

December 2015

## The Impact of Environmental Factors on Policy Decisions As It Relates to Community Development Block Grant Allocations

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<http://dx.doi.org/10.34917/8220103>

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**THE IMPACT OF ENVIRONMENTAL FACTORS ON POLICY DECISIONS AS IT  
RELATES TO COMMUNITY DEVELOPMENT BLOCK GRANT ALLOCATIONS**

by

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Doctor of Philosophy – Public Affairs

School of Environmental and Public Affairs  
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University of Nevada, Las Vegas  
December 2015

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## **Dissertation Approval**

The Graduate College  
The University of Nevada, Las Vegas

November 13, 2015

This dissertation prepared by

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entitled

The Impact of Environmental Factors on Policy Decisions as it Relates to Community  
Development Block Grant Allocations

is approved in partial fulfillment of the requirements for the degree of

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## **Abstract**

For decades urban centers across the country have experienced significant transition in demographics, population, composition of workforce, and the industries that constitute their economic base. The federal government has sought to address the issues of urban cities through a series of urban policies. This study explores one of the more prominent and sustained urban policies, the Community Development Block Grant (CDBG) program and evaluates a series of political factors on local decision making in the allocations of Community Development Block Grant dollars.

Using path analysis, the research explores the statistical significance of social, economic and political factors combined with historical and governmental structures to determine if these factors affect the local decision makers and their allocations of CDBG funds. The study focuses on CDBG entitlement cities in the Chicago, IL Metropolitan Statistical Area and uses data from 2000 through 2012. Special consideration is paid to the growth patterns for the 22 cities in this research. The results of the study identified seven different factors that explain the variation in the decisions by local decision makers on CDBG allocations. In addition the study determined that these factors resulted in a series of combinations between both direct and indirect effects on CDBG allocations.

## **Acknowledgements**

I would first like to thank my mentor and dissertation chair Dr. E. Lee Bernick. His support, time, encouragement and guidance over the past few years have been invaluable, for which this document would not have been possible without. Thank you so much!

I would also like to thank my dissertation committee: Dr. Christopher Stream, Dr. Karen Danielsen-Lang and Dr. Christie Batson, I am truly grateful for your patience, cooperation and feedback through this process. Over the past few years, each of you have assisted or contributed in my growth and I thank you for your contributions.

I am truly bless to have a set of parents, Alfred and Beverly Gourrier who instilled the value of education in their seven children and modeled the way. Thank you for your love and support, your encouragement, and your belief in me. Your unwavering love and support has always meant the world to me.

To my four children, who are successful in their own right, I am so proud of you all. It is as much a pleasure for me to watch you grow and develop, while chasing your own dreams, as it is for me chasing mine. It's an honor and a blessing, and one of my proudest accomplishments to be your father.

Most importantly, to my wife and partner, none of this is possible without you. The time and sacrifices you've made for me to pursue my goals is unbelievable. We walked this journey together, and I'm eternally grateful for your unconditional love and constant support. You truly are the wind beneath my wings. I love you Marla!

## **Dedication**

To my parents,  
Alfred and Beverly Gourrier,  
My wife Marla Gourrier,  
And my four children AJ, Cionne, Alexis and Jalen

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## **Chapter 1: Introduction**

The evolution of the urban city in the United States has had a cyclical relationship in terms of population and jobs, since the initial mass migration approximately 200 years ago along with the Industrial Revolution, then through the transportation age, urban renewal, suburban sprawl, and now urban gentrification (Jackson, 1985). Although the urban city appears to be in a constant state of flux, the one consistency is that the urban city is, and continues to be, the core of economic growth and development for a state, or even a region. The economic base of the urban core constitutes a hub for a region in terms of airports, distribution centers, rail access, financial centers, employment base, communication and technology cores, and a host of other essential functions for economic growth and expansion, even amidst the Internet age (Hutton, 2014). Advancements in technology have allowed for the expansion of the traditional central business district to suburbs but have not completely replaced the logistical functions provided by economic development and growth for a region.

This study explores a set of cities in and around a major urban center and begins to analyze policy decisions of the local governments along with characteristics of their community's demographics and the impact those factors have on decision makers. Understanding and identifying transformations taking place in the urban core, along with policy decisions to address these changes, is at the center of urban and economic development program literature (Markusen & Glasmeier 2008; Rubin & Rubin 1987; Clarke & Gaile 1992; McGuire, 2000). Current policy decisions play a crucial role in developing the future growth opportunities for

urban cities in maintaining its economic competitiveness, and reinforcing its comparative advantage are essential in local policy decision making.

Naturally over the course of time, communities evolve and change as a function of various factors. These factors include changes in household and family income, racial or ethnic compositions of a community, political structures, employment opportunities, population shifts, job counts and housing; which among others, all contribute to a set of factors that constitute the overall characteristics of the community (Galster, Quercia, Cortes & Malega, 2003; Morrow-Jones & Wenning, 2005; Kitchen & Williams 2009). These characteristics can then be categorized in order to identify or define a community's position in a model similar to an economic cycle. Much like macroeconomics, communities are often in a state of transformation in terms of expansion and contraction, which contribute to the aforementioned changing community characteristics of urban cities. The ability for local policy makers to identify these changes can be viewed as positive and negative. The positive would be considered a competitive advantage, as a community evolves and continues to improve its economic base. The negative can be detrimental to a community, and is at the heart of a city's economic sustainability, especially for an urban city given its close proximity to competing neighboring communities and residents relative ability to move or relocate (Tiebout, 1956; Peterson, 1981).

The shifting or migrating of population, leads to changes in a communities economic base. Their economical stages of growth and decline, leaving local government decision makers in a constant state of flux in terms of addressing the changing needs of their constituents. This study researches the factors that lead to

those decisions by local policy makers and explores which of these factors most impact policy decisions in local government. By analyzing community characteristics like demographic changes, political, historical, structural and social factors of urban cities, and the impact these factors have on policy makers in terms of local policy decisions as it relates to Community Development Block Grant allocations, this study seeks to identify what explains policy decisions at the local government level.

The historical evolution of the modern city is closely aligned with population growth and migration, along with economic development and a changing workforce in the United States (U.S.) over the past one hundred years (Jackson, 1985). The development of urban cities have led to significant policy changes at the national or macroeconomic level and contributes to the evolution in stages of federalism in the U.S. and the implementation of the central government's involvement in economic affairs, especially around the time of the Great Depression, President Franklin D. Roosevelt and the New Deal (Shafritz, Russell & Borick, 2013). In addition to changes in federalism, the continued evolution of the urban city brought about a series of federal programs in the 1960's and 1970's, which issued in a new category classified at the time as Urban Policy (Prichett, 2008; Barnes, 2005;).

Much in the same way as the development of the urban city has created the need for policy at the federal level, the growth of urban cities necessitate new ways of the thinking and addressing local policy decisions and actions as cities grow, change and play a larger role in local and regional economics (Rusk, 1993; Katz & Bradley, 2013). In exploring changes in a community over a period of time and

comparing those changes with other communities and experiences, similar community characteristic changes become a point of note as to why policy makers in one particular community choose one set of the policy directives over another. By analyzing these similar community characteristic and changes over the same period of time, provides insight on the factors that differentiate these communities. Identifying these factors and their outcomes, along with the role they play in policy decision-making, are at the core of this study.

### **Purpose of Study and Brief Description of Methods**

The purpose of this dissertation is to examine the factors contributing to policy decisions of local government officials and to identify with regard to CDBG funds, and characteristics and relationships that play a role in the policy makers' decisions. By analyzing city level data over the past decade, this study analyzes local policy decisions for 22 local communities in a single Metropolitan Statistical Area (MSA) and their allocations of Community Development Block Grants (CDBG) dollars. This research is accomplished through addressing two primary research questions.

### **Research Questions**

- 1) What factors and characteristics explain why cities in the same metropolitan area make different developmental policy decisions?
- 2) Do cities that experience contrasting changes in population and jobs make different developmental policy decisions?

The research looks at 22 cities over the past decade and determines what impact community characteristics have on local government policy decisions in

terms of CDBG allocation. Although considerable literature exists in evaluating the CDBG program, most of the existing literature analyzes how CDBG funds have been spent, the amount of allocation to needy communities (beneficiaries), the efficiency of the implementation, the basis of the formula used for allocation purposes (targeting), or tries to evaluate the impact in the use of CDBG funds on the community (Nathan, Dommel, Liebschutz & Morris, 1977; Wong & Preston 1986; Rich 1992; Galster, Walker, Hayes, Boxall & Johnson, 2004). Currently, few studies focus on the actual policy decision of the local governments in deciding allocation priorities of CDBG dollars.

The difference between the proposed study and previous research on CDBG dollars is the subject research disregards the actual allocation dollar amount to the city, and only uses cities in the study with entitled allocation amounts known as Entitlement Communities by the U.S. Department of Housing and Urban Development. By approaching the subject study in this manner, the levels of distribution or the amount of need for the community is not a factor in allocation decisions. The study recognizes the dispersion of assistance required for the various communities in the study, however by eliminating the dollar value and only focusing on the percentage allocated among a defined set of distribution options, we can identify actual policy decisions of where each local government chooses to allocate its allotted CDBG funds.

By answering the above referenced questions, the study will provide a detail analysis of the relationship between community characteristics and local government policy decisions. In addition, the study sought to identify if



communities that share comparable growth pattern, also share comparable policy decisions by local government decision makers. If so, what are the driving factors that determine those policy decisions?

This study explores the essence of the purpose of the CDBG grant program; the assessment of what is best for local communities is best made at the local decision level. This study analyses those decisions and explores the factors that drive those decisions and what community characteristics and changes play a role in those decisions, are the critics correct and the bureaucracy of the CDBG program too large, has it outlived its usefulness and effectiveness, or is it no longer a true indicator of urban policy today.

### **Outline of the Study**

Chapter 1 introduces the purpose of the study, describes the research questions and addresses the significance of the research. Chapter 2 provides an overview of the literature as it relates to the transition of the urban city in the United States over the past one hundred years, the development of the block grant program under the United States Department of Housing and Urban Development, along with environmental conditions that led to the creation of Urban Policy. The literature review covers the modern history and evolution of Urban Policy initiatives in the United States and a historical perspective of the Community Development Block Grant program along with its significance to the study. Chapter 3 covers the research design and the when, where and how the study was conducted, including the rationale for the research design. It outlines the method of analysis, dependent variable, independent variables and data collection process. Chapter 4

provides the results of the data analysis. Chapter 5 summarizes the findings of the research, addresses the contributions to the literature and identifies areas for further research.

## **Chapter 2: Literature Review**

Since the turn of the 20<sup>th</sup> century, public policy and its impact on the urban city has been at the forefront of public administration. The prominence of the urban city to a region and the national economy is unprecedented in terms of its importance to the economic health of the United States economy. However over the past few decades, urban policy has taken a back seat on the national agenda, with greater focus on devolution and a reduction in federal programs (Niskanen, 2006; Conlan, 1998). A brief overview of the urban city follows and is intended to put narratives to the continuing evolution of urban cities and the public policies that shape them into context.

### **The Urban City**

Through the early 19<sup>th</sup> century, American urban population was sparse, with rural and agricultural areas of the country dominating populations. In 1800, only about 3% of the world's population lived in an urban area, which was consistent in the United States (IndexMundi.com). During the rise of the Industrial Revolution, cities in America started to flourish. The Industrial Revolution brought jobs to the central cities, and core urban areas were being established. Prior to 1815, the urbanized areas in the United States could be walked from edge to center in less than two or three hours (Jackson, 1985). With the creation of urban cities and greater densities and distances, centralized industrialization became the economic engine of central cities in American for more than a century. However, with the turn of the 20<sup>th</sup> century and expanded transportation innovations, initially rails and steamboats then eventually the automobile, the necessity of proximity was

becoming less essential. America began to see wealthy, remote areas being developed that were commutable by rail, called railroad suburbs, and eventually by personal automobile, creating modern suburbs (Jackson, 1985).

Even though geographically, populations in America were expanding in size, wealth, and popularity of modern transportation, it was not until the mid-20<sup>th</sup> century that older, mature core central cities across American began to experience population decline. A number of different factors played a role in the changes of urban populations, but as a result the urban core, which had been the economic engine for nearly 150 years, was beginning to experience its first signs of urban decline. This decline coincides with the end of World War II, the beginning of the Civil Rights Movement, and the development of the Interstate Highway System via the Federal Aid Highway Act of 1956 (Bradbury, Downs & Smalls, 1982).

Since the mid-20<sup>th</sup> century, urban central cities in the United States have experienced what is called “Suburban Sprawl” (Torrens & Alberti, 2000). Suburban Sprawl is also often known as urban sprawl. Both terminologies have many different definitions but commonly refer to an outward growth of population from the urban core. Historically, sprawl was classified as uncontrolled growth with very low density, usually single track zoning characterized by fragmented populations (Anderson & Bogart, 2001). Sprawl is a term originally coined by a journalist name William H. Whyte in 1958 to describe the uncontrolled state of urban development. Mr. Whyte believed that development of the suburbs without adequate planning would be chaotic due to lack of government control and eventually cause

environmental, social and governmental problems (Pritchett, 2008). Today sprawl is used in conjunction with Suburban Sprawl and Urban Sprawl to identify outward growth of urban areas. However, more recent research indicates that the concept of uncontrolled growth has shifted with changes in suburban populations, where today's suburbs are developing concentrated employments centers competing with the central city for jobs and economic enterprise (Anderson & Bogart, 2001). Where earlier literature of sprawl characterized population spread and changes as bedroom communities located on the suburban-ring of the urban core with services and jobs still located in the core city, creating a commuting population, today these suburban areas are creating jobs and developing economic centers separate from the core urban city.

However characterized, once the shift from concentrated urban populations began, it has not stopped. The year 1970 marked the first time in history that more Americans lived in the suburbs outside of a core central city than anywhere else in the country, and more recent data show that in the 1990's suburbs were still growing nearly twice as fast as cities (England, Pelissero & Morgan, 2012). With this outward flow of population from the urban core over the past half century, the remains of the central city have begun to show the effects left behind from the exodus of populations and jobs. By the year 2000, more than 30% of the United States population was made up of minorities and almost 90% of all minorities lived in metropolitan or urban areas (Rusk, 2003).

## **Population and Jobs in the Urban City**

The existing literature on jobs and urban sprawl, although debatable, leans towards jobs following the people when indicating the direction of causality (Steinnes, 1982; Carlino & Mills, 1987; Mills & Lubuele, 1995). This means that the current belief is that the outward growth of populations through sprawl, rural migration and others is initiated for purposes other than jobs, and that the data supports increased populations in suburban areas preceding growth in jobs accompanying these areas. Once population growth is established, jobs will follow. Data suggesting that people follow jobs is relatively absent in the current literature on jobs and population. In studying the impact of the job sector on population changes, it is common to see changes with industries closely associated with new development, like construction, and with low cost open space and transportation access, like industrial and manufacturing.

New concepts in urban job literature by scholars like Caves (2000), Florida (2002) and Brecknock (2004) have introduced concepts of modern industries for urban areas such as “Creative Industries,” which expand on the concept of exploring resources and culture unique to an area and developing industries which benefit from that competitive advantage. An example of this type of development is technology clusters that develop from concentrated skills, capital, and resources in a specific market or area. New economic opportunities within the fields of communication, information technology, and investments are also shaping employment in the urban core (Hutton, 2004). The challenge of reconfiguring traditional urban space with modern high tech industries is the disconnect between

the urban city's historical employment base skillset and the skills required in the modern workforce, further exacerbating existing socioeconomic problems. The ability of an urban city to generate or replace economic value for jobs or industries lost to neighboring communities, other regional areas, or internationally is essential in the sustainability of core urban cities.

In the relationship between the urban city and population change and job growth, existing literature suggests that an increase in job growth among suburban-ring cities should be expected with increased population in those cities (Downs, 1997). However, whether the increase in job growth is proportional with population changes among suburban cities is not specified in current jobs and population literature. Also, it is undetermined if urban communities have the ability and resources to sufficiently generate or create what Hutton suggests as retooled or regenerated industries to maintain the transition of job and industry sectors lost due to population changes (Hutton, 2004). One possible solution referenced in the literature is retooling with the use of various federal block grant dollars, like Community Development Block Grants or Temporary Assistance for Needy Families. The impact of retooling urban communities or funding communities of need is one of the key issues that drives this study to focus on policy decisions made by local government officials in an effort to address economic and social changes in the urban core. As these markets evolve, it is important to examine what policy decisions are being made to address or combat economic challenges as a result of changes in population and job sectors.

## **The Urban Revival**

Declining urban economics issued in a new structure of government, which would change American Federalism and created new relationships between the various levels of government. The Great Depression in the United States, which had begun in the late 1920's, produced the New Deal by President Franklin D. Roosevelt. The theory of fiscal and monetary policies developed around this time created the framework of modern macroeconomics, which calls for using federal spending to create demand in what is known as pump priming (Shafritz et al., 2013). These theories created a shift in thinking about intergovernmental relations and precipitated the move from the Dual format of Federalism, which consisted of clear and separate roles of the Federal Government and the state government, to the cooperative format of Federalism, where local, state and federal levels of government all collaborated in joint efforts to foster development and create cooperation among intergovernmental relations (Barnes, 2005; O'Toole & Christensen, 2013). This phase of Federalism also provided fiscal support from the Federal Government to state governments as well as cooperation among states, including commissions and interstate compacts.

Variations of Federal Government programs were also established in the early 1900's to address the compounding social challenges as a result economic contractions, most notably the Federal Government's grant-in-aid program. Initially the program was met with opposition, over concerns of federal grants being unconstitutional surrounding distributions of taxes. However after a pair of landmark decisions by the U.S. Supreme Court on the issue of constitutionality of



federal grants in 1923, the United States saw increased interest from states and dependence on federal grants (*Massachusetts v. Mellon* and *Frothingham v. Mellon*, 262 U.S. 447, 1993). The original grant-in-aids were limited and primarily consisted of program/project grants in specific areas such as agriculture and road constructions. As grants became more popular with the states, increases in grants from the Federal Government resulted in greater influence by the Federal Government over state and local governments (O'Toole & Christensen, 2013).

The 1930's marked the end of Dual Federalism with greater acceptance and popularity of the grant-in-aid program combined with the devastating economic impact of the Great Depression, state and local governments were more dependent on the Federal Government and the use categorical grants became a signature piece of President Franklin D. Roosevelt's "New Deal" program to address the challenging economic and social problems of the country (Shafritz et al., 2013; O'Toole & Christensen, 2013). A new era of federalism was officially developed as the country had transitions into its next phase of federalism called Cooperative Federalism. By mid-1960's with the creation of President Lyndon B. Johnson's Great Society and War on Poverty, which focused on addressing urban challenges, issued in the next stage in American federalism called Creative Federalism.

### **Urban Policy**

Urban migration, the Great Depression, civil unrest, economic challenges, World Wars and military actions all contributed to the economic environment, along with increased populations, and by the late 1950's many urbanized area across the

country had begun to experience what many called an urban crisis (Barnes, 2005; Lawrence, Stoker & Wolman, 2010). Growing criticism of suburban sprawl and fractioned governments among scholars such as renowned MIT political scientist Robert Wood, who articulated his concerns in his 1961 book, *1400 Governments: The Political Economy of the New York Metropolitan Region*, helped put the challenges of the urban city on the national agenda. The Federal Government had passed a series of federal initiatives aimed at addressing the urban crisis. In the 1940's, the Federal Government passed the Redevelopment Act to expand the mortgage insurance and construction of public housing. The Federal Highway Act constructed the 41,000 mile Interstate Highway System, and created the U.S. Advisory Commission on Intergovernmental Relations along with its signature urban policy program called Urban Renewal and Model Cities (Barnes, 2005).

The Federal Government commitment to a series of federal programs beginning in the late 1950's aimed at addressing the challenges of the urban city, they were initially met with support and optimism. However slow implementation and performance of many of the programs led to criticism of the Federal Governments ability to implement large-scale federal programs. Over the next thirty years a series of legislative policies and programs targeted at addressing the challenges of the urban city and defined the essence of urban policy (Lawrence, Stoker & Wolman, 2010).

Below are a sample of the key urban policy initiatives taken by the Federal Government in the 1950's, 60's and 70's to address the growing challenges of the urban city in America.

**Urban Renewal.** The Urban Renewal Program came out of the 1954 Housing Act with the purpose of stabilizing neighborhoods and eliminating substandard housing in the United States' urban cities was generally considered unsuccessful in achieving its primary objectives (Orlebeke & Weicher, 2014). The intent of the programs was to revive urban communities through redeveloping significant portions of impoverished urban cities by rebuilding public housing with joint public and private partnerships (Greer, 1986). The Urban Renewal Program is often characterized by large-scale high density projects in urban centers across the country like New York, Chicago and New Orleans, which targeted poor and disadvantaged populations. The program was considered a failure with high-density concentrations of poverty and increased crime in many areas developed under the program (DeHaven, 2009).

**New Frontier.** President John F. Kennedy, who campaigned on the promise of developing a Department of Urban Affairs as part of a New Frontier initiative, with the intent that the Department of Urban Affairs would serve as a centralized department with a cabinet level official to address various urban policy issues. However, he was unsuccessful in his attempt for Congress to pass the legislations for the proposed department in 1962 (Pritchett, 2008).

**Great Society/War on Poverty.** After President's Kennedy's assassination in 1963, President Lyndon B. Johnson quickly began policy directives under his Great Society

initiative, that focused on integrating America's poor into mainstream society. The Great Society concentrated on intergovernmental relations beyond just the Federal Government with state and local governments, but also included local agencies and private entities (Shafritz, et al., 2013). The expanded role of the Federal Government classified as "creative federalism" with an emphasis on categorical grants, symbolized in the War on Poverty initiative designed to eliminate poverty in the United States and programs like Head Start designed to provide early education to the poor prior to kindergarten.

**Model Cities Program.** Congress authorized the Model Cities Program in 1966. On the heels of the highly criticized Urban Renewal program, President Johnson began proposing a test program called Model Cities which could show the country what could be done by the Federal Government when allocated resources to a local area were use in a concentrated and planned manner (Orlebeke & Weicher, 2014). Unlike its predecessor program, Models Cites required significant upfront planning and coordinating that slowed both the process and eventually the results of the program.

**Unites States Department of Housing and Urban Development.** After a landslide victory in 1964, and a summer filled with riots and violence in urban cities across America, President Lyndon B. Johnson proposed the creation of the U.S. Department of Housing and Urban Development (HUD) as part of his signature program the Great Society and War on Poverty. In September of 1965, notwithstanding some opposition, Congress passed legislation by a large margin approving the formation

of HUD (Pritchett, 2008). The establishment of HUD marked a new era in urban policy with concentrated resources aimed at directly addressing the challenges of the urban city. The creation of HUD, the Great Society and the War on Poverty also signified the transition to a new form of federalism that came to be known as Creative Federalism, symbolized by the intergovernmental relationship of the Federal Government with not only the state but also local governments and private organizations (Pritchett, 2008; Shafritz et al., 2013; Orlebeke & Weicher, 2014).

**General Revenue Sharing Program (GRS).** In shifting from President Lyndon B. Johnson's "creative federalism", one of the major focal points of President Richard Nixon's "new federalism" was the creation of the 1974 Community Development Block Grants program, which consolidated seven separate categorical grant programs into one, and allow for increased local discretion and decision making, creating greater flexibility, all while restraining the Federal Government's role in the program (Wong & Peterson, 1986). The consolidation of the categorical grant programs also eliminated the Model Cities Program. The program was no longer a central part of Urban Policy as policy makers in Washington D.C. would begin to move away from federal efforts to directly address urban problems (Pritchett, 2008; Tortola, 2013).

President Richard Nixon, in an effort to decentralize the influence of the Federal Government in state and local operations and transition away from the level of involvement the Federal Government has in state and local affairs, moved to establish another phase of federalism classified by scholars as New Federalism,

which was symbolized by programs such as General Revenue Sharing. President Nixon's revenue sharing program consisted various urban initiatives including Urban Community Development, Rural Community Development, Transportation, Educations, Employment in Training and Law Enforcement (Orkebeke & Weicher, 2014). This new form of aid produced by revenue sharing enabled one level of government to aid another level of government with minimal restrictions as to how the funding would be used (O'Toole & Christensen, 2013).

### **Community Development Block Grant Program (CDBG)**

The CDBG program, which was designed by President Richard Nixon in the early 1970's as part of his special revenue sharing program, was originally intended to combine aspects of both distributive policy and targeting policy (Dommell & Rich, 1987). By distributive policy, the formula's base allocation model meant that all cities, in particularly urban centers would be applicable to participate in the program, especially since populations were a weighted factor in the formula. Because not only in need or depressed communities would be the beneficiaries of distributive policies, but also low-income communities and their supporters of redistributive type policies also supported the CDBG's distribution measures. Targeting based policies also drew mutual support as the formula included weighted measures for poverty and overcrowding housing, however distributions through private sector channels were supported by developmental policy advocates, as well as civil rights coalitions (Barnes, 2005; Dommell & Rich, 1987; Wong & Peterson, 1986).

In August of 1974 Congress passed the Housing and Community Development Act, Public Law 93-383. Title I of this act further established the Community Development Block Grant Program (CDBG), which was created to ensure that all communities had decent affordable housing, to provide services to the most vulnerable citizens in the country, and to create jobs through the expansion and retention of businesses ([www.HUD.gov](http://www.HUD.gov)). The program stipulated that in order for communities to access funds, they must submit an action plan explaining how the allocated funds planned to be used. The cities have a significant amount of flexibility within the program as long as the funds are distributed among the above referenced designated national objectives of the program (Tortola, 2015).

The creation of the CDBG program, which was initially passed as a three year program, consolidated most (eight) of the categorical grant programs and many of the existing signature urban policy programs of the previous administrations such as Urban Renewal, Public-Facilities Loans and Model Cities (England, Pelissero, Morgan, 2012). These programs were all converted into a new of form grants called block grants. Block grants were designed to give state and local governments more flexibility and control over spending federal funds. Unlike categorical grants, which provide restrictions and limitations, blocks grants were designed for decentralized decision making consistent with President Nixon's preferred form of government. Many Washington D.C. conservatives supported this forms of federal funding for its lack of federal control, local government administrators and for its increase local decision making authority.

Federal officials also were in support of the CDBG program for its reduced administrative oversight, the application process for CDBG was in great contrast to the cumbersome applications of the earlier Urban Renewal, Model Cities, and categorical grant programs which often consisted of applications over 1400 pages and over 30 months for approval compared to only 50 pages and 8 months to process for the new CDBG program. Another criticism of the categorical grants method was that paper work and requirement coaching of applicants led to a small group of participants at the local level of the programs (Tortola, 2015). HUD and Congress's initial estimation grossly underestimated interest in the CDBG program. Although in 1971 when the program was initially crafted a total of 445 cities could have qualified under the entitlement clause, Congress only expected approximately a dozen entitlement jurisdictions would actually participate. In the first year of the program 73 counties qualified but by the time the program was fully implemented in 1975, 590 entitlement jurisdictions had applied (Dommel & Rich, 1987). Wide spread support for the CDBG was also evident within the White House administration, as all three of the HUD secretaries that served under President Nixon and his successor President Ford were vocal supporters of the CDBG program (Orlebeke & Weicher, 2014).

The next major evolution in the CDBG program came under President Carter's administration. Criticism of the program's funding formula being too poverty concentrated was beginning to be expressed by current scholars, most notably the Brookings Institution (Nathan, Dommel, Liebschutz & Morris, 1977). As a result, President Carter's administration recommended a change in the funding



formula. The recommendation consisted of establishing a second or dual formula, which put less emphasis on poverty and more concentration on incorporation of a pre-1940 housing stock factor as a way to account for aging and deteriorating communities, and providing a growth-lag factor as a population measurement (DeLeon & LeGates, 1978). The dual formula for the CDBG program was also intended to shift funding from more established and better-off communities to older, in decline industrial cities, often concentrated in the Northeast and Midwest of the United States (Dommel & Rich 1987). The entitlement communities would therefore be the beneficiaries of the greater of the two existing formulas. By shifting resources away from better off communities and toward older urban cities, the newly elected President was able to pander to his Democratic base, and appeal to Democrats in Congress who played a significant role in his presidential election.

The CDBG has for the most part remained unchanged for nearly 40 years, and is considered one of the most comprehensive and longest running urban policy initiatives in American history. Many scholars contribute its success and longevity to combinations of both redistributive and developmental aspects, decentralized decision making, and the flexibility of the entitlement system, which garner bipartisan support for the program (Lawrence, Stocker & Wolman, 2010; Tortola, 2013).

The creation of the CDBG program and presumed greater flexibility for state and local governments, the U.S. once again experienced an increase in demand for federal grant funding. It is estimated that between 1960 and 1980 the number of allocated federal grant-in-aid programs grew from 132 to more than 500, which

corresponded with an increase in grant funding by the Federal Government from \$7 billion to \$91.5 billion over that same time period. Since the initial funding of the CDBG in 1975, the program has funneled over \$130 Billion to cities, counties and urban areas across the United States (Rohe & Galster, 2014). Throughout the 1980's and early 1990's the CDBG program was the primary external source of funding for large urban cities in the United States (Miranda & Tunyavong, 1994). Expanding on the programs original function, in 1993 the CDBG program began administering special congressional accommodations for disaster relief (Spader & Trunham, 2014).

The Community Development Block Grant Program is administered through two primary program areas called Entitlement Communities and State Administered Small Cities Program. Entitlement Communities are responsible for developing their own programs and funding priorities and consist of large central cities with populations in excess of 50,000 people. Urban counties with populations in excess of 200,000 people, excluding the population of any entitlement cities within the urban county, also qualify as an Entitlement Community. CDBG allocations (grants) are provided annually to over 1200 units of local governments on a formula basis. Entitlement cities are required to submit an Action Plan, which details the community's goals and use of the funding. Cities of less than 50,000 in population and counties with less than 200,000 in population are classified as Small Cities or Non-Entitlement Communities by the CDBG program and are required to apply to the State for proposed funding. HUD then funnels CDBG dollars directly to the State, for distribution of funds to Small Cities and Non-Entitlement Communities.

The Federal Government had achieved its intention of providing funding with minimal restrictions, and state and local governments were able to realize much needed funding without the constraints previous program and categorical grants provided. Another primary focus of the CDBG was its emphasis on the urban core. One of the main variations of the CDBG program from the other block grants was the Federal Government's support for urban redevelopment through a block of funds granted to entitlement cities and urban counties. In its passage of the 1974 Housing and Community Development Act, Congress identified that local governments were in the best position to design and prioritize funding and programs at the local level and that decision making should be left to local governments (Urban Institute, [www.urban.org](http://www.urban.org)). In so doing, Congress placed the responsibility of policy-making as it pertains to CDBG grant funding at the local level of government. Therefore, policy decisions concerning the allocations, program funding, priorities, and initiatives to address the economic challenges of an urban city, as defined under the Housing and Community Development Act, fell to local governments.

The CDBG program operates under the guidance of three national objectives. All funding activities must meet one of the three national objectives in order to be eligible for funding. Other than certain activities within program planning, administration and technical assistance categories, if a project does not meet one of the three applicable tests it is deemed noncompliant with CDBG rules. The three national objectives are listed below ([www.HUD.gov](http://www.HUD.gov)):

- Benefiting low- and moderate- income persons
- Preventing or eliminating blight, or

- Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or wealth of the community, and other financial resources are not available to meet such needs.

According to CDBG guidelines 70% of the total funds allocated must comply with the first national objective (Tortola, 2015).

How local governments recipients of CDBG funds decide to address the array of issues facing urban cities is the essence of this study. Various markets, depending on their size, population, history, maturity, industry sectors, or even geographical positioning, are impacted by decisions and priorities set forth by the local government. This study explores the relationship between the economic, political and demographic changes over a sustained period of time with the policy decisions and priorities over the past decade as indicated by CDBG grant funding allocations.

Social scientists and academics have tried to understand the whole process and have come up with different theories to help explain what is happening in urban communities in terms of politics and leadership across America. The timeframe of the development of many of these theories span a significant portion of the 20<sup>th</sup> century, collectively these theories are known as Urban Political Theories.

### **Urban Political Theories**

For some time now multiple theories have existed in urban politics. These theories, often times appearing to be competing theories because of their inherent approach to decision making are based on limited resources of capital, land and power that exists in the local sphere. However, more often than not, these competing urban political theories do share commonalities to some degree as to the

influence politics plays in the local decision making process, albeit at varying levels according to each urban theory. Four major urban political power structures theories are prevalent in current urban theory literature. For the purpose of this study, the focus is on theories relevant to local governments in the United States and do not address other relevant urban political theories.

**Pluralism.** The concept of pluralism is often simplified or translated into the statement “of many”, is an existing political theory with roots embedded in American democratic structure. Traced backed to the founding fathers and the Federalist Papers No. 10, James Madison wrote:

Liberty is faction what air is to fire, an aliment without which it instantly expires. But it could not be less folly to abolish liberty, which is essential to political life, because it nourishes faction, than it would be to wish the annihilation of air, which is essential to animal life, because it imparts to fire its destructive agency (Madison, 1787).

Madison articulates here in Federalist Paper No. 10 the underlining principle of pluralism and its challenge to American democracy. Author E.A. Johnson (1962), writes that even Madison acknowledged the inequities of competing interest among sections of society, but still contends that legitimate power existed among factions. Robert A. Dahl in his book, *Who Governs?* (1961), a case study on the political power structure in New Haven CT, chronicles the shift in power structure of an American city from what he classifies as the historically oligarchy government to one that embodied the essence of pluralism by mid-20<sup>th</sup> century. This premise is actually in contrast with other notable authors of the period, which saw power concentration in small group of political elites, but Dahl contends the lack of empirical data did not

support further continuation of elite theories (Mills, 1957, Dahl, 1958; Domhoff, 1967). Dahl recognizes the limitations in generalization of a single city study, but argues the factors of New Haven, CT are consistent with many common cities across America where factions or pluralism play a major policy role. That a form of government where the power structure is actually of the people, and that a small faction of elites no longer rule the modern society.

**Public Choice.** The theory of public choice has its roots in economic theory, and although public choice shares a democratic approach to political power structures, it differentiates itself from traditional pluralist. The principals of public choice center on consumer sovereignty and interpreted as the idea of majority rule (Buchanan, 2003). Critics of the theory argue the basis of economic theory and political analysis in that majority rule decision are the derivatives of market-failures and government is not best suited for, or its not in the public's interest for majority rule policy (Buchanan, 2003; Shafritz et al., 2013).

Public Choice is one of the key theories with direct influence on local government. In principle, Public Choice theory as well as public choice economics is generally defined in principle as the lowest level and closest to the people (Shafrits, 2013). In terms of government, the local level of government, especially in an urban area is the closest and therefore most responsive level of government to the people of the community in which it serves. Therefore, academic scholars have historically used Public Choice in the urban and local government context, whether through votes, increased knowledge and awareness or direct interaction with political leaders, Public Choice influence has a deep connection with urban and local politics.

Buchanan and Tollison (1972) state that public choice “involves the explicit introduction of a “democratic” model, one in which the rulers are also the ruled.” By this Buchanan and Tollison indicate that consumers are aware that the political and economic decisions they make affect both themselves as well as others (Buchanan & Tollison, 1972 pp.14). In public choice political structure, the power of the vote lays within the people, therefore both economic and political decision fall to the lowest level society (Tiebout, 1956). Opponents of public choice also reject the concept of welfare economics, in that the theory of majority rule sees welfare economic policy in direct contrast with what public choice supporters believe is outside of the public’s interest.

Another component public choice is the belief that communities compete with each other on factors of labor and land use in an attempt to maximize economic positions. In having to compete with neighboring communities, it places political power once again at the local individual level making the consumer sovereign and market driven decisions at the center of political power structure (Tiebout, 1956; Peterson, 1981 pp.24-25). In an urban context, local or neighboring communities apply pressure on political leaders to make decisions about demand on scarce resources. This demand, its subsequent stress on a local government and the decision its makes, emphasizes the power of public choice and consumer sovereignty urban areas.

**Urban Regime.** The concept of urban regime has receive considerable notoriety over the past couple of decades with the works of Clarence Stone and his case study on urban politics in the city of Atlanta GA (Stone, 1989). Although Stone is

generally acknowledged for the contribution of urban regime, he recognizes the theory has its roots in others works of the period from scholars like Norman and Susan Fainstein, Stephen Elkin among others who were contributing scholarly work on political economy perspectives at the time (Fainstein, Fainstein, Hill, Judd & Smith, 1986; Elkin, 1987). Stone (1993) characterizes the political economy perspective as the relationship between politics and economics, a notion where politics is not subordinate to economics. In his view, regime analysis is the balance of the two.

Urban Regime Theory's basic premise is that the concepts of urban political power structure is developed through a coalition of partners, that are both elected officials, private sector leaders and nongovernmental resources. The creation of these coalitions are not created for the sole purpose of political power, but are also created out of the necessity to govern and the need for additional capacity not always available to the public sector alone. Stone (1993) states, "Governing capacity is created and maintained by brining together coalition partners with appropriate recourses nongovernmental as well as governmental." (Stone, 1993 p.1) This concept is built on the notion that governments in order to be effective must blend their capacities with those of various nongovernmental actors (Crenson, 1983)

One of general principles of urban regime theory is the belief that coalition building the cooperation and coordination of nongovernmental actors (private sector) and the nongovernmental recourses are the key to effective local government (Stone, 1993). Here urban theory aligns itself with other urban political theories in recognizing the impact of economic motives on urban politics.



As seen by Peterson, the influence of a community's economic well-being is contingent to a large degree on the amount of private investment available to the local government (Peterson, 1981).

The central theory of urban regime is that there are relationships that exist between governmental and non-governmental actors in local government and there should be balance between politics and economics, not one subordinate of the other. Within this relationship, is where Stones credits the analysis of urban regime in exploring what he calls the "middle ground" between politics and economics (Stone, 1993 p.2).

Much like previous scholars political economy perspectives, Stone develops a set of factors he believes shapes the public policy (Fainstein et al, 1986; Elkin, 1987). Stone (1993) writes that regime theory holds that public policies are shaped by three primary factors:

- 1) The composition of a community's governing coalitions
- 2) The nature of the relationships among members of governing coalition
- 3) The resources that the members bring to the governing coalition

The nature of urban regimes is built off of these primary factors, which necessitate the need of government coalitions, private-public collaborations, agenda setting and resources mobilizations that are the cornerstone of urban political power structure in regime theory. Political power represents only one aspect of true powers, as once said, "Votes count but resources decide" (Rokkan, 1966 pp.105). Urban regime theory is built on the concepts of collaboration of the political power (votes) and the private sector (resources).

**Growth Coalition.** Like many of the other urban political power structure theories, growth-coalition shares various aspects with the other theories, especially in terms of economic motives. Scholar Harvey Molotch is credited with the creation of growth-coalition rooted in economic principles as the basis for political forces. In identifying local economic objectives and goals, Molotch (1976) states, “growth imperative is the most important constraint upon available options for local initiative in social and economic reform. It is thus that I argue that the very essence of a locality is its operation as a growth machine.” (Molotch, 1976 p. 310)

Molotch describes that the scarcity of developmental resources makes government an arena for competition. This is similar to positions previously discussed of Peterson, who states how land-use interest and elites compete with one another over economic incentives (Molotch, 1976; Peterson, 1981; Logan & Molotch, 1987). Competition among local elites in terms of land-base and economic resources is one of the driving factors behind growth-coalitions. The growth machine as Molotch classifies, is driven by community elites with common interest in scarce economic resources, where political leaders have the authority and ability to drive growth at the expense of competing interest, public money, authorizations and policy decisions (Molotch, 1976).

In the concept of growth-coalition, the elites compete among each other in terms of economic gains, positions and land-use, but they are unified in their positions of political power and structure. This is consistent with earlier works by Hunter in his classic study, *Community Power Structure: A Study on Decision Making*, which concluded that community elites remained unified on community

development issues (Hunter, 1953). As a group/coalition, community elites use their growth consensus to establish political agendas and community and political structure with direct development issues and growth objectives (Molotch, 1988).

Growth-coalitions supporters do find some similarities with urban regime supporters including that both acknowledge and support the findings of Hunter (1953). But in addition, many of the same elites that make up participation in growth-coalitions, can consists of the same community and private industry leaders involved in various urban regimes. The main difference between the two theories is the center of power. Urban regime theory's power is centered in the political infrastructure, which creates coalitions among political and nongovernmental actors and recourse for the purpose of lack of capacity or agenda setting and recourse mobilization. Growth-coalitions theory's power is centered in community elites focused on economic motives, which drive a common incentive for urban political power structure.

Even though at times these can be competing theories, it is recognized that not withstanding the varying approach to each of the urban political theories, all four of the above referenced urban political theories acknowledge the influence of politics at some level in the local decision making process and on local decision makers. From these four theories, the study is able to derive key points to help understand each theory's contribution to the research, as well as some commonalities in terms of the influence and impact on local political power and the decision making process. Table 2.1 below identifies each of the four prominent urban political theories and the corresponding key points of each of the theories.

Table 2.1

*Urban Political Theories*

Theories				
	<b>Pluralism</b>	<b>Public Choice</b>	<b>Urban Regime</b>	<b>Growth Coalition</b>
<b>Key Actors</b>	Groups	Voters	Regime Public/Private	Economic Elites
<b>Public Participation</b>	As Members of Groups	As Voters	Minimal	Minimal
<b>Community Leadership</b>	Non-Hierarchal	Non-Hierarchal	Moderately Hierarchal	Hierarchal
<b>Economic Growth</b>	Undetermined	Function of Voter Preference	Driven by Resource Mobility	Dominant Issue for Policy
<b>Public Decision Makers</b>	Seeks Compromise	Reflects Community Preferences	Responsive to Existing Coalitions	Responsive to Economic Elites
<b>Public Bureaucracy</b>	Mediates	Translates	Participates	Responsive
<b>Community Environment</b>	Social/Economic Groups	Competing interest	Regime Dominance	Growth Dominance

**Key Actors.** The idea of key actors is a common terms in analyzing the political process especially when discussing policy decision making and influence (Kitchen & Williams, 2009; Schlager & Blomquist, 1996; Rich, 1989). However, the level of influence for the key actors varies among the four urban political theories. Key actors' power and influence for the pluralism theory are not only concentrated in individuals, but in groups of individuals as articulated by Dahl (1961). This differs slightly from public choice theory, where the key actors are also individuals, but in terms of voters and a concentration of power at the lowest level where the consumer is sovereign (Tiebout, 1956; Peterson, 1981).

We see a significant variation in key actors when we look at regime theory. In regime theory, key actors are dominated by a coalition of both government and non-governmental actors in society (Stone, 1993). With growth coalition, we see commonalities from pluralism and public choice in individuals and groups of individuals, however these groups of individuals are made up of economic elites who are motivated by economic growth issues and through self-interest coordinate common agendas, which form formal and informal coalitions.

**Public Participation.** The role of public participation is also important in understanding decision making and the influence citizens have on local decision makers. Pluralism sees the influence of public participation as members of groups exerting their influence on the process, where public choice once again focuses on the ability of the voters through competitive means exercising political discretion by voting. Regime theory, which is built on the principal of collaboration and coalitions, minimizes but doesn't totally discount the impact of public participation.

Stone 1998 analysis of Atlanta states that “Political participation is one form of resource, and the civil rights movement gave Atlanta’s African-American an energized base of popular participation”. However, Stone goes on to say, “At the same time, capitalism provided Atlanta with a business sector that was not only the primary source of investment activity, but also possessed a goodly supply of civic and political resources” (Stone, 1998 p. 251). The business sector here, which is part of the non-governmental participants in various coalitions throughout Atlanta, illustrates regime theory’s inclination for the concentration of influence centered in the dominant coalitions. In a similar way, growth coalitions also perceive minimal influence in public participation outside of economic elites with the capacity and resources to drive influence through economic expansion.

**Community Leadership.** In community leadership, the study looks to understand how the leadership in a community is structured and its role in the process. For both pluralism and public choice the community leadership structure in a community is non-hierarchical as seen above in both key actors and public participation. The development of groups of individuals and voters, both form a leadership structure with factions of leaders representing numerous groups. The regime theory allows for a moderate level of hierarchy as we saw with Stone in Atlanta, through the private-public collaborations. The different coalitions that exist in a community even form some level of hierarchy themselves, as some coalitions are more dominant than other. The growth coalition leans towards to a more hierarchical model, driven by resources from a small group of economic elites with the ability to direct growth and provide the economic incentives, along with direct

access to decision makers. Harding (1995) in *Theories of Urban Politics* describes the elite theory and growth machines as “based on this hierarchical conception of society and concerns itself with relationships between the rulers and the ruled, the powerful and the powerless.” In addition, Harding states the social structures resemble pyramids, and that they represent a mental picture of how power is distributed in a community (Harding, 1995 p.35).

**Economic Growth.** Different factions can view growth as both a positive and negative aspect for a community. Although generally perceived as a positive factor and often an economic measurement of prosperity for a community, because certain factions in a community can be anti-growth, the pluralism theory is undetermined as its dependent on groups within the community. Similarly, economic growth under public choice is derived as a function of voter preference. Communities where voters are pro-growth support leadership and policies that encourage economic expansion and development. Regime theory is compelled by a set of dominant coalitions made up of governmental and non-governmental players who have the ability to mobilize resources and set agenda priorities associated with economic policy. Unlike the other three theories where the possibility exist for periods of economic contraction oriented policies, growth coalitions are always focused on growth and development as a means of dominant public policy.

**Public Decision Makers.** In analyzing decision makers, the focuses is on the impact and influence the community has on policy outcomes, along with how responsive local decision makers are to community participants. For pluralism, the

theory suggest the public decision makers seek compromise in terms of the different fraction in a community which often times have competing interest. The public choice theory reflects the community's preferences in its influence on public decision makers. Where the regime theory sees the influence on public decision makers as responsive to the needs and demands placed on the system by exiting regime coalitions throughout the community. Growth coalition theorists believe that public decision makers are enamored with growth, and at times are even created as a function of growth (Molotch, 1988). Therefore, there is an inherent influence on public decision makers that political issues can either be solved or addressed as an element of growth. This belief reinforces the political influence and the responsiveness of public decision makers to the community's economic elites.

**Public Bureaucracy.** The bureaucratic structure in a community is another important component to help understand the influence and power over the decision making process. In each community, the bureaucratic structure is slightly different, even among neighboring communities in a single county, which further illustrates the political and economic competition that exists in political structures. These bureaucratic structures exist in an institutionalize manner, where some structures are more institutionalized than others. How governments are structured, the level of professional bureaucrats in a system versus elected officials and the general size of local government are examples in levels of institutionalization that can exist. Short tenure of political officials and high turnover of local office holders and decision makers can be examples of the lack institutionalization that can exist in bureaucracies. How these structures interact with the community also varies



among political theories in that pluralism suggest that the public bureaucracy is to mediate between groups or fractions in society where public choice looks at the role of the public bureaucracy to translate the demand of the people through voter preferences.

The regime theory approaches the public bureaucracy in a different manner, in that the public bureaucracy works with the urban regimes in a collaborative way in order to accomplish common objectives. Similarly, the growth coalition also works with the public bureaucracy, however the bureaucracy is more responsive to the growth coalitions than participative as in the urban regime theory.

**Community Environment.** Community involvement is another crucial factor in analyzing the influences on an urban environment. These factors can range from community characteristics to the driving economic indicators that affect a community both socially and economically. How political leaders and decision makers address changes in the community environment is a significant component in trying to explain policy decisions and outcomes. As with many of the conceptual factors outlined above, there exist commonalties among all of the theories as well as specific subtleties in respect to how policy makers view the community environment, and as a result, how they address the changes that exist with in it.

Pluralism acknowledges the natural fractions in society, whether by race, age, education, gender or economic status, and recognizes the essence in the lack of concentrations that are present in most heterogeneous societies and approaches their influence accordingly. Public choice also recognizes these elements and sees these groups as competing interest with dispersed power and influence. In regime

theory as Stoker (1995) states, “directs attention away from a narrow focus on power as an issue of social control towards an understanding of power expressed through social production”(Stoker, 1995 p.55). In essence, social production as measured in social and economic statistics are an element of regime coalitions that drive the social production and outcomes in a community. The stronger or more dominant the regime, the more influence that regime has in the process, and in theory the greater the social production and impact on the community environment. The growth coalition supports the general principal of a dominant growth strategy, irrelevant of status and changes in the community environment.

Each of the prior referenced urban political theories contributes to the general understanding of the role, influence and power in the local government decision making process. Although a significant amount of literature exists on each, no one theory fully captures or helps fully explain the essence of subject study and its dependent outcome. Therefore, the study draws from the seven conceptual factors outlined above, which were all derived from four prominent urban political theories, and attempts to operationalize these conceptual factors to help better understand what drives outcomes in the urban political context through the study's conceptual framework.

### **Summary and Conceptual Framework**

The study's conceptual framework draws from a collection of identified key factors that help determine and explain the outcomes in local government policy process, or in the case of this model, policy decisions as it relates to Community Development Block Grant allocations. From the seven conceptual factors outlined

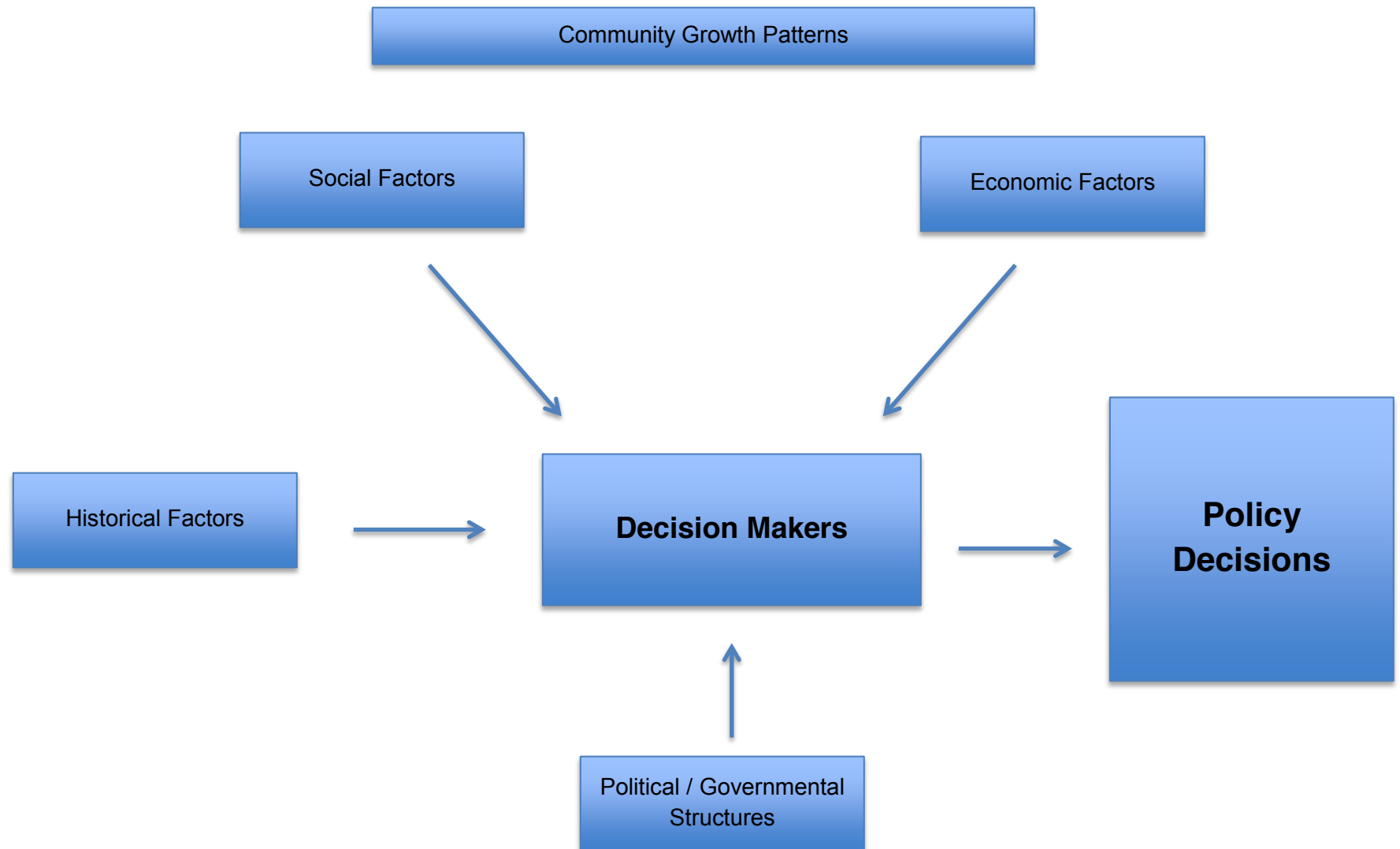
in the previous sections, a set of four primary factors were established as having influence on the local decision makers who have the authority for policy decisions. These four primary factors along with the Decision Maker factor create the conceptual framework model for the study and are listed below:

- 1) Social make up of the city over the past decade
- 2) Economic characteristic of the community
- 3) Historical components of each city
- 4) Political structure of the local government

The conceptual framework model is depicted in Figure 2.1 below, where the study has translated the identified components of the urban political theories into the five primary factors, including the Decision Maker, established in the conceptual framework. The Key Actors and Public Decision Maker translate to the Decision Makers factor and is the central focus of the conceptual framework. Public Participation and Public Bureaucracy are captured in the Political and Government Structure factor. Community Leadership translates to the Historical factor, Social Factor represents Community Environment, and Economic Growth is captured in the Economic factor. All five of the presented factors in the conceptual framework are in the context Community Growth Patterns, cities undergo growth in jobs and population, and they can also stay the same or lose jobs and populations. That is the overall environment in which cities operate, within that environment is what the conceptual framework operates under. Further discussion of how these factors are operationalized is covered later in Chapter 3.

The study's framework as outlined in Figure 2.1 below, analyzes the impact these five factors have on local decision makers. Consistent with CDBG policy guidelines for Entitlement Cities, CDBG allocations are disbursed in accordance with local government approved action plans that are approved by the local governing board and leadership, which in this study are the council member/town trustees of each local government. The research explores what if any influence the conceptual framework's factor factors have on determining or predicting the stated outcomes, which are the policy decisions in this study.

**Figure 2.1 Conceptual Framework**



### **Chapter 3: Research Design and Methods**

#### **Research Question**

The Federal Government created the CDBG program to help cities address the growing challenges in urban areas. This research sought to understand the role of one component of the CDBG program, in Public Improvement dollars and what effects different community conditions have on local decision makers. The study's two primary research questions are listed below:

- 1) What factors and characteristics explain why cities in the same metropolitan area make different developmental policy decisions?
- 2) Do cities that experience contrasting changes in population and jobs make different developmental policy decisions?

The methodology of the study uses descriptive statistics, forms regressions and path analysis modeling in a longitudinal study with demographic, employment, governmental and historical data compiled over the past decade, combined with recent CDBG funds allocation data. Because of the vast amount of data available, one of the first objectives was to select and identify which urban cities were going to be included in the study. The study was designed to analyze the social, environmental, historical and political characteristic of a community and their impact on policy decisions within urban cities, thus it was important to select a primary subject market with a substantial population base, diversified demographics and multiple communities of critical mass.

## **Research Sample**

After analyzing a group of subject markets which included a variation of large urban centers including Atlanta, GA; Chicago, IL; Denver, Co and San Antonio, TX. The Chicago, IL Metropolitan Statistical Area (MSA) was selected because it is the third largest MSA in the United States (2010 U.S. Census), it had experienced significant changes over the period of the study, has a considerable economic base, is home to multiple Fortune 500 companies and is considered the forth most economically powerful city in the world (Florida, 2011). Also, a necessary aspect of the subject market was to provide the study with multiple local governments, of which Chicago is one of the largest in the county.

Once the Chicago MSA market was identified as the subject market, the next step was defining which urban cities within the Chicago market were going to be included in the study. For grant allocation, the data representing the urban cities were defined according to the CDBG distribution format of the Metropolitan Statistical Area for Chicago-Joliet-Naperville area. CDBG grant allocation funds are provided directly from the U.S. Department of Housing and Urban Development (HUD) data source. This study researches the economic changes in the urban cities and analyzes these changes with policy decisions as it relates to the allocation of grant dollars. As previously stated, the concept of grant dollars has existed in the U.S. Federal System since the early 1900's. However, with the establishment of the 1974 Housing and Community Development Act and the creation of the Community Development Block Grant Program, the reduction in restrictions allowed for greater local decision-making, thereby identifying policy directives and priorities of

individual urban markets. More specifically within the CDBG program, distributions of funds are allocated under what is classified as multiple program areas as defined by the CDBG's Categories of Eligible Activities ([www.HUD.gov](http://www.HUD.gov)).

One of the primary reasons the Chicago MSA was chosen for the study was because of the number of local government incorporated within the Chicago MSA. According to Table 3.1 found below, from the 2010 U.S. Census Bureau, the Chicago-Joliet-Naperville MSA has fourteen county level governments and 348 local governments, of which 24 of the 348 local governments had populations in excess of 50,000 people.

*Table 3.1  
Population and Quantity of Local Governments in Proposed Markets*

	Chicago, IL	San Antonio, TX	Denver, CO	Atlanta, GA
2000 MSA Population	9,157,540	1,592,383	2,581,506	4,612,198
2010 MSA Population	9,461,105	2,142,508	2,543,482	5,268,860
2010 Counties Govts	14	8	10	28
2010 Local Govts	348	51	54	139
2010 Local Govts > 50k	24	2	7	7

The CDBG program has two major program-funding areas, which are classified as Entitlement Communities and the State Administered CDBG (Small-Cities Program). Under the entitlement communities, grants are provided to cities with populations greater than 50,000 and urban counties (greater than 200,000 in population minus any entitlement cities within the county). The grants are formula based and to be used for providing suitable housing, expanding economic



opportunity, and principally used for low and moderate-income persons. Grants may also be used for funding activities that aid in the prevention of or the elimination of urban blight. The entitlement communities are allowed to develop their own programs and set funding priorities for their allocated grant dollars, which are administered through the local HUD agency, under the authority the local governing board (ex. city council), according to the municipalities approved action plan.

The amount of allocation available for any specific entitlement community is determined by HUD through a dual formula based on community need, including the area's extent of poverty, population changes, housing overcrowding, and age of housing stock among other factors in its relationship to the same characteristics in other entitlement cities ([www.HUD.gov](http://www.HUD.gov)). Since the purpose of this study is to analyze local policy decisions of urban communities as they relate to factors of the conceptual framework, the emphasis is placed only on the entitlement communities. Therefore, of the 348 local government identified in 2010 for the Chicago MSA, 24 cities have populations in excess of 50,000 in population and make up the sample cases for this study. A list of those cases can be found on Table 1 of Appendix A.

Of the 24 cities in the Chicago MSA with populations in excess of 50,000, two cities provide no CDBG allocation information according to the HUD website. Those two cities are Orland Park Village and Wheaton Village. Due to the absent of CDBG allocation information, the cities of Orland Park Village and Wheaton Village are removed from the sample of the study. Therefore the complete sample of the study consists of 22 local governments, in seven different counties including Cook County,

Will County, Kane County, Lake County Indiana, Lake County Illinois, DuPage County, and Kenosha County Wisconsin, all included within the Chicago, MSA. Figure 3.1 below illustrates the proximity of the six additional counties to Cook County, which is where the city of Chicago is located, and the identified urban core of the subject study.

Figure 3.1  
*Chicago MSA by County*



Once the study selected its sample, the research required analyzing annual CDBG allocations as a component of the urban policy decision and what impact the determining factors of the communities have on those policy decisions. The

significance of the use of CDBG is a function of the original purpose of the program; it places the policy decision at the lowest level, the local level government consistent with public choice supporters (Buchanan & Tollison, 1972; Peterson, 1981, Buchanan, 2003; Shafritz et al, 2013). As previously referenced, although all cities in the study are in excess of the 50,000 in population and qualify for entitlement funding, unlike most of the existing literature that exists on the CDBG program, this study does not focus on the amount of CDBG allocation, the recipient of the allocation or the impact of the allocation on the communities, but solely on the urban policy decision of local policy makers as to how the money is spent or allocated (Nathan, Dommel, Liebschutz & Morris, 1977; Wong & Preston 1986; Rich 1993; Galster, Walker, Hayes, Boxall & Johnson, 2004).

### **Dependent Variable**

The research's use of CDGB grant dollars provides the study with a clean data source for each market reviewed that is not prejudiced to externalities outside of the grant funding priorities decided by each individual market. The data used from HUD consists of annual Expenditure Reports for the years 2002/2003 through 2012. The research uses Expenditures Reports, also known as Disbursement Reports, rather than allocation numbers, because of availability and that disbursements data represent the actual funds spent in the market as opposed to dollars that were approved (allocated) but were not or have not been disbursed. This method accounts for a more accurate portrayal of grant dollars spent, however the research recognizes the limitations on drawing conclusions about decision-making due to long-term projects or projects approved and not funded. The CDBG program is

required by statute to administer 70% of the total allocated funds to entitlement cities and the remaining 30% allocated to smaller cities and counties through state distribution. CDBG guidelines also require a certain percentage of allocated grant dollars be spent in the first three years of an award, which could provide a timing difference between allocation and disbursements.

The data for the CDBG allocations were pulled from the HUD Expenditure Reports that have the total disbursements grouped into seven separate categories. Local policy decision makers, according to the CDBG program guidelines have the ability to annually allocate funds across only these seven predetermined categories. This provides the study with a limited set of decisions options available to the 22 subject cities. The data for the study was collected for each city, in each disbursement category for each of the 11 years of the study in dollar value, calculated as a percentage of total funding and the change in percent from year to year. The CDBG data for the eleven years between 20002 and 2012, for 22 cities provides the study with a total sample of 242 cases (N=242).

The dependent variable used for this dissertation is a continuous variable, which indicates the amount of funds allocated to Public Improvements and Facilities (PI) as a percentage of an entitlement community's total CDBG allocations between the years of 2002 and 2012. The data was collected from the U.S. Department of Housing and Urban Development website which provides annual CDBG Expenditure Reports for each entitlement community. The decision to use Public Improvements and Facilities as the dependent variable over the other six disbursement categories was due to multiple reasons. The PI category represents the highest level of

allocations on an annual basis by all CDBG disbursements nationally. Although the CDBG has a category for Economic Development, the eligibility requirements indicate the intended use of funds to be more service oriented, and it has relatively minimal use throughout the study, therefore PI value serves as better and relative proxy for development. Housing could also be use as an outcome variable, however due to its dependence on the local housing market, it is not truly independent and not as good an indicator as Public Improvements and Facilities for the current research.

**Public Facilities and Improvements (PI).** The Public Facilities and Improvement category can be used by both public and private nonprofit entities, as well at the grantee themselves. Eligible activities that are included in the PI category consists acquisitions, rehabilitation and installation. The eligible activities listed are all intended for the purpose of community public improvements or facilities, for example: neighborhood facilities, firehouses, public schools and libraries. In addition to these listed facilities, improvement can also include streets, sidewalks, parks, playgrounds and other city improvements.

According to the CDBG program, any site improvements undertaken on a property that is not privately owned is eligible for assistance under the Public Improvement category. In order to comply with meeting national objectives for Public Improvements and Facilities, for most cases the grantee must have at least 51% low- to moderate- (L/M) income persons affected by the project. Certain facilities such as libraries and jails, may qualify under the “area benefit” if the total municipality meets the L/M income person requirements. Historically Public

Improvements and Facilities category has the largest percent of CDBG allocated funds nationally ([www.HUD.gov](http://www.HUD.gov)).

Below are the remaining six primary CDBG eligible categories local policy decision makers have to choose from in terms of allocations decision options:

- Housing (HR)
- Public Service (PS)
- Acquisitions (AC)
- Economic Development (ED)
- General Administration and Planning (AP)
- Repayment of Section 108 Loans (VV)

### **Explanatory Variables**

The research collected and evaluated data from the period of 2000 through 2012. All data for the study were aggregated at the city level, which is the level (unit) of analysis for this study. As data is compiled from multiple sources by the researcher over the past 24 months, it is possible that some of the variable's data has changed or been updated since originally collected. The following explanatory variables (also see Table 3.1) were used in the analysis to test the proposed research questions:

### **Social Factors**

**Percent Minority.** The Percent Minority variable measures the total percent of minorities in a community. To find Percent Minority, the study used the White – Only category provided by the U.S. Census Bureau, and subtracted the White-Only

percent from 100%, to reach the total percent of minorities in a community. The data for Percent Minority was collected annually from the U.S. Census Bureau and the American Community Survey for the period of 2000 through 2012. The U.S. Census Bureau sourced the decennial data for 2000 and 2010 with the remaining annual data collected coming from the American Community Survey using annual estimates (3 year estimates when annual estimates was not available). Because the American Community Survey did not begin publishing data until 2005, annual minority percent data between 2001 and 2005 was calculated using interpolation with the 2000 U.S. Census Bureau minority percent numbers and the 2005 annual minority percent figures from the American Community Survey. The American Community Survey did not record or publish minority percent data for seven communities in the study until 2007, and one community until 2006, the minority percent data for those communities were interpolated between the 2000 U.S. Census minority percent figure and the first year minority percent data was available by the American Community Survey.

**Education Attainment.** The Education Attainment variable represents the percentage of the city's population with at least a High School Diploma or a GED equivalency degree. The data for Education Attainment was collected, similar to Percent Minority, annually from the U.S. Census Bureau and the American Community Survey for the period of 2000 through 2012. The U.S. Census Bureau sourced the decennial data for 2000 and 2010 with the remaining annual data collected coming from the American Community Survey using annual estimates (3 year estimates when annual estimates was not available). Because the American

Community Survey did not begin publishing data until 2005, annual Educational Attainment percent data between 2001 and 2005 was calculated using interpolation with the 2000 U.S. Census Bureau Educational Attainment percent numbers and the 2005 annual Educational Attainment percent figures from the American Community Survey.

### **Economic Factors**

**Per Capita Income.** Per Capita Income represents the income earned on average per person in the city. The number is provided by the U.S. Census Bureau, however it is a function of dividing the total income of the area by the area's total population. The process used to source the Per Capital Income was same as Percent Minority and Education Attainment, collected from the U.S. Census Bureau for 2000 and 2010, with 2005 to 2009 and 2011-2012 from the American Community Survey, and the years 2001-2004 data for Per Capita Income interpolated.

### **Political and Governmental Structures**

**Structure.** The Structure variable indicates whether the subject city (case) is a Council-Manager form of government or if the subject city is a General Government (Strong-Mayor) form of government and operates under the direction of a Mayor or Village President, without a city manager. The Illinois City/County Management Association provided the data for the structure of government variable for the 19 communities in Illinois ([www.ILCMA.org](http://www.ILCMA.org)). Communication was made directly with the city offices for information on the remaining three cities (Hammond, Gary,



Kenosha) not available through ILCMA. (0 = City Manager or Council-Manager / 1 = General Government or Mayor-Village President).

**Partisan Election.** The Partisan Election variable is also dichotomous and states if the local elections for board members are partisan or nonpartisan in nature. The Partisan election data was obtained by the researcher from either the city's website when available, direct contact with the State of Illinois' Election Board or the city's official office (0 = Non-Partisan / 1 = Partisan).

**Council Size.** The Council Size variable indicates the size of the local governing board inclusive of the Mayor or Village President depending on the community's structure. The data for the Council Size variable was retrieved using the Illinois Municipal Directories produced by the Illinois Municipal League and collected by the researcher through a combination of the city's website where available, direct contact with the city's official office, council minutes when published or news and press releases (Range: 5 – 51).

**Percent Minority Board.** The Percent Minority Board is the racial composition of the board members for each city in each of the study. The original variable was classified as Composition of Board and was a set of 10 dichotomous variables for each city, which identified each of the governing board members and classified them as male or female and by race. Two of the variables indicated the total number of male and total number of female members on the board. The remaining eight variables were broken down into gender and race categories as White Male, White Female, Black Male, Black Female, Hispanic Male, Hispanic Female, Other Male and Other Female. The data for the Composition of Board variable was retrieved using

the Illinois Municipal Directories produced by the Illinois Municipal League and collected by the researcher through a combination of the city's website where available, direct contact with the city's official office or news and press releases. The Composition of Board variable was then transformed into the Percent Minority Board, which calculated the percent of non-white members on the board for each year of the study.

### **Historical Factors**

**Pre-1940 Units.** The Pre-1940 variable represents the percentage of all of the existing housing units in a market that were built prior to 1940. As previously referenced, during the President Carter administration the introduction of the CDBG Dual Formula added a component for the percent of a city's housing stock built prior to 1940. The larger the percent of Pre-1940 Units has a positive effect (increase) in the formula for the amount of funds an Entitlement Community receives. The data for the Pre-1940 Units for the years 2000 and 2010 was collected using decennial Census data, with 2011 and 2012 collected from the American Community Survey. Data for the years 2001 through 2009 were calculated using interpolation.

**Location.** The Location variable measures the distance from the center of the subject city to the center of Chicago, Il. Urban literature references the significance of locality to the core of the region and its importance to growth (Rusk, 2003). The data for the Location variable is in miles and was collected using Google Maps.

Table 3.2 below lists each of the nine variables used in the study, the variable type, source and measurement.

Table 3.2

*Variables and Sources of Data*

Variable	Variable type	Measurement	Source
<i>Social Factors</i>			
Education Attainment	Continuous	Percentage of city's population with a minimum of a High School diploma or GED	ACS
Minority population	Continuous	Percentage of city's population identified as non-White	ACS
<i>Economic Factors</i>			
Per Capital Income	Continuous	Average income earned per resident	ACS
<i>Historical Factors</i>			
Location	Continuous	Distance of the city's center to Chicago's center	Google Maps
Pre 1940 Housing Units	Continuous	Percentage of existing Housing stock built before 1940	ACS
<i>Political/Governmental Structures</i>			
Council Size (Mediator)	Continuous	Number of member on local board	State Municipal Directory Website, Articles, Phone Contacts
Percent Minority Board (Mediator)	Continuous	Total percent on non-white board members.	State Election Board
Partisan Elections	Dichotomous	0=Elections non-partisan 1=Elections partisan	State Election Board
Structure (Mediator)	Dichotomous	0=Council-Manager 1=General Government	State Election Board

**Growth Patterns**

The data for each urban city was collected and inputted into SPSS, an analysis was conducted to create a stratification model for the cities in the study. The second question of the research looks at if cities that experience contrasting changes in population and jobs made a difference in developmental policy decisions. The study

developed a classification scheme of cities in terms of population and job changes to look at the changes among the cities in the study. The study collected and calculated the population change and job count change for the 22 cities, over the 11 years of the study. Two variables were labeled Population Change and Job Change. As a result of shifts in population and job growth, cities could be classified as thriving (winners) while other cities could be classified as problematic (losers).

The stratification model is designed to capture the shifts in population and job growth over the period of the study. A sample illustration of the stratification model can be found in Figure 3.2. The stratification model is a three-by-three (3x3) matrix derived from the percentage population changes over the period of study (2000-2010) and percentage change in job count over the period of the study (2002-2012). The data for both population change and job count change are recalculated with a mean of the percentage change equal to zero. In order to provides an adequate distribution of the subject cases and to adequately represent a significant shift in the economic factor a half of standard deviation was established as the cut point.

Any city in the study with more than one-half a standard deviation less than the mean is classified as a one (1) in the stratification model, and any city in the study with more than one-half a standard deviation greater that the mean is represented as a three (3) in the stratification model. All other cases not classified as either a one or a three in the calculations is classified a two (2) for the purpose of this study.

Figure 3.2  
*Population/Growth Stratification Model*

		Population Growth		
		-	0	+
Job Growth	-	Neg/Neg	Neg/Neu	Neg/Pos
	0	Neu/Neg	Neu/Neu	Neu/Pos
	+	Pos/Neg	Pos/Neu	Pos/Pos

In order to transform the above stratification model into variables for analysis, the study used an interaction variable consisting of the Population Change and Job Change variables. The interaction variable then divides the sample into three measurable categories. The first category is the cities with measurable growth called Statusg (N=73). The second category is the cities with measureable decline called Statusd (N=43). The third category was created using the remaining cases that did not experience growth or decline. In addition to the growth categories, another dummy variable was created with the two variables identified as Changed and Unchanged. The Changed group represents all of the cases in the data, which experienced measureable changes, this group represent the total of Statusg and Statusd (N=116). The Unchanged group represents all of the cases in the dataset,

which did not experience measurable changes (N=126). The additional variables created Statusg, Statusd, Changed and Unchanged will be used in the analysis of the study's second research question.

### **Path Analysis**

Even though the study collected a number of different variables and statistics on the 22 cities, not all the data collected is hypothesized to directly impact the differences in Public Improvement allocations. As referenced previously, the primary benefit of using the CDBG dataset was the aspect of local decision-making as required in the program; local decision-makers determine allocation priorities. These local decision makers are the local village boards and city councils of the subject cities in the study. Although some of the data collected directly effects the outcome of allocations in Public Improvements, others have an indirect effect through a mediating process. Because of this indirect effect and the need for mediators, a path analysis model was used to explain the relationship between the direct and indirect effects.

Path analysis was originally developed by Sewall Wright as a method of analyzing path coefficients in a useful manner to rationalize conventional regression calculations (Duncan, 1966). Path analysis, which is the basis for structural equation modeling specifies the relationship between observed variables, where structural equation modeling has the ability to estimate relationships between observed and latent variables (Dennis & Legerski, 2006). Through path analysis the research is able to empirically estimate the relationships within the conceptual model's hypothesized theory. In addition to empirically estimating the relationships,

through the direction of path coefficients, the modeling can also estimate the direction of the relationship, either positive, negative or if there is no relationship at all. The paths developed in the conceptual model and tested through path analysis describe the dependency of the relationship, which are quantified through the path coefficients and beta weights (McDonald & Ho, 2002).

By using path analysis, the research can estimate the assumed causal effects, both the direct and the indirect effects on the study's dependent variable. The advantage of path analysis over multiple regression models is that path analysis modeling allows you to run simultaneous equations, which gives the researcher the ability to analyze more complex relationships through use of the direct and indirect effects. Path analysis moreover provides a graphical representation of the assumed theoretical relationships. The graphical presentation of the model enhances the ability of the study to articulate, explain and present research findings.

## **Summary**

This chapter described the research design that was used in this dissertation to explain and predict various characteristics and factors that influence local policy decision makers as it relates to distribution of Community Development Block Grant funds for the period between 2002 and 2012, in 22 cities within the Chicago MSA. The research questions were presented and defined with regard to the framework used in the study. The chapter also presents the operationalizing of the variables used in the model. The sources and data collection methods used were explained and discussed, the dependent variable was addressed, as well as the statistical methods and approach used in the analysis. Chapter 4 will cover the descriptive and

quantitative results and analysis of the study. The final chapter, Chapter 5 will discuss the findings in connection with the conceptual framework created for the study and discuss the study's limitations and suggestions for future work derived from the conclusion of this dissertation.



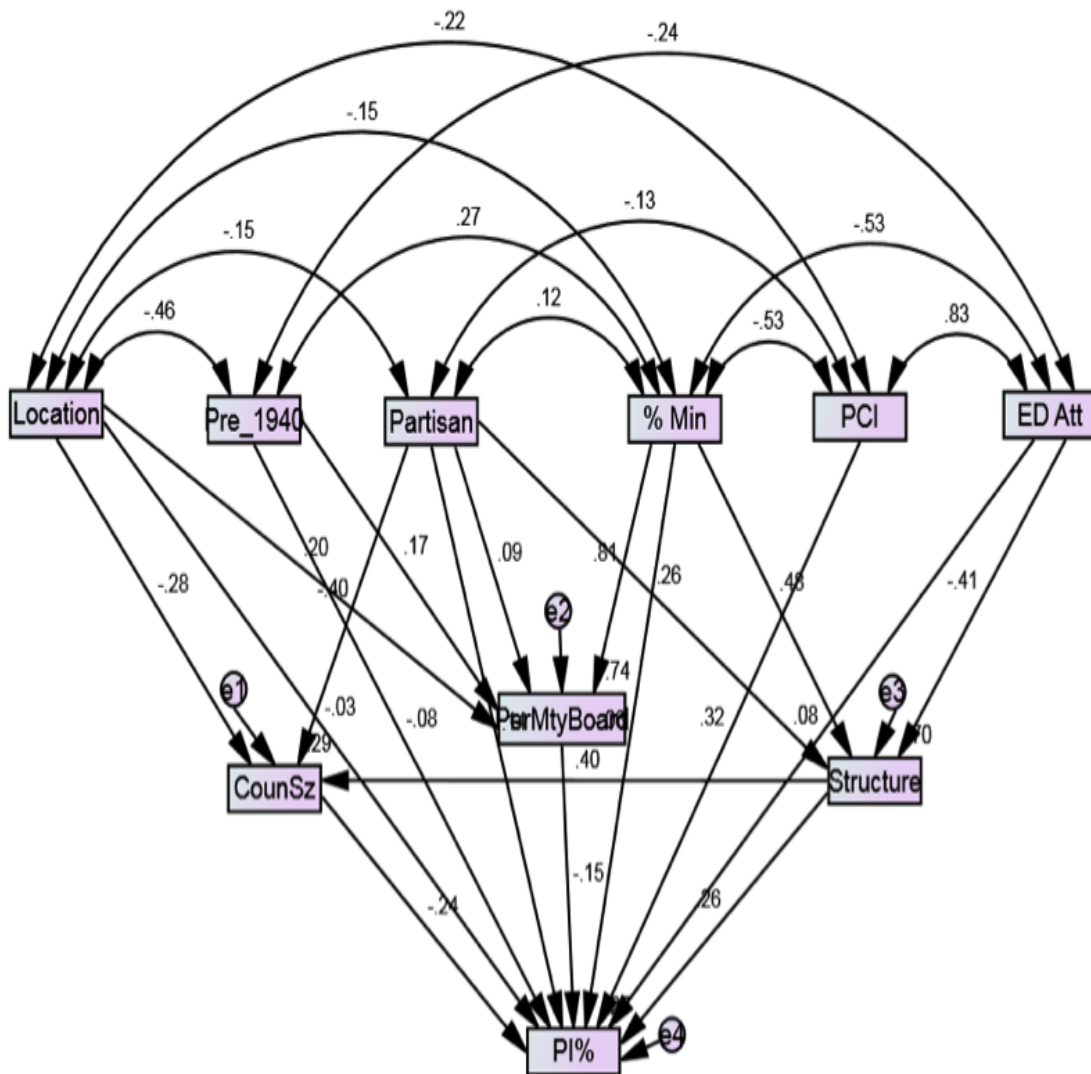
## **Chapter 4: Results**

The CDGB program through its Entitlement Cities allows for federal funds to be made available to local governments on a formula basis, local government decision makers then determine allocation priorities. As noted previously, the dependent variable in the analysis is the percent of CDBG dollars allocated to the Public Improvement category. The major research question sought to determine the social, political, economic, and structural factors that influence the allocation decisions. The second research question sought to understand the extent to which growth patterns influence the social, political, and economic factors found to explain the variation in allocations among the 242 cases.

The conceptual model referenced in Chapter 3 structured the ensuing analysis. Figure 4.1 presents the initial model derived from the conceptual framework with both direct and indirect effects. Because of this indirect effect and the need for mediators, a path analysis and model was developed to help explain the relationship between these direct and indirect effects. According to the CDBG program structure, the local council and boards make the final local decisions on CDBG allocations, although Community Development Officials do participate in the creation of the cities required CDBG Action Plan. The three variables reflecting the decision-making entity (Council Size, Structure, and Percent of Minorities on the Board) are hypothesized to have direct effects on the dependent variable: PI%. All three also serve as mediating variables to the exogenous variables in Figure 4.1. Three other aspects of the analysis in Figure 4.1 should be noted. In this initial path analysis each of the exogenous variables has a direct path to the dependent variable

indicating that the variable influences the decision both in a direct and indirect manner. It should also be noted that Structure, a characteristic of the governing board has a path to Council Size. In other words, strong mayor forms of government are expected to have larger councils. Finally, the figure also has curved/two directional paths between several of the exogenous variables indicating a relationship, but no hypothesized causal link. All of the variables collected and presented in the model are observed with no latent variables reported.

Figure 4.1  
Path Diagram For Factors Explaining Public Improvement Allocations (Full Model)



The proposed path analysis models the study's general hypothesis of how funds are allocated to the Public Improvement category for the CDBG Entitlement Cities in the research. The results of the initial path analysis revealed that the percent of CDBG funds allocated to Public Improvements is influenced by a

combination of direct and indirect effects and a series of relationships that exists between them.

### **Direct Effects**

Where the conceptual model recognized the influence of the decision maker on the outcome, the Full Model identifies three primary characteristics of the decision maker, which theoretically influence the outcome through direct effects. The first of these three factors is whether the local board is run by Council Manager form of government or a General form of government identified as the variable labeled Structure in the model, the second is the size of the local board identified as Council Size in the model and, thirdly, the percent of minorities on the local board identified as Percent Minority Board in the model. Council Manager, Structure and Percent Minority Board are all endogenous variables and therefore in addition to the impact and influence of the direct effect, has an impact on the dependent variable through a series of indirect effects. As such, these three terms are also affected by measurement error and carry and an error/residual component denoted by the circle “e”.

### **Indirect Effects**

The conceptual framework hypothesized a number of different indirect effects on Public Improvement through the influence of the decision makers. The research collected and tested dozens of social, economic, historical and political structure variables in order to determine the driving factors that have influence on the decision makers and indirectly affect their decision outcomes. The analysis

determined that the Council Size is a mediating factor that was significantly influenced by the variables Partisan (Political), Location (Historical) and by another mediating factor, Structure. The Structure variable in the model was significantly influenced by the variables Percent Minority (Social), Partisan (Political) and Educational Attainment (Social). The Percent Minority Board was significantly influenced by the variables, Location (Historical), Pre-1940 (Economic), Percent Minority (Social) and Partisan (Political). The Percent Minority Board (mediator) variables was determine to be insignificant as a direct effect on the dependent variables PI, and as a result, was eliminated from further analysis. Table 4.1 presents the statistical results from the path analysis for Full Model identified above.

Table 4.1  
*Path Analysis Results (N = 242)*

Variable	Models		
	Model 1	Model 2	Model 3
<i>Structure</i>			
Educational Attainment	-.411*** (.002)	-.414*** (.002)	-.413*** (.002)
Partisan	.257*** (.034)	.253*** (.034)	.253*** (.035)
Percent Minority	.475*** (.001)	.475*** (.001)	.476*** (.001)
<i>Percent Minority Board</i>			
Percent Minority	.815*** (.000)		
Pre-1940	.167*** (.000)		
Location	.205*** (.036)		
Partisan	.090** (.013)		
<i>Council Size</i>			
Partisan	-.401*** (1.072)	-.402*** (1.082)	-.402*** (1.082)
Location	-.283*** (.036)	-.281*** (.036)	-.281*** (.036)
Structure	.396*** (1.113)	.404*** (1.094)	.404*** (1.094)
<i>Public Improvement</i>			
Council Size	-.238*** (.002)	-.270*** (.002)	-.235*** (.002)
Percent Minority Board	-.152 (.128)		
Structure	.256** (.051)	.114 (.041)	
Per Capita Income	.321** (.000)	.417*** (.000)	.352*** (.000)
Location	-.031 (.001)		

Table 4.1 (Continued)  
*Path Analysis Results (N = 242)*

Variable	Model		
	Model 1	Model 2	Model 3
Pre-1940	-.080 (.001)		
Partisan	.142* (.033)	.151*** (.030)	.189** (.028)
Percent Minority	-.057 (.002)		
Educational Attainment	.076 (.003)		
R <sup>2</sup>	.27	.25	.25

\*\*\*Significant at the  $p < .001$  level. \*\*Significant at the  $p < .01$  level. \*Significant at the  $p < .05$  level.

Table 4.1 above reports the standardized coefficients also known as the beta weights, the standard errors in parentheses and the significance levels denoted with asterisks for each path in the analysis. Mean scores, standard deviations and unstandardized coefficients for the Final Model can be found under Appendix D of the study. The results show a variation in the overall beta weights of the various variables in the model as well as the directional relationship with the mediator or dependent variable. For the Council Size mediator, both Partisan and Location variables have negative beta weights. Partisan is a dichotomous variable where zero (0) is non-partisan therefore communities with non-partisan election formats are more likely to have a larger local governing board. The Location variable is also negative and is measured in miles, which means the negative beta weight tells us that as the distance to/from the urban core of central Chicago increases, the Council Size of the subject city decreases. Structure, initially modeled as a direct effect mediator, also influences the mediating factor Council Size, has a positive

relationship indicating that General Government or Strong Mayor led communities have larger local governing boards.

Under the Structure mediator we also have a negative standardized coefficient in Educational Attainment indicting an inverse relationship. Here the higher the level of Education Attainment in a community, the more likely it is that the community has a Council-Manager form of government. The other two significant influences on Structure, Percent Minority and Partisan both have a positive relationship indicating that the larger the minority population in a community the more likely it is to have a General Government led form of government, and communities with partisan elections are also more likely to have a General Government from of government.

For the dependent variable Public Improvements, there are two remaining direct effect mediators in Model 1, of which Council Size has a negative relationship. The negative relationship of Council Size on Public Improvements indicates that communities with larger local governing boards spend less on Public Improvements. This is partially contributed to the city of Chicago, which has a large local governing board and spends very little on Public Improvements. Structure reports a positive relationship with Public Improvements meaning that General Government forms allocate a higher percent of CDBG funds to Public Improvements than Council-Manager forms of government.

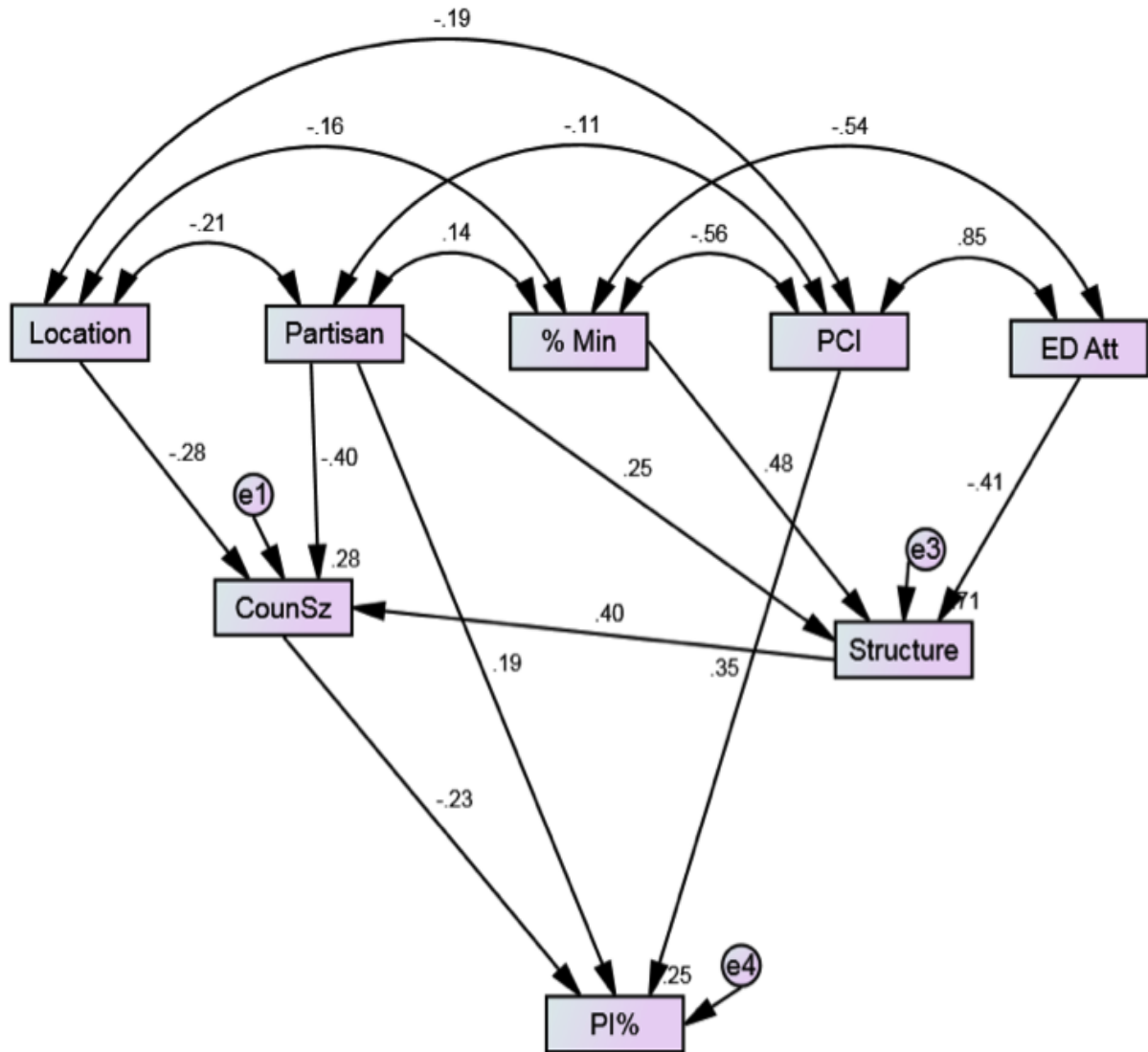
The Adjusted Model (Model 2) eliminates insignificant variables in order to improve the explanatory value, the model fit and parsimony aspect of the analysis. For Model 2, in addition to the elimination of the Percent Minority Board mediator



from the model, direct paths determined to be insignificant were also eliminated and the model was run again to provide updated standardized coefficients, standard errors and levels for significance, which are reported under the Model 2 column in Table 4.1 above. The results of the Adjusted Model, conveyed changes in beta weights, however directional changes in the variables were reported. However, the Adjusted Model did indicate that Structure was no longer significant as a direct effect on Public Improvements. Since Structure is significant in explaining Council Size, it remained in the model, but only as an indirect mediating variable.

The Final Model excludes Structure's direct path to Public Improvements and updates the reporting statistics for the Final Model listed under the Model 3 column in Table 4.1 above. Once again, the beta weights were slightly adjusted, no directional changes were made, and all remaining variables and paths register at the highest level of significance  $p < .001$ , except Partisan's influence on Public Improvement which registers at  $p = .001$ . Figure 4.2 illustrates the path diagram with standardized coefficients identified below.

Figure 4.2  
Revised Path Diagram For Factors Explaining Public Improvement Allocations (Final Model).



The primary difference between the Full Model presented in Figure 4.1 and the Final Model presented above in Figure 4.2 is the elimination of Percent Minority Board mediator, along with the variables that influenced Percent Minority Board,

and a direct path from Structure to the dependent variable Public Improvements. Also identified in both Figure 4.1 and 4.2, are covariance's between many of exogenous variables. These covariances recognize that there exists a relationship between the two variables, however that relationship is not measured in the model nor is it defined in terms of the direction of influence between the two variables. These relationships are established theoretically in the model, therefore not all of the exogenous variables are connected through covariance paths.

The  $R^2$ , which identifies how much of the variance is explained by the model, is reported on the bottom of Table 4.1. For Full, Adjusted, and Final, the reported  $R^2$  is .27, .25 and .25 respectively. This indicates that the Final Model explain 25% of the variance in the percentage change of Public Improvement allocations. Table 4.2 below reports the standard measurements for goodness of fit for all three models developed.

Table 4.2

*Standard Goodness of Fit Measurements for Structural Equation Modeling*

Measurement	Full	Adjusted	Final
Chi-square	57.912	15.543	17.334
Degrees of Freedom	15	10	11
Probability Level	.000	.113	.098
RMSEA	.109	.048	.049
Tucker-Lewis Index (TLI)	.886	.978	.977
Comparative Fit Index (CFI)	.969	.994	.993

Even though the Full Model was developed from the conceptual framework, which was created on the basis of theoretical principals, the initial model fit results

indicate that statistically the model is not a good fit. A Chi-square result of 57.912 is a little high given only 15 degrees of freedom and a probability score of  $p < .001$ , indicating that the Full Model is significantly different from Saturated or Perfect Model developed by the system. The Full Model is also compared to the standard fit measurements of Root Means Square Error of Approximation (RMSEA) with a target of values below 0.06, the Full Model = .109 (Hu & Bentler, 1999). The Tucker-Lewis Index has a target values of 0.95 or higher, the Full Model = .886 (Hu & Bentler, 1999). The last measure is the Comparative Fit Index with targeted values exceeding .930, and the Full Model = .969 (Byrne, 1994).

Even though the Full Model met the criteria for the CFI, it was determined significant compared to the saturated model and did not meet the standard criteria for the other goodness of fit measurements. The Final Model with the previously discussed adjustments produces a Chi-square of 17.334, with lower degrees of freedom at 11, and registers as not significantly different ( $p=.098$ ) from the saturated or perfect model. Compared to the referenced standard fit measurements of Root Means Square Error of Approximation with a target of values below 0.06, the Final Model exceeds it at 0.099. Tucker-Lewis Index, which has target values of 0.95 or higher, the Final Model reports a score of .977. Also according to the Comparative Fit Index with target above .930, the Final Model is .993. Among all five of the standard measurements of the goodness of fit, the Final Model exceeds the minimal criteria. With an  $R^2$  of .25, exceeding minimal criteria for goodness of fit and reporting significant coefficient the developed model

is deemed statically meaningful in its analyzing the changes in its dependent variable.

### **Analysis of Final Model Paths**

The Final Model has three variables (Council Size, Partisan Elections and Per Capita Income) with a direct impact on the PI allocation. In addition, it provides evidence there are variables that influence the allocation process through an indirect, or mediated process. The specific results are discussed below.

#### **Location**

*Location  $\Rightarrow$  Council Size*

The Location variable measures the distance in miles from the center of the Metropolitan core to the center of the subject city. Chicago, IL represents the center or anchor city for this research and also represents a large urban population and size. Consistent with many regional metropolitan areas, growth stemming from the regional core produces inner and outer-ring communities with lower densities and smaller population. Also, Chicago's significant population produces a large number of council districts to accommodate adequate representation of the large population. The results as expected with a negative beta weight of -.281, indicate that as the distance of a subject city increases, its city's Council Size decreases in size. This is because newer cities that are smaller in size have less need for large councils.

#### **Partisan**

*Partisan  $\Rightarrow$  Structure*

The Partisan variable is dichotomous with values of one (1) if a community holds partisan elections, and zero (0) if elections are non-partisan. Partisan elections are

based on party representation, which elicits the professional politicians.

Communities involved in partisan elections create an establishment of party affiliation that is supported by a collaboration of groups and the need for professional leadership within the various parties on behalf of the electorate.

Because of the party affiliation and alliance involved in partisan elections, it is expected that communities with higher scores on the Partisan variable would positively influence professionalism and the organizational establishment of Structure. This can be seen in the reported positive beta weight of .253.

#### *Partisan $\Rightarrow$ Council Size*

The Partisan variable reports a negative relationship and beta weight -.402 with Council Size indicating that communities with non-partisan elections are more likely to have larger local governing boards. Although the majority of the boards in the study are partisan elected, the larger boards in the study are non-partisan boards. This negative relationship can be demonstrated by realizing that the two larger non-partisan boards are Chicago, which has 51 board members, and Kenosha, WI with 17 board members.

#### *Partisan $\Rightarrow$ Public Improvements*

The relationship of Partisan on Public Improvements is also positive, indicating that Partisan boards are more likely to have higher percent allocated to Public Improvement. Although the beta weights of .189 are relatively small for Partisan on Public Improvements, the beta weights actually increase as we eliminated other variables, which helped control for age of the city, indicating the historical component impacts on the relationship.

## **Minority Percent**

### *Minority Percent $\Rightarrow$ Structure*

The Minority Percent variable represents the percent of a community's population classified as non-white. The social characteristics of the communities having higher percentages of non-white populations are older communities, located closer to the urban core. The popularity among communities with a Council-Manager form of government is typically found in newer/younger communities, which in this study have greater distances (location) from the urban core. As a result, the strong positive relationship between Minority Percent and Structure is indicative of older, Mayor/Village President form of government. Percent Minority has the largest beta weight of .476 of the three factors influencing the Structure mediator.

## **Education Attainment**

### *Education Attainment $\Rightarrow$ Structure*

The Education Attainment variable measures the percent of a community's population age 25 and above with a high school diploma/GED or higher. The higher the education level of in a community can represent the level of professionalism within the community. As previously referenced, the Structure variable captures whether the community has a Council-Manager form of government. The negative beta weight of -.413, indicates that the higher the education level, the more likely a community has a professionally run government (Council-Manager).

## **Per Capita Income**

### *Per Capita Income $\Rightarrow$ Public Improvement*

The Per Capita Income is a measurement of the average income earned per person as a function of the population in a community. Often used as a measurement of well being, the higher the level of the Per Capita Income the more well off an area or community is perceived to be. Interestingly, Per Capita Income has a positive relationship with Public Improvement allocation. In other words the higher the Per Capita Income of a community the more likely it is to spend CDBG funds on Public Improvements. It should also be noted that a beta weight of .352 for Per Capita Income is the largest beta weight of the factors with direct influence on the dependent variable.

### **Structure**

*Structure  $\Rightarrow$  Council Size*

Structure was initially models as both a mediating variable and an indirect variable represents. The dichotomous variables reports whether the community has General Government or a Mayor/Village President led government. The positive beta weight of .404, which is also the largest of the three factors that influence Council Size indicate the larger councils are more likely to have a Mayor/Village President form of government and a General Government form.

### **Council Size**

*Council Size  $\Rightarrow$  Public Improvement*

Council Size, which is the total number of elected member on the local governing board, is also representative of the number of community fractions and vested interest that existing on a board. The common practice of logrolling and general political collegiality among a greater number of vested interested parties on the



board and within a community would be expected to have a positive relationship among larger boards which results in greater amounts of Public Facilities and Improvement investment projects in a community. However, because of the size of the Chicago, IL board and its lack of the spending on Public Facilities and Improvements over the course of the study, the results indicate an inverse relationship between Council Size and Public Improvement allocations, which is seen in the negative beta weight of  $-.235$ . Larger councils spend less of their CDBG dollars on Public Improvements.

### **Jobs and Population Change**

With regard to the second research question, the analysis took two different approaches. Initially, two dummy variables were created, one for cases that were classified as growth communities and one for cases that were communities experiencing decline (the reference group were those cases considered to not have experienced significant change). The two dummy variables were initially inputted into a regression analysis. Neither dummy variable was significant and caused the regression equations to be less than optimal. A second approach to determine the impact of communities undergoing change was undertaken. After the final model was developed, two additional analyses were undertaken that sought to determine if the research could evaluate the role change in jobs and population played in the allocation process. The first of the two analyses divided the cases between those that underwent changes and those that stayed constant. A path analysis was undertaken for each group and the results were compared. The second analysis

compared those cases that showed growth with those that experienced decline. The results of those analyses are reported below.

Once the Final Model was developed, it could be used to address the additional research question as to whether cities that experienced differences in population and job changes make different decisions in terms of CDBG allocations of Public Improvement dollars. Chapter 2 introduced the study's stratification model, which classified the 22 cities in a 3x3 matrix and allows the cities to be grouped into three distinct categories. These three categories were problematic, neutral and thriving. The Final Model, which is a longitudinal study of 22 cities over 11 years and provided the research with 242 cases. Dividing the study's 242 into three separate groups would provide the analysis with too small a sample size for an appropriate analysis given the number of parameters in the Final Models.

Using a half-percent (0.50%) as a determining cut off for growth and decline for both jobs and population, along with a quarter-percent (0.25%) interaction of Population Change and Job Change create 43 cases classified as Growth (statusg) and 73 cases classified as Decline (statusd). Combined the statusg and the statusd cases made up 116 cases where measurable change took place. These 116 cases are classified as the Change Cases (StatusChg). The remaining 126 cases in the study were classified as the Unchanged Cases and were identified as StatusUnchg. Given the number of parameters in the model, the classification into two subgroups of 126 and 116 cases provided the study a large enough number of cases in each group to feel comfortable in running the path analysis. Table 4.3 below provides the results and output of the StatusChg group and the StatusUnchg group using the Final Model.

Table 4.3

*Change and Unchanged Group Results using the Final Model Path Diagram*

<i>Change Group Results (N = 116)</i>		StatusChg	
Variable	$\beta$	S.E.	P
<i>Structure</i>			
Educational Attainment	-.356	.004	***
Partisan	.229	0.053	***
Percent Minority	.517	.002	***
<i>Council Size</i>			
Partisan	-.384	1.605	***
Location	-.303	.039	***
Structure	.433	1.612	***
<i>Public Improvement</i>			
Council Size	-.251	.002	.003
Per Capita Income	.375	.000	***
Partisan	.139	.042	.094
<i>Unchanged Group Results (N = 126)</i>		StatusUnchg	
Variable	$\beta$	S.E.	P
<i>Structure</i>			
Educational Attainment	-.464	.002	***
Partisan	.287	.044	***
Percent Minority	.436	.001	***
<i>Council Size</i>			
Partisan	-.382	1.353	***
Location	-.184	.045	.022
Structure	.395	1.399	***
<i>Public Improvement</i>			
Council Size	-.208	.002	***
Per Capita Income	.335	.000	***
Partisan	.235	.105	.004
Chi-square = 40.163, $p = .216$ , $R^2 = .26$			

Overall the model has an  $R^2 = .26$ , indicating that the model explains approximately 26% of the variance. It has a Chi-square of 40.163 and reports that

the model is not significantly different from the saturated models, resulting in a good overall fit.

The analysis in Table 4.3 shows that the variables in the Final Model operate in a very similar pattern as they did in the Final Model. In other words the direction and the size of the beta weights were not too dissimilar between the two groups and between the two groups and the Final Model with one exception: the Partisan factor. The partisan variable was statistically significant as an explanatory variable for the StatusUnchg group. On the other hand, Partisan was not statistically significant in explaining PI allocations for the StatusChg group; in other words it made no difference in the allocation process if a city undergoing change had partisan elections. The lack of any real differences in explaining the allocation for these two groups of cases should not be surprising because the mean percentage allocated for Public Improvements for communities experiencing no change was 30.74% while cities undergoing change had an allocation percentage of 30.24% ( $F = (1,240) = .028$ ,  $p > .05$ , d.f. = 1/240).

An important element of the analysis focuses on cities that experienced growth compared to cities that faced declining jobs and population. It was expected that there would be differences between these two groups. Table 4.4 looks at the group of cities referenced above in the measureable change category (116 cases) and explores whether significant differences exists between those cities who experienced growth over the course of the study and those cities in the study who experienced decline. These two groups were classified within the StatusChg

category as change but for the next stage are divided into two subgroups: Statusg (growth) and Statusd (decline) groups.

Table 4.4  
Growth and Decline Group Results using the Final Model Path Diagram

<i>Growth Group Results (N = 73)</i>		Statusg	
Variable	B	S.E.	P
<i>Structure</i>			
Educational Attainment	-.233	.005	.002
Partisan	.336	.068	***
Percent Minority	.612	.003	***
<i>Council Size</i>			
Partisan	-.237	2.989	.020
Location	.164	.045	***
Structure	.603	2.683	***
<i>Public Improvement</i>			
Council Size	-.321	.002	.003
Per Capita Income	.222	.000	.043
Partisan	.154	.055	.140
<i>Decline Group Results (N = 43)</i>		Statusd	
Variable	$\beta$	S.E.	P
<i>Structure</i>			
Educational Attainment	-.454	.004	***
Partisan	.101	.061	.098
Percent Minority	.545	.002	***
<i>Council Size</i>			
Partisan	-.008	2.716	.945
Location	.180	.070	.024
Structure	.471	2.906	***
<i>Public Improvement</i>			
Council Size	-.268	.003	.026
Per Capita Income	.550	.000	***
Partisan	.072	.061	.516

Chi-square = 218.894,  $p = .000$ ,  $R^2 = .19$

It should be noted that the relatively small N of the two groups included in the StatusChg (Growth and Decline) category have smaller than recommended cases given number of parameters in the model. Again, comparing the two types of change groups uncovers no significant difference in the direction of the relationship. However, the partisan nature of elections is insignificant for both the communities that experienced growth and those faced with declining jobs and population

A closer look at the results does show some differences in the beta weights. Although the differences between the two groups are minimal, the model still reports a statistical difference between the growth and decline groups. Primarily, the beta weight for Per Capita Income was .550 for the cases in decline compared to the beta weight of .222 for the growth group. In other words, Per Capita Income has a stronger influence in determining the Public Improvement allocations for the Decline Group than it does in the Growth Group. As noted in the change versus no change analyses, there was little difference in the comparison between the two groups. It should be noted that there was no significant difference in the mean percentage of CDBG dollars going to Public Improvements for these two groups. Growth cities had a mean percentage of 29.08 % while cities in decline had 32.21 % allocated to Public improvements ( $F(1,114) = .434, p > .05, d.f. = 1/114$ ).

A series of path analyses were undertaken to determine just what hypothesized factors did influence the allocation of CDBG dollars toward Public Improvement. In the end the size of the governing board, whether the board was elected by way of partisan elections and the economic well being (Per Capita Income) of a community had a direct impact on the allocation process. Other factors were

found to have an indirect role and still other factors hypothesized to be important played no part in the allocation process. A major goal of this research was to determine the role growth patterns had on the allocation process. When it comes to allocating CDBG dollars for Public Improvements there was little evidence that change played a part in the process.

## **Chapter 5: Summary, Conclusions, and Recommendations**

### **Research Summary**

This study looks into the role changes in demographics, and the evolving urban cities as it relates to local government policy decisions. Chapter 2 discusses the historical context and migration trends of populations into and eventually out of the urban core in the past century. These patterns of decline impact large urban communities and local government's ability to implement policy decision that address the concerns and needs of the community. The Federal Government recognized the challenges of the urban communities across America in the 1960's and enacted a series of the legislations which became know as urban policy. One of urban policy's oldest, most successful and longest running program is the Community Development Block Grant, which was created in the 1970's specifically to address a wide range of unique community developmental needs by allowing local government decision making (HUD.gov).

Using the allocation and local decision making structure of the CDBG program, the study initially looks to address the central question of "What factors explain why cities in the same area make different CDBG allocation decisions?" Here the study sought to determine what are the driving factors as why some communities allocate a higher percentage of CDBG funds to Public Improvements as opposed to six other categories of expenditure allowed under the program. In understanding what factors explain the difference in policy decisions among the 22 cities over a 11 year period in the study, the research could then be used to address other determinants and community characteristics. Prior chapters addressed the



conceptual framework as well as the literature and theories that provide the basis for the creation of the model used to analyze the proposed questions.

In addressing the initial question, the study determined a number of interesting outcomes about the influences on local government decision making and the policy choices decision makers made in the allocation of Public Improvement dollars. Chapter 4 outlined the components of the model and the variables used to answer the research questions. However just as significant as the factors that help explain the decisions are the relationship and the directional aspect of these factors. To answer the initial question, the study's Final Model found seven key factors that explain the percent allocated to Public Improvements. The factors determined to indirectly explain the allocation of Public Improvement dollars were Location, Partisan Elections, Percent Minority, Educational Attainment and Government Structure. Although Location did not explain the outcome directly, it did help explain the decision indirectly through the Council Size mediator. Here Location, which has a negative relationship, helps explain the Council Size of the local governing board, which then directly explains the percent of Public Improvement dollar allocated.

Partisan Election, another indirect variable with a negative relationship also helps explain Council Size, but has a positive and indirect relationship through Structure, and directly explains the percent of Public Improvement dollars allocated. Educational Attainment was found to have a negative and indirect relationship through Structure, while Council Size was determined to directly effect the allocation decision, although in a negative direction. The only other factor found to

influence the allocation decision was Per Capita Income, which has positive relationship meaning those communities with higher Per Capita Incomes had a higher percent of Public Improvement dollars allocated.

The findings for the initial question created the foundation to study the second research question. “Do growth patterns alter the explanation of how local governments allocate CDBG Public Improvement dollars?” As described in Chapter 3, a community’s growth pattern can be classified in three distinct categories, those communities that experience growth, those communities that experience decline, and a third category for those communities that experience neither growth nor decline, identified as neutral or unchanged. The study addressed the growth pattern question in two parts. In order to maintain a database of sufficient sample sizes, the first part separated the data among those communities who experienced measurable change and those communities that remained neutral over the course of the study.

The research question asks if the growth pattern alters the explanatory factors identified in question one of the research, and the study found that the change group did report slight differences in the explanatory model developed. Aside from variations in coefficients, Partisan Election as a direct effect, no longer explained the allocation percent of Public Improvements in communities that underwent change during the study. Partisan Elections did still directly explain the allocation percent of Public Improvements in communities that did not experience any measurable change.

In the second part of the change analysis, the study looked at those cases, which made up the change group, and divided them into two groups, one for the group of communities that experienced growth over the course of the study and a second group for those communities that experienced decline. The analysis of the growth and decline group also identified that Partisan Elections was the only major difference between the two groups. What the study did find is that in those communities that experienced decline, Partisan Elections was no longer an explanatory factor either as a direct or as an indirect effect. Where in the growth communities, Partisan Elections was no longer significant in explaining the allocation percent of Public Improvements as a direct effect, however remained as a significant explanatory factor in the model as an indirect effect. While Partisan Elections became a nonfactor, Per Capita Income's influence on the allocation percent of Public Improvements became the major factor directly explaining the allocation decision for the decline group.

These results, although minimal, do indicate subtle differences between the two groups, and although the small sample size does impact the results, it provides a basis for analyzing the decision making process and explaining the driving factors behind allocation decisions. The central question of the research looked to identify those factors, for which the models was created that met the statistical parameter and explained over 25% of variance of the dependent outcome. In looking at the model we can draw inferences about the communities in the study and explain the driving factors behinds the policy decisions of local governing boards.

Overall, we can say that local decision makers are influenced by a set of external factors and these external factors have an influence on policy decisions both directly on the actual outcome and indirectly through their influence on the local decision makers. We know there are three primary (direct) factors, Council Size, Per Capita Income and Partisan along with a series of four other indirect relationships that explain the allocation of Public Improvements dollars, as well as what impact changes in jobs and population have of the model. In recognizing the results of the study we can put the findings of the research in context with the historical and theoretical concepts used to develop the initial framework.

### **Discussion of Findings**

With the growth and development of the urban core in the United States over past 150 years, Chicago rose to great prominence as a major metropolitan city. Like most major metropolitan areas in the 20<sup>th</sup> century, Chicago experienced urban concentration and population migration, followed by suburban sprawl, which included what is known as White Flight. Simultaneously, new local government structures were being introduced which change the interaction of leadership in a community as well as the role of local decision makers in some communities (England, Pelissero & Morgan, 2012). By the timeframe of the study in the early 2000's, the Chicago MSA consisted of a large urban core population, a fully developed inner and outer-rings suburb. The Chicago MSA communities were in various economic stages, moreover the communities throughout the Chicago MSA were diverse groups socially, economically, historically and politically. The nature and representation in these categories throughout the Chicago MSA allowed the

study to populate its conceptual frameworks with different observed variables collected across 22-city distinct cities in the study over 11 years.

In the final model analysis, the key factors determined to explain decisions made by the local decision makers, speak to the underlying concepts of the urban political theories addressed in Chapter 2. The direct role of the decision makers as indicated in the Final Model illustrates the different components shown in the various political theories, as well as the other indirect variables intuitively capturing the essence derived from the seven attributes of the urban political theories. While the urban political theories all acknowledge that politics does play a role in local policy decisions. The communities in the study also have competing interest and recognized the need growth and sustainability, which can be found through population and jobs, but also in increase Per Capita Income, Education Attainment and Community Development. Policy decisions, like the one analyzed in this study are a fundamental element in urban political theories and the influences on these decisions are at the core of understanding local government decision making.

The decision makers and boards involved in the study all operate under the restraints of the political structure in their respective community. These structures whether through coalitions, regimes or voter electorates are imbedded in the conceptual factors of the model and measured through the independent variables of the study. Although the subject study is unable to decipher current political theories and their direct influence on local policy decisions made with the data collected in study, the results of the final model show the influence of these political

theories on local governing board and the external impacts on local policy decision makers.

## **Conclusion**

Local policy decisions are a key component of all local governments and essential to the implementation urban policy. Recognizing that both external and internal factors exists and influence those policy decision, as well as understanding what factors have a greater influence on, and help explain local policy decisions are an important elements in analyzing urban communities and the resources available to those communities. First, this study set out to better understand what factors explain local policy decisions in order to use that information to analyze how decisions are made. Using path analysis, this study identified factors that explain what characteristics influenced policy outcome.

Secondly, the study was also able to apply the model to the data in study to determine whether patterns of growth altered the policy decision process. As noted previously growth patterns did not have a substantial impact on decision making. Initial hypotheses of Public Improvements believed that communities categorized in the study's stratification models as problematic would allocate a higher percentage of Public Improvement funds than communities categorized as thriving or neutral. However, the results of the study show from mean testing that there is no significant difference between the groups (based on a difference of means test). Whether it is institutionalization of decisions or a significantly longer lag in terms of changes in priorities, the data reports currently that the cities classified by the study as

problematic, allocate approximately the same level of Public Improvement dollars as thriving cities.

It should be noted that the although additional data and analysis is required to extend the subject research and its impact outside of the Chicago MSA and the specific CDBG allocation category, a foundation of factors have been established to build upon, and a basis for future research has been established.

### **Research Limitations**

The subject study has a number of research limitations. Some limitations are a result of the researchers ability to collect data while other limitations were structural. The following list of limitations identified over the course of the study must be noted. The unit of analysis being the municipality provided challenge for the collection of data from many national data sources that provided data down to the county level for some information. The total time horizon on the study was from 2002 through 2012. The American Community Survey's first year publishing was 2005 for most cities and 2006 or 2007 for others, which required a bridge of multiple data sources. In addition to the use bridging data sources, some data required the use of interpolation to estimate values for years unavailable for the research.

The researcher used secondary and visual data to collect racial information for data on local board members that could have created an additional margin of error for the study. The research is also limited to 22 cities in the Chicago MSA, which limits to some extent the ability to generalize findings of the study. Although the dependent variables measure the allocation percent of Public Improvement

dollars, HUD actually reports the CDBG on a disbursement/expenditure report, which can differ slightly. The difference between the two depends on the variation of the amount spent compared to the amount actually approved. The final limitation identified is the ability for meaningful statistical results for Growth and Decline comparison are limited by the small sample size.

### **Future Research**

The study created a model as well as provided a collection of data, which immediately lends itself to additional research on allocations of the Community Development Block Grant program. As referenced in Chapter 3, the Public Improvements category is just one of seven categories available for disbursement by the Entitlement Communities. Additional research can be conducted to analyze the models impact on the other categories. While Public Improvements is the largest disbursement category nationally, the second largest category is Housing. The model could be expanded to include the additional housing variables an applied to the CDBG Housing category, as well as a comparison among all seven of the categories to determine if different factors influenced different categories of the program.

Other research opportunities could include replication the of study in other markets outside of the Chicago MSA to determine if the influencing factors for the final model are a unique characteristic of the area, or if they can be replicated in other MSAs. The ability to understand local decision making and the influences on policy decisions have a multitude of opportunities and directions to expand future research. The model created here and the data collected lend themselves to further



development and research on local governing boards, policy decisions, decision making, political structures, and general community characteristics and demography.

## Appendix A

Represents the Chicago-Joliet-Naperville MSA 2010 and 2010-percentage population change by city level (over 50k in population) according the U.S. Census Bureau.

<b>Chicago, IL</b>					
<i>CBSA Code</i>	<i>FIPS</i>	<i>County</i>	<i>2000 Population</i>	<i>2010 Population</i>	<i>% Change</i>
<b>16980</b>		<b>Chicago-Joliet-Naper</b>			
<b>16980</b>	<b>17031</b>	<b>Cook County, IL</b>			
		Hoffman Estates Village	49,495	51,895	4.85%
		Berwyn	54,016	56,567	4.72%
		Orland Park Village	51,077	56,767	11.14%
		Chicago	2,896,016	2,695,598	-6.92%
		Cicero	85,616	83,891	-2.01%
		Arlington Heights Village	76,031	74,324	-2.25%
		Des Plaines	58,720	58,364	-0.61%
		Mont Prospect Village	56,265	54,167	-3.73%
		Schaumburg Village	75,386	74,227	-1.54%
		Evanston	74,239	74,486	0.33%
		Elgin	94,487	108,188	14.50%
		Skokie Village	63,348	64,784	2.27%
		Oak Park Village	52,524	51,878	-1.23%
		Palatine Village	65,479	68,557	4.70%
		Oak Lawn Village	55,245	56,690	2.62%
<b>16980</b>	<b>17037</b>	<b>Dekalb County, IL</b>			
<b>16980</b>	<b>17043</b>	<b>DuPage County, IL</b>			
		Naperville	89,055	95,421	7.15%
		Wheaton Village	55,416	52,894	-4.55%
<b>16980</b>	<b>17063</b>	<b>Grundy County, IL</b>			
<b>16980</b>	<b>17089</b>	<b>Kane County, IL</b>			
		Aurora	142,990	178,108	24.56%
<b>16980</b>	<b>17093</b>	<b>Kendall County, IL</b>			
<b>16980</b>	<b>17111</b>	<b>McHenry County, IL</b>			
<b>16980</b>	<b>17197</b>	<b>Will County, IL</b>			
		Bolingbrook Village	54,573	71,795	31.56%
		Joliet	106,221	147,433	38.80%
<b>16980</b>		<b>Gary , IN Metro</b>			
<b>16980</b>	<b>18073</b>	<b>Jasper County, IN</b>			
<b>16980</b>	<b>18089</b>	<b>Lake County, IN</b>			
		Gary	102,746	80,294	-21.85%
		Hammond	83,048	80,830	-2.67%
<b>16980</b>	<b>18111</b>	<b>Newton County, IN</b>			
<b>16980</b>	<b>18127</b>	<b>Porter County, IN</b>			
<b>16980</b>		<b>Lake-Kenosha Metro</b>			
<b>16980</b>	<b>17097</b>	<b>Lake County, IL</b>			
		Waukegan	87,901	89,078	1.34%
<b>16980</b>	<b>55059</b>	<b>Kenosha County, WI</b>			
		Kenosha	90,352	99,218	9.81%

## Appendix B

### Population Growth

		1	2	3
		$\frac{1}{2}\sigma$ Below $\mu$	$\frac{1}{2}\sigma < \mu < \frac{1}{2}\sigma$	$\frac{1}{2}\sigma$ Above $\mu$
Job Growth	1 $\frac{1}{2}\sigma$ Below $\mu$	Cicero Arl. Heights (Wheaton)	Skokie Oak Park Oak Lawn	
	2 $\frac{1}{2}\sigma < \mu < \frac{1}{2}\sigma$	Chicago Gary, IN	Berwyn Des Plaines	Elgin Aurora (Orland Park)
			Schaumburg	
			Evanston	
			Palatine	
			Waukegan	
			Kenosha, WI	
	3 $\frac{1}{2}\sigma$ Above $\mu$	Mount. Prospect Hammond, IN	Hoffman Estates Naperville	Bolingbrook Joliet

## Appendix C

### *Theoretical Concepts*

	<b>Key Actors</b>	<b>Public Participation</b>	<b>Community Leadership</b>	<b>Economic Growth</b>	<b>Public Decision Makers</b>	<b>Public Bureaucracy</b>	<b>Community Environment</b>
Job Percentage Change				X			
Population Percentage Change				X			
Percent Poverty		X					
Educational Attainment		X					
Percent Minority		X					
Average Age		X					
Per Capita Income		X					
Median Household Income		X					
Median Home Value		X					X
Pre 1940 Housing Units							X
Number of Housing Units							X
Length of CDBG Tenure						X	
Regional Location							X
Age of City							X
ARRA/Recession Impact				X			
Manager						X	
Council Size	X		X		X		
Composition of Board	X				X		
Partisan Elections					X		
Election Format					X		
Council Turnover	X						
Structure	X		X				
Full Time Employees						X	

## Appendix D

### *Variable Statistics (N = 242)*

Variable	$\mu$	$\sigma$	%
Educational Attainment	89.099	9.5493	
Percent Minority	35.505	18.1233	
Location	26.873	13.958	
Per Capita Income	27552.52	8554.95	
Council Size	10.73	9.095	
Public Improvement	0.305	0.23263	
Structure (Council-Manager)			63.64
Partisan (Non-Partisan)			60.33

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University of Nevada Las Vegas	Ph.D. in Public Affairs Greenspun College of Urban Affairs
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Xavier University of Louisiana	Undergraduate studies in Business Finance

#### ***Certifications***

University of Nevada Las Vegas	Graduate Research Certificate Program
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#### SCHOLARSHIP

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#### ***Publications***

2014	Bernick, E.; Birds, J.; Brekkan, K.C.; Gourrier, A.; Kellogg, L. "Explaining County Government Fiscal Transparency in an Age of e-Government". <i>State and Local Government Review</i> , 46(3) 173-183.
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### ***Conference Presentations***

- 2015                      Gourrier, A. "The Classification of Metropolitan Communities as a Function of Population and Job Shifts". Presented to the 73<sup>rd</sup> Annual Conference of the Midwest Political Science Association in Chicago, IL
- 2015                      Bernick, E.; Gourrier, A.; Kellogg, L. "County Governing Boards: Where Are All the Women?" Conference paper presented to the Annual Conference of the Western Political Science Association in Las Vegas, NV
- 2014                      Bernick, E.; Birds, J.; Gourrier, A.; Kellogg, L. "Explaining Local Government Budgetary Practices In an Age of E-Government". Conference paper presented to the 72<sup>nd</sup> Annual Conference of the Midwest Political Science Association in Chicago, IL.
- 2014                      Gourrier, A. "Exploring the Resiliency of Las Vegas". Conference paper presented to the 44th Annual Conference of the Urban Affairs Association in San Antonio, TX.
- 2014                      Gourrier, A. "The Changing Composition of Urban and Suburban Demographics, and Its Economic Impact on Tax Policy". Conference paper presented to the 2014 Southern Political Science Association in New Orleans, LA.
- 2013                      Gourrier, A. "Economic Impact of Urban Sprawl: The Demarcation of Core Urban City Jobs and The Development of Suburban Economics". Conference paper presented to the 43rd Annual Conference of the Urban Affairs Association in San Francisco, CA.

### **AREAS OF TEACHING AND RESEARCH INTEREST**

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- Urban/Public Policy (Economic Development, Income Inequality)
- Urban Politics (Administration, Financing)
- Urban Administration (Community Development)
- Public Finance and Budgeting
- State and Local Government (Government Structure)
- Intergovernmental Relations

## TEACHING EXPERIENCE

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### ***Undergraduate Courses***

Survey of Public Administration  
(University Require Course)

Fall 2015 – Auditorium Class 210 students  
Spring 2015 – Auditorium Class 90 students  
Fall 2014 – Auditorium Class 160 students  
Spring 2014 – Auditorium Class 60 students  
Fall 2013 – Auditorium Class 180 students  
Spring 2013 – Auditorium Class 135 students  
Fall 2012 – On-Line, Distance Education

Fiscal Administration  
Spring 2015 – Masters level course, Co-Taught

Public Budget and Finance  
Summer 2015 – On-Line, Distance Education  
Summer 2014 – On-Line, Distance Education

Public Personnel Administration  
Summer 2014 – On-Line, Distance Education  
Summer 2013 – On-Line, Distance Education

## EMPLOYMENT

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<i>01/12 to Present</i>	<u>University of Nevada Las Vegas</u> , Las Vegas, Nevada <i>Graduate Research Assistant and Graduate Teaching Instructor.</i>
<i>11/05 to 01/12</i>	<u>1<sup>st</sup> Commerce Bank (CBC)</u> , North Las Vegas, Nevada <i>President, Founder &amp; Executive Board Member. An FDIC State Chartered Financial Institution.</i>
<i>05/00 to 10/05</i>	<u>Desert Community Bank (CBC)</u> , Las Vegas, Nevada <i>Chief Credit Officer (CCO) and Executive Vice-President (EVP). An FDIC State Chartered Financial Institution.</i>

## ACTIVITIES and SERVICE

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### ***Activities***

- 2014 University of Nevada Las Vegas Graduate and Professional Student Research Forum (Platform Presenter). Presented by the UNLV Graduate College and the Graduate & Professional Student Association. Honorable Mention Recipient.
- 2014 University of Nevada Las Vegas Graduate Research Symposium Participant. Presented by Greenspun College of Urban Affairs.
- 2013 University of Nevada Las Vegas representative in the multi-University, multi-discipline 2013 Gerald D. Hines Student Urban Design Competition.

### ***Community and Board Service***

- 2006 - 2012 Make A Wish of Southern Nevada Executive Board Member
- 2007 - 2011 Floyd Mayweather Jr. Foundation Executive Board Member
- 2007 - 2010 Nevada State Development Corporation Advisory Board Member
- 2006 - 2009 Urban Financial Services Coalition National Board Member
- 2006 - 2008 North Las Vegas Chamber of Commerce Govt. Affairs Sub-Committee Chair

### **AWARDS and HONORS**

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#### ***Awards***

- 2015 UNLV Greenspun College of Urban Affairs  
Graduate Teaching Instructor of The Year
- 2015 Distinguished Men of Nevada
- 2014 UNLV Greenspun College of Urban Affairs  
Graduate Teaching Instructor of The Year
- 2009 Southern Nevada Top 10 SBA Lender – LV Business Press
- 2008 Nevada Community Service Award – U.S. Small Business Administration
- 2007 In Business' Las Vegas Top 40 under 40
- 2007 Las Vegas Young Professionals "Mover and Shaker" Award Recipient
- 2006 African American Hero – Las Vegas City Council
- 2005 Southern Nevada Top 20 SBA Lender - LV Business Press
- 2004 Banker of the Year – The Devante Group

### **PROFESSIONAL AFFILIATIONS**

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Midwest Political Science Association  
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Western Political Science Association