NATIONAL HOUSING CONFERENCE

Improve Connections between Jobs, Housing, and Transit

It is likely that the stimulus package will fund needed improvements in the nation's transportation infrastructure. These critical investments will create jobs and help America stay competitive.

While speed is necessary to quickly stimulate the economy, it is equally important to use the spending to advance the nation's long-term priorities. In particular, it is essential that any new transportation infrastructure investments be used to create incentives for communities to become more compact, more energy-efficient, and more equitable. This is a historic opportunity that should not be missed.

New public transit investments will go a long way toward reducing the Nation's energy use, but by themselves, they are clearly insufficient. There is no rational or feasible public transit system that can adequately serve poorly planned, low-density development of the type built in the last 30 years. What we need are ***tangible financial incentives for communities to become more compact, so they can be better served by public transit (or shorter car trips), and to increase the number and share of homes that are permanently affordable to families with a mix of incomes near public transit and job centers***. By providing working families and others with affordable options in areas that offer low transportation costs, these families will have less of a need to "drive till they qualify," reducing the demand for sprawl and improving overall affordability.

The rapid increases in energy prices experienced in the 2006 to 2008 time period reinforce the fundamental importance of ensuring that families of all incomes have access to housing located within close walking or driving distance to job or retail centers or public transit stops. When housing is too expensive in these locations, families may end up purchasing or renting homes on the periphery of the metropolitan area, incurring large transportation costs and leaving themselves vulnerable to the shocks of rising energy prices – which could threaten both their employment (can't afford to drive to work) and housing (can't afford to pay both the mortgage and the car/gas costs) stability.

For these reasons, new transportation investments – both through the stimulus bill and through future federal funding – should be structured in a way that ensures they provide strong financial incentives for local communities to: (a) increase the compactness of development and (b) expand the availability of homes affordable to families with a mix of incomes near public transit and job and retail centers.

These changes could be transformational. If localities knew they had to make substantial progress toward these objectives to receive their full allocation of federal transportation dollars, they would have a strong incentive to do so. In many communities, this could be a 'game-changer,' breaking down traditional barriers to the development of compact and affordable housing. By ensuring that affordable homes are available near job and retail centers and public transit stops, these policies could help families of all incomes access jobs and achieve job stability. At the same time, by reducing the number and length of car trips, these policies would help to reduce energy use, greenhouse gas emissions, and sprawl, and reduce the combined costs of housing, transportation and utilities, improving overall affordability.

Over the medium-term, these changes would help low- and moderate-income families afford to live in areas that are close to job centers or have good public transportation access to those centers. For a more immediate stimulus impact, funds could be allocated for the construction of affordable housing in these locations. These funds could either be allocated as a special appropriation of Community Development Block Grants or as a competitive grant program through HUD or the Federal Transit Administration. The competitive grant approach would allow one to add incentives for states and localities to adopt complimentary supporting policies, such as inclusionary zoning requirements or incentives, tax increment financing, and shared equity homeownership strategies for preserving long-term affordability.