

# Coming Full Circle: The Innovation of HUD's Sustainable Communities Initiative

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On the occasion of the 50th Anniversary of the U.S. Department of Housing and Urban Development (HUD), the new directions posed by the authors in this issue of *Cityscape* bear special significance as we honor our past and define our future as the “Department of Opportunity.” HUD has a legacy of supporting local innovation, comprehensive planning, and regional collaboration—the hallmarks of the work of our Sustainable Communities Initiative (SCI).

Using this opportunity to reflect on the evolution of HUD's sustainable communities work, I will present my comments in three parts. First, I discuss the historical and contemporary context for the SCI, using case studies of current grantees to illustrate how communities are grappling with today's challenges. Next, I review the salient findings presented by this volume's authors about the relationship between equity and sustainability. Finally, I consider the implications of this work on future policy and propose ways that HUD and its partners can join forces to support sustainable and resilient communities.

## Supporting Innovation in the Face of Change

HUD was created at a time of crisis for America's cities. Social, economic, and environmental volatility engendered new approaches. The Housing Act of 1954<sup>1</sup> introduced Section 701 Comprehensive Planning Assistance grants, which facilitated the development of comprehensive plans for urban and rural areas. Grants were awarded to multipurpose regional planning agencies, cities, counties, and states to build local technical capacity and coordinate regional planning efforts around housing, transportation, land use, and the management of natural resources.

The Urban Development Action Grant program (UDAG) was created in 1977 as a cornerstone of the Carter Administration's national urban policy. The program encouraged the private sector to take part in the revitalization of distressed cities by investing in physical development projects that would create jobs and ignite local economic activity. During the course of 12 years, UDAG directed \$4.6 billion to roughly 3,000 large-scale development and redevelopment projects in more than

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<sup>1</sup> Public Law 83–560.

1,200 cities, most of which were experiencing severe economic hardships and were having trouble attracting private investment. It was an early test of public-private partnerships deployed in the service of urban economic development.

UDAG and Section 701 set important precedents for encouraging local flexibility to craft revitalization strategies, create partnerships between the public and private sectors and among governments at the regional scale, and to make transformative improvements in struggling cities and towns. By the end of the 1980s, however, neither of these programs existed. What have we learned from HUD's recent revival of support for long-range, comprehensive planning through SCI? Why was this initiative *the right program at the right time*, and, moreover, how do we sustain this momentum into the future?

The roots of SCI can be identified in those earlier, landmark programs, but the context for the work now is different. We are living in a time of tremendous change—demographics, population shifts, climate-related changes, and economic restructuring, to name only a few challenges communities face—without an obvious handbook of solutions.

On the economic front, many communities have experienced a slow or uneven recovery from the Great Recession with the prospect that economic restructuring of some industries may mean that more jobs are disappearing from the economy. At the same time, new opportunities in the knowledge economy and the role that shared assets can play (the sharing economy) are a focus for some regions seeking to increase their economic competitiveness. Workforce development strategies must find ways to match economic trends and sector-specific needs to training workers with those specific skills to meet the needs of growing sectors. In addition, communities increasingly are recognizing that investing in vibrant, high-quality places may be one of the most effective ways to retain their local talent, attract top-notch workers, and grow jobs and businesses.

When HUD launched SCI 5 years ago, many communities were seeking ways to reenergize and refocus their economies. During a 2-year period, fiscal years 2010 and 2011, HUD invested \$240 million in competitive Regional Planning Grants and Community Challenge Planning Grants to 143 regions and communities to enable them to take a deliberate approach to adapting their economies for a changing future.

- The Opportunity Collaborative, representing metropolitan Baltimore, for example, used a Sustainable Communities Regional Planning Grant to map out existing barriers to employment and promising career pathways. By identifying emerging opportunities, the Collaborative was able to provide clarity to jobseekers while also cultivating a skilled workforce for the region's major employment sectors. This study also identified transportation and housing barriers that prevent Baltimore-region residents from accessing employment opportunities. Workers there struggle to find affordable housing near the growing job centers that are concentrated far from the urban core, and low-income households dependent on public transportation are unable to make the commute because the region's transit systems do not connect to these decentralized employment locations. The Opportunity Collaborative's *The Last Mile* project, funded with its HUD grant, sought to bridge that gap by teaming the Central Maryland Transportation Alliance with the BWI (Baltimore-Washington International Airport) Business Partnerships to create

stronger transit connections to the region's airport district. This innovative partnership will connect people to a major employment center, increase access to jobs for everyone in the region, and ensure that regional employers can attract new talent and retain existing workers.

- Flint, Michigan, which lost more than one-half of its population during the past four decades in large part because of automobile plant shutdowns, used a HUD Sustainable Communities Challenge Grant to develop its first master plan in 50 years. This award-winning plan<sup>2</sup> designates job growth areas, calls for repurposing vacant land, and has helped direct strategic investments. Those investments already have helped the city engage 42 projects, creating or retaining nearly 2,000 jobs, including more than 1,000 permanent positions, and catalyzing more than \$1.2 billion in capital investments in Flint.

SCI has also enabled communities to take a deliberate look at changing demographics so they can make strategic choices about future investments.

- East Arkansas' Regional Planning Grant, for instance, has helped this largely rural region develop a user-friendly data platform, changing the regional discussion about out-migration and a shrinking population. With a close examination of population trends, reNEW East Arkansas (led by the East Arkansas Planning & Development District) determined that, although several of its counties were indeed losing population, they are actually gaining population in the 25- to 44-year-old age group, the prime employment years. With this insight, the region is working to expand its entrepreneurship programs targeting this demographic, particularly in the area of value-added agriculture and its regional food economy. The region also has revealed that tourism (including cultural and historic tourism) brings more than \$0.5 billion into the area annually, reminding county governments of the value of supporting and expanding this economic sector.

One of the most significant changes in the past several years is the visible evidence of climate change. From 2005 to 2013, Congress allocated \$43 billion in Community Development Block Grant Disaster Recovery funds to states and localities. The most recent catastrophic disaster, Hurricane Sandy, caused more than \$50 billion in damages. Hurricane Katrina, in 2005, caused more than \$108 billion in damages. Although disasters are expensive for all levels of government, for households, and for businesses, they have the most devastating effects on low- and moderate-income households without the personal resources to bounce back from a disaster—and those disasters are happening with increasing frequency and intensity. Be it extreme weather events, rising sea levels, floods, droughts, or temperature extremes, most communities have yet to prepare for these changing conditions.

Natural disasters do not recognize political boundaries, so interjurisdictional collaborations—a centerpiece of HUD's Regional Planning Grants—have proven to be essential in reducing the effects of climate change. The New York-Connecticut Sustainable Communities Consortium, supported by a HUD Regional Planning Grant, completed two climate-resilience studies less than a month before Hurricane Sandy hit the region in 2012. Thanks to that collaboration, the Consortium members were able to respond quickly and strategically to the widespread damage from the storm. HUD's work has increasingly focused on helping communities become more resilient to the effects of climate change and reducing climate-altering emissions.

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<sup>2</sup> The Imagine Flint Master Planning Process was awarded a 2014 Planning Excellence Award for Public Outreach by the Michigan Association of Planning.

Climate-resilience strategies do not have to be highly technical to be effective. Although some SCI grantees—like the Washington County Council of Governments in Maine—have produced sophisticated mapping, modeling, and vulnerability assessments for their communities, many communities have found creating a regional framework for working together on climate issues to be enormously valuable. Communities in Gulfport, Mississippi, and southeastern Florida have convened working groups that agreed on adaptation priorities to target the most serious threats to vulnerable populations and essential community infrastructure. This approach allowed for the alignment of local policies from straightforward land use changes, existing planning processes, or prospective infrastructure investments to be modified with a climate-resilience lens to reduce vulnerability to future shocks and stresses.

## Without Equity, There Is No Sustainability

Vulnerability is a concept that cuts across every arena of planning. In a disaster, the most vulnerable populations are often the ones with the fewest resources to help them bounce back. Households with limited housing and transportation options will have less ability to weather prolonged economic downturns or displacement pressures. Resilience and sustainability require diversity, innovation, economic mobility, and social connectedness. The elements that make a community walkable, livable, economically competitive, and equitable will also help make that community more resilient.

Severe wealth and income inequities are placing limits on choice, opportunity, and stability for a large percentage of the population, which in turn diminishes the resilience of regions as a whole. Inclusive communities are inherently more sustainable communities. The SCI set a new and higher bar for equity assessments and public engagement in regional planning. Regional Planning grantees were required to conduct Fair Housing and Equity Assessments, which are now being used as the basis of a new fair housing tool that would enable HUD to more effectively fulfill its obligations to affirmatively further fair housing under Title VIII of the Civil Rights Act.<sup>3</sup> These assessments revealed regional patterns of racial and ethnic concentrations of poverty; major gaps in access to basic services like health care and education; and transportation challenges that limited the mobility of low-income families, the elderly, and residents with disabilities. Community engagement was also a critical component of this work, because data simply cannot capture some underlying conditions. A more inclusive process produced very different outcomes.

- Federal seed money helped the Puget Sound region in Washington State achieve more equitable growth by preserving and expanding affordable housing near transit. As part of the Puget Sound Regional Council's Growing Transit Communities initiative, funded by a HUD Regional Planning Grant, the city of Seattle committed \$1 million to establish a Regional Equitable Development Fund, which will help leverage additional funds and be used to purchase properties near light rail stations. This fund will help the region preserve, rehabilitate, and develop higher density, mixed-use housing that will remain affordable to residents with a wide range of income levels. The families along the new transit line will benefit from the reduced risk of displacement caused by rising demand and housing prices that often accompany major transit investments, thanks

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<sup>3</sup> Public Law 90–284.

to the regional collaboration of public, private, and nonprofit stakeholders under the Growing Transit Communities framework. Moreover, the entire region will benefit from both expanded transportation options and more vibrant, walkable neighborhoods.

The research presented in this issue of *Cityscape* highlights the incredible progress we have made in the field of sustainable community development. Todd Nedwick and Kimberly Burnett referenced the widespread belief that housing developers recognize the benefits of locating affordable housing near transit (Nedwick and Burnett, 2015). Andrew P. McCoy, C. Theodore Koebel, Andrew R. Sanderford, Christopher T. Franck, and Matthew J. Keefe find that energy-efficient construction is now a sign of excellence in the trade (McCoy et al., 2015). James Svava, Tanya Watt, and Katherine Takai point to the mainstreaming of sustainability in the political sphere; local governments are advancing ambitious sustainability plans for their towns, cities, and regions, many with an equity orientation (Svava, Watt, and Takai, 2015). Given the wide range of interpretations of the term “equity” in their national survey of local governments, Svava et al. (2015) provide a useful working definition with their analysis of a comprehensive approach to sustainability, asserting that without attention on equity, local governments are not reaching their sustainability goals.

Many of the articles touch on the overwhelming demand for walkable, livable, and accessible environments and the accompanying pressures that demand is putting on the affordability of those places. Julia Koschinsky and Emily Talen find in their national analysis of the affordability of walkable neighborhoods that the current supply of these walkable and amenity-rich environments falls drastically short of the current demand from people of many different ages and backgrounds (Koschinsky and Talen, 2015). They find that only 14 percent of all metropolitan neighborhoods are walkable and accessible, and increased demand could mean that such neighborhoods could soon be a luxury only for the most affluent residents. Adkins (2013) found that only 27 percent of low-income households with a preference for accessible neighborhoods were able to move to a very walkable area compared with 53 percent of higher income households.

These places are not strictly urban, of course. Suburban and rural communities have made very effective use of HUD Planning Grants. As Koschinsky and Talen (2015) emphasize, the important distinction is between accessible and inaccessible places in both urban and suburban locations that are not compromised by crime or poor quality of the walking environment, rather than between urban and suburban. Their proposals for strategies to expand the access that low-income and HUD-supported households have to these desirable neighborhoods are pragmatic and intriguing. These studies also highlight important tensions in longstanding approaches to planning that deserve thoughtful debate. Given the forces discussed previously, planners must be constantly assessing, evaluating, gathering data, monitoring progress, and making adjustments to keep pace with sometimes rapidly changing circumstances. Technology has revolutionized our ability to do just that and make plans in real time. The studies by Rolf Pendall, Christopher Hayes, Arthur (Taz) George, Casey Dawkins, Jae Sik Jeon, Elijah Knaap, Evelyn Blumenberg, Gregory Pierce, and Michael Smart and by Blumenberg, Pierce, and Smart propose tailoring HUD housing assistance to a household's individual transportation needs and assets, including access to a car (Blumenberg, Pierce, and Smart, 2015; Pendall et al., 2015). With the sharing economy expanding our notion of mobility and car ownership, providing more transportation options to low-income families would add another tool to reach the ultimate goal of household stability and economic opportunity. These

analyses also reveal the limitations of transit when funding cannot maintain adequate levels of service. Again, given the new fiscal reality of community development, government alone cannot solve the biggest challenges. Innovative solutions are required that can leverage public resources through partnerships with leaders in the community development, business, and philanthropic realms.

## Where Do We Go From Here?

How can local leaders position their communities for success in this uncertain environment? The key is thoughtful and deliberate planning that gazes fearlessly and clear-eyed into the future. Resilience recognizes that the future is going to be significantly different than the past, and communities will have to decide what kind of future they want to have and take the deliberate steps to get there. Doing things the way they have always done them will not serve communities that are rapidly changing. A sustainable and resilient community will broadly engage its citizens, including those with the most modest means; collaborate effectively across jurisdictional and departmental boundaries; creatively use all its assets; harness new technologies and integrate new information; engage new business, institutional, and nonprofit partners; build on regional strengths; and provide choice and opportunity to all.

HUD has supported community vitality through many different programs during the past 50 years. We have an ambitious mission to create strong, sustainable, and inclusive communities and quality affordable homes for all. SCI provides strong evidence that our place-based strategies have seeded the innovation needed to help accomplish this mission and meet the challenges ahead.

Dive into these innovative approaches with our Sustainable Communities Initiative Resource Library, which houses the growing body of products and best practices produced by our landmark Regional Planning and Community Challenge grantees. For more information about SCI, see <https://www.hudexchange.info/programs/sci/resources>.

## Acknowledgments

The author thanks Naomi Friedman and Natalie Robles, from HUD's Office of Economic Resilience, for their assistance in preparing this article. The author also acknowledges the leadership of Danielle Arigoni and Dwayne Marsh of HUD's Office of Economic Resilience and Regina Gray of HUD's Office of Policy Development and Research.

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