grateful for—the city’s place in history, private and public organizations have poured approximately $331 million into Detroit in the wake of the bankruptcy filing to assist in its recovery.

CONTINUED ON P 36
“In many cities, urban planners are examining old policies and writing new ones to achieve a more equitable distribution of public resources in the built environment.”

In 1970, 15 percent of families in the United States lived in neighborhoods where most residents were either very rich or very poor. By 2012, this stratification had more than doubled, with more than a third of families living in neighborhoods that were mostly affluent or mostly impoverished, according to researchers from Stanford and Cornell universities (Reardon and Bischoff 2016). Poverty was the top economic concern of 100 mayors in 41 states, according to data from the 2016 Menino Survey of Mayors. Abundant data show that many poor neighborhoods have disproportionately high minority populations and lack access to jobs, good schools, and other opportunities necessary to help residents rise out of poverty.

Last October, at the Big City Planning Directors Institute in Cambridge, Massachusetts—hosted by the Lincoln Institute of Land Policy, the Harvard Graduate School of Design, and the American Planning Association—the issue of equity arose repeatedly as planning directors discussed their recent efforts. In many cities, urban planners are examining old policies and writing new ones to achieve a fairer, more balanced distribution of public resources in the built environment. Planners are collaborating with city residents as well as colleagues in economic development, transportation, education, housing, social services, and parks and recreation to plan strategically for greater opportunity in areas of concentrated poverty. Their goal is to make these communities more inclusive, resilient, and sustainable by providing transportation options, safe street networks, affordable housing, and access to jobs, good schools, health care, healthy food, and green space.

By Kathleen McCormick

OVER THE PAST 40 YEARS, ECONOMIC INEQUALITY IN THE UNITED STATES HAS RETURNED TO LEVELS LAST SEEN IN THE 1920s, according to data from the National Bureau of Economic Research in Cambridge, Massachusetts (Saez and Zucman 2014). This gap has become more pronounced in many cities where wealth and poverty are concentrated geographically.

Dallas: Dispelling Concentrations of Poverty with Transit-Oriented Development

Over the past decade, Dallas and the Dallas Area Rapid Transit (DART) agency have launched transit-oriented development (TOD) initiatives intended to bring jobs and investments to parts of the city that need a boost and have room to grow—particularly south of I-30, where poverty is concentrated.

CITY OF DALLAS

HIGHWAYS

TRANSIT-DIRECTED DEVELOPMENT SUBDISTRICTS

HOUSEHOLDS IN POVERTY

BELOW 10%

10% TO 20%

20% TO 30%

30% TO 40%

ABOVE 40%
Why is equity being addressed now, when many cities have been dealing for decades with service gaps between rich and poor neighborhoods? And how are cities approaching the challenge of planning to increase opportunity in disadvantaged areas? A growing body of research shows how regions that engage the entire community in economic opportunity are as a whole more successful, says Amy Cotter, manager of urban development programs for the Lincoln Institute. She says planning for equity in land use and development is becoming a priority for many municipalities and regions—especially those that are uncertain about their economic future and looking to strengthen it. “The way in which we choose to use our land either helps or hinders people’s access to opportunity,” Cotter says.

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The Obama Administration’s 2009 Sustainable Communities Initiative and new Fair Housing rules in 2015 also brought the conversation to the national level. These federal efforts affirmed that housing location plays a big role in opportunity and that “it has to be accessible and connected,” says Cotter.

The Healthy Cities movement has helped distressed communities create access to fresh food and safe walkable and bikeable routes to transit and schools. And the planning profession itself has also been evolving in recent years from the “DAD” model (decide, announce, defend) to community engagement in collaborative planning from the ground up, notes Jessie Grogan, planning and urban form program manager for the Lincoln Institute. Planners “are doing innovative public engagement and asking questions differently,” Cotter says. “A growing body of research shows how regions that engage the entire community in economic opportunity are as a whole more successful.”

Some cities are approaching equity on a larger scale. Dallas and Baltimore share a legacy of segregation that was codified for generations along racial and economic lines, and that, in some neighborhoods, 50 and even 70 percent of households were poor. Dallas has the highest child poverty rate of the 10 biggest U.S. cities; the Mayor’s Task Force on Poverty found that, in some neighborhoods, even if unintentional, violated the 1968 Fair Housing Act.

Disparities between rich and poor neighborhoods are greater in Dallas than in any other U.S. city, according to a 2015 Urban Institute analysis of U.S. Census data related to household income, educational attainment, homeownership rates, and median housing values (Pendall and Hedman 2015). With 1.3 million people in 340 square miles of land, Dallas is part of the nation’s fourth-largest metro area. The region is rich with growth and prosperity, but critical socioeconomic problems have dramatically impacted neighborhoods citywide. Dallas has the highest child poverty rate of the 10 biggest U.S. cities; the Mayor’s Task Force on Poverty found that the poverty rate rose by 42 percent in the previous 15 years (Clayton and Montoya 2016) and that, in some neighborhoods, 60 and even 70 percent of households were poor. Dallas has a low 3.7 percent unemployment rate but tremendous income disparity, declining middle-income households, blight in concentrated areas, and a mismatch between job locations and high-quality affordable housing, with high unemployment and poverty especially concentrated in southern Dallas neighborhoods.

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Compared to other cities, Dallas may not appear more exclusionary. But because of its history of geographic segregation, displacement in poorer neighborhoods was more ingrained, says Peer Chacks, Dallas planning and urban design director. In the 1960s, desegregation of the Dallas public schools led to white flight to the suburbs, leaving concentrations of poor black families in the city. Interstate highway construction beginning in the 1960s led to further isolation and disinvestment. Interstate-30, for example, produces only 15 percent of its tax base. Dallas is home to 45 percent of the city’s population but produces only 15 percent of its tax base. Many neighborhoods are characterized by deteriorating industrial sites, run-down buildings, crumbling streets and sidewalks, many bars and liquor stores, and empty weed-choked lots.

“Other cities have been planning for equity for a longer period of time, but now we’re dealing with it seriously,” says Chacko. “It’s a focused effort with clearly stated goals.” And it’s not easy: Any action the city takes is highly debated and polarizing, he says. “The conversation always starts with, ‘Should the government be involved in this? How will it affect our taxes?’” For many reasons, he adds, “equity has been easy to ignore.”

Equity, however, is “foundational” to the city’s success, says Teresa O’Donnell, Dallas’ chief resilience officer and former chief planning officer. The Dallas resilience office, funded by the Rockefeller Foundation’s 100 Resilient Cities initiative, is in its third of four years of grant funding with a goal of addressing long-term

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the regional poor in the future. “We need to make
sure that doesn't happen,” O'Donnell says.
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Dallas' $10 billion light-rail system does not
reach many of the disadvantaged neighborhoods,
and other options, such as enhanced bus and
alternative-mode transportation, are needed for
underserved areas.

growing south with transit
Over the past decade, the City and the Dallas
Area Regional Transit (DART) agency have
launched transit-oriented development (TOD)
initiatives intended to bring jobs and investments
to parts of the city that need a boost and have
room to grow (see map p. 27). Dallas' light-rail
system includes 92 miles of track and 62
stations—19 of them in southern Dallas, with
more under construction. Helped by private
investments and public financing strategies such as
tax increment financing (TIF) districts, some
southern Dallas TOD areas have welcomed jobs
and housing by mixing market-rate and afforda-
ble workforce housing with amenities and new
public investments in infrastructure.
In 2008, the Office of Economic Development
created the TOD Tax Increment Financing (TIF)
District, spanning from north Dallas along the red
and blue light-rail lines to southern Dallas' VA
Medical Center Station, an economic base with
3,000 jobs and millions of patient visits per year,
located in the Lancaster Corridor seven miles
south of downtown. The funding structure for the
TOD TIF district, whose boundaries were extend-
ed in 2010, allows for an increment-sharing
arrangement, in which some projected revenues
are passed from higher-income station areas to
lower-income areas to subsidize development.
The TOD TIF budget—with a projected total of
$415 million through 2038—is intended for
development that attracts jobs and middle-in-
come residents, including public infrastructure,
environmental remediation, and parks and open
space. Affordable housing is required (at least 20
percent per housing project), and high-quality
design that blends market-rate and affordable
housing is encouraged.
The city's GrowSouth initiative, launched in
2012 by Mayor Michael Rawlins to jumpstart
investment with infrastructure and capital
improvements, has brought attention to southern
Dallas, which Rawlins has called “the greatest
single opportunity for growth in North Texas.”
GrowSouth's 2016 report notes that southern
Dallas' tax base increased nearly $1.6 billion from
2011 to 2015 (City of Dallas 2016). This includes
revenues from redevelopment projects where
adaptive reuse of historic buildings and new
mixed-use development—with housing, offices,
hotels, restaurants, and infrastructure such as
sidewalks, street trees, and lighting around transit stations—has helped attract thousands
of millennials and others to live and work in
neighborhoods closer to downtown, such as
CEDars and North Oak Cliff.
The Lancaster corridor is a priority area for
both TOD TIF funding and the GrowSouth
initiative. Across from the VA Medical Center and
light-rail station, the $30 million 192-unit
Lancaster Urban Village mixed-use apartment
complex, opened and fully leased since 2014, is
considered a model for development accom-
plished with TOD TIF and other public monies.
The 3.5-acre site includes a resort-style pool,
fitness and business centers, a parking garage,
and 14,000 square feet of ground-level retail and
restaurant space. Half the units are affordable
and half are market-rate. The historically
African-American neighborhood, now half-Latino
with many seniors and immigrants, is fairly stable,
thought it has high poverty and unemployment
rates and many dilapidated buildings. In partner-
ship with the city, the developers—Dallas-based
Catalyst Urban Development and City Wide
Community Development Corporation—saw
potential, especially in the site's location near to
transit, the VA hospital, and the adjacent offices
of the Urban League of Greater Dallas.

neighborhood plus plan
Since 2015, a comprehensive new planning and
urban design department that is more directly
engaged in economic development, street
planning, housing, and other key issues has
addressed Dallas' revitalization efforts in areas
of concentrated poverty through the Neighbor-
hood Plus plan. Adopted in October 2015 with
the endorsement of Mayor Rawlins and all 14 city
council members, Neighborhood Plus reflects a
new, more holistic “neighborhood by neighbor-
hood” approach to improving quality of life for all
Dallas residents, says Chacko. To draft the plan,
the city partnered with many groups, including
the U.S. Department of Housing and Urban
Development (HUD) and the Inclusive Communi-
ties Project, the Dallas-based advocacy organi-
zation behind the Supreme Court case. The plan
was intended to help respond to HUD’s accusa-
tions of noncompliance with civil rights statutes.
Neighborhood Plus' key goals are to create a
collective impact framework, alleviate poverty,
fight blight, attract and retain the middle class, expand homeownership, and enhance rental housing options. Chacko says the city is making progress on all these goals. The planning department’s Neighborhood Vitality division formed collaborative groups from various city departments, including economic development, the police, the city attorney’s office, and the code department. They developed an impact framework with 11 target areas throughout the city, half of them in southern Dallas, and they’re developing interdepartmental teams and action plans for each target area with partners from the Dallas Independent School District, the business community, and nonprofit organizations.

The planning department is also working on the city’s first inclusionary zoning strategy for affordable housing. With help from Southern Methodist University, planners are creating a strategic action plan for fighting blight, based on a report completed for the city by the Center for Community Progress, a national nonprofit dedicated to rebuilding vacant and abandoned properties. In southern Dallas, the city has created a tax rebate program to encourage property owners to invest in renovating homes to make distressed properties livable and code-compliant. In one target area, the city is also talking with Habitat for Humanity about building homes.

The emphasis now is on a much greater degree of public involvement in improving quality of life,” says Chacko. The city is trying to create priorities for infrastructure and funding for target areas. Chacko says the target areas have helped create a much broader consensus among city council members that equity “is a critical issue, and that we should make a concerted effort to align planning with investment decisions,” including potential bond program requests that might be voted on in 2017. This is a shift for Dallas, where planning generally has focused on land use and development rather than strategic investments, says Chacko.

Baltimore

Baltimore, which ranked number three on the Urban Institute’s list of inequitable cities (Pendall and Hedman 2015), has distinct “health and wealth gaps” between more affluent white neighborhoods and poorer black neighborhoods. The majority of Baltimore’s high-poverty, low-opportunity neighborhoods are concentrated just east and west of downtown. This pattern traces back to redlining maps from the 1930s, when Baltimore spawned “a huge legacy of proactive disinvestment along racial lines, where city ordinances drew lines so black families couldn’t move across the street,” says planning director Thomas Stossur. These areas concentrate predominantly with poor black residents are a result of restrictive covenants, urban renewal, the Federal Housing Administration’s system for mortgage loan approval, and other policies that “directly contributed to many of the economic and social challenges Baltimore City faces today,” notes the Baltimore City Department of Planning’s 2015 Equity Action Plan.

With a population of 622,000 within 81 square miles, Baltimore is also booming, with 15,000 mostly higher-end housing units built since 2010 and large mixed-use redevelopment projects under construction in the Baltimore Harbor area. The city’s population is 63 percent black, and its predominantly black neighborhoods have higher unemployment rates, more children living in poverty, less access to goods and services, and lower educational attainment than the city’s predominantly white neighborhoods. The Baltimore Neighborhood Indicator Alliance found a 22.4-year difference in life expectancy according to race and location within the city: a neighborhood with 96 percent black residents had the lowest life expectancy, and a neighborhood with only 20 percent black residents had the highest.

Undoing the city’s legacy of segregation and inequity is now a big focus for the planning department. In March 2016, they held staff training on structural racism, often defined as the normalized and legitimized range of policies, practices, and attitudes that produce cumulative

and chronic adverse outcomes for people of color. One month later, Freddie Gray was killed, and the riots that ensued in Baltimore’s isolated poor neighborhoods “underscored a need to refocus on equitable development,” says Stossur. In June 2015, the city announced the One Baltimore initiative, a public-private effort to support opportunities for children, families, and neighborhoods. Department staff created the Equity in Planning Committee and an internal action plan that calls for the use of an “equity lens.”

Inspired by the Urban Sustainability Directors Network, the equity lens requires the committee to apply certain questions when considering potential policy changes and planning projects: What historic advantages or disadvantages do residents face? Are there policy barriers that can be removed to close health and wealth gaps? Are engagement and representation inclusive, accessible, and authentic? What policies are available to prevent displacement as neighborhoods change and to preserve opportunities for existing and low-income residents?

The planning department is starting to use the equity lens for all programs and projects. For example, the city’s recently released Food Environment Map, which addresses food access across Baltimore neighborhoods, examines ways that policies and programs impact low-income residents and people of color. The explicit focus of the lens is racial equity, but planners are applying it broadly for women, youth, the elderly, recently arrived immigrants, and residents who are LGBT, low-income, homeless, or who have disabilities or limited English proficiency.

SUSTAINABILITY PLAN THROUGH AN EQUITY LENS

At the same time the planning department formed the equity committee, it began using an equity lens to update its 2009 Sustainability Plan “to hear more voices, and from people who aren’t usually heard from,” says Anne Draddy, sustainability coordinator for the city. The plan update is being overseen by the Commission on Sustainability and a sustainability committee, including commissioners and community members. It will use an equity lens to focus on environmental issues such as sustainable land use, biodiversity, energy efficiency, resiliency, and the overall economic climate of the city. The effort “will focus on our most vulnerable, historically disinvested neighborhoods” to help improve conditions “where the most severe racial inequities exist,” notes the sustainability office website.

The city’s outreach focuses on a new community engagement process. The sustainability office recruited 125 resident ambassadors at community meetings and through its website to ask Baltimoreans what they want to see changed in their neighborhoods. About 68 percent of ambassadors are African-American, reflecting planners’ efforts to mirror the racial
demographics of the city. The planning department also hired an equity consultant to train staff and the ambassadors and developed a brief neighborhood survey. “As we went through training with the ambassadors,” says Draddy, “we turned the [predetermined] survey questions around to: What are the three things you like best about your neighborhood and the three things you like least? We took a chance and stepped out of our comfort zone.”

Planners divided the city into 10 random districts, depending on population, and designated a lead in each district. With grant funding from the Town Creek Foundation in Maryland and the Urban Sustainability Directors Network, they paid each lead $400 to create a team and gave team leaders an iPad and a $300 gift card to buy t-shirts, hats, or a meal for their teams. Planners also assembled a tool kit and binders and provided water bottles and thousands of pens for residents involved in this new kind of community engagement. Planners also hired an equity consultant to train with neighboring teams to develop individual vision plans outlining public and privately funded improvements to public infrastructure, transportation, housing, and open space around each INSPIRE school.

“We’re attempting to take the catalyst of new $30- or 40-million school buildings to bring stakeholders together to build an improvement strategy,” says Stosur. “This is huge, and we hope a game changer to market these neighborhoods to populations that might not be aware of the housing stock nearby. We want to engage residents around this school topic.” INSPIRE teams are looking to improve students’ routes to school with new sidewalks, lighting, green spaces, playgrounds, community gardens, and public art.

These efforts piggyback on another initiative by former Mayor Stephanie Rawlings-Blake to attract 10,000 families to inner-city neighborhoods. Rawlings-Blake also proposed a plan to spend more than $135 million to build or upgrade 40 recreation centers across the city, funded in part by leveraging the sale proceeds of downtown parking garages. The plan would expand and upgrade small outdated recreation centers in underserved areas with swimming pools, gyms, and other facilities that more affluent neighborhoods have had access to, and would capitalize on investments made through INSPIRE. The new Baltimore mayor, Catherine E. Pugh, who took office in December 2016, along with a city council of 15 that includes eight new council members, will determine how these and other initiatives go forward.

GREEN NETWORK PLAN
The Baltimore planning department is the project manager for the Green Network Plan, launched in April 2016 to repurpose some of the city’s 30,000 vacant and abandoned properties into new green infrastructure such as parks, community gardens, urban farms, open space, and stormwater management areas. The plan is intended to remove blight, stabilize neighborhoods, and fill in gaps in the city’s existing green network. A consultant team led by Baltimore-based Biohabitats is assisting in the plan development process, using real estate data, computer mapping, and environmental planning techniques. Collaborating with the Parks and Recreation department, planners will assess opportunities to connect new green spaces to parks, trails, open space, and forests developed from a 1904 plan created by the Olmsted Brothers landscape architects. Planners will also analyze vacant parcels to identify those that could be assembled for future residential and mixed-use redevelopment.

The plan is “attempting to directly address equity in high-poverty, high-challenge neighborhoods,” especially in East and West Baltimore, which have the least green infrastructure, says Stosur. “It’s time to look at how to change the paradigm in these neighborhoods. We all know the blight has to go, and we want to do it in a responsible, well-planned way.”

Four sites in East and West Baltimore have been identified for community charrettes for pilot greening projects. Like INSPIRE, the green network plan will be underwritten by capitalizing on other public funding streams. The State of Maryland is paying for demolition and stabilization projects throughout the city via Project C.O.R.E. (Creating Opportunities for Renewal and Enterprise). This funding, together with the city’s Vacants to Value targeted code enforcement and redevelopment program, as well as the city’s “MGA” Stormwater Permit funded through the water-ratepayer utility—potentially will invest tens of millions of dollars in federal, state, and local funds to develop the green network plan, says Stosur. A green network vision plan is due in 2017.

Planners in Dallas, Baltimore, and other cities acknowledge that planning-for-equity measures alone won’t solve the deep-rooted problems that accompany poverty and racial discrimination in disadvantaged neighborhoods. But they say that collaboration with these communities, as well as carefully targeted investments, can begin to provide opportunity where little existed before.

Kathleen McCormick, principal of Fountainhead Communications, LLC, lives and works in Boulder, Colorado, and writes frequently about sustainable, healthy, and resilient communities.

REFERENCES


Money on the Table CONTINUED FROM P 25

“In addition to restructuring grants management, we restructured the entire financial management organization. We identified the skills and competencies we needed and hired qualified new or existing people into new jobs. We now have more people in grants and financial management positions, and they possess the skills and competencies to do the jobs and are compensated accordingly. Having the authority to completely restructure an operation from top to bottom is a luxury I don’t take for granted, and I know other cities might benefit from a similar approach,” admits Hill.

Municipalities with less money have to address grant management challenges in less expensive ways. Many turn to partnerships with state and local organizations in an effort to streamline the process and offload some of the responsibility. For example, Flint, in Genesee County, looks to the Genesee County Land Bank to manage the demolition of blighted structures with state and federal funding. “It’s a huge load off of the city,” explains Christopher Kallstrom, the bank’s director of planning and neighborhood revitalization. “In the past, the city had to do its own demolition, which is a major undertaking when state and federal grants are involved. They had their own demolition department and their own demolition crews. Now we manage the state and federal demolition grants. They have their own demolition department and their own demolition crews. We now manage the state and federal demolition grants.”

The land bank is also managing more than $6 million in federal grant funds tied to the redevelopment of a former General Motors manufacturing site in downtown Flint that is being cleaned up and converted into green space. “The city is still at the table,” says Kelly. “We are following their master plan, and they give input into the decision making process. But the day-to-day grants management is off their shoulders, as is project management.”

The federal government is also working to help grant recipients to more fully utilize the funds. In 2011, President Obama announced Strong Cities, Strong Communities (SC2), an interagency initiative to increase the capacity of local governments “to develop and execute their economic visions and strategies” by providing technical assistance across a wide range of areas, including grants management.

“The idea behind SC2 is for the federal government to identify ways to have a more flexible relationship with local governments—one that is responsible and accountable but acknowledges that different communities may need different things,” says Poehling. “For example, maybe the community has received a grant but doesn’t quite have the full matching funds yet that the grant requires. We can look at that and ask if perhaps there are ways we can be flexible so that they can still use the grant money as they assemble the matching funds.”

Additionally, some federal agencies are reviewing and revising their procedures to reduce the amount of funds that remain unspent. But efforts appear piecemeal. Individual entities—including the departments of Commerce, Justice, and Health and Human Services, along with the National Aeronautical and Space Administration (NASA) and the National Science Foundation (NSF)—have implemented policies to “elevate the issue of timely grant closeout internally,” according to a 2016 report by the GAO. However, there’s currently no movement toward introducing a single set of tracking, reporting, and closeout procedures that could be applied across all federal grants and granting agencies to streamline and standardize these critical activities.

More remains to be done, says McCarthy, who is especially interested in the question of program design. “If the federal government persists in concluding that the failure to use allocated funding is a local pathology, nothing will ever be done to address systemic defects built into the programs or policies,” he says. “It’s like a dysfunctional family. How do the problems get fixed if the parents claim that the dysfunction resides with the children, who are often the victims of the dysfunction? Someone else needs to intervene to get the parents to see their role in creating the dysfunction. Organizations like the Lincoln Institute can play the intervening role if they are able to use their access to policy makers and their convening power to create the forum for helpful discussion.”

Loren Berlin is a writer and independent communications consultant in Chicago.

REFERENCES

CONTENTS
Nature and Cities: The Ecological Imperative in Urban Design and Planning
Edited by Frederick R. Steiner, George F. Thompson, and Armando Carbonell

NAMED ONE OF THE BEST BOOKS OF 2016 BY THE AMERICAN SOCIETY OF LANDSCAPE ARCHITECTS, Nature and Cities calls for the integration of nature in urban design and planning to make cities and urban infrastructure truly green, sustainable, and resilient. This richly illustrated collection of essays by leading international landscape architects, architects, city planners, and urban designers, suggests that ecologically based urban designs and plans have become economically and environmentally critical as the world urbanizes and the effects of climate change grow more severe.

The authors include a range of practitioners and scholars who build on traditions of leading thinkers during the last century such as Aldo Leopold, Ian McHarg, and Patrick Geddes and the premise of Ecological Design and Planning, also edited by George R. Thompson and Frederick R. Steiner.

Harvard professor Charles Waldheim summarizes advances in the emerging field of landscape urbanism, showing how New York City’s High Line, designed by chapter author James Corner, and Chicago’s Millennium Park tell a story of landscape infrastructure into public amenities that “convene community, catalyze development, and remediate environmental conditions for a newly conceived public realm.”

Landscape architect Kate Orff describes the restoration of oyster reefs in New York Harbor to purify water and create a living breakwater to mitigate sea level rise. And Susanah Drake calls for a U.S. infrastructure upgrade—a WPA 2.0—to renovate falling highways and other public works so they soak up water and perform other ecological functions.

Each author in Nature and Cities offers a sense of direction, purpose, and model for how landscape architecture, architecture, and urban design can “...be engaged in community life at every scale and in every city and town in the world,” the editors write in the introduction. “This may well mean that a new generation of practitioners will need to become instrumental in illumination and change in occupations still very much in need of such champions: notably, engineering, transportation, utilities, agriculture, resource industries, and commercial development—which, with too few exceptions, remain behind the times. "Imagine engineers embracing the tenets of ecological design and planning as they create roads, parking lots, interstate systems, impoundments, and other basic infrastructure. Imagine those engaged with municipal management as well as agricultural, industrial, transportation, and utility sectors abandoning single-purpose thinking. Imagine that.”

ABOUT THE EDITORS
Frederick R. Steiner is dean of the School of Design and Paley Professor at the University of Pennsylvania. George F. Thompson is the founder of George F. Thompson Publishing. And Armando Carbonell is chair of the department of Planning and Urban Form and a senior fellow at the Lincoln Institute of Land Policy.
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