The Livability Economy
People, Places, and Prosperity
aarp.org/livable
AARP is a nonprofit, nonpartisan organization that helps people ages 50 and over improve the quality of their lives.
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INTRODUCTION

The Livability Economy

Livable Communities are good for people and good for business. They are places where Americans increasingly want to live, work, and play. Whether a person is young or old, starting a family or a business, Livable Communities provide a host of appealing advantages that enhance the quality of life of residents, the economic prospects of businesses, and the bottom lines of local governments.

This document will help local leaders understand how Livable Communities initiatives contribute to improved communitywide economic performance and guide staff discussions to take steps toward addressing livability issues. Specific examples of how livability strategies have contributed to economic vitality are provided from communities across the country.

This bottom-line approach is critical to demonstrate that the advancement of projects and programs that enhance livability will result in a more vibrant, desirable, and competitive environment for housing and commercial investment. Local officials and their constituents must be confident that policies that improve quality of life will also improve the economic outlook of the community.
What Is Livability?

Livability is a high-level performance measure of neighborhood design factors that are critical to high quality of life for people of all ages. The Livability Economy identifies a framework based on these design factors that includes four essential livability outcomes, and documents how communities have benefited economically by focusing on these outcomes:

1. **COMPACTNESS** helps make a community walkable, decreases automobile dependence, and supports a socially vibrant public realm.

2. **INTEGRATION OF LAND USES** helps older adults live closer to or within walking distance of work, community activities, and the services they need.

3. **HOUSING DIVERSITY** helps ensure that appropriate housing is available for each stage of the life span.

4. **TRANSPORTATION OPTIONS** helps older adults remain independent, mobile, and engaged in their surrounding community.

These outcome categories show how various municipal departments can contribute to livability. More importantly, discussion about each outcome illuminates how essential it is to work across traditional municipal silos to achieve changes that will improve livability. While this framework is useful in guiding best practices within departmental structures, the true test of success is performance: how they mix, integrate, and bring the community to life. Livable Communities is an orchestrating theme that strategically structures local policy, implementation, and administration to improve quality of life, while contributing to the economic vitality of the community.
AARP recognizes that the vast majority of older adults want to age in place so they can continue to live in their own homes or communities. Nearly 78 percent of people over age 45 want to stay in their home for as long as possible, and 80 percent believe their current community is where they will always live.* However, for older adults to age in place, their physical environment must be accommodating, and supportive services must be available. As the older population grows and becomes an increasingly important market segment, community design that supports the participation of older adults will play a larger role in the financial health of the entire community. While our focus is older residents, the strategies and outcomes promoted in The Livability Economy will result in a community that works for people of all ages.

* AARP Home and Community Preferences of the 45+ Population, 2014.
Using The Livability Economy in Your Community

The boomers and millennials represent a combined total of 150 million people, the majority of whom have expressed a preference for Livable Communities.

The Livability Economy is intended to be provocative. Its purpose is to drive change by helping local leadership invigorate ongoing communications with constituents, community stakeholders, and administrative departments. Each of the four categories in the livability framework includes two sections:

The Economic Case for Livability introduces the vision for each category and provides an economic rationale for taking action. Public officials can use these sections to build support for initiatives that make the community more livable.

Staff Discussion Points provide topics, background, and questions to help initiate implementation discussions with and between municipal departmental staff. They are intended to help initiate a dialogue, and are not meant to be a comprehensive guide. Most staff will be familiar with livability concerns, and these topics can help structure the more detailed implementation discussions necessary for an effective Livable Communities strategy.
The Livable Communities framework promotes compact land use as a way to reduce the expense of constructing and maintaining roads, sewers, and other public works while also increasing property values in the community. Compact land use enhances the walkability of a community and fosters a stronger sense of place.

**Creates infrastructure efficiency.** Compact development is a core principle of smart growth in communities. Compact development requires less expense per dollar of tax base to provide and maintain roads, water, and sewer infrastructure as compared with sprawling, segregated developments.

**Yields higher-value land use.** Demand for compact communities consistently increases property values by more than 15 percent for office, residential, and retail use.†

**Increases business activity.** In compact communities, people live near shops and entertainment venues and are more likely to patronize them throughout the day and evening. Compact communities foster profitability by spreading market demand beyond the surges associated with rush hours at the beginning and end of the “9 to 5” workday.
The Delaware Valley Regional Planning Commission found that the cost of providing roads, schools, emergency services, and other vital infrastructure to new communities in the dispersed alternative was roughly $45,000 per household.

On the other hand, the compact alternative would cost only $25,000 per household for the same services.

Central Texas found that compact, infill development would create a 70 percent decrease in infrastructure costs when compared with typical single-use sprawling development models, resulting in a $7.5 billion savings to the region.

National scenario planning studies estimate a savings of $12.6 billion in water and sewer costs and $110 billion in road-building costs between 2000 and 2025 with the adoption of compact development patterns.

Washington, DC, annual rents for walkable urban office buildings were $36.78 per square foot, compared with $20.98 for suburban office rents. Walkable urban for-sale housing in DC typically received a higher valuation than other types of housing in suburban areas. In the DC metropolitan area, regionally significant walkable housing averaged $398 per square foot versus $222 in the suburban areas.

Atlanta, Georgia, office space rents for 30 percent more when located in compact and walkable communities.

What do the 150 million boomers and millennials want in their neighborhoods?

Source: Urban Land Institute, America in 2013, 2013.
Planning, Transportation, and Fire Safety

This section provides topic questions to help initiate implementation discussions with and between municipal departmental staff. These discussion points can help draw out and structure more detailed discussion necessary to achieve compactness and enhance the walkability of a community.

1. Setbacks
Zoning codes typically use setbacks to specify how far buildings must be from their property lines. In compact communities these setback distances need to be as small as possible.

How is your community making the setback distances as small as possible?

How can you change your zoning code to ensure that buildings pull up close to the sidewalk and line up in a way that creates an inviting space for pedestrians? These features are critical to the success of compact walkable communities.

Does the zoning code require big side yards or vegetative buffers? These features work against compact communities.

2. Retail Proximate to Residential
Livable Communities have retail services close to homes.

What can you do to make it easier for residents to walk to the corner and purchase a cup of coffee, prescription refill, or milk for breakfast in most neighborhoods? Zoning codes may make these simple actions impossible by prohibiting daily-needs retail near homes.

One solution is form-based code that is intended to support the integration of businesses, homes, and recreation opportunities all within walking distance of each other.

How would your community improve, for both residents and businesses, if you enacted form-based code?
3. Building Connections
Compact communities depend on well-connected streets. A Livable Community’s transportation planning agenda continually looks for opportunities to build connections between streets, either with additional side streets or with midblock bike and pedestrian paths. The goal is to provide interconnectivity throughout.

What opportunities are there to improve street connections?

4. Narrow Streets
Narrow streets and tight intersections are core principles of smart growth because they maximize land use within a community and contribute to compact, walkable neighborhoods. It is important to consider the roadway dimensions needed for a fire department ladder truck as you seek solutions to narrow streets and intersections.

What creative street designs could help preserve a neighborhood streetscape while being able to accommodate emergency vehicles when needed?

What creative intersection designs could reduce the crosswalk distance for pedestrians?

54% of millennials and 72% of boomers would trade a shorter commute for a smaller home.†

Resources

AARP Livability Fact Sheet Series
AARP has partnered with the Walkable and Livable Communities Institute to create a series of Livability Fact Sheets. Go to AARP.org/livability-factsheets to download this package of fact sheets that can be used by community leaders, policy makers, citizen activists, and others to learn about and explain what makes a city, town, or neighborhood a great place for people of all ages.

AARP’s Livable Lessons and How To’s
Go to AARP.org/livable-lessons to read more on field-tested strategies for creating great places for people of all ages.
Livable Communities with integrated live, work, and play opportunities create strong market demand. Just as people are attracted to places close to work, recreation, entertainment, and transit options, employers are learning that the same quality of life benefits enhance their business’s competitive position. As people and businesses make Livable Communities their home, these places become strong economic centers.

**Helps businesses attract employees.**
The most sought-after workers—those with the most job options and flexibility—demonstrate a strong preference for office locations in core urban areas.†

**Increases the customer base.**
Livable Communities gather more customers into the areas served by retail and enable residents to patronize the retail establishments beyond the typical “9 to 5” day.†

**Pulls business back into town centers.**
Real estate experts note that “obsolescent suburban office space now follows nearby left-for-dead regional malls into value-loss oblivion.”† Businesses are leaving auto-dependent development for integrated, walkable locations.

**Incubates workforce collaboration and knowledge sharing.**
Integrated use districts attract educated and skilled workers with a variety of skills. The concentration of a diverse, skilled workforce promotes knowledge sharing between industries and increases the productivity of businesses, particularly small and young businesses.†
Rocky Mountain states show that dollars-per-acre, downtown integrated use areas bring in five times the property tax revenue as conventional single-use commercial establishments on the outskirts of town.†

Chattanooga, Tennessee, invested in urban-integrated parks and trails in the 1980s in an effort to stem population loss from the city. These investments fueled an economic revival and increased assessed property values by over $11 million, an increase of 127 percent from 1988 to 1996. Over the same period, the annual property tax revenues of the city and county increased 99 percent.†

30 metropolitan markets surveyed recently demonstrate developments that integrate a mix of uses contain from 27 to 43 percent of the area office and retail real estate, yet represent only 1 percent of the total land area.†

National “big box” retailers are reducing their shop space to gain entrance into integrated use locations, offering convenient shopping while reducing the need for a long drive.†

Homes closer to parks and open spaces have a higher property value than those farther away.

Planning, Parks & Recreation, and Economic Development

This section provides topic questions to help initiate implementation discussions with and between municipal departmental staff. These discussion points can help draw out and structure more detailed discussion necessary to integrate live, work, and play opportunities.

1. Regularity of blocks
The more regular a community’s block, lot, and street configuration, the more diverse its mix of uses tends to become. Highly specialized street and block structures, such as malls and office campuses, are difficult to repurpose or to integrate with other uses. Regularity of block and street layout better supports adaptability, reuse, and economic resiliency.

How can subdivision regulations encourage creation of block configurations and connectivity to existing blocks?

How can you change the zoning ordinance to eliminate or reduce distinctions between residential and commercial zones?

How can the zoning ordinance provide for work/live building configurations?

2. Live and work
Americans are less tethered to specific places and times of business than ever before. Electronic communications take much of the pressure off of the 9–5, Monday–Friday workweek. With this newfound freedom, more people are choosing live/work neighborhoods that support the needs of living and working in a more integrated fashion.

How are recreation facilities or parks integrated into the community?

How can we shorten the walk between homes and recreation facilities/parks?

3. Play
In addition to changing the relationship between home and work, increasing life spans are also changing our relationship to recreation. The nation’s biggest health challenges are no longer infection and disease, but instead chronic conditions like obesity and diabetes that are best managed through healthier daily routines that include regular exercise.

How are recreation facilities or parks integrated into the community?
What modes of transportation (walk, bike, public transportation, drive) can residents take to reach neighborhood destinations such as dining, shopping, grocery, and entertainment venues?

How can you make it easier to walk to neighborhood destinations?

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AARP’s Livable Lessons and How To’s
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AARP has partnered with the Walkable and Livable Communities Institute to create the Imagining Livability Design Collection, which shows photos and describes livability changes from communities across the country. Here’s the link to the resource: www.aarp.org/livability-design
A diverse housing stock provides a competitive advantage for Livable Communities to attract and retain older and younger residents. Livable Communities consider housing diversity in terms of type, affordability, and accessibility.

Supports the workforce. Businesses depend on workers of all income levels and all stages of life. A diverse housing stock helps ensure that all workers can find housing near jobs.

Reduces population fluctuations. Population spikes among any single age group can cause expensive surges in the school system or social service systems, and can artificially inflate or deflate property values. Services and facilities are difficult and expensive to ramp up and then ramp back down as these bulges approach and then pass. A diverse housing stock helps ensure that residents of all ages are continuously present in the community. A diverse housing stock is advisable for many of the same reasons a diverse investment portfolio is advisable: both have proved to be more stable and productive as individual segments of the market fluctuate over time.

Increases property values while lowering housing cost. Land value is increased when higher-density development is allowed. Increasing the allowable density of housing in an area can simultaneously raise property values and decrease housing costs.
**Profitable Results**

**Detroit, Michigan**, brownfields redevelopment policies generated $1.7 billion of investment in mixed-use developments. Quicken Loans and other large employers were lured to these developments from the suburbs by the access these locations provided to urban employees. The investments spurred local residential occupancy to 97 percent, put abandoned properties back on the tax rolls, and catalyzed a wide array of new projects.†

**Montgomery County, Maryland**, enacted a Moderate Priced Dwelling Unit Ordinance requiring developers to make 12.5 to 15 percent of new multifamily units affordable, in exchange for a 22 percent density bonus, leading to the addition of 11,800 affordable units since 1976 without subsidy.†

**Pima County, Arizona**, and **Bolingbrook, Illinois**, both adopted Visitability building code ordinances over a decade ago. The cost of requiring Visitability features on newly constructed homes has run between $250 and $600 per home and averts thousands of dollars in expenses associated for retrofitting for access.

59% of millennials and 42% of boomers want neighborhoods with a mix of homes.†
Planning

This section provides topic questions to help initiate implementation discussions with and between municipal departmental staff. These discussion points can help draw out and structure more detailed discussion necessary to provide more affordable housing and ensure universal design features are present in various types of housing options.

1. Green-Lighting Areas for Supportive Housing
Supportive housing, which combines housing with services, is a cost-effective way to help people age in place. Proactive planning can be used to help communities identify the best locations for supportive housing in each neighborhood, and to preapprove those areas for special use permits.

How can the planning department encourage the development of specific infill lots or zones for housing that offers supportive services like senior care?

2. Universal Design
Universally designed housing, which accommodates a wide range of users and abilities, promotes aging in place because it allows residents to stay in their homes longer, which makes the community more livable.

How can you encourage universal design in new housing?

3. Zoning for Inclusion
Housing will not remain affordable to the full spectrum of the workforce unless affordability provisions are built into the housing stock from the beginning. This is particularly important for Livable Communities that have been shown to produce a market premium. The desirability of Livable Communities will drive up housing prices if affordability is not considered from the beginning.

How is your community ensuring that there are sufficient quantities and distribution of affordable housing such as inclusionary zoning, fair share zoning, geographic targeting of housing subsidies, and density bonuses?

4. Zoning for All Housing Types
A wide range of housing types can structure transitional zones between single family and apartment housing types and in doing so form smooth transitions between areas of different development intensity.
How can zoning support a wide range of housing types including accessory dwelling units, small-lot single family cottages, duplexes, quadraplexes, townhomes, and small apartments?

How can your community prioritize the importance of having a wide range of housing types?

**Resources**

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**Inclusive Home Design Tool Kit**
Less than 1 percent of the more than 25,000 municipalities in the United States have accessibility standards for new housing. Visit [AARP.org/livable](http://AARP.org/livable) to download model Inclusive Home Design legislation.

**AARP HomeFit**
Visit [AARP.org/homefit](http://AARP.org/homefit) for topics and resources on Universal Design.
Individual mobility is an important transportation planning framework for local governments. Regional transportation planning typically focuses on congestion mitigation, reducing traffic between residential and work centers during rush hours. Local mobility planning considers how residents are able to circulate around the community throughout the day to multiple destinations: running errands, picking up children, going to a doctor’s appointment, and going to work.

**Transit spurs the economy.**
Economic growth, productivity gains, and business recruitment are catalyzed by investment in transit.†

**Travel behaviors are changing.**
The nation is in the midst of a long-term cultural shift away from automobile transportation. By 2013 the average number of miles driven per person was down 9 percent from the peak at the turn of the millennium and the rates of automobile ownership per person and per household had also decreased.†

**Transit pays for itself.**
Transit can pay for itself with the benefits it creates. Nationwide, for every billion dollars invested in public transportation, annual returns include

- 36,000 jobs created, supporting $1.6 billion in labor income;†
- $3.6 billion in business sales generated, which spins off $490 million in tax revenue;† and
- $1.8 billion added to the Gross Domestic Product.†
CEOs for Cities found that a one-point increase in score on WalkScore.com increased the value of homes by as much as $3,000.

The Brookings Institution found that increased walkability has been associated with higher retail rents, values, and sales.

Hamburg, New York’s Complete Streets initiative focused on Main Street resulted in $7 million in investment in 33 new building projects, and doubled property values.†

The Iowa Bicycle Coalition estimates that bicycling generated more than $400 million in economic activity in the state, which included direct expenditures on bicycle products and services as well as economic activity resulting from bicycle trips. In addition, bicycling generated roughly $87 million in health savings statewide from improved resident fitness and decreased health care expenditures.†

Arlington, Virginia’s, decision to concentrate development around a public transit system that promoted walkability and multimodal travel has produced noticeable results. As of 2012, $27.5 billion of the county’s $57.5 billion assessed land value was located along the two Washington, DC, Metro corridors, which occupy only 11 percent of the county’s land area. In addition, the number of jobs along these corridors grew from 22,000 in 1970 to 96,300 by 2011.†

Portland, Oregon, has begun replacing some on-street parking spaces with bicycle corrals. The replacements increase the customer parking on a street from 400 to 800 percent. One bicycle corral taking up one auto parking spot allows for 10 individual customers to park their bicycles.† Sixty-seven percent of business owners said they saw an increase in foot and bike traffic after the placement of bicycle corrals.†

55% of millennials and 42% of boomers want public transportation options.†
Planning and Transportation

This section provides topic questions to help initiate implementation discussions with and between municipal departmental staff. These discussion points can help draw out and structure more detailed discussion necessary to enhance connectivity and ensure there are mobility options for all residents.

1. Connections
Connectivity measures a street system’s ability to disperse traffic, prevent congestion, and slow vehicle speeds; support a vibrant pedestrian realm; create options for routes between neighborhoods; support neighborhood retail opportunities; and create a safe driving environment for people of all ages.

How can your general comprehensive plan better address all modes of transportation and identify opportunities to increase connectivity?

Business economies are maximized when transit stops are well positioned in neighborhood commercial centers. A transit stop in front of a coffee shop, for instance, provides customers for the coffee shop and a pleasant place to wait for the bus.

How can you add places to get coffee or a snack, places to sit and socialize, or other ways of enjoying the surrounding environment while waiting for transportation?

Ideally, pedestrian and bike improvements are coordinated with the transit network to provide continuous mobility from home to destinations.

What can be done to ensure residents can easily use multiple modes of transit during a single trip?

2. Complete Streets
Complete Street initiatives help communities spur economic development while accomplishing transportation objectives. Small rural towns and major metropolitan centers that have implemented Complete Streets elements have resulted in positive economic benefits for commerce and property owners in adjacent storefronts and surrounding neighborhoods.

Is a Complete Streets ordinance in place?

What processes have been established to implement Complete Streets?

What can be done to make sure the transportation plan is aligned with the Complete Streets policy?

What processes have been established to evaluate Complete Streets?
3. Walkability
A vibrant pedestrian realm depends on streets and paths that are lively and safe. The community must also be compact enough so that destinations are within walkable distances.

Pedestrian accommodations—such as time it takes to cross the street, ease of movement from walkway to street level, and limiting right-turn-on-red movement—helps connect people safely with the places they want to go.

How is the design and attractiveness of pedestrian accommodations considered in the transportation plan?

Are there road design requirements for all new transportation projects? Where in your community could you add pedestrian accommodations that would increase access to transit stops and neighborhood destinations?

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Complete Streets
Visit AARP online for Complete Streets resources including model legislation developed by AARP and the National Complete Streets Coalition. Go to AARP.org/livable-archives

AARP’s Livable Lessons and How To’s
Go to AARP.org/livable-lessons to read more on field-tested strategies for creating great places for people of all ages.
End Notes


Ibid.

Ibid.


Ibid.


Ibid.


Urban Land Institute, America in 2013, 2013.


Washington Area Housing Partnership, “Toolkit for Affordable Housing.”


Urban Land Institute, America in 2013, 2013.


AARP offers a wide range of information that will help you understand the benefits of livability and how to make changes in your community. Explore these resources at AARP's Livable Communities website:

aarp.org/livable