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Highlights of the Urban Policy Advisory Group's Winter Meeting

February 10, 2011 - Washington D.C.

From February 3-5, we brought together members of the Urban Policy Advisory Group (UPAG) on the campus of Harvard's Kennedy School for their fifth in-person meeting. UPAG is part of the Partnership on Municipal Innovation (PMI), a joint venture of Living Cities, the Kennedy School, and the Rockefeller Foundation, in which over 30 cities convene to advance implementation of innovative and system-wide reform. Each city has designated a chief of staff or policy director to participate.

Under the rubric of "Permanent Fiscal Crises or a New Normal?" this meeting focused on the need for urban governments to re-think their approaches to economic development and government operations in light of 21st century fiscal and economic challenges.

The three days of peer-to-peer exchange provided participants with the opportunity to discuss common challenges and innovative new ideas being undertaken in cities across the country. The presence of a number of Living Cities members provided the city representatives with a chance to engage informally with the philanthropic sector, and in turn provided our members with a unique lens through which to view the problems and opportunities facing our nation's cities.

Janice Nittoli attended representing the Rockefeller Foundation. Other Living Cities members in attendance included: Anna Cowenhoven, Bank of America Charitable Foundation; Gina Doynow, Citi Foundation; Shilpa Kedar, Cleveland Foundation; Valerie Piper, Casey Foundation; and Charles Rutheiser, Casey Foundation.

This document offers a snapshot of some highlights from the meeting.



Figure 1 Anthony Williams, Former Mayor of Washington DC, William H. Bloomberg Lecturer in Public Management, Ash Center for Democratic Governance and Innovation, Harvard Kennedy School

In the session's opening keynote, Alice Rivlin of the Brookings Institution warned that the fiscal problems facing the federal government are structural, not cyclical, and so cities will need to adapt to an ongoing environment of scarce federal resources.

UPAG members also had a wide-ranging exchange with two senior-level officials from the U.S. Department of Housing and Urban Development – Assistant Secretary Mercedes Marquez and Chief of Staff Laurel Blatchford. The HUD officials emphasized that, in a time of scarce resources, the Administration is working proactively to integrate policies across agencies. HUD is interested in working concretely with cities to make the flow of federal funds to cities clearer, more coordinated, and less cumbersome.



Figure 2 Alice M. Rivlin, Visiting Professor at the Public Policy Institute of Georgetown University and a Senior Fellow in Economic Studies at the Brookings Institution

A number of cities shared their stories of identifying and implementing economic development strategies. Minneapolis Chief of Staff Jeremy Hanson outlined how governments in the Twin Cities are developing a strong regional partnership to compete effectively in the global economy. These collaborative efforts have included creating a regional business plan and actively partnering with private-sector CEOs organized under the umbrella of the Itasca project. The regional cooperation has produced a joint Minneapolis-St. Paul office on green manufacturing, and joint

applications for funds from HUD (Sustainable Communities Regional Planning Grants) and Living Cities (the Integration Initiative).

Indianapolis Deputy Mayor Michael Huber discussed his city's efforts to strategically leverage proceeds from the sale or lease of municipal assets such as water infrastructure and parking meters to fund job-intensive infrastructure developments. Huber also noted that Indianapolis has engaged with the philanthropic sector as part of these efforts – an initiative directly inspired by a session on the role of philanthropy in economic development featuring Ronn Richard of the Cleveland Foundation at the August 2010 UPAG meeting.

Seattle Chief of Staff Steve Johnson highlighted his city's work to become a more attractive setting for entrepreneurs. Seattle has worked on a regional economic strategy and actively engaged the business sector to ensure that the city's regulatory process does not undermine entrepreneurial activity. As part of its efforts to develop nodes of regional advantage, Seattle has also used a small grant from Living Cities to launch its "Content Technology" strategy to position Seattle as a global leader in digital media creation and distribution.

Several cities also discussed efforts to adapt technologies and management techniques from the private sector to increase efficiency and productivity in government – while also noting that cities must respond to a more complex set of demands and values than private business.

Duriya Farooqui, Deputy Chief Operating Officer for Atlanta, discussed the value of adopting the basic business practice of generating “profit and loss” statements for city services in a few key city departments. This practice led to a much better understanding of what city services actually cost – revealing, for example, the extent to which the sanitation department’s recycling services were being subsidized by its solid waste pick up. In this way, *pro forma* analysis allowed Atlanta’s government to better consider the appropriate amount of subsidy for various services and how resources should best be allocated among city activities and departments.

New York City Deputy Mayor Steve Goldsmith outlined efforts in New York to use advanced data analytics to better merge data across city agencies, with a goal of driving improvement at multiple levels of municipal government. At one level, New York is moving to use data to empower street-level employees to make better, more efficient decisions – and to potentially rethink the rule-based systems that are intended to ensure accountability but in some cases can restrict innovation and creativity in service provision. Better data can also give top-level city officials the analytic tools they need to make better long-term decisions about the deployment of resources.



Figure 3 Mercedes Márquez, Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development & Laurel Blatchford, Chief of Staff, Department of Housing and Urban Development

Boston’s Chief of Staff, Mitchell Weiss, highlighted Mayor Menino’s Office of New Urban Mechanics, which pilots civic innovations that have the potential to significantly improve the quality of city services. For example, city residents can now use smart phone applications to send service requests directly to City Hall and monitor the response –simplifying and strengthening the relationship between city workers and residents. This technology also opens up intriguing possibilities for building new channels of citizen participation and problem-solving.

Throughout the meeting, there was ongoing discussion of other big challenges facing cities, including the costs of pensions and health benefits for retirees. Indeed, one participant noted that the kind of savings that can be generated from improved government efficiency is overshadowed by the costs cities are facing in connection with pensions and health benefits for retirees. San Jose Chief of Staff Pete Furman made a presentation about the magnitude of the pension challenge that his city faces, and the city’s efforts to educate and engage the public as a partner in pension reform efforts.

This meeting of UPAG also featured a new component, a “First Look” session in which participants met in small groups to hear about emerging initiatives that offer potential partnership opportunities in the realms of pro bono consulting (Chicago Consulting Alliance), community development (Purpose Built Communities), and the leveraging of data to drive efficiency (IBM

Smarter Cities). Given the strong response from participants, this format may provide an interesting avenue for future programs.



Figure 4 Matt Stark, Policy Director, Providence and Duriya Farooqi, Deputy Chief Operating Officer, Atlanta



Figure 5 Aileen Adams, Deputy Mayor, Office of Strategic Partnerships, Los Angeles & Michael Huber, Deputy Mayor for Economic Development Indianapolis