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**Statement of David Goldberg, Communications Director  
Before the Select Committee on Energy Independence and Global Warming**

June 18, 2008

*Planning Communities for a Changing Climate – Smart Growth,  
Public Demand and Private Opportunity*

Mr. Chairman and members of the Committee, thank you for holding a hearing on such an important, inter-related set of issues. I appreciate the opportunity to testify today on the opportunity to harness profound changes in market demand for the benefit of energy independence, climate stability and American prosperity.

My name is David Goldberg and I am the Communications Director for Smart Growth America. Smart Growth America is a nationwide coalition supporting communities looking for a better way to grow: one that protects farmland and open space, revitalizes neighborhoods, keeps housing affordable, and provides more transportation options. Our more than 100 coalition members include the leading national organizations focusing on affordable housing, environmental protection, social equity, transportation policy and other issues, as well as state, regional, and local organizations working on behalf of their communities.

I was asked by the committee to discuss the ways in which smart-growth principles could help reduce vehicle miles traveled, make more efficient use of resources and reduce global warming emissions, as well as how these principles can be used in rural, urban, and suburban communities. I also was asked to address the potential economic benefits of this approach to our future development.

Smart Growth America comes today with encouraging news: We can significantly reduce our nation's dependence on oil and shrink our carbon footprint, while helping Americans avoid high gas prices and time in traffic, simply by meeting the growing demand for conveniently located homes in walkable neighborhoods, served by public transportation. The even better news is that we do not have to wait for someone to invent convenient, "green" neighborhoods -- we have the know-how to build them right now, as we have for many years.

Communities and private-sector developers across the country have rediscovered this approach to building in recent years, creating neighborhoods and town plans according to ten principles that came to be known as "smart growth":

1. **Encourage Citizen and Stakeholder Participation in Development Decisions.** Plans developed without strong citizen involvement don't have staying power. When people feel left out of important decisions, they won't be there to help out when tough choices have to be made.
2. **Mix Land Uses.** New, clustered development works best if it includes a mix of stores, jobs and homes. Single-use districts make life less convenient and require more driving.
3. **Take Advantage of Existing Community Assets.** From local parks to neighborhood schools to transit systems, public investments should focus on getting the most out of what we've already built.
4. **Create a Range of Housing Opportunities and Choices.** Not everyone wants the same thing. Communities should offer a range of options: houses, condominiums, affordable homes for low-income families, and "granny flats" for empty nesters.
5. **Foster "Walkable," Close-Knit Neighborhoods.** These places offer not just the opportunity to walk -- sidewalks are a necessity -- but something to walk to, whether it's the corner store, the transit stop or a school. A compact, walkable neighborhood contributes to people's sense of community because neighbors get to know each other, not just each other's cars.
6. **Promote Distinctive, Attractive Communities with a Strong Sense of Place, Including the Rehabilitation and Use of Historic Buildings.** In every community, there are things that make each place special, from train stations to local businesses. These should be protected and celebrated.
7. **Preserve Open Space, Farmland, Natural Beauty, and Critical Environmental Areas.** People want to stay connected to nature and are willing to take action to protect farms, waterways, ecosystems and wildlife.
8. **Strengthen and Encourage Growth in Existing Communities.** Before we plow up more forests and farms, we should look for opportunities to grow in already built-up areas.
9. **Provide a Variety of Transportation Choices.** People can't get out of their cars unless we provide them with another way to get where they're going. More communities need safe and reliable public transportation, sidewalks and bike paths.
10. **Make Development Decisions Predictable, Fair, and Cost-Effective.** Builders wishing to implement smart growth should face no more obstacles than those contributing to sprawl. In fact, communities may choose to provide incentives for smarter development.

## Changing Market Demand

These ideas and outcomes are supported by a wide variety of organizations and individuals—from the business sector to public health officials to fiscal conservatives to environmentalists to name a few. Groups such as the National Association of Realtors, International Council of Shopping Centers, AARP, local government officials all come together to agree we need to develop in a way that improves quality of life, is cost efficient, provides a safe and healthy environment for kids and older Americans, and provides access to opportunity regardless of income.

A 2007 poll done by SGA in conjunction with the National Association of Realtors shows broad public support for these principles. The 2007 Growth and Transportation Survey details what Americans think about how development affects their immediate community. Three-fourths of Americans believe that being smarter about development and improving public transportation are better long-term solutions for reducing traffic congestion than building new roads. Nearly three-quarters of Americans are concerned about the role growth and development play in climate change, and they remain concerned about traffic congestion. Half of those surveyed think improving public transit would be the best way to reduce congestion, and 26 percent believe developing communities that reduce the need to drive would be the better alternative. Only one in five said building new roads was the answer.<sup>1</sup>

With the rise in gas prices to over \$4 a gallon it's likely that these numbers would be even higher if we did another poll today. More and more people are choosing to leave their cars at home and take public transportation and walk and bike to where they need to go in order to reduce the amount they spend on gas.<sup>2</sup>

In the first 4 months of 2008 ridership in the Hiawatha line in Minneapolis was up 15-19% over the previous year. In Miami, the tri-rail commuter train experienced a 28% increase in ridership in April compared to the previous year.<sup>3</sup>

For many years we have asked Americans to "drive till they qualify" for mortgages on less-expensive homes in the far distant suburbs. Today, however, those savings are being eaten up by high gas prices and long commutes. The exurban house in a partially completed subdivision has become an albatross to consumers in much the same way that ultra-low mileage SUVs have. The foreclosure crisis shows us the vulnerabilities of continuing to build development today that fits the US of 50 years ago. The areas hardest hit are shown to be areas with longer commutes and less of a mix of housing types. Reports grow daily of more Americans leaving these high-mileage areas for

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<sup>1</sup> Smart Growth America, National Association of Realtors [The 2007 Growth and Transportation Survey](http://www.smartgrowthamerica.org/narsgareport2007.html) October 2007. Online. Available: <http://www.smartgrowthamerica.org/narsgareport2007.html>

<sup>2</sup> Korkki, Phyllis. "When Gas Prices Lead to Roads Less Traveled" [The New York Times](http://www.nytimes.com/2008/06/15/business/15count.html?scp=1&sq=roads%2) June 15, 2008. Online. Available: <http://www.nytimes.com/2008/06/15/business/15count.html?scp=1&sq=roads%2>

<sup>3</sup> Krauss, Clifford "Gas Prices Send Surge of Riders to Mass Transit" [The New York Times](http://www.nytimes.com/2008/05/10/business/10transit.html?scp=1&sq=surge+of+mass+transit&st=nyt) May 10, 2008. Online. Available: <http://www.nytimes.com/2008/05/10/business/10transit.html?scp=1&sq=surge+of+mass+transit&st=nyt>

places that are more accessible to jobs and public transportation.<sup>4</sup>

The surge in gas prices is merely accelerating existing, underlying trends. A 2004 Survey by Smart Growth America and the National Association of Realtors showed that 6 in 10 prospective homebuyers chose walkable neighborhoods with less time spent driving.<sup>5</sup> As some people say, demographics is destiny, and we're on the cusp of a huge "senior tsunami." Between 2011 and 2012 there will be a 50% increase in the number of people turning 65 annually.<sup>6</sup> If you rewind 65 years, you'll notice that these are people who were born in 1946 or 1947. A lot has been written about this tsunami, with plenty more to come. Real estate analysts have shown that baby boomers, many of whom are empty nesters, are showing a much higher preference for homes in compact walkable neighborhoods. But it's not just the boomers. Whether you call them Gen X or millennials, young adult homebuyers are also demanding these products, and together with the boomers, they account for a huge proportion of the home-buying public.

The two other big demographic factors affecting the housing market is the projected growth in households without kids and single-person households. At the height of the baby boom, about half of American households had kids. Today, it's a third. By 2025, it'll be barely over a quarter. And the number of one-person households is going to be the same as the number of households with kids. Again, households without kids, including singles have a much higher preference for homes in compact walkable neighborhoods.<sup>7</sup>

A recent CNN story reports that 40% of the market want to live in walkable, urban areas.<sup>8</sup> With a large section of the population getting beyond driving years and less households with children, the large single family suburban home is no longer the American dream for many of our nation's citizens. Projections show that the demand in 2025 for large lot single family homes is already more than met by the supply we have today.<sup>9</sup>

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<sup>4</sup> Karp, Jonathan "Suburbs a Mile Too Far for Some" [The Wall Street Journal](http://online.wsj.com/article/SB121366811790479767.html?mod=hps_us_inside_today) June 17, 2008. Available Online: [http://online.wsj.com/article/SB121366811790479767.html?mod=hps\\_us\\_inside\\_today](http://online.wsj.com/article/SB121366811790479767.html?mod=hps_us_inside_today)

<sup>5</sup> 2004 National Community Preference Survey, <http://www.smartgrowthamerica.org/narsgareport.html>

<sup>6</sup> Ewing, Reid, Keith Bartholomew, Steve Winkelman, Jerry Walters, Don Chen [Growing Cooler: The Evidence on Urban Development and Climate Change](#) Washington D.C.: The Urban Land Institute. 2008.

<sup>7</sup> Ewing, Reid, Keith Bartholomew, Steve Winkelman, Jerry Walters, Don Chen [Growing Cooler: The Evidence on Urban Development and Climate Change](#) Washington D.C.: The Urban Land Institute. 2008.

<sup>8</sup> Is America's suburban dream collapsing into a nightmare? By Lara Farrar. June 13, 2008. <http://www.cnn.com/2008/TECH/06/16/suburb.city/index.html>

<sup>9</sup> Ewing, Reid, Keith Bartholomew, Steve Winkelman, Jerry Walters, Don Chen [Growing Cooler: The Evidence on Urban Development and Climate Change](#) Washington D.C.: The Urban Land Institute. 2008.

## Smart Growth Solutions to Climate Change

To relieve consumers from gas prices reduce emissions we need to provide transportation options and build our communities in a way that allows better access to school, work, the grocery store and dry cleaner. It is not acceptable for many Americans to have to use a gallon of gas just to get a gallon of milk, especially at a time when the gallon of gas has reached the same price as the gallon of milk and both are continuing to increase.

Complete Streets are essential in order to make it possible for Americans to drive less and use our streets to get around more easily on foot, bike, and public transit. The potential to shift trips to lower-carbon modes is undeniable: The 2001 National Household Transportation Survey finds that 50% of all trips in metropolitan areas are three miles or less and 28% of all metropolitan trips are one mile or less – distances easily traversed by foot or bicycle. Yet 65 percent of trips under one mile are now made by automobile.<sup>10</sup>

Many trips are made by automobile because of incomplete streets that make it dangerous or unpleasant to walk, bicycle, or take transit. In fact, a national survey found that bike lanes were available for less than five percent of bicycle trips, and more than one-quarter of pedestrian trips were taking place on roads with neither sidewalks nor shoulders.<sup>11</sup> Other surveys have found that a lack of sidewalks and safe places to bike are a primary reason people give when asked why they don't walk or bicycle more.<sup>12</sup> Complete streets would help convert many of these short automobile trips to multi-modal travel. Other studies have calculated that 5-10% of urban automobile trips can reasonably be shifted to non-motorized transport.<sup>13</sup>

Places that are giving people options are seeing a reduction in their emissions. Boulder, Colorado is working to create a complete street network, with over 350 miles of dedicated bike facilities, paved shoulders and a comprehensive transit network. Between 1990 and 2003, fewer people in the city drove alone, more people bicycled, and transit trips grew by a staggering 500 percent. The reduction in car trips has cut annual CO<sup>2</sup> emissions by half a million pounds.<sup>14</sup>

Smart growth should be an integral part of our national solution to climate change. By building compact walkable communities with homes closer to jobs and business and concentrating development around transit stations, residents are able to forego driving and take less carbon intensive means of transportation. When residents do

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<sup>10</sup> 2001 NHTS Poll.

<sup>11</sup> BTS survey

<sup>12</sup> Wilbur Smith Associates Bellevue, Washington. Public Attitude Survey of Bicycle and Pedestrian Planning May 2007.

<sup>13</sup> Litman, Todd TDM Encyclopedia (ADONIS, 1999; Mackett, 2000; Socialdata Australia, 2000; Cairns et al, 2004).

<sup>14</sup> All data from 'Modal Shift in the Boulder Valley 1990 – 2003', May 2004 for the 'City of Boulder' by the 'National Research Center Inc.'

drive, the number and length of trips is frequently reduced because of better street connectivity and the mix of uses in a community.

By reducing vehicle miles traveled, we directly reduce automobile emissions that come from cars in that community. Analysis from the recent book *Growing Cooler*, a landmark publication from the Urban Land Institute on the relationship between development patterns and climate change shows a potential reduction of 80 million metric tons of CO<sup>2</sup> in 2030 from meeting the demand for compact, walkable communities.<sup>15</sup> If you add complementary policies such as expanding public transportation, you would get even greater reductions.

### Smart Growth Solutions to Other National Challenges

The threat of global warming is one of many urgent national trends that have forced us to re-evaluate the way we build the towns and cities we call home.

The US **population is growing** and the make up of the population in the future will be very different than what it is today. Just last year we hit the 300 million mark and the next 100 million people are just around the corner. By 2050, US population is projected at 420 million.<sup>16</sup> We will need to grow to accommodate our future neighbors and we have the choice now to grow in a way that strengthens existing communities, makes the best use of our existing infrastructure, preserves our natural heritage, and provides greater transportation and housing choices, rather than continuing to spread out and segregate. In the past our land consumption has outpaced population, which was a major factor in our increasing reliance on driving.<sup>17</sup> Given our energy and climate crises, most Americans now realize that pattern has become unsustainable.

The bridge collapse in Minneapolis last year put a spotlight on the **infrastructure crisis**; as we continue to grow this will only get worse unless we start to act now. Rising gas prices have meant fewer dollars coming in for federal infrastructure investments, while at the same time those dollars are not going as far as they used to, as inflation and energy prices increase construction costs. I'm sure the projected bankruptcy next fall of the highway trust fund is keeping many of you and your colleagues up at night. We must prioritize fixing our existing infrastructure, especially the many unsafe bridges and tunnels around the country, before building new highways.

This is also important for our **water and sewer infrastructure** investments as well. When we build communities out on the fringe we pay for it with higher costs to local governments and higher taxes for individuals. In Loudon County, VA property taxes

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<sup>15</sup> Ewing, Reid, Keith Bartholomew, Steve Winkelman, Jerry Walters, Don Chen *Growing Cooler: The Evidence on Urban Development and Climate Change* Washington D.C.: The Urban Land Institute. 2008.

<sup>16</sup> U.S. Census Bureau "U.S. Interim Projections by Age, Sex, Race and Hispanic Origin 2000-2050) Available Online: <http://www.census.gov/population/www/projections/index.html>

<sup>17</sup> American Farmland Trust "Farming on the Edge Report: What's Happening to Our Farmland" 2002. Available Online: <http://www.farmland.org/resources/fote/default.asp>

increased \$764 per house between 2001 and 2003 because of infrastructure costs from new housing developments.<sup>18</sup>

Our sprawling development patterns have also made us more vulnerable to **wildfires**. The news from around the country this week has highlighted the devastation to communities and costs to the economy that come from wildfires. Researchers from the University of Wisconsin have targeted the human-urban interface as the starting point for most of the devastating fires we've seen in this country. Forestry Professor Voker Randeloff explains, "The underlying issue here is that as we add more houses to the wildland-urban interface, we will get more fires. We need actions at all levels - by individual landowners, communities and at the federal level. We need federal policies that, at the very least, do not foster sprawl in the wildland-urban interface."<sup>19</sup>

As I mentioned before **gas prices** are hitting us hard, especially for the many Americans with no other options rather than driving. In some areas people are quitting their jobs because it costs them more to get to work than what they take home in their paycheck. For many, access to public transportation is the difference between getting by and cutting back on their quality of life. Families in areas with good transit and walkable neighborhoods pay less than 10% of their income for transportation, while families living in areas with fewer alternative transportation options pay upwards of 25%.<sup>20</sup> Access to transit can reduce the need of a car in a two-car household, resulting in roughly \$6,000 yearly savings and a 30% reduction in transportation-related carbon emissions.<sup>21</sup> Less than 5% of Americans live within one-half mile of fixed guideway transit options, yet of those that do, 33% regularly use transit and 44% regularly travel by walking, bicycle, or transit.

Energy costs are affecting public transportation providers, as well. Our public transportation systems, which are seeing record ridership levels, are being forced to cut service because of increased operating expenses.<sup>22</sup>

To get the most out of our transportation system and relieve our citizens from high gas prices we need to provide people with viable options to get around, we need to invest more in public transportation and build complete streets—streets that work for all users or all ages and abilities so people can walk, bike, get to the bus stop or drive safely along the street. We also need to create smart growth communities where schools and

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<sup>18</sup> National Association of Local Government Environmental Professionals and Smart Growth Leadership Institute Smart Growth is Smart Business 2004 p. 5

<sup>19</sup> "New Maps Emphasize the Human Factor in Wildfire Management" University of Wisconsin-Madison. November 16, 2006. Available Online: <http://www.newswise.com/articles/view/525224>

<sup>20</sup> "Realizing the Potential: Expanding Housing Opportunities Near Transit" Center for Transit Oriented Development. April 2007. Available Online: <http://reconnectingamerica.org/public/reports>

<sup>21</sup> Davis, Todd and Monica Hale. "Public Transportation's Contributions to U.S. Greenhouse Reductions" American Public Transportation Association 2007. Available Online: [http://www.apta.com/research/info/online/climate\\_change.cfm](http://www.apta.com/research/info/online/climate_change.cfm)

<sup>22</sup> Marks, Alexandra "Mass Transit Demand Rises, Costs Soar" Yahoo News June 4, 2008. Available Online: [http://news.yahoo.com/s/csm/20080604/ts\\_csm/acrowded](http://news.yahoo.com/s/csm/20080604/ts_csm/acrowded)

stores are closer to homes and offices.

The **obesity epidemic** is straining our budgets and increasing health care costs and some studies say will make our children the first generation to have a shorter life expectancy than we do. More people are making the connection between not just what our kids eat but where they live that has an impact on their health, as reported in this week's *Time Magazine*. When our streets are unsafe for biking and walking and our schools are on the edge of town, our kids miss out on the exercise and sense of independence that comes from walking and biking to school. Congress recognized this when the Safe Routes to School program was created in the last transportation bill. While this is a great first step, more needs to be done to make sure that people of all ages have access to safe and complete streets.

### **Barriers to Building Smart**

Private developers are fully aware of the demographic and cultural changes happening in the United States that are changing the decisions people make on where they want to live. So why do developers keep building sprawl? The answer is because we have a system of tax policy and regulation that makes it easier for them to subdivide a farm than to build downtown.

That's why areas that are losing population, cities like Cleveland, Ohio are still seeing their farmland being consumed at a high rate.<sup>23</sup> Developers that take on the red tape and time-consuming process of building smart growth reap great rewards. Developments like Atlantic Station in Atlanta or Stapleton in Denver, CO or the Kentlands near the Shady Grove metro station in Montgomery County, Maryland are seeing tremendous demand for their homes, as well as stable prices despite the market downturn. These communities also provide a variety of home types for families of all incomes, so that schoolteachers, firefighters, and families just starting out can afford to live there as well.

### **Examples from Around the Country**

There are examples from around the country in rural, urban, and suburban areas where cities and small towns are looking toward the future and planning for growth in an equitable, sustainable, fiscally responsible way. These communities are providing a better quality of life to residents while reducing spending and spurring economic development.

In Minneapolis-St. Paul, regional cooperation and smart growth techniques are projected to save the area \$3 billion in infrastructure costs, 94% of which would come from local communities saving money on roads and sewers.<sup>24</sup> The Minneapolis-St. Paul

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<sup>23</sup> American Farmland Trust "Farming on the Edge Report: What's Happening to Our Farmland" 2002. Available Online: <http://www.farmland.org/resources/fote/default.asp>

<sup>24</sup> "This Is Smart Growth" [Smart Growth Network](#) 2006 p. 21, p. 8, p. 10

Metropolitan Planning Council research states that savings would be even higher if additional factors were included such as lower spending on school construction and other public services like health care, fire and police, and libraries. The Metropolitan Planning Council helps member governments realize these infrastructure savings by investing in projects in established communities. A project in St. Louis Park to create a downtown sparked private development in residential construction in the area. This example shows that if state and municipal governments invest public funds in areas they want to grow or revitalize, private money will follow and public dollars will be saved in the long run.

Portland, Oregon, with a reputation as a livable, healthy, and prosperous city, saved the equivalent of \$2.6 billion annually in gasoline and time because of measures it implemented to reduce the need for residents to drive, according to a CEO for Cities report.<sup>25</sup> Per capita VMT in Portland is 20% lower than the national average for other large metro areas.

The link between increasing VMT and economic growth is a myth, according to research by the Brookings Institution. Many older industrial cities identified as struggling economically, losing population and jobs, have had higher-than-average growth in VMT per capita rates.

As Steve Winkelman's testimony indicates, the Sacramento region projects tremendous savings on infrastructure costs from their smart growth plan, which was developed with broad public input and support. Their analysis projects a savings of \$20,000 per unit of development for the smart growth scenario versus business as usual.

The state of Utah underwent a similar public visioning and planning process called Envision Utah. The Envision Utah scenario planning process resulted in the selection of a compact growth plan that will save the region about \$4.5 billion in infrastructure spending, leave 171 miles of open space, and reduce water use by 10% over a continuation of sprawling development.<sup>26</sup>

Smart growth strategies are applicable to rural areas as well and have been shown to improve water quality, decrease infrastructure costs, and revitalize downtowns.

In Littleton, New Hampshire, a small town with a population of a little over 6,000, the loss of manufacturing jobs left a poor prognosis for the future of the community. But the town government was proactive and visionary, with investment in the town center in partnership with the National Main Street Program. Ruth Taylor, the Main Street program director for Littleton explains, "We want to give shoppers something different. Instead of wondering what mall they are in, we want them to enjoy a unique experience in downtown Littleton." This effort was incredibly successful, the revitalized downtown

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<sup>25</sup> Cortright, Joe. "Portland's Green Dividend." CEOs for Cities. July 2007.

<sup>26</sup> Ewing, Reid, Keith Bartholomew, Steve Winkelman, Jerry Walters, Don Chen Growing Cooler: The Evidence on Urban Development and Climate Change Washington D.C.: The Urban Land Institute. 2008 p. 11

brought in new jobs, businesses and consumers and provided a living laboratory for local schools. At the same time people are now walking around downtown to shop instead of driving to the regional mall.<sup>27</sup>

Rural communities are also proactively preserving farmland and open space and directing development to areas that can support it. In Carroll County, GA outside Atlanta, the local government bought environmentally sensitive land to preserve the drinking water quantity and quality, as well as the rural heritage of the community that residents greatly valued.<sup>28</sup> Coffee Creek Center of Chesterton, Indiana restored almost 170 acres of land to naturally manage stormwater. This reduced the amount of infrastructure that developers needed to build, therefore saving money.<sup>29</sup>

### **Policy Recommendations to Encourage Smart Growth**

Despite the benefits of and demand for smart growth, there are outdated policies at all levels of government that are biased against this kind of development. Under most zoning codes in the country today, walkable, compact neighborhoods like Georgetown or Old Town Alexandria would be illegal. At the federal level, our current transportation, housing, and many tax policies incentivize energy inefficient development that makes Americans spend more hours in the car and increases emissions from the transportation sector every year.

We have three main categories of federal policy recommendations:

1. Address our development patterns and transportation choices in climate legislation to encourage walkable neighborhoods with better public transportation options.
2. Ensure that the next surface transportation bill, up for reauthorization in 2009, reduces our dependence on oil and our global warming emissions.
3. Reform the current tax code to better encourage the kind of development and transportation choices that result in more climate-friendly, energy efficient, lower cost options for Americans.

In terms of the first policy recommendation, Congress needs to recognize that we will be unable to meet the greenhouse gas reductions scientists recommend without fundamentally altering our country's development patterns. Driving rates have increased by three times the rate of population since 1980, in large part due to our development patterns. Even with gas price increases, if we don't give people alternatives, most Americans will have no other choice than to drive longer and longer distances in the future.

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<sup>27</sup> "This Is Smart Growth" Smart Growth Network 2006 p. 21, p. 8, p. 21

<sup>28</sup> "This Is Smart Growth" Smart Growth Network 2006 p. 21, p. 8, p. 8

<sup>29</sup> "This Is Smart Growth" Smart Growth Network 2006 p. 21, p. 8, p. 10

Giving people the option to live closer to work, to walk to run errands, and to take public transportation is critical not just to meet climate goals, however. In a future carbon constrained world, Americans will be even harder hit to deal with the high cost of driving. For low income and working class families, Congress needs to give people alternatives to paying that high cost. Fuel-efficient cars are not enough when many families cannot afford to buy a new car, and even if they could, the price of gas would still prevent them from driving it. Walking, biking, and public transit are the lowest cost options for people that reduce our dependence on oil and decrease global warming pollution.

We propose significant funding from a cap-and-trade climate bill (10% of the total revenues generated) be directed to state, regional, and local governments to provide their citizens with greater transportation options and incentivize smart growth development. These funds should be directed to two purposes: helping communities retool and build the technical capacity to plan for more energy efficient development, and a performance-based fund for projects in the plans to reduce Vehicle Miles Traveled—including better transit service, infrastructure to support infill development, sidewalks and bike lanes or other methods shown to reduce VMT.

These climate funds should also be used for better transportation data collection and analysis by federal agencies, which is currently significantly underfunded. Just as a greenhouse gas emissions registry for point source emissions is critical to the implementation of a national cap-and-trade program, better data, tools and methods are critical for successful implementation of VMT reduction programs. Current data and tools (such as VMT data collection methods, transportation models, and scenario analysis tools) are underfunded and vary widely in quality and method. To effectively distribute funding and evaluate its impact on GHG emissions requires trusted data and standard methods and tools for evaluating the travel demand consequences of transportation and land use policies and infrastructure investments.

Secondly, we also need a transportation bill that moves us in the right direction toward an energy independent and carbon-constrained future. We cannot continue our current system, which makes it much easier to build a new highway than a new transit system, virtually ignores biking and walking as valid modes, and rewards states through the highway formula for higher oil consumption and VMT. We must also link our transportation investments with our investments in housing and infrastructure so that we are building communities that work as a whole, not separate pieces poorly linked that do not get us the outcomes we want.

Finally, we need to examine current federal tax incentives and ensure that we're incentivizing the kind of development and transportation choices that reduce people's reliance on cars and greenhouse gas emissions, rather than increasing them. Tax incentives like the historic preservation tax credit, the Low Income Housing Tax credit, and others should encourage use in locations near transit and in compact, walkable neighborhoods to maximize their climate and energy impacts. In addition to having tax incentives for green buildings, we should have a 'Smart Location' tax credit, which

encourages people to live in places where they'll be able to drive less.

Several existing legislative vehicles help move us toward a future where we can spend less on gas, have more transportation choices, and emit less greenhouse gasses. We believe Section 327 of Chairman Markey's iCAP bill, which targets funding to smart growth, transit, and other low-carbon transportation choices, is a good model for the types of policies that should be included in a climate bill, though we'd like to see the percentages expanded. To build support for using cap-and-trade funds for smart growth and transportation choices, Congressman Earl Blumenauer and Congresswoman Ellen Tauscher are circulating a Dear Colleague letter calling on leadership to include funding for smart growth, public transportation, biking and walking in any federal climate bill.

We are also looking forward to the introduction by Congressman Blumenauer of a smart growth and climate bill that will look in a holistic fashion at the variety of ways the federal government's policies and incentives can better encourage energy efficient development patterns. This type of vision and comprehensive thinking that breaks down silos and sees the big picture should be a model for all federal legislation.

In terms of transportation-related legislation, we support legislation sponsored by Congresswoman Doris Matsui, The Safe and Complete Streets Act of 2008 (H.R. 5951) and a companion bill introduced by Senator Tom Harkin in the Senate (S. 2686) that would help get the most out of federal transportation investments by ensuring the streets we build with federal money work for all Americans—whether walking, biking, taking the bus, or driving, regardless of age or ability. This bill would give Americans better transportation options while encouraging healthier lifestyles and reducing our dependence on driving.

We encourage you to consider supporting these pieces of legislation and signing onto the Blumenauer-Tauscher Dear Colleague letter on these issues. Again, thank you for the opportunity to testify before your committee on this important and timely issue.

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