

Goal 4. Build Inclusive and Sustainable Communities Free From Discrimination



Problem Statement

Housing and community development efforts must address a complex network of individual, social, economic, and environmental factors in order to promote more diverse, inclusive communities and improve the sustainability of neighborhoods, communities, and regions. Many of the neighborhoods hit hardest by the housing and economic crisis—those with the highest rates of foreclosure and job loss—are racially isolated and among the least sustainable—with limited access to economic opportunity, the longest commuting times to jobs, the most homes that pose health risks, and the poorest quality schools.

- According to the 2000 Census, 7.9 million people live in “extreme poverty” census tracts, where the poverty rate exceeds 40 percent. When people live in neighborhoods of concentrated poverty, outcomes for education, employment, safety, and health all suffer.²¹
- In assessing the extent of racial segregation in America, the 2000 Census indexes of dissimilarity, isolation, and spatial proximity showed an increase in segregation for Hispanics between 1980 and 2000.²² Although the census found for African Americans that strides had been made in the West and South, segregation increased in some small metropolitan areas in the South. The census found that the Northeast and Midwest made less progress, and the large metropolitan areas that had been the most segregated a decade earlier remained so.²³
- In HUD’s Housing Discrimination Study conducted in 2000, discrimination persisted in both rental and sales markets of large metropolitan areas nationwide. African Americans experienced discrimination in about 22 percent of rental transactions and 17 percent of sales transactions. Hispanics experienced discrimination in about 26 percent of rental transactions and 20 percent of sales transactions.²⁴
- By 2005, the number of poor people in suburbs (all neighborhoods) of the largest 100 metropolitan areas numbered 12.2 million, exceeding the 11.0 million poor in the central cities.²⁵



- Buildings now contribute 40 percent of our nation's carbon emissions,²⁶ congestion on our roads costs five times as much wasted fuel and time as it did 25 years ago,²⁷ and the average working family spends 57 percent of its income on housing and transportation costs combined.²⁸
- ENERGY STAR estimates that upgrading a home to meet ENERGY STAR requirements can reduce 4,500 pounds of greenhouse gases per year. In addition, such homes can expect to save homeowners between \$200 and \$400 per year on utility bills.²⁹
- A need exists to improve long-term recovery in areas affected by disaster. Hurricane Katrina occurred nearly 5 years ago, and, as of March 2010, only 75.4 percent of Gulf Coast homes severely impacted by Hurricanes Katrina and Rita are occupied.³⁰

The Communities Goal Overview

The nation's current housing, economic, health, and energy crises demand that the federal government and its local partners effectively coordinate policies related to community development, climate change, energy efficiency, transportation, housing, and disaster preparedness. Today we know that "place" influences outcomes—the place where a person lives is a reliable predictor of his or her long-term health, education, and employment outcomes. Families and individuals living in concentrated poverty experience greater inequity and often, as a result, more dismal outcomes.

Unfortunately, many neighborhoods hit hardest by the recent housing and economic crisis—those with the highest foreclosure rates and the most job losses—are among the least sustainable. Residents of these neighborhoods have limited access to transportation, face health hazards in their homes and communities, suffer from the poorest schools, and have the fewest economic opportunities. In many areas, the spatial mismatch between housing and transportation investments limits access to decent employment and education opportunities for entire neighborhoods. This not only impacts the lives of residents in those communities, but the resulting need to travel greater distances to connect to these resources has a clear impact on the environment as well—from wetland and open space lost to sprawling development patterns to ever-increasing greenhouse gas emissions. To address these problems, Goal 4 focuses explicitly on "place," on ensuring inclusivity and preparing communities for the future of their economy, environment, culture, and preparedness in case of disaster. HUD seeks to ensure—through comprehensive community development, strategic planning, enforcement, and enhanced capacity building—that all communities are livable for residents and viable in the long term. The following subgoals provide a roadmap for accomplishing this goal:

Subgoal 4A: Catalyze economic development and job creation, while enhancing and preserving community assets.

Subgoal 4B: Promote energy-efficient buildings and location-efficient communities that are healthy, affordable, and diverse.

Subgoal 4C: Ensure open, diverse, and equitable communities.

Subgoal 4D: Facilitate disaster preparedness, recovery, and resiliency.

Subgoal 4E: Build the capacity of local, state, and regional public and private organizations.

Measures of Success

- Reduce the share of household income spent on the combined costs of housing and transportation in communities, with assistance from the Office of Sustainable Housing and Communities.
- Complete cost-effective energy and green retrofits of 159,000 public, assisted, and other HUD-supported affordable homes by the end of 2011.
- Increase the proportion of HUD-assisted families in low-poverty and racially diverse communities.
- Expand the rate of occupied or repurposed Gulf Coast homes in Louisiana, Mississippi, and Texas severely impacted by Hurricanes Katrina and Rita during 2005.
- Improve the quality of housing and available community opportunities reported by HUD residents (*cross-cutting measure for Goals 2, 3, and 4*).

It comes down to a fundamental belief: that when you choose a home, you don't just choose a home. You also choose transportation to work, schools for your children, and public safety. You choose a community—and the choices available in that community. A belief that our children's futures should never be determined—or their choices limited—by the ZIP Code they grow up in.

—HUD Secretary
Shaun Donovan
November 4, 2009



Subgoal 4A: Catalyze economic development and job creation, while enhancing and preserving community assets

Nurturing opportunities for job growth and business expansion in communities, particularly those that are economically distressed, is essential for ensuring long-term vitality. Economic development, however, must be tailored to the assets and needs of the community in a way that maintains and enhances affordability and local character. Through such strategies as providing tax incentives, support for comprehensive local economic planning, and enforcement of Section 3 (which provides a hiring preference for residents of HUD housing on projects paid for by HUD funds), HUD will facilitate business expansion and job creation in some of the country's most distressed communities and for its most vulnerable residents.

Strategies:

1. Support communities by providing incentives to industries, including small- and medium-sized firms, for investment and reinvestment.
2. Promote and preserve community assets, including small businesses, fresh food markets, parks, hospitals, and high-quality schools, by incentivizing comprehensive and inclusive local economic development planning.
3. Expand economic and job creation opportunities for low-income residents and create better transportation access to those jobs and other economic opportunities by partnering with federal and nonprofit agencies, private industry, and planning and economic development organizations and by leveraging federal and private resources.



Subgoal 4B: Promote energy-efficient buildings and location-efficient communities that are healthy, affordable, and diverse

Walkable, transit-oriented, mixed-income, and mixed-use communities—coupled with a strong commitment to energy-efficient and affordable green building—substantially reduce transportation costs, create energy savings, reduce greenhouse gas emissions, and enhance the health and well-being of all residents. In collaboration with federal agencies and local partners, HUD will lead policy innovation, implement programs, conduct research, and support a new generation of regional and local integrated planning. These activities will foster a new paradigm of affordable, sustainable development that protects the environment and community residents while lowering housing costs for all.

Strategies:

1. Incorporate sustainability principles into all HUD programs.
2. Promote coordinated planning, integrating federal resources and targeting technical assistance at the local, state, and regional levels for sustainable housing, transportation options, and communities overall.
3. Give consumers more information about the true cost of living by incorporating both housing and transportation costs into measures of affordability.
4. Improve residents' health and safety, particularly the health and safety of children and other vulnerable populations, by promoting green and healthy design, construction, rehabilitation, and maintenance of housing and communities.
5. Support and promote an energy-efficient, green, and healthy housing market by retrofitting existing housing, supporting energy-efficient new construction, improving home energy labeling, and promoting financing products that reduce the carbon footprint of non-HUD-supported residential buildings.
6. Reduce energy consumption and incorporate green building practices in the design and operation of HUD-supported affordable housing.



Subgoal 4C: Ensure open, diverse, and equitable communities

An inclusive community is one in which all people—regardless of race, ethnicity, socioeconomic status, age, disability, or sexual orientation—have access to the same housing, transportation, health, education, and employment opportunities. Through inclusive development, education, enforcement of fair housing laws, and participation of historically underrepresented populations in HUD policies and planning, HUD will affirmatively further fair housing and the ideals of an open society.

Strategies:

1. Prevent discrimination through enforcement actions, compliance measures, public awareness campaigns, and education.
2. Combat abusive lending practices at federal and local levels through vigorous enforcement of fair housing laws.
3. Ensure the Department affirmatively furthers fair housing in all of its programs through both incentives and consequences for nonperformance.
4. Decrease the concentration of poverty and racial segregation in neighborhoods and communities through targeting of HUD resources.
5. Ensure meaningful participation of historically underrepresented populations in HUD policy-making and in state and local housing and community development planning processes.
6. Promote the design and construction of buildings and communities that are accessible and visitable by people with disabilities.

Subgoal 4D: Facilitate disaster preparedness, recovery, and resiliency

Sustainable communities thrive on development that incorporates planning for climate and disaster events. Through coordination with federal agencies and state and local governments, HUD will help communities focus on climate adaptation and hazard resilience, key components of strategic local approaches to sustainable development. This effort includes planning for and implementing adaptation and predisaster mitigation strategies and providing assistance following a disaster.

Strategies:

1. Promote the use of climate-resilient and disaster-resistant development patterns, building siting, design, and construction.
2. Integrate and coordinate assistance across federal programs to help create disaster-resilient and sustainable communities and facilitate the delivery of postdisaster resources for recovery.
3. Reduce losses to businesses, community organizations, and public infrastructure from reoccurring disasters in high-risk areas.

Subgoal 4E: Build the capacity of local, state, and regional public and private organizations

Sustainable and inclusive community planning is possible only through the coordinated efforts of strong local, state, and regional organizations. Capacity building is the development of core skills within partner organizations to organize, manage, implement, and raise capital for community development and affordable housing projects and to provide one-on-one, place-based assistance to implement projects. HUD will work to strengthen local governments and nonprofit organizations by expanding the Section 4 Capacity Building for Community Development and Affordable Housing Program and including local governments as eligible recipients of capacity-building assistance.

Strategies:

1. Strengthen the capacity of state and local partners, including governments and nonprofit organizations, to implement HUD programs, participate in decisionmaking and planning processes, and coordinate on cross-programmatic, place-based approaches through grant-making and technical assistance.
2. Support knowledge sharing and innovation by disseminating best practices, encouraging peer learning, publishing data analysis and research, and helping to incubate and test new ideas.
3. Encourage metropolitan and regional focus in planning and community development.



Examples of Themes for Goal 4

New Partners

HUD has been charged with forging interagency partnerships on a scale that is unprecedented. An example of this kind of partnership is Secretary Donovan's role as co-chair of the **Long-Term Disaster Recovery Working Group** with Department of Homeland Security Secretary Napolitano. This group includes partnerships with federal, state, local, and private stakeholders to develop proposals to improve predisaster and resiliency planning and to improve federal support to affected communities following a disaster, ultimately producing a report to the President. In addition, HUD has collaborated with these partners to streamline the disaster volunteer process so a single access point through the federal government is available for volunteers who want to support disaster planning and recovery efforts.

New Geography

In the second half of the last century, federal housing and transportation policies, which supported the development of highways and single-family, large-lot homes in suburban communities, created a mismatch between where people live and where they work. This mismatch has driven up commuting costs for workers, while reducing economic efficiency and competitiveness for businesses. Working in partnership with the Department of Transportation and the Environmental Protection Agency, HUD is working to address the legacy of past policies by pursuing a more sustainable federal approach to regional planning. The **Sustainable Community Planning Grant Program** will support multi-jurisdictional regional planning efforts that integrate housing, economic development, and transportation decisionmaking and will empower jurisdictions to consider the interdependent challenges of economic growth, social equity, and environmental impact simultaneously when addressing these issues.

New Business Model

Homebuyers often have to travel away from city centers to find an affordable place to live and raise their families. The extra travel costs associated with those long commutes often offset the cheaper monthly mortgage payments resulting from living so far away, not to mention the additional negative environmental impacts. To counter this “drive to qualify” culture, HUD will take an **energy-efficient mortgage product** to scale through our \$50 million Energy Innovation Fund and develop a **transportation-efficient mortgage**—to account for a house's proximity to jobs and schools. These products will be based on the same fundamental premise—that by making information on utility and transportation costs widely available, we can drive a much broader scale of change than government ever could alone, ensuring that we never again foster a culture of “drive to qualify.”





Signature Initiative— Implementing Choice Neighborhoods (Cross Cutting with Goals 3 and 4)

Living in neighborhoods of concentrated poverty, marked by high unemployment rates, rampant crime, and struggling schools and other institutions, has serious negative consequences for the well-being and life chances of adults and children, intensifying the negative outcomes associated with growing up in poverty. The Choice Neighborhoods initiative builds on successful, proven redevelopment strategies to transform neighborhoods of concentrated poverty into sustainable mixed-income communities with well-functioning services, public assets, and access to

opportunity and that provide choice for residents. The program will help transform, rehabilitate, and preserve HUD public housing and HUD-assisted housing and support economic development. The Choice Neighborhoods initiative will—

- Support affordable housing and community development activities to address critical issues, bring needed services and job assistance to residents, and improve educational opportunities for poor children through early childhood education programs and locally driven reform.
- Target neighborhoods with (1) concentrations of poverty, (2) concentrations of public or assisted housing, and (3) potential for long-term sustainability, including the presence of anchor institutions, such as hospitals and universities, and access to jobs and transportation.
- Release Notice of Funding Availability in FY 2010 and select an initial group of neighborhoods for funding in FY 2011.

In HUD's new Choice Neighborhoods proposal, which is replacing HOPE VI, I think you're going to see a lot more cooperation between HUD and our department. We have already met to discuss the alignment of selection criteria and measurements of effectiveness for Choice Neighborhoods and Promise Neighborhoods. And I have been enormously encouraged by the willing hand of partnership and cooperation that Shaun Donovan, the Secretary of HUD, and Kathleen Sebelius, the Secretary of HHS, have extended to our department.

You cannot just divorce where children live from where they learn.

—Arne Duncan, Secretary of Education
November 10, 2009