



Testimony of

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Livable Communities Act (H.R. 4690)

**U.S. House of Representatives
Committee on Financial Services**

September 23, 2010

Good afternoon, Chairman Frank, Ranking Member Bachus, and members of the Committee. I am pleased to speak today about the Livable Communities Act of 2010, H.R. 4690. My name is Andriana Abariotes. I am the Executive Director of the Twin Cities office of the Local Initiatives Support Corporation (LISC) – which includes the Minneapolis and St. Paul Metropolitan area. It is great to see Congressman Ellison here today, who has been so supportive of our work in Minneapolis and is a true leader in our community. I would also like to thank Congressman Perlmutter for his leadership on this important bill.

For almost three decades, LISC has connected local organizations and community leaders with resources to revitalize neighborhoods and improve quality of life. Historically, LISC has invested more than \$9.6 billion to build or rehabilitate 253,000 affordable homes and develop 38 million square feet of retail, community, and educational space nationwide. Our first name is Local, and we have a presence in 28 urban areas, which include over 100 cities across the country, and rural locations in 31 states. In the Twin Cities, LISC has invested more than \$370 million dollars, which has resulted in more than 9,000 affordable homes and 1.3 million square feet of retail, community, and educational space.

Over the last year, we have collaborated with a diverse coalition of national and local organizations to work for the passage of the Livable Communities Act, including the National Housing Conference, Smart Growth America, Transportation for America, Reconnecting America, and PolicyLink.

The Livable Communities Act and Community Development

I am here today to talk about the relationship between the provisions laid out in the Livable Communities Act and community development activities. Recently, we at LISC have pursued a broader vision of community development through what we call ***Building Sustainable Communities***. This comprehensive approach seeks to target resources in specific neighborhoods within a city or region with the goal of creating neighborhoods of choice and opportunity by expanding investments in housing and other real estate, increasing family income and wealth, stimulating economic development, improving access to quality education, and supporting healthy environments and lifestyles. We applaud the coordination and cooperation that is promoted by the Livable Communities Act and believe that the planning activities it seeks to encourage are vital to the economic health of metropolitan and rural regions. LISC's long history in community development tells us that regional planning efforts, such as those promoted by the act, must be integrated with community-based planning efforts to achieve neighborhood level results that will positively affect the lives of residents.

In the Twin Cities, we have seen this integration take place with great deal of success. Recently, Twin Cities LISC has joined state, regional, county and municipal partners, as well as advocacy groups, and development experts in a partnership that resulted in the submission of an application for the HUD Sustainable Communities Planning Grant Program – which would be authorized over the long-term by the Livable Communities Act.

To illustrate how neighborhood and regional planning can be integrated, I would like to provide you with a specific example from the Twin Cities.

The Central Corridor is a new 11-mile light rail corridor and second “line” in the Twin Cities that when complete will run from downtown Minneapolis through the University of Minnesota along University Avenue into downtown St. Paul. A portion of this new corridor will run through the heart of one of St. Paul’s most historic African American communities—the Rondo Community. When the planning began for this light-rail corridor there was a great deal of apprehension and mistrust by residents and community leaders, due to the checkered history of transportation in this particular community. Forty years ago, interstate 94 was built on top of Rondo Ave cutting right through the heart of the neighborhood and displacing a whole range of community assets – including housing, small businesses, and services.

LISC has partnered with a broad array of stakeholders in the Central Corridor to engage community leaders and residents to ensure that -- this time -- a major regional development investment is done *with* the residents, not *to* residents. The City of St. Paul has helped develop a broader vision for the corridor, and 10 community development organizations –including LISC – have created a new collaborative—the Frogtown/Rondo Action Network—to implement priority strategies related to housing preservation, small business support, neighborhood jobs and minority contracting, and energy improvements that ensure light-rail benefits for neighborhood residents. On Tuesday, this same target area was awarded a Promise Neighborhoods planning grant from the Department of Education, leveraging and connecting investments in the physical and economic infrastructure of the neighborhood with human capital strategies including raising student achievement and success.

One of the tools we use to accomplish neighborhood level planning and resident engagement surrounding transit-oriented development sites is our Corridor Development Initiative. The Corridor Development Initiative is a proactive planning process to assist the planning and development of higher density affordable housing along major corridors, with access to transportation options, retail amenities, parks, and job opportunities. CDI fosters an exciting partnership among neighborhoods, government, development consultants, design experts, and facilitators to connect market opportunities with neighborhood and city goals. In 2007 the Corridor Development Initiative received the American Planning Association’s National Planning Excellence Award for a Grassroots Initiative. LISC has worked with other entities and municipalities to teach this planning and engagement tool in other communities. To date the CDI process has been replicated in Chicago (Chicago Metropolitan Planning Council) and Madison, WI (Neighborhood Design Center).

LISC’s work partnering with community residents and institutions to develop neighborhood level strategies connected to transit and other transportation investments is not unique to Twin Cities LISC. Sixteen of LISC’s 28 local offices – in places like the Bay Area, Philadelphia, and Phoenix – are participating in regional partnerships that have applied for the HUD Sustainable Communities Grant program. For example, Boston LISC is working with four community-based Community Development Corporations (CDCs) in Congressman Capuano’s district to conduct neighborhood planning efforts aimed at actively engaging residents in community development decisions along the region’s Fairmont/Indigo MBTA commuter rail line. These efforts are focused on organizing residents and planning a vision for new developments on

vacant underutilized land and brownfields sites along the region's most underused commuter rail line. As you can see, the type of comprehensive planning envisioned by the Livable Communities Act is well aligned with LISC's core mission of *Building Sustainable Communities*.

Points of Emphasis and Recommendations for the Livable Communities Act

As stated earlier LISC is an enthusiastic supporter of the Livable Communities Act. For a moment I would like to highlight key provisions of the Act that we feel deserve special emphasis, and also highlight a few other provisions that we believe could be strengthened to further improve the bill.

Role of community-based non-profit organizations

In communities across the country, CDCs provide critical community services in a range of areas, including affordable housing development, job training, health care, and educational services—especially in low-income communities of color. The services provided by these organizations are vital to residents living in economically distressed communities, and any comprehensive regional planning effort that affects these communities should have representatives from these organizations present at the planning table at the beginning and throughout the process. We applaud the Livable Communities Act provision that requires grantees to create an advisory board, which includes a diverse membership, including non-profit community-based organizations. ***However, this provision allows the advisory board to be established “within one year after the date of the grant award”. We believe that waiting one year to establish this advisory board is too long, and recommend that this advisory board be in place at the time of the application to ensure that non-profit community-based organizations and other vital community partners are present as early in the process as possible.*** We believe that this is important because early participation by community-based organizations will ensure that their perspective is considered during the development of the partnership and well before any planning activities begin or critical decisions have been made.

Affordable Housing and Transit Oriented Development

We are pleased that the Livable Communities Act has a strong focus on supporting the development and preservation of affordable housing at all levels of income – including moderate, low, and extremely low income. The Livable Communities Act could enhance the possibility of developing mixed income/mixed use TOD projects in distressed neighborhoods that are well connected to regional economic opportunities, such as employment and educational opportunities. One of the largest barriers to developing affordable housing and critical community amenities in TOD projects are the very high land costs associated with many areas in proximity to transit. Expensive land in these neighborhoods can make it impossible to keep the cost of developing housing and community services at an affordable level without very deep government subsidies. Integrating an assessment of a region's affordable housing needs into a regional planning effort early in the process can help affordable housing developers make development decisions before land prices escalate to levels that makes the development of moderate and low-income housing cost prohibitive. ***It is our hope that as the bill moves through congress, that it bill retains the provisions that seek to promote the integration of low-***

income and affordable housing planning in the Act's Comprehensive Regional Planning Grant and the Community Challenge Grant programs.

Community Involvement and Social Equity

We are very pleased that the Livable Communities Act has several provisions requiring that resident and community involvement is a prerequisite for both of the Comprehensive Planning Grants and the Community Challenge Grants. As represented by the experience in St. Paul's Rondo neighborhood and many others nationwide, government investments can have disastrous effects on communities if the vision that residents have for their own neighborhoods are not considered. Unfortunately, regional and neighborhood plans are often developed by state, regional, and local entities with little resident outreach or community input. Often when community input is solicited, it is done through public meetings held very late in the planning process and well after important decisions have already been made. We believe that, in order to achieve a broad consensus among citizen groups, local decision makers must make a deliberate effort to engage citizens early and substantively in the regional visioning process, especially with low-income residents and communities of color. When engaged and when their ideas are reflected, community residents tend to be strong supporters and can assist in facilitating smooth plan implementation. We believe that the Livable Communities Act provisions that seek to promote resident involvement should help localities avoid these mistakes in the future.

However, we believe that the Act's language regarding community involvement should be strengthened even further. The Senate Banking Committee added language to their version of the Livable Communities Act that affirmatively stated that grantees must engage a broad range of community stakeholders and create an effective means of participation for stakeholders in the development and implementation of their comprehensive regional plan. We hope that this committee will adopt the Senate language in this area to strengthen further this element of the bill.

Mr. Chairman as you well know, historically federal transportation policies and the state and regional actors responsible for their implementation have not equitably served low and moderate income families or the distressed neighborhoods where they live. Often, federal investments in transportation have led to greater isolation by either locating infrastructure investments far out-of-reach of these communities or displacing residents and driving out the community-based services so critical to their daily lives. For example, transit investments in communities of color have often supported high-end boutique development that has driven out existing affordable and low-income housing, community services, and small businesses. ***It is our belief that the Livable Communities Act's focus on fair and equitable inclusion of communities of all races, ethnicities, ages, and income levels in regional planning efforts is critical. We hope that this principle is reinforced and the provisions that address this issue are retained in the final bill.***

It is also important that rural communities have equal access to the resources in the Livable Communities Act. Rural areas often have different transportation and land use challenges. Having adequate public access to transportation in rural areas means the difference between having a job, getting to health care, or accessing other critical social services. Rural areas often have limited capacity to meet the planning needs within the small cities and towns and their surrounding regions to connect people to jobs, shops, services, education, and healthcare. ***The Senate Banking Committee provided a set aside of 15% of grant dollars for rural communities***

in its version of the Livable Communities Act. We would like to see the committee to adopt this provision in its version of the bill

Additionally, while some regions are grappling with the impacts of expansive growth and uncoordinated development, others are facing chronic population and employment loss and a compound set of barriers to achieving sustainable and livable communities—such as chronic and widespread property vacancy and abandonment. Many of these regions can be found in the older industrial Northeast and Midwest regions of the country – in areas like Buffalo, Toledo, and Detroit. These regions will require a different set of comprehensive planning solutions from those that are used in a more stable or growing community. ***The Senate Banking Committee passed the version of the Livable Communities Act included additional funding for the establishment of community regeneration plans that will assist jurisdictions to:***

- ***Acquire and repurpose surplus land, buildings and infrastructure, invest in strategic neighborhoods, and optimize the impact of limited resources in the wake of drastic population loss;***
- ***Better manage properties in foreclosure or about to face foreclosure;***
- ***Incorporate green infrastructure solutions that address regional needs beyond blight elimination, including local food systems, managing combined sewage overflow events, energy production, recreation areas, and transportation corridors; and***
- ***Assist in building the capacity of local governments, regional entities, neighborhood-based and other non-profit organizations, business groups and others to lead to long-term sustainability.***

We urge this committee to consider adding similar language to the bill for this purpose.

Conclusion

The type of integration of housing, land-use, transportation, and environmental issues in planning and development efforts are critically important to the health of local and regional communities. However, without connecting those planning efforts to neighborhood-based planning and development activity already happening in neighborhoods the benefits will not likely touch the moderate and low income residents and communities of color served by the community development industry. The Livable Communities Act moves us in this direction and LISC is grateful that this committee is considering this innovative piece of legislation. This concludes my testimony. I would be happy to answer any questions you may have.