

AARP

GETTING IT RIGHT: SMART HOUSING AND TRANSPORTATION PLANNING FOR LIVABLE COMMUNITIES

**AN AARP SOLUTIONS FORUM IN COLLABORATION WITH
RECONNECTING AMERICA AND THE NATIONAL HOUSING TRUST**

PANEL 1

WELCOME:

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ENID KASSNER: Well, good morning everyone, and thank you for taking the time to be here today. I'm Enid Kassner, the director of the Livable Communities and Long-Term Care Team in the AARP Public Policy Institute. I'd like to welcome you to this morning's solutions forum, "Getting it Right: Smart Housing and Transportation Planning for Livable Communities."

We're very excited about the direction of the Federal Sustainable Communities Initiative and other related efforts that can help to create livable communities for those of all ages. There's great potential to develop a more effective nexus between housing, transportation and land-use policies that can stimulate a better quality of life for low-income families and older people.

We think that today's report and this morning's discussion are timely, and hope that they will help move forward a policy direction that will promote more livable communities. The mission of the public policy institute is to inform and stimulate public debate on the issues we face as we age and to develop sound, creative policies to address our common need for economic security, health care, and quality of life.

We do this by conducting research and analysis and by hosting discussions such as this morning's solutions forum. We're delighted to have had the opportunity to collaborate with Reconnecting America and the National Housing Trust on this forum and on the PPI issue paper that we're releasing and discussing today.

So I'd like to introduce our Livable Communities team members: Jana Lynott to my right, who is AARP's mobility expert, is a land use and transportation planner; and to her right, Dr. Rodney Harrell, who oversees our housing agenda, combines a background in planning and public policy, specializing in community development and revitalization. So without further ado, I'd like to turn the mike over to Jana.

JANA LYNOTT: Okay, thank you, Enid and welcome, everyone, to the AARP Public Policy Institute's first Solutions Forum on livable communities. It's extremely gratifying for us to see all of you that have come out today for this forum and it's something that we want to continue to promote here at AARP.

There's a real sense right now of some organizational alignment on livable communities. Organizations such as the American Planning Association, who have long had livable communities as a central tenet of their policy agenda, have now combined voices with organizations from the environmental community, housing advocates and consumer groups, all of which are calling for communities that offer residents of all income levels transportation choices beyond just driving as well as creating employment, shopping, social and recreational opportunities within close proximity to housing.

Now, AARP has been working for several years in the area of livable communities. In addition to the research and publishing that we do at the AARP Public Policy Institute, we are

responsible for working with our national policy council and board and the development of our policy book. This is an about two-inch thick binder of all of the AARP policies that really focus our advocacy efforts. And part of those policies are policies on livable communities.

About a year-and-a-half ago, my colleague Rodney Harrell and I began to reorganize those policies into a single, cohesive livable communities chapter, adding in land-use policies as well. As planners, we understand the interconnectedness of all of these issues and we're hardly the first or the last to see this interconnectedness.

Most recently, the federal government, through the Obama initiative's Interagency Partnership on Sustainable Communities, has put forth a similar vision. And we very much applaud the administration's effort in this regard and we really see great potential for this effort as well as many similar efforts that are occurring at the state and local levels.

It's interesting to note that five of the six principles of the federal partnership are policies that you can find in our policy book. The only one that AARP is really missing is that to support economic competitiveness. And really that, given that half of our members are currently in the labor force in these very trying economic times, I think you can see that we'll be looking at policy in this regard as well in the very near future.

But with that, I'd like to introduce Rodney Harrell, my colleague and fellow strategic policy advisor. He and his panel will discuss the findings of their research and make explicit the needs of older adults related to housing affordability and transit access. Thank you.

RODNEY HARRELL: Thank you, Jana, and good morning. I'll begin the discussion with a few words about the paper that we'll be talking in this first panel. And it really began with some research that Reconnecting America and the National Housing Trust began over a year ago about affordable housing near transit in a small group cities.

At AARP, we asked ourselves how older persons fit into that equation – whether there were benefits from preserving affordable housing near transit and what should be done about that. This tied in neatly with the larger question of how we can coordinate housing, transportation and land-use policies that benefit those of all ages, much in the way that Jana just spoke of.

Now, since that time, the spike in fuel prices, the housing mortgage crisis and recession all unfolded. And all these things happened while we were writing this paper, and made my life a little more complicated. But together, what they did was reinforce the notion that where people live can make a significant difference in their quality of life; that providing both housing and transportation options are crucial, especially for those of low and moderate incomes.

I look to the future to creation of housing and communities that enable people to successfully age and place, or reduce the need for individuals to find new housing, or choose to live more restrictive lives if their personal mobility declines.

Now, for our paper, we looked at one particular part of this broad issue: housing near transit that's available to those of low income. Now, housing near transit can have benefits, as many of us have heard of transit-oriented development and the benefits that that can provide. But those same benefits can drive up costs. So we investigated federally subsidized housing near transit to look at how we might maximize the benefits of proximity for this particular low-income population. And that way, we can look at making sure that all people are able to receive these benefits.

Now, in your seats, you found the report itself and the three-page in-brief version along with two fact sheets from the AARP Public Policy Institute that we're also releasing today on the low-income housing tax credit and housing trust funds.

Also, there are a couple of documents from the National Housing Trust on issues and policy recommendations related to today's conversation. And also, I think you have a recent report released by the GAO on the same topic, which is another case of fortuitous timing for us.

Now, the last thing you'll notice there is that there's a form. And with that form, you can order as many hard copies as you'd like of the AARP report. There are two versions of it – there's a report, there's the appendices, and then there's the report with appendices. The appendices were not provided today, but they are available to order in whichever version you choose.

Let's see. So today, we have two great panels. First, the paper's coauthors and I will present the paper, and second, a panel of experts will discuss the broader issue of coordinating policy areas.

And as a last housekeeping note, there are a couple of changes to the program. Shelley Poticha from HUD is in a meeting with the OMB and so she will not be sitting for the second panel, but we do expect her to come and make some closing comments for us. And, unfortunately, Todd Nedwick, one of our coauthors and panelist on this first panel has taken ill, and so, thankfully, Toby Halliday has pinched in for him – from NHT.

So now, we'll get to our paper, itself. And I'd like to share a few of the questions that we looked at by way of introducing the paper itself. We looked at the question of, as I said before, are there benefits to locations near transit? Are there potential advantages for older people who live in affordable housing near transit? What are the issues that we can address through policy to realize those benefits? And really, are there disadvantages to living far from transit, and can we identify those?

So in the next few minutes, we'll discuss what we found out. And with that, I'll introduce, briefly, the members of our panel. First up will be Allison Brooks and Allison is managing director at Reconnecting America. Her bio is in your folders and provides her full background. But Allison was one of our coauthors and contributed her expertise on transit networks and transit-oriented development to our team. And she'll introduce you to what we learned about housing near transit and what we learned from our GIS analysis of transit networks in the 20 cities that we studied and their proximity to housing sites.

And Allison will be followed by the informative Toby Halliday, vice president for public policy for the National Housing Trust, where he works with other supporters of affordable housing to promote federal policy changes to facilitate the preservation of affordable rental housing.

As I mentioned, he's sitting in for Todd, and Todd was the coauthor most responsible for our discussion of affordable housing preservation. And he'll share Todd's presentation on the lessons of policy recommendations related to affordable housing. And I'll conclude the presentation with a discussion of what we learned from those site visits and interviews and I'll frame our overall policy recommendations. So Allison?

ALLISON BROOKS: Thanks, Rodney. It was really great to work on this report with AARP and the National Housing Trust. Reconnecting America is a national nonprofit and one of our key programs is a partnership with the Center for Neighborhood Technology and Strategic Economics, an economic consulting firm called the Center for Transit-Oriented Development and it's through that partnership where we produce a lot of the analysis and research on the topic of TOD.

I just wanted to begin by making the point that location does impact affordability and household budgets. And we can't only consider housing when calculating affordability for households. Location impacts a number of things for individuals and families, including access to services and amenities, mobility options, social networks, healthy living, household budgets and so forth.

And quality transit can reduce household budgets considerably. So that was a premise by which we approached this report. This is just an illustration showing how transportation cost can sometimes be as much as housing cost: Holding housing costs constant at 32 percent, you can see the average American family spends about 19 percent on transportation. Those in the further outlying areas of metropolitan areas spend upwards of 25 percent or more – and that was more during the rising oil prices last summer when we were writing this report. And 9 percent of the budget is for folks living closer in to transit. So there's a significant benefit in terms of household budgets and more resources for other uses or expenses.

But there are multiple challenges towards making household budgets truly affordable. And there's more demand than supply and this is something we raised in the report. There's a real interest in living in these locations, which drives prices up of rental properties and land values; infill development is difficult; codes, policies and procedures don't support mixed-income TOD; markets vary within regions. So there are a lot of different types of strategies required to create successful TOD. It's not just a one-size-fits-all solution.

Every place in the 20 regions we looked at in this report required different strategies, often. And there's an overall lack of integration in transportation and land use at all levels of government. Yet, there is a demand for these types of places. But we've estimated, by 2030, at least one-third of the U.S. housing market will be desiring to live in these locations. So there's a real demand, yet the supply side is not keeping up with that.

And therefore, we're seeing these cost escalations in these places. You may not be able to read this, but this is basically talking about how there are places with transit where the land values, even in the housing and economic crisis over the last year, are holding their value.

In Dallas, Washington, D.C., San Diego, San Francisco Bay Area, these locations, commercial properties and residential properties are holding their value and sometimes are at a premium compared to other places in the region.

There's a number of strategies that different levels of government need to employ to create what we would consider successful transit-oriented development which meets equity goals; has a diversity of people able to live in those locations; has quality transportation.

And it's important to preserve existing affordable units – which is the underlying premise of this paper; create new units for a range of incomes; provide more equality transit and multimodal access in these locations; get out in front of the market to ensure affordability before – as a new transit line comes into a place, we are seeing price escalations on the land around the station area. How do we get out of that to ensure that those properties can then meet the benefits of TOD by providing a range of housing choices for different folks?

And we need to ensure that transit easily gets people where they want to go. We may have a lot of transit but how is it working in terms of the full network in a region and getting people to where they work, to meet their daily needs? We need to be thinking about that better integration between where people live and work and where the transit is taking them.

This is hard to read, but the gist is that there is not a one-size-fits-all solution. The Center for Transit-Oriented Development has developed a TOD typology of place types that looks at different types of places, whether it's a suburban location or an urban center, and begins to think through what would make those places really transit-oriented development. It's not that every transit-oriented development is going to have a 20-story high rise by the station area. There's different strategies to create more compact, walkable places that is sensitive to the context of each of these locations.

These are the 20 metropolitan areas that we analyzed in the study. The bolded cities are where Rodney and others of us conducted interviews with people living near transit or far from transit. And he'll talk more about that.

And just to orient you, we – not included in this report, but you will be able to access them later. It was a printing – (off mike) – Oh, they're in the appendix. Okay, great. Just to orient you to the maps: The red triangles are elderly section 202 units; the black triangles are family 202 units; the circles are persons with disabilities units; the blue lines are frequent bus service; and the orange lines or red lines are the rail lines. And then there are some lighter blue areas that indicate a bus that's within a half mile of the area around the station area there.

So what we looked at, we analyzed these 20 cities or regions, and we looked at where these units were located within relation to transit station areas. And we defined quality transportation as places that had 15-minute headways or better with the transportation.

So these are four examples where you can see that there's a number of these units that are not particularly well-served by transportation. In fact, the Twin Cities, only 38 percent of people living within this type of – the federally-subsidized housing – are within a half mile of quality transit. Houston – that's 28 percent; Charlotte – 36 percent; and Phoenix – 31 percent.

These are three examples of where we found that these residents were very well-served by transit. In Denver, 75 percent of the units are well-served by transit; Portland – 75 percent; and Salt Lake City – 66 percent.

And then we did some analysis. So in Phoenix, to begin to think about, what are the policy implications for this, and what can we, as regions, begin to do to improve the situation for people who are desirous of living near transit? And Phoenix is one example: The blue lines are where there are 15-minute headways or better during the peak hour, and these are the other bus lines that are only during peak hours. And if we are able to think through, how can we provide this level of service all day long, we can perhaps begin to address the needs of people who are retired, or are needing to get around during the day for their daily needs.

So going back, this is the all-day service – 15 minute – and you can see, there's a number of people that are not well-served. And this is the service during peak hours. And it gets to be a lot more expansive in terms of getting people to where they need to go.

So some of the policy recommendations we came up with – or we highlighted in the report – are that policymakers at all levels of government must incentivize transportation and land-use planning and implementation to really begin to make the connections to get people to where they need to go, provide the housing near transportation, et cetera.

We need zoning and other mechanisms to create a supportive environment for equitable TOD. Metropolitan planning organizations should receive flexible funding to play a proactive role in supportive TOD. Right now, MPOs are responsible for creating regional transportation plans, but they're not necessarily making the connection to land use. There are some good examples across the country, but how can we begin to give them the resources to help their regions make these connections?

We need to increase federal funding for alternative transportation, expand local and regional financial mechanisms to provide local financing for transportation to begin to create these networks that are really going to serve people within a region.

We need more resources focused on developing multimodal transportation systems – that's walking, biking, other means. And helping that all work together, and ensure transit is accessible to all riders. Thank you.

TOBY HALLIDAY: I'm going to stand so I can see a little and so you get a little bit of people moving around up, which is always good early in the morning. My name is Toby Halliday from the National Housing Trust. It's a pleasure for me to be here with you this morning, so thank you for the invitation. We're sad that Todd Nedwick could not join us here today, but I have the great good fortune of stepping into his shoes and all the work that he's done with the other authors here on this report over the last year, and it's really a great report to be here representing.

So let me talk a little bit about the affordable housing emphasis in this report that the trust has worked on. Obviously, transit represents an important service for older Americans and there is a significant supply of affordable housing near transit in the 20 cities that were surveyed in this report. So that's the good news.

Unfortunately, it is increasingly at-risk for a variety of reasons that I'll get to in a minute. And preserving this affordable housing is critical as we try to move towards a more transit-friendly environment, particularly for people with special needs, including seniors.

So let's start with a case study: Rose is a senior living in the Twin Cities. She is 83 years old, living in a multi-person building, and she uses public transit two or three times a week – a bus and light rail together. And because of her access to transit, she's able to walk or take short trips to restaurants, shopping, her church and to Orchestra Hall. Losing affordable housing near transit, of course – the meaning behind the story here is that the loss of housing near transit is that is accessible to people with special needs is a real risk to the independence of older adults.

Well, how big an issue is that in this affordable housing stock? That's one of the questions we wanted to answer when we looked at this report. Currently, older Americans make up over half of the residents in affordable housing. They are the heads-of-households of over half of those units, so it's a significant number. And, actually, because of aging in place and the demographics of how those units are currently occupied, that percentage is expected to grow over time. So it's a significant issue within that affordable housing stock.

As I said at the outset, the good news here is that there is an abundance – there is a good amount of affordable housing near transit. And so that's a great thing. In fact, in the 20 cities that we looked at, nearly two-thirds of the housing is within half a mile of transit or frequent bus service, and the rest is further out. And, again, this is just within the 20 cities that we looked at.

The bad news is that over two-thirds of that housing is at risk of conversion to nonaffordable uses, and that comes from a variety of sources. The biggest is development pressures. As Alison mentioned, the mere fact that it is near transit and people are increasingly concerned about their transit costs and the time that they spend commuting, the value of that real estate is continually bid up. And as affordable apartments have an opportunity – as the owners of those apartments have an opportunity to move out of the HUD-assisted inventory – and they do have that choice after a certain period of time – there are increasing incentives for them to get out of affordable housing and move to market housing.

Also, just the age of the stock makes it difficult to maintain and many of the owners are just interested in doing other things. Many are older, interested in retiring, themselves. So there are a lot of reasons why this housing is at risk of conversion.

Over the last eight years, we've seen, nationwide, over 70,000 units of affordable rental housing that have attrited out of the affordable inventory. And here we're talking specifically about HUD-assisted housing, housing that gets some sort of HUD rental assistance. That's a significant amount. And, obviously, in places where the conversion incentives are strongest, that's where the risk of conversion is greatest. So it's really the transit-connected affordable housing that we're most concerned about losing in the near term.

So what do we do about that? Well, one thing that we have been focusing on and had some success with over the last year is ensuring that there are adequate funds in place to provide the rental assistance that's needed by the elderly households and the families that are in this transit-connected housing.

Another strategy is to make sure that the section 202 elderly housing program, operated by HUD that Allison mentioned and that serves many but not all of the seniors that I mentioned earlier, has adequate tools to recapitalize these properties.

We talked about the residents aging in place, well, of course, the buildings themselves are also aging in place. They are often built under significant cost constraints so those systems don't last as long as they might in commercial buildings. And there is increasingly a need to recapitalize these buildings, preferably with the most energy-efficient heating, cooling, electrical systems that we can get into them. But that's costly, it's difficult to finance, and so there is legislation before Congress that would make it easier for nonprofit owners and sponsors of these 202 units and other HUD-assisted units to keep them economically viable in the long term.

There are also other resources that are available for recapitalizing these properties. Tax credits are a key source of financing for affordable rental housing. Right now, for reasons I won't go in to, there are a lot of problems in the affordable housing tax credit market, but that market will recover over time.

One thing that states and local governments can do to try and emphasize the use of these resources is to give incentives for local developers to use those tax credits in housing that is near transit. And in most cases, that means preserving existing housing because most of those areas are already developed, rather than building new housing that, in most cases, would be further from job centers or new or even planned transit nodes.

Acquisition funds – many cities are setting up new funds to help mission-oriented developers acquire, and preserve and recapitalize these properties. So that's another important tool.

And finally, early warning systems. A lot of states and local governments are looking at ways to better identify the properties that are most at risk of conversion to non-affordable uses,

and to develop early intervention strategies so that those properties aren't permanently lost from the affordable inventory.

So just to summarize, transit-connected affordable housing does provide important resources to the people that live in it, both elderly and family housing. It's increasingly at risk of conversion, so we need to make sure that we're working together – all of us who are interested in special needs populations, transit-oriented development and affordable housing. We need to have common cause in working to make sure that that housing is preserved in the affordable inventory.

And finally, we need to work with state, local and of course, the federal government to make sure that everything that we can do to direct resources to preserving this housing happens as quickly as possible so it's not lost from the inventory. Thanks again for the opportunity to be here this morning.

MR. HARRELL: Thank you, Toby. And before I start my presentation, I'd like to remind you, especially those of you in the back of the room who may have trouble seeing some of these slides, that we'll make the presentations available on the AARP-PPI Web site, which I will give you the address to at the end of my presentation.

So let's see. We've heard a lot of things today, and I'm going to revisit some of that and then give you a little insight into what we found in our interviews. First, I wanted to revisit a point that Toby made about the older populations. We already saw that the people 60-plus were a majority of those within these housing units, but I always like to show this chart because it really shows that over the next 21 or 31 years, you can see a huge jump in the percentage of population that's 65-plus. And you're seeing over a doubling of the actual numbers, and you're seeing the percentage share raised by about 7 percent from 2007 to 2050.

And what this means is that we're going to have more older persons tomorrow than we do today. And so all the issues we talk about that are facing these properties and this population are just going to become bigger as time goes along.

And so one of the big things that we've tried to do in this report was to be forward-looking. We're looking at properties, and many of our policy recommendations are about properties and areas near transit that need to be saved before the transit is developed – before things are improved – to maintain the housing that's there.

And so a lot that cities and states can do – and I know we've got a lot of local folks in the room – is to look at the planning processes now; to really get out in front and make sure that the housing that's in these areas where transit lines are going to be improved, are set up for older populations.

Okay so now, I'll tell you a little bit about our interviews. I was very excited, as an academic, to have a qualitative research element to the study. And what we did was – you know, I'm never satisfied just with numbers and maps. Sometimes you really have to get out and see things with your own eyes and talk to people, and listen with your own ears. What we did was,

we picked that small group of five cities that Allison pointed out – Boston, Cleveland, L.A., Miami and the Twin Cities – to talk to residents that were age 50 and older in affordable housing developments and subsidized housing developments.

And we tried to choose areas in each city that were near transit and far from transit. This was particularly important to me to answer the question of whether or not these locations made a difference, what were the advantages of living near transit. These kinds of things needed to be answered by actual investigation. And it got a little complicated when we got out there – and I'll tell you why.

So first, one of the cities that I actually went to was Cleveland, and in Cleveland we went to two sites. You'll see Summerwood Commons on the left is in Euclid, which is an Eastern suburb of Cleveland, and Coleman Court, which is number two there, is on the West side of Cleveland.

And from the map there, you can see the concentric circles that show that there is a transit station on the MTA line that's right next to the parking lot of the development. And so when we looked at this, we said, well, great, this is going to be a perfect example of the advantages of living near transit – we've got a section 202 housing building right next to the transit station.

I'll tell you why that didn't happen in a second. First thing in Cleveland, generally, for both sites was that they have long waiting lists for housing. People told stories of being in waiting lists for multiple years, and they really felt lucky just to have any housing. And that really was a theme that we heard from them.

But in both sites, safety and perception of safety were issues. There were apparent drug deals going on outside of Summerwood Commons and at Coleman Court, there was stories – unconfirmed stories – of a mugging that happened on one side of the building there, and so people were afraid to go out to the east side of that building. And that became an issue because in Coleman Court, even though it looks like, right here, it's right next to the train line, and it is, if you go out one way, they were afraid of where they heard that someone was mugged.

And the other way was a two-story metal staircase that was – I'll say rickety and dangerous, you know – that's a technical term. (Chuckles.) I went and visited the site on a day when it rained, and one of the reasons there's no pictures of it is because I was afraid to go down it.

So I can imagine what one of the older, frail residents carrying groceries or something of that sort not either – stuck between a rock and a hard place: Either I'm going to go down the dangerous staircase or I'm going to go where I heard someone was robbed before. And as a result, many of the people we talked to there were just really stuck in place. So this became an eye-opening moment for me because it really showed that there are possible limitations to being near transit.

And the final thing about Cleveland's network, as you can tell from the chart here, there's a fairly comprehensive line of service there, but mostly it follows the main avenues, Euclid

Avenue being one of the main ones. And one of the quotes we had was, that you can get anywhere as long as it's on Euclid, from one of our residents, which basically was her way of saying, if she wanted to go somewhere on Euclid Avenue, she could take a bus there; it was no problem, she could get there easily. But anywhere else was a little bit difficult to get to and most of those residents really relied on relatives for that kind of help.

The other site we went to was Miami. And in Miami we went to two sites in the city of Miami: Los Robles and Las Palmas. And Miami I bring up today because of a couple of things: one, both of these properties were gated. They had increased the safety for the residents, but again, it really prevented them from getting out; the gates were really set up for cars. So they weren't even designed for pedestrian access to get out of the gates. So if were on foot, you kind of had to figure out a way to get out and do that. And that was because, again, prevention of crime was such an issue for many of the people there.

Now right when we went to Miami, it was during the fuel price spike, and so we saw that bus service was reduced, actually. And one of the areas right near our building lost their bus stop because they were cutting back on the service, and this doubly hit some of the folks with low income; that it's harder for you to drive your own car or to borrow a ride, and now they're cutting bus service at the same time. So that was a double whammy for them.

And also, the poor bus shelters. There were often cases where there was no bus shelter at all or no bench. And you can imagine standing out in a Miami summer – that it's not fun to wait for a bus for an hour, especially because bus service was not very regular. Buses might come late.

We heard stories of residents that were out there without visible disabilities who had trouble walking but did not use a wheelchair. And bus drivers would refuse to kneel the buses, which violates federal regulations. Or bus drivers wouldn't stop for them if they thought they would have to kneel the buses to let them in. So Miami was really a nightmare in some of those ways, for some of the residents there. And really, they were stuck in there, in their homes.

But what happened as a result of that was two things: One, STS, their paratransit service, was heavily used by folks there to get where they needed to go because they couldn't rely on buses; and two, one of the very smart service coordinators at one of the buildings actually brought in some of the services for the residents, including things like a woman that brought in groceries every week on a big cart, so people could go into the parking lot and do their grocery shopping there. So they really adapted to the conditions.

Boston was another area we went to, and I'll quickly talk about Boston. The interview sites there were relatively safe. Again, the STS service there was popular to get people around. But we went to two sites – one in Randolph and one in downtown Boston.

And the one at Bridal Path, which was outside of the city, just happened to have more physical impediments. But the ones with lower mobility seemed particularly isolated. When we looked at those that really had trouble getting around, they had lower connections with their

families, lower activities; they just really did not seem to be as engaged as the residents that were closer in.

And so it was interesting to note that people thought that they were fine with their lives, but when you actually compared what they were doing to people closer in, it became more of an issue.

And the last city I'll talk about today is the Twin City area, which we've mentioned briefly. Nicollet Towers, on the right, is where Rose lived – Rose that was mentioned in Toby's presentation. And you can see, it's downtown Minneapolis; it's a little more than a half mile from a light rail line, but right on a main bus line and next to a pedestrian mall there. And so that location had all the things that Toby mentioned there. And not only Rose, but we had several 80-plus year old persons in that building that were very engaged – kind of the opposite of some of the folks in Boston that were far away.

Now the other site in the Twin Cities areas was in Edina, which is a pretty well-regarded suburban area. Now, what was interesting there was the bus service wasn't as frequent as we liked. They did not have the 15-minute all-day service, but it was useful. And that's because of this third factor – car access wasn't as important because of the transit networks. The transit network in Minneapolis was well-designed, people were able to get where they needed to go. And so the good planning there really made it better for you whether you were in the far-from-transit site or in the near-transit site.

So to summarize what we found in all the sites, that there were long waiting lists in more than just Cleveland, so this housing is really an important resource for people. You know, some places are easier to get to than others; if you are going somewhere and you've patterned your life to only go to the places where the bus will take you, you can live an okay existence. But what we would like to see is an improved ability for people to get to what they need. And so that was also a theme that ran.

Personal loneliness and isolation, I've mentioned. If you are far from transit, if you're isolated, if you don't have an opportunity get a ride; you're stuck, and really that isolation of housing has some widespread costs.

So all of these presentations together really talked about different pieces of the paper, and so I'll do a couple of things to summarize. This slide will be difficult to read for those of you in the back, but, again, this will be on the Web site.

Basically, I'm saying here that housing meets the need but it needs to be safe, accessible and near transit to really get benefits. Here, I'm saying that transit-oriented districts need to be accessible, and parts of good transportation networks, again, to maximize those benefits. And nearby transit isn't useful if you can't get to it; transit must accommodate those with physical limitations and it easily needs to take you where you need to go. And, finally, if you are far away, you lose an important option to make your life easier and better; that you really are losing something by being far from transit.

And to put all that in another way – that we looked at the question of who benefits most from housing near transit. And so on a scale from minimal benefit to full benefit, there are two sides – one side getting the minimal benefits are those that have a high amount of limitations.

So there are two areas that you could be limited, right – there's individual, and so you could have some kind of physical limitation that prevents you from using transit; you could not understand the transit system – in Miami, that could be because you don't speak the language; it could be because it's just too complicated for you to understand and there's poor signage and there's poor information available. But all those things together can limit your benefits.

On a community level, those external benefits are if you live in a poor, economically-struggling community with little shopping or services nearby – poor planning comes into play here; that land use is a key factor – and poor transit service. So we've mentioned some of the lessons from the Miami experience – that if bus drivers aren't stopping, if there's poor route planning, if there's crime – there are a range of issues, then, that could prevent that transit from actually being useful.

So then who has the full benefits? Well, those are those with the lowest amount of limitations. And on the individual level, that would mean you're open to the idea of transit, you don't have cognitive or physical impairments that are not addressed and you're able to read and understand the signage of the transit system. That's the individual that would be best-prepared to really benefit.

And on a community level, you really need to be in a well-planned, safe, healthy community, and walkable neighborhoods with resources nearby; if you have frequent, accessible, reliable transit systems that take you where you need to go. Those are the features in your community that make these work better. And if we really break down all of the interviews and sites, we find these differences really run throughout those five cities – that people and areas where there are less benefits really do fall in that left column and the others fall in that right-hand column.

And so, generally, here are our three areas of policy implications. And I really think of these more as principles that we really are trying to achieve that shape all of the recommendations that we've talked about and that are in the book there. We want to preserve existing affordable housing, particularly in these advantageous locations – the ones that would be in the right-hand column, as I described it.

We'd like to see greater integration of transportation, housing and land-use policies; that, really, to accomplish those goals, you need to have all those areas of policy working together. It's something that folks have been working on for years, but I think I speak for most of us by saying I'm excited that there are opportunities to really move on some of those issues.

And finally, we need improvements and greater investment in transit on both the side of developing networks, and also in improving the accessibility; improving the access to train stations; improving the bus driver's procedures and activities that they're doing, and making sure that they stop for everyone, as well.

So these three areas really framed all of our policy recommendations – and we know there are other policy recommendations out there as well, but we think that these are the three most important areas to focus on, to really make sure that we get affordable housing near transit that works for people of all ages.

And finally, for more information, here's our PPI Web site. If you go to www.aarp.org/ppi and click on "livable communities," you'll get all of our Livable Communities publications, including this report. And we'll put up links to the presentations, as I mentioned earlier. And if you want document requests after today, you can send it to that e-mail address. So the form you do have in your folders, please make sure to hand it to somebody today. That can't be mailed in. But if you do later on decide you have any documents that you'd like, send us an e-mail, and there's my contact information, as well.

Okay, so that was a lot to take in. But we went through the paper quickly, and I'm sure you all are going to take it home and read it cover-to-cover as soon as you leave here. But we'd like to take a few minutes now to really answer any questions that you may have about the paper before we go to the second panel.

So we've got two microphones in the back, so if you raise your hand, they'll bring the microphone to you. We'll ask that any of you that have a question, please feel free to ask it, but identify yourself – your name and your organization – as you ask your questions. So do we have any questions? (Pause.) Or did we explain it so well? (Chuckles.)

Q: I'm Michael Carliner from the Harvard Joint Center for Housing Studies. Toby presented information about the share of assisted housing that's near transit, and also a number of units that opted out of government programs. Do you have any information about the relationship between those two – how many are opting out that are near transit?

MR. HALLIDAY: We don't have solid information about housing near transit that's opted out. As far as we know, the research that is presented here, and a predecessor's study on a subset of these cities, is the first research that's been done on affordable housing near transit; looking at that particular issue.

We do know that housing that has – affordable HUD-assisted housing that's in rising real estate markets is generally at greater risk of conversion out of the affordable assisted stock than other housing in that stock. So based on that, we know that there is attrition, and as these new transit systems are planned and built, we would fear that those in those areas are at greater risk than other housing. But we do not have historical information on what's been lost.

Q: Hi, Julie Nepveu with AARP Foundation Litigation. I'm wondering whether you have done any correlation based on race for the residents who live in these assisted units or the neighborhoods.

MR. HARRELL: I'm sorry, could you repeat the first part of your question? I didn't hear it.

Q: Whether there's been any analysis to correlate by race whether or not there's any kind of pattern between the people who live in the buildings themselves or in the neighborhoods generally with regard to access to transit?

MR. HARRELL: That's a very good question. Unfortunately, with the small sample we had, we couldn't really break it out by race. But, anecdotally, most of these sites that were in what you would call the inner-city areas were heavily populated by racial minorities populations – the Miami site – both sites – were pretty much all Cuban immigrants; and in many of the other cities, heavily African-American and Hispanic.

And so that highlights two things: One, some of the challenges we saw in those places are really faced by those populations. But also, some of the opportunities that existed are also there to really benefit those populations. If we really go and implement some of these policies that we've mentioned, that there's a possibility to really make lives better for a lot of the people in those areas. But if I ever get the opportunity to do this on a wide scale, I'd really like to dive into that question more specifically.

MS. BROOKS: Well, the Center for Transit-Oriented Development is actually did a report funded through the Ford Foundation that found that people living in not just affordable housing but the places within a half mile of transit across the country are significantly more diverse in general. So these are already very diverse places across the country, and it's all the more important to ensure that that diversity is retained over time.

Q: Good morning, my name is Tomika Hughey. I am from the District Department of Transportation Mass Transit Administration, and I had a question about the cities you analyzed. Being in D.C., we have a lot of high-frequency bus service throughout the day, and I wondered which cities that you analyzed actually had high-frequency service in the off-peak.

And additionally, with TOD – Allison; many of you know – it's hard to encourage, recommend, TOD policies. Why did you stop short of just saying “require” that mixed-use compact development occur? Because I think that's our challenge on the transit side. On the zoning and government policies, we don't actually say “require.” We just say, we encourage, we recommend or “perhaps you should” – (laughter) – but we just don't say what we want.

And I think the information is really great, but for the cities that have that high-frequency transit, I think we need to show those because we do have a number of elderly on our high-frequency corridors, and we do encounter the problem of operators on those high-frequency routes – we lose a lot of time because of the ADA equipment – because we do have such transit-dependent and ADA or mobility-challenged people. So I think showing other cities that actually have that type of service would benefit. And it gives you an idea of the demographic of the population.

MS. BROOKS: That's a really good point. And we actually talk about a few really good examples in the report that I meant to talk about in my presentation. Denver, Portland and, I believe it's Salt Lake City, really treat their bus systems like rail systems. And we know the bus

really is the workhorse of the transit system in most communities. And those places offer 15-minute headways or better throughout the day, which is important – as you understand. And they also use signage and other ways of marketing the bus system to people so they feel more comfortable about using it.

So those are places that are doing a really good job about marketing and creating systems that work better for people. And they're also expanding their transit networks, as well, and through different means; not just through federal funding – providing local matches for increasing their transit system.

So those are good examples, and I think you've touched on a challenge on how we really create a successful TOD in places. And these decisions are most-often made at the local level, and localities aren't necessarily that excited about being told what to do, necessarily.

But there are ways of incentivizing transit-oriented development to occur, and that can be financial incentives or other means from the federal, state, regional or local levels to encourage that type of development to happen.

Actually, the GAO report really touches on some of those, so I encourage folks to read that as well; about how we can really begin to think about the policies and fiscal incentives and other incentives that can make this really get to the scale that we need it to happen to meet the demands that we're seeing coming down the pike.

Q: I have a question about the capital and operating costs of running the transit. You all have sort of talked about it as though it's a fixed, sunk cost without thinking about the capital for the systems, as well as the operating costs. And I'm thinking about ways in which we could sort of – or, this work could be used under the auspices of the joint federal interest and green, smart growth with our authorization opportunity that's probably more than 18 months away.

But was there any sense of what the public investment has been over time in creating those networks that you're looking at, and as well as what the operating costs are? Because those are significant costs, and much of it is borne – from the operating side – by the local governments and the regional governments. The Feds pay most of the capital but not the operating.

MS. BROOKS: Well, I know James Corless from the Transportation for America campaign will probably speak to this on the next panel, but that's something that we need to think through in the authorization of the transportation bill, is operating expenses because most of it goes towards new transit lines and not necessarily towards the operation of our existing systems or new systems over time.

And those are burdens – we're seeing cities and states cut their transportation systems across the board. Just as transportation needs and demand for public transportation is going up, we're seeing those cut because they don't have the operating funding to keep those going. So I think we need to talk about how we can really provide those operation resources to cities to really provide a transportation system that is working across the country.

MR. HARRELL: I think we have a question over here.

Q: Dhiru Thadani, architect and urban designer and board member of the Congress for the New Urbanism. Thank you for your paper – it's very interesting. My question's two-part. One is, when you take the half mile, is that as the crow flies, or is it walking distance?

MR. HARRELL: We looked at a half mile as the crow flies. And, you know, this was actually an important kind of debate as we went through the study. For mapping purposes, it was easier to do the radius around each transit stop or bus stop. But at the same time, we wondered if a half mile was too far for most older persons to walk, so we also looked at the quarter-mile radius as well.

So in the report, you'll notice that every time we talk about distance, we talk about a half mile and quarter mile to kind of allow us the leeway for local topography and geography to see how folks get around.

Now, one of the interesting things to me was – and I was one of the ones that was very critical of using just the half mile because that's typically what people talk about in terms of transit-oriented development – they look at the half-mile radius. But when we saw Minneapolis, that example there, I noticed that even though the transit stop was more than half a mile away, we had, I think, two persons over 80 that used the transit on a regular basis – I think both of them were weekly or more. And it was because of the design.

So it's really hard to pin down exactly what should be considered, but I think we need to look at both a quarter mile and half-mile radius and really try to use design and land use that really helps make these communities walkable for all people.

Q: Well, the second part of my question – because that half mile for most of you in Washington refers to walking from here to 7th Street, and that's about a half a mile, and that, I think, is probably unacceptable for most people to walk to actually access transit – because that's what it translates to. So that's one concern that I have about using the half mile. And I appreciate the quarter mile – using that, too, but most Americans think of 300 or 400 feet before they want to jump into a car – (laughter) – so that's the reality of what we're dealing with.

My second question is related to the qualitative distance. Did you measure, in your report, as you said, some people did walk, but did you actually look at what the pedestrian was when you traveled from affordable housing to the transit stop?

MS. BROOKS: Well, I actually did the interviews in the Twin Cities, and I walked to the interviews in downtown Minneapolis. And as I was walking, there was a farmers' market, there were busses, like, every five minutes – it was a very transit, walkable place.

So I experienced what – both of the women I interviewed were over 80 years old. They could walk right out their front door, get a bus; they could walk a little bit further down the street, get a light rail or catch the bus to the light rail, which took them to the Mall of America or

to the airport. So it was an incredibly walkable, healthy environment in that particular place, which was optimal, I think, compared to the other locations that we conducted the interviews.

And I just want to say, a half mile in a walkable, lively place does not seem as far as a half mile in Miami walking down a highway in the heat of the day. So I think a half mile can seem a lot shorter when you have a lot to do and you have shorter blocks. So I think that's something to keep in mind.

And it's looking at the half-mile zone within a district, so we need to look at that entire area. And there are a lot of benefits from looking at that area in terms of economic development, in terms of generating ridership for transit; a whole other host of things we can look at within that zone that gives you the scale that we need to think of in creating these types of places.

MR. HARRELL: And I'll quickly add that, you know, in that half mile, we're also talking about the land use part of things – what's within that half-mile – are there places that you want to go? They don't just march off to the transit stop; you might stop along the way to grab some coffee, to get something to eat, to take care of some other errands there. So that's a little different than just having to march across a straight half mile of empty space.

I think we have time for one last quick question, if we can. Who's got it?

Q: So this is terrific work, and I think it does a great job in kind of corroborating and adding depth to some existing research. So I commend you all for that.

I have a question about fair housing. I was very interested to learn that a number of fair housing advocates that I work with still think about public transportation corridors as places that do not offer high opportunities. And so it probably flies in the face of the ideas that many of us have been discussing, i.e. that transit accessibility increases access to opportunities.

I think there's somewhat of a concern in fair housing circles that those tend to be places where there is already high poverty, and therefore, affordable housing production in places where there's lots more prosperity is important, like housing in the suburbs – especially suburbs that have been resistant to public transportation.

And so I'm just curious, I mean, I think the twain shall meet at some point, and people will figure out how to develop a strategy because we're all on the same time. But I'm just wondering if you all have encountered this line of reasoning; if you've had any outreach opportunities with fair housing groups and advocates around the country?

MS. BROOKS: Well, I don't think it's an either/or proposition. We need well-managed, quality-affordable housing in our urban centers and we also need it – we need it everywhere. And that gets to the one-size-fits-all – there isn't a one-size-fits-all solution. Every place requires different strategies.

And I think it's up to – you know, this is something I worked at in the Bay Area with fair housing groups across the Bay Area region, where you have very affluent suburbs who are

highly resistant to creating affordable housing in these locations. And one just experienced a law suit. Jerry Brown, our attorney general in California, is suing one of these suburbs because they're not creating jobs but they're not creating housing – so their jobs-housing balance is totally out of whack.

So that's a case where the state is coming down on a local jurisdiction because they're not meeting their state housing requirements in terms of providing affordable housing. So I think that may serve as a really good example for all of us when we're thinking about other places in terms of how can we get all communities to recognize that we need to provide housing for all income groups – people that are working within these communities and, often, commuting hours to get there, contributing to our greenhouse gas emissions. And that was the premise by which the attorney general could sue this city – because of the greenhouse gas requirements for AB 32 and SB 375 in California.

MR. HALLIDAY: Can I just make a quick comment on that? It's a great question, and I think the topic of opportunity in some of these places that are resistant to both transit and affordable housing is a long conversation, and it's an important one.

But in terms of these transit-connected communities, these inner-city communities, in many cases, the HUD-assisted housing – the housing that receives some form of government subsidy – is subject to a much higher level of scrutiny for fair housing practice. And the fact that HUD is present has made a difference in the past. And certainly in this administration, HUD is spending a lot more time and energy in enforcing fair housing issues.

So I think it's important both at the inner-city level and at the suburban/exurban level. But one thing to keep in mind, one of the many reasons that we're so focused on trying to preserve the affordable housing that's available in these transit-rich communities is because it does represent an affordable, fair housing opportunity that, in other cases – in the nonsubsidized stock, in the conventional stock – might not create so many opportunities for choice and opportunity for low-income households.

MR. HARRELL: And I'll say two quick things as we get ready to move to the next panel. And that's that, one, to Allison's earlier point – also, the regional network is important here. So that as part of that multiple strategy – that not only is it important to try to build more affordable housing where it's needed and where opportunities exist, but in the current context, that if we have housing that's near transit and a good regional network that can then take you to those areas of opportunity, that is kind of that double-barreled attack at the issue.

And, two, I'll say specifically for our paper – one of the biggest concerns that we had was when these areas get developed – and we talk about some of these examples in the paper – gentrification happens. And so as soon as an area becomes attractive and it has some of these amenities that people want – again, I'll lean on that Minneapolis example because we talked about it – if you don't preserve affordable housing there, then it becomes all high-rent condos; that an owner might be tempted to go ahead and sell their property to build some expensive condos, and then, all of a sudden, there's no more affordable housing in that area. So that was a concern that we were primarily concerned with.

Okay, with that, though, I will move to our next panel and turn the microphone over to Elinor Ginzler, and thank you for your time. (Applause.)

AARP

GETTING IT RIGHT: SMART HOUSING AND TRANSPORTATION PLANNING FOR LIVABLE COMMUNITIES

**AN AARP SOLUTIONS FORUM IN COLLABORATION WITH
RECONNECTING AMERICA AND THE NATIONAL HOUSING TRUST**

PANEL 2

**WELCOME:
ELINOR GINZLER,
SENIOR VICE PRESIDENT, LIVABLE COMMUNITIES,
AARP**

**SPEAKERS:
SCOTT BERNSTEIN,
PRESIDENT AND CO-FOUNDER,
CENTER FOR NEIGHBORHOOD TECHNOLOGY**

**MICHAEL BODAKEN,
PRESIDENT,
NATIONAL HOUSING TRUST**

**JAMES CORLESS,
DIRECTOR,
TRANSPORTATION FOR AMERICA**

**DONALD D. T. CHEN,
PROGRAM OFFICER,
FORD FOUNDATION**

**WEDNESDAY, SEPTEMBER 30, 2009
10:45 A.M.**

WASHINGTON, D.C.

*Transcript by
Federal News Service
Washington, D.C.*

ELINOR GINZLER: (Inaudible, off mike) – take their seats now, we’ll get started with the second part of the program. Good morning, everyone. We just had a wonderful presentation, I am terribly proud of the work we’ve been able to produce here. I think it will live on a long and fruitful life because the information is so terribly wonderful.

I’m Elinor Ginzler from AARP, where I head up our livable community strategy work. And I just have to put in a plug for our public policy institute and Susan Reinhardt, who leads it. It is totally delightful to me that the two staff in our public policy institute who are working on our livable communities issues are both planners, so we’ve really scored a big one in that respect.

This is the responder panel and it’s such a good responder panel we’ve already begun that response, as you heard from the end of our Q&A section after the presentation. All I’m going to do is quickly tell you who is sitting next to me, with an incredibly short introduction of my colleagues. Each of them are going to have an opportunity to respond to what they’ve heard and to put it into the context from their personal perspective of how we should, in fact, coordinate policy areas to create sustainable and livable communities.

We hope then to engage in just a little bit of additional questioning of the panel and absolutely engage with you in some Q&A of the panel as well. So we have an awful lot to do in an awful short amount of time. And I appreciate everyone’s attention here today.

One other note before we get started, I am also very honored to have with us a member of our board of directors for AARP – it’s Lee Hammond – if you could just wave to everybody, Lee. Thank you very much. It’s a great opportunity for our board to get out and experience some of the good work that’s happening.

We will have a responder panel that will lead off with Scott Bernstein, then Michael Bodaken, James Corless and Don Chen. I am quickly going to tell you who each of these four gentlemen are and they we’ll move on.

Scott Bernstein is the president and co-founder for the Center for Neighborhood Technology. He leads the center’s work to understand and better disclose the economic value of resource use in urban communities and he helps craft strategies to capture the value of this efficiency productively and locally. He was a founding board member at the Brookings Institution Metropolitan Center; President Clinton appointed him to the Council for Sustainable Development where he co-chaired task forces on metropolitan sustainable communities and on cross-cutting climate strategies.

Michael Bodaken – did I do it right?

MICHAEL BODAKEN: Yes. Nicely done, nicely done.

MS. GINZLER: Okay – is both the president of the National Housing Trust – co-worker on this project and of the National Housing Trust Enterprise Preservation Corporation. The trust obviously engages in the preservation policy and in affordable housing development and lending. He is a leader in the field of affordable housing preservation, and as president of the enterprise, he also works – this is an organization founded by the trust to operate five thousand affordable apartments in eight different states and the District of Columbia.

James Corless, we are delighted to have with us today, is the director of the Transportation for America coalition; with over 250 organizations, working to promote a new national transportation policy that we're all terribly excited about. And he has come to that work from the real world – I would like to say – as a planner in the metropolitan transportation commission in the San Francisco Bay area. His work in California authored California's groundbreaking Safe Routes to School Law.

Don Chen is coming to us as the program officer from the Ford Foundation and we've known him for a long time as the founding executive director and CEO of Smart Growth America. We know that with Smart Growth America, he helped to lead the National Vacant Properties Campaign, the Governor's Institute on Community Design and, actually, the Transportation for America campaign before he moved on to Ford.

And we know that we'll have an awful lot to discuss. We're going to hear from each of these gentlemen who will talk about, for about five or seven minutes each, their response, their reaction to what we've heard this morning to the results of this study and how that feeds in from their perspective to important work that would coordinate policy areas to create livable communities. We'll start with Scott.

SCOTT BERNSTEIN: Thank you very much, Elinor, and thanks to AARP for really jumping in here. I remember our first discussions about this over a decade ago, so thanks for following through. (Laughter.) The – nah, it takes time to do anything –

MS. GINZLER: It does.

MR. BERNSTEIN. And that's one of my points – we don't have any time to waste! I want to put this into context: The recent drop in home prices is something that we now have data from repeat sales indexes thanks to the Federal Housing Finance Agency, and I was sort of wondering how that was affecting people who are 55 and older.

And so I did a time series and I looked and I saw an 18 percent drop in home value from peak a few years ago in just couple of years. But that turns out to be a drop in net worth for people 55 and over, in Chicago of 36 percent, a drop of 57 percent in net worth for those 45 to 55, and a 100 percent for everybody else.

We are in an economic crisis right now, so the sort of watchword of our economic policy ought to be no savings opportunity left behind. So the fact that one can reduce the cost of living by getting transportation right is not a matter of academic interests. It is a matter of vital concern because we're in a crisis.

Let me give an example of the kind of scorekeeping that's possible now that we and CTAT and others have constructed a housing and transportation affordability index for every one of 337 metro areas in the United States, right down to the block group level.

In Milwaukee from 2000 to 2008, the average monthly household income rose by \$400 a month, but the combined costs of housing and transportation for single car owners, rose 542 a month, and for two car owners, \$651 a month, wiping out the savings. Income grew 12 percent, transportation 24 percent, housing 36 percent, but the culprit was gas prices at 177 percent.

And as a result, we're looking at households who are earning 20 to 50,000 a year paying now 55 percent for the combined cost of housing and transportation, and those earning 20 to 35,000, 62 percent for the sum of the two. But the official affordability index is with a benchmark reference to households that can spend 30 percent or less of their income for housing.

So as costs have gone up in the central city, and in more desirable suburbs, people are moving further and further out. The real estate industry jokingly calls this the "drive 'till you qualify" market. Well, housing costs do drop precipitously 10 to 12 miles out from the center of every region in America, but at the same time, transportation costs go up. Transportation costs go up faster, in fact, than housing costs drop. And it works the other way around. If you move to an area of more convenience, housing costs do go up but not as fast as transportation costs drop, which gives us a policy choice.

So how would we actually take advantage of this to make it worse? Well, the first principle, and I think some of the recommendations in the report address this, is that you can't solve a problem unless you know you have it and admit that there actually is a problem.

So now that the data exists, there is nothing stopping the federal government from following through on the commitment to redefine affordability to include transportation, not just housing costs and not as a research exercise but to get it out now.

We are facing at least 2 more years of unemployment growth, even if it has slowed down a little bit, and 2 more years of housing price value decline. This is an economic emergency; we've known some of this for a long time and yet we haven't acted more quickly.

So disclosure is just really important to get this data out there. 45 years ago, somebody pointed out we had the wrong poverty index because it was indexed to the price of food, which was dropping.

It took from 1965 to 1992 to get the National Academy of Sciences to look at it, who took until 1997 to give a report which then resulted in a bill being introduced last month in

Senate banking to change the way poverty is measured. And you know what it's going to cost to do it? All of \$8 million. It wasn't a money problem; we didn't make it a matter of urgency.

So number two, if we know what we need to tell people, we need to disclose it not only in rental and sales advertisements but in all the other information systems that we have: in our consolidated plans for affordable housing; in counseling platforms that now are used to counsel over half of all Americans regularly – I mean, if we're seeking good financial advice for good reason, we don't tell them anything consistent and useful about the cost of transportation and what to do about it.

Now, in the Bay Area, the metropolitan transportation commission is a metropolitan planning organization. One of the recommendations in their report is to work with these MPOs as they're called, give them the flexibility and tools and make them a leader in this.

Now, in the Bay Area, the MTC has done that. They've actually spent some of their transportation money directly as subsidy for affordable housing but, perhaps more importantly, they've changed their long-range plan and set an official goal to reduce the combined costs of housing and transportation by 10 percent by 2035 – much credit to James Corless who was stolen from MTC to run the T for American campaign.

The state of Illinois House of Representatives has passed a bill requiring that housing, transportation, capital development and economic development investments be screened by this criteria to improve those ratios and the Senate will take this up in three weeks and the governor has promised to sign it. There are other examples of those sorts of the things.

The last recommendation, though, is quite different. There are a number of recommendations in the report that hint at not only preserving the existing supply of affordable housing, but expanding that supply. And there are two very different ways that it seems to us one could do that.

The tools that we have right now as a matter of national policy end up defining equality and size and shape of rehabilitated and preserved housing that is very expensive. We need to keep doing what we can with those resources but I think we also have to rethink how much housing people need.

Now, I – as a personal confession, I'm part of a special interest group; I am a person who has parents that are still alive and they want to keep living and I'd like them to live near me. The hundred-year-old house I bought came with a four-car garage, and it is illegal to turn that garage into a house. I can turn it into a better garage for as many cars as I can squeeze in and the city will even give me financial and technical assistance to do it – and I'm not alone. Out of 3.2 million housing units in the Chicago metro area, two million have garages; 700,000 have detached, off-site garages or off-street parking; 500,000 have recreation rooms, or get this, two or more living rooms.

Look, housing sizes are shrinking; they've been shrinking ever since the 1790 census – every time this is measured. But we're building bigger and bigger homes on bigger and bigger

lots. Even the rehab sizes are getting bigger, even though we are down to 23 percent of households in the category “married with children.”

Now, so if we push some of the recommendations to their logical conclusion that we saw, we’re going to be looking for denser housing. We’re going to be looking for housing for a variety of household types at a variety of price points and, frankly, I think if we made the world safe for accessory apartments – basements, rec rooms and garages – we could convert to a world where we are building affordable housing for people, not for cars. (Laughter.) That’s my closing principle there. Thank you.

MS. GINZLER: Michael.

MICHAEL BODAKEN: Thanks Scott, thanks Elinor. I want to, obviously, thank AARP and Reconnecting America for this joint collaboration and getting this data out, and it’s been just a pleasure working with both of you. And in particular, I must say that Scott, I think – the first thing I’m going to remember now is that you have a four-car garage, that Scott Bernstein – I didn’t think – it was worth coming just for that. (Laughter.)

MR. BERNSTEIN: I only got one car and I don’t even use it. (Laughter.)

MR. BODAKEN: No, no, it’s okay, Scott, it’s important. (Laughter.) The image is there; it’s on the Internet by now. (Laughter.)

MR. BERNSTEIN: I rent it to a book seller. (Laughter.)

MR. BODAKEN: I’m going to take a step back actually and talk about what I call a pivot point that I think helps reflect on the data that has been so helpfully analyzed by the previous panel, but I think actually helps us understand where we are with this data in this place in this time.

You know, Americans like to travel. We love to travel; we are the country of manifest destiny; we are the country that tries to push out as far as we can. And we love, as Scott mentioned, we like to drive to affordability. That was the notion.

And Scott is certainly right that that drive to affordability is in question today. And I actually think that the pivot point in which we operate – and the data confirms this – is that we are actually taking a reverse page out of that history of manifest destiny, and you’ll see more and more people moving more towards transit-oriented development.

I think it was the Center for Transit-Oriented Development that said that the demand for housing near transit was going to double by 2050. Brookings said that something like 55 percent of the homes we currently occupy will still be occupied in 2030.

So we can’t build our way out of this dilemma. Assuming there is a policy choice to be made, it can’t be solved by new construction entirely. We have to do both preserve and newly construct, but I would argue the first step in this dilemma is hanging on to what we’ve got.

And in particular I think that issue is going to be marked by the climate change bill and other bills – the transportation bills – at federal and other levels that are going to drive this discussion. And that there is no way we can avoid the policy choice you asked about. The data demonstrates that.

Fueled by not only housing choice but by smart growth, by the cost of fuel and the foreclosure rate in the exurbs – which you didn't mention but which I will. If you take a look at the drive to affordability, there's no question that there was a time when it quote, worked. But if you take a look at the foreclosure stats in the U.S., the foreclosure rates in the exurbs are so much higher than they are in the central city that that has not been lost on the American public.

And the American public is beginning to understand that in order to, maybe, downsize or in order for us to really live reasonably, there has to be a correlation between how far we travel to work and where we live.

So I think the only question left, really, is how. I think that policy choice is actually being made, and the real question is how we do what we need to do. And the place to start is not Washington, D.C., The place to start is outside of Washington, D.C and look at the state and local governments who are really making a difference. Scott mentioned what the state of Illinois is doing; the state of Washington is actually doing something similar where all housing and transportation policies will be linked up and observed coincidentally – and in particular, looking at preservation of existing housing near transit.

If you take a look at page 38 in the report, the trust looked at every state housing finance agency tax credit allocation plan. You know, the states – people forget – the states, you know, they allocate billions of dollars every year on housing, so how are they allocating that? Well, something like 32 of those states have a preference or a priority for housing near transit. And over 40 of those states have a priority for preservation of housing.

So we've already begun to think about these in a more holistic manner. But I think the thing that's breaking through is energy efficiency, and what I mean is that when we look at the amount – when you do a rehab – and I'm reflecting on Rodney's claim about the rickety stairs now.

Rodney, we built a property or preserved a property at 14th and R – not too far from where we're sitting. And that property was – we received a 97 on walkscore.com because it is so close to amenities; it is a property that could have been converted to condos, and we preserved it as affordable housing.

And I think the key is how we preserve this housing. It's not just saving the housing; it's also making it more energy efficient, walkable, making it accessible for elderly people. That's part of our job, too. And I think those of us who are doing this kind of work really understand that. But when you talked about that, it just occurred to me – we need to get a hold of that development; we need to figure out a way to make that property accessible so those people can use that transit. That shouldn't happen; we should figure out a way to do that.

I think I'll close by talking a little bit about what is happening here in Washington. It's probably not been said enough how the silos are being busted not only by AARP and Reconnecting America and the National Housing Trust, but at the federal level, at the Office of Sustainable Communities that HUD has put together.

The partnership and the focus is really going on at the federal level, and we now have to do that at the state level – we have to make sure that that's happening at the state level, and I think that's all to the good. They understand these connections like no other administration, like no other administration. That's the hope, that's the promise that we have. There's no question that for individuals, having housing near transit is an important issue; for communities, it's a critical issue. And I'm thankful that state and federal government is finally recognizing it as their responsibility.

MS. GINZLER: Thank you. James?

JAMES CORLESS: Okay, well thanks again for having us. Again, I'm James Corless, the director of Transportation for America. We have AARP as one of our – now 350 members – you see, we're growing faster than we can get the bios out. (Laughter.) And of course, Reconnecting America is one of our co-chairs on our board.

We've actually just been around 12 months, but in those 12 months have grown to 350 organizations that are really coming together to try to influence the next transportation bill in Congress, which is going to be rewritten sometime between midnight tonight when the current bill expires, and two years from now. (Laughter.) So we actually have a pool in our office about when that will happen. It's surprising that Congress didn't finish this on time.

But we do not want this to be put off the front burner, this transportation bill, because we actually think this is the best opportunity we've had, probably, since 1956, when President Eisenhower signed the Interstate Highway Act to truly transform our nation's transportation policy and advance a lot of these issues and things you've heard this morning.

Just again, among who T for (America) is, just to give you a sense – not only AARP, who we're very proud to have as a member, but the American Public Health Association, because doctors and nurses actually realize that the way that our built environment is formed and our transportation system is becoming increasingly linked to how healthy we are as a population.

Can we walk and bicycle as part of our daily routine, not just as a matter of recreation, but as a way to get from point A to point B? That is actually a fundamental part of even the healthcare reform debate that we're not talking about, is preventative care.

The National Association of Realtors, who – one of my favorite phrases is, we don't sell homes, we sell places. They increasingly understand that the kinds of places that we're talking about for seniors are actually the kinds of places that have lasting value. In fact, some of the most desirable neighborhoods that you can buy into are streetcar suburbs of the 1920s that were

built around transit and a main street, and walkable, transit-oriented places – those are the places that actually still retain value in cities big and small across the U.S.

And most recently to our coalition, the Silicon Valley CEOs out of the San Francisco Bay Area, because they actually realize that part of our approach to transportation has to be about being smarter, that technology has a huge role to play, especially when it comes to things like mass transit.

So one of the noted – earlier, I think by Rodney – was information, the basic idea of the lack of information. The beauty of the interstate highway system – it sells itself, right? Where is the blue and the red shield? If I want to know when my next bus is coming, or where does it go? Can I rely on it? Is it late? Do I have to wait in the snow without a shelter?

Most of those questions aren't answerable unless you're an expert in the mass transit system locally. And surely, many senior systems are but many others are actually restricted from using those systems on a daily basis because of that lack of information. And so, technology is – whether it's on your cell phone – or if we can deliver that technology, that's a big part of our solution.

I want to just hit on three things, mostly as Scott said, from my experience as a practitioner in the San Francisco Bay Area, which certainly informed a lot of where I think we're heading as a coalition nationally with the transportation bill.

But three things: The first is we have to act now. Baby boomers are aging and we see this kind of iceberg coming, the tip of the iceberg starting. But if we wait, if we wait until our baby boomers and my parents are aging in place, then we've waited too long.

There is a demand out there – second point here – the demand is coming. CTOD has done great work about this, but it is far more difficult to build a lot of these kinds of places and housing and communities than it ought to be.

And the third point is that the transportation has a huge role to play in this. We tend to be on our silos and think that's somebody else's issue – it's not.

So just in terms of number one, we've got to act now. Again, in the San Francisco Bay Area, what we found, actually, in that region is that seniors, more than other regions, actually were located further away from either walkable places or mass transit.

And part of the reason for that was a little thing we have in California called Proposition 13, which limited property taxes back in 1978. What it meant was if you stay in your place, your taxes are lower. It's a real financial disincentive to move. We have a lot of seniors in the nine-county San Francisco Bay Area that actually want to move but can't afford a lot of the housing that we're building in the more accessible places.

And so, again, the combination of that location accessibility and affordability is paramount, and we're not building the kinds of units at the affordable prices for a lot of these

seniors to get into. Thus, they are aging far away from health services, from their family, et cetera. And again, we are just at the tip of the iceberg.

When we can actually build these places and make them affordable, as we did in Richmond, California, just north of Oakland – an affordable housing complex that was opened there about 3 years ago – we had a line around the block of people signing up for these affordably-priced homes next to transit. When that opened, we did a survey of the residents soon after they moved in, and what we found was, number one, they used transit. They still owned cars, but fewer.

And so back to Scott's point about cost and household expenditures, they were spending less, even if they had one vehicle per household, and they were using transit more. And one of the anecdotes that really hit home to us was a woman, who had been divorced, had moved actually from farther out in the suburbs into Richmond, California with her mom.

And her mom had moved in and her mom was retired, and she said, you know, I moved here for the price point, but what I didn't realize was that my mom is now, once again, independent, because she's not driving; she lives on the BART system; she not only goes into San Francisco and is able to do things, but people can come and visit her. She's now much more a part of society. And that, again, is the kind of anecdote we need to tell more of and keep in mind.

And then, finally, why is transportation – why, beyond just transit – and I certainly appreciate a lot of the comments that were made about public transportation and the need for more funding and operating assistance to actually run the trains and buses – but again, we have a problem in transportation that we actually tend to think in these silos.

And so part of the problem is that when we don't build enough housing for the right populations at the right price points, people tend to move further away. And thus we have a huge problem of people commuting an hour-and-a-half every morning.

In, again, the San Francisco Bay Area, at my former job, we took federal transportation funds and we offered them as carrots to communities that were willing to build affordable housing near transit, near services, in walkable places. It was a reward, and those carrots began to work. They were small, but they were very effective.

In Petaluma, California, just north of San Francisco, we enabled the construction of an all-affordable housing complex in downtown Petaluma, some of the first housing built in that downtown in about 40 years. And we provided the money that allowed them to do what the developer would have had to do as a typical exaction – they would have had to do all these improvements to the streets and bus shelters. We paid for all that stuff because we realized that people were actually going to be driving less; we were putting less cars on the road, less traffic congestion and we were putting people, affordable units, closer to the shops and the services that they needed. So those were those kinds of carrots and incentives.

Now, why does all of that matter, and why does it matter for the federal transportation bill? Three things that we want, in particular, out of the federal transportation bill that we think are really important. And again, whether it's 12 or 24 months, it's not that anybody can take a breather on this, because we have to actually make this case to the key members of Congress and our allies on the Hill.

Number one, we want measurable results. We want to know what we're buying for our transportation dollars. We usually measure our success in how much money we spend. Usually, as transportation people, we say, our measure of success is, we want 50 percent more money next bill. You know, it's got to be bigger. But we don't often talk about the results.

And one of those results has to be about affordability of housing plus transportation; this index that has been articulated so well by Center for Neighborhood Technology and Reconnecting America and others. So that has to be an index that ought to be governing all of our transportation expenditures.

Another one: access for seniors. Within a 30-minute transit ride or a 15-minute walk, what can you get to? That access point has to increase through our investments, not decrease.

Second, of course, is transit dollars. One word on operating assistance: We believe 15 years of providing no operating dollars to the local level for transit projects – we think that's going to end in this next bill, not without your help. H.R. 2746 in the House by Rep. Carnahan would allow some flexibility. We'd probably need to go beyond that for operating dollars.

By the way, too – not to put everybody in a big demographic pot – but if we can build more housing seniors can live in – there's a problem we have in transit – you saw on the maps, we offer, typically, pretty good peak service, but we're really pretty bad at offering all-day, and evening and weekend service. And part of that is about ridership and demand, but if we can put, actually, more senior housing around transit lines, the ridership characteristics, in general, are more off-peak riders.

And so those fillings – it's a principle of efficiency – filling up seats in those off-peaks is something that transit operators don't believe they can do, and so they don't have that service. But if we can, again, get more of this development pattern, we can have more efficient service where we're getting those off-peak riders. So more transit dollars, of course, and operating assistance.

Then finally, livable communities and sustainable communities. Sen. Dodd has a great bill, Senate Bill 6919, out there, which is a great bill to start that conversation about what do we mean by livable communities. In our minds, it has to be more than an office at the U.S. DOT. It's a great thing to do, have somebody in there who's responsible, but it actually has to be about carrots and real dollars.

It's not the federal government telling local communities what to do, but it is creating incentives and carrots for those regions, those metropolitan areas and small towns, to begin offering those incentives of federal transportation funds to build smarter communities that are

affordable and accessible for the entire spectrum of our population. So I'll stop with that. Thanks.

MS. GINZLER: Thank you, James. Don?

DON CHEN: So I'm sitting here getting excited with each successive speaker, and also basking in the excellent work that the coauthors of this report did. I think there's a lot of reason to be optimistic. Of course, it may seem odd, given how terrible the nation's economy is right now, and all the struggles that we've been dealing with in terms of housing crises and energy prices in the last couple of years, and those types of issues. But I believe that there is a wonderful moment here; the time is ripe and we need to take advantage of it.

I would like to distinguish my remarks by talking about what the Ford Foundation is doing. It's very much in sync with much of what we've discussed this morning, and I'm delighted about that, as well. And it's actually ironic and coincidental that the transportation bill is expiring at midnight tonight, because the previous version of what the Ford Foundation has been doing expires at midnight tonight, as well.

Our new fiscal year begins October 1st – tomorrow – and we're excited to roll out the results of our strategic plan. I think those of you who follow the foundation world closely know that we got a new president of the foundation last year, Luis Ubinas, who's been absolutely terrific in helping us refocus our programs – you know, certainly adhering and reaffirming our commitment to our original mission, which is to reduce poverty and to advance social justice in the world and to support innovative people who are really at the front lines doing that work.

Within the sphere of work that I'm involved in, which was traditionally comprised of community development, housing and that set of issues, primarily domestic urban poverty here in the United States. We've really made a lot of changes, and I'm delight to discuss those with you. And I'm going to try and bring some of the details of our future program to life by talking about my home state, New Jersey, just to intersperse a few examples of how this work intersects with a real, live opportunity that is, I think, emblematic of the challenge that we have addressed by today's report.

So the first thing I'll note is that the Ford Foundation has three programs. The one that I'm in has been called asset building and community development. It's now called economic opportunity and assets. We're still maintaining the frame that it's important for people to build assets over time; not just to earn a higher income, but to really build assets over time from generation to generation, because that's how people really accumulate wealth and attain prosperity. So that's one angle that we're retaining.

The opportunity framework, access to opportunities, has become an incredibly important frame for us as well. It comes from more of a rights framework that you have encountered with the civil rights movement, Americans with disabilities, women's rights, various other sectors, including older adults – the right to be able to have access to those opportunities, to services, to livelihoods. That's still a major theme within our program, or it's a newly-enhanced theme, I would say.

And specifically, I'm with a team of a number of people in a unit called metropolitan opportunity. And this is a dramatic departure for the Ford Foundation. We, for the last several decades, have been known to be very specific, focused on neighborhoods, on community development, which really came as a neighborhood movement, an empowerment movement, a really market-based strategy to try to make sure that communities could really revitalize, that housing opportunities could be available to low-income people.

And so we're not moving away from that viewpoint; we're enhancing it by noting that community development work can't succeed by neighborhood focus and block-by-block focus alone. It has to be conducted within the context and the recognition of the importance of the region.

We recognize today that land use patterns have really sprawled out, job sprawl has occurred, employment centers are now very spread out in metropolitan areas. And in order for people to be successful, whether they live in the suburbs or the cities, in low-income or high-income areas, they need to have access to opportunities, and that's a key theme.

And so metropolitan opportunity, again – the metropolitan frame is a big departure. And I'll just describe the three initiatives that we have within the metropolitan opportunity unit. And just as a footnote to show you how effective our new president has been, when I came to foundation in 2008, last year, the foundation had 253 initiatives. And the culture was not really heavy on collaboration; there was a lot of silos within the foundation. Of course, it was generating wonderful work, but what we've done with the strategic planning process is really shrink down the number of initiatives that we have from 253 to 35. They're very focused; some have been consolidated out of the original number, and we're obviously putting more resources into each one as a result. And they're also very clearly articulated in terms of how they relate with one another, not just within each program, but also across programs.

So for example, we have a lot of collaboration between the asset-building folks and the civil rights folks, social justice folks, people who work on education, the arts, media policy, and whatnot. So the culture has changed dramatically, I think, way better. I think those of us who are there are just very excited about how it's going to be played out.

So the three initiatives under metropolitan opportunity are as follows, and this is where I'm going to slide in my examples of New Jersey. The first initiative is called affordable home ownership. The name might tinker a little bit as we go forward, but it's really a housing and community development finance initiative where we're trying to really bring affordable home ownership within reach of more people.

Some of the innovations that we're really trying to get off the ground, take to scale, include shared equity home ownership. Also the task that a lot of people are focusing on right now, which is trying to figure out how to take advantage of energy-efficient housing and capitalize the savings up front to bring down the cost overall. We also have a lot of responses to the mortgage foreclosure crisis within that initiative.

One example is the \$50 million program related investment that we put into the National Community Stabilization Trust, again, as a response to try to deal with the foreclosure crisis that many cities are facing. So that's one.

The second initiative is called metropolitan land use innovation and that was developed in recognition of the foundation's history in the community development field – again, focused on market based strategies, neighborhood work and expanding on it to include not just market strategies – doing deals for affordable housing – but also getting involved in the policy and regulatory process because we know that carrots are very important, sticks are very important as well, and making sure that the rules of the development game can be changed to tilt the favor towards better outcomes. That is a major goal for us right now.

And so we're looking at things like fair housing, inclusionary housing – ways to streamline the process to do TOD and things like that. And I'll give you an example, and actually, I should note, the example from New Jersey that I like to highlight is the opportunity for equitable transit-oriented development across much of the state.

I think many of you probably know that New Jersey has a really huge infrastructure project underway called the ARC Tunnel. This is a tunnel, that is, a transit tunnel that's going into Manhattan. It's going to double the transit capacity between New Jersey and New York City and it's going to reach about three quarters of the population of New Jersey in terms of who can actually get on it, whether they're driving to it within a short distance or they're living in very close proximity to that new transit capacity. So you have this going on, on the one hand.

At the same time, you have the results of the Mount Laurel Decision – which was decided decades ago but suddenly there's been lots of drama over the years. And to make a long story short, now communities are faced, more than ever, with the requirement of producing affordable housing.

And so municipalities are, frankly, they're alarmed by this because a lot of New Jersey's built out. A lot of these municipalities don't want to build affordable housing and many of them are saying that they don't want to build housing, period, because, fiscally, it's a drain on the local resources – whether it's schools, sewer water, all those types of things; the cost of services.

And so I think there's a real opportunity for affordable housing production – mixed-income production – at these transit sites, along these corridors that are going into the ARC Tunnel both as a way to help communities satisfy their affordable housing production requirements but also, if it's done right, if it's mixed-income and if it's got commercial – those types of things that are characteristic of the best TOD cases – then there's real potential for these to be fiscally, at least neutral, potentially beneficial to the communities that are having to do this.

And it does link up the affordable housing with affordable transportation. The way this is connected to those two initiatives that I mentioned – one, obviously, affordable housing, which I mentioned earlier – number two, every community faces the challenge that Scott alluded to earlier which is that it's illegal to build a lot of these developments in many of these

communities. The building densities, the building heights, zoning – all of these types of things just aren't geared for that type of development in these municipalities.

And so there's going to have to be a campaign, an effort, to really try to either increase flexibility so that type of development can occur and these benefits can be attained or to do some organizing. To actually get community groups, local leaders, to really advocate for those changes city by city, metro by metro. We'll see how that plays out but there's a big opportunity there. So those are a couple illustrations.

The last initiative is called connecting people to opportunity. And you can see how this relates, as well. We are very conscious of the fact that – and this is a major theme in our program development – for the most marginalized people in our country, low-income people, African-Americans, Latinos, the foreclosure crisis has really represented the largest lost of wealth to that community ever. And it's a tremendous crisis. We talk about the recession but really, especially African Americans, have been living in “depression mode” for so many years and this is a major issue that we have really tried to address.

The way this plays out in metropolitan areas is geographically. If you look at the geography of different metro areas, concentrated poverty is on the rise. Concentrated areas where there's racial segregation on the rise. And so that means that people are not connected to opportunity in the way that they should be.

So we're trying to increase support programs that will increase access to opportunities, either by proximity – I think Scott and all of our colleagues would call it location efficiency – whether it's bringing jobs and opportunities into places of low opportunity or helping produce affordable housing and things like that in higher-opportunity areas.

Also, improving regional transportation access, and then, finally, addressing a major issue that afflicts all of us in metro areas of jobs and skills mismatch. There are three million jobs that are unfilled in the United States today, meanwhile unemployment is, like, 10 percent and yet we have a hard time filling those jobs because there's a huge jobs-skills mismatch. And so getting people trained in those sectors is incredibly important.

So those are the things that we're going to be funding, those three initiatives. I'd be happy to answer questions about that as we go forward.

MS. GINZLER: Thank you, Don. I actually had a whole set of questions I was going to guide the panel through but in good moderator role, looking at the time, I'm ceding my time to you.

So we do have a few minutes and we actually are still hoping that Shelley will get out of her OMB hearing and be able to join us for some wrap-up remarks – we have a drop back plan if that doesn't work.

But in the remaining moments, this is your time to pose a question to somebody on the panel. Raise your hand; they'll come forward with a microphone. Please share with us who you are and then let us know which panelist your question is for. Thank you.

Q: My question is about the sidewalks. Mass transit never comes on your door. So always walking is involved. And basically, four feet wide, unbroken, where the sidewalk must be a part of walkable community, TOD, but so far I do not hear how it's going to be handled. So it's my question, thank you.

MR. CORLESS: Two thoughts. The question was about sidewalks and they're such a critical component of getting to the transit station or the shopping area. On the federal level, and I think sometimes people sort of raise eyebrows – wait, federal interest sidewalks, how does this relate? But, back to health, back to obesity and everything else there's a notion called complete streets which is that whenever you rehab a street or retrofit it, you put in sidewalks, bike lanes, transit shelters. There are a couple of marker bills in Congress on complete streets to make sure that happens every time we do a big, major street retrofit and we think the next transportation bill can have that language in it. There's language in the House bill, number one.

Number two, we have to get more money to actually do that as well, so the transportation enhancements program and the Safe Routes to School programs in the federal bill are the two pots of money, along with a complete streets policy, that would really advance that.

MS. GINZLER: Thank you, very good point. It's not just about perceived safety sometimes, getting to that transit stop. It's the actual, real safety concerns about proceeding down a sidewalk without getting injured. Another question?

Q: I'm Letty Shapiro. I'm with the Office of the Comptroller of the Currency. I noticed that everybody beautifully addressed metropolitan concerns in urban areas and I'm wondering, what about our rural locations? How are we going to help them with the transportation issues that they have and the lack of affordable housing?

MICHAEL BODAKEN: I'm Michael Bodaken of the trust. I think that if you go on our site and you take a look at the data that's on our site, you will see not only housing near transit, but all existing subsidized housing by address, both rural and urban. And we obviously, for this particular purpose, are talking about the particular cost of and the need to preserve housing near transit.

But, just so you know, the trust strongly advocates for saving housing – federally-assisted housing – and other affordable housing across both rural and urban areas. And that includes housing that's in rural areas that is needed.

And I'd like to have a talk with you afterwards, since you're from OCC, about that issue because OCC actually ran an article that we wrote about 2 years ago about this very issue. And I think it is a critical question for America – one that is not necessarily related to transit specifically today but one that I hope the transportation bill will address. And one, I can tell you, the preservation bill we are working on in Congress will definitely address.

MR. BERNSTEIN: If I could just add to that, while 84 percent of Americans live in metropolitan areas, another 9.3 live in so-called micropolitan areas – counties of 10,000 people that are anchored by rural cities.

And as an amateur historian, I can tell you the overwhelming majority of those cities originally had street railways that are built to urban grids – they're places – and many of the strategies we're talking about actually make a lot of sense there and there's a demand for them there and they're in very politically important places. (Laughter). So it's important that we connect those dots, too, and every one of those micropolitan areas, there's 800 of them, have their own mini drive-'till-they-qualify zone.

In other words, sprawl is going on in rural American, too, but there's an urban core in rural communities and our categories, measuring by obsolete categories doesn't allow us to see that so it would be helpful if, as in this study and our studies and others, people in the room, if we start to think about calibrating our policies down to what's actually there.

GIS allows us to do that, to take it right down to the block level and to make it fit the communities that are actually there. We're not going to run big skyway systems between rural tiny towns and their surrounding areas but we certainly can do more with buses, van pools, car sharing, shared rides.

I'll never forget talking to the rural transit operator in Mendocino County. A guy took me out for a coffee at a conference and he said, yeah I'm the executive director of the Transit Authority which means I run the one bus – (laughter) – , I spend most of my time arranging for shared rides, and it works really, really well.

So I think we have to be willing to get a little bit deeper into the assets that are available and think about how to organize around them and make sure that it's legal to do so, as everybody's been saying, so that we can get this job done.

MS. GINZLER: Thank you. Don, then one more question and then we're going to wrap it up with Michael.

MR. CHEN: Sure, two comments about that. One thing is I really like what James said about the potential for technology to improve the quality of service of transportation and I think the opportunity for that in rural areas is also huge.

Second thing is, at the Ford Foundation we have a rural program which is primarily focused on rural economic development. And the goal there is to try to figure out alternatives to what has been incredibly growing industries in rural areas and unfortunately it's prisons, Wal-Marts, those types of things.

And the focus of our work is really anchored in Michael Porter's value chains theory which is basically focused on trying to figure out how to come up with agglomerations of

different related industries that can then become production economies within rural areas and figure out how they can relate to metropolitan areas and other markets.

If we're successful in seeding some of that activity, then I think transportation linkages become much more viable, and the potential for greater service, whether it's freight or even passenger service and those types of things, becomes much more viable.

MS. GINZLER: Last question.

Q: I'm Joe Feinberg with the Federal Emergency Management Agency but I'm a former New Jersey housing official and my comment pertains to some comments that Mr. Chen made. The Mount Laurel decision in New Jersey was very significant because it dictated that developing communities would make provision for affordable housing and then, more recently, they've expanded that to include all communities.

One of the limitations, however, has been – in the suburban communities, they met their affordable requirements largely through senior citizens, which was an advantage for senior citizens but an awful penalty for other families, particularly those families with children.

And my question is whether or not in the Mount Laurel recent decision or any other accompanying actions, whether that situation has been more significantly addressed or will we see more of that pattern continue?

MR. CHEN: That is a really great point and it reminds me of one of the things that I noted when I was reading this report. This report really adds depth to an existing body of knowledge because you guys really took a hard look at the aging population. What I'm very interested in is – someone else asked a question about the racial breakdown, you know, the breakdown by race, even by income and those types of things. So your question is spot on.

I would say in addition to building homes for older adults, a lot of the suburban locations that didn't want to build affordable housing also were allowed to do a regional contribution agreement, which was basically a bribe – a payment that would go from these jurisdictions to cities that were willing to take the money and therefore, build more affordable housing and have more low-income people living in them. And so you saw this tremendous transfer of payments from places like my hometown in the suburbs to cities like Newark. And that was ended last year. The regional contributions were eliminated by the Legislature last year, signed by Gov. Corzine.

So right now it's actually a very momentous period where no one actually knows how this is going to play out, but there's pressure and it's really forcing the issue of having to produce affordable housing. And I actually don't really know what the dimensions are with regard to older adults but I'd love to learn more. And perhaps this is something that can be incorporated in the work that a lot of organizations in New Jersey are starting to take on.

MR. BERSTEIN: The Illinois bill that I mentioned will modify the current bill requiring a minimum of 10 percent affordable housing to a much higher level and with true affordability included.

I think that once you start to think about transportation cost – you could fix the opt-out problem that Don just referred to and still lose the battle here. We need to learn how to set better goals, translate this. I mean, real people have to pay both these costs in real time.

And so managing towards the last generation's understanding of those goals when transportation costs weren't a big burden are going to have us miss all across the board. And that's why this is just such a wonderful opportunity to come together right now. We need to do it.

MS. GINZLER: I want to thank our panelists because it's a rich conversation. (Applause.) And even though Shelley is embroiled in her budget meeting we are not without representation from Sustainable Communities in HUD, so I bring you, for some closing remarks, Michael Freedberg. Thank you.

MICHAEL FREEDBERG: Okay, I know we're past our time. I'm going to be Shelley Poticha today, just to give you some closing remarks. I'm Michael Freedberg from HUD; I'm in the policy office. And I just wanted to, first of all, thank this panel but also thank AARP and the trust and Reconnecting America for this great report and I think it'd be great if we could find a way for you to come over to HUD and make the presentation to our senior housing folks, as well as some other people who are very interested in this.

MS. GINZLER: Consider it done. (Laughter.)

MR. FREEDBERG: Done. (Chuckles.) So we'll get that set up ASAP. I did want to just, make the point though – and it's been referenced a couple of times – that this report really comes at the right time and it's really in the right place.

You do have a remarkable paradigm shift, sea change, transformation – call it what you will – that is happening at the federal level. If you look at this slide, we do have this new Partnership for Sustainable Communities that EPA, DOT and HUD have formed, as some of you are aware, to really pick up and take all the points that are included in this report, all the points that have been made on this panel, and hopefully embed those points in federal policy and federal programs.

I think what we're seeing is each of these agencies – HUD, for example, which traditionally talked about housing, now beginning to talk about transportation and the importance of integrated planning and community development. You have Secretary LaHood from DOT, all of a sudden starting to talk about housing and livable communities. You have the Senate Appropriations Committee in Congress, not to mention the banking committee and other committees, also working closely with us to develop certain types of legislation – the Dodd legislation was mentioned.

In fact, you can't really read this from here, but Sen. Dodd, when he has introducing the legislation, talked about what we're doing in these three agencies as really a potential baseline for transformation throughout the federal government.

I think what's very important is that the three agencies, HUD, EPA and DOT have adopted these six livability principles, if you will, sustainability principles, which, on the face of it, sort of look like the kinds of principles that I think most people in this room have seen before or certainly don't have any problems with.

But I want to assure you that each of the agencies, we negotiated these principles out intensively. Every word was negotiated and there is a real commitment to bringing these principles into each of our agencies. The first is, providing more transportation choices which of course is inherent in what's being discussed today. The second, and I think this is very important because it's never really been part of transportation policy before, goes to the heart of today's discussion, which is promoting equitable, affordable housing.

And I just want to flesh this out because it does state that we're committed to expanding 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.

So what's important here is that historically, HUD has focused on a somewhat limited definition, as has been alluded to, of housing affordability, which is simply to look at that housing portion of the cost equation. For the first time, we're talking about looking at the combined cost of housing and transportation as the true cost of housing. And the secretary has committed that HUD is going to be looking at ways to redefine affordability and we're looking forward to doing that and looking forward to all of your ideas as we go forward.

Quickly, on the other principles: increasing economic competitiveness, which really gets to making sure that we have integrated strategies for getting people to places of employment and that businesses have access to the services and goods that they need in a good and existing way; supporting existing communities rather than continuing expansion to suburban or outlying communities; coordinating federal investments where it makes sense; and finally, sort of bringing it all together, valuing communities and neighborhoods, which is to enhance the unique characteristics of all communities by investing in healthy, safe and workable neighborhoods – rural, urban or suburban.

So what this means is we're not just looking at each of these pieces in isolation but we're looking at how transportation, housing and water infrastructure investments, from the EPA's perspective, all get brought to build sustainable, healthy communities.

What this means for HUD is that we have a proposal in our fiscal year '10 budget, which has gotten a very favorable response, to provide \$100 million in regional planning grants to communities to begin to bring these pieces together at the regional level. As was pointed out, metropolitan planning has got to be part of the equation in addition to more intensive development in neighborhoods.

And then secondly, another item is to help communities to do more localized land use and inclusion rezoning and zoning reforms, which would include transit oriented development. We are very excited that with regard to future development, DOT and EPA are looking to find ways to match these HUD resources so that communities can begin to plan in a more integrated and holistic way.

We're particularly working with FTA to look at the challenge, as has been raised here, of the potentially high cost of housing near transit and the need to invest and find ways to both invest in new housing when we have new TOD, but also to preserve the stock that's obviously at the heart of this report.

So I think you have the pieces in place. I know we have a lot work to do to make all of this real, but we certainly rely on all of your input, your ideas, your suggestions, and we're hoping to have a dialogue with you starting with when we get you over there next week.

MS. GINZLER: Thank you.

MR. FREEDBERG: Thank you.

MS. GINZLER: Thank you. (Applause.)

RODNEY HARRELL: All right, if you'll all join me again in thanking Michael and all our panelists for today. (Applause.) I do have a few more quick thank yous before I let you go. I wanted to express my thanks to Reconnecting America and the National Housing Trust and my partners on this work. To the many people in the AARP Public Policy Institute who help actually get this report out, thanks so much. I want to remind you all that the report is online at PPI's Web site.

I also want to thank the audience. I think we have a big range of federal, state, local and some of the nonprofit and foundation folks here in the room and I think it's a great room that we have and hopefully you'll be able to do some great networking on your way out. I want to thank the PPI and Smith Fairfield staff that helped staff the event and the folks here at Union Station.

And as a closing note, I just want to leave you with my big thought from today and from this whole project, and that's really that there's great opportunity to really work on making policies that really make sense. I mean, these are policies that people have been working on for years but I think one thing we learned from the study is that no matter what the context is, thinking not only housing and transportation and bringing those policies together is important but also thinking about some of the other issues that really affect peoples' lives, and really coordinating across all these policy areas is the way to make lives better for a lot of persons, particularly older Americans. So with that, I thank you, and enjoy your rest of your day. (Applause.)

(END)