Realizing the Potential for Sustainable and Equitable TOD:

Recommendations to the Interagency Partnership on Sustainable Communities

A Policy White Paper by

RECONNECTING AMERICA

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About this White Paper:

Over the past six months, Reconnecting America staff conducted a number of interviews, surveys and held convenings with national and local stakeholders to identify opportunities to advance sustainable communities through the Interagency Partnership on Sustainable Communities announced by the US Department of Housing and Urban Development, US Department of Transportation and US Environmental Protection Agency in spring 2009. Reconnecting America has focused its recommendations around issues related to advancing equitable transit-oriented development. However, from talking with stakeholders, it is clear the recommendations highlighted in this white paper can simultaneously advance related goals of improving public health, safety, environmental quality, energy security and economic development.

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A New Federal Commitment to Sustainable Communities

After decades of siloed approaches to transportation, housing, environment and land use at the federal level, 2009 has seen a surge of interest in creating synergy between these policy areas through both administrative actions and by Congress. The Obama Administration has launched an Interagency Partnership on Sustainable Communities between the US Environmental Protection Agency (EPA), US Department of Transportation (DOT) and the US Department of Housing and Urban Development (HUD) which will serve to "coordinate federal housing, transportation, and other infrastructure investments to protect the environment, promote equitable development, and help to address the challenges of climate change."[1] In his first weeks in Office, President Obama also signaled an historic commitment to addressing urban policy issues in large, moderate, and small-sized communities through the creation of a White House Office of Urban Policy.

Congress has included language in Climate Legislation that would specifically link regional transportation planning with greenhouse gas emission reductions. The House version of the federal surface transportation authorization also includes modifications to long-range transportation planning to better support environmental and livability goals, while also providing increased funding for programs to support these goals. And, in both the Administration's Fiscal Year 2010 Budget submission and in the current funding bills before Congress, $150 million is provided to HUD to award grants to communities for more integrated regional planning and sustainability projects. The FY2010 budget also includes increased funding for the EPA's Office of Smart Growth to $5.14 million.

Senator Christopher Dodd (CT), Chairman of the Senate Banking Committee, has introduced legislation (S. 1619, The Livable Communities Act) formalizing the Interagency Partnership and the Office of

[1] On March 18, 2009, in testimony before the US House of Representatives Appropriations Subcommittee on Transportation and Housing, Secretaries Donovan (HUD) and LaHood (DOT) announced a Sustainable Communities Partnership between their two federal agencies. This partnership included a high-level interagency task force to better coordinate federal housing and transportation investments and strategies for harmonizing their programs. On June 16, 2009 in testimony before the Senate Banking Committee, LaHood and Donovan were joined by EPA Administrator Jackson. The three announced a formal Interagency Partnership for Sustainable Communities and identified a set of shared principles and actions that the three federal agencies would undertake in support of this partnership. A further demonstration of the Administration's commitment to these issues came on August 11, 2009 with a memo on placed-based policies for the Fiscal Year 2011 budget co-signed by the heads of the Office of Management and Budget, the Domestic Policy Council, National Economic Council and Office of Urban Affairs. The memo directs agencies in their budget preparation process for FY 2011 to "identify the top three to five programs or initiatives that . . . show special promise for achieving better outcomes, whether a place-based approach is well established or is newly proposed." It also asks agencies to identify associated measurable outcomes, indicators of progress, and options for improving coordination and effectiveness. And most recently, on October 5, 2009 the White House issued an Executive Order to establish an integrated strategy towards sustainability in the Federal Government and to make reduction of greenhouse gas emissions a priority for Federal agencies.

Sustainability within HUD. The bill authorizes $4 billion in regional planning and implementation grants to foster livable communities that will thrive into the future.

Given the myriad of activities underway to advance federal sustainable community initiatives, a number of organizations, think tanks and stakeholders are developing recommendations to help inform the Administration and Congress. This White Paper synthesizes a number of stakeholder recommendations and also reflects the experiences of Reconnecting America and the Center for Transit Oriented Development working in communities over the past five years to advance equitable development around transit to create more livable communities.

Transit-Oriented Development (TOD) is a particularly powerful way of thinking about transportation and land use that is already widely understood by practitioners from a range of disciplines. TOD is a tool for creating communities where people with a wide range of incomes can live and work in places with interconnected transportation networks that offer more transportation options, allowing them to take care of some of their daily trips using transit, walking and biking, rather than driving. Thus, people are able to reduce the amount of money spent on travel, the number of vehicle miles traveled by car, and perhaps the number of cars they own – with positive economic, environmental, and societal effects.

TOD is a new model, based on old principles that provide solutions for building and strengthening our communities, addressing climate change, reducing our dependence on oil and providing more equitable access to economic opportunity for all Americans. The public appears to be ready for change[2] and practitioners across the country are ready to move from experiments to full scale implementation of the types of strategies that can simultaneously address local community and national needs. The regions that have attracted the greatest amount of development around transit facilities and made significant shifts in auto ownership and transit ridership are those regions that have highly interconnected transit networks, linked with safe and direct walking and bicycling networks. In these successful cases, TOD is not an isolated occurrence, but a network of places and nodes with community-wide and even regional scope.

What is Livability?

Before discussing specific recommendations that could be undertaken in support of these goals, it is useful to provide context and define the terms sustainable development and livable communities. Both are used almost interchangeably by Congress and the Administration, yet neither is clearly defined. The

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National Association of Realtors. 2004 American Community Survey: National Survey on Communities. Smart Growth America: Washington, DC, October 2004.

term sustainability has been broadly applied to refer to objectives related to economic, environmental and social equity and sustainable development is commonly defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.[3] Livable communities may be seen as a tool for achieving sustainable development, as this term refers to places where people can lead safe, healthy and economically secure lives.

Senate Bill 1619,"The Livable Communities Act," provides the most specific legislative definitions of each to date:

> **LIVABLE COMMUNITIES.** The term "livable communities" means a metropolitan, urban, suburban, rural or neighborhood community that provides safe and reliable transportation choices; promotes location and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation; enhances economic competitiveness; protects farmland and open spaces; revitalizes neighborhoods; and supports public health outcomes and improved quality of life.
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> **SUSTAINABLE DEVELOPMENT.** The term "sustainable development" means a pattern of resource use designed to—
>
> (A) meet housing needs for households of all income levels, ages, races and ethnicities;
>
> (B) provide safe and reliable transportation options to increase mobility and access to essential destinations within regions and communities;
>
> (C) meet long-term infrastructure needs to residents and businesses within existing communities;
>
> (D) enhance long-term economic competitiveness for the region;
>
> (E) support public health outcomes; and
>
> (F) preserve the environment, including open spaces and rural lands,[4]

The Interagency Partnership has issued a set of livability principles[5] to guide their work that dovetails with the above definitions and with the goals of equitable TOD. These six principles are listed below,

[3] Brundtland Commission, *Our Common Future, Report of the World Commission on Environment and Development*. United Nations, 1987.

[4] Senate Bill 1916, "The Livable Communities Act" introduced by Senator Dodd on August 6, 2009.

along with a brief description of their relationship to transit-oriented development practice and objectives.

Livability Principle #1. Provide more transportation choices. *Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.*

> **Rationale:** TOD capitalizes on existing and proposed transit stations by creating walkable places and neighborhoods where people can connect to regional employment and activity centers without having to drive. Residents of the most walkable areas of the country drive 26 percent fewer miles per day than those living in the most sprawling areas.[6] In order to maximize the benefits of infrastructure investments, transportation and land use planning must be coordinated, particularly in and between housing and employment centers. Without this linkage, many of the benefits provided by HUD, DOT, and EPA programs will be lost. Research indicates that building TOD can help meet environmental and health objectives as well. For example, eliminating one vehicle and using public transit can reduce a two-car household's carbon footprint between 25-30 percent.[7] Also, people who live in neighborhoods with a mix of shops and businesses within easy walking distance lower their relative risk of obesity by 35 percent.[8]

Livability Principle #2. Promote equitable, affordable housing. *Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.*

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[5] US Department of Transportation, US Housing and Urban Development, US Environmental Protection Agency joint press release, "DOT Secretary Ray LaHood, HUD Secretary Shaun Donovan and EPA Administrator Lisa Jackson Announce Interagency Partnership for Sustainable Communities". June 16, 2009.

[6] CTOD, Center for Neighborhood Technology and the National Housing Conference, 2008. Households that have the option of walking, biking or taking transit for daily trips spend, on average, two-thirds less on transportation than households located in neighborhoods where a car is needed for most trips. This results in significant savings that can be used for food, housing, savings, and education.

[7] Davis, Todd and Hale, Monica, *Public Transportation's Contribution to Greenhouse Gas Reduction*, Washington DC 2007. Produced for the American Public Transit Association.

[8] Frank, Lawrence, Martin Anderson and Todd Schmid. *Driving, Walking, and Where You Live: Links to Obesity*. Report summarizing the research findings of Dr. Lawrence Frank.

Rationale: TOD is a tool for creating urban and suburban neighborhoods with a variety of housing types affordable to all income levels where people can live, work, and play. While many HUD programs work to assist regions and communities in developing affordable and mixed income housing, the location efficiency of those investments must be taken into account to realize true household affordability. The average U.S. household spends 34 percent of their annual budget on housing and 18 percent on transportation. With coordinated housing and transportation planning that provides travel options beyond driving for commuting and everyday errands, this can be reduced to a 9 percent share for transportation[9].

Livability Principle #3. Enhance economic competitiveness. *Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.*

Rationale: Linking housing and job centers with transportation options beyond single-occupant automobile travel opens up regional job opportunities to a wider pool of workers. The creation of employment hubs within a network of places makes travel more efficient and consumes less land.

Significant new, well-paying jobs could be created by building transit and local transportation infrastructure, operating and maintaining transit service, building and rebuilding homes and businesses near transit, and a new generation of manufacturing jobs could be generated to support increased bus and rail vehicle demand[10].

Businesses could be better positioned to retain employees as access to walkable urban environments has been noted as a key attractor for knowledge-talent[11]. Furthermore, local governments could realize a "green dividend" from both the concentration of economic development in urban and suburban centers and from people spending money on local goods and services, rather than on gas and auto maintenance[12].

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[9] CTOD, Center for Neighborhood Technology and the National Housing Conference, 2008.

[10] APTA, 2009. Investing in constructing public transit lines and facilities yields 19 percent more jobs than spending on new roads and bridges.

[11] *City Dividends: Gains from Improving Metropolitan Performance*, CEO's for Cities, 2009.

[12] Ibid.

Livability Principle #4. Support existing communities. *Target federal funding toward existing communities—through strategies like transit oriented, mixed-use development, and land recycling—to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.*

> **Rationale:** Infill development in existing communities on small and large scales can be an enormously successful strategy for economic and community development , but efforts often get hamstrung by complicated funding streams – land remediation funding through the EPA's brownfields program, affordable housing preservation through HUD, transit access infrastructure improvements from FTA and so on, each with different programmatic criteria. Linking all of these programs to support transit-oriented development should be a major focus of the interagency partnership.

Livability Principle #5. Coordinate and leverage federal policies and investment. *Align federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.*

> **Rationale:** As a development concept that by necessity bridges transportation, housing, and environmental planning and investment, TOD needs programmatic cooperation from all three agencies. Until now, coordination has been accomplished in a piecemeal fashion, generally in a reactionary rather than proactive fashion on the local or regional level. Direction, guidance, and support on the federal level would help to make sustainable, transit-oriented development and its positive outcomes the rule rather than the exception.

Livability Principle #6. Value communities and neighborhoods. *Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.*

> **Rationale:** TOD is a scale-able development concept, meaning that different station areas and different transit modes support a unique mix of density, intensity, and uses. Whether building sustainable development around a suburban commuter rail station, planning for more rural growth centered around a small town regional bus facility, or constructing an urban light rail stop, a targeted planning effort must consider the different contexts, needs, and strengths of each unique TOD. Through coordinated program funding and technical assistance, the federal government can provide a framework for communities to preserve their individual character.

A Legacy of Coordination

The effort to improve inter-agency coordination is not in itself novel. In fact, the first wave of federal investment in transit was proposed by President Kennedy in 1961 as part of a housing program, designed to strengthen cities and provide affordable housing for middle- and low-income families. This legislation, the Housing Act of 1961, provided direct funding and loans to public transportation demonstration projects, which President Kennedy viewed as critical to securing reinvestment in the existing urban housing stock and "promoting economic efficiency and livability in areas of future development"[13].

As part of its urban revitalization effort in the mid-sixties, HUD (then called the Housing and Home Finance Agency) administered funds that helped to expand our nation's legacy commuter rail systems in Chicago, New York, and several other cities. Even when the US Department of Transportation (DOT) was formed in 1966 to manage highway investment, mass transportation remained part of HUD's urban and economic investment program[14]. In 1968, as part of a significant federal reorganization effort, the transit program was transferred to DOT under the newly created Urban Mass Transit Administration (UMTA)[15]. In the signed MOU that codified the transfer, HUD was to have maintained a role in addressing the "externalities" of transit investment, i.e. transit's role as a community and economic development tool and its relationship to housing. DOT was to play a lead role in the system planning and engineering functions. Over the subsequent 40 years, HUD and DOT have become increasingly complex departments and have mostly operated independent of one another. The synergy weakened between transit and community development, and between HUD and DOT programs. There have, however, been intermittent efforts to improve coordination among federal departments and between jurisdictional levels (federal, state, regional and local), many of which can inform the current efforts of the Interagency Partnership on Sustainable Communities.

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[13] *"History: The Beginnings of Federal Assistance for Public Transportation."* United States Department of Transportation, Federal Transit Administration, 8 Oct. 2009 <http://www.fta.dot.gov/about/about_FTA_history.html>

[14] Dale Grinder, *"The United States Department of Transportation: A Brief History".* United States Department of Transportation Office of the Historian, 9 Oct. 2009 <http://dotlibrary.dot.gov/Historian/history.htm>

[15] Ibid.

Coordinated Planning through Circular A-95

In July 1969, the Office of Management and Budget issued Circular A-95, which was a notable attempt at the federal level to strengthen interagency coordination and to improve state, regional and local cooperation in planning and development. Circular A-95 applied to over 100 federal grant programs that funded a wide range of social, economic and physical development projects and planning programs[16].

A-95 created a review process whereby local governments, in order to apply for funding from qualifying federal grant programs, had to submit their project application to regional and state "clearinghouses" for review[17]. These clearinghouses, usually staff at the metropolitan planning agency (where they existed) or in the state Office of Planning, would evaluate the proposal for consistency with regional or state planning goals and could submit comments as part of the application[18]. Submitting comments alongside local grant applications effectively gave state and regional agencies the authority to endorse, alter or override applications for local development projects. The clearinghouses also served as the liaison between each federal department (HUD, DOT, etc) and the appropriate agencies at the state and local level, a role designed to ensure that the various federally-funded projects in a region did not work at cross-purposes or duplicate efforts[19]. The A-95 review process imposed a new level of communication between local, regional and state agencies and sought to ensure compatibility between the federal funding process and regional and state planning objectives.

Circular A-95 gave a new authority to metropolitan planning organizations and advanced the notion that regional involvement in local planning could improve the efficiency of public investments. The A-95 process was particularly effective at distributing affordable housing throughout regions and supporting the fair housing planning efforts that many metropolitan areas were conducting at the time[20]. The Circular was repealed in 1982, but its implications for coordinated planning and development were

[16] George J. Gordon, "Office of Management and Budget Circular A-95: Perspectives and Implications," Publis, Vol. 4, No. 1 1974: 45-68.

[17] "Circular A-95, Evaluation, review and coordination of Federal assistance programs and projects," Executive Office of the President, Washington, D.C. 24 July, 1969.

[18] Kent Watkins, CEO, Urban Innovations, Inc. (former Staff/Executive Assistant to the Secretary of HUD, 1966-1968) Personal Interview, 25 Sept. 2009.

[19] Gordon, 48.

[20] Charles Connerly and Marc Smith, "Developing a Fair Share Housing Policy for Florida," Journal of Land Use and Environmental Law, Vol. 12:1 1996: 64-109.

profound and, to some extent, are still evidenced today in the many federal grant applications that require a statement on project compatibility with local, regional and state-level plans[21].

Much of the opposition that ultimately led to the repeal of A-95 stemmed from the fact that regional planning agencies were (and still are) governed by boards of local elected leaders. The review staff at the regional level faced political pressure not to oppose or hinder local programs and proposals, and so A-95 reviews were often cursory[22]. Because the substance of the reviews was unpredictable and often superficial, many local and regional officials believed that the benefits did not outweigh the administrative burden imposed by A-95[23]. Also, with the creation of Community Development Block Grants (CDBG) in 1974, local governments gained more discretion over how to spend their federal funding, further weakening the tie between regional planning and federal investment[24].

The President's Council on Sustainable Development

In 1993, President Clinton formed the President's Council on Sustainable Development (PCSD), an executive advisory board comprised of 26 representatives, including the heads of eight Cabinet-level departments (including DOT, EPA, and HUD), and the CEOs of several major private companies and non-governmental organizations[25]. The PCSD was charged with "developing and recommending to the President a national sustainable development strategy that will foster economic vitality[26]."

Over its six-year history, the Council published a series of reports that provided 154 specific recommendations for the federal government and other sectors, aimed at accomplishing economic, environmental, and equity goals related to sustainable development. The Council divided its work into four task forces, one of which was the Metropolitan and Rural Strategies Task Force. This group proposed over 40 actions related to building sustainable urban and rural communities, including: increasing regional coordination of transportation, affordable housing and other issues that transcend

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[21] Watkins interview.

[22] Connerly and Smith 76.

[23] Watkins interview.

[24] Connerly and Smith 78.

[25] "President's Council on Sustainable Development," 1 Oct. 2009 <http://clinton2.nara.gov/PCSD/>

[26] Ibid.

political jurisdictions; managing growth to decrease sprawl; promoting mixed-use and mixed-income development; and, providing diverse transportation options[27].

Although the recommendations of the Council on Sustainable Development represented the consensus of a broad and influential group of public, private, and NGO leaders, relatively little progress has been made on implementing the PCSD proposals. This may have been due to changing priorities of the subsequent Administration, or due to the fact that no dedicated agency or organization was tasked with its implementation[28]. Among the more notable efforts produced by the PCSD was a set of regional coordination activities that engaged regional and district office staff from various federal agencies, working in partnership with local officials and stakeholders to address integrated sustainability projects. Another important product was the development of a "one-stop" white house website that synthesized all existing federal funding and technical assistance programs related to sustainable development. Again, this vast body of work could be of tremendous service in crafting the agenda of the Interagency Partnership on Sustainable Communities.

Federal Transit Administration's (FTA) Livable Communities Initiative

Also during the Clinton Administration, the FTA unveiled the first federal livable communities program[29]. Reprogramming existing federal transportation funds, the FTA made small grants available to eligible transit recipients to fund project planning activities such as community participation, holistic impact assessments that included consideration of environmental, social, economic, land use and urban design impacts, and the development of innovative urban design, land use and zoning practices. The Initiative also funded some capital projects to improve the walkability, safety, public use, and joint development of transit projects. The short-lived program funded many notable projects such as the Health Station at Roxbury Crossing in Boston, the Orlando Park and Play Garage Child Care Center, the Fruitvale Station enhancements in Oakland, and a number of station access enhancements that in many ways have informed the current discussions around livability and sustainable communities, and demonstrated a public demand for federal investments to support these types of projects.

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[27] The President's Council on Sustainable Development, *Towards a Sustainable America: Advancing Prosperity, Opportunity and a Healthy Environment for the 21st Century*, (Washington, D.C.: 1999).

[28] John C. Dernback, "Learning From the President's Council on Sustainable Development: The Need for a Real National Strategy," Environmental Law Institute 2002.

[29] Federal Transit Administration. Livable Communities Initiative brochure. Washington DC: 1997

HUD supports Growing Smart report

Another past example of federal participation in reform efforts that promote sustainable and livable communities is Growing Smart, a compendium of best practices in planning and zoning released in 2002 by the American Planning Association (APA). Growing Smart was funded primarily by HUD and also received support from DOT, EPA and several other federal agencies. Growing Smart developed over seven years with oversight from a council of professional organizations, which included the national associations of state legislators (NCSL), counties (NAC), regional councils (NARC), cities (NLC) and many others[30].

The objective of Growing Smart was to develop the next generation of model planning and zoning legislation for the United States. Growing Smart points out that, although our citizenry and priorities have evolved and our governing structure and legal system have become increasingly complex over the years, we still rely on decades-old statues to guide our growth and development (i.e. the Standard State Zoning Enabling Act of 1926)[31]. With contributors from the fields of planning law, growth management, public finance and intergovernmental relations, Growing Smart provides guidance on legislative reform based on existing local, regional and state mechanisms that have proven effective at managing growth and improving coordination among levels of government.

Since the publication of Growing Smart, many states and localities have adopted innovative reforms to their planning and zoning laws directed toward revitalizing neighborhoods, increasing access to affordable housing, directing the pace and location of development, and ensuring wise public expenditures for capital facilities[32]. Although federal reform on this topic was not a priority of the G.W. Bush Administration, the findings of Growing Smart are highly relevant today and should be incorporated into the work of the Interagency Partnership on Sustainable Communities. This report has helped to inform many local efforts to update zoning and comprehensive planning. The investment of time, intellect and financial resources to develop this detailed publication should not be squandered, but instead could help to inform technical assistance efforts by the three agencies and also create a platform to engage with planning and design professionals who helped to develop and implement the report's findings.

[30] Stuart Meck, "Growing Smart Legislative Guidebook: Model Statues for Planning and the Management of Change," (Washington D.C.: American Planning Association with support from U.S. Department of Housing and Urban Development, 2002).

[31] Ibid.

[32] Ibid.

Continued Federal Efforts at Building Sustainable Communities

In addition to the terminated federal programs discussed above, there are a number of current and ongoing efforts in the federal government to promote sustainable communities. The EPA houses the Smart Growth office, which for ten years has provided grants and technical assistance to communities working on smart and sustainable approaches to accommodating growth[33]. EPA's technical assistance program has supported local efforts in urban, suburban and rural communities and provides an excellent model of providing technical assistance in partnership with practitioners and local agencies helping to cross pollinate and build local capacity from national expertise.

In 1996, the EPA joined with several non-profit and government organizations to found the Smart Growth Network, a partnership of environmental groups, historic preservation organizations, professional organizations, developers, real estate interests and local and state government entities. With support from the EPA, the Smart Growth Network and the Local Government Commission host an annual conference, New Partners for Smart Growth that presents the best practices in sustainable development to an audience of practitioners, elected leaders and advocates[34]. The Federal Transit Administration (FTA) is a key annual sponsor of the national Rail~Volution conference whose focus is on linking land use and transit investment to create more livable communities[35].

Additionally, through an authorization in SAFETEA-LU, the FTA funds the Center for Transit-Oriented Development (CTOD), a non-profit partnership that develops market-based research and promotes the best practices in transit-oriented development. CTOD has developed performance metrics, research and place-based data to support transit-oriented development, with a focus on the preservation and creation of mixed-income housing and sustainable development.[36] CTOD drafted the 2007 report Realizing the Potential: Expanding Housing Opportunities Near Transit which was funded through an interagency agreement between HUD and FTA. That report served as an initial collaboration between the two agencies and laid the groundwork for developing a shared work plan at the request of Congress

[33] "Smart Growth," United States Environmental Protection Agency, 4 Oct. 2009 <http://www.epa.gov/dced/>

[34] "New Partners for Smart Growth," Local Government Commission, 6 Oct. 2009 <http://www.newpartners.org/>

[35] "What is Rail~Volution?" 6 Oct. 2009 <http://www.railvolution.com/about.asp>

[36] The Center for Transit-Oriented Development is a partnership among Reconnecting America, the Center for Neighborhood Technology and Strategic Economics to help advance the state of practice on TOD. It provides analytic research, technical assistance and best practices on TOD working with public and private sector stakeholders and practitioners.

on mixed-income housing TOD that set the stage for the March 2009 partnership announcement by Secretaries LaHood and Donovan.[37]

To avoid duplicating efforts and squandering resources, it is essential that the Interagency Partnership use the abundance of past and ongoing federal efforts on sustainable and equitable communities as a foundation for their work. There is a wealth of experience, both from experiences on the ground in communities of all sizes, and from career staff within the agencies who have been involved with past efforts to help inform future activities and provide lessons learned. A number of non-profit organizations, research institutions and associations have also been involved with livable community and sustainability efforts and can provide important insights and partnerships.[38]

Best Practices at the State, Regional and Local Level

Parallel to the new federal interest in sustainable communities, there has been a groundswell in policy innovation at the state and local level in many areas around the country. Three notable state legislative actions demonstrate a fundamental emerging paradigm to support more integrated thinking about how transportation, land use and housing programs all intersect with environmental, economic, and equity goals at the state level.

- In **California**, the state legislature passed SB 375 in fall 2008, requiring both urban and rural regions to engage in a regional planning process that links transportation, housing and greenhouse gas (GHG) emissions. Regional GHG emission reduction targets for the automobile and light truck sectors must be set for 2020 and 2035. California's 18 Metropolitan Planning Organizations (MPOs) will prepare a "sustainable communities strategy," which will demonstrate how coordinated land use and transportation investments and planning will allow the region to meet the set performance goals. State-wide GHG reduction goals were set in the previously passed AB 32, which established a statewide emissions cap for 2020. Some regions, including Sacramento, San Diego, and the San Joaquin Valley, have already completed or are

[37] US Department of Transportation, Federal Transit Administration and US Department of Housing and Urban Development. *Better Coordination of Transportation and Housing Programs to Promote Affordable Housing Near Transit, A report to Congress.* Washington DC: September 9, 2008.

[38] To cite just one reference, the National Transit Cooperative Research Program published TCRP Report 22 in 1997 entitled "The Role of Transit in Creating Livable Metropolitan Communities". The field of Context Sensitive Design has also developed and expanded over the past 10 years, with a focus on making streets and transit station areas better integrated and safer for community use. There has also been a growing body of research on the combined costs of housing and transportation that has come out of the housing and urban land development fields.

engaged in Blueprint planning processes, which will lay the foundation for developing sustainable communities strategies. .[39]

- Currently under consideration in the **Illinois** state legislature is SB 414, "The Housing and Transportation (H+T) Affordability Index Act". Introduced by Senator Kwame Raoul, this legislation requires the adoption of an H+T Affordability Index as a planning tool and as a criterion in the allocation of funding for transit, highways, economic development, and housing projects; the distribution of economic incentives to businesses and the siting of public facilities. The bill has passed the House, and will be taken up by the Senate in early November 2009. This bill would be the first statutory adoption of a redefined threshold for measuring affordability that moves beyond just housing costs.

- **Maryland** has undertaken several notable efforts over the past 15 years to adopt smart growth policies and create more livable communities. As the state moves forward with implementing these policies, it has begun to modify other existing programs. In 2008, the Maryland State Legislature established transit-oriented development as a "transportation purpose", giving more flexibility in project financing and making the regulatory connection between sustainability, transportation, and land use. While this may appear on face as a modest change, it is notable in that this is the first effort to redefine TOD within a transportation context and thus allow broader range of transportation funding resources to be used to implement TOD and influencing institutional decision making to better integrate between the state DOT, Economic Development, and Housing Authorities.

Additional states, metropolitan regions, and local governments are developing coordinated housing and transportation policies often using innovative funding sources to create programs that lead to meaningful sustainability outcomes. For example, seven states have adopted legislation to encourage development near transit. Nine regions have specific TOD and/or Livable Communities Incentive programs. A similar number of local programs also exist, with more being developed. **Appendix A** summarizes existing state, regional and local programs that have been established to promote more equitable transit-oriented development, however, most focus on only one part of the equation e.g. promoting transit-oriented development or planning.

While many programs exist that can inform sustainable community discussions at the federal level, this paper highlights one program from each level of government that we believe best illustrates the type of integrated and innovative approach needed to promote equitable TOD communities. Together, these

[39] In 2008, the state of Florida also passed groundbreaking legislation, HB 697, which requires local comprehensive plans to include greenhouse gas reductions strategies and provide for energy efficient land use patterns.

programs also demonstrate geographic and politically diverse support for adopting livable community policies.

Further analysis of state, regional and local programs with a specific focus on how federal funding programs, policies and regulations could better support these local efforts is warranted to improve the efficacy of these efforts and better leverage scare public dollars. It is critically important to identify early in the Interagency Partnership the ways in which federal programs reinforce or conflict with local sustainable community programs. Given that many of these programs are relatively new (i.e. less than 5 years old), it may be challenging to identify their long-term impacts but it is possible to address challenges that exist right now with leveraging local, state and federal programs to achieve greatest impact, and avoid redundancies.

Statewide program: Massachusetts

The Commonwealth of Massachusetts has several programs that work through various departments to promote sustainable communities. In 2007, to help coordinate state investment and programming, Massachusetts published The Sustainable Development Principles: ten objectives that are designed to integrate state policies, programs, investments, and regulations to promote sustainable development[40]. Local governments seeking funding from 14 different state programs receive priority if their projects support the Sustainable Development Principles. The Massachusetts Sustainable Development Principles include planning regionally, promoting equity, expanding housing opportunities, and concentrating mixed-use development[41].

One state funding program that works toward the Sustainable Development Principles is the TOD Infrastructure and Housing Support Program, also known as the TOD Bond Program. Managed by the Department of Housing and Community Development, the TOD Bond Program provides funding for pedestrian improvements, bicycle facilities, housing projects, and parking facilities within one quarter mile of a commuter rail station, subway station, bus station, or ferry terminal. Grants range from $50,000 for design to $2.0 million for housing and parking projects[42].

Another program is the Commercial Area Transit Node Housing Program (CATNHP) which provides attractive loans for rental housing projects and 30-year deed riders for homeownership projects that are located within a quarter-mile of existing or planned transit stations and within designated neighborhood commercial areas. The financing is restricted to projects where more than half of the units benefit

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[40] "Clean Energy & Smart Growth-Smart Energy," Official Website of Massachusetts Governor Deval Patrick, 10 Oct. 2009 <http://www.mass.gov/smartgrowth>

[41] Commonwealth of Massachusetts, Sustainable Development Principles, (Boston: 2007)

[42] "Transit-Oriented Development (TOD) Bond Program," 10 Oct. 2009 <http://www.eot.state.ma.us/todbond/>

persons earning no more than 80% of the area median income[43]. A third program, Smart Growth Incentive Zoning, provides direct payments to municipalities that adopt smart growth overlay zoning districts and issue building permits for housing in downtowns, commercial centers, and around transit stations[44]. This Incentive Program essentially pays localities to rezone around transit stations in ways that will support and facilitate compact housing development. As a result of these policies, Massachusetts is seeing a growth of equitable TOD efforts at the local and regional levels championed by local elected officials, private sector developers, social justice advocates and community development corporations despite the challenges of high land values and lack of regional cooperation.

Regional program: San Francisco Bay Area

With more than twenty distinct transit providers, nine counties, 101 cities, and two independent regional planning agencies, the San Francisco Bay Area provides a complicated arena for coordinated transportation and land use planning. The Metropolitan Transportation Commission (MTC) serves as the MPO and regional transportation planning agency and has been a national leader in leveraging its authority to promote local development of sustainable communities.

In 2005, MTC adopted the TOD Policy for Regional Transit Expansion Projects (MTC Resolution 3434)[45], which requires transit stations to meet certain planned density thresholds in order to receive transit funding (see insert at right). This policy uses financial incentives including capital transit funding from FTA and regional bridge toll revenues to support local station area planning and ensure that local policies and regional transit investments work together to generate riders and support the development of sustainable, compact communities.

Table 1: MTC TOD Policy Thresholds

Project Type	BART	Light Rail	Bus Rapid Transit	Commuter Rail	Ferry
Housing Threshold	3,850	3,300	2,750	2,200	750

Corridors are evaluated for the Housing Threshold (i.e. a four station commuter rail extension, including the existing end-of-the-line station, would be required to meet a corridor-level threshold of 8,800 housing units). Threshold figures are based on both existing and planned development within ½ mile of all stations. New below market rate housing gets a 50% bonus towards meeting housing unit threshold. (MTC Resolution 3434)

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43 "Commercial Area Transit Node Housing Program (CATNHP)," Massachusetts Executive Office of Housing and Economic Development, 6 Oct, 2009 <
http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Affordable+Rental+Development&sid=Ehed&b=terminalcontent&f=dhcd_hd_catnhp_catnhpr&csid=Ehed>

44 "Chapter 40R," Massachusetts Executive Office of Housing and Economic Development, 6 Oct, 2009 <http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Community+Development&L2=Community+Planning&sid=Ehed&b=terminalcontent&f=dhcd_cd_ch40r_ch40r&csid=Ehed>

45 Metropolitan Transportation Commission, Resolution 3434 Transit-Oriented Development Policy for Regional Transit Expansion Projects (Oakland: 2005).

In addition to the Regional Transit Expansion Policy, MTC also manages the Transportation for Livable Communities (TLC) program. TLC has three elements: capital project funding, planning grants, and the Housing Incentive Program, all of which support local communities that are working to meet smart growth objectives[46]. In the most recent funding cycle (FY 2007 - 2009), the TLC program awarded $16.7 million in capital funding to 11 different projects, many of which were pedestrian, bicycle and streetscape improvements around transit stations.

Since TLC's creation in 1998, MTC has programmed $12 million for station area planning and an additional $2 million for general TLC planning grants. The third component of TLC, The Housing Incentive Program, provides additional transportation funds to jurisdictions that commit to creating new high-density housing near transit. MTC grants jurisdictions $1,000 per bedroom developed at a density of 25 units per acre, $1,500 per bedroom at 40 units per acre, and $2,000 per bedroom at 60 units per acre, as long as projects are within one-third of a mile of a high-frequency transit stop[47].

Local Program: Charlotte, North Carolina

The City of Charlotte, North Carolina, has embarked on an ambitious program to expand regional transit service, the centerpiece of which is a radial light rail system that will connect concentrated housing and growth corridors to Charlotte's central business district. The first leg of this system, the Blue Line, opened in the south corridor in 2007 and ridership is already approaching levels not expected until 2015[48].

To ensure that this significant transportation investment leads to the development of compact, livable communities, Charlotte adopted in 2001 the Transit Station Area Principles, which provide general recommendations on building livable communities within ½ miles of future rapid transit stations. The City worked in partnership with Mecklenburg County and the Charlotte Area Transit System to adopt station-area plans for all of the future transit districts in the four proposed light rail corridors[49]. The plans use station typologies to address the different intensity and character of development desired in different areas along the corridors, and makes specific proposals related to densities, land uses, greenspace planning, catalyst development opportunities, and transportation networks in each station

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[46] "Smart Growth/Transportation for Livable Communities," Metropolitan Transportation Commission: Planning, 6 Oct, 2009 <http://www.mtc.ca.gov/planning/smart_growth/>

[47] "Housing Incentive Program," Metropolitan Transportation Commission: Planning, 6 Oct. 2009 <http://www.mtc.ca.gov/planning/smart_growth/hip.htm>

[48] John M. Muth, 2009 Charlotte Regional Transportation Summit presentation, 12 Oct. 2009 <http://www.charlottechamber.com/transportationsummit>

[49] Charlotte-Mecklenburg Planning Department, "Transit Station Area Plans," 4 Oct. 2009 <http://www.charmeck.org/Departments/Planning/Area+Planning/Transit+Station+Area+Plans/Home.htm>

area. Upon adopting the plans, the City designated a TOD Response Team to assist developers with obtaining the entitlements, technical assistance and financial support needed to build TOD along transit corridors.

Beyond their planning efforts, Charlotte has initiated an aggressive land acquisition program for key development sites in the planned transit corridor. The City has established the South Corridor Land Acquisition Fund, which they use to "spur private sector transit oriented development by aiding in land assembly, removing blight or inappropriate land uses, and assisting in mixed income housing development[50]." Support for Charlotte's Land Acquisition efforts also comes from the city's Housing Trust Fund, which dedicates additional money for parcel assembly and for the construction of affordable housing units. In 2008, the Housing Trust Fund dedicated almost $9 million toward the development of 641 housing units, most of which were built in designated growth areas[51].

Growing Demand for Federal Sustainable Communities Initiative

Since the Administration's announcement of its Sustainable Communities Initiative, Reconnecting America has conducted a series of interviews, surveys and partner discussions to elicit input from equitable TOD stakeholders regarding support for the initiative, identify barriers and opportunities at the federal, state and local levels, and prioritize administrative actions that could be undertaken in the short and long-term to support more livable communities.

The following pages summarize the feedback that we heard, and point to areas of future potential work by the federal partnership and NGO-community. [52]

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[50] Council Manager Memo #71 to City Council, Charlotte, NC, 7 Oct. 2005.

[51] Charlotte-Mecklenburg Planning Department, "Housing Trust Fund," 4 Oct. 2009 http://www.charmeck.org/Departments/Neighborhood+Dev/Provide+Affordable+Housing/Housing+Development/Housing+Trust+Fund.htm

[52] In developing this white paper, Reconnecting America partnered with the National Housing Conference to hold a day-long forum in Chicago, Illinois in early July to bring together transportation, housing and community development practitioners and policy makers to discuss barriers and opportunities for advancing livable communities. Follow-up teleconferences were also held in partnership with NHC and a broad spectrum of housing, community development and TOD practitioners. Reconnecting America also partnered with the American Public Transit Association to survey its members on barriers, opportunities, and best practices to support the Interagency Partnership of Sustainable Communities. A separate policy paper is currently being drafted that discusses the results from that survey, of which 88 transit agencies representing large and small systems and all transit modes provided feedback.

Support for the Sustainable Communities Initiative is far-reaching and cuts across geographic areas and disciplines. Housing, transportation (including rural transit providers), and economic development stakeholders in smaller towns and rural communities are eager to be engaged in the partnership. While recognizing the newness of the Sustainable Communities Initiative and the Administration itself, there is a strong desire to have the federal partnership move beyond principles and public statements of support to actually demonstrating a federal commitment to transforming how federal programs work and a real partnership with state and localities. Given the significant interest in the Sustainable Communities Initiative, stakeholders are eager to see a more transparent process and set of action items. There is also a strong desire by the NGO community to partner with the federal agencies, to the extent possible, given long-standing experience many have with the issues involved including research on outcomes and institutional structures, communications, and technical assistance to local communities.

In talking with stakeholders, all wanted to see the Sustainable Communities Initiative succeed. Many believe that this will require the federal government to set ambitious national sustainable community goals and then support local innovation and flexibility to actually deliver results. Concern was voiced that increased regulation, red tape or lack of support by regional or field offices would undermine the Initiative's success. Reflecting lessons learned from past related efforts, the following common concerns were expressed in hope that the current Initiative will avoid these pitfalls as it moves forward:

1. ***Avoid a top-down federal approach***
2. ***Avoid creating more bureaucracy and regulation***
3. ***Don't overlook early innovation***
4. ***Don't expect more than local capacity can deliver***

Avoid a top-down federal approach

Generating successful local support and buy-in, including from the regional and district field offices of federal agencies is imperative to the Sustainable Communities Initiative's ultimate success. Given the fate of previous sustainability efforts that ended with a change in administration, stakeholders need evidence that the Obama administration is committed to long-term change and funding priorities that advance sustainable communities beyond its tenure.

The most common concern respondents voiced was the lack of understanding of existing federal programs, even by federal agency staff, that could support the Sustainable Communities Initiative at the local level. In some regions, stakeholders who have been working to advance local livability projects have not found support from federal field staff. This has resulted in either slowing down projects by having to engage headquarters staff or Congress to get the project approved, or in some instances has halted proposed sustainability projects altogether. A number of stakeholders expressed a strong desire to see the Administration spotlight existing models of success and best practices at the local level, representing all types of communities and projects large and small[53]. Demonstrating the existing public demand for creating sustainable communities is seen as central to creating a larger constituency to support the Sustainable Communities Initiative. This is an area where non-profits already working on these efforts in many communities could be important allies.

Avoid creating more bureaucracy and regulation

In both transportation and housing statutes, a significant amount of flexibility exists currently, but is poorly understood and seldom realized. Stakeholders expressed a desire to see priority placed on finding ways to better align existing federal programs. Given the fiscal challenges facing our economy and all levels of government, there is a widespread recognition that we need to learn how to invest our scare public resources more wisely. Lack of funding specifically for livable community projects was consistently voiced as a major barrier to advancing such initiatives.

However, the lack of coordination between existing federal programs and with existing state and local programs was cited as a major barrier. In an October 2009 survey of public transit agencies by Reconnecting America and APTA, 46 percent of respondents cited insufficient resources as major barrier to their local livable community efforts[54]. Ranked higher than regulatory barriers, was a lack of coordination between DOT programs (36%), and between DOT-HUD and EPA programs (30%). It will be important for the Sustainable Communities Initiative to place a priority on guidance and outreach to educate stakeholders on how to leverage existing federal resources.

Improving the long-range planning process is also seen as a priority. There is wide agreement among stakeholders of the need to move towards a more outcome-based, integrated federal planning

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[53] Identifying best practices has been a central focus of several federal programs and partners including the National Transportation Enhancements Clearinghouse, CTOD, Rails to Trails, Project for Public Spaces, EPA's Smart Growth America office, the Center for Housing Policy, the Environmental Defense Fund, Safe Routes to School, etc. and is something that trade associations such as the American Public Transportation Association and American Association of State Highway and Transportation Officials have helped to spotlight could directly survey members to provide local examples.

[54] Reconnecting America and the American Public Transportation Association. "Livable Communities Survey of APTA Members" APTA: October 2009.

approach. Regulations for long-range planning are numerous and sometimes conflicting between agencies. Despite an intensive process, there is little incentive for innovation, demonstrating performance or meaningful public engagements. Standards on public engagement, for instance, are lacking and there is little accountability for outcomes or transparency of the process. In addition, most public agencies tasked with long-range planning often cite lack of resources to undertake more intensive or integrated long-range planning efforts. Despite the need for better accountability, some cautioned against increased federal regulations or a "stapling" exercise whereby existing federal long-range housing, environmental and transportation plans are still each required and a more bureaucratic federal approval process is created. This could add significant delay and cost without adding real value to the end product. Several respondents noted that HUD should seize its authority over urban development to renew its engagement to bridge transportation-planning-housing and land use. Given its focus on both affordable housing and urban development, which should include a commitment to strong local economies, HUD's Office of Sustainable Communities is well poised to help integrate the various federal planning programs and create incentives for more equitable TOD.

Don't overlook early innovation

Cultural barriers do exist between transportation, housing, environmental and economic development practitioners. At all levels of government, silos exist between different agencies with little or no interaction and sometimes even within departments. Creating opportunities for partnership at all levels of government between these sectors will create lasting value. As HUD looks to develop criteria and guidelines on its new Sustainable Community Challenge Grants a priority should be placed on funding those projects that demonstrate meaningful interagency and interdisciplinary partnerships and leveraging of federal, state and local resources.

As mentioned earlier, a growing number of communities are already advancing local sustainable initiatives. Using federal funds to reward and support these early innovators is viewed as an essential priority for the Sustainable Communities Initiative. Important partners to engage include the philanthropy community who has funded many of the successful local initiatives to date and play an important role within regions to convene stakeholders and leverage local resources.

Don't expect more than local capacity can deliver

The Sustainable Communities Initiative places a strong emphasis on regional coordination and decision making. While broad support exists for this approach, many stakeholders expressed concern that successful, legitimate, and technically capable regional entities do not exist in many places. Fragmentation between state, regional, county and local levels of government remains a concern with different institutions playing a lead role in almost every community.

Insufficient local technical capacity or staffing is a significant barrier that needs to be addressed throughout the Sustainable Communities Initiative, and is another area where federal agencies could partner with non-governmental experts, foundations, and universities to provide support. Capacity building is needed not only on the technical level in terms of how to plan, model and finance programs but also in terms of engagement with the public, building local leadership, and crossing interdisciplinary barriers. [55]

Recommended Short and Long Term Actions

This White Paper identifies a variety of policy recommendations to restore interagency collaboration and clarify a federal role in supporting equitable TOD. Some of these are program-specific and could be implemented administratively in the next several months. Others require Congressional action and entail a longer time frame for implementation.

The following three tables summarize the recommendations for each of the three federal agencies involved in the Sustainable Communities Initiative. Other important programs also exist within other federal agencies not currently part of the Partnership, including the US Department of Treasury, Department of Energy and the Department of Agriculture. Ideas for advancing Livable Community principles in future legislation are also provided, but our recommendations focus largely on agency-level changes to existing programs. A more detailed discussion of recommendations around which there is widespread agreement from equitable TOD stakeholder follows.

[55] The statutory limitations on HUD to provide technical assistance were noted and appreciated by stakeholders. Finding ways that HUD could partner with other federal agencies to provide technical assistance is strongly encouraged. Support also exists for the Administration's proposed "Transformation Initiative" which many see as an opportunity to greatly improve and modernize HUD's ability to do quality research, technical assistance and hire staff. We also encourage HUD to consider partnering with philanthropic institutions to establish research support to the proposed Office of Sustainable Housing and Communities, similar to that recently created for PDR by the Brookings Institution and Urban Institute. Falling short of that, this group should be directed to provide quick turnaround research on sustainable communities.

Table 2: Recommendations to Support Equitable TOD through Interagency Partnership for Sustainable Communities

HUD PROGRAMS	*Background*	*Recommendations (* legislative action required)*
Housing Choice Voucher Program	This program is challenging to incentivize based on location without legislative action due to its flexible nature. Housing experts have identified unit availability in close-in neighborhoods close to transit, employment centers, educational facilities as lacking, particularly in cities that have consistently above-average housing costs – but the agency rule-making context limits available avenues to provide incentives for private property owners to open their units to voucher-holders. With the goals of encouraging families with vouchers to choose units near transit and close to work and services, encouraging landlords to accept housing vouchers, and preserving existing affordability close to transportation choices, Congressional action in the form of tax credits or some other mechanism may be needed.	Provide tools and create incentives to keep subsidized housing developments near transit and job centers from within the subsidized housing inventory over the long-term.
		Strongly encourage local housing authorities to place preference on transit-accessible housing close to employment clusters when allocating project-based vouchers. This could be accomplished via incentive or technical assistance.
Community Renewal Initiative	This program includes a series of tax credits for businesses located within HHS and HUD-designated Urban Empowerment Zones and Renewal Communities, primarily focused on job creation for workers residing within the designated zone and other incentives for new and expanding businesses. In the past, HUD has chosen eligible zones through competitive selection processes, the last of which was conducted in 2001.	Expand review jurisdiction to include USDOT staff, and encourage local officials to coordinate economic and community development efforts within these zones with local and regional transportation officials.
		*Work with Congress to obtain funds to select another "class" of eligible areas.**
		*Expand eligibility to include low or medium-income neighborhoods with existing or proposed transit investments.**

Section 108 Loan Guarantee Program	HUD makes guaranteed loans available through the Community Development Block Grant program for development projects that will serve as a community and economic revitalization catalyst. Eligible activities include land acquisition, infrastructure improvements, and CDBG-eligible economic development activities, as well as limited affordable housing construction in conjunction with other programs.	Add language regarding location efficiency to 24CFR 570.704(c) (3), the section outlining eligible project criteria.
		*Expand eligible uses to include public-private partnerships that create mixed income housing opportunities around existing or planned transit investment.**
Consolidated Planning Process	All HUD block grant recipients must submit a Consolidated Plan to HUD in order to remain eligible for funding. These plans require community input and coordination, as well as the establishment of regional goals for affordable housing.	Add section to 24CFR 91 requiring coordination with regional transportation planning agency, including but not limited to consideration of (a) impacts of planned transportation investments on housing market analysis and barriers to meeting regional housing affordability goals; (b) maximizing the power of federal housing funds to increase overall household affordability through location-based distribution that takes into account the accessibility and affordability of transportation options; and (c) guiding economic growth and community development through targeted CDBG distribution that aligns with regional and neighborhood transportation investments.
		Issue guidance on how to use existing consolidated planning statute and process to better integrate local housing plans with regional transportation, economic development and environmental objections. Guidance and/or supporting documents that could be made available through HUD website should include re-posting Growing Smart to provide guidance on updating local zoning and codes, and links to research that show the benefits and strategies of integrating housing with land use, climate and transportation.

HOME Investment Partnerships Program	HUD makes flexible formula funds available to states and other participating jurisdictions (PJs) to increase the supply of affordable ownership housing. The program's formula funding and emphasis on flexibility in both eligible uses – which include land acquisition, financial assistance for home purchase or rehabilitation, and construction of new housing for either rent or ownership opportunities – and criteria, which is locally set, make it a difficult target for regulatory sticks or carrots designed to promote livable communities.	Provide technical assistance and guidance to encourage HOME jurisdictions to support this type of housing, including permanently affordable rental and homeownership housing.
		Add language exempting funds spent on or projects devoted to increasing transportation affordability and accessibility via location efficient housing for very low and low income families and working families from matching requirements to 24CFR 92.218(c).
		*Provide formula boost for participating jurisdictions that incorporate transportation investments into consolidated housing plans.**
HOPE IV	Hope VI Grants per project aren't enough ($20 MM) for TOD/high-cost areas – current parameters inadvertently favor less-expensive, small city applications. Often, parking ratios don't allow infill projects to pencil out. With the rejection of funding for HUD's Choice Neighborhoods Initiative, HOPE VI should be reframed based on concepts being developed through NSP, including land banking, master planning, and comprehensive redevelopment based on metropolitan planning models, including financial incentives to regions to move toward progressive metropolitan planning models.	Issue guidance to encourage HOPE VI and other public housing projects, and projects utilizing HCV contracts, on strategies for designing sustainable affordable housing projects. A significant amount of research and design guidelines have been created on green-building, TOD design, walkable urbanism and sustainability that could be assembled into a one-stop shop with a focus on benefits and strategies for affordable housing and mixed-income housing development.
		Use integrated policy benefits, financial leverage & ROI argument to make grants in TOD communities better investments.

Community Development Block Grants	Very small jurisdictions often do not have the resources or expertise to develop consolidated plans, including within a sustainable framework. Coordinating efforts can add resource efficiencies, allow for regional approaches to housing programs and create opportunities for policy best practices, wider access to services and fair dispersal of CDBG resources.	Create incentives and opportunities for small entitlement jurisdictions (50K pop) to form regional consortia Consolidated Plans (and incentivize coordination on environmental and transportation planning which is also challenging at this scale given technical capacity and lack of formal planning entity).
		Modify use of CDBG funds to be used as match to leverage other federal transportation and water funds.
		Include funding in FY11 budget for technical assistance to be provided through CDBG program, and/or partner with EPA's Smart Growth Office to target some technical assistance to communities to update their consolidated plan and create an integrated strategy.
		Amend HUD's CDBG Consolidated Plan to better capture and ensure resources are applied in TOD context. Identify ways to improve the consolidated planning process (CHAS), and identify ways to streamline and integrate (not duplicate) with long range transportation planning requirements through DOT and with state revolving fund planning requirements through EPA.
		*Expand time period for which CDBG funds can be used for land acquisition to support affordable housing and community development along transit lines so that it can be used more effectively as a tool for purchasing and holding land earlier in the transit corridor development process. Current two year limitation makes equitable TOD a challenge.**
Neighborhood Stabilization Program	The second round of this program was created through the American Recovery and Reinvestment Act (ARRA).It functions as a competitive grant program to assist communities facing widespread foreclosures. Criteria include number of foreclosures, concentration of property slated for assistance, and capacity.	*If this program continues beyond the initial pot of funding appropriated via ARRA, include location efficiency as an evaluation criterion.**

<table>
<tr><td rowspan="6">Office of Sustainable Communities</td><td rowspan="6">FY2010 includes $150 million for HUD's Sustainable Communities Initiative including $100 million for sustainability challenge grants. S. 1619, The Livable Communities Act, would create a set of programs tailored for this office, and to enhance the interagency collaboration already underway. In the coming months, HUD will have an opportunity to issue guidance on how the program will be administered and grant selection criteria. There will be a desire to spread this funding across as many communities and diverse regions as possible. Targeting a larger pot of funding to a shorter list of key projects that demonstrate that they have the regional partnerships and technical capability in place to demonstrate results in the next 12-18 months could have a greater impact on the long-term success of this Initiative.</td><td>Adopt the Housing + Transportation Affordability Index as a tool for redefining the general definition of affordability in CDBG and HOME programs.</td></tr>
<tr><td>Prioritize initial sustainability challenge grants for regions who have already undertaken a regional planning process that demonstrates broad community adoption/support and demonstrates a technically capable public entity who can implement the grant (this may be a city, transit agency, MPO, or regional council).</td></tr>
<tr><td>Establish a research consortium of public and private data and research experts to create a federal partnership to develop a shared database for better evaluating and articulating sustainable community objectives and performance measures, and expedite public adoption of these tools through a streamlined federal peer review process, and open source data collection.</td></tr>
<tr><td>Leverage technical assistance efforts funded by foundations working in communities to build local sustainable communities capacity. Expand on existing technical assistance already funded through the Interagency Partnership such as the Center for TOD (FTA), Project for Public Spaces (FHWA), EPA's Smart Growth Technical Assistance program that includes a number of TA experts.</td></tr>
<tr><td>Promote greater transparency of government-wide programs and funding sources to support sustainable communities initiative. This should include information on existing programs and establish transparent listing of government-wide sustainable community budget requests in FY11 and future budgets.</td></tr>
<tr><td>Authorize Office of Sustainable Communities to provide grants, technical assistance and research on sustainable community practices and planning efforts to integrate housing, transportation, and climate change. Appropriate funds for these grants.*</td></tr>
</table>

US DOT PROGRAMS	*Background*	*Recommendations (* legislative action required)*
FTA New Starts / Small Starts program	The Federal Transit Administration's discretionary New Starts program is the federal government's primary financial resource for supporting locally planned, implemented, and operated major transit capital investments. New Starts funds new and extensions to existing fixed guide way transit systems, including commuter rail, light rail, heavy rail, bus rapid transit, streetcars, and ferries. Small Starts provides an expedited process for smaller projects.	Include as an "other factor" criterion to the New Starts / Small Starts ratings process "significant commitment to the preservation or creation of affordable or mixed-income housing within the proposed corridor. This could allow for an elevated rating for project sponsors that can demonstrate through funding or land use policies a commitment within the proposed corridor to long-term mixed-income housing.
		Repeal April 2005 Dear Colleague that prioritizes cost-effectiveness criteria in recommending projects for federal funding. This requires action by DOT, with support of OMB. Include EPA and HUD in current effort to simplify New Starts/Small Starts review process, especially regarding land use, economic development and environmental criteria review.
		*Allow communities to count investments in housing affordable to families with a mix of incomes within a one-half mile radius of proposed station stops as a local match against requested federal dollars.**
FHWA Transportation Enhancements Program	Transportation Enhancements (TE) is a mandatory takedown of Surface Transportation Program (STP) funds. TE funding can be used for any of 12 eligible uses, including pedestrian and bicycle facilities, transportation museums, and scenic or historic highway programs. Federal share is the standard 80/20, but individual projects can be funded with up to 100 percent federal dollars so long as the average ratio across all projects funded with TE funds is 80/20.	Amend guidance for federal matching requirements to allow grantees to exclude from calculation of the overall federal share ratio any bicycle and pedestrian TE projects that improve access to transit.
		Commission a report to look at the location and impacts (economic, health, transportation connectivity and access) of transportation enhancement projects to communities, including a specific focus on low-income and disadvantaged communities.
		Promote best practices for using TE programs to create livable communities in urban, suburban and rural environments with particular emphasis on transportation benefits of these projects for low-income households.

FHWA Safe Routes to School Program	School quality and location are key factors that contribute to a sustainable community, and to household location decisions. Provides a pot of funding to states to make investments that encourage walking and biking to school. This program has a broad set of eligible uses that are categorized into infrastructure and noninfrastructure.	Provide specific guidance that planning and coordination of Safe Routes to School plans with larger regional planning efforts qualifies as an eligible noninfrastructure use.
		*Expand Safe Routes to School Program to include high schools, with an emphasis on capital programs as well as transit training and education programs including information on transportation costs, environmental impacts and public health benefits.**
		*Provide specific eligibility noninfrastructure use in the next surface transportation bill for recurring costs such as transit pass subsidies for students.**
FTA Joint Development	Current federal definitions of "Joint Development" are both confusing and too specific to allow federal funds to be used for best practices in joint development, including transit-oriented development.	Issue new circular on Joint Development to clarify the process, parking replacement policies. Encourage joint development projects that include a "highest and best transit use" for such facilities as day care and job training centers and affordable housing.
		Substantially improve FTA webpage on joint development and TOD to include more case studies, and more links to resources on these topics. Link to CTOD website has many of these resources which could be highlighted by USDOT.
DOT Livable Communities Programs	Some regions have already begun to implement programs that support planning and investment for livable communities that connect housing with transportation, including the Twin Cities, Atlanta, the San Francisco Bay Area, and Washington, DC. These programs have been very successful in promoting integrated land use and transportation planning, as well as the development of affordable housing near transportation options. These efforts should be encouraged and supported on the federal levee.	DOT should provide guidance and peer exchange opportunities to encourage additional MPOs to establish Transportation for Livable Community programs similar to those in place in CA, MN, GA, and DC.
		Address inconsistencies and knowledge gaps between regional offices, and between regions and headquarters. A major barrier for communities has been lack of knowledge and assistance by federal staff, especially in the regions, about opportunities for flexing and using existing formula and grant programs to support integrated transportation projects to support livable communities.

DOT Livable Communities Program (cont.)		*Create Intermodal Office of Livable Communities in surface transportation authorization with ability to provide grants for such projects as joint development, TOD, safe routes to school and non-motorized planning, as well as relocating long-range transportation planning within this Office (as opposed to separate programs in highway and transit title).**
DOT Long-Range Transportation Planning	The long-range transportation planning process that regions and states undertake sets the agenda for transportation investments. This process needs to be looped in with the housing and environmental planning programs funded via HUD and EPA.	US DOT publish best practices and case studies on metropolitan areas that have utilized scenario planning and blueprint planning, and/or have coordinated long-range transportation investments with housing, economic development or regional growth plans.
		*Invest greater resources into data collection, usability, and technical assistance for deploying models and best practices on evaluating the performance and outcomes of transportation investments. US DOT can work immediately on making this a priority, but greater funding also needs to be provided by Congress.**
		*Establish Blueprint planning process for metropolitan areas over 1 million which is outcome based planning that requires verification of proposed long-range investments and policies to achieve a set of performance outcomes. Have oversight , guidance and technical assistance provided by Office of Livable Communities in coordination with HUD's Office of Sustainable Communities and EPA Smart Growth Program.**
FHWA Context-Sensitive Design and Complete Streets	Context-sensitive design is already recognized by the US Department of Transportation as a way to engineer streets and roads to meet the specific needs of their surroundings. In recent years complete streets policies have been adopted on the state and local level to ensure that investments are made that take into account the needs of all users. Providing additional guidance and technical assistance will encourage further use of these practices. Providing additional guidance and technical assistance will encourage further use of this practice.	US DOT could provide case studies and best practices on communities that have adopted complete streets guidelines, publicize context sensitive design guidelines previously adopted, and work to ensure that regional offices are equipped with this information.
		US DOT work with FEMA to incorporate context sensitive design into transportation reconstruction and recovery projects.
		*Adopt Complete Streets principles into federal transportation reauthorization. Create incentives for state and local adoption of these policies.**

FHWA CMAQ/STP Funds	Many states and regions are already flexing these federal transportation funds to support livable communities programs, transit projects, and bicycle and pedestrian infrastructure investments.	US DOT provide best practices and case studies in use of CMAQ, STP, historic preservation, enhancements and safety program funds to support livable community principles. Share with grantees and regional offices of FTA, FRA and FHWA.
DOT Other		Educate regional offices on programs and opportunities – frequently hear barriers at regional office level with conflicting opinions between HQ and regions, and between FTA and FHWA.
		Catalogue and modify changes to use of federal funds as match in use of formula and discretionary transportation projects. Previously there was greater flexibility to use CDBG monies as local match for transportation projects, or use of highway funds for streetscape improvement in conjunction with new start projects.
		Identify opportunities to better integrate livable community goals and multimodal alternatives analysis within NEPA document. Modify NEPA to include greenhouse gas emission reductions as a consideration to be addressed.
EPA PROGRAMS	*Background*	*Recommendations (* legislative action required)*
Brownfields	EPA's Brownfields program provides technical assistance, guidance and funding to assist communities in remediating and redeveloping brownfields. There is opportunity to dovetail ranking criteria for the grant component of this program with Livable Community principles, and the technical assistance program. A greater emphasis should also be placed on promoting brownfields redevelopment of sites near transit.	Include greater location efficiency points in grant making application process.
		Evaluate coordination of federal brownfields program and funding criteria with federal FTA joint development policies and HUD programs to address inconsistencies between these programs to ensure better leveraging and an incentive to use CDBG, HOME, and other mixed-income and affordable housing projects in brownfield redevelopment sites.
		Coordinate Brownfields and Office of Smart Growth technical assistance programs.

Clean Water State Revolving Fund (CWSRF)	The CWSRF provides about $5 billion per year for water quality protection projects. Each state manages a revolving loan fund available for flexible financing for water cleaning/protection programs. Federal funds must be met by a 20% state match. In addition to traditional wastewater programs, CWSRF can be used for Sustainable Community Initiatives, but this is optional and decided by state CWSRF managers.	Encourage states to provide higher points for projects that support growth in existing areas. See Massachusetts' limitations on use of CWSRF funds regarding growth (no more than 25% of the capacity of a new sewer or water treatment project may be for new growth).
		Encourage integration of regional planning to incorporate proposed CWSRF projects with long-range transportation planning, housing, economic development and growth plans.
		Provide states with best practices on using the CWSRF for brownfield remediation or conservation easements, to protect watersheds and encourage growth in existing areas.
Drinking Water State Revolving Fund (DWSRF)	The Drinking Water State Revolving Fund is a state-managed revolving loan fund administered similarly to the Clean Water Program, except that it typically funds planning, designing or constructing drinking water facilities (water treatment/filtration facility construction and upgrade, transmission pipeline construction, water storage and new source development). To receive their DWSRF from EPA headquarters, the state must submit an Intended Use Plan (IUP) that states how they intend to manage the fund and what they consider priority projects. Often, this program is operated through the State Departments of Health.	For new or expanded water transmission pipeline construction, require state Intended Use Plans to show how project is compatible with state and regional or long-range transportation plans, and include consideration of livable community principles and indicators.

Four Priority Recommendations to the Interagency Partnership on Sustainable Communities

Stakeholder discussions revealed four priority areas upon which there was widespread agreement on the significant need and impact that could be realized by addressing each as early action items. These include:

(1) a revamped coordinated long-range planning process;

(2) reprioritized project funding criteria to support livable community principles;

(3) implementation of combined housing and transportation affordability measure; and,

(4) enhanced comprehensive technical assistance programs.

These four programmatic reforms can begin to be implemented through the rule-making process and administrative actions. It is felt that each would have an impact in the short and "medium"-term, taking advantage of existing capacity within all three agencies and creating opportunity to work across agencies and departments.

A Revamped Coordinated Long-Range Planning Process

- *Integration, not merely coordination, of federally-required plans is needed. There is also a critical need to integrate planning efforts within each of the federal agencies.*

Federal legislation for HUD, EPA and DOT funding programs require regions to prepare long and short range plans as key elements of the Federal housing, water infrastructure, and transportation funding process.

Fostering equitable transit-oriented development, as an outcome of this Partnership will require better aligning the long-range plans developed at the local and regional levels for DOT and HUD. As a condition to receive Community Development Block Grants and other housing formula grants[56], HUD requires States, cities and counties to prepare a five-year Consolidated Plan, as well as an annual Action Plan specifying the expenditure of funds in support of their long range plans. Cities with populations of 50,000 or more, urban counties of 200,000 or more and each State must provide a summary of the jurisdiction's estimated housing needs for the ensuing five-year period, including an estimate of the number and type of families in need of housing assistance and a summary of the cost burden experienced by extremely low-income, low-income, moderate-income, and middle-income renters and owners. Integration of existing housing plans should also be promoted with incentives given to states and localities that demonstrate coordination between Consolidated Plan, Public Housing Agency Plan,

[56] Home Investment Partnership (HOME) grants, and Emergency Shelter Grants (ESG)

Anti-Displacement Plan, Continuum of Care Plan, Ten-Year Plan to End Homelessness, Analysis of Impediments to Fair Housing Choice, and Qualified Action Plan.

At the same time, DOT requires States and metropolitan areas to develop a 20-year long range transportation plan and a four-year Transportation Improvement Program (TIP). Better coordination between these plans is needed to address regional housing and transportation needs. The primary obstacle to better coordination is the fact that the TIP is a metropolitan area-wide document, while the Consolidated Plan is undertaken by individual jurisdictions within metropolitan areas. Working together with MPOs, cities and counties may be able to identify particular projects that benefit in terms of cost-efficiencies and impact by a coordinated approach.

Reconnecting America has partnered with the National Housing Conference to establish a working group of housing and transportation practitioners to look more specifically at how these planning processes could be better integrated. That working group will develop a set of future recommendations for integration.

FTA and HUD have already identified better coordination of federal housing and transportation planning in their 2008 work plan. To demonstrate a commitment to improved coordination, FY10 sustainable communities and transportation planning funds should be used to invest in 2-3 pilot regions where FTA, HUD and EPA staff could work with local and regional planners to develop integrated planning process within existing statutory provisions, identify areas of inconsistency that should be addressed in future legislation, data and modeling needs, and a process for integration that results in a streamlined and less bureaucratic process.

From the beginning of this process, priority should be given to strengthening public engagement and transparency of the long-range planning process. Reforms have been made to the long-range transportation planning process, for instance, to ensure inclusion of transit agencies and users, seniors and persons with disabilities, business. However, the experience of meaningful engagement by these population groups has varied widely across MPOs. CDBG and Consolidated Plan laws and regulations which require, among other features, provision for and encouragement of participation by persons with low income living in areas affected by the federal programs. Integration of federal planning processes is an important opportunity to simultaneously improve meaningful public participation through setting standards and guidance, including on the implementation of new planning tools such as scenario planning, community visioning methods, and community charettes.

Finally, there is an emerging need to better address the needs of small and medium-sized communities, many of whom do not have the capacity or the authority to plan for regional transportation, housing and environmental needs. Incentives and opportunities should be created for small entitlement jurisdictions (50,000 and under) to form regional consortia Consolidated Plans, and to partner with Rural

Regional Planning Councils to establish coordinated plans to guide investments by the state and federal agencies.

Reprioritized Project Funding Criteria to Support Livable Communities Principles

- *The Interagency Partnership should define and publish a core set of livability indicators which demonstrate the ability of transportation investments to transform communities and leverage additional public and private investment in support of sustainable communities.*

Support for Senator Dodd's *Livable Communities Act* is strong among those involved with local sustainable communities' efforts. For transit-oriented development practitioners the bill would create the first federal program that specifically can be used for TOD. At the same time there is strong desire to see existing federal grant programs reflect and prioritize livable community principles. A number of respondents referenced DOT's new TIGER program as an example of placing a priority on these principles as a good first step but that finding ways to include those principles within additional and larger transportation funding program could be more transformative. While easier to do with discretionary funds, there is also a need to reflect these principles within formula funds, CDBG, project-based voucher programs or through guidance to local and state planning processes which influence how those funds will be spent.

- *A second priority strategy related to project funding criteria is to utilize existing statutory authority to prioritize projects that foster equitable transit-oriented development through housing and transportation programs*

An opportunity exists now for US DOT to take administrative action to prioritize the preservation and creation of affordable housing in its review of transit projects seeking funding under the New Starts and Small Starts program. Current law allows the Secretary of Transportation to consider "other factors" in evaluating proposed projects. Previous administrations used this authority to prioritize different policy objectives. Elevating a project's rating if the sponsor can demonstrate a significant local commitment to maintaining and improving affordable housing within the corridor could provide an important incentive without creating an onerous additional hurdle for project sponsors. FTA could consider both housing policies such as adoption of inclusionary zoning, density bonuses for affordable housing within TODs; or fiscal contributions such as establishment of an affordable housing trust fund, land acquisition program, or direct contribution by private developer or public housing agency in a mixed-income or affordable housing project.

Furthermore, the April 2005 FTA Administrator Dear Colleague gives cost-effectiveness primacy in the federal review of proposed new transit fixed-guideway projects[57]. This policy interpretation should be repealed; it directly conflicts with Congressional directive and is a carry-over from the Bush administration. It has been pointed to by transit, environmental justice, and livable communities stakeholders alike as a major impediment to designing transit projects that create sustainable and equitable communities. The current FTA cost-effectiveness measure does not fully incorporate livable community factors nor does it account for the full benefits of a project such as economic development, reduced transportation costs, more equitable access, etc.

One of the most important and pervasive tools for evaluating the merits and impacts of proposed transportation projects is the National Environmental Protection Act (NEPA). NEPA review is required for all transportation capital projects that use federal funding. To the extent possible without launching into a revision of the NEPA regulations, DOT should re-orient NEPA analysis at the corridor and project level to incorporate multiple modal options along with livability criteria. Providing an explanation as to how NEPA should be applied in the context of the Sustainable Communities Partnership would be a helpful tool. USDOT should also enforce Livability commitments made through the environmental evaluation process under NEPA more rigorously. Many commitments to communities on livability made during the project development phase are removed from the project later during design and construction phases. A priority should be placed on ways that the NEPA process could be simplified to strengthen livability objectives without adding additional administrative burdens to project sponsors.

Criteria for a number of federal housing programs could be modified to include consideration or preference for affordable housing located near quality transit or walkable town centers. A majority of states now include access to transit and essential destinations (i.e. within walking distance of schools, health care facility or grocery store) in allocating credits. Location efficiency criteria is supported by a majority of stakeholders, however, it was noted that it may be advisable to be selective regarding to which federal programs it should apply. Proximity to transit can often result in higher land values, and some affordable housing advocates expressed concern that requiring transit proximity to all affordable housing programs may make it challenging to purchase land or create fewer units. Likewise some noted that opposition to affordable housing and to transit exists and that requiring both may make it challenging to provide either.

The following programs were identified as being possible candidates for location efficiency/proximity to transit criteria:

- Community Renewal Initiative

[57] Federal Transit Administration. “Dear Colleague Letter from FTA Administrator Jenna Dorn to Transit Agencies,” April 2005.

- Section 108 Loan Guarantee Program
- HOME Investments Partnership Program
- Neighborhood Stabilization Program (if continued beyond initial ARRA funding)

Implementation of Combined Housing and Transportation Affordability Measure

- *Advance the use of analytic tools to inform the Sustainable Communities Initiative, and provide a baseline for evaluated outcomes and performance at the regional level.*

Affordability is impacted both by housing and transportation, the two highest household expenditures. For households earning $50,000 or less, transportation now costs more than housing in most metropolitan areas, and this cost is highly dependent on the character of the location of housing[58]. The Federal government should act to ensure that housing consumers (renters and homebuyers) and suppliers (investors, builders, regulators and developers) are made aware of the full direct costs of housing (including transportation costs), and work to ensure that these costs are fully disclosed by the marketplace.

The Interagency Partnership should undertake any necessary steps to advance the adoption of the Housing + Transportation Affordability Index, developed by the Center for Transit-Oriented Development and the Center for Neighborhood Technology.[59] The Housing + Transportation Affordability Index is an innovative tool that challenges the traditional measure of affordability used by planners, lenders, and most consumers-which recommends that housing should be less than 30 percent of income. The Housing + Transportation Affordability Index, in contrast, takes into account not just the cost of housing, but the costs of housing and transportation. The Index has received much attention from policy makers for its benefits to planners and TOD advocates and is already being used for additional research. The H+T Index is an existing data analysis tool that can be implemented in the short term to provide a place-based analysis of the impacts that transportation, housing and land use investments have on household affordability. Such an analysis would provide important information to households and demonstrate opportunities and failures of equitable TOD within regions. This

[58] Barbara J. Lipman, *A Heavy Load: The Combined Housing and Transportation Burdens of Working Families.* Center for Housing Policy: October 2006.

[59] Center for Transit-Oriented Development and Center for Neighborhood Technology, *The Affordability Index: A New Tool for Measuring the True Affordability of a Housing Choice.* Brookings Institution, Urban Markets Initiative, Market Innovation Brief: January 2006. Also discussed in Chapter Two of this study, footnote 5.

information can be used by planners to prioritize future investments, and better align housing and transportation service and policies.

The 2007 federally-sponsored *Realizing the Potential* report examined the relationship between transit investment, TOD, and affordable housing in five case study regions. The H+T Index was used to evaluate the variation between and within regions of combined housing and transportation costs given different market and transit conditions[60]. The Index was created by a non-federal organization but could be an early opportunity for public-private partnership around data and performance.

In its *Retooling HUD Report* to Secretary Shaun Donovan, the authors recommend that HUD relearn how to partner with businesses, community groups, local and state governments, and anchor institutions. The report also strongly encourages the developer of fuller data systems and research[61]. Identifying and resolving outstanding legal or methodology issues could facilitate the use of the H+T Affordability Index within the next several months. Application of the H+T Index could be useful in allocating funding or reviewing proposals for federal programs such as Sustainability Challenge Grants, the HOME program, New Starts, or in evaluating the spatial correlation between housing assistance vouchers and affordability costs. Fiscal Year 2010 sustainable community funds could be used to pilot the Index in a few metropolitan regions, and also to test its ability to be a predictive tool for evaluating long-range planning.

Enhanced comprehensive technical assistance programs

- *The most compelling actions that the Interagency Partnership could undertake in the short term are to support capacity building at the state, regional and local levels. There is a demonstrated demand for pursuing sustainable community initiatives locally, however many communities struggle with trying to develop funding sources, integrated plans, establishing baselines and performance indicators, and project implementation.*

State agencies, which often provide the greatest financial resources and allocate federal funding, are critical partners in implementing the federal Partnership for Sustainable Communities. In many states, however, there remains insufficient support or prioritization of local livability initiatives particularly if projects to improve community livability are perceived as conflicting with statewide interests or there is

[60] Center for Transit-Oriented Development. *Realizing the Potential: Expanding Housing Opportunities Near Transit.* Reconnecting America: April 2007.

[61] Penn Institute for Urban Research. *Retooling HUD for a Catalytic Federal Government: A Report to Secretary Shaun Donovan.* University of Pennsylvania: February 2009.

a lack of understanding regarding flexibility of federal funds for innovative approaches. For instance, current federal transportation law allows for the flexing of highway funds into transit and livable community projects. However, many states have not utilized this flexibility because of lack of clarity on how the program works by state DOT staff, local officials or advocates who could influence state funding decisions. There is limited federal guidance available on flexible use of these funds to do more than build roads or traditional transportation projects. Similarly, the HOPE VI program has demonstrated many successful examples of a more integrated housing + transportation + community development model and the benefits of context sensitive and energy efficient design. Regardless of future funding levels for this program, best practices and guidance on incorporating these principles into other affordable and mixed-income housing projects would be useful.

All three federal agencies involved in the Sustainable Communities Partnership have existing capacity to provide technical assistance, although there is a wide variation in terms of the type and amount. US EPA has a successful small smart growth technical assistance program that has been used in many communities over the past ten years. US DOT has capacity building programs and existing contracts with private and non-profit providers of technical assistance. Both FHWA and FTA work closely with the National Highway Institute and National Transit Institute (NTI) to provide training and curriculum on transportation-related subjects. US DOT also works closely with the National Academy of Sciences to commission research on emerging transportation issues through the Transportation Research Board. HUD has authority to provide technical assistance through the CDBG program.

To date, there has been very little use of these programs to provide technical assistance to support equitable TOD or sustainable communities. Federal regional and district offices tend to provide training and guidance more targeted to regulatory compliance than to capacity building to develop innovative livability solutions. The NTI did recently pilot a TOD course, of which mixed-income TOD development was part of the curriculum.

Despite these efforts, a majority of stakeholders interviewed and respondents to the October 2009 Reconnecting America and APTA survey have indicated that insufficient technical capacity remains a serious issue. HUD has expressed its intent to use a portion of its FY10 Sustainable Communities funding to invest in technical assistance and capacity building. EPA also has increased funding in the next fiscal year for its smart growth program. USDOT has not identified steps it may undertake to strengthen its existing technical assistance programs or target more resources to capacity building and data development. It is important to recognize the unique constituencies that each of the federal partners work with, and tailor technical assistance to improve the state of practice by transportation practitioners, housing finance agencies and affordable housing providers, engineers and regional planners.

Ideas for improving technical assistance over the next six to nine months include:

- *Create a Sustainable Communities Initiative website clearinghouse.* The website can serve as the portal for navigating information on federal programs including those to promote equitable TOD. State, regional and local best practices, model state and local legislation and policies, and a guide to using existing federal funds to advance a Livable Communities agenda at the state, regional and local levels should be created. The guide should be aimed at both practitioners and advocates to serve as quality assurance helping to ensure full and robust interpretations of policies. The website should also link to premier websites that are currently maintained by non-federal partners including the Center for Transit Oriented Development, the Center for Housing Policy, Knowledgeplex, Context Sensitive Solutions by Project for Public Spaces, the Transportation Enhancements Clearinghouse, and Safe Routes to Schools to name a few.

- *Support the national advocacy community's efforts to advance the Department's livability agenda.* Non-profit organizations and the many stakeholder organizations at the national level have strong networks of state and regional networks of advocates who are eager to support a livable Communities initiative. These organizations could be supported to step up the on-the-ground pressure to re-orient state and regional priorities. Many of these organizations work across modes and across disciplines so also provide a ready set of expertise that has applicability to interagency coordination. Support for an integrated Technical Assistance Consortium that could provide information to practitioners on sustainable practices and design standards could leverage public and private organizations already engaged in these efforts at the community level.

- *Link technical assistance with federally funded research efforts.* Engage the University Transportation Centers (UTCs) and Centers of Transportation Excellence CTE), through their competitive grant programs, to conduct research and project tracking in support of livability. The Center for TOD has also undertaken a number of research projects specific to equitable TOD that can be promoted across the Interagency Partnership, including the forthcoming National Action Guide for Mixed Income TOD and the National TOD Database. Too often these types of resources are not widely disseminated across or within federal agencies, or with district and field staff thus limiting their effectiveness and reach.

- *Utilize new technologies and partnerships to share information.* Provide more broad education about livability through webinars on specific livability topics using NGO partners to build a constituency for the Partnership for Sustainable Communities. A livability website geared to non-professional stakeholders, funders, local public officials and NGOs could provide a portal to USDOT livability programs as well as an "electronic café" for blogging on transportation and livability topics. Peer to peer workshops are also a useful tool for sharing lessons learned and best practices. These should be expanded to include regional and field offices of the three partner organizations to help cross cultural barriers and foster learning discussions with practitioners and advocates working to implement equitable TOD.

- *Provide financial support for the collection, organization and management of data to provide the DOT and its grantees the ability to define indicators of Livable Communities from a transportation perspective and measure progress toward meeting specific goals.* The Interagency Partnership should place a priority on early establishment of a set of livability indicators that could be applied to all discretionary programs funded by the three agencies. These indicators should establish baselines, measure performance and outcomes. There are a number of existing indicators that have been established by federal and private sector organizations and NGOs. Creating a consortium of public, private and federal data experts could create a process to streamline approval, adoption and development of livability indicators.

- *Provide models and examples of the use of federal funds for livable community investments to state DOTs and Housing Finance Agencies, transit agencies, MPOs, and affordable housing developers and local governments.* This paper has spotlighted a few specific policies such as the San Francisco Bay Area's Livable Communities Program. A number of other innovative efforts are being developed that can serve as models for other communities, and can be evaluated for their impact in creating more livable communities.

- *Support integrated corridor and regional investments.* Provide guidance to encourage programmatic agreements with state DOTs for using federal programs for Livable Communities programs. Programmatic agreements would streamline the process which now involves a project by project individual review. It would also avoid the need for lengthier regulatory change, which could come later. A whole cluster of project types could be identified and programmatically approved. A model could be Pennsylvania's Community Transportation Initiative (PCTI) program.

- *Provide guidance and best practices on outcome-based, integrated planning efforts such as Blueprint Planning in California, Envision Utah, and Scenario Planning.* Develop case study materials that spotlight the public participation process, innovative planning tools, local leadership and results from these efforts including such things as projects that have been implemented, regional financing approval, etc.

Looking Ahead

There is great opportunity and excitement surrounding the Interagency Partnership on Sustainable Communities. While the challenges facing our nation at this time are substantial – from global climate change to the financial crisis and rising unemployment – many of these are directly linked to our failure over the past 50 years to grow our economy and communities in a sustainable pattern. We have an immediate opportunity to develop policies to address the current national challenges while promoting more energy efficient, socially equitable and economic development within our communities. Safe, equitable, vibrant neighborhoods create sustainable communities that are better positioned to compete in the global market. Meeting this challenge will be difficult. However, the commitment shown to date by the Obama administration to pursue place-based, integrated solutions is historic.

The federal government, in many ways, is just starting to catch up to the innovation that has been shown by many regions and communities. The opportunity will be to reward this early innovation while sharing lessons learned and creating incentives and technical assistance for more communities to pursue livability policies. Incentives alone are not enough. Better integration and simplification of federal planning requirements, approval processes and performance metrics is needed. The most far-reaching impact may also be created through a stronger linkage between federal funding decisions and demonstrated performance against a set of livable communities indicators. There is an opportunity in the short term through existing discretionary programs and the new Sustainable Community Challenge grants to test this theory and demonstrate the power of conditionality. Finally, partnership with academic, non-profits, foundations and other non-federal organizations can help create early models of success, leverage existing data and research expertise and ensure that the current Initiative is more than a top-down effort, and has a legacy beyond the Obama administration.

Appendix A. Local Programs to Support Transit-Oriented Development

STATE PROGRAMS				
Entity	*Program*	*Type*	*Description*	*Other*
California Department of Housing and Community Development	TOD Housing Program (Proposition 1C)	Financing	Authorizes bonds for new and existing affordable housing, including mixed-income TOD.	$300 million over 3 years, with a maximum of $17 million per project
California Department of Transportation	Community-Based Transportation Planning Grants	Planning	Grant program meant to strengthen the connection between transportation and community goals. Transit oriented development plans and capital projects are eligible activities, and the program gives priority consideration to projects that integrate transportation programs with community preservation and environmental activities.	$3 million annually
California Department of Transportation	Transit Village Development Planning Act	Planning	Encourages cities and counties to plan for transit villages and provides incentives such as priority transportation funding, density bonuses, and expedited permits for projects.	Authorizes cities and counties to create Infrastructure Financing Districts (IFD) and issue bonds to pay for community scale public works, including transit.
State of Connecticut	TOD Bond Program	Planning	As part of a larger bonding bill, CT state legislature passed in 2007 a Transit-	$10 million over two years

			Oriented Development Pilot Program – for station area planning grants.	
Maryland Department of Transportation	Transit Station Smart Growth Initiative	Funding	Funding to private sector developers for construction of transportation-related improvements in support of development near rail stations.	$500,000 max; avg. $50,000 to $300,000
Maryland Transit Administration	Transit Station Development Incentive Program	Funding	Funding to stimulate private investment in transit-oriented development—high-density, pedestrian-friendly commercial and residential projects near transit stations	
Massachusetts Department of Housing and Community Development	Commercial Area Transit Node Housing Program	Financing	$750,000 (or $50,000 per unit) in zero interest loans, 30-year deferred payment loans at zero interest for rental housing projects, and 30-year deed riders for homeownership projects.	Developments must be located within a quarter-mile of existing or planned transit stations.
Massachusetts Executive Office of Transportation and Public Works, Department of Housing and Community Development	TOD Infrastructure and Housing Support Program (or TOD Bond Program)	Financing	Provides financing for pedestrian improvements, bicycle facilities, housing projects, and parking facilities within .25 (1/4) miles of a commuter rail station, subway station, bus station, or ferry terminal.	
Commonwealth of Massachusetts	Housing and Smart Growth Incentives (Chapter 40R)	Funding	Provides direct funding to cities that create zoning districts for compact housing near transit (or in	Payments range from: $10,000 for up to 20 units; $75,000 for 21-100 units; $200,000 for 101-200 units;

			existing commercial districts) and an additional per-unit bonus for building permits issued in transit zones.	$350,000 for 201-500 units; to $600,000 for 501 or more units of housing.
New Jersey Department of Transportation	New Jersey Transit Village Initiative	Planning/Funding	Multi-agency task force reviews applications from municipalities to be designated as transit villages, which then makes them eligible for state assistance.	Once designated as a Transit Village, municipality is eligible for $1 million grant.
State of New Jersey	Urban Transit Hub Tax Credit	Financing	Tax credit to encourage investment around heavy rail stations in nine urban municipalities.	Capital investment must be large ($75M) and must employ 250 people at the site.
State of Oregon	Vertical Housing Program	Financing	Encourages mixed-use commercial / residential developments in areas designated by communities through a partial property tax exemption. Provides up to 80% exemption on property tax over 10 years.	Additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area median income or below).
Pennsylvania Department of Community and Economic Development	Transit Revitalization Investment Districts	Planning/Financing	Provides funding to conduct extensive community planning processes for neighborhoods around transit, and can be used to designate value capture and TIF districts.	75% state share, 25% local ($75,000).

REGIONAL PROGRAMS				
Entity	*Program*	*Type*	*Description*	*Other*
Atlanta Regional Commission	Livable Centers Initiative	Planning	Encourages local jurisdictions to plan and implement strategies that link transportation improvements with land use development strategies to create sustainable, livable communities consistent with regional development policies.	$5M in the STP
Chicago Regional Transportation Authority	Community Planning Program & Subregional Planning Program	Planning	Provides funding and planning assistance for planning projects that benefit both the local community and the RTA transit system. Projects within the program include planning for transit-oriented development, access and circulation improvements in and around transit facilities, improved job access, improved mobility for seniors and people with disabilities, and increased transit usage.	2009: $2.4M for 15 Community Planning and 5 Subregional Planning projects; 2010: ~$1.5M for a total of 10 projects

Dallas/Fort Worth (TX): North Central Texas Council of Governments	Sustainable Development Land Banking Program	Financing/Land Banking	Cities apply for funding for projects that encourage public/private partnerships that positively address existing transportation system capacity, rail access, air quality concerns, and/or mixed land uses.	Funds for the program come from local infrastructure funds "swapped" for Federal CMAQ and STP-MM funds, but will come from toll revenue in the future.
Denver Regional Council of Governments	Transportation Improvement Program	Planning	Grant funding (from CMAQ funds) for land use planning around station areas.	DCOG allocated $2M, 50% local match required.
Denver Metro Mayors Caucus & CO Housing and Finance Authority	Metro Mayors Caucus TOD fund	Finance	Cities pooled Private Activity Bond authority to finance the construction or rehabilitation of multifamily rental projects near transit.	
METRO Portland (OR)	TOD Implementation Program	Financing	Uses a combination of local and federal transportation funds to spur TOD construction, primarily for site acquisition and easements	
San Francisco Bay Area: Metropolitan Transportation Commission (CA)	Policy for Regional Transit Expansion Projects	Funding	Requires stations to meet planned density thresholds and conduct station-area planning in order to receive transit funding.	

San Francisco Bay Area: Metropolitan Transportation Commission (CA)	Housing Incentive Program	Planning/Funding	Offers extra transportation funds to jurisdictions that commit to creating new high-density housing near transit.	MTC grants jurisdictions $1,000 per bedroom developed at a density of 25 units per acre, $1,500 a bedroom at 40 units per acre, and $2,000 a bedroom at 60 units per acre. Projects must be within one-third of a mile of a transit stop that has a wait of no more than 15 minutes at rush hour. Projects get an extra $500 per bedroom for affordable units.
San Francisco Bay Area: Metropolitan Transportation Commission (CA)	Transit for Livable Communities grant program	Planning/Funding	Includes three components: capital grants, planning grants, and the Housing Incentive Program (HIP).	TLC allocates $27M per year to projects that meet smart growth criteria
San Mateo City/County Association of Governments (CA)	TOD Incentive Program	Construction Aid	San Mateo's TOD Incentive Program uses transportation funds to help communities that build more housing near rail stations. This program directly links land use with efficient use of the existing transportation system.	<$3M

Twin Cities Metropolitan Council (MN)	Livable Communities Demonstration Account	Funding	Grant program to local jurisdiction for development of demonstration projects that achieve "connected, efficient land-use patterns in communities throughout the region."	Funding is currently $8 million/year, from a regional tax levy
Washington, DC: Metropolitan Washington Council of Governments	Transportation/Land Use Connections Program	Planning/Funding	Provides a web-based information sharing hub for jurisdictions, and technical assistance grants for planning and capital projects that are sustainable and reduce congestion.	
LOCAL PROGRAMS				
Entity	*Program*	*Type*	*Description*	*Other*
Austin, TX	Safe, Mixed-Income, Accessible, Reasonably-priced, Transit-oriented (SMART) Housing Program	Incentives	Provides fee waivers, expedited review and support to projects that provide certain levels of affordable housing and are transit-accessible.	*similar programs in Portland, Denver, Boston
Charlotte, NC	South Corridor Land Acquisition Fund	Land banking	Purchase land for TOD along the South Corridor LRT, with purpose of promoting low-income housing.	Capitalized effort with $5million.

Dallas, TX	Dallas Land Bank	Land banking	Targets properties along Dallas Area Rapid Transit corridors (new and existing) for purchase of tax-foreclosed properties to sell to affordable housing developers at below-market prices.	The land bank was capitalized by $3 million in voter-approved bond funds and a $250,000 loan from the Real Estate Council.
Denver, CO	Denver TOD Fund	Land Banking	The fund is for the City to buy property and help build affordable housing within ½ mile of transit stations.	$15 million (public and foundation funding) over ten years
Hennepin County, MN	Transit Oriented Development Bond Program	Funding/Financing	Grants or loans for TODs within redevelopment areas; must have multi-jurisdictional impacts and enhance transit usage: roughly 1/4 mile for existing transit stops or 1/2 mile for rail-based TOD.	$2,000,000 (2009 Budget)
Los Angeles, CA	Affordable Housing Incentive Program	Incentives	Reduced parking requirements and density bonuses for affordable housing projects within 1,500 feet of a transit stop.	*similar programs in Arlington, Boston, Portland, Charlotte, Denver, Minneapolis
Minneapolis, MN	Higher Density Corridor Land Acquisition Program	Land Banking	Assemble sites for development in priority high-density areas, to promote affordable and mixed-income development on.	

Portland, OR Development Commission	TOD Property Tax Abatement Program	Financing	Reduces operating costs of high-density TOD projects by offering a ten-year maximum property tax exemption.	
Portland, OR Development Commission	Direct Financed Acquisition Loan & Housing Development Subordinate Loan (HDSL) Programs	Financing	Provides loans to acquire property in Urban Renewal Districts or other priority housing districts (Direct Loan), and public financing to fund development costs for new or existing rental and Mixed-Use Projects that provide public benefits (HDSL).	