

Senator Paul Tsongas  
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Cambridge Civic Association

#### URBAN REVITALIZATION IN THE COMMONWEALTH

Thank you very much for asking me to speak to you this evening. It is a pleasure to come back to Cambridge. Many of you know me from the days when I served as a Middlesex County Commissioner. It's good that you are still involved in the city.

As city-dwellers who live in a state with 46 middle-and large-sized cities you and I share a common concern for our urban landscape. Together, we have ample opportunity to imprint that landscape. Cambridge's future is linked to the future of all our cities. You and I know how enormous that challenge is.

As a City Councillor in Lowell, a Commissioner for Middlesex County and, for the past four years, a Congressman for the Fifth District, I became identified as a spokesman for our cities. The Lowell National Park, the economic development section of my Congressional staff, the economic development corporations we helped launch in Lowell and Lawrence, the Business Advisory Committee -- all of these were concrete steps taken to help bring back the cities in my district.

I like to think of myself as the Senator from Lowell. Having roots there is as much a part of my identity today -- as my Greek heritage or my Peace Corps background. Lowell is still my home.

Until recently, Lowell was not a very romantic place to come from. Like other mill towns of the northeast, Lowell had lost her reason for being, she was a forgotten city. When concern for the urban poor became fashionable in the 1960's, nobody talked about the plight of Lowell's working people. The city's greatest relics -- her mills -- were considered eyesores.

A partnership of federal, state and local governments, private industry and citizens has begun to turn Lowell around. She can be a symbol of a city that came back.

As Lowell is a symbol that a city can come back, Cambridge is a model in another way. It represents what well-organized

citizens can do to defend their turf. Cambridge citizens were leaders in making planning comprehensive and reflect community needs.

You can look back on the Kennedy Library and Kendall Square as battles won. In hindsight you may wish there had been an easier way. But by joining together to fight what you knew was wrong you created a process for positive planning. Nowhere else has community participation been so meaningful. No experience did more to convince the federal government that urban redevelopment without a community voice does not work.

Cambridge has also taken the lead in bringing new industry here. The future of our cities lies with such fields as energy, health and high technology. What has been accomplished here and in Lowell has to be extended. It is Massachusetts' other Lowells that need our attention now. I hope to be remembered as the Senator who helped bring back Massachusetts' other forgotten cities.

As Senator, I have expanded the economic development section of my staff to seven full-time people -- six in Massachusetts and one in Washington. You may know Isaac Graves who handles Cambridge and Greater Boston. Isaac works on a daily basis with local businesses and government helping to encourage economic development and revitalization throughout this area.

We can look back and see progress, particularly in Cambridge and Boston and Lowell. But the task remains awesome. The foundation laid over the past few years to revitalize our cities is shaky.

An urban policy presented by President Carter only a year ago has already been scrapped. Proposition 13 has dictated a federal budget that seriously limits federal urban assistance. The Administration says that "austerity" will cure our urban ills. Congress, equally bitten with the "balanced budget" bug, I fear, may slash urban programs even more.

What makes the current political mood still more fearsome is the concurrent debate about whether or not we have an urban crisis. We spent the first two years of the Carter Administration debating whether or not we need an urban policy. Now we are debating whether or not we have an urban crisis. You have probably seen the recent articles in Newsweek, The New York Times magazine and Harpers about the so-called urban renaissance. Our big cities are portrayed as glittering magnets filled with affluent young professional people. Whether New York, Boston or Washington, these cities all share a new definition. They are "pace setters of the post-industrial age" with their boutique and disco-lined streets, restored brownstones, and sidewalk cafes.

We should take a look at this so-called "renaissance" and analyze what it means so we can set urban policy with a perspective on the future. But to dismiss urban problems with the magic wand of a Quincy Market or a Citi-Corp Tower is

disturbing. "Gentrification," the new buzz word for middle-class people moving into inner city neighborhoods may have some positive effects, but certainly it hasn't turned our cities around. The same urban problems we began to talk about in the sixties are still with us.

Here are a few disturbing facts about urban life in America:

- Between 1970 and 1977, the population in our cities declined by 5 percent while the suburban population climbed 12 percent.
- As a result of migration out of our cities in 1976, \$18 billion less income was available to families living in our cities that year.
- The poverty rate in our cities was higher in 1976 than in 1969.
- The income of families moving out of our cities is higher than families moving in.
- Two times as many women head households in our cities than in our suburbs.

Nonetheless, the encouraging signs shouldn't be discounted. A three year decline in New York City's taxable real estate rates has just ended. A New York official said recently that there has been a whole change in climate in Manhattan property values. Because office buildings are becoming fully rented, new hotels are being built and empty lofts are being converted into apartments, values are going up. That's Manhattan. Real estate in the Bronx and Brooklyn, however, continue to deteriorate and property values in those boroughs have declined.

We have similar examples in Massachusetts. Quincy Market is the most successful retail operation in the country -- perhaps in the world. It has brought \$6 million a year in revenue to the state and attracts more people per day than Disneyland.

Does that mean we can forget Fall River, Brockton, Haverhill, New Bedford or Lawrence where unemployment rates range between 9 and 12 percent? I don't think so.

The Lowell National Park will generate \$120 million in spending over the next ten years. We are solving the problems of Kendall Square.

Does that mean we can close our eyes to the distress of Cambridgeport and East Cambridge? Or forget that the median income of Massachusetts cities is growing at two-thirds the national rate and the gap may be widening? I don't think so.

We have made strides in attracting new investments, new jobs and new residents to cities. Housing rehabilitation programs are in progress in neighborhoods -- downtown renewal programs are

taking place in cities around the nation. Nonetheless, the urban crisis is not over -- not so long as the trend towards a more service-oriented economy closes down manufacturing jobs in our cities; not so long as we retain a regressive tax structure; continue to displace our elderly and our poor; pollute our drinking water and run the risk of water shortages because of decayed infrastructures not so long as our schools don't educate our children, and black youths are unemployed at rates of 35 to 40 percent.

The federal government can't neglect our cities -- especially older, industrial, northeast cities, the most severely hit by the economic crunch. Our distressed cities reap the least benefit from overall economic recovery, somewhat lower inflation rates and slightly reduced unemployment. Federal aid has been crucial to maintaining these cities, and the long term outlook for that aid is discouraging.

City services have been maintained at relatively stable levels because of direct federal assistance in the form of public service employment, public works grants and revenue sharing. These programs have also averted sharp increases in local property taxes. Unfortunately, cities are beginning to cut back sharply on social service programs for low income people. Badly needed maintenance and improvements of capital infrastructure investments are being postponed.

Facing this eventuality, we need to look at what will come out of Washington this year. Due to the Administration's accommodations to an austerity budget and Congressional sensitivity to the tax cut referendums, a number of major urban policy initiatives may never get to the Congress or may die there.

Here are my legislative priorities for the cities:

-- The President cut assisted housing units by 25 percent in the 1980 budget recommendation. With 60 percent of the housing in Massachusetts over forty years old, I cannot support that drastic a reduction. I will seek more funds.

-- Congress let the countercyclical fiscal assistance program expire at the end of the last Congress. I will support the President's request for \$400 million over the next two years to help distressed cities with short-term financial problems.

-- The Economic Development Administration (EDA) will come before Congress for new authorization this year. I will support it and will work to see that loan and grant programs for business and industrial development are targeted more equitably for New England's cities.

-- Revenue sharing for cities will expire this year, if Congress does not take action. Opponents of this program argue that it should be phased out because it is "deficit

sharing". I support revenue sharing because it has allowed cities to stabilize their property tax base which is an important incentive to private investment.

Furthermore, the President's budget for next year calls for severe cuts in welfare and social services. To my mind, cutting back on these vital programs will mean bailing out our cities at an even greater cost later on. The immediate impact will be to hurt the people who suffer from the greatest need in our society.

So what is left of the Carter program? The National Development Bank is the only major item which the Administration will ask Congress to consider. The bank as proposed by the President would financially support low interest loans to business and industry located in distressed areas. I support the development bank concept as another means to provide jobs and income for the poor and unemployed.

There is little agreement in Washington on how the bank should work and who it will help. Last year, there were seven different bank bills and two major committee studies. This year we can expect as many. I will strongly favor a national bank that targets money to help businesses in distressed areas rather than spreading the money around, and focuses primarily on assisting small businesses. I support the latter because the bulk of new manufacturing jobs are generated by businesses with less than 200 employees. I think we should put our resources where we can produce the most jobs and most viable businesses.

Without a strong initiative from Washington, the fate of our cities will fall more and more to state and local governments, private investors and citizen groups. State and local efforts here in Massachusetts have gained national attention. We need to continue and expand the creative cooperation at the state, local and federal levels.

UDAG -- HUD's Action Grant Program -- is the kind of revitalization program I like. It maximizes federal dollars by using federal funds to lever private investment. Nationally the program has spent \$400 million dollars and leveraged six times that amount in private investment. In its first ten months it created and retained more than 200,000 jobs.

UDAG projects require creative cooperation by local government and business working with the federal government. I usually use Lowell as an example. The Lowell UDAG kept a major company from moving out of the city and allowed it to expand. In Cambridge you have a UDAG which is an inspiration. It is by far one of the most exciting and comprehensive projects ever funded. The Lechmere Project combines recreational and commercial development. Restoring the old county courthouse to support shops and multi-purpose arts center is an example of the great resources we have in our cities.

Community participation was essential in getting the UDAG project off the ground. The federal government has become

sensitive to the need for a community voice. Community groups have a statutory role in the UDAG process. HUD has also initiated a neighborhoods program which gives grants directly to community groups.

Cambridge like Lowell is showing signs that it has turned the corner. To my mind, the worse thing confronting revitalization efforts today is not lack of money or federal policy. It is the attitude that a community cannot come back.

Rather than give up in defeat, you put your energy and your commitment behind Cambridge. You have even created a partnership that extends to the universities as well as business and government. Those efforts need to continue and be extended. For the rest of Massachusetts -- the Sommervilles, the Chicopees, the Chelseas -- the challenge is even greater. I believe your message will get out. If the citizens take the lead, success is on the way.

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