

Planting the Seeds for a Sustainable Future: HUD's Sustainable Communities Initiative Regional Planning Grant Program



June 2013

Authors

Karen Chapple, Elizabeth Mattiuzzi

Cover Photo

Upper Left: Triangle J Council of Governments SCI-RPG Application, 2011; **Upper Right:** Resilient Region. The Central Minnesota Sustainable Development Plan. <<http://www.resilientregion.org/plan/>>; **Bottom Left:** Rockford Metropolitan Agency for Planning. <http://www.rmapil.org/assets/documents/sustainability_summit_feb_26_2011.pdf>; **Bottom Right:** Triangle J Council of Governments SCI-RPG Application, 2011.

Key Support

Thanks to Somaya Abdelgany, Chris Andrews, Jenny Gant, Roxanne Glick, Li Lin, Dwayne Marsh, Ezra Pincus-Roth, Shelley Poticha, Joe Schilling, Leah Stockstrom, Jessica Zdeb, and Miriam Zuk.

The Center for Community Innovation (CCI) at UC-Berkeley nurtures effective solutions that expand economic opportunity, diversify housing options, and strengthen connection to place. The Center builds the capacity of nonprofits and government by convening practitioner leaders, providing technical assistance and student interns, interpreting academic research, and developing new research out of practitioner needs.

University of California
Center for Community Innovation
316 Wurster Hall #1870
Berkeley, CA 94720-1870

<http://communityinnovation.berkeley.edu>

June 2013

Introduction

Although regional planning has gone in and out of fashion over the last century, the last few years have seen a nationwide resurgence, due in part to HUD's Sustainable Communities Initiative Regional Planning Grant (SCI-RPG) program. Funded by Congress in 2010 and 2011, the SCI provided grants on a competitive basis for collaborative regional planning efforts supporting more sustainable development patterns. With \$165 million awarded to 74 grantees from across the country, the program marks the largest federal government investment ever in regional planning in the U.S. But even just the process of applying for the grants, with 354 applications from 289 different regions, has spurred conversations about regional sustainability across the country. This report examines how regions are talking about sustainability, how they build collaborations, and what distinguishes the regions that win the SCI-RPG grants. Despite considerable confusion about how to achieve sustainability (or even what it is), regions from throughout the country reveal in their applications deep interest in learning how to grow more efficiently while preserving the environment and enhancing opportunity.

Three factors led to the SCI-RPG: the rise of the Federal Partnership for Sustainable Communities (The Partnership), the growing maturity of blueprint planning, and the economic downturn. The Partnership is the 2009 cooperation agreement between three cabinet-level federal agencies: the Department of Transportation (DOT), the Environmental Protection Agency (EPA), and the Department of Housing and Urban Development (HUD). DOT, EPA, and HUD developed six "livability principles" that aim to mitigate some of the imbalances in housing, transportation access, and available jobs in metropolitan regions through a place-based strategy of supporting efforts to coordinate planning in these areas.ⁱ Second, federal and state reforms giving metropolitan planning organizations (MPOs) more carrots and sticks to link transportation investment to air quality goals have led to experimentation in blueprint planning processes – "collaborative planning processes that engage residents of a region in articulating a vision for the long term future of their region" -- around the country.ⁱⁱ Third, the Great Recession created new pressure on regions to link planning to economic growth and opportunity.

Thus, HUD's Office of Sustainable Housing and Communities designed a program that would (1) foster collaborations across the public, private, and nonprofit sectors and between different levels of government in a region, (2) create new or implement established regional blueprints, and (3) focus in particular on economic competitiveness and revitalization (a charge made especially explicit in the 2011 competition). Are regions up to the challenge?

This report first briefly examines the origins of regional planning for sustainable development. It then describes the HUD SCI-RPG program and our methodology for analyzing applications. The following section looks at how applicants define sustainability, what they emphasize in their applications, and how they collaborate. After an in-depth look at how the applicants approach equity, the economy, and the environment, a final section looks at what distinguishes the winning applications.



Northeast Ohio Area-wide Coordinating Agency, Winner.
<<http://vibrantneo.org/get-involved/opportunities/>>



Thomas Jefferson Planning District Commission, Winner.
<<http://www.1-community.org/>>

The Emergence of Regional Planning for Sustainable Development

Planning for sustainability has had different names and permutations over time, from conservation and environmental protection to ecological planning and sustainable development, to smart growth and livability. Some credit landscape planner and ecologist Ian McHarg for the idea of green regionalism; a green region embraces its ecological systems, such as water, climate and topography, and uses them as a basis for planning rather than treating them as separate issues.ⁱⁱⁱ Growing concern about the need to manage a region's finite resources brings the idea of sustainable development to regional planning. Additionally, the environmental justice movement contributes an urban, civil rights perspective to sustainability, recasting healthy food, clean air, and clean water for people as part of 'the environment,' not something separate from it.^{iv}

The much-cited 1987 Brundtland Commission Report framed sustainable development as "development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs."^v The Commission put sustainable development and preserving resources for the future on the global agenda. In concept, sustainable development should reconcile the three "Es" of development – economy, equity, and environment. But analysts were quick to point out contradictions in the concept -- conflicts between economic growth and redistribution for social equity, between consuming natural resources to generate growth and preserving the environment, between improving the lives of the poor through growth and protecting the environment from development.^{vi} The political controversies that unfold over these contradictions have slowed the adoption of sustainability planning in U.S. regions.

Growth control and later smart growth or livability principles have played an increasingly important role in the sustainability planning conversation. The 2011 HUD notice of funding availability (NOFA) for the SCI-RPG defines livability as "a measure of integration of the housing, transportation, environmental, and employment amenities accessible to residents. A livable community is one with multiple modes of transportation, different types of housing, and destinations located close to home."^{vii} Yet the focus on livable neighborhoods only heightens the contradictions of sustainability, with conflicts over the extent to which the unfettered market can provide livable environments and the potential that creating more livable places may not benefit – and may even displace -- their existing residents.^{viii}

In practice, these diverse strands have converged into regional blueprint planning. Blueprint planning emerged in the 1990s as a response to the costs of sprawl, the market and demographic pressures for smarter growth, and the

frustration with the lack of planning and coordination across the policy arenas of transportation, the environment, the economy, and housing.^{ix} Enabled by federal reforms that required (and funded) MPOs to take the lead in developing long-range regional transportation plans, planning processes appeared first in a series of western regions (Portland, Salt Lake City, San Francisco, San Diego) and then spread east.^x Although these initiatives have not been systematically evaluated, preliminary studies suggest two factors make them more effective in promoting sustainability: local government engagement and leadership by a well-connected network of stakeholders.^{xi} An early evaluation of a few SCI-RPG grantees has also suggested the importance of "de-siloing" the involvement of regional agencies, preferably both MPOs (because of their ability to provide financial incentives) and COGs (because of their multi-purpose functions), as well as philanthropic organizations.^{xii}

To date, efforts at regional sustainability planning have been ad hoc, taking place in regions that either possess strong leadership across public and private sectors, or are located in states with a commitment to reducing greenhouse gas emissions. Although most are adopting a scenario planning approach and focus on the links between land use and transportation, there is considerable variation in intent and implementation – and little written about it. This report fills that gap by showing how regions in different parts of the country are conceptualizing sustainability, engaging the public, and intending to operationalize the three Es.

Growing concern about the need to manage a region's finite resources brings the idea of sustainable development to regional planning.

Background and Methodology

About the HUD Program

The SCI-RPG 2010 notice of funding availability (NOFA) describes the purpose of the program, which is to “support metropolitan and multijurisdictional planning efforts that integrate housing, land use, economic and workforce development, transportation, and infrastructure investments.” The goal of these planning efforts is to make improvements in the areas of “(1) economic competitiveness and revitalization; (2) social equity, inclusion, and access to opportunity; (3) energy use and climate change; and (4) public health and environmental impact.”^{xiii} Two kinds of applications reflect different levels of existing progress towards regional sustainable development. Type 1 regions have not yet completed any substantial regional planning efforts, while Type 2 regions have already completed substantial amounts of sustainable development planning and need support to implement those plans. The SCI-RPG awarded a total of \$98 million in grants in 2010 and \$70 million in 2011. Grant amounts depended on the size of the region, with \$25 million reserved for small- and medium-sized regions in 2010 and \$17.5 million reserved in 2011.^{xiv} A number of runners up in the 2010 round were granted “Preferred Sustainability Status” (PSS) and were given greater consideration in the 2011 round.^{xv}

Applicants can use HUD-SCI funding to improve regional planning and decision-making processes, coordination among agencies and data collection. Improving regional planning might involve creating integrated plans for inclusive housing, sustainable transportation and economic development. Coordination among agencies could include conducting scenario planning or climate impact assessments.^{xvi} The NOFA provides extensive examples of activities that constitute “sustainable” planning, with a focus on providing housing and transportation choices within the region, not simply shifting demand outside the region.

Applicants were selected for Sustainable Communities Regional Planning Grants through five rating factors. These rating factors assessed the consortium member’s capacity to carry out the grant activities and their commitment to cooperation; the region’s social, environmental, economic and infrastructure needs; the soundness of the consortium’s proposed grant activities; what resources the group had leveraged; and how they planned to measure and evaluate their activities.

Study Methodology

Data collection

The research team collected data for this project by contacting individual lead applicants and requesting their application materials.^{xvii} We contacted all applicants for 2010 and 2011 by email and by phone (for a total of three attempts) between January 2012 and June 2012.^{xviii} We received application materials in PDF or document form via email.

There were 354 applications submitted to the SCI-RPG in 2010 and 2011. Many regions (65) applied again in 2011 after failing to receive an award in 2010. For regions where we obtained both years, we only reviewed the later one. In total, we reviewed applications for half (144) of the regions that applied for a grant.^{xix} Figure 1 displays the distribution of the applicants and the sample.

When comparing applications, it is important to understand both the political and economic climate in which a given region is situated. The researchers use states’ presidential vote as a proxy for their political environment. Even if a region is somewhat more ‘blue’ or ‘red’ than its state as a whole, it still is impacted by state priorities. If the state voted for McCain for president in 2008, it is a red applicant; for Obama, a blue applicant; and if the margin of victory was less than 6 percentage points, it is a swing state applicant. To determine the strength of the market (weak-medium-strong), we used the Case-Shiller index for large metropolitan areas, coupled with the Fannie Mae/Freddy Mac housing price index for states.^{xx} Overall, the applicant sample was 51% blue, 28% red, and 20% swing state, and 65% weak market, 24% medium market, and 11% strong market.

Content analysis

The first step of our analysis involved reading each application and categorizing their proposed goals and strategies. For example, different applications varied in focus on issues such as job-housing mismatch, infrastructure, or workforce development. The researchers tracked references to over thirty key terms such as affordable housing, transit-oriented development, and small business. Based on this analysis, we assigned major themes to the applications (housing, education, transportation, economic development, land use, environment, and equity).

Basic information that we collected from each application narrative included the composition of the regional planning grant consortium, how much funding they requested from HUD and the amount of matching funds promised by consortium members.^{xxi}

We also collected information on the metrics the applicants were planning to use to track progress on their projects.

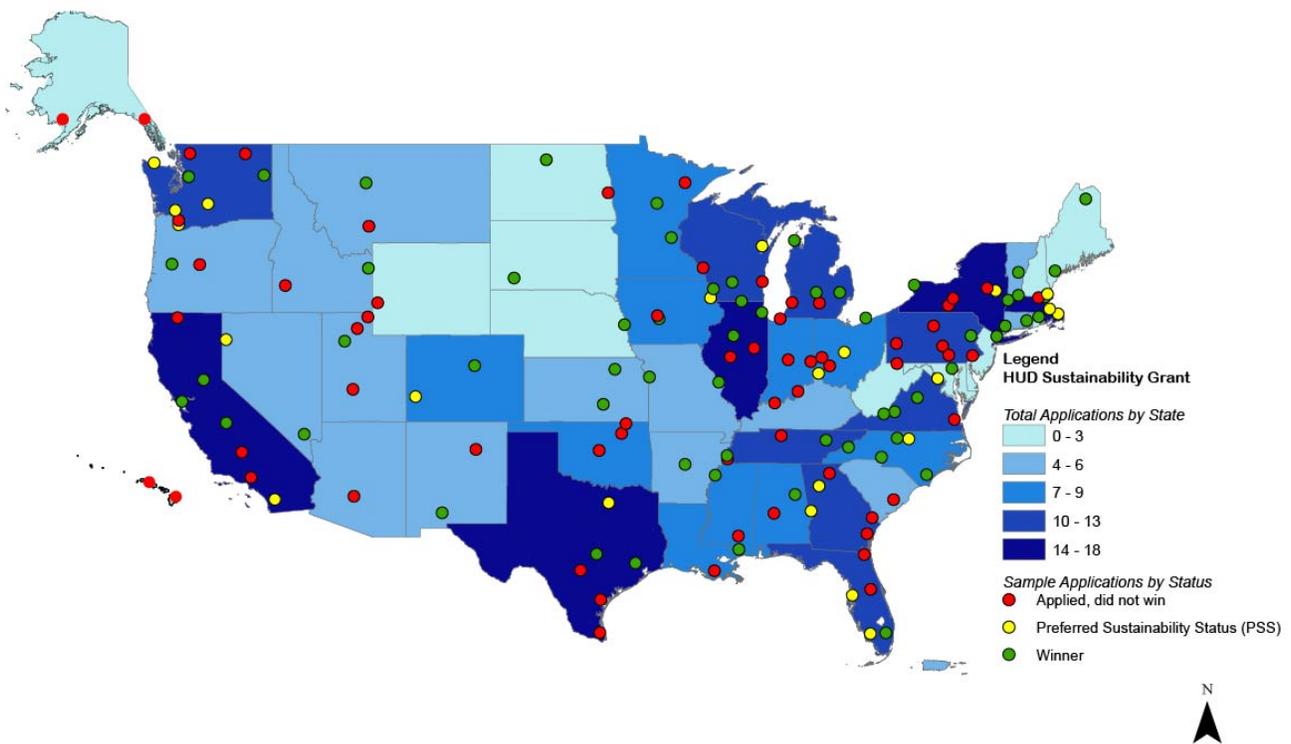
In analyzing the applications, the researchers tried to gain insight into how the regional consortia understood and sought to implement the HUD-defined sustainability principles in particular and the 3 Es in general. We looked both for an explicit definition of sustainability and other language indicative of their approach to the term. For economic development and equity considerations, we collected information from the application narratives on their goals, proposed strategies, and specific programs that would be developed or expanded through the SCI-RPG. We took a broad view of economic development, including job creation, workforce development, revitalization, or business development, and also looked at the costs and benefits ascribed to sustainability. For equity, we considered discussions on inclusive communities relative

to issues such as housing, transit, jobs, and preventing displacement effects.

To describe the landscape of sustainability, we begin by discussing how the applicants define sustainability in their applications. We then look at the overall themes of the application and the types of collaborations proposed. We then evaluate the approach to each of the 3 “Es” in turn. A final section discusses how applicants propose to reconcile environmental and equity goals.

Different applications varied in focus on issues such as job-housing mismatch, infrastructure, or workforce development.

Figure 1. SCI-RPG applicants and sample.



Describing the Landscape: The SCI-RPG Applicants

Defining Sustainability

HUD’s 2010 Policy Priorities defined sustainability as activities that “actively promote sustainability through energy-efficient, environmentally friendly, healthy design, including elements of visitability and universal design.”^{xxii} For applicable projects, regional- or metropolitan-level strategies are employed to increase location efficiency and disaster resiliency.^{xxiii}

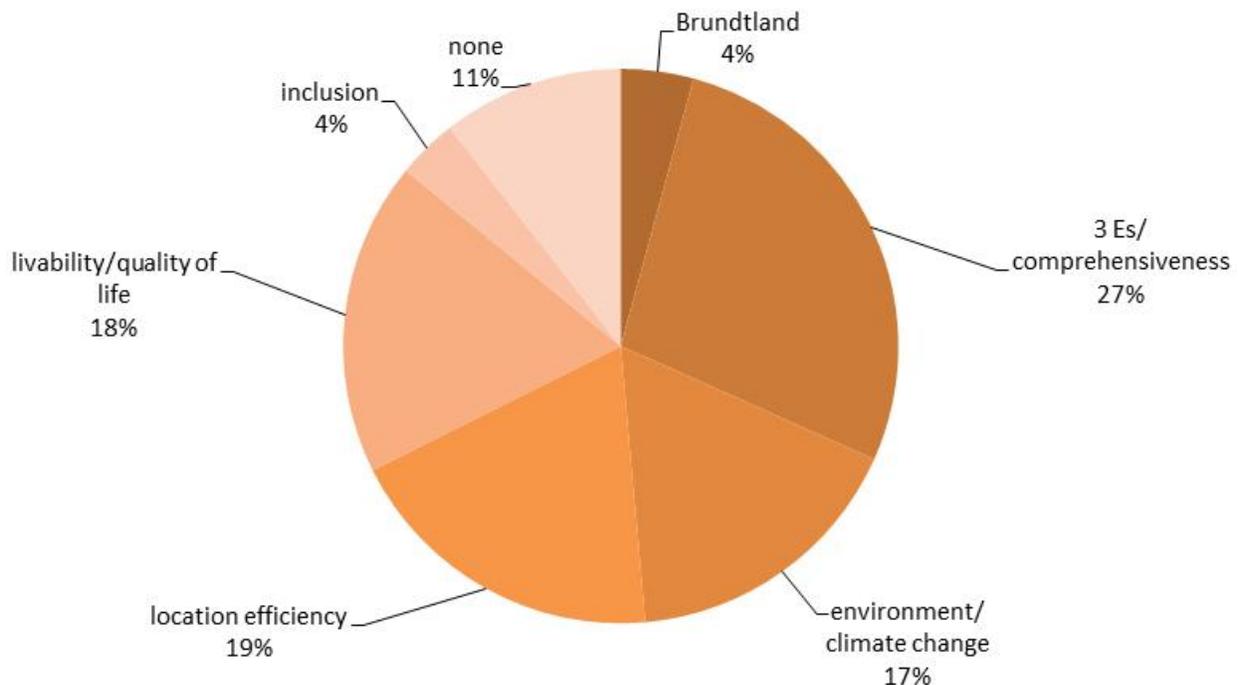
Despite the rich material in the NOFA, most (80%) of the applications offered no specific definition of sustainability (although most of those did at least mention the term “sustainability” or “sustainable development” somewhere in the application). For instance, one COG stated that the process would “have a significant impact on sustainable development here in Eastern Connecticut” without explaining what that meant. Some offered a list of related activities: for instance, from a Mid Atlantic state, an applicant said that “composting, recycling, ridesharing, telecommuting, local buying, and the use of sustainable/ local energy resources are all ‘sustainable’ activities.” A few simply paraphrased the Brundtland definition or suggested it was about inclusion. But most applicants offered a general definition of sustainability that fell into one of four areas (Figure 2):

- The 3Es or comprehensiveness, as in the Rustbelt, where an applicant described sustainability as “long-term balance of social, economic and environmental components of a community;” or in the Pacific region,

where an applicant described coordination and a systems approach as necessary to sustainability planning;

- Livability, as in a Pennsylvania application that proposed projects that “improve walkability, support existing communities, and increase the access to jobs for these neighborhoods” make places more sustainable; or
- Location efficiency, as in Florida, where an applicant suggested that “The results will be a reduced urban footprint, significant infrastructure savings, more walking and biking, improved public health, inclusionary affordable housing and increased quality of life. This is a sustainable growth scenario that reduces combined transportation/housing costs and travel time and makes the super region more globally competitive.” Most of these applicants referred to the cost of sprawl, the inefficient use of existing infrastructure, or high housing plus transportation
- Environment/climate change, as in the ecological perspective of an applicant that would “advance sustainable development through its consideration of the unique perspectives of its constituents: plant, animal and human” or the applicants who focus on climate change adaptation, land preservation, or environmental quality.

Figure 2. Definitions of sustainability among applicants.



Given the diversity of regions in the applicant pool, it is not surprising that the applications varied in focus. Interestingly, the need for affordable housing dominated the applications, even more for weak market applicants (Figure 3). Other frequently mentioned themes included economic development via clusters or sectors, infrastructure and multi-modal transportation, workforce development, and jobs-housing mismatch. Both strong and weak market regions focused on disadvantaged communities. However, strong market applicants were disproportionately likely to focus on TOD, infill development, and climate change, while weak market regions spoke most about workforce development.

The NOFA required applicants to organize a consortium of government entities and non-profit partners, including the region's principal city or county, additional cities to represent no less than 50% of the region's population, the MPO or regional planning agency, and a non-profit organization, foundation or educational institution. Applicants from outside of a designated metropolitan statistical area or MPO planning area were asked to include similar partners with a rural planning organization or council of governments to substitute for the MPO. The core partners in the consortium could invite other collaborators as well. Although each consortium has a lead applicant, HUD's intention is for the consortium members to be as interdependent and cooperative as possible. To this end, consortium members are required to sign a memorandum of understanding that they will share responsibility for executing the grant activities. The NOFA also called for matching or leveraged funds to 20 percent of the grant amount.

In response, applicants assembled many different types of consortia. Figure 4 shows the prevalence of 11 different organization types in the consortia, with COGs or other regional entities appearing most often, closely followed by cities, non-profits, counties, MPOs, and universities. Participation by the private sector or foundations was much rarer, and only a few had federal or state agency involvement. Most of the consortia proposed were extensive, with a median of six different types of organizations involved; three consortia actually involved ten different types of organizations, and many engaged multiple organizations within the same category (cities, counties, or non-profits). The COGs or regional agencies were most likely to partner with cities or nonprofits. Most (80%) of the applications with MPOs involve COGs in the consortia.

In almost half of the regions (68), the COG or another regional agency assumed the role of lead agency; the MPO was much less likely to lead (less than a quarter of the sample). Cities and counties take the lead in 16% of

the applications, and universities or foundations in just 3%. However, when universities or foundations take the lead, they are more likely to be inclusive; on average they include seven different types of organizations as core partners. Economic development agencies as leads are least inclusive, averaging less than five core partners.

Consortium composition differs across region type. In blue states, foundations, COGs, and counties are disproportionately likely to join the project as core partners, while in red states, economic development agencies and the private sector are more likely partners. Universities are disproportionately likely to play a role in swing states, perhaps reflecting the need for a more objective partner. Weak market regions are disproportionately likely to rely on county, economic development agency, and private sector partners, while strong markets rely on foundations.

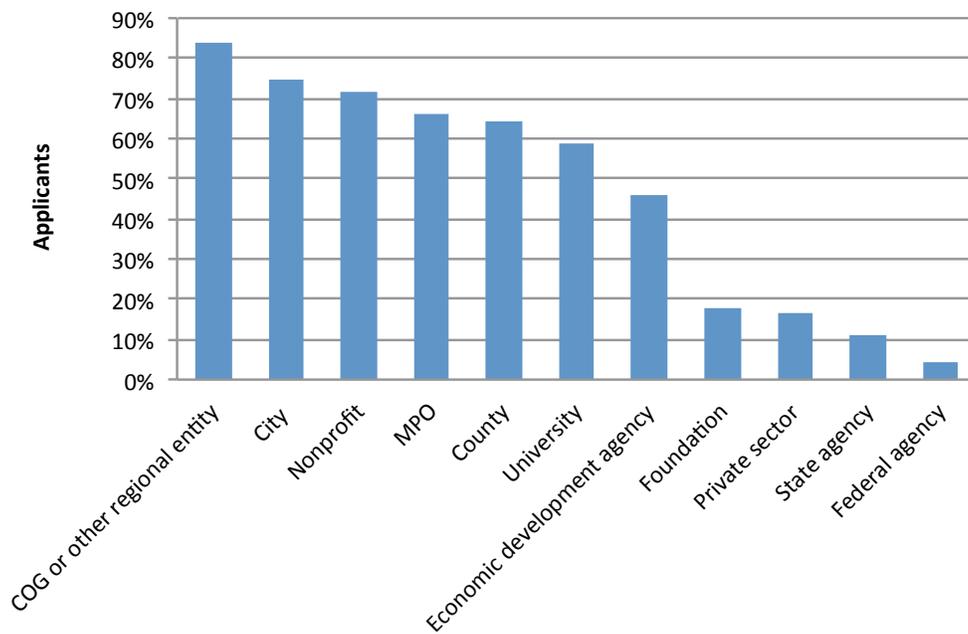
Another indicator of collaboration is the contribution of match or leveraged funds. On average, applicants proposed projects of about \$2 million, with average match of about 50%. Several of the regions counted millions (or hundreds of millions!) of dollars in federal and state infrastructure funding as match. Including foundations, nonprofits, MPO/COGs or the private sector as core partners tended to result in higher match amounts, while including cities, counties, economic development agencies, and universities tended to mean lower match contributions, reflecting their limited resources. Overall, weak and medium market regions provided significantly more match (in absolute dollars) than did strong market regions, while blue and swing state regions offered much more match than did red state regions.

The need for affordable housing dominated the applications, even more for weak market applicants.

Figure 3. Frequently mentioned themes.



Figure 4. Type of organization involved as core partner.



Equity

The HUD NOFA specifies that grantee activities should further Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act of 1973, and the Fair Housing Act by incorporating inclusionary zoning, environmental justice, and the coordination of housing development and public transportation into their plans. Throughout the NOFA, in the description of the program’s purpose, goals, and intended outcomes, HUD also calls for meaningful stakeholder engagement in planning processes, from the development of vision to its implementation, with particular attention to marginalized communities. Finally, the NOFA explicitly calls for minimizing the displacement of disadvantaged populations. We examine how applicants address each of these in turn.

Approach to social equity

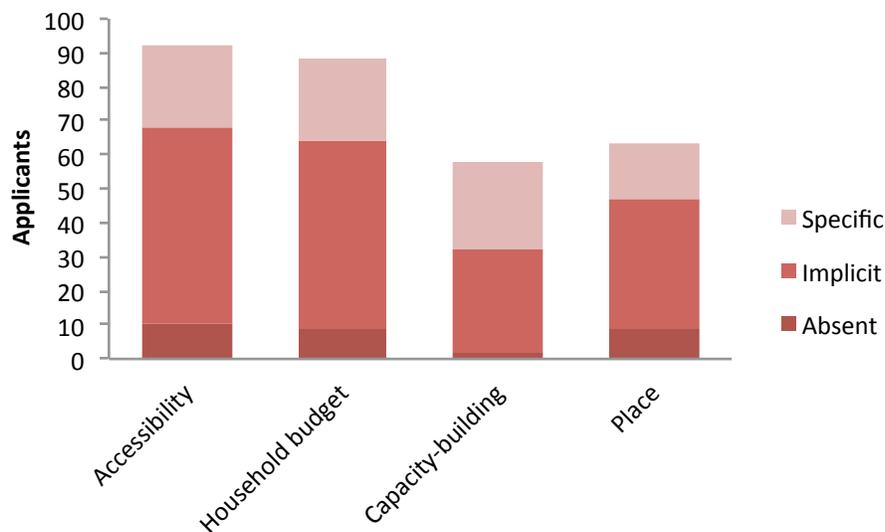
The equity approaches outlined in the applications fall into four different categories. Accessibility approaches focus on access to needs and opportunities: access to services, to amenities (particularly open space or fresh food), to infrastructure (particularly transit), to fair housing, to education, to jobs, to capital and to resources generally. Household budget approaches focus on the individual household’s ability to make ends meet: the need to reduce the cost of living, particularly housing, transportation and energy costs, typically through providing affordable housing or living wage jobs. Capacity-building approaches, described in more detail below, address social equity either by training or leadership development for disadvantaged individuals or support for community-based organizations that target underrepresented populations. Place approaches address disparities in a particular neighborhood context, either via infill development, typically mixed-use with both jobs and housing, or by improving neighborhood quality, typically through housing and service improvements

in existing communities. As shown in Figure 5, most applicants did not suggest specific equity-focused strategies but instead implied their use, as in this 2010 application from a Midwestern state: “Prepare detailed urban growth plans for sustainable development including walkable, diverse neighborhoods with housing affordable to households with a range of income levels.” Many Category 1 applications (26) focused more on setting goals for equity than on developing equity-related strategies for implementation.

Few patterns emerged by type of region and partnership. Weak market regions were slightly more likely to focus on accessibility of jobs, housing, and services than strong market regions, while regions in Red states were slightly more concerned with accessibility and place-based approaches than those in Blue states. Overall, consortia that included foundations were most interested in accessibility and place approaches; those with MPOs, COGs and counties in budget and place approaches; those that included cities, non-profits, and universities in accessibility, budget, and place. Although few applications emphasized capacity-building over other types of approaches, in general, COGs, nonprofits and universities were the most supportive of capacity-building.

Accessibility, household budget, capacity-building, and place-based strategies each are likely to have positive impacts on social equity in the region; there is no right or wrong approach. What is less clear is how regions will actually integrate these approaches into their sustainability plans or implementation processes: how will the Midwestern region above achieve its “walkable, diverse neighborhoods”?

Figure 5. Approach to address social equity by strategy level.



Participation

To analyze the public participation mechanisms proposed, we sorted strategies into four modes, roughly based on Sherry Arnstein’s 1969 ladder of citizen participation: from simply educating the public (often through websites, reports, or presentations), to interacting with a select group (e.g., via working groups, agency taskforces, or citizen advisory committees), to interacting with the public (typically in community meetings, workshops, or charrettes), to actually building local capacity (typically through intermediaries, leadership development, or training programs).^{xxiv} We also categorized them by level: low if just one or two strategies were mentioned, medium for three or four strategies, and high for five or more strategies.

Over 60% of the applicants score high on the participation ladder, proposing two-way strategies rather than a top-down approach. The majority of these applicants outline strategies to interact with the public, but also a significant number propose to build local capacity (Figure 6).

Proposed participation strategy varies significantly by region type (Figures 7 and 8). Strong market regions (and blue states) score higher on the participation ladder, favoring strategies that engage the public. Regions with weaker markets (and red states) tend to rely on public education strategies or work through committees. Although utilizing strategies higher on the participation ladder may empower communities, there is also an argument for the more top-down approach of educating the public: some regions might need to learn more about the potential benefits of sustainability strategies before embarking on their own community-based processes.

There is an argument for the more top-down approach of educating the public: some regions might need to learn more about the potential benefits of sustainability strategies before embarking on their own community-based processes.

Figure 6. Participation strategy by level.

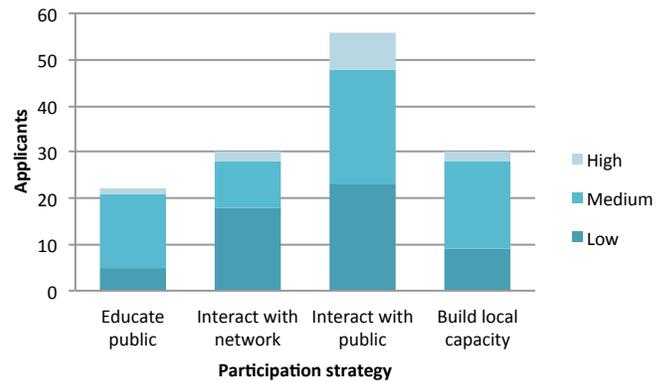


Figure 7. Participation strategy by regional economy type.

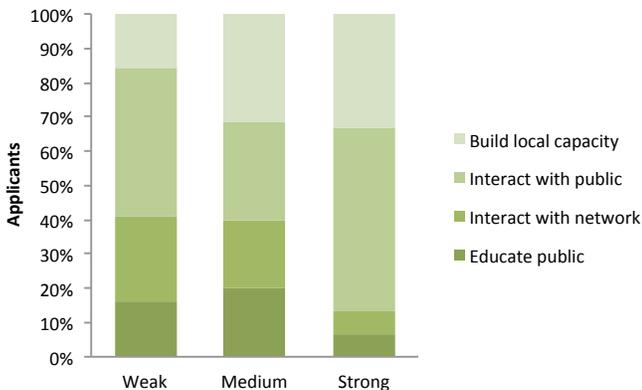
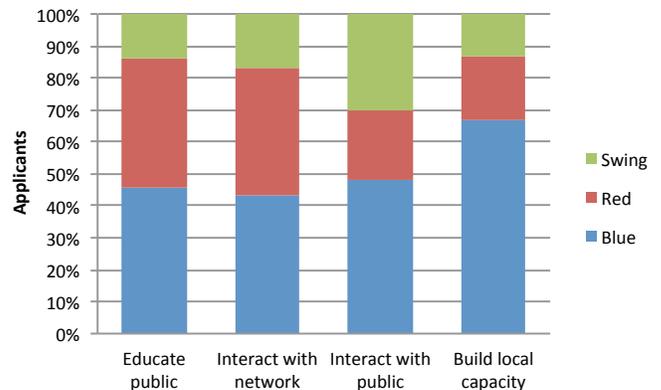


Figure 8. Participation strategy by 2008 state vote.



Displacement

One of the program outcomes called for in the HUD NOFA is revitalization that occurs “while minimizing displacement in neighborhoods with significantly disadvantaged populations.” Despite this call, almost half of the sampled regions – including many winners and a handful of strong market regions – do not mention displacement in their application. It is also unclear how applicants understood displacement. To some, displacement meant direct displacement of tenants or owners from buildings that would be demolished or converted in work related to the sustainability plan. To others, it meant the indirect displacement of residents from neighborhoods that experience so much revitalization due to the plan that they become unaffordable.

Of the half that do mention displacement, about 40% expect negative impacts. Most of these propose general mitigation, as in this Mountain region application:

“Community forums will be held in any of the areas thought to be at risk for displacement. Feedback will be collected about the concerns and priorities of the residents potentially affected by the plans. The residents will be paired up with nonprofit agencies best suited to meet their individual needs.”

One quarter of these applications describe specific mitigation strategies they might adopt. These include:

- New affordable housing or housing preservation, particularly around transit stations
- Zero interest loans for home revitalization
- Rent control
- Rent subsidies
- Land banks or land trusts
- Location efficient mortgage programs
- Revolving loan funds to support “write-down-buy-down” programs
- Property tax relief in gentrifying neighborhoods
- Community engagement
- New job opportunities
- Extra school district funding for areas with new housing

A few applications (less than 10%) offer mitigation strategies within their plan that should preclude negative impacts. A couple suggest that they will plan for a mix of housing choices, as does this Texas winner: “The hope is that geographic distribution of mixed-income activity centers will lessen displacement pressures.” A few others suggest that their community engagement strategies will help to address displacement. Two suggest historic preservation strategies to prevent direct displacement,

and another suggests that a new database system will help direct new development to underutilized sites and brownfields.

Over ten percent of the sample, including three winning applications, simply use the boilerplate language from the HUD NOFA to discuss displacement potential, as in this 2010 application from the Midwest: “The updated zoning code, river development guidelines and implementation of small area plans will encourage commercial, mixed-use and residential construction, encourage infill and minimize displacement.”

Finally, another ten percent of the applicants expect no displacement, but seem to consider only direct displacement, as in this case:

“It is not expected that residential or business displacement will occur as a result of the grant work proposed. No plans are included to demolish dwellings, as the nature of this proposal builds on assets and does not include specific development projects on a parcel-by-parcel basis.” – 2010 applicant

The 2011 HUD NOFA describes both direct displacement due to demolition and indirect displacement “that could result from infrastructure investments that will increase land costs and property values.”^{xxv} Yet there seems to be considerable confusion among the applicants about what HUD means by displacement. Strong market applicants (about 11% of all applicants in this sample) are much more likely to identify risks from indirect displacement in their sustainability plans than weak market regions, which may only expect direct displacement.

“Truly sustainable development will not cause ill effects such as displacement.”
-2011 applicant

Economic Development

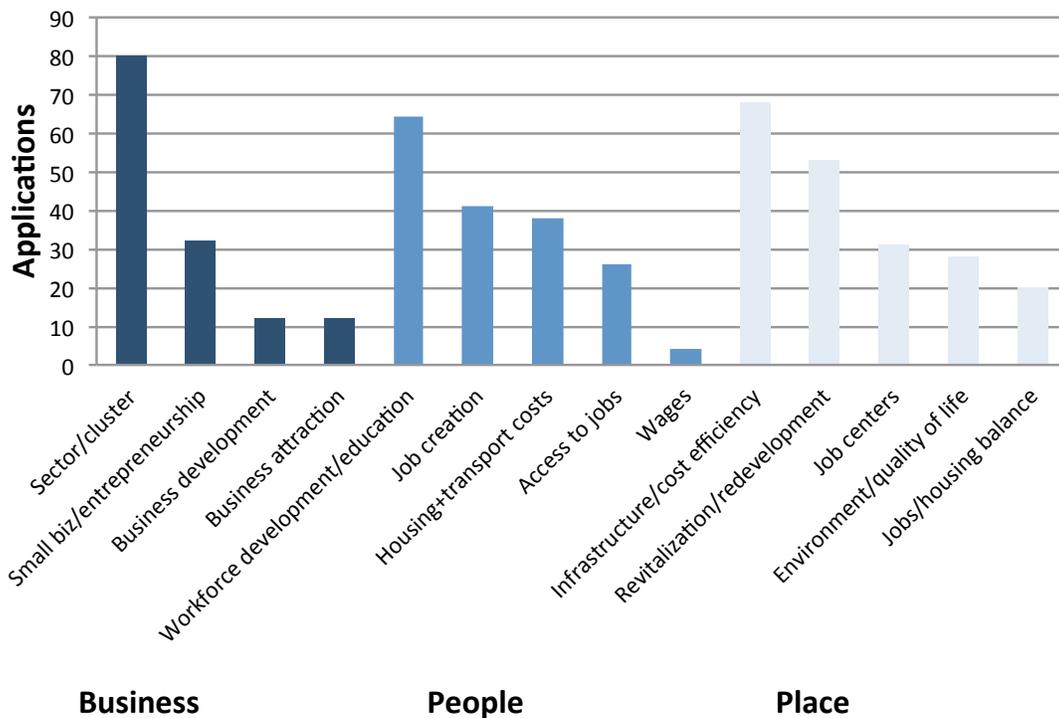
Not only did the SCI program take place shortly after the Great Recession, but the 2011 NOFA also added the creation of an economic development plan as a potential program outcome. Although in both 2010 and 2011 most applicants (about 80%) mentioned economic development, the majority of these, as in the case of social equity, did not outline specific strategies. Applications proposed some 44 different approaches, from specific strategies (such as promote green jobs through energy efficiency programs, or revitalize a neighborhood commercial corridor) to general concepts (target equity as a growth strategy, or build on existing business). Overall, 20% of the applicants focus on business for their economic development approach, 32% target people, and 46% target place (2% do not mention economic development) (Figure 9).

The majority of business-focused strategies suggest targeting regional sectors or clusters, mostly in food, clean energy, and tourism; some also suggest focusing on high-technology, export industries, or R&D. Less common are approaches to develop small business (typically through entrepreneurship programs or incubators), assist or attract businesses generally, or revitalize commercial corridors. Many blended strategies, as did this 2011 Mountain region winner which combines business attraction with a sectoral approach: “allow small towns to attract appropriate businesses to their communities while preserving the productive agricultural lands and existing agricultural oriented industry.”

People-focused strategies typically involve either access to education or jobs, or household budgets to reduce combined housing and transport costs (described above under equity). Workforce development, and to a lesser extent higher education, dominated the people-focused strategies, perhaps because of the involvement of counties (and their Workforce Investment Boards) in the SCI-RPG consortium. The 41 applications proposing job creation offered few specific policies to foster new jobs. For instance, one Southeast region 2010 applicant wants to “Increase job education opportunities for those unemployed due to the collapse of tobacco, textiles and furniture industries and those in need of fundamental skills; pursue economic development clusters that yield more jobs with higher wages.” Only a couple of applicants mentioned living wage or other strategies to boost earnings, as did this Midwestern 2010 applicant: “Support comprehensive transit corridor plans that include strategies to provide access to living-wage jobs and affordable and life-cycle housing choices.”

Place-based economic development approaches operate under the premise that improving a place will create economic growth: for instance, investing in infrastructure will attract businesses seeking lower costs, fostering job centers will help create agglomeration economies, and improving the quality of life in communities will also attract investment.

Figure 9. Economic development approaches proposed: business, people, or place.



For a 2011 PSS applicant from New England, typical of the majority, economic development will occur via efficient infrastructure: the plan will “enhance regional centers’ competitiveness through denser, mixed use development and increase access to centers through transportation improvements which will create financial incentives and economies of scale that encourage developers to invest in the areas.” Others suggest either redevelopment or beautification plans that will attract new residents and shoppers.

A region’s economy and politics shapes what type of economic development strategy it adopts. Weak market regions, as well as red states, are more likely to focus on place and business, while strong market focus on people-focused strategies (Figures 10 and 11). Different types of strategies are likely to be effective in different areas. However, focusing on place versus business or people in economic development is likely to benefit different groups of actors; in other words, some may be more equitable than others. It is not clear from the applications that the applicants understand these distinctions.

Figure 10. Economic development strategy by regional economy type.

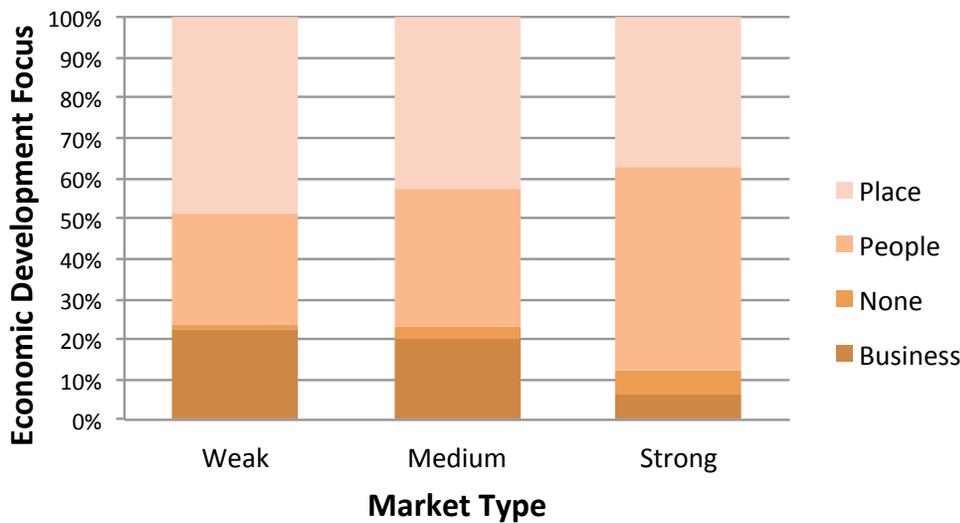
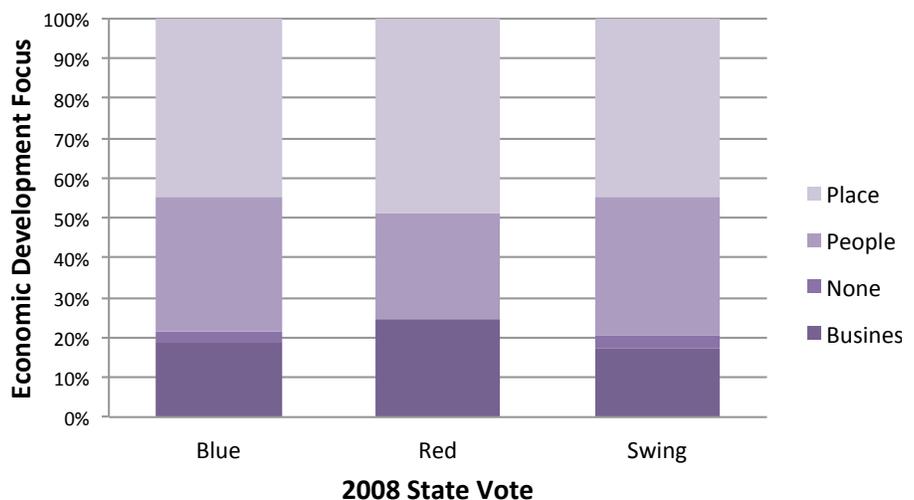


Figure 11. Economic development strategy by 2008 state vote.



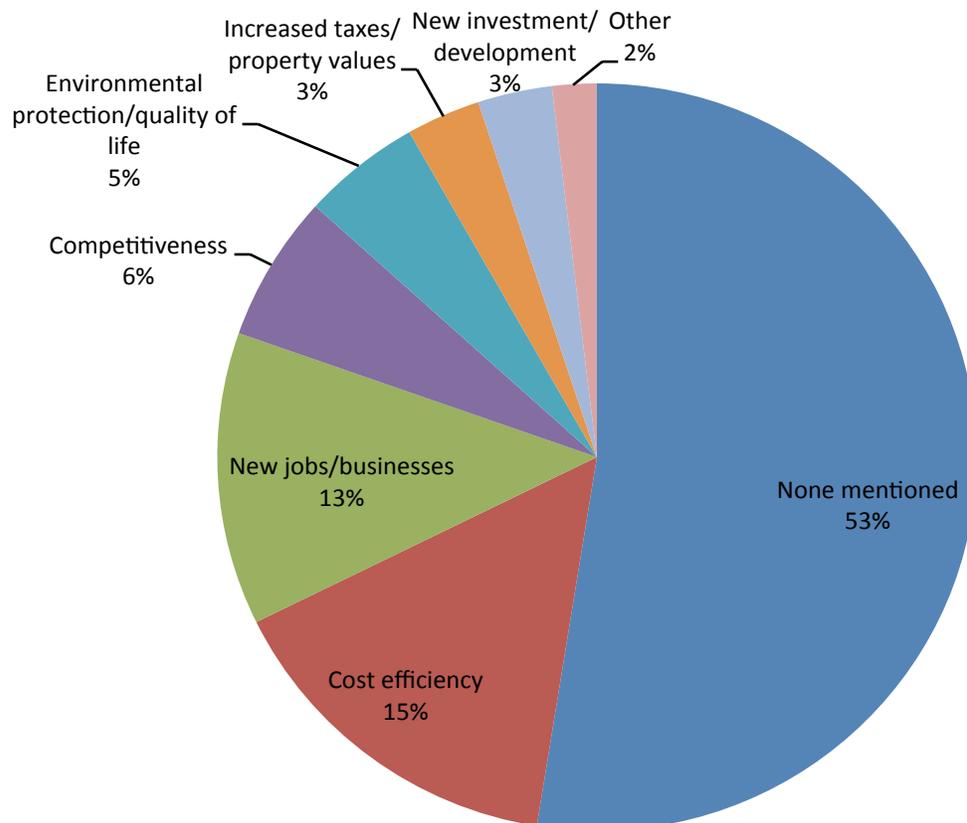
Costs and Benefits

The implementation of sustainability plans can be expected to result in regional costs and benefits. The applicants sampled discuss potential direct costs, such as transportation or infrastructure investment, affordable housing, land acquisition, and so forth, but do not detail any indirect costs, such as the opportunity costs of following one development trajectory rather than another. Instead, they focus on benefits.

Although most applications suggest that sustainability planning will generally improve quality of life or reduce disparities in their regions, typically citing the suggested outcomes in the HUD NOFA, over half fail to describe any specific economic benefits (Figure 12). Of the ones that do specify gains, most mention either greater efficiency in infrastructure or service costs, or economic development benefits such as job creation, competitiveness, or quality of life improvements that will fortify the economic sector. Just a few mention the potential gains from increased taxes or new development.

For instance, a Rustbelt 2010 applicant describes savings in infrastructure: “The plan would include more multi-modal transit, which would benefit the region by providing an alternative to continuing on its current path of financially unsustainable road expansion.” Some, such as this 2010 applicant from the South Atlantic, are able to utilize previous economic impact studies: “By reducing the outward pattern of suburban sprawl, the expectation is that far less land will be urbanized and more than a million acres of ranches, agriculture, and conservation corridors can be preserved thus saving \$100 billion by 2060 in unnecessary new infrastructure.” A 2010 Southeast applicant outlined the economic benefits of environmental improvements: “Improving the region’s air quality will have a tremendous impact on the overall livability of the region, including increasing the region’s economic competitiveness, by decreasing incidence of preventable diseases and protecting our valuable natural amenities.” However, these are generally exceptions: most fail to make the case for why their region should pursue sustainability strategies.

Figure 12. Types of sustainability benefits described.

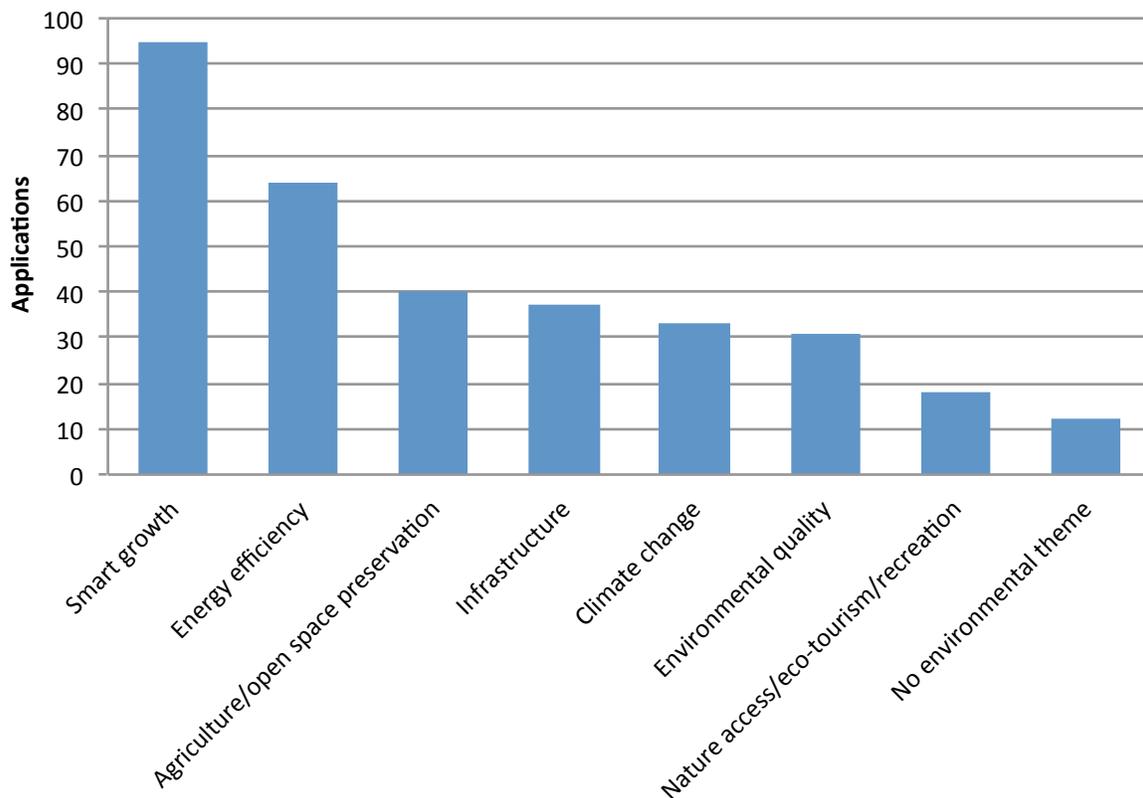


Environment

Applicants also outlined many different approaches to environmental sustainability (Figure 13). (Since nearly all the applicants mention health, it is not discussed here). Most prominent, not surprisingly, were an array of strategies related to smart growth: transit investment, transit-oriented development, infill development on underutilized land, and so on. Energy efficiency or clean energy was another common theme, perhaps reflecting the availability of funding for green jobs at the time. Applicants also mentioned a variety of other strategies, from preserving open space and/or agricultural land (most common in blue states), to building or repairing infrastructure (typically stormwater, most often mentioned by weak market regions), to climate change (in blue states), environmental quality (typically water quality), to access to nature for recreation (most often in weak market and red or swing states). The median number of environmental themes among applicants was just two, suggesting that regions are most comfortable adopting a narrow environmental approach, perhaps because some strategies are not considered viable.

Most prominent were an array of strategies related to smart growth: transit investment, transit-oriented development, infill development on underutilized land, and so on.

Figure 13. Environmental themes mentioned.



Equity and environment: What are the tradeoffs?

The principles underlying the SCI-RPG include both social equity and environmental protection. In popular media and policy spheres, the ‘two Es’ of equity and environmentalism are frequently portrayed as conflicting; achieving equity may mean reducing environmental protections and vice versa. Reconciling them is one of the goals of the SCI-RPG.

We analyzed the winning and PSS applications to identify ideas about how to address equity and the environment simultaneously in both problem framing and strategies. Just a handful of applicants address both equity and environmental concerns under the same framework. Although it was often implied, very few applications included a thoughtful, direct discussion of how environmental conditions contribute to societal inequalities. For example, a number of applicants mention brownfield cleanup and air quality improvements as a goal, but do not mention their connection to nearby communities or environmental justice. Yet, applicants found a few ways to frame the two Es jointly:

- Sprawl or ‘donut development’ creates inequities in the cost of housing and transportation, as well as environmental harm in the form of lost agricultural land and habitat;
- Fragmentation either among jurisdictions or through policy silos within jurisdictions is hindering effective management of issues of equity and environment;
- Climate change impacts disproportionately affect disadvantaged groups (for instance, those who cannot afford flood insurance).

More frequently, applicants proposed specific strategies that addressed the two Es:

- Fostering equitable development, such as TOD or job centers with affordable housing and no displacement of existing residents, or using green design to lower energy costs;
- Implementing green jobs strategies, such as job training for living wage jobs performing energy efficiency retrofits in disadvantaged communities, or green infrastructure construction;
- Planning for existing communities via reuse, infill, or brownfield development, in the process lowering energy costs or promoting self-reliance;
- Evaluating transit priority projects from an environmental justice standpoint to ensure that they do not “create or exacerbate inequalities”;

- Improving access to amenities and environmental quality for disadvantaged populations;
- Ensuring the livability and walkability of low-income neighborhoods to improve health outcomes;
- Using capacity-building to link equity and environmental issues.

Who wins?

The million-dollar question is, what are the characteristics of winning applicants? Controlling for background characteristics (region location and type, population, unemployment rate, and racial/ethnic composition), application characteristics (year applied, category, amount of match and grant requested, partners), and focus (approach to sustainability, economic development, participation, and equity), the following variables explain almost 80% of the winners:

- Application submitted in 2010
- Location in strong market
- Location in red state
- Location in New England region
- One or more nonprofit core partners
- Higher amount of grant money requested
- People-focused approach to economic development
- Comprehensive approach to sustainability
- Foundation partner (negative)

Since more money was available in 2010, it is not surprising that applications for that year were more likely to be winners. The success of strong market, red state, and New England regions warrants further investigation; this may reflect sample bias, but also suggests that certain regions are better equipped to prepare applications. A prominent role for nonprofits in the consortium is clearly important: some applications mentioned nonprofits but not as core partners. The presence of foundations, however, played a negative role in the consortium, a counter-intuitive finding that warrants more investigation. Interestingly, money was not a factor, as applications requesting lower levels of funding were less likely to receive any. Finally, the fact that HUD selected applications that adopted a people-focused economic development approach and offered a more comprehensive approach to sustainability testifies to its commitment to the three Es: focusing on environmental quality or inclusion only is not enough.

Conclusion

It is too early to assess the full impact of HUD's SCI-RPG program, but this evaluation of the applications suggests that launching the program has clearly planted many seeds and started many conversations across the country. Even for the regions that didn't win a grant, the process of applying mostly likely built new capacity to work on regional planning issues.

Across diverse ideologies and economies, applicants are able to embrace some tenets of sustainability. The program is a big enough tent to accommodate many different approaches to equity, environment, and economy.

This report suggests several ways that HUD could improve the process in the future.

- In terms of how applicants define sustainability, allowing a variety of approaches will encourage applications from across the country. However, HUD will need to require more specific outcomes and measures if it seeks specific sustainability approaches such as smart growth.
- Regional sustainability applicants (and their plans) should be required to clarify the costs and benefits of sustainability, perhaps through dedicating technical assistance to this purpose. This will help HUD build the case for sustainability planning in the future.
- Consortium composition differs widely, results in different match amounts, and may matter to outcomes; this is worth further study. Match requirements may inadvertently exclude cash-strapped partners, such as cities.
- Applicants are likely to require technical assistance in integrating equity strategies into their sustainability plans.
- Future NOFAs should clarify the definition of displacement and require discussion of indirect displacement.
- If economic development is to be part of regional sustainability planning, regions need a better understanding of the equity effects of different types of strategies.
- HUD should consider carefully what it wants from public engagement in the sustainability process, and specify strategies to applicants. Is educating the public and gaining buy-in enough, or is empowerment important?

Overall, the careful design of HUD's program has encouraged many regions to consider how their sustainability planning can better achieve social equity goals. Still, it will take a more effective set of carrots and sticks to foster a comprehensive approach to development – particularly to avoid making equity an afterthought in sustainability planning. If the Federal Partnership for Sustainable Communities can devise such tools as thoughtfully as HUD has designed this program, we may yet develop sustainable regions.

Even for the regions that didn't win a grant, the process of applying mostly likely built new capacity to work on regional planning issues.



Puget Sound Regional Council, Winner.
<<http://psrc.org/assets/5760/GTC.Program.Overview.6.29.11.pdf>>



Lehigh Valley Economic Development, Winner.
<<http://www.envisionlehighvalley.com/>>

Endnotes

- ⁱ “Partnership for Sustainable Communities”, n.d., <http://www.sustainablecommunities.gov/aboutUs.html>.
- ⁱⁱ California Regional Blueprint Planning Program, <http://calblueprint.dot.ca.gov/>
- ⁱⁱⁱ Timothy Beatley in Ethan Seltzer and Armando Carbonell, eds., *Regional Planning in America: Practice and Prospect* (Cambridge, Mass: Lincoln Institute of Land Policy, 2011).
- ^{iv} William Cronon, ed., *Uncommon Ground: Rethinking the Human Place in Nature* (W. W. Norton & Company, 1996).
- ^v Brundtland, G. H. (1987). “Our common future: The world commission on environment and development.” (pp. 8).
- ^{vi} Campbell, Scott. “Green cities, growing cities, just cities?: Urban planning and the contradictions of sustainable development.” *Journal of the American Planning Association* 62, no. 3 (1996): 296-312.
- ^{vii} HUD 2011. ““Notice of Funding Availability (NOFA) for HUD’s FY 2011 Sustainable Communities Regional Planning Grant Program.” [Docket No. FR-5396-N-03]. (pp. 11-12).
- ^{viii} Berke, Philip R., and Maria Manta Conroy. “Are we planning for sustainable development?.” *Journal of the American Planning Association* 66, no. 1 (2000): 21-33.
- ^{ix} Barbour, Elisa, and Michael B. Teitz. “Blueprint planning in California: Forging consensus on metropolitan growth and development.” San Francisco, CA: Public Policy Institute of California, 2006.
- ^x Barbour & Teitz, 2006; Calthorpe, Peter, and William Fulton. *The regional city*. Island Press, 2001.
- ^{xi} Barbour & Teitz 2006; Innes, Judith E., and Jane Rongerude. “Civic networks for sustainable regions—Innovative practices and emergent theory.” *Planning Theory & Practice* ahead-of-print (2013): 1-26.
- ^{xii} “Can Federal Efforts Advance Desiloing at the Federal and Local Levels? Lessons from the HUD-EPA-DOT Partnership for Sustainable Communities A Strategic Assessment” by Rolf Pendall, Ph.D., Sandra Rosenbloom, Ph.D., Diane Levy, and Elizabeth Oo, The Urban Institute, Gerrit Knaap, Ph.D., and Jason Sartori, University of Maryland National Center for Smart Growth, and Arnab Chakraborty, Ph.D., University of Illinois-Champaign Urbana. November 2012.
- ^{xiii} HUD 2010. “Notice of Funding Availability (NOFA) for HUD’s FY 2010 Sustainable Communities Regional Planning Grant Program.” [Docket No. FR-5396-N-03]. (pp. 2); HUD 2011.
- ^{xiv} HUD 2010. (pp. 4).
- ^{xv} *Ibid.* (pp. 9).
- ^{xvi} *Ibid.* (pp. 22-25).
- ^{xvii} Although HUD was willing to cooperate with us for the study, they do not have an archive with all the applications or even all the winning applications, so it had to be developed from scratch.
- ^{xviii} HUD publishes a list of agencies and organizations that applied for a HUD Sustainable Communities Initiative Regional Planning Grant (SCI-RPG) grant on its website: http://portal.hud.gov/hudportal/HUD?src=/program_offices/sustainable_housing_communities/sustainable_communities_regional_planning_grants .
- ^{xix} We obtained 34% of the 2010 applications and 53% of the 2011. We obtained 81% of the winners, compared to just 37% of the losers. The sample slightly over-represents several regions, including the South Atlantic, Mid Atlantic, East North Central, West North Central, Mountain, and Pacific census regions, and slightly underrepresents East South Central and New England. Only in the West South Central division did underrepresentation pose a methodological concern, with just 11 of 34 non-duplicate applications (34%); response was particularly low in Arkansas and Louisiana.
- ^{xx} Case-Shiller helps determine whether housing in the top twenty metros experienced price increases relative to inflation over time, allowing a first cut at strong vs. weak. The housing price index (from the Federal Housing Finance Agency) allows differentiation of weak markets (in a state with housing prices below the national average in 2010 or 2011), from strong markets (in a state with prices above the average). We defined a market as “medium” if it was a strong market in a state with

Endnotes

relatively low housing prices, like Salt Lake City.

^{xxi} Where background data on regional population and geographic coverage was included in the application narrative, we included it. If unavailable, we collected it using web research. We also augmented the database with data on unemployment rate (in the year of application) and racial/ethnic composition in the region.

^{xxii} See HUD's Fiscal Year 2010-15 Strategic Plan for a more recent definition: "ensuring that the land we build on is clean, or will be clean; investments in neighborhoods help residents lead healthy, safe, affordable and productive lives; buildings invested in are energy-efficient and healthy; and, the regions we support improve their economic strength and provide opportunities for all residents."
<<http://portal.hud.gov/hudportal/documents/huddoc?id=2013nofagensec.pdf>.>

^{xxiii} HUD 2011a. "Notice of HUD's FY 2011 NOFA Policy Requirements and General Section to HUD's FY2011 NOFAs for Discretionary Programs." [Docket No. FR-5500-N-01].

^{xxiv} Arnstein, Sherry R. "A ladder of citizen participation." *Journal of the American Institute of planners* 35, no. 4 (1969): 216-224.

^{xxv} HUD 2011.

