



Policy on Purpose

Episode 3: The Honorable Julián Castro

NARRATOR: This is “Policy on Purpose,” a podcast produced by the LBJ School of Public Affairs at The University of Texas at Austin. We take you behind the scenes of policy with the people who help shape it. For more, visit lbj.utexas.edu.

ANGELA EVANS: Welcome to “Policy on Purpose.” My name is Angela Evans and I have the privilege of being the dean of the Lyndon Baines Johnson School of Public Affairs here at The University of Texas at Austin. My special guest today is the honorable Julián Castro. Mr. Castro started his political career in his hometown of San Antonio, just down the road from Austin, as a councilman and then a mayor. He was then appointed by then-president Barack Obama as Secretary of the Department of Housing and Urban Development. Today we're so fortunate to call Mr. Castro one of our own. He has, since the fall, served as the dean's Distinguished Fellow and the fellow of the Dávila Chair in International Trade Policy right here at the LBJ School. He's been a tremendous asset to the school and to the students. He's been generous in his time and is sharing of his knowledge and expertise.

This week we're celebrating the 50th anniversary of Lyndon Baines Johnson's signing of the Fair Housing Act, which prohibited discrimination concerning the sale, rental and financing of housing based on race, religion, national origin or gender. We have right here a ready-made expert. As a former HUD secretary, Mr. Castro knows as well as anyone some of the most pertinent challenges we're facing in America today. So we're fortunate to have him here to talk with us today about his experience not only at HUD but also as mayor of San Antonio, where housing obviously is one of the more important issues that he faced as mayor. So welcome, Julián.

JULIÁN CASTRO: Thank you — it's great to be with you.

EVANS: So first let's talk through your career a little bit. Your career took you from councilman to mayor to then HUD. When you think about the trajectory and if you think about the thread of housing, talk about housing really — how housing was an anchor for you in terms of where you wanted to go and where you are now, in terms of public service.

CASTRO: Yeah, I first got interested in public service when I went away from my hometown of San Antonio and I could see my home community for the first time with a fresh set of eyes. My brother and I went away to college at Stanford, and over there I saw communities that seemed to have higher income levels, higher education levels, seemed to be more innovative and ready for the future. And I also didn't see that many folks who had come from the community that I had come from. From the neighborhoods

in San Antonio or even the city in general. And that was the beginning of me thinking that I wanted to dedicate some of my time and effort to making sure that other folks could have the same opportunity that I did. And a lot of that was related to the neighborhood that Joaquin, my brother Joaquin, and I had grown up in on the west side of San Antonio. It was low income to lower-middle income. We went to the public schools, and I could see at that time, even as a 19- or 20-year-old, how much of a difference it makes what kind of opportunity you get based on what neighborhood you live in, the housing that you have, the access that you have to different educational institutions, different amenities in life. So it's been part of the spark for my decision to go into public service in the first place.

EVANS: So when you think about that, as a young man and knowing that and having that realization, sort of a light bulb goes off at some point very early in your life. And then you come back and you're running for council and then you run for mayor. When you're thinking about those trajectories, how did that influence of just understanding the neighborhood and its environment, how did that affect you when you ran and when you governed in these different state, local and federal positions?

CASTRO: I think it always grounded me. First of all, when I moved back home after law school to San Antonio, I didn't move too far away from where I had grown up, and so I was still interacting with a lot of the same people. Still seeing every day the challenges of the folks in terms of housing, in terms of economic development, in terms of educational opportunity. So I think it mattered that I'd lived the experience of growing up in those neighborhoods that were some of the most distressed in the city, and then that I returned to that area. And I've really tried to make my time in public service about creating opportunity for people, focusing on opportunity.

When I was on the council, that meant making sure that we could make good infrastructure investments. That's a lot of what council members do. They focus on streets and sidewalks and sort of the basic services out there. As mayor, it meant pushing the envelope in terms of San Antonio's investment in educational opportunity. We passed something called Pre-K for SA, which was a ballot initiative to raise the sales tax by an eighth of a cent to significantly expand high-quality full-day Pre-K. The voters passed that in 2012 and the young children, 4-year-olds who were able to take advantage of that, are largely from families that are lower-income and often don't have the opportunity to get a great educational start in life. And then at HUD, it influenced how I saw that job. I wanted the folks who lived in public housing and HUD-assisted housing to be like the sun that opportunity services would orbit around. So whether we're improving the schools or better health care or access to transit, I wanted to make sure that we could create an envelope there where they had more opportunity for good jobs and quality of life around them.

EVANS: One of the things that, as you're talking, I'm thinking about — a lot of these decisions and a lot of these environments are outcomes of policy. So when you think about President Johnson and the 50th anniversary of many of his pieces of legislation, housing was really an important piece of a policy framework trying to get at this very issue. When I think about this in your short life, in your short career, how do you see that federal initiative in terms of the Fair Housing Act really influencing the kinds of decisions you made and the kind of circumstances that you saw?

CASTRO: It's been essential to the ability of cities to prosper more and especially vulnerable communities. It's been essential, the Fair Housing Act, for people of color or other folks from vulnerable communities to be able to move into higher opportunity areas over time. It's clear that we still have a ways to go but it's also clear that we've made a tremendous amount of progress since Lyndon Johnson signed the Fair Housing Act 50 years — *[crosstalk]*

EVANS: What do you see as some of the most important, if you had to name the one or two, top things you feel are really the most important things that this act did?

CASTRO: No. 1, you see more integration in a lot of neighborhoods — especially a lot of higher-opportunity neighborhoods, than we used to see, and that's because this Fair Housing Act was instrumental in helping to root out outright discrimination. Now, it has to be pointed out we're not all the way there. That still does happen and we have Fair Housing Act enforcement right now under the law. But 1968 versus 2018 is night and day, so the No. 1 thing, the No. 1 accomplishment of this Fair Housing Act and the legacy of Lyndon Johnson, is that it opened up the opportunity for people of color and other folks from protected classes to get into neighborhoods that they wanted to get into, where they had better schools, they had more access to transit, they had better job opportunities. And that's been tremendous for families across the United States.

EVANS: Well, one of the things you did when you were secretary of HUD in 2015 — you rolled out some new rules that strictly, more strictly combat racial segregation in residential neighborhoods. Talk to us a little about what motivated you in that, in terms of the regulatory structure and determining how best it worked for you, and did it really meet the objectives that you set out for them to meet?

CASTRO: I believe in equal housing opportunity. I very much am a fan of the Fair Housing Act and the work of Lyndon Johnson and all of the advocates who helped make that possible. It was signed only a week after the assassination of Martin Luther King and he and folks in the movement had pushed for fair housing legislation in 1966, '67, and then Lyndon Johnson signed it on April 11 of '68. In 2015, we accomplished something called Affirmatively Furthering Fair Housing. The act says that the secretary of HUD has the obligation to affirmatively further fair housing, but nobody had actually put that into a rule. It hadn't been given real meaning — *[crosstalk]*

EVANS: So it was almost of a statement of aspiration in some ways?

CASTRO: That's right, sure. And it sounds like a bureaucratic phrase, right? It's not the warmest of phrases, but basically our rule said to communities that receive HUD money, federal taxpayer money, that you have to become more serious about ensuring equal housing opportunity in your community. When you invest your federal resources, when you do your development code, all of those things that go into creating equal housing opportunity. It had been tried about 20 years earlier in the Clinton administration and they almost got it over the finish line. We were proud to get it over the finish line and what it required communities to do, local communities, is to put together robust plans, meaningful plans on how in the years to come they're gonna actually create more equal housing opportunity. I believe also that over time it's gonna have the effect of further desegregating our country, and that that's a positive thing. Right now, of course, in Washington there's a bit of a different direction that the current administration is going in, but I do think that the genie is out of the bottle and that we're gonna continue to get better and better because of this rule of affirmatively furthering fair housing that we promulgated.

EVANS: There's one thing I've always been very curious about. You started as a councilman, so very, very close to your constituents. Then there's mayor, you're still close. Not as close as if you're councilman. Then you go to the national level. How does one in your position stay in touch with the very people, at the highest level creating policy, how do we keep in touch with those people that we think that we're really serving?

CASTRO: That's a great question. I enjoyed working at the local level in part because you are so close to the people that you represent. And you can see the impact of your work very directly in the community that you drive around in, that you go and spend time with your family in, the neighbors that you talk to. It's different at the national level. You're not as close to the people. The way that I tried to bridge that gap was to make sure when I traveled for HUD business, whether it was about the Fair Housing Act or public housing or vouchers or whatever it was, to actually meet with the people who were impacted by our work — the folks who lived in public housing or who had housing choice vouchers or veterans or others who were experiencing homelessness, so that I could hear firsthand how they thought that the program was working, ways that we could improve it, all of those things that you can only learn from the firsthand people that are actually dealing with the policy that is set. That's how I tried to keep in touch with real people and to stay grounded.

EVANS: Mm-hmm. I think that's very hard and I think it has to be something that is an intentional goal when we're doing that, 'cause the farther away we get from the actual constituencies, the more removed we are from real-life situations. That's something at the LBJ School we're trying to instill in our students — that is, they go out, they really have to stay in touch with the very people that they think they're serving. 'Cause you came into the federal sector at a very high level in an area called housing, yet you were part of a presidential cabinet. So when you think about the cabinet and the discussions of policy at that level, and this again is the Obama, it's not every administration — so how did that reflect on your ability to work with others? 'Cause you talked at the very beginning of this about how important education is, how important transportation is. How can we continue to make sure that people at the very highest levels, who are very busy, talk to each other and collaborate around these larger areas, and how did you do that as secretary?

CASTRO: Fortunately, I came into the administration in 2014 when President Obama had set a strong blueprint of cabinet agencies, these departments working across silos. They started off with a really neat initiative called Sustainable Communities in 2010 that was a partnership with HUD, the EPA and the Department of Transportation to invest in both planning and actual implementation of policy that connected all of those things together. Housing, transportation and a better environment. And then championed things like Promise Zones and choice neighborhoods at HUD that similarly looked across those silos of how we can put policy together to improve overall quality of life and economic opportunity.

So the answer is that, by the time that I got there, all of these cabinet secretaries were already kind of working together in this mode because of President Obama's leadership, and so when we worked on things like Promise Zones or we worked on choice neighborhoods or Secretary Fox at the Department of Transportation working on TIGER grants, we would communicate and share ideas and think through how we could work more closely together. My hope, also, is that the example that that set, and the cities that started to do that to an even greater extent— because of the leadership that the federal government showed — my hope is that that will continue in those local communities and that the federal government also will continue to do that in the years to come.

EVANS: I think some people forget that the seeding is just not — the secretary levels getting together and talk, but there's a whole ecosystem with them as well as an infrastructure within their departments that they started getting these ideas and they start working on this. So regardless, you seeded an idea and sometimes it works, sometimes it doesn't, but that kind of initiative at the very high level is almost like a bully pulpit kind of an initiative that says that this is important to us and we can do that.

CASTRO: Yeah, and maybe the best example of that cross-agency work was the Obama administration's push to end veteran homelessness. It started in 2010 with a blueprint called Opening Doors, and the U.S. Interagency Council on Homelessness coordinated the work of 19 different federal agencies, including HUD, the Department of Education, Transportation — all of them, 19 different federal agencies. And because of that coordination and very good coordination on the ground in many American cities, we were able to see a reduction of veteran homelessness by 47 percent between 2010 and 2016. That's how Washington should work. Congress did its part; they made the investment in resources that they rightfully should for veterans who are homeless, and because of that you have thousands and thousands of veterans out there who now have a home and who are living healthier, more productive lives.

EVANS: This why I love these kinds of podcasts and talking to people, 'cause people don't often — they may hear about it but they don't really listen to some of the things that are done and how good policy can really seed good outcomes for the citizens. I want to shift a little bit. I'm thinking of the future. When you think about cities and you think about how people live and how they commute, and how they go to work — you've got artificial intelligence, you have IT, you have gentrification. There's a lot that's going on in terms of how you think in the next 50 years — 'cause this is the 50th anniversary of Fair Housing — when you think about the next 50 years, talk to us a little bit about what you think are some of the big challenges with these social and economic shifts that are going on.

CASTRO: Yeah, it's absolutely fascinating. What we see happening in the urban cores of communities across the United States is that rents are going up tremendously. We have a rental affordability crisis in this country. We need to increase supply. We need to increase housing opportunity in general and invest more in it. One of the big challenges that I see in the years to come is this growing inequality and part of the way that that expresses itself in cities, places like here in Austin, is a lot of displacement and gentrification. And I will say that I haven't seen one single city that I would grade with an A toward handling that challenge.

EVANS: Wow.

CASTRO: And it's understandable, a lot of times, why. Because there's this cycle that happens where you have a distressed neighborhood and then folks that are maybe middle income or a little bit more than that start moving in and they start improving the homes, but it's still mostly a distressed neighborhood. And then more investment is made and more folks start moving in and it's been the aspiration of the folks who lived there to see more infrastructure investment and see more amenities. But they're also getting priced out or they're cashing out in some ways, sometimes they sell their home and then before you know it, you're in this situation as a city where it's almost too late. East Austin is a good example of that. I'm not saying that it is too late there but it's a good example of what happens to many communities across the United States. So that's one challenge.

Another challenge will be for rural and small-town America to better link these things up. I remember visiting a small town in Wisconsin with Rep. Sean Duffy (R) when I was there at HUD, and one of the things I heard over and over was that they needed better access to transit because the jobs were too far away. And for rural and small-town America, we need to figure out ways to do what we've done a lot of in cities, which is to connect the dots, these different quality of life components and amenities.

EVANS: I think we still hear that too. I know the students did a study on food insecurity and talked to people about that and the students had all these grandiose ideas. "Let's have victory gardens, and let's

get better grocery stores," and when they talked to the people, it was like, "Get me transportation to a job." So it was like these two infrastructures — your housing and your ability to move out of that area to get other opportunities is really important. I see those two as almost tied at the hip.

CASTRO: Absolutely. Absolutely.

EVANS: As we go on. So I have a last question for you and that is: OK, we have students here and you've been exposed to these students for the last semester and a half. And you know they're very passionate about what they want to do and make a difference in the world. When you think about how to talk to them about staying involved, not being cynical, moving into things, what kind of advice would you give to them? Maybe it's not advice, maybe it's just, "Here's my story, I'm gonna share my story with you." What would you say — *[crosstalk]*

CASTRO: Well, no and I have advice, you know, tonight I actually have my last lecture this semester and I'm gonna share some of that perspective with them. First of all, I start off by telling them that they make me feel old *[both laugh, crosstalk]*

EVANS: They make you feel old! Wait a minute.

CASTRO: But no, I mean the advice that I give folks is No. 1, it's true what people say, that you should find things that you're passionate about because if you're gonna spend your career doing it, it needs to be something that you can get up in the morning and want to excel at because you love it. And then secondly, I asked them to always believe in themselves and surround themselves with people who believe in them. And then third, I tell them really that they should do everything possible that they can to find a way to connect these dots. Maybe it's not what we've been talking about necessarily, with certain distinct types of policy, but to think through from the perspective of the people that they're trying to serve. Not from their perspective, either sitting behind a desk or as an elected official getting all the plaudits, but from the perspective of the people that they're trying to serve. How does it all work together in policy-making? And if they always keep the perspective of the folks they're supposed to serve at the forefront, then I don't think that you can go wrong, ultimately.

EVANS: And I don't think we can go wrong ending there. That's a perfect ending in terms of what we need to be talking, not only to our students but to the rest of us who are citizens of the United States. So thank you so much, Julián, I really appreciate you taking your time to do this. Thank you.

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