



LIVING CITIES
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INVESTORS FOR SUSTAINABLE COMMUNITIES

A Living Cities working group

As America begins to rebuild its economy following the Great Recession, it is imperative to build stronger communities grounded in more resilient, regional economies that provide opportunity to all residents and that firmly embrace environmental stewardship.

Investors for Sustainable Communities, a working group of foundations and financial institutions sponsored by Living Cities, seeks to advance this vision of prosperity by promoting *equitable Transit-Oriented Development (equitable TOD)*. Equitable TOD seeks to develop healthier, more affordable neighborhoods that offer convenient and safe access to jobs, stores, schools and services; expand transportation options connecting these neighborhoods to the regional economy (e.g. job centers); and ensure that all people—regardless of income, race, age, ability and similar considerations, can participate in development decisions and share in the benefits. Through these interventions, equitable TOD promotes increased economic efficiency, improved quality-of-life and increased access to opportunity and services for all Americans.

Over the past three years, the institutions participating in Investors for Sustainable Communities have invested over \$100 million in equitable TOD. Recognizing the limitations of acting independently, these institutions have come together to achieve greater impact by coordinating investments, aligning them as appropriate with federal grants such as the U.S. Department of Housing and Urban Development's (HUD) Sustainable Communities Planning Grant Program, challenging other foundations, financial institutions and businesses to invest in equitable TOD, and conducting "research and development" on tools and strategies to advance equitable TOD nationally and locally. They anticipate this effort will help them leverage additional investments in TOD—up to or exceeding \$150 million, including their own investments, over the next three years—and make these investments more effective. The effort will also benefit from the participation of leading organizations such as the Funders' Network for Smart Growth and Livable Communities, a learning collaborative of national and regional foundations, and Reconnecting America, a national nonprofit which works to integrate transportation systems and the communities they serve.

Development trends are slowly shifting towards TOD. However, intervention is required to ensure that TOD promotes:

1. *Fully integrated regional economies.* The markets are beginning to deliver TOD, but primarily in the form of high-end luxury projects. The working group seeks to ensure that individual TOD projects "roll up" to better integrate living and transportation options across communities and regions, and make those options accessible to more of the market. Regional capacity to innovate and create jobs will increase as a result of more efficient connections between business, capital and talent.
2. *Equitable outcomes.* Participants seek to ensure that all people can participate in development decisions and share in the benefits and opportunities TOD creates. For example, the group seeks to: expand housing options for working families and seniors

Participants: AARP Foundation; The Annie E. Casey Foundation; Citi; Ford Foundation; The Kresge Foundation; The McKnight Foundation; Morgan Stanley; The Rockefeller Foundation; Surdna Foundation

near train stations and bus routes; leverage transportation infrastructure investments to revitalize distressed neighborhoods while taking measures to prevent low-income residents from being priced out; connect local residents and businesses to employment and contracting opportunities created by these investments; and intentionally engage disadvantaged communities in decision-making to ensure that development meets their needs.

3. *Environmental sustainability.* The working group seeks to promote and leverage transportation infrastructure investments to develop more walkable communities and provide viable alternatives to driving, reducing auto emissions and mitigating the environmental impact of inefficient development.

A robust field of practitioners, policy makers and investors is developing around equitable TOD, and their efforts are yielding transformational results in places like Portland, Denver, Baltimore, Minneapolis and St. Paul. In addition, the federal Partnership for Sustainable Communities has led a watershed effort to integrate its programs across multiple cabinet agencies in order to align housing, transportation, environmental infrastructure and more towards lasting, equitable prosperity. Many regions are now following suit. Participants in Investors for Sustainable Communities seek to accelerate this progress through the following three strategies:

- *Speak with one voice* to engage more policy makers, practitioners, developers and investors in the effort to promote equitable TOD;
- *Increase their individual impact* by deepening their knowledge of one another's strategies, engaging in discussions of strategic issues of common interest and, where appropriate, coordinating their grants, loans and/or Program-Related Investments; and
- *Conduct "research and development" to address persistent field-level barriers* to equitable TOD, such as financing development at scale and aligning federal, state and local policy.

An example of the working group's efforts is an upcoming "Sustainable Communities Boot Camp." Tailored to the needs of regions that will receive awards from the Department of Housing and Urban Development's Sustainable Communities Regional Planning Grants Program, the Boot Camp will help arm practitioners with the approaches and strategies they need to build systems that advance economic prosperity, equity and inclusion and environmental stewardship simultaneously. Equitable TOD will be an important part of the Camp's focus.

Participation in Investors for Sustainable Communities is open to foundations, financial institutions and other private sector leaders committed to advancing TOD. A minimum investment of \$50,000 over three years is required of national institutions who are not already Living Cities members. Financial institutions can use the working group to inform their own investment strategies, source potential transactions and participate in our research and development agenda. Participants will also be able to recommend program-related investments for consideration by Living Cities' Catalyst Fund, which provides below-market rate loans and guarantees to high-capacity organizations that contribute substantially to advancing Living Cities' programmatic agenda.

For more information about Investors for Sustainable Communities, please contact Tamir Novotny at tnovotny@livingcities.org. Please note: we will not respond to unsolicited grant proposals.

Participants: AARP Foundation; The Annie E. Casey Foundation; Citi; Ford Foundation; The Kresge Foundation; The McKnight Foundation; Morgan Stanley; The Rockefeller Foundation; Surdna Foundation 2

About Living Cities

Founded in 1991, Living Cities is a unique philanthropic collaborative of 22 of the world's largest foundations and financial institutions. Over the past 19 years, Living Cities has invested more than \$1 billion in American cities-leveraged into \$16 billion and making a demonstrable difference in neighborhoods throughout the nation. Our members are not simply funders. They participate at the senior management level on the Living Cities Board of Directors and contribute the time of 80+ expert staff toward crafting and implementing an agenda that is squarely focused on improving the lives of low-income people and the urban areas in which they live.

Living Cities Members: AARP Foundation, AXA Equitable, Bank of America, The Annie E. Casey Foundation, Citi Foundation, J.P. Morgan Chase & Company, Deutsche Bank, Ford Foundation, Bill & Melinda Gates Foundation, Robert Wood Johnson Foundation, W.K. Kellogg Foundation, John S. and James L. Knight Foundation, The Kresge Foundation, John D. and Catherine T. MacArthur Foundation, The McKnight Foundation, MetLife, Inc., Morgan Stanley, Prudential Financial, The Rockefeller Foundation, Surdna Foundation
Affiliate Members: The Cleveland Foundation, The Skillman Foundation

Participants: AARP Foundation; The Annie E. Casey Foundation; Citi; Ford Foundation; The Kresge Foundation; The McKnight Foundation; Morgan Stanley; The Rockefeller Foundation; Surdna Foundation 3

PARTNERSHIP FOR SUSTAINABLE COMMUNITIES EPA-HUD-DOT

"Our strategy to build economically competitive, environmentally sustainable, opportunity-rich communities that serve as the backbone for our long-term growth and prosperity... We need strategies that encourage smart development linked to quality public transportation, that bring our communities together. That's why we'll improve our Partnership for Sustainable Communities by working with HUD, EPA, and the Department of Transportation in making sure that when it comes to development, housing, energy, and transportation policy go hand in hand."

--President Barack Obama, January 21, 2010

The Obama Administration's Partnership for Sustainable Communities is a federal interagency partnership between EPA, HUD and DOT with the goal of ensuring that the agencies' policies, programs, and funding consider affordable housing, transportation, and environmental protection together. Founded on the idea that how and where we build our communities affects our economy, our environment, and our everyday lives, the Partnership for Sustainable Communities are aligning investments and policies to support communities that want to give Americans more housing choices, make transportation systems more efficient and reliable, and support vibrant neighborhoods that attract businesses.

Coordinating federal investments in infrastructure, facilities, and services meets multiple economic, environmental, and community objectives with each dollar spent. For example, investing in public transit can lower household transportation costs, reduce greenhouse gas emissions and air pollution, decrease traffic congestion, encourage healthy walking and bicycling, and spur development of new homes and amenities around transit stations. At a time when every dollar the federal government invests in jumpstarting the economy is critical, the President's plan ensures that all agencies are targeting resources with precision.

Six livability principles guide the Partnership:

- ***Provide more transportation choices.*** Develop safe, reliable, and affordable transportation choices to decrease household transportation costs, reduce energy consumption and dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.
- ***Promote equitable, affordable housing.*** Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.
- ***Enhance economic competitiveness.*** Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.
- ***Support existing communities.*** Target federal funding toward existing communities—through strategies like transit-oriented, mixed-use development, and land recycling—to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.
- ***Coordinate and leverage investment.*** Align federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.
- ***Value communities and neighborhoods.*** Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

The goals of the Partnership for Sustainable Communities are to achieve better results for communities and use taxpayer money more efficiently. In its first year, the Partnership targeted federal resources through grants and other programs to help states and communities create jobs and stronger economies by developing more sustainably; removed regulatory and policy barriers at the federal level to make it easier for state and local governments to access federal services and resources; and aligned agency priorities and embedded the Livability Principles in each agency's actions so that transportation, housing, and environmental protection efforts are coordinated.

The work of the Partnership for Sustainable Communities continues in its second year. Over the next two weeks, the Obama Administration will announce \$409.5 million in federal investments in realizing more sustainable communities across America:

EPA Brownfields Area Wide Planning Grants: The U.S. Environmental Protection Agency will provide grants to 23 pilot communities in predominantly under-served and economically disadvantaged areas to develop area-wide plans for the reuse of brownfields properties. Each grantee will receive up to \$175,000 to facilitate community involvement in creating a coordinated strategy for addressing community needs for housing, recreation, education and health facilities, and economic development.

HUD Sustainable Community Regional Planning Grants: The U.S. Department of Housing and Urban Development will award nearly \$100 million in new grants to consortia of State, local, and tribal governments, as well as metropolitan planning organizations, in the development and execution of regional plans that integrate affordable housing with neighboring retail and business development and realize more livable and sustainable communities across the country. The new *Sustainable Communities Regional Planning Grant Program* is intended to build economic competitiveness by connecting housing with good jobs, quality schools and transportation.

DOT Transportation Investments Generating Economic Recovery II Grants: The U.S. Department of Transportation will award \$600 million in grants for TIGER II capital investment in surface transportation projects, of which \$267.5 is for projects that focus on livability and sustainability improvements. This is the second round of Transportation Investments Generating Economic Recovery (TIGER) grants. The first round was awarded in February 2009 and granted \$1.5 billion over 50 innovative transportation projects across the country. Twenty-two of the projects were selected largely because they would improve their communities' quality of life while advancing broader transportation goals. Of this second round of TIGER grants, up to \$35 million may be used in conjunction with HUD's Community Challenge Planning Grants to support local planning activities that integrate transportation, housing, and economic development.

HUD Community Challenge Planning Grants: U.S. Department of Housing and Urban Development will award \$40 million in Community Challenge Planning Grants to foster reform and reduce barriers to achieving affordable, economically vital, and sustainable communities. Such efforts may include amending or replacing local master plans, zoning codes, and building codes on a jurisdiction wide basis or in a specific neighborhood to promote mixed-use development, affordable housing, the reuse of older buildings and structures for new purposes. HUD's Community Challenge Planning Grant Program also supports the development of affordable housing through the development and adoption of inclusionary zoning ordinances and acquisition of land for affordable housing projects. These grants will be awarded in conjunction with DOT's TIGER II planning grants. To make it easier for communities to apply to both programs, DOT and HUD accepted a single application for both the TIGER II grants and the Community Challenge Planning grants and will be making joint awards as well as individual grants.

EPA Smart Growth Technical Assistance Projects: The U.S. Environmental Protection Agency will choose seven communities and one state to receive targeted technical assistance on growth and development issues related to the Partnership's work: climate change adaptation; coordination of sustainability policies; cities in transition; infrastructure financing; development code modernization; water quality and green infrastructure; sustainable design and housing; and, historic preservation.

OpEd Contributor

Marc Scribner: We've been LaHood-winked on transportation mobility grants that push Big Green's anti-car agenda

By: Marc Scribner
OpEd Contributor
October 23, 2010

On Wednesday, President Obama's Transportation Secretary, Ray LaHood, announced the grant recipients of his department's \$600 million Transportation Investments Generating Economic Recovery (TIGER II) program.

Skeptics of the Obama-LaHood transportation agenda had known a week earlier that things were going to be bad, thanks to some members of Congress leaking project details to the press—but we didn't think it would be *this* bad.

While much of the funding went to traditional pork projects like infrastructure repair in low-traffic rural counties, a significant portion went to Smart Growth "livability" projects. Sounds great—who doesn't want their community to be more livable?

The problem is that, for Smart Growth advocates, "livability" doesn't mean infrastructure investments that can increase Americans' mobility and broaden their opportunities. They mean separating people from their cars.

Smart Growth "livability" projects generally make auto travel more difficult. These include converting highways to boulevards, closing city streets to cars, opening one-way urban streets to bidirectional traffic, narrowing roads, and installing speed bumps.

Congestion is by far the most serious issue facing our transportation system. Livability measures not only fail to address congestion, they make it worse. More congestion means that people spend more time stuck in traffic, which means a lot of wasted time and fuel. As vehicular mobility declines, so does real livability.

A debate between Smart Growth and traffic efficiency advocates has raged for decades in the transportation policy community. Since the early 1990s, federal transportation planning has been dominated by the Smart Growth set. They claim they just want to level the playing field for pedestrians, cyclists, and transit riders.

However, there is one major problem: Most Americans prefer to drive. In essence, Smart Growth advocates are attacking a problem that is greatly overstated—a lack of non-auto infrastructure and access—and making the far more serious congestion problem significantly worse.



President Barack Obama speaks to reporters in the Rose Garden to highlight a new report on the impact of his \$50 billion infrastructure-investment proposal, Monday, Oct. 11, 2010 at the White House in Washington. On stage with Obama are from left to right, Secretary of Transportation Ray LaHood, Gov. Ed Rendell, D-Penn., and Los Angeles Mayor Antonio Villaraigosa. (AP)

Smart Growth proponents have much to be thankful for, as less than a third of TIGER II's \$600 million in grants went to road projects. In fact, more money went to livability - enhancing projects such as rail transit and bicycle trails - than to roads. But grants were not evenly distributed. Five of the least cost effective projects received one-fifth of total funding.

Rank	Project	Funding
1	Downtown Atlanta Streetcar	\$47,667,777
2	Sugar House Streetcar (Salt Lake City)	\$26,000,000
3	New Haven Downtown Crossing	\$16,000,000
4	Razorback Regional Greenway (NW Arkansas)	\$15,000,000
5	Warehouse District Complete Streets Project (Peoria, Illinois)	\$10,000,000

Across the United States, Smart Growth advocates have been attempting to bring back city streetcars. The proposed streetcar lines in Atlanta and Salt Lake City received \$73.6 million from TIGER II—12 percent of the disbursed grant money. One of the few silver linings in the recent spate of crippling state budget deficits in that many of these expensive and controversial transit projects were put on hold or drastically scaled back.

However, with the federal government providing targeted funds that must be spent, these boondoggles may be able to limp back into operation. In the case of Atlanta's downtown streetcar line, the TIGER II grant accounts for two-thirds of the total investment.

In New Haven, Connecticut, \$16 million went to a project to convert a portion of urban limited-access highway to a normal city street. Project backers claim that restoring this portion of Route 34 to the New Haven street grid will make for a more livable, pedestrian-friendly downtown.

Of course, it will increase congestion in an area already suffering from some of the worst driving conditions in the country. The State of Connecticut estimates that chronic congestion costs the New Haven area \$117 million a year.

As wasteful as these projects are, the award for dumbest TIGER II grant goes to the Razorback Regional Greenway in northwest Arkansas. The others are at least somewhat related to Department of Transportation's core mission of enhancing American mobility. The Razorback, in contrast, is a proposed 36-mile bicycle and pedestrian corridor stretching from Bentonville to Fayetteville.

According to the Census Bureau's 2009 American Community Survey, only 0.3 percent of commuters bicycled to work in the Bentonville-Fayetteville metro area. Since when is the Transportation Department in the business of providing recreational opportunities to a small but vocal segment of the public?

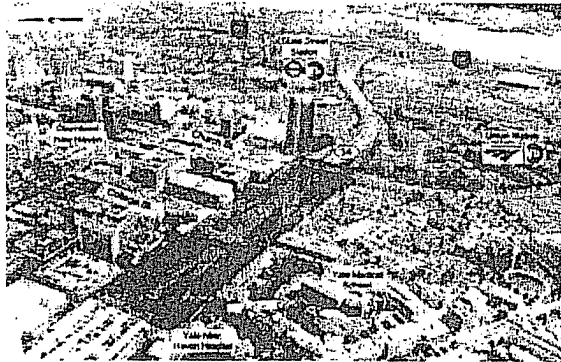
TIGER II is likely just a taste of what will follow. With reauthorization of the multi-year highway bill around the corner, Americans should be wary of more anti-mobility transportation spending which Congressional Democrats and the Obama administration are very likely to support.

Marc Scribner is a land-use and transportation policy analyst at the Competitive Enterprise Institute.

perspective

TIGER II Proposals Already Under Attack by Auto Interests

Posted on Monday October 25th by Eric Jaffe | 336



Opponents of balanced transportation wasted no time denouncing some recipients of the TIGER II infrastructure grants, announced last week. Noting that less than a third of the \$600 million in federal funding went to “road projects,” Marc Scribner of the Competitive Enterprise Institute lamented in the *Washington Examiner* that much of the money was assigned, instead, to what he calls “livability” projects. The implication is that any infrastructure project that fails to build more roads is latently unpatriotic, because “most Americans prefer to drive”:

Congestion is by far the most serious issue facing our transportation system. Livability measures not only fail to address congestion, they make it worse. More congestion means that people spend more time stuck in traffic, which means a lot of wasted time and fuel. As vehicular mobility declines, so does real livability.

One object of Scribner’s ire is the \$16 million grant won by New Haven to convert its Route 34 interstate connector into a pedestrian- and bike-friendly “urban boulevard.” Book after book has been written about the problematic Route 34, but briefly put, New Haven built the highway at the height of urban renewal in response to cries for more roads. To do so the city destroyed the Oak Street neighborhood, permanently altering the community’s social fabric while simultaneously failing to improve traffic flows.

Setting aside the history of transportation—which has demonstrated that building more roads does not inevitably diminish traffic but rather increases it by inviting people to drive—the proposed Route 34 project itself addresses the fears of increased congestion. While the new “urban boulevards” will add bicycle lanes, they will also add a fourth car lane in each direction to handle increased traffic. Additionally, cars headed for the area’s major parking garage will be

diverted from the surface roads to underground access ramps, “reducing traffic on the local roadway system,” according to the official proposal.

The project will also restore the College Street overpass to grade level, increasing walkability, and create a 10-acre parcel of developable land set to house a 10-story office and lab building. All told the project will take significant steps toward reconnecting the area with downtown New Haven—and, in the words of the *New Haven Independent*, “undoing the mistakes of the past.” As the lessons of urban renewal taught New Haven more acutely than most, roads that tear apart communities aren’t worth their weight in traffic flow.

It also bears mention that the improved Route 34 will be near stops on New Haven’s proposed streetcar project—an effort designed to facilitate transport between the city’s Union Station and its downtown. If all these improvements reach their potential, travelers through New Haven will have a highly balanced transportation system at their disposal. They will also have something just as American as the automobile: options.