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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING POLICY IN THE NEW MILLENNIUM

Breakout Session: SMART GROWTH

Hilton Crystal City
2399 Jefferson Davis Highway
Arlington, Virginia

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1 P R O C E E D I N G S

2 MS. CAN TALEN: This is the smart growth
3 panel. And I can't believe my eyes. It's just
4 rarely you see this big of a crowd but we want to
5 talk about smart growth and regionalism. The general
6 theme is smart growth, but, of course, because our
7 interest is in housing policy, we would like to focus
8 on the interface of smart growth and affordable
9 housing policy and practice.

10 There has been growth interest in smart
11 growth principles and practice across the nation in
12 localities at the local level, state level, with
13 great federal support, so in this case, we would like
14 to take a look at some of the practices that are
15 emerging out there and discuss collectively how those
16 practices can help promote affordable housing, if
17 they can. And if they cannot, if they're not already
18 doing that, what are some of the issues that we need
19 to take a look at in order to promote the application
20 of smart growth for affordable housing production and
21 delivery.

22 We have collectively, with our panelists,
23 identified three issues that we would like to take a
24 look at today. And I would like to briefly go over
25 these.

1 The first theme/issue that we would like
2 to focus on is whether or not smart growth practices
3 are leading to regional solutions. We have in our
4 round table Michael Schill. As Michael told us
5 yesterday, one of the seven principles that should
6 guide housing policy is the need for regional
7 solutions through cooperation across cities, suburbs
8 and counties. We all know in this group that
9 continued outward expansion from our metropolitan
10 areas has made it increasingly more difficult for
11 individual communities to address issues across
12 regional, across jurisdictional boundaries. And
13 these are issues including concentrated poverty,
14 transportation, affordable housing, education,
15 environmental protection and economic development.
16 So we would like to take a look at, today, if these
17 smart growth practices are promoting regional
18 solutions to some of these issues that have
19 importance across interjurisdictional boundaries.

20 The second question we would like to raise
21 today to our panelists is the intersection of urban
22 core revitalization and smart growth. Our smart
23 growth practices is a solution to combat increasing
24 decentralization that's been the characteristic of
25 post-World War II metropolitan growth and development

1 that we criticize quite a bit. So we would like to
2 find out here if there has been some impact of the
3 smart growth practices in terms of promoting
4 revitalization in our urban areas.

5 In our state of the cities report this
6 year, we documented that while two-thirds of the
7 central cities gain in population since 1980, overall
8 population is still growing at a much faster rate in
9 our suburban areas. As a matter of fact, since 1970,
10 suburban population grew by 50 percent, compared with
11 12 percent in our central cities. So this is the
12 phenomenon, spatial phenomenon, metropolitan growth
13 and development phenomenon we're dealing with and we,
14 at the same time, are encouraging applying smart
15 growth principles. So we would like to take a look
16 at the issues that interface with urban core
17 revitalization.

18 The third question that we're going to
19 raise to our panels today is the role of the federal
20 government in facilitating local and regional smart
21 growth practices. As we're going to hear from some
22 of our panelists, federal government has increasingly
23 been supporting smart growth practices and
24 regionalism. As a matter of fact, HUD was a leader
25 in promoting these issues for many, many years,

1 perhaps dating back to the 1968 Kerner Commission
2 Report in which metropolitan solutions to urban and
3 suburban problems were emphasized.

4 Before I introduce our distinguished
5 panelists, please allow me two more minutes to
6 quickly go over some of the research projects that we
7 have underway that you may be interested in, and that
8 are on these topics.

9 The first one is a Growing Smart project.
10 And I don't think we have Jim Hoben here. Jim has
11 been our resource in these areas and would be very
12 happy to go over these if you have any questions on
13 any of these at the end of the session. Smart growth
14 is a HUD-funded effort to modernize state and local
15 statutes for planning and development management,
16 which, as we know in this crowd, have not been
17 updated for 75 years.

18 The American Planning Association, with
19 funding from six federal agencies and two
20 foundations, is carrying out Growing Smart. This
21 project hopefully will produce a legislative
22 guidebook for state governors and legislators on the
23 best of American planning law. This is a multiyear
24 effort and has already produced model legislation for
25 state and regional planning. Twelve states have

1 already adopted model legislation based on this work,
2 and local planning statutes that will serve as model
3 and management tools will be completed next year.

4 The second project is Bridges to Work, an
5 effort to connect city residents in underserved
6 communities to growing jobs in suburban areas. It's
7 an effort to encourage reverse commuting. Another
8 effort is our Jobs Plus that may be familiar to some
9 in the crowd, again, linking public housing residents
10 to suburban employment opportunities. These are
11 demonstration projects. And one other major effort
12 we have is the Moving to Opportunity program, which
13 involves moving public housing residents into
14 nonpoverty neighborhoods with the effort to
15 deconcentrate poverty.

16 Under our community planning and
17 development office, we do have the Brownfields
18 Economic Development initiator, and this should be an
19 integral part of smart growth practices in inner city
20 areas. Brownfields Economic Development is a top
21 priority for the Conference of Mayors, the National
22 League of Cities, the National Association of
23 Counties, the National Governor's Association and
24 many other organizations, and HUD has been a
25 principal partner in this national partnership and

1 working closely with EPA and EDA to develop best
2 practices regarding brownfields redevelopment in
3 inner cities.

4 In a proposed initiator under the
5 President's fiscal year 2001 budget, which may be of
6 interest to this group, is an initiator group called
7 regional connections to support specifically planning
8 efforts across interjurisdictional entities for smart
9 solutions. And in terms of size, this is only 25
10 million, but it's the first time HUD is setting aside
11 specific dedicated funds to support regional planning
12 efforts. And this was prompted by the Vice
13 President's liveable communities initiator.

14 One last project that I would like to
15 mention which has just been initiated, and we're very
16 excited about this, is our research project for
17 regional smart growth assessment. As we're going to
18 hear from our panelists today, smart growth is a
19 relatively new concept. It is rather ambiguous. It
20 means many things to different people so we wanted
21 to -- we decided to take a look at some of the
22 regions, what they're doing, what they're calling
23 smart growth and learning from them and, through the
24 process, develop a template that other regions can
25 use to assess their smart growth principles and

1 practices. So that is in the works and we would be
2 happy to get you engaged in those conversations.

3 Now, let me introduce our distinguished
4 panelists. We're very fortunate today that we were
5 able to attract to the table leaders in the smart
6 growth movement. To my left, we have Keith Laughlin.
7 Perhaps he doesn't need much introduction to this
8 crowd. Keith has been the Administration's key
9 person in supporting livable communities and smart
10 growth efforts. More specifically, Keith is the
11 executive director of the White House task force on
12 livable communities and we're going to hear about
13 that shortly.

14 Keith is responsible for many things,
15 including the intersection of the environment, the
16 economy and communities. He was the White House
17 liaison to the President's Council on Sustainable
18 Development, and that was a very important effort
19 because later, as some of you know, for example, for
20 the huge coalition in the San Francisco Bay area. So
21 we're going to hear from Keith more specifically on
22 the Administration's perspective to smart growth and
23 regionalism and what it's doing in terms of
24 coordinating activities among government agencies.

25 To my immediate right, we have Dan

1 Goldstein. Dan is -- I'm sorry, David Goldstein. He
2 was our latest addition and we're very fortunate
3 because he brings yet another perspective to the
4 panel. Dave is the energy program director of the
5 Natural Resources Defense Council. And until I spoke
6 with David, I would have never guessed that that
7 organization would be engaged in some of the things
8 that he's going to talk about.

9 Most prominently, I would like to
10 acknowledge David's efforts in negotiating the
11 agreement that led to the National Appliance Energy
12 Conservation Act of 1986. David has been a proponent
13 of locationally efficient mortgage products that are
14 becoming an industry standard. It was a pilot effort
15 that started a few years ago and now Fannie Mae and
16 others are trying to introduce and apply that to
17 promote sustainable communities.

18 To my far right is Betty Weiss, a voice
19 from the community. Betty is the executive director
20 of the National Neighborhood Coalition, which is a
21 membership organization that promotes socially and
22 economically vibrant neighborhoods. Betty has been a
23 leader in the advocacy efforts on behalf of a
24 nationwide network of more than 1,000 community
25 action agencies. Betty is going to add to the table

1 the community perspective, so it's very nice to have
2 you here.

3 To Betty's right is yet another very
4 important person, Chris Nelson, and Chris is the
5 academic committee's voice here at the panel, but,
6 more importantly, Chris is somebody who can really
7 take a look at these very complicated issues and
8 provide a framework. So we are counting on Chris at
9 this panel to give us a framework for the discussion
10 of smart growth at the federal level and its impact
11 at the local and state level.

12 But let me tell a little bit more about
13 Chris because Chris has written extensively -- I'm
14 sure most of you in this audience at least have read
15 some of his publications. He is a professor of city
16 planning, public policy and international affairs at
17 Georgia Technical Institute. He's a member of both
18 the American Institute of Certified Planners and the
19 American Society of Civil Engineers. He has written
20 extensively on these issues, including several books,
21 as a matter of fact, and some of the prominent books
22 that I would like to mention include Growth
23 Management Principles and Practices, The Regulated
24 Landscape, Lessons of Statewide Planning from Oregon
25 and, finally, Development Impact Fees. So thanks for

1 being here, Chris.

2 To Chris' right, we have Myron Orfield.

3 And I'm sure Myron doesn't need any introduction to
4 this crowd because he's been sort of the leader of
5 the smart growth movement at the state level and he's
6 going to give us the state's perspective in the
7 discussions. He's a member of the Minnesota
8 legislature, authors metropolitan governance, fair
9 housing and tax economic refinement laws and also
10 happens to be the executive director of a very
11 important organization called Metropolitan Area
12 Research Council. And he is also the author of a
13 book, Metropolitics.

14 It's a great pleasure to have Myron here
15 because Myron, probably more than anyone, has been a
16 leader of providing information on regional issues
17 that constitutes the basis for regional planning. So
18 we're going to hear from him on that as well.

19 And we're also going to have Karen
20 Danielson. Karen is sitting right next to Myron
21 because she's going to contribute extensively to the
22 discussions today. It's very good to have you here,
23 Karen. Karen has just moved from ULI, am I correct,
24 to the National Association of Home Builders. And
25 Karen used to work at the Fannie Mae foundation so

1 she's a colleague and a friend and it's very good to
2 have her here.

3 Besides our panelists, this is an invited
4 audience so we have, as we're going to hear, many
5 people doing work.

6 I'm sorry, I have just one last panelists,
7 John Frece. And John is coming to us from Governor
8 Glendening's office. Governor Glendening, as you
9 know, adopted smart growth as the key priority area
10 for his state agenda and this is very exemplary and
11 they are serving as a model to other states. And one
12 of the things that the Governor's office is doing is
13 undertaking its smart growth project, so John is
14 going to tell us about that effort.

15 And just to give you a little bit of
16 background on John, he is the Governor's Smart Growth
17 and Neighborhood Conservation Initiators director and
18 he also helps coordinate smart growth issues among
19 various state agencies, and there is also a
20 governor's smart growth cabinet on which he serves.
21 And, in addition to that, he brings his skills from
22 journalism to undertake a targeted outreach and
23 dissemination on smart growth. Thanks for being
24 here, John.

25 So we have a very large group, so we're

1 going to get started right away. We're going to use
2 a slightly different format from other panels.
3 Instead of asking the speakers to give five,
4 six-minute presentations, we felt that -- we asked
5 them several questions and these are questions that
6 we identified collectively and they will respond to
7 those questions. And through these questions, we are
8 hoping to get across some of the key points perhaps
9 that are also important and of interest to our
10 participants here in this crowd.

11 Before we go to the questions, I would
12 like to give each panelist two minutes just to
13 position their presentation on smart growth issues
14 into some context, tell us a little about their
15 interests on smart growth and, more importantly, tell
16 us what they mean by smart growth in their own work.
17 Thank you. We're going to start with Chris Nelson.

18 MR. NELSON: Before I begin, I'm going to
19 mention also, we have other people that we've asked
20 particularly to be involved in this. We call them
21 round table participants and I may have missed
22 somebody but the ones who are here, Tony Downs, Phil
23 Clay, Ted Koebel, Michael Schill, Garth Rieman and
24 Ted Lowe, I believe, and Marc Weiss. I may have
25 missed somebody and I apologize but these are people

1 we asked particularly to come in and contribute to
2 the discussion as well as everybody else here.

3 I began my smart growth research 20 years
4 ago and we called it then growth management, which is
5 different from growth controls. The popular press
6 doesn't make that difference, and so growth
7 management meant growth control and so we lost some
8 of the nuances of the term. So I wrote a book with a
9 couple of other people called Growth Management
10 Principles and Practices which, in my view, lays out
11 the smart growth goals and principles.

12 Smart growth came about in the popular
13 press about five or six years ago and has been
14 troubling to me ever since because it, unfortunately,
15 means something to everybody and nothing to people
16 like me. And, for example, I know that in my
17 backyard in Atlanta, Georgia, there are entire
18 counties who say exclusionary zoning is smart growth
19 because it's smart because it keeps the low income
20 out. So the term has been bastardized.

21 The term has no meaning, but I accept it
22 now. I accept it because I think we in the academic
23 circles and the public policy circles and the federal
24 agency circles and so forth need to define what it
25 actually is. And to some extent, I think that we

1 simply need to take the good parts of growth
2 management, cast off the growth control element of
3 growth management, and then basically do a global
4 search and replace in all of our documents. I'm
5 going to republish my book and call it Smart Growth
6 Principles and Practices. I'll maybe sell a few more
7 copies, actually.

8 One of the reasons I'm here is that Ayse
9 asked me to sort of bring us up to date in terms of
10 the research that we've been doing in smart growth.
11 Actually, there is very little research in smart
12 growth, again, because we don't know what it is. If
13 we don't know what it is, we can't measure it. So
14 with other people here, we're trying to sort of put a
15 definition into smart growth, come up with
16 measurement devices and then proceed. But I would
17 say that the research in this area is very wanting.

18 MS. CAN TALEN: Thanks. We're going to
19 move to Myron Orfield. Your two-minute version of
20 smart growth and your interests in these issues.

21 MR. ORFIELD: Well, I'm really a
22 regionalist and smart growth is a part of -- I think
23 there is three prongs of regionalism. Fiscal equity;
24 comprehensive regional land use planning, which is
25 our version of smart growth; regional governance. I

1 believe in progress and reform in all those things.

2 I think there is four types of
3 metropolitan communities in America and they're all
4 hurt by lack of coordination. There are central
5 cities, which are about a third of U.S. regions.
6 They have high poverty, usually low fiscal capacity,
7 struggle to compete at the edge of the region, spend
8 a lot of resources trying to compete and often get
9 impoverished with detriments toward their school
10 system and neighborhoods.

11 Older suburbs are about another 25 percent
12 of the U.S. populations. Their school districts are
13 racially changing, they don't have strong fiscal
14 capacity. Their fiscal capacity is more fragile than
15 the central cities. In the last decade, it's been
16 weaker. They have the same kinds of issues as the
17 central cities. They're more fragile. They're 25
18 percent.

19 The edge of the region, there is bedroom
20 developing communities. They're about 15 percent of
21 U.S. regions. They're developing very rapidly
22 without the fiscal capacity to support schools.
23 Without substantial government aid, they can't keep
24 their wastewater clean, they can't deal with their
25 traffic issues. They're hurt by lack of cooperation.

1 The last group is the high property
2 wealth, edge cities. They have a lot of fiscal
3 capacity. They are the places that are complaining
4 the most about the land use plan. They don't like
5 the development, they're losing green space. They
6 have a lot of money but they don't seem very happy
7 about it. At least parts of them in fast growth
8 areas don't.

9 But I think that -- I really am a
10 regionalist and all these things fit together and I
11 think a good smart growth plan is a comprehensive
12 metropolitan plan where cities have to submit their
13 land use plans to the state government, to a larger
14 agency, regional governance entity or a state
15 planning agency. They have to have an affordable
16 housing component in it. It should have a density
17 component in it. It should be sensitive toward
18 transportation, try to be functional on
19 transportation, functional in transit. That's what I
20 think smart growth is and that's what I would be here
21 to talk about.

22 MS. CAN TALEN: Thanks Myron. Betty?

23 MS. WEISS: Thank you. Hi, I'm Betty
24 Weiss. I'm the executive director of the National
25 Neighborhood Coalition here in Washington, D.C.

1 Thank you for inviting me to be part of your panel,
2 Ayse.

3 The National Neighborhood Coalition, for
4 those of you who aren't familiar with us, is a
5 21-year-old coalition of many of the nation's largest
6 networks of community, neighborhood and faith-based
7 organizations that are working to provide affordable
8 housing and do community development in low income,
9 urban and rural neighborhoods. And our perspective
10 on smart growth is commanded really with a question
11 for what it means for low income neighborhoods, first
12 of all, and second, what is the role for
13 community-based organizations in smart growth.

14 And in terms of what the definition is,
15 we're, I think, guilty of being one of the people
16 that Chris described as kind of trying to redefine
17 smart growth in our own terms and say that growth
18 isn't smart unless it has strong community
19 participation, a very aggressive affordable housing
20 component and helps to redistribute resources more
21 equitably among all the neighborhoods within a
22 region.

23 And what we're doing about this is we have
24 a project called Neighborhoods, Regions and Smart
25 Growth that we launched about 14 months ago and we've

1 been talking with community-based organizations
2 around the country to get a feel from them about what
3 they think about smart growth, what they're doing.
4 And the first thing we learned is that smart growth
5 doesn't really mean anything to them, that the
6 principles, the definitions don't really resonate
7 very well with community groups. They don't perceive
8 it as something that addresses their primary
9 interests and concerns.

10 So the first thing we did was come up with
11 our own principles, neighborhood principles, for
12 smart growth and I'm going to hand out a report in
13 just a second that has those principles in it.

14 The second thing that we're doing is we're
15 working with local partners in a couple of places,
16 starting in Philadelphia and New Jersey and then
17 eventually kind of working our way more westward
18 across the country to get community groups together
19 to talk about regional issues and smart growth and
20 help them see that this is something that connects to
21 their work and helps them connect with each other.

22 And third is we just released a report
23 about two weeks ago called Smart Growth: Better
24 Neighborhoods, Communities Leading the Way, and it's
25 15 case studies of how community-based organizations

1 and coalitions of groups are working on a variety of
2 smart growth-related issues, including environmental
3 justice, transportation, affordable housing, economic
4 development. And the findings from that report are
5 summarized in this short executive summary.

6 MS. CAN TALEN: Thank you, Betty. David?

7 MR. GOLDSTEIN: Thanks, Ayse. I'm David
8 Goldstein. I'm energy program director for the
9 Natural Resources Defense Council. I'm kind of new
10 to this group so it's good to meet you all.

11 I've been doing this for 20 years. NRDC
12 is a national environmental advocacy organization,
13 member-based with over 400,000 members nationwide.
14 Our energy program recognizes that energy is the
15 route of many or most environmental problems and
16 tries to develop solutions to those problems,
17 focusing on energy efficiency and renewable energy
18 policy at the regional, national and international
19 level. These are policies that also improve economic
20 development at the same time they're working for
21 environmental protection.

22 So what does all this have to do with
23 affordable housing or smart growth? Actually, a lot.
24 Housing accounts for some 40 percent of energy use
25 nationwide. About 20 in the house directly,

1 including the utility service, and another almost 20
2 getting to and from the house.

3 Affordability. Between energy costs in
4 the house itself and energy costs in transportation
5 to and from the house, we're talking about well over
6 20 percent of a family's total budget. So if you can
7 do something to reduce those costs, you can do
8 something very important to improve economic
9 well-being while you're helping the environment.

10 In terms of energy used by the building,
11 reductions at 50 to 90 percent are economic and can
12 be done today with appropriate economic incentives,
13 and we're working on things including legislation
14 such as 2718 that would provide those kinds of
15 incentives.

16 Transportation is an unrecognized source
17 of economic and environmental waste. Transportation
18 costs about as much in dollars as the house itself.
19 More, in some cases, over the lifetime. And we now
20 know that transportation costs can be cut by 50
21 percent or more due to smart growth patterns. This
22 implies -- the research that I'm going to describe
23 later describes at least one piece, the economic or
24 quantitative piece, of a definition of smart growth.
25 So I'll be talking about what our research is and how

1 it might apply to policy development.

2 MS. CAN TALEN: Thanks, David. That's
3 very useful. While we left Keith Laughlin
4 purposefully to the end -- I'm sorry, now we're going
5 to go to John Frece. It's just the setup here. I
6 get so confused. I'm sorry, John. If you could just
7 tell us about your office's perspective to smart
8 growth.

9 MR. FRECE: Thank you. Let me say that
10 I'm totally unconcerned about not having a specific
11 definition for smart growth because I think what it
12 has become nationwide is sort of a shorthand for
13 better planned, more environmentally sensitive
14 development patterns. And it can't mean the same
15 thing for every community, nor should it, and I think
16 that individual communities need to define what smart
17 growth means for them.

18 I work for a governor who had some hand in
19 sort of spreading this phrase. Back in 1997,
20 Governor Glendening introduced, and we passed in the
21 first legislative session that it was considered, a
22 series of bills that became known as our smart growth
23 and neighborhood conservation initiative. Our
24 problem was that our development patterns over the
25 last 30 to 50 years were such that if we continued in

1 Maryland with the same development patterns for the
2 next 20 to 25 years, we would consume as much land in
3 new development as we've consumed -- in the next 20
4 to 25 years -- as we've consumed in the entire
5 366-year history of the state. And we needed to try
6 to change the direction we were going.

7 What we have done with the Maryland
8 program is very simple. We have controlled the one
9 thing that the governor of Maryland can control,
10 which is where the state budget is spent. It is an
11 incentive-based program, not a regulatory program.
12 It identifies areas around the state that are called
13 priority funding areas that are the priority for
14 state funding, and that's where we are targeting
15 state dollars for growth-related projects, or in
16 rural areas, we're talking state dollars for
17 permanent land preservation of the best remaining
18 lands in Maryland.

19 And then virtually all the other programs
20 within state government are supported by those two
21 programs. I'll talk more about that later. Thank
22 you.

23 MS. CAN TALEN: Thanks. Keith, you're
24 last. Tell us to what extent or what you've heard is
25 consistent with the Administration's perspective on

1 smart growth.

2 MR. LAUGHLIN: Well, I think it's
3 consistent because, I think as John said, I think
4 smart growth is a place-based idea and a place-based
5 approach to policy that really has to address the
6 specific economic, environmental and social needs of
7 those places. And so I kind of agree with John on
8 the definition, as long as we're within the context,
9 I think, of some basic principles.

10 Let me just briefly indicate what the
11 administration's doing. As I should have indicated,
12 I'm the executive director of the White House Task
13 Force on Livable Communities. We released this
14 report, the Vice President did, back in June, which
15 pretty much summarizes the work that we're doing and
16 you can find this on the Web at
17 www.livablecommunities.gov and you can actually order
18 it directly from the site also, if you would like a
19 hard copy of it.

20 What this does, this report does, is it,
21 in a nutshell, tries to describe much of what we've
22 heard here in terms of the innovation that's taking
23 place on this set of issues at the local level across
24 the country. And I think that it's truly exciting
25 what is coming from the ground up because that's

1 really, I think, what the smart growth movement is
2 all about.

3 What we then do after describing that, the
4 changes that are taking place in the American
5 landscape as a result of that, is that we try to
6 identify a clear role for the federal government in
7 this effort because land use always has been, and we
8 think should remain, the responsibility of state and
9 local government. We have no interest in getting
10 involved in that set of issues from a regulatory
11 standpoint. It is not our role.

12 However, we do define our role very
13 clearly in four ways. One, the federal government
14 can provide incentives to help communities that want
15 to implement smart growth planning. Two, the federal
16 government can provide information and tools to help
17 communities make better local decisions in moving in
18 the directions that they want to do. Three is the
19 federal government can be a better neighbor in
20 communities, and the decisions we make with the way
21 we manage federal real estate, with the way we deal
22 with transportation policies for the federal work
23 force, which have an impact on local development
24 patterns, and we should make sure that our impact is
25 consistent with the goals of the local community.

1 And then fourth, we can build partnerships
2 to begin to identify new ways of working with
3 communities to address these issues, and we do have
4 15 partnerships underway working with communities.
5 Some are at the regional level, some are at the
6 neighborhood level, so that we can gain experience in
7 better coordinating the activities across the federal
8 government to support local efforts to build livable
9 communities and smart growth.

10 Just in summarizing, in terms of the
11 principles I think that are important here, I would
12 just emphasize that to me, smart growth has to be
13 economically smart, it has to be consistent with job
14 creation and economic opportunity, it has to be
15 environmentally smart in terms of not creating
16 environmental problems but rather solving them, and
17 just as important is it has to be socially smart. In
18 my mind, if smart growth does not include the issues
19 of equity, it is not smart and that has to be right
20 up front and center. To indicate what Chris is
21 saying, exclusionary zoning is not smart growth.
22 Just by definition, in my opinion, it can't be. And
23 I think that it's really important that those issues
24 be front and center.

25 MS. CAN TALEN: Thank you, Keith. That's

1 very useful. Now, I would like to take a few minutes
2 and ask some of our round table participants, and I'm
3 going to give names, and Marc, you're on that list,
4 to say a few words about their perspective in general
5 terms on smart growth. I would like to ask, first,
6 we have Tony Downs and I would not want to miss the
7 opportunity to hear from Tony about what he thinks
8 about all of what we're doing here.

9 MR. DOWNS: Well, I think that smart
10 growth has -- I agree that it's an ambiguous term and
11 it's probably correct that it can't be defined the
12 same in every location. But it seems to, by
13 experience, have certain elements in it that, if we
14 identify the elements, it might make the discussion
15 clearer.

16 First, most smart growth proponents
17 propose some kind of a limit on outward expansion,
18 whether it's an urban growth boundary of some kind or
19 utility district or something. Second, they propose
20 a significant to greater emphasis on public transit
21 and less emphasis on private automotive
22 transportation. Third, they propose a focus on
23 redeveloping core areas within field development.
24 Fourth, they propose freeing up design regulations so
25 that design elements like the new urbanism can be

1 incorporated into new growth.

2 Fifth, they have recommendations on
3 financing and these vary tremendously but, basically,
4 most of them lay the costs of new development
5 primarily on the new developments themselves and tend
6 to protect existing citizens from higher taxes. They
7 involve shifting more of the transportation financing
8 to transit. That could be through some kind of
9 utility district.

10 The last element is governance and almost
11 all proponents of smart growth propose -- continue to
12 advocate mostly local governance, which I think is a
13 guarantee that it won't work but that's my own
14 opinion. And I think that there is quite a variety
15 in this. There are certain principles about smart
16 growth that I think are important to recognize.

17 The first principle I would say is that
18 regions cannot control their own growth rates. The
19 growth rate of a region is dependent upon the
20 characteristics of the region, its size, location,
21 topography, demography, et cetera, and therefore, it
22 cannot be influenced by the actions of local
23 governments. And if a local government limits growth
24 within its own boundaries, which it can do, that
25 simply shifts the growth of the region somewhere else

1 in the region and that has no effect -- in fact, it
2 tends to aggravate sprawl because it tends to cause
3 people to move farther out if they can't develop in
4 close.

5 So that's one very important principle
6 that we have to recognize, that local growth control
7 does not slow down growth of a region. In fact, it
8 simply displaces it.

9 I think I'll stop at that point. One
10 other thing I would like to say is that affordable
11 housing -- the concept of affordable housing is far
12 more ambiguous than smart growth, as a matter of
13 fact. Nobody in the United States can legally build
14 housing that is affordable to poor households because
15 the quality standards we demand for new construction
16 are so high, that they make the units too expensive
17 for low-income households to live in, so that smart
18 growth excludes poor housing because it's growth and
19 all growth housing has to be above the levels that
20 poor people can afford. That's hard saying but it's
21 true, nevertheless.

22 MS. CAN TALEN: We're going to completely
23 ignore that last point because otherwise we would not
24 have a panel here. Thanks, Tony. That was very
25 useful. Others that we would like to hear from --

1 I'm going around this list to give you a little time.
2 Phil Clay, Ted Koebel, Michael Schill, of course,
3 Garth Rieman, Ted Lowe, Marc Weiss, Karen Danielson.
4 Marc, we're going to go with you and, of course, I
5 would like to acknowledge our assistant secretary
6 Susan Wachter who -- thanks -- joined us. So Susan,
7 would you like to go first?

8 MS. WACHTER: I would like to comment on
9 two elements of Tony's list. Tony lists are always
10 so wonderful. And the idea of displacement, of
11 course, works with us, if displacement can move us to
12 help revitalize the core. And that's, of course,
13 going to be part of this later plenary session this
14 afternoon where we talk about building a million
15 homes in the nation's core market rate housing and we
16 will look at barriers to do so and how do we overcome
17 them.

18 That doesn't solve the affordable housing
19 problem, nonetheless. In fact, it may contribute to
20 the affordable housing problem and of course that's
21 where we need the HUD budget. Let me let that go for
22 another time.

23 MS. CAN TALEN: Thanks, Susan. Marc,
24 would you like to go? You probably had a question
25 but we want an answer from you.

1 MR. WEISS: Well, actually, I think what
2 Tony said was excellent. I agree with it so he
3 answered some of what I was going to address. I just
4 want to hone in, from the initial panel presentation,
5 which was very, very good, the point that Chris
6 raised about this ambiguity of smart growth, of being
7 all things to all people and, in some cases, being
8 kind of a new name for a NIMBYism, you know, of
9 really the antigrowth.

10 And I think that what I want to do is
11 really kind of call attention, because John Frece was
12 quite modest, to the lessons that I think we can
13 learn from what Governor Glendening has done in
14 Maryland. And the first is that the official
15 complete name of the program in the State of Maryland
16 is Smart Growth and Neighborhood Conservation, and
17 that's very, very important because a lot of the
18 growth management debate has focused mostly on the
19 negative impacts of sprawling development in suburban
20 and ex-urban areas and traffic congestion, pollution
21 and so forth, which sometimes does get linked to the
22 loss of rural agricultural land, open space and so
23 forth.

24 But I really think that what the real --
25 the break through of the Maryland program, which is

1 why people got excited about the smart growth, is not
2 just a new name but a new concept, was directly
3 linking the issue of sprawl to the issue of
4 reinvesting, as Susan just said, in the older urban
5 centers. And there is kind of two pieces to that.
6 One is rebuilding the core itself, the cities and the
7 inner ring suburbs. And the other is, in the outer
8 areas, increasing the density of development in
9 existing suburbs so that even though you've got
10 sprawl stretching out, it's not stretching
11 everywhere, it's more concentrated.

12 And I just think that's something that
13 this group here should be building on, on how the
14 three things got put together. The saving the open
15 land, controlling the effects of sprawl and
16 rebuilding the core. And this is just a couple of
17 other things that, as Keith said, in Maryland and
18 elsewhere now, the smart growth then became not just
19 a concern about physical growth but it was linked
20 back to the economy, and that's critical. We just
21 had a national conference last week at the law center
22 on metropolitan economic strategy where smart growth
23 is part of how you grow prosperity and quality of
24 life so it becomes an economic strategy.

25 And lastly, I think the thing that was

1 pretty creative about what was done in Maryland is it
2 shifted the debate, as Tony talked about, and Chris,
3 from just land use regulations to, one, incentives,
4 and two, probably even more important, redirecting
5 the existing total budget. Governments spend a lot
6 of money on things like transportation,
7 infrastructure, education, work force, development,
8 to fill a variety of purposes. They don't always
9 target it.

10 What smart growth and neighborhood
11 conservation did was impose a discipline, saying,
12 we're spending all this money, we're going to do it
13 under this framework, which meant it was fiscally
14 conservative, both in the spending and in saving
15 existing resources. And that, I think, also helped
16 build a broader base.

17 MS. CAN TALEN: Thanks, Marc. I would
18 like to leave some time for our questions. I'm going
19 to just allow two more individuals. Michael Schill?

20 MR. SCHILL: I have just a brief comment.
21 When I was a young faculty member, actually, I gave a
22 paper arguing about exclusionary zoning and regional
23 solutions and Tony was -- I think you were my
24 commentator on that paper down in Virginia. And you
25 sort of looked at me and you said, you know, I

1 suggested this ages ago, which is true again, and I
2 cited you. And you're naive, how do you expect this
3 to happen 10 or 15 years after nothing had happened
4 with respect to opening up the suburbs.

5 And I think that what we need to be
6 thinking about is appropriate levels of government
7 and which levels of government are best at doing
8 this. And I think one of the problems with smart
9 growth that makes me -- that concerns me is in some
10 ways it becomes a code word just for everything we
11 think is good in the world. And if everybody thinks
12 it's good, I just don't see how -- I mean, not that
13 people should be thinking that it's bad, but the
14 point is that it needs to have some level of policy
15 impetus and so we have to figure out which level of
16 government is appropriate. What should the federal
17 government be? What should the role of the federal
18 government be?

19 Certainly I agree that a one size fits all
20 can't work, but the question is, who should be
21 implementing these things? And I think that one of
22 the key challenges, as you just mentioned, is to get
23 the states to be responsible, because I really don't
24 think we can rely on municipalities, and we certainly
25 can't rely on neighborhoods to be the implementors of

1 this.

2 But I do think the federal government has
3 a role through pressuring states or creating
4 incentives for states to crack down on the negative
5 side, alternatively, to create incentives for the
6 municipalities within metropolitan areas to act in a
7 responsible way. And I think it's through that type
8 of structure, but I think we do need to have states
9 step into the game here in a way that is sensitive to
10 local needs.

11 MS. CAN TALEN: Thank you, Michael. That
12 was very useful. Now, I'll just turn to Karen and
13 she will be the last person to comment.

14 MS. WACHTER: We agree very much with
15 regard to the state role and, at HUD, we have just
16 signed an agreement with the National Governor's
17 Association to look at ways that we can work together
18 with them as a start, to look at where incentives
19 might be appropriate, where they're our best
20 practices and where we can begin to advise on policy
21 on these issues.

22 MS. CAN TALEN: Thank you, Susan. Karen,
23 do you have anything to add? You always do.

24 MS. DANIELSON: Hi, I'm Karen Danielson, a
25 housing policy economist at the National Association

1 of Home Builders. I would like to talk about the
2 private market aspects of this. Even though there
3 are roles for government, there is --

4 MR. GOLDSTEIN: -- measured in vehicles
5 per households you get from the census. The vehicle
6 miles traveled per car you get very cleverly by
7 looking at the annual smog checks and looking at
8 differences in odometer readings from one year to
9 another and cross-check them with ZIP codes, so it's
10 a pretty accurate measurement. We did the
11 regressions looking at what variables were most
12 important first and then going to the second most
13 important one until we ran out of statistical
14 significance.

15 The results are very impressive. I'll
16 show them on a graph here if we have an overhead. We
17 don't. A colleague of mine who was on a panel with
18 me once said visual aids are the crutch of the
19 inarticulate. So I hope I won't prove inarticulate
20 here.

21 The vehicles per household correlation,
22 for those of you who have statistical background,
23 with a thousand degrees of freedom, the R squared was
24 90 percent in the Bay area, which is very impressive.
25 For those of you who don't have as much statistical

1 background, when you have an R squared of 90 percent,
2 you don't have a bunch of points on a graph and try
3 to draw a curve through them. They draw the curve
4 themselves. You just look at them and they line up
5 straight along the curve and that's what we got.

6 The most important variables, the first
7 most important was compactness or density.
8 Residential units per residential acre was by far the
9 most explanatory variable. Second was income and
10 transit, more or less than a tie. Third was family
11 size, household size. Fourth -- fifth, actually,
12 distant fifth was pedestrian and bicycle
13 friendliness. For the one region where we had data
14 on number of jobs within a half an hour commute, that
15 was statistically significant only on miles driven
16 per car, not on car ownership, and it didn't make
17 that big of a difference. So all of this focus on
18 jobs and housing apparently is getting at a small
19 piece of the problem but not a big piece of the
20 problem.

21 Much to our surprise, mixed use didn't
22 show up as statistically significant in this study.
23 The results were done separately for all three metro
24 areas and we have partial results for the city of
25 Seattle. The curves were virtually the same in all

1 three cities. So we got a very consistent result
2 everywhere we looked.

3 The results -- here is a graph that I can
4 show people afterward. It's a smooth curve.
5 Basically every time you double density, you reduce
6 driving by X percent. Every time you double transit
7 access, you reduce driving by Y percent. X and Y are
8 big numbers and there are no thresholds. So it's not
9 like you have to get beyond a certain point in order
10 for transit to matter, or you have to get beyond a
11 certain point for density to matter. More is better,
12 and it just keeps on going as far as the data could
13 allow us to go.

14 MR. DOWNS: The cost of housing falls as
15 you move farther and farther from the center of the
16 city. I've done some analyses similar to yours and
17 it drops about -- over 1 percent of the median cost
18 in the metropolitan area for every mile you move away
19 from the downtown area so that if you're in a high
20 enough cost area, such as California or in the
21 northeast, you can more than make your mean for that
22 higher cost of transportation by moving out farther.

23 MR. GOLDSTEIN: That's actually part of
24 the problem and one of the solutions that we've
25 worked on is the location-efficient mortgage, which I

1 have to say is a service marked product of the
2 Institute for Location Efficiency. I'll talk about
3 that in a second because it's important to remove one
4 of the disincentives, but let me finish it at this
5 point by just describing how big the effects are.

6 As you go from sprawl density to something
7 comparable to where I live in northeast San
8 Francisco, the density effect alone reduces driving
9 by more than 50 percent. That's both car ownership
10 and miles driven per car, so the savings are \$4,000
11 per year out to infinity. If you add high levels of
12 transit service comparable to a heavy rail station
13 with bus service, you'll reduce driving by 30 percent
14 whether you put it in the middle of a central city or
15 out in the middle of suburban sprawl, which is as
16 much as an order of magnitude bigger effect on
17 reducing driving than anything in the literature
18 previously.

19 MS. CAN TALEN: Thank you. I just would
20 like to remind you that we passed around these index
21 cards. Those of you in the audience, if you have any
22 questions, please put them down to a response to the
23 panelist remarks, and we'll collect them at the end
24 of each question.

25 I would like to now turn to Myron Orfield

1 and ask him how, in his work, he found out the impact
2 of some of the urban sprawl on housing costs, if you
3 have explored any connection relationship between
4 changes in housing costs or city's fiscal health
5 through taxes resulting from smart growth practices.

6 MR. ORFIELD: In terms of tax policy?

7 MS. CAN TALEN: Yes.

8 MR. ORFIELD: I'm a little bit confused
9 about the question. Do you want me to answer the
10 first one a minute ago or is this one about --

11 MS. CAN TALEN: Well, if you can also
12 comment on, not only affordable housing, but impact
13 on affordable housing through city's fiscal health.

14 MR. ORFIELD: Well, the impact on
15 affordable housing through city's fiscal health, I
16 think that one of the things that happens -- it's a
17 hard question. I'm a little bit confused but I think
18 one of the things that happens when cities are
19 competing against each other for property wealth,
20 sometimes they don't want to build any affordable
21 housing. And as cities start to equalize a little
22 bit and share some of the resources of growth in a
23 region, there is less fiscal incentive to
24 discriminate against people.

25 In terms of a variety of housing types, in

1 terms of efficiency, I think probably the best kind
2 of evidence that we've had in Minnesota -- I've been
3 the author of a fair housing law that was very
4 controversial, finally passed after two laws were
5 vetoed, but that barrier reduction was an important
6 thing that the building industry supported very
7 strongly in terms of that legislation. They thought
8 that by deregulating the housing market by allowing a
9 variety of types of housing in communities, by trying
10 to streamline the regulatory process, that smart
11 growth legislation helped their economic benefits.

12 And I had very strong housing bills that
13 were very strongly -- they were very controversial,
14 but they were very strongly supported by the building
15 industry all the way through the process. So I hope
16 I've answered your question.

17 MS. CAN TALEN: You can go ahead and
18 answer it in a general way. What's the impact of
19 smart growth on affordable housing practices in the
20 context of your work?

21 MR. ORFIELD: Well, I think in the context
22 of places that have barrier reduction, you have --
23 you know, places like Oregon, places like the Twin
24 Cities beginning after 1995, you have more of a
25 variety of housing types. There are less

1 restrictions in communities on large lot size, less
2 insistence on dramatically elaborate frontages, less
3 requirements on underground garages.

4 MS. CAN TALEN: Do those lead to reduction
5 in the cost of housing?

6 MR. ORFIELD: Yes.

7 MS. CAN TALEN: Thanks, Myron. That was
8 very useful. I'm going to now turn it to John Frece
9 and ask how they promote affordable housing in the
10 context of Governor Glendening's smart growth
11 initiator.

12 MR. FRECE: Thank you very much. What we
13 are trying to do across the board with our smart
14 growth program is to target the resources of all the
15 different departments toward our priority funding
16 areas which are essentially our municipalities, the
17 heavily developed areas inside the Baltimore and
18 Washington Beltways and then other areas locally
19 designated for growth that meet certain state
20 criteria. And our housing efforts are no different
21 than that. We are now targeting almost 100 percent
22 of all our housing programs to these priority funding
23 areas.

24 The secretary of housing community
25 development in Maryland has the discretion to make

1 expenditures outside of priority funding areas but
2 the clear thrust of what we're trying to do is to put
3 our resources into designated growth areas. We've had
4 a number of different individual programs apart from
5 the overall emphasis on targeting mortgage money and
6 other programs through the priority funding areas.
7 For instance, we have a partnership program called
8 Live Near Your Work, which the state partners with
9 private sector employees or public sector employees,
10 such as colleges or universities, and the
11 jurisdiction in which that employer is located and
12 they identify neighborhoods near the place of
13 employment where they encourage employees of that
14 employer to locate to buy a house. And all three of
15 the partners, the state, the local jurisdiction and
16 the employer all agree to put up a thousand dollars
17 each, 3,000 total, to encourage employees to live
18 near their work. And obviously that has effects on
19 the transportation, on air pollution, on a lot of
20 things, but what it really does is it benefits the
21 neighborhoods, many of which are distressed
22 neighborhoods that we're trying to target.

23 We also had a onetime refinancing of some
24 bonds that they gave our housing department, a little
25 \$40 million nest egg and what we did with that was we

1 developed a program called 40 of Four in which we
2 advertised to all of our local governments that we
3 had this money and encouraged them to develop local
4 measures that would encourage home ownership in their
5 targeted communities. Rather than the state
6 targeting where the money would go, we let the local
7 governments devise how it would work best in their
8 jurisdictions and then compete for the money. So
9 that's the sort of things that we're doing.

10 MS. CAN TALEN: How is that developing?
11 How is that coming along?

12 MR. FRECE: The money has all been -- that
13 program was about two years ago. The money has all
14 been allocated and spent and the users of the money
15 have purchased homes. I think that it's too soon to
16 go back and determine whether this is going to have
17 the lasting effect that we hope in terms of
18 increasing home ownership. I think that this is one
19 of the things that we're determining.

20 MS. CAN TALEN: Thanks. I'm going to turn
21 it to Betty Weiss and ask her to comment on the
22 social implications of smart growth in low income
23 communities. What does it mean to them?

24 MS. WEISS: Well, as I said at the
25 beginning, the implications of smart growth in low

1 income communities are still a little bit unclear.
2 There is a lot more questions than answers if you
3 talk to people in groups in low income communities
4 about smart growth and what the implications are for
5 them socially, economically and environmentally. I
6 think residents, community groups and low-income
7 neighborhoods are able to see the potential benefits
8 of smart growth. New investment, reinvestment in
9 their communities, jobs that are located closer to
10 where people live, better access to transportation
11 and a more healthy environment in which they'll live.
12 Affordable housing gentrification displacement is
13 still the big scary question for groups and people in
14 low-income neighborhoods, and it is something that
15 they're very, very concerned about.

16 And this is a HUD housing conference so
17 it's very unusual to have this kind of an emphasis on
18 housing conversations about smart growth, and so far
19 really the smart growth movement is still very much
20 out of balance. It is still an environmental issue.
21 It is, in practice and in policy, about preserving
22 open space. It's not about reinvesting in
23 communities and it's not about building affordable
24 housing.

25 And again, I think without broadening the

1 definition of smart growth, it's going to be a
2 failure but I think this is a moment of opportunity
3 to build a much broader constituency, not just for
4 smart growth but for affordable housing. I've never
5 seen NRDC at a HUD conference before. For example,
6 we have calls from the Sierra Club asking to partner
7 with us. This is a very unusual thing going on, so
8 there is a chance to build much newer, broader
9 coalitions now, and I think we really need to seize
10 the moment and work to build a much bigger, stronger
11 constituency for housing as part of smart growth.

12 MS. CAN TALEN: I think with that, we're
13 going to move on to the second question and broaden
14 the scope of smart growth to address other issues,
15 environmental, transportation, and some of the issues
16 in a regional context. We're going to focus on the
17 second theme, which is regionalism and smart growth,
18 and raise the question in terms of what we mean by --
19 how do we see smart growth principles and practices
20 promoting regional cooperation, not only in the
21 context of affordable housing but in any of the other
22 areas.

23 We really would like to hear from the
24 practice that you're familiar with in terms of -- you
25 know, smart growth practices. Give us some specific

1 examples and tell us in what context they have proven
2 useful and not necessarily in affordable housing. As
3 Betty correctly mentioned, the smart growth movement
4 has been so far an environmental protection movement,
5 open space movement.

6 So let's just raise the conversation to
7 the regional level and discuss the impact of these
8 practices in other areas. And if you know of any
9 smart growth practices, something you can call smart
10 growth practice that has been used in the context of
11 revitalizing urban areas, we would like to hear on
12 that as well. Chris will go first.

13 MR. NELSON: I think that a lot of the
14 smart growth discussions we have, we can look to the
15 experience of a few examples around the country to
16 give us insights. And I'll play the old record
17 again, but I think we could look at Oregon more
18 carefully than we have and see what it is they've
19 done over the past 25 years.

20 I think in many respects, they have done
21 the smart growth things that we're talking about
22 doing now at different levels across the country.
23 Michael Schill mentioned that you need a
24 state/regional orientation. That's how Oregon
25 started. Oregon said, we need to reserve the open

1 spaces, but then we need to make sure the urban areas
2 accommodate the development that they need to
3 accommodate. And in many respects, the Oregon system
4 does both. They have their cake and they eat it too.
5 They preserve the open space. There is no question
6 about that.

7 But they're also a developer's friend in
8 the sense that they have fast tracking of
9 development, flexible development patterns, clear and
10 objective development standards. Local governments
11 cannot impose exclusionary zoning. Local governments
12 are required to have affordable housing programs,
13 they're required to have fair share regional
14 distribution of affordable housing and they're
15 required by law to sit at a table much like this and
16 haggle over development patterns.

17 As a consequence, where reported Oregon
18 was in nonattainment in air quality standards 10
19 years ago, it is in attainment now. Property taxes
20 have gone down as a rate of values. Transportation
21 demands, VMT per household, have not gone up nearly
22 as fast as the national average. Energy consumption
23 has gone down per capita. The median wage has gone
24 up in part because more people per household have
25 more accessibility to more jobs because of compact

1 development patterns and more accessibility through
2 alternative modes.

3 In other words, if we study Oregon, we can
4 find a lot of what works, and some things that don't
5 work, and we can sort of figure out what doesn't work
6 there and fix them in other parts of the country. I
7 think Maryland's approach is not as draconian as
8 Oregon's, but, in many ways, it has the same
9 features: The targeted investment areas
10 particularly, the acquisition of open space
11 development rights. Many of the same features but
12 done in a way that works in Maryland. I think there
13 is a lot we can learn from Maryland but,
14 unfortunately, it's not old enough yet to go in and
15 look at it statistically.

16 But all these things have one or two
17 elements in common. You have a state involvement in
18 setting targets and you have regions that are
19 required to refine those targets for local
20 implementation. And local governments then do the
21 dirty work but the local governments are flexible in
22 how they reach their targets. And I think there is
23 this leveling, this partnershiping that has to be
24 developed, and I think there is a federal government
25 role in that as well, but we can talk about that

1 later on.

2 MS. CAN TALEN: Thank you. I think I'm
3 going to ask Karen Danielson, because she's probably,
4 more than anyone else here, familiar with what
5 happens in the localities. Karen, can you think of
6 any smart growth practices in the affordable housing
7 area, or is smart growth still very much confined to
8 suburban areas, ex-urbia.

9 MS. DANIELSON: Well, I want to take a
10 different tack. I want to look at a little bit more
11 of kind of what Chris was talking about. I want to
12 talk about kind of a different model that probably is
13 the opposite of development. It's one of the biggest
14 open space preservation techniques that I've heard
15 of. It's the Buffalo Commons idea, which is trying
16 to preserve the Great Plains area. And there was a
17 little read article I think in the planning magazine
18 a few years back on the difference between hard nose
19 and soft nose planning and what the difference is.

20 Hard nose is like taking the big
21 regulations and zoning and regional planning kind of
22 commissions and, from a top-down perspective,
23 actually forcing people to conform to different land
24 uses. The soft nose approach has this kind of ideal
25 of smart growth which I think conforms to this idea

1 that nobody knows what smart growth is and it's kind
2 of a floating target, but if everybody kind of agrees
3 on loosely what it is, the localities themselves get
4 to define, within that realm, what is appropriate for
5 them. And that is kind of what a soft nose approach
6 is. And that's happening now.

7 Even though there is not an official
8 policy of the Buffalo Commons, it is being played out
9 everywhere in the Great Plains right now. That's like
10 a big open space kind of thing. We can take the same
11 kind of principle and apply it to localities and
12 within some of the framework Chris was talking about,
13 kind of a state government, it's an organizing
14 principle, have the regions refine it a little bit
15 but let the localities duke it out kind of a thing.

16 MS. CAN TALEN: Do any of our panelists
17 have anything to add?

18 MR. ORFIELD: Yes. Actually, I think I
19 want to add that our research shows that the regional
20 approach that Chris was talking about earlier really
21 makes sense because if you have these smooth
22 relationships with density and transit access and, to
23 a smaller extent, pedestrian friendliness, reducing
24 transportation costs and pollution, then you can do
25 smart growth in a number of different ways. You can

1 do it in new green fields areas by building more
2 compact suburbs and putting in new transit services
3 or beefing up old ones, you can take existing
4 neighborhoods and change the transit access without
5 changing the housing, you can do infield development,
6 you can do it in suburbs, you can do it in central
7 cities.

8 This isn't a choice of smart growth must
9 mean infield or smart growth must mean new
10 developments. It suggests that there is some of each
11 and the market can decide what the mix is, but we
12 want to provide options, I think, to the consumer to
13 the different kinds of environments but provide a lot
14 more choices in location-efficient ways than we've
15 been doing in the past.

16 I want to note that in developing the
17 location-efficient mortgage project, we've had a
18 number of partnerships with infield developers
19 because the location-efficient mortgage is intended
20 basically to encourage new development that wouldn't
21 otherwise happen to occur in the location-efficient
22 spaces. That's NRDC's goal is this project, is one
23 where, as you were saying a second ago, Betty,
24 partnerships with this group and the environmental
25 movement might be a little more fruitful than they've

1 been in the past years.

2 MS. CAN TALEN: I have one question from
3 the audience to John Frece. John, in the context of
4 Maryland's smart growth legislation, has Maryland's
5 smart growth legislation decreased funding for
6 affordable low-income housing in rural areas?

7 MR. FRECE: I don't know that I know the
8 answer to that. I think the answer to that is no. I
9 think that what we are trying to do from here forward
10 is to target our resources for the most part in the
11 priority funding areas but, as I said earlier, the
12 secretary of housing retains the discretion to fund
13 in areas outside of the priority funding areas.

14 Under the Maryland system, we have 23
15 counties in Maryland and there are priority funding
16 areas, there are growth areas in every county, and it
17 is up to the local counties to decide where those
18 growth areas are, where they want state financial
19 assistance. So if a local county says that an area
20 that may be a rural crossroads is one of their
21 designated growth areas, as long as it meets state
22 criteria for minimum density and for the provision of
23 water and sewer service and it's consistent with
24 their overall growth plan, that can be their growth
25 areas and the state funds that are available

1 elsewhere would be available there.

2 MS. CAN TALEN: Thank you very much. And
3 do any of our other panelists have anything to tell
4 about the impact of smart growth on rural areas?
5 Myron?

6 MR. ORFIELD: I think one of the things
7 that happens with rural areas, particularly in the
8 Midwest, is if you don't have some sort of a regional
9 plan and some sort of change in zoning designation at
10 the edge of an area, there is always an incredible
11 pressure for rural communities to sell off to low
12 density, inexpensive housing. And particularly in
13 the Midwest where the farm economy isn't as strong,
14 at the edge of the region, there is a powerful
15 incentive for people to sell their land and retire
16 and there is not much -- because I think in Oregon
17 and places like that, the agricultural system is a
18 little bit more viable.

19 Unless you start to create a bright line
20 at the edge and change some zoning designations,
21 you're always having a leapfrog low density septic
22 lot development on large lots which is a real, real,
23 real bad detriment to smart growth system. It's
24 really bad in terms of traffic generation, it's
25 really bad in terms of the environment, it's really

1 bad in terms of the cost of providing infrastructure
2 effectively when the septic wells start to fail.

3 So the rural areas -- in Minnesota where
4 we don't have such a viable agricultural system,
5 we'll always have farmers come to the legislature
6 that will testify for our land use plans, but there
7 will also be farmers come that think it's a huge
8 taking that violates their retirement, that violates
9 their right to move to Florida. And unless you do
10 something at the edge in terms of changing the zoning
11 to one per 40 or one per 80, you really undermine a
12 lot of the good efforts that you do it inside of an
13 urban system of planning.

14 MS. CAN TALEN: Betty?

15 MS. WEISS: Quickly, two things that we
16 heard about smart growth in rural areas. One, just
17 anecdotally, in Maryland we've heard from community
18 groups that it is much harder now to build affordable
19 housing in lower-income rural communities, more
20 remote areas. It's just more and more challenging to
21 get the funding if they're not in a priority
22 development -- designated development area.

23 And the second thing that we've heard, in
24 the case studies that we've just released, we talked
25 to rural groups in a couple of areas and they said

1 that one of the problems is that the capacity to do
2 good planning is not nearly as strong in rural areas
3 as it is in urban and suburban areas and, you know,
4 just resources and staff and capacity just isn't
5 there in that rural communities have had to find
6 creative ways to work around that and develop
7 capacity by partnering with other small towns and
8 other local governments and developing kind of new
9 sort of creative arrangements.

10 MS. CAN TALEN: Are there any specific
11 initiators that you're aware of in rural areas?

12 MS. WEISS: Yes. The two that we looked
13 at in depth that are detailed in the report that we
14 put out are in North Carolina and HandMade in
15 America, and they've developed a sister city small
16 town leadership development initiative that's working
17 on planning around sustainable economic development.
18 And in Maine, Coastal Enterprises, which is working,
19 looking at impact of sprawl on rural communities and
20 working both at the local and regional level, as well
21 as the state level, to try and shape policy so that
22 it encourages the protection of traditional
23 employment sectors and natural resources,
24 particularly the coastal fishing villages and
25 forestry.

1 MS. CAN TALEN: Thank you.

2 MR. NELSON: I want to change the
3 discussion just a tad in terms of the rural open
4 space preservation and so on. Open space is a public
5 good and, as a public good, there is no market value
6 for what it generates to society. And so to some
7 extent, I think that rural landowners are being
8 shortchanged because the market doesn't reward them
9 for keeping their open space in viable open space
10 activities.

11 The world average value per year of open
12 space is about \$4,000 per hectare per year. In my
13 view, we probably need to find a way to generate
14 money to reward private landowners who keep their
15 property in open space and thereby create a market
16 for land ownership for open space preservation. They
17 pay lower taxes but taxes are 1, 2 percent of the
18 value of property. That doesn't cut it. I'm talking
19 about real rewards, economic rewards, for private
20 land owners to participate in open space preservation
21 programs. I'll just leave it at that. That's on the
22 table.

23 MS. CAN TALEN: Now we're going to turn --
24 there are several questions from the audience that
25 our panelists will address. I think Chris has one

1 that's right on the target here so if you could just
2 answer that, Chris.

3 MR. NELSON: I'm actually going to defer
4 to Tony on this. But I'll read it, Tony. For Chris
5 Nelson, Portland, Oregon, housing prices rose twice
6 as fast as the national average and of similar
7 cities. It has meant housing affordability has gone
8 from reasonably affordable to the fourth worst
9 affordable city in the U.S. Is this smart growth?
10 And Tony, you've actually done some research on this.

11 MR. DOWNS: Well, housing prices in
12 Portland, the Portland region, went up faster than
13 any other city between 1990 and 2000, but that
14 increase was entirely in the first part of the decade
15 between 1990 and 1994. Take the whole period from
16 1975 to 2000 when Portland had regional boundaries
17 and no place else really did, housing prices in
18 Portland went up much slower than the rest of the
19 country in the 1980s. They went up much faster in
20 the period 1990-1995 and then they've dropped off to
21 be not the fastest between '95 and 2000. They're
22 almost identical over the whole decade with Denver in
23 terms of percentage increase.

24 I don't think you can say that the
25 evidence shows that the growth boundary in itself is

1 the cause of higher prices in Portland. The prices
2 have gone up but they went up in a period when their
3 job expansion was increasing much faster and when
4 California prices were depressed because of the
5 recession in California. Since '95, prices in
6 California have gone up much faster than in Oregon.
7 California has local growth boundaries, not regional
8 growth boundaries. So it isn't clear to me that the
9 urban growth boundary in Portland is the cause of
10 higher prices than other places.

11 MS. CAN TALEN: Thank you. I think Keith
12 has a question.

13 MR. LAUGHLIN: Tony, I would like to ask
14 you a follow-up on that, put you on the spot. And it
15 seems to me that with something like an urban growth
16 boundary, we're dealing with the supply and demand in
17 a regional land market and it could have an impact on
18 prices simplistically in two ways. One is it could
19 reduce supply by restricting where new building could
20 take place, or it could increase demand by improving
21 quality of life in an area and increasing the
22 desirability of people to want to live there.

23 Is there any kind of evidence to know in
24 Portland to the extent to which the urban growth
25 boundary may have had an impact on supply of housing

1 or demand for housing?

2 MR. DOWNS: Well, there is no way to tell
3 the difference between those two effects. Chris has
4 done more direct research on that subject, but since
5 he deferred the previous question to me, I'll defer
6 this one to him.

7 MR. NELSON: To make the boundary work,
8 there are strong legal requirements that local
9 governments up-zone, have minimum density zoning,
10 have fast tracking for rezonings, have flexible
11 development standards and so on and so forth. The
12 physical supply of land is restricted, but what you
13 can do on the land is much more flexible in Portland
14 than anywhere else probably in the nation. And as a
15 consequence, when you look at the -- like the job --
16 a great predictor of housing demand is job
17 information.

18 John Lanis, a colleague of ours, looked at
19 job information in relation to housing production by
20 major metropolitan areas for 1995 to 1998. And if
21 you had a coefficient of 1, that meant that you were
22 generating housing commensurate with jobs, and the
23 numerator was jobs, the denominator was housing. So
24 more than one means you're producing jobs but not
25 producing housing.

1 San Francisco, for example, had a ratio of
2 11. Portland had a ratio of 1.2. And actually, of
3 all the major metropolitan areas, of those that were
4 growing, Portland had the best ratio. So in other
5 words, Portland has found a way to match housing
6 production with housing demand. Now, there may be
7 other consequences that we need to look at, but, on
8 the surface, they're at least meeting their demand
9 situation.

10 MS. CAN TALEN: Thank you, Chris. Now
11 we're going to -- oh, Marc, you have a question.

12 MR. WEISS: Chris, I just want to follow
13 up on both those points because one of the things
14 that I have for concern with Portland is that you
15 constrained supply this way, but you've expanded it
16 this way and so you've offset it. And it's really
17 hard, as Tony pointed out, to see what effect is
18 what. And my concern is when you go other places,
19 you go to Ventura, you go somewhere else and they
20 want to talk about the Portland model, they think the
21 boundaries -- they don't think making a permanent
22 process is easier. My concern is everybody else is
23 getting the paragraph version. They're not seeing
24 the whole story and I'm afraid that it's going to end
25 up making it worse than better.

1 MR. CALABRIA: Mark Calabria from the
2 National Association of Realtors. I think you're
3 right on the mark. In fact, we've had this
4 discussion before. Boulder, Colorado has a growth
5 boundary, and they are darn proud of it and they're
6 smart about it but they don't allow any housing in
7 it.

8 MS. CAN TALEN: That's interesting. Ted,
9 would you like to comment?

10 MR. KOEBEL: Well, it strikes me that some
11 of what we're doing is really approaching it the
12 wrong way because I think that when you go to the
13 fringe and you say, we're not going to let you build
14 at the fringe, in most areas, you're in a no win
15 situation. And what you have to do is find out how
16 you're going to find the land within urban areas that
17 is going to be comparable in any way in terms of
18 costs that you're going to be able to develop larger
19 tracts of land.

20 Now, in some cities, that may be available
21 if you use urban renewal powers, but then that brings
22 up the whole issue of displacement. It's a question
23 of land availability and cost of land. In most
24 communities, unless we really address finding a
25 product in the city that's going to be a desirable

1 high-density product in the city that will attract
2 people, you know, approaching on the basis of simply
3 jacking up the cost of land and making land less
4 available on the fringe, I don't think it will work
5 in most communities.

6 MS. CAN TALEN: Are you familiar with any
7 efforts that are moving in that direction in the
8 development of products, development types, models?
9 Do we have anything?

10 MR. KOEBEL: There are some small
11 projects. Certainly there has been some inner city
12 stuff done in Chicago. The whole issue of land
13 assembly is a big issue. Putting a lot of money into
14 brownfields, which is very expensive land to reclaim,
15 but to me it seems like the attraction there is
16 because nobody is living on it, elsewhere may be
17 sparsely populated. Densities in cities are much
18 lower than what they were in 1950. There is land
19 there. It's a question of displacement and
20 gentrification.

21 MR. DOWNS: Urban growth boundaries at the
22 regional level, they require at least initially that
23 there will be a substantial supply of developmental
24 land within the boundary. In Oregon, it was a
25 20-year supply. In the initiative now being proposed

1 in Arizona, it's a 10-year supply. So I think your
2 point eventually would become very important, but
3 it's not necessarily important in the first few
4 years.

5 MR. KOEBEL: But I think in places like
6 Fairfax County and Loudoun County, it's real
7 important. In those areas, perhaps not. But when
8 you get into the areas where you've got core areas
9 fairly heavily built out already, trying to find land
10 to make smart growth work becomes a bigger challenge.

11 MR. DOWNS: But I don't think anybody has
12 proposed an urban growth boundary for Fairfax County,
13 have they? I haven't heard about it.

14 MR. KOEBEL: No, and certainly won't
15 anywhere in Virginia.

16 MS. CAN TALEN: What time does this
17 session end? Because I was going to ask someone else
18 in the audience, but let's now move to the third
19 topic, which is the role of the federal government in
20 promoting smart growth practices and principles
21 through policy and program development. I think I
22 would like us to hear from each panelist. This is a
23 very important question to us as we're trying to
24 craft new initiators, incentives, program
25 improvements at the federal level. Our interest, of

1 course, at heart is affordable housing and economic
2 development and inner city revitalization.

3 So I would like to particularly hear from
4 our panelists on the role of the federal government
5 in promoting all these things in inner city
6 revitalization. What do we need to do, what haven't
7 we done so far in terms of our policies, incentives,
8 that encourage more development, redevelopment in our
9 inner city cores. We have several projects in the
10 works and we have David Listokin here on residential
11 infield, brownfield redevelopment. We are putting
12 resources into these projects but if we are going to
13 promote -- if we're discussing here that this
14 development should be operating from smart growth
15 principles, what do we need to do to ensure that that
16 happens?

17 So with that, I'm going to ask each
18 panelist to tell us about the -- not just law but
19 incentives, specific things that you think, based on
20 your work, your knowledge of the field, that we can
21 do to make this work. I'm going to ask -- I'm going
22 to start with John Frece because he is coming from
23 the state level and he probably has a good
24 understanding of the interactions between localities
25 and federal governments. John, if you can start with

1 that.

2 MR. FRECE: Yes, I think Keith sort of
3 outlined these in his initial remarks but I think
4 that there is absolutely a federal role. There is a
5 role for all levels of government in making these
6 things work. It can't be just one level of
7 government. I think that the federal role is in
8 providing resources, financial resources, technical
9 assistance, helping to bridge some of the sort of
10 18th century jurisdictional divides to help us look
11 at things in a more regional way.

12 I think that ultimately what the federal
13 government can do is respect the efforts by states or
14 regions to try to deal with these growth issues by
15 allowing the targeting of federal programs in a
16 flexible way, by that region or by that state, in
17 such a way that it supports the smart growth efforts
18 of the state. I don't think that the federal
19 government can possibly adopt a mechanism that would
20 match all the different states and localities.

21 MS. CAN TALEN: Now I'm going to ask Keith
22 to tell us about his perspective.

23 MR. LAUGHLIN: I covered some of this
24 earlier and I won't go back over those pieces, but I
25 think there is a couple of things that I would add.

1 One is that I think that this kind of discussion is
2 really important and it seems to me that -- and I
3 think this is not just the role of the federal
4 government.

5 It could be the role of the state and
6 local government, it could be the role of community
7 groups, whatever, but I think we need more dialogue
8 on this set of issues. I think that we need to have
9 ways of getting -- and I would follow up on what
10 Karen was saying, the importance of talking about the
11 market components of this. This is just not an
12 intergovernmental issue. This is the way that land
13 markets are working. So I would just think it's
14 extremely important that we have a continuing
15 dialogue with government, nonprofits, private sector,
16 et cetera.

17 Second, I think we need to do -- there are
18 a lot of research questions here that I think is
19 something that Ayse is very interested in, in terms
20 of better understanding the impacts of growth
21 management decisions at the local level on
22 affordability. And it seems there is a whole bunch
23 of questions. Affordability is not just the price of
24 the house. It has to do with income as well. What
25 are the income patterns in a community in terms of

1 affordability?

2 If you find great disparities in income
3 trends, that has an impact on who can afford what and
4 I think it's got to be looked at more totally than
5 just the price of the house. I think there is a
6 whole bunch of questions in terms of home economics
7 that come out of the work that David was talking
8 about, how you not just look at the price of the
9 house but the price of living in the house, including
10 taxes, including transportation costs, et cetera, and
11 I think there is a whole research agenda there that
12 could be very fruitful.

13 MS. CAN TALEN: Thank you. That's very
14 useful. Now David.

15 MR. GOLDSTEIN: Thank you. I can think of
16 two specific roles for HUD or the federal government
17 that would be very useful. One was just mentioned,
18 research and information dissemination. I presented
19 some basic research on location efficiency. It's the
20 start. It's the first word. It's not the last word.
21 We need to know a lot more about that. That's going
22 to cost some money.

23 That's the kind of thing that I think HUD
24 can do, bringing in broader perspectives than just
25 the cost in energy reductions that we already know

1 about, we think, in three cities, and then
2 disseminating this information to people who should
3 care about it, to developers, to lenders, to urban
4 planners, to the consumer, him or herself, because
5 the value may or may not be reflected in the
6 marketplace, and if you want people to buy smart
7 growth developments, one of the sales points has got
8 to be, this is how much money you'll save on your
9 transportation by living here, have you thought about
10 that?

11 The second thing I think HUD can do is to
12 promote wider use of location-efficient mortgages
13 because that's the tool for a number of social goals,
14 not just smart growth. High location efficiency
15 areas tend, in the places we've looked, to be areas
16 of low home ownership, high rates of diversity in
17 terms of income ranges and ethnic groups. So there
18 are a lot of social goals that can be satisfied by
19 making this product more available.

20 Right now, HUD is offering the
21 location-efficient mortgage on a limited basis with
22 very limited marketing support in only three or
23 four -- it's four metropolitan areas in the
24 United States. Freddie Mac isn't doing it, FHA isn't
25 doing it, the jumbo market for secondaries isn't

1 doing it. I think HUD can have a role in changing
2 those things.

3 MS. CAN TALEN: Thank you. Betty?

4 MS. WEISS: Thank you. I would offer
5 three recommendations. And again, this comes from a
6 lot of conversations with community groups around the
7 country. First of all, the federal government, like
8 all levels of government, should put a great deal of
9 emphasis on involving communities and community
10 groups from the beginning. Community-based
11 organizations, community groups and low income
12 neighborhoods often get pegged as being sort of
13 NIMBY's, but the problem that they have articulated
14 to us is that they're often presented with these
15 great plans and proposals after they've already been
16 developed, and they're never consulted at the outset.
17 And then local government and planners are surprised
18 when they're not delighted with these plans that have
19 been put forth for their neighborhoods. So involving
20 the community from the outset should be written into
21 all kinds of policies and guidelines at federal and
22 all levels of government, is one.

23 Second, it's very important for
24 community-based organizations to be involved in smart
25 growth and regional growth issues and a lot of them

1 just don't have the resources to do that, they don't
2 have the capacity, they don't have the information,
3 they don't have the access, the tools. So whatever
4 HUD can do to make information, tools, funding,
5 training, anything available to help them work
6 together, joint coalitions of groups, and have access
7 at the regional level is key.

8 And the third thing that they've told us
9 is that, for the groups that have really been
10 aggressive in terms of getting to the regional table,
11 whatever that table is, they're saying, you know,
12 that the private sector gets it, the community groups
13 are starting to get it, everybody sort of gets it,
14 but the biggest obstacle still is local government.
15 So whatever the federal government can do to really
16 encourage cooperation and coordination along local
17 jurisdictions I think would go a long way towards
18 advancing equitable smart growth.

19 MS. CAN TALEN: Let's ask Myron if he can
20 respond to Betty's point. Local government.

21 MR. ORFIELD: I think that the issue, in
22 my view, is that, you know, I think a lot of this --
23 people have had a pretty good idea of what to do
24 about these things for a long time. They haven't had
25 a very good way to talk about them. I remember I was

1 reading Tony's book when it first came out, and he
2 laid out all the solutions. And he would say, of
3 course, that can never happen, at the end of every
4 chapter, and you're right. You're right. And I
5 think he is right, but I think that there is a way to
6 talk about this or there is a way to engage people.
7 I think everybody is being hurt by this, and I think
8 that there is strong evidence that particularly two
9 very pivotal areas in the suburbs, the older suburbs
10 and the ones that are growing without enough money
11 for their schools, are really being hurt by these
12 patterns.

13 And if you look at the race to control the
14 Congress, half of those places are Democratic, half
15 of those places are Republican. They're struggling.
16 That's where the balance of Congress is decided,
17 that's where the balance of state legislatures is
18 decided. They're not involved in this debate at all
19 and they're mostly against everything we're talking
20 about, in most parts of the country.

21 These are -- the bedroom developing
22 suburbs are the lowest spending school districts in
23 metropolitan America. More often than not, they have
24 trouble with well water and water issues. Their kids
25 have basic problems with drinking water and it's a

1 big issue to the moms in those areas. The older
2 suburbs are facing increasingly big social stress
3 without the resources to deal with it and they're not
4 in the debate. They're not participating. I mean,
5 it's a very elite centered debate with a few research
6 institutions, a few states that have made progress on
7 this. But I think that there are big constituencies
8 that could embrace these things.

9 MS. CAN TALEN: We need a broader based
10 coalition. Chris?

11 MR. NELSON: In my view, a large share of
12 the smart growth debate really centers on affordable
13 housing, fair share housing distribution. The
14 difficulty is at the local government level, there
15 are no incentives to be good boys and girls. There
16 just aren't any. If you're a good boy and girl, then
17 you lose your fiscal capacity and then you have
18 increasing demands.

19 I think that a federal role would be to
20 create an incentive system based on money so that if
21 you're a community that is a good boy or girl, you
22 get rewarded and you don't have your fiscal base
23 eroded. Instead, you have your fiscal base
24 supplemented so that you can do the things that make
25 your community viable, and you still provide the

1 affordable housing and housing distribution as well.

2 MS. CAN TALEN: Chris, can you give some
3 examples?

4 MR. NELSON: No, this is a brand-new idea.

5 MS. CAN TALEN: Okay.

6 MR. NELSON: -- mortgage interest
7 deduction in taxes could be reincentivised to hurt
8 some of -- well, one thing I have, and I hope we're
9 not being recorded, is that by community coding and
10 the IRS tax code, if your community is determined by
11 somebody, whether it's HUD or Fannie Mae or somebody,
12 to not be indexed, to have a certain indexing that
13 was based on affordable housing, housing mixture,
14 exclusionary zoning removals, all those things, if
15 you don't qualify as an open community, everybody
16 filing taxes in that community is deprived of the
17 federal deductibility of mortgage interest. And we
18 can do that pretty easily through computers these
19 days.

20 MS. CAN TALEN: I think this is a hot
21 issue. Fred, would you like to -- Fred is our chief
22 economist at HUD and I would like to hear from him.

23 MR. EGGERS: I don't ever touch the
24 mortgage interest deduction. Once you look at the
25 effect that will have on the number of people and on

1 housing values, it is just off the tape.

2 MS. CAN TALEN: Thank you. We have David,
3 Marc and then Marc. David?

4 MR. GOLDSTEIN: I think the focus at the
5 local level, local governance is like this terrible
6 thing. Local government has little independence.
7 Local government is a creature of the state and the
8 focus is at the state level. The state is
9 controlling how we raise money for schools, the land
10 use power is delegated from the state, the building
11 code is a state issue, et cetera, et cetera. One of
12 the exciting things that is going on in Maryland that
13 has really been a very comprehensive effort, is how
14 do you change the rules of the road. And using state
15 oversight, which is considerable over local
16 government -- (inaudible).

17 MS. CAN TALEN: Yes. Before John
18 responds, I'll take the other question. Marc?

19 MR. WEISS: I was just going to say, first
20 of all, I want to echo something that was said about
21 brownfields earlier, and I think that's an important
22 issue and I do think HUD should look at maybe doing
23 some of its own inner city development and actually
24 concentrating on brownfields. Let me throw out, in
25 Chris' spirit, hoping this is not being recorded and

1 saying something crazy --

2 MS. CAN TALEN: It's being recorded.

3 MR. WEISS: Well, I'll say something crazy
4 and I'll preface it with it's not endorsed by anybody
5 I might be associated with. And that's including
6 myself. I fundamentally see exclusionary zoning as a
7 fair housing issue. And if localities are not
8 letting you do -- like I think I heard some locality
9 in Maryland talked about having a minimum house
10 price. You more or less are saying we don't want
11 poor people. That's a fair housing issue. HUD
12 should be suing these local governments. Forget the
13 incentives. They've already told you they don't want
14 poor people, and you should be suing them.

15 MS. CAN TALEN: Thank you for raising
16 that. John is going to respond in a minute.

17 MR. FRECE: On this last issue, I think
18 that it is crucially important that we join the
19 battle now to get across that the federal government
20 does have an important role here because that's a
21 controversial proposition. Vice President Gore
22 really stepped way out through the President's
23 Council on Sustainable Development and Livable
24 Communities Talk Force to assert that and got a lot
25 thrown back at him saying, well, this is really a

1 state and local matter, not a federal matter. So I
2 think just waging that battle itself is vital.

3 And for people that think it doesn't make
4 a difference, if you heard the radio this morning,
5 Congressman Earl Blumenauer, who chairs the Livable
6 Communities Task Force in the House and is from
7 Portland, Oregon, fought to get, for the first time
8 ever, every federal agency is now required to
9 subsidize transit for people to come to and from
10 work, as it has been subsidizing parking for years,
11 and already, starting yesterday, 15,000 more people
12 are taking the metro in the Washington region than
13 before. So that was a federal action that mattered.

14 I'm sorry about that. But he was one that
15 I think raised that issue and I think that it's great
16 that the Clinton Administration jumped on it. I
17 guess I would say that, again, taking a lead from
18 Maryland about using incentives and using the
19 existing budget, that we have one huge thing the
20 federal government spends, which is transportation
21 and T21, and if we could decide a real incentive with
22 some real serious dollars over and above what people
23 get now for states and for metropolitan planning
24 organizations to do some serious smart growth
25 planning, I think that would make a difference.

1 MS. CAN TALEN: Susan?

2 MS. WACHTER: Of course we do have, as I
3 mentioned before, regional connections, which goes in
4 that direction to do exactly what Marc has said, but
5 there is already out there incentives for planning.
6 There is incentives in DOT, there are incentives in
7 consolidated planning and I think there is much that
8 we need to do around the table literally in
9 communities across the board in improving the
10 planning that we already do, in improving the tools
11 that we have and envisioning our options. And I
12 particularly liked the idea of the vision of the
13 plains. And this is the kind of visioning that we
14 can do community by community and then the feds can
15 provide the tools and the data to get it done, as
16 well as the incentives to do that kind of thing.

17 MS. CAN TALEN: Thank you. John and
18 Keith, would you like to respond?

19 MR. FRECE: Just very quickly. One of the
20 points I think Myron started to raise a little
21 earlier that has been surprisingly absent from our
22 discussion this morning is the role of politics in
23 all of this. I mean, some of these ideas are great
24 in the abstract, but you have to get them through
25 legislatures and that is not easy.

1 I go around the country on behalf of
2 Governor Glendening to talk about our program and I'm
3 almost always asked, what's your biggest obstacle?
4 What's the biggest opponent? It must be the home
5 builders or it must be the developers. No, no, no,
6 it's our counties, it's local governments, and it has
7 always been and I think it will continue to be. And
8 you have to have practical programs that you can get
9 through your legislature.

10 Maryland benefits from having one of the
11 strongest executive budget authorities for a governor
12 in the country and we also benefit from having only
13 23 counties and the city of Baltimore, whereas a
14 state like Pennsylvania has something like 2,600,
15 2,800 different units of government zoning
16 authorities. So we have mechanisms in Maryland to
17 deal with these issues that a lot of other states
18 don't have.

19 MS. CAN TALEN: Thank you. Keith?

20 MR. LAUGHLIN: I just make one final point
21 on what was said about T21 and the planning process.
22 I think the investment in transportation dollars is a
23 huge impact on the future development patterns of
24 communities and I would just indicate how important
25 it is, what Betty was saying earlier. I think

1 creating the capacity among community groups and
2 communities in general to fully participate in that
3 local planning process can have a huge impact on the
4 outcomes that come from the ultimate expenditure of
5 those dollars. And so I think that with the billions
6 of dollars we're spending on transportation and
7 investment, we need to be spending more on building
8 the capacity of more people to participate in the
9 decisions in terms of how they're going to be spent.

10 MS. CAN TALEN: Thank you. I think we
11 have some time left for more questions and answers,
12 but I think we've covered all the three areas that we
13 planned to cover in this session. I'm sorry, I don't
14 have the agenda in front of me. Are we sort of
15 nearing the end of this panel?

16 MR. NELSON: We're done.

17 MS. CAN TALEN: We were done 10 minutes
18 ago, I'm sorry. I would like to give a round of
19 applause to all of our panelists.

20 (Applause.)

21 MS. CAN TALEN: This has been a great
22 panel. Thank you very much for coming.

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