

**GREENER COMMUNITIES, GREATER OPPORTUNITIES:
NEW IDEAS FOR SUSTAINABLE DEVELOPMENT
AND ECONOMIC GROWTH**

HEARING
BEFORE THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED ELEVENTH CONGRESS
FIRST SESSION

ON

EXAMINING THE WAYS IN WHICH HOUSING AND TRANSPORTATION
POLICY CAN WORK IN COMMON TO MEET FUTURE HOUSING, TRANSPORTATION,
AND ENVIRONMENTAL NEEDS IN OUR COMMUNITIES

JUNE 16, 2009

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GREENER COMMUNITIES, GREATER OPPORTUNITIES: NEW IDEAS FOR SUSTAINABLE DEVELOPMENT AND ECONOMIC GROWTH

TUESDAY, JUNE 16, 2009

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 9:32 a.m., in room SD-538, Dirksen Senate Office Building, Senator Christopher J. Dodd (Chairman of the Committee) presiding.

OPENING STATEMENT OF CHAIRMAN CHRISTOPHER J. DODD

Chairman DODD. The hearing will come to order. Let me thank all of you for being here this morning in what I believe to be a historic hearing—those words probably get used more frequently than they should, but I believe this is historic in that the three witnesses who are with us this morning I don't believe have ever appeared jointly before this Committee, or for that matter, any other committee that I know of, at least going back, and I have looked at the records, where we have had the Secretary of Housing, the Secretary of Transportation, and the Administrator for the Environmental Protection Agency together at one hearing on a common theme. So we thank all three of our Secretaries for being with us and we thank the audience that has come out this morning and I thank my colleagues for joining us here. Senator Shelby may be able to get by—we are not sure yet—this morning, and other Members who are interested in the subject matter.

Today's title of the hearing is "Greener Communities, Greater Opportunities: New Ideas for Sustainable Development and Economic Growth." This is an important subject matter and all three of our witnesses have wonderful backgrounds and knowledge and expertise in this area, so I want to begin by thanking all three of you for being here this morning and participating in this hearing and this discussion of how we move forward.

So let me thank you for joining us. I hope all had a painless commute, by the way, this morning. But if you didn't, I can understand entirely. I am from Connecticut, and Connecticut has a long history of understanding what it is to have a painful commute. Although we love our State, we know something about rough commutes. Take I-95, the main corridor that runs through Southern Connecticut. Over the last 50 years, average daily traffic in the Connecticut Southwest corridor has increased more than seven-fold, to give you some idea of the problem.

Imagine you are on your way home from a hard day at the office, and when you get there, your children are hopefully waiting for dinner. But at the rate traffic is moving, you are just hoping you might get there in time for breakfast in the morning. For 25 minutes, 45 minutes, over an hour, you grit your teeth and grip the wheel harder as traffic crawls slowly along the highway. The air is clouded with exhaust from what seems like millions of cars barely moving at almost \$3 a gallon, and things won't get any easier when you and your fellow motorists slowly grind along the same road to work the following morning.

So welcome to the daily commute for far too many residents in my State and many, many others across this country. It is not unique to Connecticut. It is becoming not unique at all. It is becoming more of the standard. So if you know me at all, you know how I feel about the importance of new transit options.

I have been a longtime advocate for the Tri-City Corridor that will connect new transit villages, get people off the roads, and revitalize our regional economies. It will accomplish this by initiating new commuter rail service and the 110-mile-an-hour intercity train service between New Haven, Connecticut and Springfield, Massachusetts, with direct connections to New York City and eventually Boston, as well. This project is one of my top priorities as it is for the Connecticut delegation here as well as the people in our State, and to use this as an example, again, of densely populated areas and alternative modes of transportation.

But our communities are growing and changing and too often, our approach to community development policy has been like one of those cars on the Merritt Parkway in Connecticut, trapped in gridlock, never moving. It is time to rethink the way we plan the futures of the places in which we live, work, and raise our families.

Between 1980 and 2000, the growth of the largest 99 metro areas in the United States consumed 16 million acres of rural land. That is about an acre for every new household. With new population expected to grow by over 150 million people between 2000 and 2050, this land-use trend simply cannot continue for all the obvious reasons.

Before today, Federal policy has often treated transportation, housing, and environmental protection as separate issues, distinct from each other. But that system of stovepiping simply isn't working and the consequences of failing to address the way we plan our communities' growth are many. We will continue to lose our rural land and open spaces. We will see a worsening of the traffic congestion that has tripled over the last 25 years. We will continue to pay more and more at the pump at a time when our family budgets are already stretched to the max. We will continue to push low-income families further away from job opportunities. We will continue to increase greenhouse gas emissions despite the urgent threat of climate change.

In February, I wrote a letter to President Obama urging him to establish a White House Office of Sustainable Development to coordinate housing, transportation, energy, and environmental policies. The President has been a strong leader on these issues and he has already shown a willingness to shake up a Federal Govern-

ment that hasn't always succeeded when it comes to addressing related issues in a comprehensive, effective, holistic way.

Today, following up on that letter, we have invited three members of the cabinet who don't usually spend as much time in the same hearing room as they should, in my view. They will be outlining for us the administration's commitment to sustainable development, a commitment that recognizes the importance of working across traditional boundaries to create more cohesive and collaborative policies.

One important piece of the work that we have to do is to provide more transportation choices for families in our Nation. Few States suffer from worse traffic congestion than my home State of Connecticut does, and the lack of good transit options costs families more than just inconvenience. In large part due to congested roadways and the lack of affordable housing and transit options, Connecticut ranks 49th in the country in keeping our young people in the State. Meanwhile, living in a transit-rich neighborhood saves money, on average, as much as 10 percent of a family's budget. This is particularly important for those living on fixed incomes or struggling to get by in a tough economy, as people are today.

Improving transportation isn't just about making a daily commute easier. It is about empowering people to access jobs and critical services and making things just a little bit easier for those on a very tight budget. It is a problem that hurts not only the quality of life for our citizens, but also opportunities for businesses. So we must improve and expand bus and rail service, providing new choices for families who would no longer have to drive to work and creating space on the road for those who do. And we need to build more and better housing options near these transit stations.

For instance, my State has developed a program called Home Connecticut. It makes grants available to towns to plan incentive housing zones for higher density mixed-income housing in downtown areas and redeveloped brownfields close to transit options and job centers. It is a strategic investment in our economy, our environment, and the quality of our life in Connecticut. We have already begun to make progress in my State and we can do more, I believe, across the country with similar models.

This Committee is currently drafting legislation to provide incentives for regions to plan future growth in a coordinated way that reduces congestion, generates good-paying jobs, meets our environmental and energy goals, protects rural areas and green space, revitalizes our main streets and urban centers, creates and preserves affordable housing, and makes our communities better places to live, to work, and to raise our families. Our bill will also create a competitive grant program to provide resources to some of the projects identified in this planning.

There is a lot we can do in this Committee in this area and I look forward to continue to work alongside my colleague, Senator Shelby, the former Chairman of the Committee, and our colleagues on this Committee, many of whom care as deeply about this issue as I do, both Democrats and Republicans who are facing these issues, not just in urban areas on the East and West Coast, but even in our Midwestern States, where congestion is accumulating around urban areas.

It is often a great trivia question to ask people, what is the most urbanized State in America? And you will get all sorts of answers. Rarely is the answer given, Nevada, but that is the most urbanized State in America, with roughly 90 to 95 percent of its population residing in one county, of course, Clark County around Las Vegas.

So these issues are not just East Coast–West Coast any longer. Every State in the country, to one degree or another, is facing these challenges. So what we are advocating here is not something just for those States that are facing the most serious problems today, but also planning for what we can do down the road.

Just like I have urged the administration to, I believe we in the Senate must work in a coordinated and comprehensive fashion, as well, if we are going to succeed in this effort, and particularly this Committee will need to work closely with Senator Barbara Boxer of California's EPW Committee and Senator Jay Rockefeller of West Virginia's Commerce Committee as we write the next surface transportation bill, legislation that I hope will eliminate the stovepipes that I mentioned at the outset of this hearing within transportation policy and ensure that it helps to advance broad, good, related to not just transportation but community development and economic growth, energy, and environmental issues.

Today, we will hear from witnesses who have already begun the important collaborative effort within the administration, public servants who are doing a tremendous job, in my view, and I commend all three of you for the first 6 months of efforts. Some of us have had the pleasure already with Shaun Donovan, who has been in my State of Connecticut, my major cities, talking about housing and transportation issues. Ray LaHood has been, I know, around the country, as well, discussing these issues, as well, with Shaun. And Lisa, we welcome you, as well, and your tremendous efforts in the environmental policies, as well.

This administration is today making a significant welcome commitment to sustainable development and livable communities and we are eager this morning to discuss how we on this Committee can be better partners in helping our communities plan for a much more prosperous and enjoyable future.

With that, let me turn to my three colleagues who are here with us this morning, if they would like to make any brief opening comment before turning to our witnesses. Jon.

STATEMENT OF SENATOR JON TESTER

Senator TESTER. Thank you, Mr. Chairman. I want to thank you for calling this hearing and I want to thank the three witnesses today for the great job that you have done in the short time you have been in your positions. I very much appreciate your proactive nature, each and every one of you. I have had the chance to work with Shaun and Lisa directly. I will be working with Ray LaHood here in a couple of weeks directly. But the truth is that you folks have done some great work in a short period of time and we look forward to more great work as time goes on.

Secretary Donovan was in Montana the end of May at one of the sessions we had. He talked about policy solutions and not thinking in silos, stovepipes, bringing people together and actually getting a good dialog going and getting more bang for the buck and getting

better service to the people. I think that is what we are here for today, “Greener Communities, Greater Opportunities, and New Ideas for Sustainable Development” as they apply to housing and transportation and water and environment. All those things, there is a synergy that can be related between them, and I think that this hearing is a good hearing to try to promote that, quite honestly. I don’t think that you can have sustainable communities without a good housing program nor without a good transportation program, and absolutely without water, just to name three things that come to mind.

So as this hearing moves forward, I am going to appreciate your perspective on how we can get things done to make things better in this country from a community standpoint and kind of how we plot out the road map for the future, really.

So thank you, Mr. Chairman. I appreciate the opportunity.

Chairman DODD. Thank you, Senator Tester.

Senator Warner is—Mark and I have known each other for a long time, but as Governor of Virginia, I know this was one of your top priorities, dealing with this. Of course, all of us here who serve in Congress are familiar with Northern Virginia and the congestion—

Senator WARNER. Right. We have no congestion in the Greater Capital Area.

[Laughter.]

STATEMENT OF SENATOR MARK R. WARNER

Senator WARNER. I apologize to you folks in Connecticut who have still got it. We have, of course, solved all that problem completely here in the Greater Capital Area.

Thank you, Mr. Chairman, for holding this hearing, and I thank these wonderful witnesses.

I will reserve most of my comments until the questions, but I just want to echo what Senator Tester has said, to get out of the stovepipes. I know land-use planning and transportation planning are normally thought of as a State and local issue, but having some notion of what can we do from the Federal standpoint to kind of marry those two areas better together was something I am anxious to hear about. I am particularly anxious to hear from all of you about a concept that I know the Chairman has worked on, the green bank idea and how we can use that replenishing asset to make investments. Secretary LaHood and I have already had a number of conversations about the opportunity to think at DOT outside of the silos.

I didn’t fully appreciate, and this may be a little inappropriate to say, but as a Governor, I always would get very frustrated with the Federal Government, why we don’t have a comprehensive, logical transportation policy in this country. Now that I am a member of the Senate, I understand that better, why we don’t, because of just the historic jurisdictional divisions in terms of how we think about transportation policy. I don’t think we are probably going to change those jurisdictional divisions, but, oh boy, Ray, anything we can do from a Federal DOT standpoint to think more holistically, more multi-modally, and which obviously ties into greener commu-

nities in terms of how we think about mobility and connectivity as opposed to just VMTs is something that is really important.

So Mr. Chairman, I appreciate you having this hearing.

Chairman DODD. Certainly. Thank you very much.

Senator Merkley is a former Speaker of the House and understands these issues. I mentioned Western States, and this is not just the highly urbanized States that face these issues.

STATEMENT OF SENATOR JEFF MERKLEY

Senator MERKLEY. Thank you very much, Mr. Chair. I can tell you all that from Oregon's perspective, you all constitute the livability dream team. We are just delighted to have you working hard on affordable housing, on transportation that works in an urban environment, and certainly expanding the impact of housing and transportation in a positive way on the environment. So I am delighted to have you all here.

Oregon is a State that has been wrestling with this for a long time. Apologies to my colleagues from California, who are not here, but California was an inspiration to Oregon in that we wanted to avoid the sort of sprawl we were seeing to the South when California was growing very rapidly. So we experimented with state-wide planning and it has gone through a number of initiatives and citizens have affirmed their determination to continue on that path with urban growth boundaries to create livability, to improve transportation, to make it more cost effective, to save energy, a whole host of things. So I look forward to your testimony and thank you for the work you are doing.

Chairman DODD. Thank you very much, Senator.

Welcome, all three of you. We are delighted to have you with us. Secretary Donovan, we will start with you and then we will go to Ray LaHood. Obviously, any supporting data and information you have, along with opening statements and materials from our colleagues, will be included in the record, as well.

STATEMENT OF SHAUN DONOVAN, SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Secretary DONOVAN. Good morning, Chairman Dodd and Members of the Committee. It is a great pleasure to be here today to speak about the critical link between housing, transportation, and environmental policy. I want to thank you and your Committee for your leadership in developing and pushing for innovative and integrated approaches to these issues.

Today, we announce a landmark agreement between the three agencies before your Committee that includes six livability principles that will guide our work together, representing a powerful statement of common goals, strategies, and purpose for communities across the country whose vitality in the 21st century depends on our ability to work together in partnership.

Earlier this year, I was pleased to testify before the House with my colleague Secretary Ray LaHood from the Department of Transportation. Since that March testimony, we have taken important steps to improve coordination between our Departments. I am especially pleased to have EPA Administrator Lisa Jackson join us today as a partner in this effort, providing further evidence of our

commitment to collaboration and coordination across the entire Federal Government.

More than ever, I am convinced, as you said, Chairman Dodd, that solutions to the myriad challenges facing our housing markets must be addressed in a comprehensive way to reduce our dangerous dependence on foreign oil and drive down energy costs for consumers and businesses alike. This means that HUD, in collaboration with our partner agencies, must find new integrated solutions to the multi-dimensional challenges faced by cities, suburbs, and rural areas.

As you know, our budget proposal includes a \$150 million Sustainable Communities Initiative to be managed by a new Office of Sustainable Housing and Communities. As the Chairman said, we need to synchronize climate change, energy, community development, housing, and transportation policy in the most comprehensive, holistic way possible. I believe creating an Office of Sustainable Housing and Communities inside HUD to serve as a single point of contact with other Federal agencies is the best way we can achieve that goal. Already, these kind of offices at our partner agencies have helped break down barriers to change. They are proving to be a successful model for interagency coordination and collaboration.

Under our Sustainable Communities Initiative, HUD and DOT would jointly administer a \$100 million fund to encourage metropolitan regions, via competition, to develop integrated housing, land-use, and transportation plans, and to use those integrated plans to drive the planning and decision making of localities. The goal of this initiative is to articulate a vision for growth tailored to specific metropolitan markets that Federal housing, transportation, and other Federal investments can support.

Funding would generally be used to support the development of integrated, state-of-the-art regional development plans that use the latest data and most sophisticated analytic modeling and mapping tools available. These efforts will benefit urban, suburban, and rural communities alike, but require a level of integrated planning that spans jurisdictional boundaries in new and unprecedented ways. We simply can't afford to be territorial about these issues any longer.

The Sustainable Communities Initiative in our fiscal year 2010 budget also includes \$40 million in grants that will be used to support metropolitan and local leaders in making market-shifting changes in local zoning and land-use rules and another \$10 million for research.

With the costs of transportation now approaching those of housing for many working families, we will work to jointly develop a Housing and Transportation Affordability Index with DOT. When you buy a car, you know very clearly what its energy efficiency is because there is a sticker on the window. We need the same thing for our houses and our buildings. An Affordability Index will give consumers and businesses alike the information they need to make informed choices that meet their needs, creating a more dynamic, efficient marketplace. That is why we intend to share all this data, research, and evaluation with the private sector, to catalyze innovation and maximize market efficiency.

We will also conduct an intensive review of our respective programs to determine how to support the marriage of housing and transportation and to emphasize location efficiency. Included in this work will be a historic effort to develop data and bolster research to better track housing and transportation expenditures by location.

Since March when we announced our agreement with DOT, we have made significant progress. Teams from our agencies are meeting on a weekly basis. Further, we are pleased to announce that EPA is now a full partner. They will work with HUD and DOT to address water infrastructure issues, expand technical assistance to State and local governments, return brownfield sites to productive use, and address hazardous waste and other barriers to reinvestment in older communities.

As a result of our agency's work, I am pleased to join with my DOT and EPA colleagues to announce a Statement of Livability Principles. These principles provide a set of guidelines for each agency to formulate and implement policies and programs. More importantly, they mean that we will all be working off the same playbook. For the first time, the Federal Government will speak with one voice on housing, environmental, and transportation policy.

The first principle, providing more transportation choices, addresses our need to expand the options available to American families, whether commuting to work, dropping children off at school, or running errands.

The second principle, promoting equitable, affordable housing, is at the heart of HUD's mission. In order for our neighborhoods to thrive, our regions to grow, and our Nation to prosper, we must support communities that provide opportunities for people of all ages, incomes, races, and ethnicities to live, work, learn, and play together.

The third principle, increasing economic competitiveness, pinpoints the need to coordinate housing, transportation, and environmental policy to make us more competitive and productive. Our Nation's ability to compete in the global economy is dependent on how quickly and efficiently we can connect our labor force to education and employment opportunities.

The fourth principle, supporting existing communities, identifies the need to support community revitalization, build upon existing public investments, and preserve our Nation's rural land.

The fifth principle, leveraging Federal investment, focuses on increasing the effectiveness of American government at all levels. We want to boost the capacity of local communities to more effectively plan for future growth and support the ability of local communities to think and act regionally.

Finally, the last principle, valuing communities and neighborhoods, brings the entire effort together. We must ensure that Federal investment supports safe, healthy, and walkable communities, whether in cities, suburbs, or rural areas.

So we have our playbook, Mr. Chairman, strong evidence that our efforts to find productive solutions together will rise to the challenges before us. But the real test of our commitment will be

in putting the principles into action. I propose to do that in several ways.

First, over the next few months, I intend to implement a process at HUD led by Deputy Secretary Sims to engage every program and every office at headquarters and in the field to identify the barriers that they encounter in implementing these principles. I will also be asking for their ideas, suggestions, and recommendations. This must be an inclusive process and an inclusive process depends on listening.

Second, I will ask our program offices to incorporate these principles in HUD's next annual performance and management plans, and we will charge the 82 field offices around the country with bringing these principles to life in the neighborhoods of America.

Last, we will share with you the performance measures that we are developing for each of these principles so that they can be measured in tangible outcomes on the ground. As I told you during my confirmation, Mr. Chairman, I am a numbers guy. I believe in evidence-based government and accountability. Strong performance measures will form the criteria for measuring the success of this initiative.

So I am optimistic that with these ideas, these new partnerships, and the leadership of my colleagues here today, and with you, as well, Mr. Chairman, we are poised to build the stronger, more resilient, and sustainable communities Americans want and need in the 21st century.

Thank you, and to Members of the Committee, I look forward to answering your questions after my colleagues' testimony.

Chairman DODD. Thank you very, very much. I am very excited about your livability principles. It is well done, I say to all of you.

We have been joined by Michael Bennet, as well, our colleague from Colorado. Senator, thank you for being here this morning, as well.

Secretary LaHood.

STATEMENT OF RAY LAHOOD, SECRETARY, DEPARTMENT OF TRANSPORTATION

Secretary LAHOOD. Chairman Dodd and Members of the Committee, I think the story today is that your leadership has brought us together and we are grateful to you. I think the other story is that cabinet secretaries can be team players, and we take our initiative for that from President Obama, who when he asked us to serve in the cabinet asked us to be team players.

So Mr. Chairman, thank you for the opportunity to discuss the Department of Transportation's plans to develop and implement a Livable Communities Initiative that will measurably enhance the quality of life for families, workers, and communities across America. I want to thank you, Chairman Dodd, for your leadership in placing this important issue on the national agenda and gathering all of us here today to answer your questions.

As I said during my confirmation hearing back in January, we must invest in transportation projects that preserve and enhance the unique characteristics of each urban, suburban, and rural neighborhood. To that end, I am committed to ensuring that our transportation policies help unite and strengthen communities. Liv-

able communities, by definition, offer residents choices among different modes of travel, from highway to light rail to bike paths. Public transit connects housing, employment, and recreational opportunities wherever possible. And plans for growth and development take energy efficiency and lower emissions into account at every step. Today, I will describe how we plan to begin to achieve these goals.

As you know, DOT has been collaborating with Secretary Donovan at HUD on concrete ways to encourage communities and developers to integrate housing and transportation planning and related investments, and I am pleased to announce that Administrator Lisa Jackson of the Environmental Protection Agency has agreed to join our Sustainable Community Partnership. I particularly want to thank the Committee for its role in encouraging us to join forces and you, Mr. Chairman, for encouraging us to work together.

The three-way partnership will have an enormous effect in enabling the Federal Government to coordinate and direct Federal investments in water infrastructure, better air quality, housing, and transportation. This is a new direction for the DOT and our partners and we are grateful to President Obama and his senior advisors on the environment, domestic and urban policy for supporting this important effort.

I am very confident that our agreement to align policies and programs across our three departments, which have traditionally been stovepiped, is a very positive and important step forward toward making our livable community concept a reality. We simply cannot continue business as usual.

Fresh water is a scarce commodity in many fast-growing communities in the West and Southwest. Air quality remains poor in many large urban areas. And many of our highways, airports, and freight railways are far too congested to operate as they should. We need fresh ideas to address these challenges. We need to think holistically because history has shown that a piecemeal approach does not work over the long term. If we are truly serious about combating climate change, encouraging Americans to walk more and drive less, and conserving natural resources through more efficient land use, then we must take this cross-cutting approach.

Within the last few weeks, our partnership has identified an ambitious set of principles that will define our efforts in the coming months as we articulate policies, programs, and grants that States and communities can tap into. Our principles include: Providing more transportation choices; expanding access to affordable housing, particularly housing located close to transit; enhancing economic competitiveness in terms of giving people access to jobs, education, and services, as well as giving businesses access to markets; targeting Federal funds toward existing communities to spur revitalization and protect rural landscapes; increasing collaboration among Federal, State, and local governments in order to better target investments, and improve accountability; and valuing the unique qualities of all communities, whether urban, suburban, or rural.

Secretary Donovan, Administrator Jackson, and I stand ready to work with Congress to ensure that these principles are embedded in forthcoming legislation and regulations that govern our pro-

grams. This certainly includes the next surface transportation authorization bill, which we want to make sure is compatible with our livability agenda. This is a big task, but I am confident we will succeed.

Thanks to the American Recovery and Reinvestment Act, and thank you for those who voted for it, momentum is already building. The Recovery Act's \$1.5 billion discretionary TIGER Grant Program will soon begin funding multi-modal transportation projects that promote greater mobility and sustainability. We know we are going to receive many, many creative proposals that will help transform the transportation landscape in urban and rural areas around the country.

The commitments I have described here today, along with other efforts such as new and revitalized inner-city passenger rail service, illustrate President Obama's unprecedented commitment to making transportation work more effectively and efficiently for all Americans. It is a promise I look forward to keeping alongside with my colleagues.

Thank you, Mr. Chairman. I look forward to your questions.

Chairman DODD. Thank you very much, Mr. Secretary. We thank you for those comments, as well, and can't begin to tell you how excited we are that you have taken over the helm of the Department of Transportation and your commitment to these issues, so we are very grateful to you.

You know, these are big issues and it is time we took on some big issues in the country. The small bore politics that went on too long, I think is hopefully over with. And so this is the kind of debate we ought to be having and reshaping this debate in a way, so I thank you for that.

We are going to turn to Senator Bennet. Senator Merkley was here, but he had to step out. Senator Bennet? Excuse me, I apologize. Lisa, I apologize. I am jumping to my colleagues instead of getting you, Lisa. I apologize. Lisa Jackson, thank you.

Senator BENNET. I know how late the Chairman was up last night.

[Laughter.]

Chairman DODD. We arrived together about one in the morning.

**STATEMENT OF LISA P. JACKSON, ADMINISTRATOR,
ENVIRONMENTAL PROTECTION AGENCY**

Ms. JACKSON. Oh, my goodness. Well, good morning, Mr. Chairman, and thank you for the opportunity to be here. It is an unusual venue for me, so I can certainly understand why you are not used to seeing EPA here, but we are happy to be here this morning. And to Members of the Committee, good morning.

I am absolutely delighted to be here this morning with two of the most extraordinary members of President Obama's green cabinet, my colleagues Secretary Ray LaHood and Secretary Shaun Donovan, to discuss our agency's work on sustainable development. Mr. Chairman, I salute you for your longtime interest and work on these issues and I am so happy we are here to discuss them today.

We are happy to announce that EPA has entered into the Partnership for Sustainable Communities, and I thank Secretaries Donovan and LaHood for their leadership on this issue. EPA has

been working for years on issues of smart growth and this partnership represents a real leap forward for not only our agencies, but for the American people.

The partnership recognizes that the work of our agencies is connected in designing or improving our communities to be sustainable for the long term. Mobility, housing, and environmental issues are entirely interconnected. Where you live affects how you get around, and how you get around affects where you live. Both decisions affect our environment. We cannot reduce greenhouse gas emissions without a development strategy that reduces vehicle miles traveled, and we cannot provide affordable housing without taking into account what residents there must pay for their transportation, for their energy, and for their water.

This partnership will help advance each of our missions. Working across agencies gives us an opportunity to share knowledge, resources, strategies, and coordinate planning in ways that will improve health and the environment, cut costs and harmful emissions from transportation, and build more affordable homes in communities all over the country.

Through it, our agencies will work together to help make sure our Nation's policies embrace well-designed, energy-efficient, water-efficient, affordable housing, a transportation system with more options for reaching jobs, schools, parks, medical care, and other basic needs, and waterways that are clean and safe for drinking, swimming, and fishing, air that is safe to breathe and land that is free of toxic contamination. We have created a framework that will guide the cooperative development of policies, regulations, spending priorities, and legislative proposals that emphasize environmental, economic, cultural, and social sustainability. Collective implementation of those policies at the State, local, and Tribal levels will ensure that we accommodate our Nation's anticipated growth in smarter, more sustainable ways.

Vibrant and prosperous towns and cities will attract the residents and business investment needed for robust growth. When growth flows naturally to these places, it makes it easier to protect environmental resources, such as forests and wetlands, and helps preserve wildlife, farms, rural landscapes, and scenic beauty.

Smart growth principles are equally important in urban, suburban, and rural areas. A few weeks ago, I visited Wyoming, where EPA's Smart Growth Program—and I have to take a second to acknowledge John Frece's leadership—is helping Governor Dave Freudenthal address the effects of the State's energy development on its environmental resources. In one of the least densely populated States in the Nation, residents often found themselves in heavy commuter traffic. The jobs weren't in the same places where the employees could afford to live. Smart growth approaches to these kinds of impacts are just as relevant in small town rural America as they are to different sets of challenges in New York, New Haven, Birmingham, or Houston.

At EPA, our focus will be on encouraging smart growth approaches to protect human health and the environment. This includes using smart growth as a tool to combat climate change. Combined, buildings and transportation contribute 63 percent of our Nation's greenhouse gas emissions. Smarter growth, combined

with green building techniques, can take a significant chunk out of that number.

Transportation uses 70 percent of the oil consumed in this country, and on average, roughly 20 percent of U.S. CO₂ emissions come from passenger vehicles. More efficient vehicles and cleaner fuel simply will not be enough to meet our greenhouse gas reduction and energy independence goals. Reducing the number of miles we drive must also be part of the solution.

There is no need to wait for some technological breakthrough to reduce the amount of driving we do. The strategies to help people drive less exist today and one of them is smart growth. We know that investing in public transportation, making communities more walkable, and creating more housing near job centers result in less driving. It is also critical to build on the progress in air quality we have seen since the passage of the Clean Air Act in 1990. And smart growth can help us get there, too.

As we move forward, the continued integration of air quality, land-use, and transportation planning will be important. EPA helps State and local agencies calculate emissions benefits for many of the strategies that support sustainable communities—better transit, increased carpooling, and other travel options. These resources can help communities meet Clean Air Act air quality requirements and build better, more livable communities.

And we are seeing real results across the country. Atlantic Station is a 138-acre redevelopment project in Atlanta, Georgia. Through a public-private partnership involving the State of Georgia, the city of Atlanta, the Atlanta Regional Commission, Jacoby Development, Incorporated, and the EPA, the former Atlantic Steel Mill site was reclaimed and redesigned to help residents and workers significantly reduce the amount they need to drive.

One of the largest brownfield redevelopments in the U.S., this national model for smart growth includes six million square feet of LEED-certified office space, two million square feet of retail and entertainment space, 1,000 hotel rooms, and it will have between 3,000 and 5,000 residential units upon full build-out. A shuttle system that carries one million people a year circulates between a commuter rail stop and Atlantic Station. Space is reserved for light rail service in anticipation of future transit investments. Residents of Atlantic Station drive an average of less than 14 miles per day, compared to 32 miles a day for the average Atlantan.

Atlantic Station has also helped improve water quality. Because it is compact, Atlantic Station uses much less land than a conventional development for the same amount of housing and commercial space. This efficient land use reduces annual stormwater runoff by almost 20 million cubic feet a year. Assuring that all have access to clean drinking water, that we improve water quality in our communities, and that we build wastewater treatment and stormwater systems is vital to our health.

EPA is also poised to significantly increase its funding for wastewater infrastructure through the Clean Water State Revolving Fund. This will help communities meet the challenges of upgrading aging wastewater and stormwater infrastructure. As part of our partnership with DOD and HUD, EPA will encourage States to direct additional funds to cost-effective, environmentally preferable

approaches to infrastructure in the planning, design, repair, replacement, and management that also promote sustainable communities, and EPA will provide guidance and technical assistance to States.

In addition to improving water quality, our SRF fund can support expanded housing choices. In my State of New Jersey, we have shown how Federal funding can be used in both rural and urban areas to help communities get the type of environmentally sound development they want. The State provides lower-interest loans for water infrastructure projects that serve mixed-use developments and provide residents with transportation choices, such as transit villages.

Importantly, our new partnership with HUD and DOT will help us revitalize neighborhoods that have suffered from decades of disinvestment. Redevelopment of such sites is difficult. Because such sites are usually served by infrastructure and transportation, they represent development opportunities that are critical to transforming years of disinvestment into a future of prosperity.

Healthy communities are not only environmentally healthy, they are socially and economically strong. They offer employment and education, safe and affordable homes, and access to recreation, health care, and the needs of daily life. These kinds of neighborhoods exist all over the country and market demand for them is strong. In fact, the strong market has driven up costs in smart growth areas, too often putting them off limits to lower-income residents.

EPA is working with our partners to create environmentally responsible affordable housing in these neighborhoods. Coordinating with State housing officials and the Regional Council of Governments, EPA's Smart Growth Program recently helped four communities in the Hartford, Connecticut area use State affordable housing funds to create mixed-income, mixed-use, green compact developments with a range of transportation options. As partners, we will help communities make sure that publicly financed housing is attractive, safe, and convenient.

In conclusion, thank you so much for the opportunity to appear here today. Working together, this is a great opportunity to achieve economic and environmental goals that our President has outlined for our Nation. Thank you.

Chairman DODD. Administrator Jackson, thank you very, very much. Those are wonderful examples. I was talking about where it is always good to hear about projects actually working and doing exactly what we are talking about, so demonstrating this is very achievable, that these are not just ideas that have now been demonstrated in some communities across the country.

Let me start, if I can, and I will keep an eye on the clock here, and since we don't have an overflow crowd of Members here this morning, we will do it sort of more informally. We have been joined by Sherrod Brown, Senator Brown of Ohio. Thank you, Senator, for being with us. So I will keep an eye on the clock here, as well.

As I mentioned in my opening comments, we are working on some legislation on the Banking Committee to try and come up with some resources to help to encourage better coordinated planning in our communities, and basically that. There may some in

some communities do a little bit more on the planning, but certainly the idea is to get some resource base, because that is a challenge. Obviously, States and localities are facing tremendous pressures on budgets today and just trying to meet current demands on everything from education and health issues and so forth and the like.

So at this juncture, it is hard, and obviously we have got our own constraints here, as well. But if we all recognize the value of having better planning and coordination, then it may be worthwhile for us to step up.

Senator Warner made the point earlier, when he was a Governor looking at the Federal perspective from his chair as Governor, whether or not there was any kind of coordinated effort that he could count on as a Governor, and I presume mayors and others ask the same questions around the country. Are we going to do this, and how can we be a partner in this? What is our role in all of this, respecting obviously localities want to have that determination themselves as to what works best for them and don't want us in Washington dictating to them in ways that make it impossible for them to achieve the results as they see them.

But I think they agree, as we are seeing in my State of Connecticut, more and more communities, for instance, on affordable housing are setting aside lands now so that they are available to attract people, working families to be able to live in these communities. So it is not limited to those who can just afford the higher cost of housing and driving people away at times when they need that workforce in their own communities. So there is, I think, a desire across the country for much of what we are talking about today.

But I wonder if you might share with us just quickly, all three of you, what are some of these obstacles we are facing in a way? The budget issue is obviously the obvious one to some degree. But beyond that, what are the obstacles to coordinated planning at the local and regional level and what can we do to encourage regional integrated planning?

I think, Administrator Jackson, you talked about citing examples of things that are working. For communities that haven't yet tried it, they want to know if there are examples out there around the country where this has actually worked and people are benefiting from it.

Secretary Donovan, do you want to start?

Secretary DONOVAN. I would love to. I couldn't agree more that in addition to the need for resources to support this planning, which is along the lines that you are talking about in the legislation, very consistent with what we are proposing in our Sustainable Communities Initiative for our budget, part of the problem here, frankly, is right now, the Federal Government is in the way. We are holding up local efforts to try to do this integrated planning. So this is exactly as you say. This isn't about forcing localities to do something they don't want to do. This is very much about getting out of their way in addition to providing resources to help them do it.

One example I would give of that that we have already started to work on with Secretary LaHood and his team, right now, we re-

quire through HUD programs a 5-year consolidated plan to be submitted to HUD to get access to many of our block grant programs and other funding programs. At the same time, the Department of Transportation is requiring metropolitan planning organizations and others to do long-range transportation plans. And yet, just as you have talked about the stovepipes that exist, we don't have any integration between those plans. So if a local area wants to do a single comprehensive plan, it is much too complicated for them to meet both of our needs for those different plans. So we can help them lower costs for these planning efforts by bringing together the requirements and help to get the kind of coordination that we want. That is one example.

A second thing I would say more specific to HUD is we have many—some of them, I would say, well-intentioned but problematic requirements in our programs, things like environmental requirements that make it hard, as Administrator Jackson talked about, for urban areas to redevelop brownfield sites, which are the most cost-effective in terms of access to transit and other things. But whether it is not having risk-based state-of-the-art environmental requirements in our programs, that is an example.

Another one would be we support multi-family development, rental buildings, across the country, but we have limits on how much commercial income can support those mortgages because we do residential housing. Well, that gets in the way of the kind of mixed-use development that we want to support in urban areas.

So there is a range of barriers like that that are critical for us to start to address in our programs and that is exactly what we have begun to do through this partnership.

The last thing I would say is that better information will help markets respond to exactly these kind of things. People are voting with their feet. If you look at what has happened in the foreclosure crisis, the biggest drops in prices have been in the least sustainable places, places that don't have access to transportation, things that we have talked about here today.

But right now, the market can't price in those factors. If I am a lender and I want to make a mortgage to somebody, if they are going to spend in one house 10 percent of their income on transportation and in a different house 30 percent of their income on transportation, the first house is going to be a safer investment for me. But as a lender, I don't have the information I need to be able to provide better terms or to respond to the safety that is a market-based solution that can help to support more sustainable development. By developing an Affordability Index, as I talked about in our testimony, we can help to drive the market in directions that respond to exactly the kind of things that we are talking about.

Chairman DODD. I am very excited about the Affordability Index.

I mentioned to some of you, I was in Chicago yesterday and met with some people on transportation issues, and one individual particularly is doing—I think I mentioned this to you, Ray—he is doing mapping, transportation mapping, an overlay. An awful lot of people are looking at where to locate, where to buy. Obviously, the value of the homes, what they can afford.

Usually the second question is, of course, what are the schools like? And you can get surveys. Most States do surveys now and will

tell you what communities are providing higher levels or better quality of education, and that is a major driving factor. I have communities in my State that people literally will beg, borrow, and steal to afford a home in that community exclusively because the quality of the public schools is so good. So that is a factor.

What we don't have is the overlay on transportation, the second-largest cost. It is the cost of the home and the cost of transportation. And so the ability to then be able to lay over that and say, here is what your transportation costs are going to be, I think you are going to—first of all, it is an incentive at the local level to be able to provide those alternative transportation means so that people can calculate that and may have a major impact on that decision making process, much as the school quality is, as well.

So I think it is a terrific concept and idea and one that we need to develop in the Committee, as well.

Ray, what are your thoughts on that?

Secretary LAHOOD. I think your Committee could do a good service by reforming the Metropolitan Planning Organizations. The most common complaint I hear from mayors is that the Metropolitan Planning Organizations don't really fit their opportunity to really coordinate a lot of different activities. It is a system that worked in the past, but I would encourage you and your staff to work with the Conference of Mayors. They have some very good ideas about getting these Metropolitan Planning Organizations to encompass much more of the metropolitan area—not just the cities, but the suburban areas and the rural areas—to incorporate some of the planning that needs to be done.

I think the other thing that we are trying to do, and where you can be helpful in your legislation, is to create a Livable Communities Program. The Program incorporates a lot of the coordination that we are trying to effect, and really develop it with our cooperation, so that we send a message to America that this is not just some concept, but that it is doable and it is doable because all of the different components of the Federal Government are willing to work together to do it.

And I think the third thing from our point of view is on New Starts and the availability of funding for transit for rural areas and light rail. There is the opportunity for different kinds of availability of our New Starts money for transit, whether it be for buses or vans to go out to rural areas to deliver people to a doctor's appointment and so forth. Some of those things exist, but we want to work with you on really getting the reforms that allow some of our opportunities to become a part of the Livable Communities Program that we want to work with you on.

Chairman DODD. A great concept.

Administrator Jackson, you talked about this already, but any additional thoughts on the—

Ms. JACKSON. Just briefly, Mr. Chairman. I think your question implies part of the answer, this is—and Secretary Donovan said it, as well—this has to be from the bottom up. The intent and the desire on the part of communities is out there. Communities have a vision for what they would like their future to be.

I think the Federal Government's role is in providing technical assistance, that success stories like we passed on that help them

refine their vision, and then tools that help them implement the kind of code changes or zoning changes to actually effectuate those visions, because I think oftentimes communities feel a bit at a loss and then they feel as though they are fighting the Federal Government who inadvertently—if they are not helping them, they are surely—if they are not hurting them, they are surely not helping them. So I think we are here today to say we intend to make sure we are working not at cross purposes but reinforcing each other.

Chairman DODD. I mentioned these transportation costs and these mapping ideas. I presume either Secretary Donovan or Secretary LaHood will correct me on these if I am wrong. I am told that the average household spends roughly 20 percent of its budget on transportation, the average household in the country. Low-income households spend, on average, 55 percent of their disposable income on transportation. And we also know that once a transit line is proposed in an area, the value—contrary to what I think people historically believe to be the case, the old notion of what side of the railroad tracks did you live on, and the old assumption was that if you are on the wrong side of the tracks, the value of your home, the economic conditions were less.

Today, that is just the opposite. In fact, there are many communities now we know—and we can calibrate exactly—home values probably have gone up because, in fact, there has been a light rail line available. So we are watching values go up at the very time we are trying to promote affordable housing. And if we are looking at 55 percent of that disposable income of poor families is going to transportation, or 20 percent of the average family, do you have any quick answers on how we address this notion here of trying to make sure that there is going to be that affordable housing for people who are seeing such a large percentage of their income be consumed by transportation? Any quick comments on that?

Secretary DONOVAN. Absolutely. I think you have hit on exactly the key issue here, which is what we have seen, the experience has been where you create transit-oriented development, you actually, by coordinated efforts of local, State, and Federal Governments to make investments in transportation, you create enormous real estate value, as well. And there is a great opportunity to use techniques like inclusionary zoning to capture some of that value right up front in the zoning code to create diverse housing options that include low-income workforce housing or moderate-income, as well as market-rate housing, which as we have learned over the last few decades in housing costs, is exactly the most sustainable kind of community from a housing point of view.

But you can do that with relatively little cost in terms of traditional subsidy mechanisms because the value that you are creating in the real estate with greater density, with the access to transit there, gives you the opportunity to capture some of that value and to build it in.

My own experience as a local housing official, that is exactly what we did, and we are very successful in creating those at a relatively low cost to government in terms of the subsidies that we had to provide.

What I would add, though, is that one of the things that I saw—again, as a local housing official—is that many people around the

country are interested in inclusionary zoning but don't have the skills or expertise to do the economic modeling, to understand how to get the details right at a local level, and this is one of the things with the \$40 million that we proposed in our Sustainable Communities Initiative is exactly the kind of effort that we could support in terms of technical assistance and help to localities to say, look, it has been successful in these other communities. Here is how the models have worked. We can get you information and help that will allow you to establish local zoning codes that will actually work in this direction. So that is one example of the kind of thing that we could do.

Chairman DODD. I will turn to Senator Tester, but Secretary LaHood or Administrator Jackson, any quick comment on that?

Secretary LAHOOD. I was in Houston recently, and from downtown took a light rail out to their medical center, where M.D. Anderson, the children's hospital, and the women's hospital are located. All along the way, they took housing that was dilapidated and now you see condominiums and other kinds of housing developing. So people who could not afford an automobile to get to their doctor or their hospital could take a light rail line, and as the rail line was developed and built, housing began to develop along with it.

It is, if you build it, people will come. And when you do that, you don't have to have three automobiles. You may have to have one, but you can get on the light rail at the condominium and take it either to a medical center or you can go to downtown Houston. It works.

Chairman DODD. Administrator Jackson, anything?

Ms. JACKSON. Only quickly to emphasize the point you made, Mr. Chairman, which is in doing redevelopment, we also, I think as a Federal Government, need to be very mindful of not pricing those who most need that housing out of the market. Certainly people with money want to live in the most convenient places, and when schools are there, young families will come. But we have to be careful in redevelopment, and I think there are some tremendous opportunities for EPA to work on redevelopment clean-up issues that ensure that we replace mixed-income communities with new mixed-income communities, because otherwise I think we have a fundamental issue of fairness.

Chairman DODD. Thank you very, very much.

Senator Tester.

Senator TESTER. Thank you, Mr. Chairman.

One of my pet peeves as a farmer is the fact that we tend to build houses on the best farmland that we have, not marginal stuff, the absolute best stuff. And the redevelopment issue is an issue that I think can help stave off part of that.

I guess my question as it applies, going around this country and seeing—and I think it applies everywhere, by the way, but seeing large groups of people where if you want to look at bang for the buck redevelopment in a city like Cincinnati, maybe, better than a city like Bozeman, but the question is, how are you going to determine how the funds for redevelopment are allocated? Just kind of give me some sort of idea on what your vision for that is.

Secretary DONOVAN. The current proposal that we have for the Sustainable Communities Initiative is that we have a competitive process to start with. The idea here would be to pick a relatively small number of places, including urban and metropolitan communities as well as rural communities that have already begun some of these efforts, that are interested, as you heard Administrator Jackson talk about, efforts in Wyoming and elsewhere that have already started. So we would be looking through competition to allocate initially those funds.

But the idea is in the longer term—I talked earlier about what we do with our consolidated plans right now and our long-term transportation plans, that those aren't integrated. We can learn from these early competitions and integrate the best ideas into all of our block grant and other programs that we have. So that would be an initial effort.

I would say also that I do think you make a very good point about farmland. Right now, 50 percent of all the people in the country that live in rural areas live within parts of metropolitan areas and the pressure on that farmland is enormous. And things like I talked about earlier, with the way that we finance multi-family developments, rental developments, we have a bias toward greenfield development in our programs because of the many restrictions that we place on it, whether it be commercial income, whether it be the cost limits that we set in those.

There are many things that we do, many of them unwittingly, to push development into the kinds of rural areas that you are talking about, as well as policies that hurt the small towns in rural areas that have lost retail businesses where the second floors—I was talking to Tom Vilsack about this on a recent trip—the second floors of many of those towns are empty because we don't have good housing options, whether it be for seniors in those towns or others that could be used to keep those small towns vital.

So I think there is a range of things that we would hope to demonstrate with these early competitions and sustainable communities that show how this is applicable in rural areas.

Senator TESTER. That is good.

Secretary LaHood, you talked about transportation options, and I agree that it makes the livability index go up when you do. Are there modes of transportation that you feel we get a better bang for the buck initially by spending money on it, or what is your perspective on that? What I am talking about is—and I suppose it varies from region to region, but light rail or putting more money into highways or bike paths or walking paths. Where are we somewhat focused? Or maybe we are not.

Secretary LAHOOD. Our focus is going to be to work with these two extraordinary cabinet members and to do what I think Americans want us to do now, to do what has been done in Portland, Oregon, to do what has been done in some other communities, where you don't have to own three automobiles. If you want to bike to work, walk to work, take a bus to work, take a light rail to work, take a streetcar to work—offer people some options and some opportunities—and you can do this in neighborhoods like in Chicago.

Obviously, you can't do it in all of Chicago, but you can carve out neighborhoods—and I have talked to the mayor about this—and

create green neighborhoods that allow people to use lots of different forms of transportation. That is how you can really get a bang for your buck, and that is the direction that I think we want to go.

Because I know that you represent a large rural State, I want to say this. We have some good rural transportation programs, and we want to work with you all to really expand on that, that allow for transit districts, maybe not a bus, but maybe a van to go out to a community, deliver somebody to a doctor's appointment, a grocery store. People that have lived in these small communities all their lives, they want to stay there and there are funds available through USDA, the Rural Development, for housing so people can stay in their communities. We have funds available that allow for rural transit to deliver people back and forth. So if they can't drive a car or don't own a car, can't afford a car, they don't necessarily need a car.

Senator TESTER. Right.

Secretary LAHOOD. And they can still live in these rural communities. But I think that, again, is a very good bang for the buck and provides good transportation to people.

Senator TESTER. I appreciate that, Secretary LaHood. I also would say, as long as we are not thinking of stovepipes or silos anymore, when it comes to rural communities, there is a lot of opportunity, not only for your transportation system, but to partner up with the VA, IHS, senior groups, all those things, because there are some buses running around and it seems like there is not enough money to fund any of them well.

Secretary LAHOOD. Yes.

Senator TESTER. But if you could team up—

Secretary LAHOOD. Right.

Senator TESTER. Administrator Jackson, I guess my question revolves around the challenges that the EPA would have in being a part of this, because it seems as though housing is housing, transportation is transportation, and they are very complicated in and of themselves. But if you have a situation where you have a water issue with pollution or whatever, or an air issue, as far as that goes, how do you dovetail into this so it all happens in a timely fashion?

Ms. JACKSON. Well, we will embrace the opportunity to do so, Senator, and I think we have long had an Office of Smart Growth that for us is very much about breaking down the silos, even within the environmental protection field, and realizing that something that I think most people know intuitively. The absolute best strategy for protecting farms and forests and wetlands and the places that are valuable ecologically and economically is to have strong towns and cities and hamlets where people can locate and live in the vicinity of the land they work, respecting private property values, as well.

So it actually—we do a lot of regulation at EPA and it is very important regulation and I often appear before other committees to defend the work we are doing. But one of the things I hope people leave here with is that we also understand that if we build strong towns, people can live there with adequate transportation and still have the rural quality of life that they want. I do not see them at all as incompatible. In fact, this is music to our ears at EPA.

Senator TESTER. Good. Thank you. Thank you, Mr. Chairman.

Chairman DODD. Thank you very much, Senator.

Senator Merkley.

Senator MERKLEY. Thank you very much, Mr. Chair. I appreciate the comments the panel has made.

I wanted to explore a little more, Secretary Donovan, the Affordability Index. How do you see energy issues being incorporated into that structure?

Secretary DONOVAN. I think there are two ways that it factors in, one directly, and one more indirectly. First of all, we don't have today, as I said in my testimony, a simple way for a consumer who is looking to buy a home or to rent a home to understand what their energy costs are going to be. So very specifically—and we have begun work with Secretary Chu on this, as well—to get to a more transparent, simple Affordability Index that includes what will you pay for utility costs. And what that would allow you to do is to have a market for energy efficient mortgages that actually works, that functions effectively.

And ultimately what that does is to translate the savings that you can achieve through improvements, whether it be retrofits or in new construction to lower energy costs, allows you to price that in right up front and to get a benefit in that with a higher mortgage that will eliminate the up-front costs of putting in those improvements.

So the kind of information and affordability index that we are talking about will help very directly to help consumers understand what they are buying, to understand what their costs are, and to begin to price those into financial markets in a way, I think, that could be extremely powerful in helping to develop the kind of energy efficiency that we are talking about.

As an indirect measure, however, the location efficiency that we are talking about, as well, goes directly to energy use, as well, because as Administrator Jackson talked about, by reducing vehicle miles traveled, we also help to cut greenhouse gases. So by having an Affordability Index that includes transportation costs, the lower the transportation costs, in general, the lower the carbon emissions will be, as well.

So in both of those ways, energy efficiency and location efficiency, the Affordability Index could be a big help.

Senator MERKLEY. Do you see this as something that would be required with each house sale? Would it be on a voluntary basis? Would it be new homes only required, voluntary for others? Kind of how do you see it being rolled out?

Secretary DONOVAN. We are looking at those options right now, and in fact, one of the things that we found, there are lots of localities that are already doing innovative things around this. I think initially, as we understand what the costs might be, I think there are lots of options that we have for doing it on a voluntary basis or working with localities that already have programs in place. We want to make sure before we go to any sort of requirement that there is an efficient and effective way to do this so that we don't add significant costs to the cost of buying a home up front.

Senator MERKLEY. I just wanted to mention to you that one of the issues that I am working on is a low-cost lending facility that

would enable homeowners, regardless of whether they are selling, to basically overcome the up-front costs of, if you will, the more energy efficient windows, *et cetera*, and then see that reflected back on their electric bills or perhaps on their property tax bills, depending on the partnership, and kind of a way to overcome that sticker shock on the front end, because if the savings are more than the payments on the loan, it doesn't cost you anything up front. So I am trying just to put it out.

Secretary DONOVAN. I couldn't agree more, and that is why I think in the long run, if we develop a mortgage market that can pay for that, we don't need to subsidize it. It can be done just by the market itself. In the shorter run, there are both efforts with utility companies and on property taxes that we are looking at in many localities. We also are proposing a \$100 million Energy Innovation Fund in our budget proposal that would be used to support exactly those kind of financial innovations that you are talking about.

Senator MERKLEY. Great. Great.

Secretary LaHood, thank you very much. When you were here for the nomination process, I was asking you to take a look at the streetcars and the obstacles on the New Starts and you did so and you cut the red tape in a spectacular way, so thank you very much for bringing common sense to that issue.

The issue I wanted to ask you about is in terms of it still seems easier to get funding for a lane of highway than it is for a rail line. A lot of what we have experienced in many places is you add a lane of freeway and a mile of freeway will only accommodate, when it comes to congestion, 100-plus cars being parked, which fill it up very fast if you haven't addressed every other point of congestion within the system. So we have this misleading sense that if you go from two lanes to three lanes, you increase the capacity by a third. It often doesn't happen, while rail pulls a lot of people off. Plus, we have the induced demand problem.

Are there other things we can do to kind of help shift kind of—get the greatest bang for the buck in terms of how we invest in these different modes of getting people from home to work?

Secretary LAHOOD. I think this hearing today highlights the idea that we need to have alternatives for people. Everybody, I think, gets it, as far as automobiles go, that we are not going to eliminate automobiles, but we need alternatives so that people have access to transit, whether that be a bus or light rail, or people have the ability, as I said, to walk or bike, or to take streetcars. That is the direction that we really believe is the wave of the future, and obviously you all—certainly the Chairman feels that way and I think many of you do, also. We are in sync with you on that. We need to put some resources in that.

And we also need to make sure that our New Starts program doesn't take forever to get funded in order to accomplish our goals of creating some light rail or more transit, more buses, more options for people, and we are working on that. I assure you that we are going to really streamline it so that, while we are not going to cut corners, it shouldn't take 10 years to get these kind of systems up and running in communities. I assure you it won't take 10 years

under our Department because we have people now that realize that we can reduce the time that it takes to get these approvals.

Senator MERKLEY. Thank you very much, Mr. Secretary. I wanted to mention that Oregon Ironworks just got a contract to provide streetcars to Tucson and we are hoping that other cities will be following. I also understand, I had invited you to come to Oregon and ride the streetcar, and I understand you are coming in July. We don't know yet—my team is working with your team. Hopefully, I will be able to join you and invite you on the streetcar, but thank you for coming to Oregon.

Secretary LAHOOD. I look forward to that. Thank you.

Senator MERKLEY. I am out of time, Ms. Jackson, so I will follow up in the future.

Ms. JACKSON. It is good to see you.

Senator MERKLEY. Thank you.

Chairman DODD. Senator, if you want to take a few minutes, please. Senator Merkley, if you want to take another couple of minutes—

Senator MERKLEY. I just wanted to give you a chance to expand on any of the pieces, as you are thinking about the housing, as you are thinking about the transportation, of creative ways that we can strengthen this partnership, things that you would—the message you would like us to hear as we work to assist in this effort.

Ms. JACKSON. Just that EPA is thrilled to be here, to be part of the partnership. We have had a long history of advocating and supporting and supplying assistance on these issues. We have a brownfields program which is all about essentially land recycling.

I will leave you with one little thought that I think communities know, but John said it to me and so I repeat it everywhere I go, which is that if we want to know if a community is healthy in the environmental world, we look for indicator species that tell us whether or not a population of whatever species is dying in a water system or not. And when you want to know whether a community is healthy in terms of smart growth, look for pedestrians. In fact, pedestrians is a good indicator species for a healthy community. People feel safe enough to walk. They have somewhere to go when they walk, to the doctor or to a store. They have recreational opportunities. They have transit opportunities. So we are all about building a thriving community of pedestrians out there along with HUD and DOT, and I think if we keep that in the front of our minds, we will end up with some good policies. Thank you.

Senator MERKLEY. Thank you. Thank you.

Chairman DODD. Thank you, Senator, very, very much.

Senator Bennet.

Senator BENNET. Thank you, Mr. Chairman. Thank you for holding this hearing and thank you for thinking about this legislation.

I would like to thank the cabinet secretaries for being here and leading by example and putting down your arms or your stovepipes or whatever this is, because I think the more we get into this, what we are going to discover is that a lot of well-intentioned efforts at every level of government, from municipal all the way up to the Federal level, have put us in a place where we are not incentivizing the kind of behaviors we are thinking that we want, and in many cases, the reverse is true. We discovered that in Denver as we

began to think much more holistically about our planning process, our zoning and housing rules.

I hope as we think about the legislation we put that in the forefront of our minds, that we want to create a set of incentives and disincentives that lead people to think broadly about these issues across various sectors—transportation, housing, environment, I would add education to that list, and there are probably other things as well—and also to think regionally in their approach.

You mentioned, Secretary LaHood, the Metropolitan Planning Organizations. I couldn't agree with you more. I think we need to think about how to give our local and regional organizations more support in collaborating together.

And to that end, the only question I really have is for you, which is how can we help you as you think about expediting the Federal funding process for projects that clearly meet by any measure sustainability and livability goals so we can get some of these things out of the chute and people can begin in communities that maybe aren't as ready as Senator Merkley is or mine so that we can begin to get them on board?

Secretary LAHOOD. Well, Senator, first of all, you and I have talked about this before, but you have one of the most innovative mayors in Denver that I have ever met and he is thinking outside the box all the time about all these issues, whether it is education or housing or environment or transportation. He and I have had a number of discussions, as you and I have, and I want to commit to you that we are figuring out ways to streamline the process, because I know you have some important projects in your State and we are working with the mayor and others to make sure that everything is done correctly but that it doesn't take 10 years to get it done. We are committed to doing that at the Department and some of these things have just taken too long.

And so, really, it is up to us to streamline these things and figure out ways to get the money out the door so we can get people to work and get these important projects out to the communities and we are committed to doing that.

Senator BENNET. Secretary Donovan.

Secretary DONOVAN. I was just going to add, to build on something Secretary LaHood had said in his testimony, I do think the reauthorization bill is an enormous opportunity for us to do that. There are things that we can do with our rules and our notices on a regulatory front without any changes in Congress on the legislative authorities we have. But there are certain things that will need legislative changes, as well.

So we have begun through our partnership a process of literally going program by program to say, what are the barriers and what will we need legislative changes on, and I think the reauthorization bill is a perfect opportunity, not just to put these principles into action and speed the process, but also to help us get out of the way on a lot of these barriers.

Senator BENNET. I hope you will let us know whatever it is we can do to help you get out of the way, because there is a lot of imagination out there, not the least of which is in my mayor, but lots of other local officials, as well, and I think if we have this opportunity to unleash that imagination and unleash the creative po-

tential that is there, we really can get after some of these projects across the country and move past the sort of theory of government that says we will all be dead by the time we are done with this.

So I just want you to know from my perspective—I know there are others here who feel the same way—whatever we can do to help, you just need to let us know.

Thank you for your testimony today. We are very grateful.

Senator TESTER [presiding]. Further questions? Senator Merkley.

Senator MERKLEY. No.

Senator TESTER. OK. I just want to thank you all for being here today. I want to echo the comments that Senator Bennet just said. If there are legislative things that we can do to help facilitate your success in working together and creating better communities, just let us know. Thank you very much for being here.

We are adjourned.

[Whereupon, at 10:54 a.m., the hearing was adjourned.]

[Prepared statements and responses to written questions supplied for the record follow:]

PREPARED STATEMENT OF CHAIRMAN CHRISTOPHER J. DODD

I'd like to thank you all for being here today. I hope you all had a painless commute, but if you didn't, I understand. I'm from Connecticut. And although we love our State, we know something about rough commutes. Take I-95. Over the last 50 years, average daily traffic in the Connecticut Southwest Corridor has increased more than sevenfold.

Imagine you're on your way home from a hard day at the office. When you get there, your kids will want dinner, but at the rate traffic is moving, you're just hoping you can get there in time to make them breakfast tomorrow.

For 20 minutes, 45 minutes, over an hour, you grit your teeth and grip the wheel harder as traffic crawls slowly along the highway. The air is clouded with exhaust from what seems like millions of cars barely moving—at almost three bucks a gallon, by the way. And things won't be any easier when you and your fellow motorists slowly grind along the same road to work tomorrow morning.

Welcome to the daily commute for far too many residents of Connecticut.

If you know me, you know how I feel about the importance of new transit options. I've been a longtime advocate for the Tri-City Corridor that will create new transit villages, get people off the roads, and revitalize our regional economy. We will accomplish this by initiating new commuter rail service and 110 mile-per-hour intercity train service between New Haven and Springfield, Massachusetts, with direct connections to New York City and, eventually, Boston. This project is one of my top priorities and I am going to work with leaders in my State and Secretary LaHood to get it done.

But our communities are growing and changing. And too often, our approach to community development policy has been like one of those cars on the Merritt Parkway—trapped in gridlock, never moving. It's time to rethink the way we plan the futures of the places we live, work, and raise our kids.

Between 1980 and 2000, the growth of the largest 99 metro areas in the United States consumed 16 million acres of rural land—that's about an acre for every new household. And with our population expected to grow by over 150 million people between 2000 and 2050, this land-use trend simply cannot continue.

Before today, Federal policy has often treated transportation, housing, and environmental protection as separate issues. But that system of stove-piping simply isn't working. And the consequences of failing to address the way we plan our communities' growth are many. We'll continue to lose our rural land and open spaces. We'll see a worsening of the traffic congestion that has tripled over the past 25 years. We'll continue to pay more and more at the pump at a time when our family budgets are already stretched to the max. We'll continue to push lower-income families further away from job opportunities. We'll continue to increase greenhouse gas emissions despite the urgent threat of climate change.

In February, I wrote a letter to President Obama urging him to establish a White House Office of Sustainable Development to coordinate housing, transportation, energy, and environmental policies. The President has been a strong leader on these issues, and he has already shown a willingness to shake up a Federal Government that hasn't always succeeded when it comes to addressing related issues in a comprehensive, effective way.

Today, following up on my letter, we've invited three members of the Cabinet who don't usually spend much time in the same hearing room. They'll be outlining for us the administration's commitment to sustainable development, a commitment that recognizes the importance of working across traditional boundaries to create more cohesive, collaborative policy.

One important piece of the work we have to do is to provide more transportation choices for families.

Few States suffer from worse traffic congestion than Connecticut, and the lack of good transit options costs families more than just inconvenience. In large part due to congested roadways and the lack of affordable housing and transit options, Connecticut ranks 49th in the country in keeping our young people in State. Meanwhile, living in a transit-rich neighborhood saves money—on average, as much as ten percent of a family's budget. This is particularly important for those living on fixed incomes or struggling to get by in a tough economy.

Improving transportation isn't just about making a daily commute easier. It's about empowering people to access jobs and critical services, and making things just a little bit easier for those on a tight budget.

It's a problem that hurts not only quality of life for our citizens, but opportunities for our businesses.

So we must improve and expand bus and rail service, providing new choices for families who would no longer have to drive to work and creating space on the road

for those who do. And we need to build more and better housing options near transit stations.

For instance, my State has developed a program called HOMEConnecticut. It makes grants available for towns to plan Incentive Housing Zones for higher-density, mixed-income housing in downtowns and redeveloped brownfields, close to transit options and job centers.

It's a strategic investment in our economy, our environment, and our quality of life. We've already begun to make progress in Connecticut—and we can do more across the country.

This Committee is currently drafting legislation to provide incentives for regions to plan future growth in a coordinated way that reduces congestion, generates good-paying jobs, meets our environmental and energy goals, protects rural areas and green space, revitalizes our Main Streets and urban centers, creates and preserves affordable housing, and makes our communities better places to live, work, and raise families. Our bill will also create a competitive grant program to provide resources to some of the projects identified in this planning.

There's a lot we can do on this Committee, and I look forward to continuing to work alongside Senator Shelby and our colleagues to get it done—but we can't do it alone. Just like I've urged the administration to do, I believe we in the Senate must work in a coordinated and comprehensive fashion. In particular, this committee will need to work closely with Senator Boxer's EPW Committee and Senator Rockefeller's Commerce Committee as we write the next surface transportation bill—legislation that I hope will eliminate stovepipes within transportation policy, and ensure that it helps to advance broad goals related to not just transportation, but community development, economic growth, energy, and the environment.

Today, we will hear from witnesses who have already begun the important collaborative effort within the administration, public servants who are doing a tremendous job. This administration is today making a significant and welcomed commitment to sustainable development and livable communities, and I'm eager to discuss how we on this Committee can be partners in helping our communities plan for a prosperous future.

PREPARED STATEMENT OF SENATOR SHERROD BROWN

Thank you, Mr. Chairman, for convening this important hearing.

I also would like to thank our witnesses, Secretary LaHood, Secretary Donovan, and Administrator Jackson for joining us and for their hard work on these issues.

As we sit in traffic longer, pay more for gas, and watch as scarce farmland is developed, how we manage our cities' growth and expansion must be both an economic and environmental priority.

I've been encouraged by the Administration's commitment to promoting economic development and affordable housing options that create greener, more sustainable communities.

I'm pleased to see that your agencies are working together on the Sustainable Communities Initiative.

Cities across Ohio are already at the forefront of developing new and innovative ways to make themselves more environmentally friendly, energy efficient, accessible by public transit, and appealing for people of all ages and income levels.

This sort of innovative thinking is particularly important in a manufacturing State like Ohio that has been hard hit by the economic downturn.

The strategic investments that cities like Cleveland, Akron, and Springfield are making now in renewable energy, brownfield redevelopment, and housing rehab will pay off in the future.

These projects will spur development and help create the good-paying jobs in the high-tech and clean energy sector that will utilize the ability of Ohio's skilled manufacturing workers.

These are jobs that will stay in the State rather than being outsourced abroad. And today, my State needs these stable, good paying jobs more than ever.

In the 1950 census, Cleveland had a population of nearly a million, Cincinnati was over half a million, and 170,000 lived in Youngstown.

Fast forward 50 years and you can see how much things have changed: Cleveland is now less than half its previous size, Cincinnati has lost more than 150,000, and today fewer than 75,000 live in Youngstown.

Despite the population loss, these cities and others like them must maintain an infrastructure for a population they haven't had in over 50 years.

It is important that the initiatives all of you are working on utilize existing infrastructure—this means redeveloping neighborhoods and downtowns, investing in public transit, promoting green infrastructure, and ensuring affordable housing.

In Ohio, one of the most important revitalization projects being discussed is resuming intercity passenger rail service between many of our cities.

Rail in Ohio is essential to connecting the Midwest with the tens of millions living on the eastern seaboard. Proposed corridors will create jobs for Ohio's middle class workers, spur economic development in our communities, reduce the number of cars on the road, and help us achieve environmental goals that make our world more sustainable.

However, it will take more than just investing in passenger rail to achieve the objective of an efficient, more comprehensive rail system. That's why communities—like Columbus and Cincinnati—are looking to expand surface transportation options through light rail and streetcars.

The data on economic development tied to transit is clear and cities in my State are ready to bring their citizens the transit options they want.

Economic and environmental objectives need not be in conflict. Done right, our economic and environmental policies can lead to both sustained economic growth and a cleaner environment.

I look forward to hearing more about how we can capitalize on comprehensive rail and transit strategies to achieve the twin goals of more sustainable communities and job creation.

PREPARED STATEMENT OF SENATOR MICHAEL F. BENNET

Mr. Chairman and Ranking Member Shelby, thank you for holding this hearing. I also want to thank Secretary Donovan, Secretary LaHood, and Administrator Jackson for coming here today. We have heard a lot about the need to change the way we do business in Washington, and the collaboration between each of your agencies is evidence that we are beginning to remove barriers to achieving smart policy solutions across the country. Our success in supporting sustainable development is critical to our economic security, our environment, and our health.

I am pleased to see the evidence of your collaborative thinking about how we can support and incentivize localities to work together to develop walkable, sustainable communities. I am particularly glad to see that the EPA has joined this effort. For too long, environmental sustainability has been an afterthought, rather than a guiding principal for our development. Across the West, our limited water is stretched between sprawling communities, and we need to do more to encourage smart, thoughtful planning in all aspects of development.

However, as many of you have noted, there are substantial barriers to this kind of integrated development. Our housing and transportation agencies have not historically worked together, and it takes work to break down silos. From what I've heard today, you are all committed to doing that work. I look forward to seeing local communities reap the benefits of that cooperation, and I am willing to support you however I can along the way.

I am also concerned that successful development too often fails to benefit long time residents of communities, who can no longer afford to stay in their neighborhood once it improves. Our current system doesn't do enough to reward innovative and creative ways to transform urban, suburban, and rural communities into diverse, livable neighborhoods. I hope that as we approach reauthorization of the transportation bill, we can work to better incentivize this kind of growth, and I welcome your input on how we can be successful on that front.

We do not need to convince people of the benefits of smart development, as you have pointed out; the demand is far exceeding the supply. I look forward to working with you to identify ways this Committee can support this important work.

During my time in Denver, I was able to work with Mayor Hickenlooper whose vision has helped transform many neighborhoods in Denver to embody the kind of development we are hoping to support with these sustainable development initiatives. The Denver Housing Authority is working with the City of Denver on a transit oriented HOPE VI project at South Lincoln homes. They are working to employ Smart Growth Principles, Energy Efficiency and Sustainability and Multi-Modal transportation planning. The project is located near a light rail stop. The redevelopment of South Lincoln homes is taking a broad view of sustainability, taking into account factors such as access to outdoor activities for health, and new approaches to storm water management that address water quality treatment and storage. This is the kind of collaboration and development that we want to incentivize around the country.

The Sustainable Communities Initiative is an important step in towards facilitating planning. However, it is critical that we also fund projects like the one at South Lincoln Homes, and make it easier for localities like Denver to undertake such ambitious efforts.

Thank you for taking the time to come here today, and thank you for your willingness to cooperate on these issues. I am encouraged by your dedication, and I look forward to working with all of you to make our communities even better places to live.

PREPARED STATEMENT OF SHAUN DONOVAN

SECRETARY,

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

JUNE 16, 2009

Good morning, Chairman Dodd and Members of the Committee. It is a pleasure to be here today to speak about the critical link between housing, transportation and environmental policy. I want to thank you and your Committee for your leadership in developing and pushing for innovative and integrated approaches to these issues. And I want to thank you for the opportunity to announce a landmark agreement between the three agencies before your Committee today that includes six “livability principles” that will guide our work together.

I think it is crucially important that the Federal Government speak with one voice on these issues, and these principles reflect that conviction. They represent a powerful statement of common goals, strategies, and purpose—not only for the three agencies you have here today, but for communities across the country whose vitality in the 21st century depends on our ability to work together in partnership.

Earlier this year, I was pleased to testify before the House with my colleague, Secretary Ray LaHood from the Department of Transportation. I’m glad I have the opportunity to share the table with him again today, because since that March testimony, we’ve taken important steps to improve coordination between our departments.

I am especially pleased to have EPA Administrator Lisa Jackson join us today as a partner in this effort—providing further evidence of our commitment to collaboration and coordination across the entire Federal Government.

It has been a remarkable several months, Mr. Chairman, since I first appeared before you at my confirmation hearing. As I said at the time, my number one job was to address the Nation’s mortgage crisis. I believe we have begun to get real results with the ambitious foreclosure plan we’ve offered. Last week alone, 40,000 additional modification offers were made to borrowers, bringing the total number to over 190,000. But as I saw for myself when I traveled with the Chairman to Connecticut several weeks back, there remains a great deal more to be done. We still need the servicers to do their part in helping to keep Americans in their homes to complete more modifications and refinance more loans.

But more than ever, I am convinced that solutions to the myriad challenges facing our housing markets must be addressed in a comprehensive way, to reduce our dangerous dependence on foreign oil and drive down energy costs for consumers and businesses alike.

This means that HUD, in collaboration with our partner agencies, must find new, integrated solutions to the multi-dimensional challenges faced by cities and suburbs, and rural areas. This new approach will require collaboration across jurisdictional lines and enable metropolitan leaders to “join up” housing, transportation, and other policies to address the critical issues of affordability, competitiveness, and sustainability.

Problem Statement

As I mentioned in my testimony before the House Appropriations Committee, HUD’s central mission—ensuring that every American has access to decent, affordable housing—cannot be achieved in a vacuum. For all our housing challenges today, I believe that goal can be realized—but only in the broader context of housing, transportation, and energy costs and choices that American families experience each day in cities, suburbs and rural areas.

The average American household now spends 34 percent of their annual budget on housing and 18 percent on transportation. More than half of their budgets are wrapped up in these two expenses alone.

For low-income working families, the impact is particularly severe—transportation constitutes almost a third of household income. The extremes can be eye-opening—the average Houston-area household spends over \$11,000 per year on transportation. That means less money for groceries, child care, doctor’s visits. And in many metropolitan areas, working families are spending more on transportation than on housing.

The connection between transportation options and home values is clear. As the recent housing downturn has shown, auto-dependent houses—that is, homes that virtually require the resident to have access to a car—are more vulnerable to price devaluation. Homes in distant or remote neighborhoods showed a greater decline in value, while some centrally located homes held or increased their value compared to regional averages. For millions of Americans, these declines can mean weakened retirement security, or inability to send their children off to college.

In less-connected developments—for instance, many suburbs—while housing costs may be lower, transportation costs are higher—and the combination of housing and transportation costs now averages 57 percent of income for working families in metropolitan areas.

The destructive effects of this mismatch between good housing choices and good transportation choices are particularly acute in metropolitan regions, which look very different from those that existed in the mid-1960s, when HUD was created and much of our transportation system was built. The populations of metropolitan areas and employment opportunities available in them are now widely dispersed, with only 22 percent of the jobs in the top metropolitan areas located within 3 miles of the central business district. That can mean less time spent with family and more time stuck in traffic.

These changes have made our work at HUD that much more challenging. As decentralization has increased, the spatial mismatch between the location of affordable housing and employment and educational opportunities in metropolitan areas has worsened. Fewer low-wage families can find housing near their work, as affordable housing is often located in older urban and suburban areas. And businesses located in those areas are dependent on workers who can commute—shrinking the talent pool and incurring higher transportation and energy costs.

As my colleague from EPA will tell you, decentralization and sprawl have a clear impact on the environment as well—through the loss of wetlands and open space, and increased greenhouse gas emissions.

In recent years, we’ve made great progress in our understanding of the sources behind carbon emissions. As the American people are well aware, transportation accounts for a third of all greenhouse gas emissions. But I think most people would be surprised to learn that buildings account for almost 40 percent of our emissions—about half of which is through our homes.¹

In response to these trends, we have made a strong commitment to energy efficient green building through the President’s Recovery Act investments. We’re directing nearly \$4 billion to public housing authorities for public housing modernizations, including significant green and energy-efficiency upgrades. We’re investing approximately \$250 million more in energy-efficient retrofits of multi-family housing with project-based assistance, and emphasizing energy efficiency in Native American housing programs.

We are also using the Neighborhood Stabilization Program to stabilize and revive neighborhoods with heavy concentrations of foreclosed properties and are using sustainability measures developed in partnership with EPA’s Smart Growth program, such as access to transit and use of green building criteria, to help direct that \$2 billion resource.

Looking beyond the Recovery Act, our Fiscal Year 2010 budget proposal includes initiatives to support sustainable growth. We propose to create a \$100 million Energy Innovation Fund that will help catalyze a home energy retrofit market through innovative public and private sector financing, and reengineering FHA energy efficient mortgages to increase the number of homes retrofitted for energy efficiency.

But as HUD works to make buildings more energy efficient, offer more affordable housing options that increase opportunity in our communities, and help working families facing foreclosure or rapidly declining home values, it’s clear that we need to integrate our housing and transportation systems in a way that encourages smart land use, making our communities more resilient, more productive and more sustainable for the decades to come.

¹ *Department of Energy 2008 Building Energy Data Book*—buildings account for 38 percent of carbon emissions, residential buildings account for 20 percent.

Sustainable Communities Initiative

That is why our budget also includes a proposal for a \$150 million Sustainable Communities Initiative, to be managed by our new Office of Sustainable Housing and Communities.

As the Chairman has said, we need to coordinate climate change, energy, community development, housing and transportation policy in the most comprehensive, holistic way possible.

I believe creating an Office of Sustainable Housing and Communities inside HUD to serve as a single point of contact with other Federal agencies is the best way we can achieve that goal. Already, these kinds of offices at our partner agencies have helped break down barriers to change—they have proven to be a successful model for interagency coordination and collaboration.

First, HUD and DOT will jointly administer a \$100 million fund to encourage metropolitan regions, via competition, to develop integrated housing, land-use, and transportation plans—and to use those integrated plans to drive the planning and decision making of localities, which will help increase transportation choices and reduce combined housing and transportation costs for American families.

The goal of this initiative is not just to develop plans—it is to articulate a vision for growth tailored to specific metropolitan markets that Federal housing, transportation, and other Federal investments can support.

Funding to these metropolitan regions would generally be used to support the development of integrated, state-of-the-art regional development plans that use the latest data and most sophisticated analytic, modeling, and mapping tools available.

These efforts will benefit urban, suburban and rural communities alike. The 2007 American Housing Survey estimates that nearly 50 percent of people who live in rural places today live within the boundaries of metropolitan statistical areas. This requires a level of integrated planning that spans jurisdictional boundaries in new and unprecedented ways.

We can't afford to be territorial about these issues any longer.

Our fiscal year 2010 budget also includes a proposal for \$40 million in grants that will be used to support metropolitan and local leaders in making market-shifting changes in local zoning and land-use rules. The grants will also assist States and localities to design and implement a variety of planning reforms at the local and regional levels.

As we work towards an integrated planning process, we will also plan to recast the definition of "affordability" in America. With the costs of transportation now approaching or exceeding those of housing for many working families, we will work to jointly develop, with our partners in the Department of Transportation as well with EPA, a housing and transportation affordability index.

Just as a potential car buyer can see on the window sticker how energy efficient an automobile is, we need the same thing for our homes and our buildings. An affordability index will empower consumers and businesses alike with the information they need to make informed choices about where they and how they live, and in the process helping to create a more dynamic, efficient marketplace.

That is why we intend to share all this data, research, and evaluation with the private sector to catalyze innovation and maximize market efficiency.

We will also conduct an intensive review of our respective programs to ascertain how to support the marriage of housing and transportation, and to emphasize location efficiency in all that we do.

In housing programs, for example, perhaps we can give preference to projects that offer participants choices for public transit, employment opportunities, and other important advantages. We have begun to do that with the second round of Neighborhood Stabilization Program funding, as I described earlier. I intend to subject all of our programs—including FHA—to a rigorous review that determines how we can reorient the business of our department in support of this integrated planning.

Finally, we are also establishing a jointly administered research and evaluation effort. Our budget proposal requests \$10 million to support this research. This historic effort will aggressively engage on joint data development, information platforms, analytic tools, and research to better track housing and transportation expenditures by location. It will establish standardized and effective performance measures and engage in rigorous analysis of the transit-oriented development projects already in existence to identify best practices. And it will evaluate location efficient mortgages and energy efficient mortgages.

Partnership Update—Livability Principles

I'm also pleased to report that since March, when we announced our agreement with DOT, we have made significant progress. Teams from our agencies are meeting on a weekly basis, and addressing each element of the partnership.

Further, we are happy to announce that EPA is now a full partner in this effort. They will work with HUD and DOT to address water infrastructure issues, expand technical assistance to State and local governments, return brownfield sites to productive use, and address hazardous waste and other barriers to reinvestment in older communities.

As a result of our agencies' work, I am pleased to join with my DOT and EPA colleagues to announce a uniform statement of livability principles. For the first time, these principles provide a uniform set of guidelines for each agency to formulate and implement policies and programs. More importantly, they mean that we will all be working off the same playbook to better serve American families who expect more affordable and sustainable choices in their communities.

For the first time, the Federal government will speak with one voice on housing, environmental and transportation policy.

The first principle—Providing More Transportation Choices—addresses our need to expand the options available to American families, whether commuting to work, dropping children off at school, or running errands. It is no secret that providing safe, reliable and affordable transportation choices is essential to making a home livable. Expanding transportation choices by making public transit, biking, and walking viable options is also a key strategy towards reducing our dependence on foreign oil, improving the quality of the air we breathe, limiting the threat of greenhouse gas pollution and protecting the public health.

The second principle—Promoting Equitable, Affordable Housing—is at the heart of HUD's mission. A livable community must be both equitable and affordable.

Livability is about more than just being efficient—we must also be inclusive.

In order for our neighborhoods to thrive, our regions to grow, and our Nation to prosper, we must support communities that provide opportunities for people of all ages, incomes, races and ethnicities to live, work, learn, and play together.

The third principle—Increasing Economic Competitiveness—pinpoints the need to coordinate housing, transportation and environmental policy to make us more competitive and productive. Our Nation's ability to compete in a global economy is dependent upon how quickly and efficiently we can connect our labor force to education and employment opportunities. That mission depends on efficient housing and transportation patterns that ensure the timely delivery of goods and services.

The fourth principle—Supporting Existing Communities—identifies the need to support community revitalization, build upon existing public investments, and preserve our Nation's rural land.

This has been a historic role for HUD, through our block grant investments in cities, counties and rural areas. It makes no sense to ignore the vast resources ready to be rediscovered in America's cities and towns. And when we take advantage of these cost-effective opportunities to invest in our existing neighborhoods, we help mitigate the loss of open space, preserve farmlands and reduce commuting burdens on working families.

The fifth principle—Expanding Partnerships and Leveraging Investment—focuses on increasing the effectiveness of American government at all levels. We want to boost the capacity of local communities to more effectively plan for future growth, by addressing housing, transportation, and other critical issues through coordinated work, and support the ability of local communities to think and act regionally.

Finally, the last principle—Valuing Communities and Neighborhoods—brings the entire effort together. We must ensure that Federal investments support cohesive, safe, healthy and walkable communities, whether in cities, suburbs, or rural areas. Research shows that people who live in walkable communities are more active and less likely to be overweight, thus improving their health.² As I said at the outset, each of the Federal partners represented today, while we manage separate programs, must be dedicated to the single principle of building strong, sustainable communities.

So we have our playbook, Mr. Chairman: strong evidence that by working collaboratively across agencies—housing, transportation, and environment—we can better rise to the challenges before us, and implement the sort of innovative solutions that the American people deserve. Solutions that will allow us to protect our environment, support their mobility, and deliver safe, decent, affordable homes in which to live.

But the real test of our commitment will be in putting the principles into action. I propose to do that in several ways.

First, over the next few months I intend to implement a process at HUD, led by Deputy Secretary Sims, and our new Office of Sustainable Housing and Commu-

²A *Study of Land Use, Transportation, Air Quality, and Health in King County, WA*. Lawrence Frank and Company, Inc.

nities, to engage every program and every office, at headquarters and in the field, to identify the barriers that they encounter, whether institutional, regulatory, or statutory, in implementing these principles. I look forward to working with you to determine the best way to break down these barriers—be it through legislation or regulatory reform.

I will also be asking for their ideas, suggestions and recommendations about how we can incorporate these livability principles throughout our programs. I will also reach out to our partners, and work with them, to adopt these principles as they invest in their communities.

This must be an inclusive process—and an inclusive process depends on listening. Second, I will ask our program offices to incorporate these principles in HUD's next Annual Performance Plan, and our annual Management Plan, which represents the operating statement for the Department, both here in Washington and in 82 field offices around the country. Our field offices are a unique and important resource for bringing these principles to life in the communities we serve.

Third, we look forward to sharing with you the performance measures that we are developing for each of these principles—so that they can be measured in tangible outcomes on the ground.

As I told you during my confirmation, Mr. Chairman, I'm a numbers guy. I believe in evidence-based government and accountability. I've directed our new Transformation Office to develop strong performance measures for HUD's programs, and I expect nothing less as we turn these principles into policy.

These performance measures will form the criteria for measuring the success of our proposed \$150 million FY 2010 Sustainable Communities Initiative. We will also look at ways that these can be used to measure the results of other HUD programs.

So I'm optimistic—that with these ideas, these new partnerships and the leadership of my colleagues here today—and you as well, Mr. Chairman—we are poised to build the stronger, more resilient, and sustainable communities Americans want and need in the 21st century.

Thank you Mr. Chairman, and Members of the Committee—I look forward to answering your questions.

PREPARED STATEMENT OF RAY LAHOOD

SECRETARY,
DEPARTMENT OF TRANSPORTATION

JUNE 16, 2009

Chairman Dodd and Members of the Committee: Thank you for the opportunity to appear before you today to discuss the Department of Transportation's (DOT) activities in support of livable communities, comprehensive planning, and sustainable development.

The President has made livable communities a key aspect of his agenda and the Vice President has also highlighted it in his Middle Class initiative. How a community is designed—including the layout of the roads, transit systems, and walkways—has a huge impact on its residents. Transportation and housing are the two largest expenses for the average American household. Reducing the need for motor vehicle trips and providing access to transportation choices can address this cost and lower the average household expenditure on transportation, freeing up money for housing, education, and savings.

The Surface Transportation Authorization provides us with an opportunity to incorporate these important priorities into the Nation's transportation policy. My Department looks forward to working with members of Congress to make livable communities a centerpiece of the new authorization. I'll discuss that in greater detail later. I would like to first discuss the efforts we are undertaking in advance of reauthorization to foster livable communities.

First, I am pleased to announce that Administrator Jackson of the Environmental Protection Agency has joined the Sustainable Communities Partnership between Secretary Donovan of the Department of Housing and Urban Development (HUD) and me to help American families gain better access to affordable housing, more transportation options, and healthier communities. This partnership will ensure that these housing and transportation goals are achieved while also better protecting the environment, promoting equitable development, and helping to address the challenges of climate change.

Each agency brings particular expertise to the partnership that can help institute real improvements in American communities. The agencies have developed the fol-

lowing principles that will direct the collective efforts for implementing this program:

- *Provide more transportation choices.* Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our Nations' dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.
- *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.
- *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.
- *Support existing communities.* Target Federal funding toward existing communities—through such strategies as transit oriented, mixed-use development and land recycling—to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes.
- *Coordinate policies and leverage 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.
- *Value communities and neighborhoods.* Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

The agencies are working together to identify how we can align our current programs to support these principles. We are considering what the critical elements of a livability plan are. We are looking at what performance measures can be used to determine whether the policy objectives have been achieved and examining whether data exists to support the measures.

The second area where the Department has already begun to emphasize the importance of livable communities was through the American Recovery and Reinvestment Act (ARRA). ARRA created a discretionary fund of \$1.5 billion available through September 30, 2011, for the Department to make grants on a competitive basis for capital investments in surface transportation infrastructure projects that will have a significant impact on the Nation, a metropolitan area, or a region. Selection criteria were recently established for these Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants. Projects that promote greater mobility, a cleaner environment and more livable communities will receive priority over those that do not. This funding will open the door to many new innovative and cutting-edge transportation projects.

Applications will be accepted until September 15, 2009, with awards to be announced no later than February 17, 2010. The TIGER Discretionary Grant program provides the opportunity to highlight projects that address livability and that make significant improvements to communities and regions.

Why Livability Is Important

Our goal is to build livable communities, where safe, convenient, and affordable transportation is available to all people, regardless of what mode they use. For the past 50 years, most government investment in transportation has undermined this goal.

In most communities, jobs, homes, and other destinations are located apart and far away from one another, necessitating a separate car ride for every errand. Coordinating transportation and land-use decisions and investments enhances the effectiveness of both and increases the efficiency of Federal transportation spending. Strategies that support mixed-use development, mixed-income communities and multiple transportation options help to reduce traffic congestion, pollution and energy use.

A new focus on livability can help transform the way transportation serves the American people and the contribution it makes to the quality of life in our communities. Transportation can play an enhanced role in creating safer, healthier communities with the strong economies needed to support our families. As the population increases, we must identify new strategies to move people and goods within communities and throughout the Nation. Integrating transportation planning with community development and expanding transportation options will not only improve

connectivity and influence how people choose to travel, but also lower transportation costs, reduce dependence on foreign oil and decrease emissions.

Livable communities are mixed-use neighborhoods with highly connected streets promoting mobility for all users, whether they are children walking or biking to school or commuters riding transit or driving motor vehicles. Benefits include improved traffic flow, shorter trip lengths, safer streets for pedestrians and cyclists, lower greenhouse gas emissions, reduced dependence on fossil fuels, increased trip-chaining, and independence for those who prefer not to or are unable to drive. In addition, investing in a “complete street” concept stimulates private-sector economic activity by increasing the viability of street-level retail small businesses and professional services, creating housing opportunities and extending the usefulness of school and transit facilities.

Mixed-use, compact development can result in an increase in walking and biking to destinations of short distances. Currently, American adults travel 25 million miles a day in trips of a half-mile or less, of which nearly 60 percent are vehicle trips. A 2005 Seattle study found that residents traveled 26 percent fewer vehicle miles in neighborhoods where land uses were mixed and streets were better connected. In these areas, nonauto travel was easier than in neighborhoods that were more dispersed and less connected. If a large share of the travelling public could walk or bike for short trips, it is estimated that the Nation could save over one million gallons of gas and millions of dollars in motor fuel costs per day. Reduced use of vehicles for these short trips will also lower emissions, as these are particularly polluting trips. The Centers for Disease Control and Prevention has extensively studied the benefits of physical activity like walking and biking, finding that it can improve the health of Americans and lower medical costs. A study in 2003 found that people who live in more sprawling areas generally weigh more and are more likely to have higher blood pressure than those that live in more compact areas. The average weight of individuals who live in the most sprawling areas can be as much as 6 pounds more than their counterparts in dense urban areas with access to more active transportation options.

The elements of livability are important to both urban and rural communities. A transportation system that provides reliable, safe access to jobs, education, health care, and goods and services is every bit as important to rural communities as it is to urban areas. Remote locations present unique challenges to mobility, including ensuring access for older citizens to services and activities. Providing transportation choices can increase community mobility; but the types of options in rural areas might be different, focusing on a variety of intercity transportation investments. As economic development is undertaken in rural areas, focusing that development in town and commercial centers can increase access to necessities and enable one-stop-shopping for many residents, thus reducing fuel costs and time on the road and enhancing a sense of community.

For example, in Cheyenne, Wyoming, the City, County, and Metropolitan Planning Organizations (MPOs) developed PlanCheyenne which is an integrated community master plan that defines the Cheyenne area future growth. The plan places specific emphasis on integrating three major elements of the community’s planning efforts: land-use, transportation, and parks and recreation and open space. The transportation component of the plan promotes developing mixed-use and activity centers along a network of principal arterials. Incidentally, EPA worked with Cheyenne to engage residents in developing policy options to implement PlanCheyenne’s vision.

Livability incorporates the concept of collaborative decision making. By involving the public early in the planning process and coordinating transportation activities with other activities related to healthy, sustainable communities, we improve the quality of life for all Americans. Collaborative, interdisciplinary decisions get good results, particularly more public support and reduced costs and time to complete transportation projects.

Automobile congestion impacts our communities and quality of life. According to the 2007 Urban Mobility report prepared by the Texas Transportation Institute, traffic congestion continues to worsen in American cities of all sizes, creating a nearly \$80 billion annual drain on the U.S. economy in the form of 4.2 billion lost hours resulting from travel delay and 2.9 billion gallons of wasted fuel. The report notes that congestion caused the average peak-period traveler to spend an extra 38 hours of travel time and consume and additional 26 gallons of fuel annually, amounting to a cost of \$710 per traveler. Although recent data suggest that travel, as measured by vehicle-miles traveled, has been less in recent months, we nevertheless need to give that time and money back to our economy and our citizens.

Ways to greatly improve the efficiency of the entire transportation network include expanded and improved transit services; increased ridesharing; variable road

pricing, managing freight movement and other demand management strategies; and managing our road and transit systems better through Intelligent Transportation Systems, and other traffic flow improvements. Other options include integrated transportation, land-use and housing planning policies that encourage mixed-use, compact developments that reduce the need for motor vehicle trips and support more transportation options to reduce travel distances and time through cities is a very important part of livability.

The American Public Transportation Association (APTA) reports that increasing numbers of Americans took transit—an estimated 10.7 billion trips in 2008, the highest level of ridership in 52 years and a modern ridership record. And this trend continued, despite falling gas prices and an economic recession towards the end of the year. Increased transit ridership is having a real impact on the environment.

There are great examples of communities that are implementing the concepts of livability and are planning for a positive future. For example, the Envision Utah Public/Private Partnership—partially funded by EPA—was formed to guide the development of a broadly and publicly supported Quality Growth Strategy, the Envision Utah Plan. This plan guides development and creates growth strategies that protect Utah's environment, economic strengths and provides a sustainable quality of life for its residents. Some of the major goals of this plan include increased mobility and number of transportation choices while providing a wide range of housing choices for Utah's residents.

It was a priority for those involved in developing this plan to ensure that families could live near one another throughout their lives. This is only possible in an area where seniors can get around even when they have to curb driving. And it is necessary to have a range of housing choices that support people at all stages of life: apartments for young people just starting out, condos or small houses for young couples' first homes, larger homes for families and smaller homes again for those who no longer can or desire to take care of a large home. When there is a mix of housing types in a walkable neighborhood, the Envision Utah effort found that it is more possible for grandparents to live within walking distance of their grandchildren.

Creating livable communities will result in improved quality of life for all Americans and create a more efficient and more accessible transportation network that services the needs of individual communities. Fostering the concept of livability in transportation projects and programs will help America's neighborhoods become safer, healthier, and more vibrant.

Importance of Federal Transportation Investment to Livable Communities

Federal investments in transportation systems and infrastructure, including aviation, highways, rail, bus, ferries, and other public transportation, have been vitally important to the Nation's fastest-growing metropolitan areas, small- and mid-sized cities, and in rural areas. These systems create links between home, school, work, health care, recreation areas, and other important destinations. Since 1984, the number of cities with publicly funded passenger rail service has more than doubled. A decade ago, two out of every five residents in rural and small urban communities did not have access to public transportation. Since then, the Federal Transit Administration (FTA) has been instrumental in bringing new public transportation options to dozens of these communities. Tribal areas also benefit from FTA investments that afford greater accessibility and mobility options.

Federal transportation investment has increased mobility and accessibility throughout the country. Businesses benefit from easier access to suppliers, a larger labor pool, and expanded consumer markets. These factors can reduce transportation costs both for business-related passenger travel and for the movement of commercial freight. Access to larger numbers of workers, consumers, and suppliers also increases the attractiveness of a community to businesses. These investments, combined with initiatives aimed at making the most efficient use of existing capacity, will measurably improve quality of life in America.

Changes in demographics, shifts in land-use patterns, and the emergence of new job markets require different approaches to managing mobility, particularly for people who may not be able to use existing transportation services due to age, disability, location, or other factors. Federal funding for public transportation has provided a framework around which nine Federal departments are collaborating to deliver community-based transportation services under various authorities. These services, which may be operated by private nonprofit groups and community organizations, offer a lifeline to persons with disabilities, older Americans, and individuals and families who do not possess automobiles.

The Job Access and Reverse Commute (JARC) program was established to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment. Many new entry-level

jobs are located in suburban areas, and low-income individuals have difficulty accessing these jobs from their inner city, urban, or rural neighborhoods. In addition, many entry level-jobs require working late at night or on weekends when conventional transit services are either reduced or nonexistent. A report published a few years ago by APTA noted that small urban and rural communities may be particularly at risk, as nearly 2/3 of the residents in these areas have few, if any, transportation options. APTA found that 41 percent of the residents of small urban and rural communities have no transit available to connect them to jobs and services, while another 25 percent lived in areas with below average transit services.

Transit-oriented, mixed-use development has the potential to provide efficient and convenient options for employers, developers, young professionals and families in many large and small cities around the United States. It also allows people to age in place, and in the same communities as their children and grandchildren. Transit-oriented development also has the potential to contribute significantly to the revitalization of downtown districts, foster walkable neighborhoods, and offer an alternative to urban and suburban sprawl and automobile-focused commuting. Moreover, transit-oriented development (TOD) in areas with existing transit service can turn subway stops and commuter rail stations into hubs for mixed-use development where workers can walk (or connect by a short bus ride) to jobs, housing and services. Over the past year, these communities have not seen as high foreclosure rates as their car-dependent counterparts.

Linkage Between Transportation, Housing, and Livable Communities

Clearly the linkage between public transportation and urban development is crucial, particularly when it comes to low-income housing. Over the past 5 years, HUD and DOT's FTA have explored opportunities to coordinate housing and transportation planning and investment decision making. A June 2003 roundtable hosted by the National Academy of Sciences focused on possible data sharing and development of Geographical Information Systems (GIS) platform by the two agencies.

Following the roundtable, HUD and DOT entered into a June 2005 Interagency Agreement (IAA) to help communities realize the potential demand for transit-oriented housing. The IAA was aimed at closing the gap between the projected demand for housing near transit in particular metropolitan regions, and realizing the development of that housing in proximity to new or existing transit corridors in these regions.

The IAA provided support for a jointly funded research study on *Realizing the Potential: Expanding Housing Opportunities Near Transit*. The report, published in April 2007 by the Center for Transit Oriented Development, included five case studies examining the role of public transportation in the location of affordable housing in Boston, Charlotte, Denver, Minneapolis–St. Paul, and Portland. More recently, DOT and HUD released a report to Congress in September 2008 on *Better Coordination of Transportation and Housing Programs*. This report outlines strategies to continue and expand coordination in the areas of mixed-income and affordable housing choices near transit.

In addition, DOT and HUD have been working as partners to continue development of coordinated, integrated strategies, methods and policies to promote the role of public transportation in affordable housing. Key among these policies and strategies is the integration of transportation and housing planning activities.

Presently, transportation planning is carried out at the regional level in metropolitan and urbanized areas or at the State level for rural and nonurbanized communities, whereas housing planning is conducted at the local municipal/county level. Bringing these disparate groups together to integrate planning of housing development and transportation improvements is fundamental to locating new and preserving existing affordable housing in proximity to public transportation. This effort will include:

- Outreach to and capacity building for stakeholders;
- Convening of expert roundtables and other forums;
- Development of appropriate tools to support location efficiencies;
- Promotion of incentives for housing related transit-oriented development within FTA programs;
- Identification of appropriate research topics;
- Development of performance measures, information systems, and reporting mechanisms; and
- Development of a Best Practices Manual—a multi-scenario “how-to” manual for promoting development of mixed-income housing near transit, to be published by the end of the year.

DOT and HUD are developing a work plan for this effort, which will provide for briefings between the two agencies to better understand each other's programs and how their community development activities can be aligned for greater efficiencies of Federal investments.

The Department has engaged its Volpe National Transportation Systems Center to provide technical and logistical support, and is using FTA's regional offices in this effort to facilitate better coordination with our Federal partners, MPOs, State departments of transportation, and grantees in communities where the planning is actually carried out.

Finally, the Government Accountability Office is completing an examination of this effort in both agencies. The Department will certainly ensure that recommendations are appropriately acted upon when the report is published. Although limited to affordable housing, the results of this DOT-HUD effort will greatly influence and support the Department's broader Livability Communities Initiative and the DOT-HUD-EPA Partnership.

DOT has also initiated a Federal Interagency Working Group on Transportation, Land-Use, and Climate Change in which HUD and EPA are participating. The goal of this 13-agency working group is to identify opportunities to better align Federal programs and resources to achieve greenhouse gas (GHG) reductions through land-use solutions. The working group is currently developing performance metrics, research, and data needs for several areas where the Federal Government can begin to align efforts to address GHGs. The results of this work will greatly benefit DOT's livability efforts.

DOT's Livable Communities Initiative

I am committed to improving the livability of our Nation's communities and, in fact, shortly after I was confirmed as Secretary of Transportation, I charged the Department's Policy Office with developing a DOT-wide Livable Communities Initiative. I am pleased to note that DOT already had numerous programs that foster livability—everything from funding for bicycle and pedestrian facilities, ensuring safety, protecting and enhancing the human and natural environment, connecting remote communities to needed services, to reducing the impact of freight transportation, congestion mitigation, and traffic management.

The ARRA also provided opportunities to promote livability. States must spend three percent of their allocation on the Transportation Enhancement Program, which is a primary source of bicycle and pedestrian infrastructure funding. The remainder of the "highway" money is flexible, permitting States and metropolitan areas to spend this funding on roads, bridges, transit, bike and pedestrian infrastructure, freight and passenger rail, or ports.

Additional actions would enhance transportation's contribution to strong and connected communities. First, the range of transportation choices available to all Americans—including transit, walking, bicycling, and improved connectivity for various modes—must be expanded. American businesses must also have effective transportation to meet their logistical needs so that they can continue to provide jobs for their surrounding communities. All segments of the population must have access to safe and convenient transportation options to get to work, housing, medical services, schools, shopping and other essential activities including recreation. Just as important, our transportation investment decisions need to be consistent with policies concerning greenhouse gas emissions. And efforts must be renewed to rescue other adverse effects of transportation on all aspects of the natural and human environment.

Although we are working to finalize the details, my goal through DOT's Livable Communities Initiative is to enhance the economic and social well-being of all Americans by creating and maintaining a safe, reliable, intermodal and accessible transportation network that enhances choices for transportation users, providing easy access to employment opportunities and services. The initiative will need to build on innovative ways of doing business that promote mobility and enhance the unique characteristics of our neighborhoods, communities, and regions.

Under the Livable Communities Initiative, my intent is to:

- Better integrate transportation and land-use planning to inform decision making about public investments;
- Foster multi-modal transportation systems and effective multi-modal connections;
- Provide more safe transportation options to improve access to housing, jobs, health care, businesses, recreation, public services, and social activities;
- Increase public participation in coordinating transportation and housing investments;

- Improve public health by reducing noise and air pollution emissions and by increasing opportunities for physical activity through walking and bicycling;
- Plan for the unique transportation needs of individual communities; and better accommodate the needs of our aging population.

Reauthorization of Surface Transportation Programs

The current authorization for Federal surface transportation programs—the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)—expires at the end of Fiscal Year 2009. The timing is such that we have a window of opportunity to think differently about transportation and propose bold, new approaches to improve the livability of our Nation's communities as part of reauthorization.

Whatever legislative approach is pursued, we will be taking a hard look at potential changes to metropolitan and statewide transportation planning processes to ensure that they improve livability. We believe it is important to include the six principles agreed upon in the DOT-HUD-EPA partnership to guide our authorization discussions.

The ongoing collaboration with our partners at HUD and EPA will improve the linkage between housing, water, and transportation investments and is a piece of the overall effort to combine land-use and transportation planning. This shift in development of transportation plans can provide for much more efficient Federal spending and can ensure a holistic approach to transportation systems—breaking away from the planning silos between transportation and land-use plans.

The Administration's surface transportation reauthorization proposal is still under development, and I look forward to discussing all the options for making livability a real centerpiece of the final proposal.

Thank you for the opportunity to appear before you today. I look forward to working with the Congress, HUD, EPA, and the transportation community to expand livability within our communities, including the connections between housing, transportation, and the environment.

PREPARED STATEMENT OF LISA P. JACKSON

ADMINISTRATOR,
ENVIRONMENTAL PROTECTION AGENCY

JUNE 16, 2009

Mr. Chairman and Members of the Committee, I am delighted to appear before you today with my colleagues Secretaries LaHood and Donovan to discuss our Agencies' work on sustainable development. Mr. Chairman, I salute you for your long-time interest and work on the issues we are here to discuss today.

We are happy to announce EPA's entry into the Partnership for Sustainable Communities. I thank Secretaries Donovan and LaHood for their leadership on this issue. EPA has been working for years on issues of smart growth and this Partnership represents a real leap forward for not only our agencies, but for the American people.

The Partnership recognizes that the work of our agencies is connected. In designing or improving our communities to be sustainable for the long term, mobility, housing, and environmental issues are entirely interconnected. Working across agencies gives us an opportunity to share knowledge, resources, and strategies that will improve public health and the environment, cut costs and harmful emissions from transportation, and build more affordable homes in communities all over the country.

Most importantly, this Partnership acknowledges that the missions of our three agencies do not exist in separate, distinct bubbles. Where you live affects how you get around, and how you get around often affects where you live. Both decisions affect our environment. In order to have the most effective greenhouse gas reduction strategy, we should have a strategy to reduce vehicle miles traveled. In order to provide truly affordable housing, we should take into account what residents must pay for transportation, energy, and water.

Mr. Chairman and Members of the Committee, our presence together here today demonstrates to you and the American people that we are jointly committed to the Sustainability Principles that have been previously discussed. This partnership will help advance each of our missions. It represents a new approach for Federal agencies. Our desire to work together on these issues is real.

There has been a long debate in this Nation about the appropriate Federal role in relation to land-use decisions. While it is true that development decisions are, and should be, primarily made at the local, State, and tribal level, it is equally true that Federal policies, rules, and spending influence development patterns. We have an interest—indeed, an obligation—to ensure that our actions do not favor development that adversely affects the environment and public health.

When development contributes to the pollution of our waterways, dirties the air we breathe, contaminates our drinking water, or disproportionately harms disadvantaged communities, then it is a Federal responsibility in general—and specifically an Environmental Protection Agency (EPA) responsibility—to protect Americans from these problems.

If we are smarter about how we grow, we can make America's big cities, small towns and rural communities more resilient to the economic and environmental challenges facing America. Through this partnership, our agencies will work together to help make sure our Nation has:

- Well-designed, energy-efficient, and affordable housing to meet the needs of Americans regardless of their income, race, or geographic location;
- An integrated transportation, land-use, and environmental planning system with more options for reaching jobs, schools, parks, medical care, and other basic needs; and
- Waterways that are clean and safe for drinking, swimming, and fishing, air that is safe to breathe, and land that is free of toxic contamination.

We have created a framework that will guide the cooperative development of policies, regulations, spending priorities, and legislative proposals.

Around the country, communities are looking for ways to grow that:

- Use less land and energy;
- Provide safe, affordable housing options for people of all incomes and at all stages of life;
- Make it easier for people to get to their destinations on foot, by bike, or by public transit; and
- Direct growth to developed areas with existing infrastructure.

Together, these development strategies emphasize environmental, economic, cultural, and social sustainability. Our collective implementation of those policies at State, local, and tribal levels will assure that we accommodate our Nation's anticipated growth in smarter, more sustainable ways.

Vibrant and prosperous towns and cities will attract the residents and business investment needed for robust growth. When growth flows naturally to these places, it makes it easier to protect environmental resources such as forests and wetlands, and helps preserve wildlife, farms, rural landscapes, and scenic beauty.

Smart growth principles are equally important in urban, suburban and rural areas. A few weeks ago I visited Wyoming, where EPA's Smart Growth Program helped Governor Dave Freudenthal initiate a statewide conversation about the effects of the State's energy boom on its environmental resources—how it was affecting the water quality in Wyoming's renowned fishing rivers or encroaching on wildlife areas prized by hunters. In one of the least densely populated States in the Nation, residents sometimes found themselves snarled in traffic. The jobs were not in places the employees could afford to live. Smart growth approaches to problems like these are just as relevant in small town rural America as they are in New York, New Haven, Birmingham, or Houston.

Climate Change

At EPA, our focus will be on encouraging smart growth approaches to protect human health and the environment. This includes using smart growth as a tool to combat climate change.

Combined, buildings and transportation contribute 63 percent of our Nation's greenhouse gas emissions. Smarter growth, combined with green building techniques, can significantly reduce that number.

Climate change is no longer an academic discussion. We don't have the luxury of a far-off day of reckoning. The world's leading scientists predict noticeable, perhaps even drastic, changes within our lifetime. These changes will only get worse the longer we delay taking action.

We already see:

- More drought in some regions, which may increase the length and severity of fire seasons;

- Stronger storms, which not only increase the risk of flooding but can overwhelm overtaxed sewer infrastructure; and
- Sea-level rise, which may have significant ramifications for the millions of Americans who live along our coasts.

We must start adapting to these potential changes now, but we also need to take more action to reduce greenhouse gas emissions to lessen the severity of these changes over the long term.

EPA is taking aggressive action to reduce our impact on the climate while strengthening our economy. The President has committed to doubling within the next 3 years our use of clean energy. And, we have set an ambitious goal of cutting more than 80 percent of greenhouse gas emissions by the year 2050.

- *Renewable fuels will help us get there.* We are working to strengthen standards that will increase the amount of renewable fuels that will be used in transportation.
- *Greener buildings will help us get there.* EPA is addressing the many environmental and health impacts of buildings—partnering with key players to improve green building standards, support needed research, provide better information to the public and pilot better practices in the field, while taking the lead in greening our own facilities. In 2008, EPA helped HUD build over 6,000 ENERGY STAR homes for the affordable housing community.
- *Alternative sources of power will help us get there.* The EPA Green Power Partnership program works with more than 1,000 large and small U.S. companies, offering advice, technical support, and tools to assist in the purchase of renewable energy.
- *More efficient cars will help us get there.* Later this year, working with the Department of Transportation's National Highway Traffic Safety Administration, EPA intends to propose the first-ever car and SUV greenhouse gas emissions standards for 2012–2016 that will greatly reduce greenhouse gas emissions from new cars.

But, even all of these approaches—as important as they are—will not be enough. Transportation uses 70 percent of the oil consumed in this country and roughly 20 percent of U.S. CO₂ emissions come from passenger vehicles. More efficient vehicles and cleaner fuels simply will not be enough to meet our greenhouse gas reduction and energy independence goals. Reducing the number of miles we drive must be part of the solution.

There's no need to wait for some technological breakthrough to reduce the amount of driving we do. The technology to help people drive less exists today—it's called smart growth. We know that investing in public transportation, making communities more walkable, and creating more housing near job centers results in less driving.

Clean Air

It is also critical to build on the progress in air quality we've seen since the passage of the Clean Air Act in 1990—and smarter growth can help get us there. As we move forward, the continued integration of air quality, land-use, and transportation planning will be important.

For over 30 years, EPA has been the lead Federal agency in coordinating State and local air quality planning for all emissions sources, including transportation. EPA helps State and local agencies calculate emissions benefits from many of the strategies that support sustainable communities—better transit, increased carpooling, and other travel options. These resources can help meet Clean Air Act air quality requirements and build better, more livable communities.

EPA has worked in partnership with DOT for over 15 years to better integrate air quality, land-use, and transportation planning through the Clean Air Act conformity program. The transportation conformity program requires State and local agencies to regularly evaluate the impact of new transportation activities on air quality. Transit and sustainable planning play a key role in helping meet State air quality goals.

Atlantic Station Redevelopment

But it is important that in addition to talking about lofty goals, we can show the impact in a real world example: Atlantic Station is a 138-acre redevelopment project in Atlanta, Georgia. The former Atlantic Steel Mill site that—with EPA's help—was reclaimed and redesigned to help residents and workers significantly reduce the amount they need to drive. One of the largest brownfield redevelopments in the U.S., this national model for smart growth includes 6 million square feet of LEED-

certified office space, 2 million square feet of retail and entertainment space, and 1,000 hotel rooms, and it will have between 3,000 and 5,000 residential units upon full build-out.

A shuttle system that carries 1 million people a year circulates between a commuter rail stop and Atlantic Station. Space is reserved for light rail service in anticipation of future transit investments. Residents of Atlantic Station drive an average of less than 14 miles per day, compared to 32 miles a day for the average Atlantan.

Although Atlantic Station is an example of a project that was developed, in part, to support State and local air quality goals, it was also good for water quality. Because it is compact, Atlantic Station used much less land than a conventional development with the same amount of housing and commercial space. This efficient land use reduced annual stormwater runoff by almost 20 million cubic feet a year.

Water Infrastructure

One of my priorities is to restore and protect the quality of America's waterways. The impressive results from Atlantic Station show that well-planned development can be part of the solution to water quality problems and is a core quality of sustainable communities. Another key aspect of sustainable communities is making sure that we have reliable and safe water infrastructure. Having cost-effective and reliable drinking water, wastewater treatment, and stormwater management systems is integral to protecting our health, economic vitality and environment.

EPA is poised to significantly increase its funding for wastewater infrastructure through the Clean Water State Revolving Fund (SRF). The FY 2010 Budget requests \$2.4 billion, a \$1.7 billion increase over FY 2009 levels, for the Clean Water SRF. This additional funding will help communities meet the challenges of upgrading aging wastewater and stormwater infrastructure. As part of our partnership with DOT and HUD, we will work with States and tribes to harmonize water infrastructure investments with transportation and housing investments to promote smarter growth.

EPA will encourage States to direct additional funds to cost-effective, environmentally preferable approaches to infrastructure planning, design, repair, replacement and management that also promote more sustainable communities. EPA will provide guidance and technical assistance to States to encourage them to use Clean Water State Revolving Funds for projects using green infrastructure and low-impact development approaches to stormwater management.

In addition to improving water quality, the EPA's Clean Water State Revolving Fund can support expanded housing choices and efficient transportation. For example, in my State of New Jersey, the State provides lower interest loans for water infrastructure projects that serve developments that mix housing with retail, offices, and other amenities and provide residents with transportation choices, such as transit villages.

In rural areas, New Jersey focuses on replacing failing septic systems rather than building expensive new sewer systems that can be catalysts for sprawl. New Jersey has shown how Federal funding can be used in both rural and urban areas to help communities develop and grow sustainably.

Although Federal statutory authority does not require States or tribes to adopt State Revolving Fund practices and policies that favor smarter growth, EPA will provide technical assistance to those States that wish to do so.

Healthy Communities and Equitable Development

Importantly, this new partnership with HUD and DOT will help us all make communities healthier. With our coordinated approach, the tide of growth and development will raise all boats. I am especially interested in working with my colleagues from DOT and HUD to revitalize neighborhoods that have suffered from decades of disinvestment.

Many properties available for development in urban and rural communities are brownfields—properties where redevelopment may be complicated by the presence or potential presence of a contaminant. There are estimated to be more than 450,000 brownfield sites nationwide. EPA's Brownfields and Land Revitalization Program is designed to empower States, tribes, communities, and other stakeholders to assess, clean up, and sustainably reuse brownfields sites. To date, EPA's Brownfields Program has supported assessments at more than 13,800 properties and clean-up of 366 properties, trained more than 5,000 residents living near brownfields communities for environmental jobs with a 64 percent job placement rate and an average hourly wage of \$13.81, and leveraged over \$13 billion in clean-up and redevelopment funding.

Redevelopment of such sites is often difficult—particularly for disadvantaged communities. Because such sites are usually served by infrastructure and transportation, they represent redevelopment opportunities that are critical to transforming years of disinvestment into a future of prosperity.

Healthy communities are not only environmentally healthy, they are also socially and economically strong. They offer employment and educational opportunities, safe and affordable homes, access to recreation, health care, and other needs of daily life, all close enough together that people can choose to safely walk, bike, or take transit instead of driving.

This type of neighborhood is particularly important for children and people who are physically unable to drive, or those who just find it too expensive to buy and maintain a car. One study found that while the average American family spends roughly 19 percent of its household budget on transportation, households with good access to transit spend just 9 percent. In too many poor communities, walking and bicycling are neither safe nor pleasant, and public transit is just as often unreliable or nonexistent.

A healthy neighborhood is one where residents can get to the grocery store or the doctor's office without a car if that's what they want. It's one where they can walk to the park to meet their friends, bike to school, or take the bus to their job so they can read on their way to work.

These kinds of neighborhoods exist all over the country, and market demand for them is strong. In fact, the strong demand has driven up housing costs in many smart growth areas, too often putting them off-limits to lower-income residents.

EPA is already working to create more environmentally responsible affordable housing in these neighborhoods. Coordinating with State housing officials and the regional Council of Governments, EPA's Smart Growth Program recently helped four communities in the Hartford, Connecticut, area figure out how to use State affordable housing funds to meet multiple goals. This project brought together local and State policy makers, developers, and advocates to develop guidelines for housing programs to create mixed-income, mixed-use, green, compact developments with a range of transportation options.

One redevelopment—on the site of a 27-acre abandoned shopping mall in Manchester, Connecticut—will receive EPA land revitalization funds to help create a plan that protects an adjacent stream while making it a key feature of the project. The design will allow residents to enjoy this natural resource and support a healthier watershed.

As partners, EPA, DOT, and HUD can help communities make sure that publicly financed housing is attractive, safe, and convenient to daily destinations and that residents will have a range of transportation options.

Conclusion

As a Nation, we face the most serious economic downturn since the Great Depression. Every American is anxious about what that means—not just for their future, but for future generations as well. We are all working around the clock to get the economy moving again.

At the same time that we face this economic crisis, there is not a moment to lose in protecting public health, the environment, and confronting the rapid advance of climate change.

Thank you for the opportunity to appear before you today. Working together, Congress, EPA, DOT, and HUD have a great opportunity to achieve the economic and environmental goals President Obama has outlined for our Nation.

**RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN DODD
FROM SHAUN DONOVAN**

Q.1. *The Sustainable Communities Agenda and Small Towns*—In Connecticut, in addition to cities like Hartford and New Haven, we have many small towns.

It seems clear that promoting transit-oriented development can benefit large suburban communities and cities, but how can this sustainable communities agenda benefit small towns, such as Torrington, CT, as well as rural communities?

A.1. Answer not received by time of publication.

Q.2. *Housing Affordability*—In the recent housing crisis, foreclosure rates on homes near transit have been lower when compared to homes not near transit, and housing prices near transit have remained relatively stable. This suggests that the affordability of housing is not just about housing cost, but about the combined cost of housing and transportation.

What can the Federal Government do to help consumers get the housing and transportation cost information they need to make informed housing choices?

A.2. Answer not received by time of publication.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SHELBY
FROM SHAUN DONOVAN**

Q.1. Secretary Donovan, many of the goals set forth by the Sustainable Communities Initiative would seem to further priorities that would result from decisions traditionally made by State and local officials, such as the type of zoning and city planning required for many of these high density projects. While some communities will certainly wish to pursue these designs, others may not believe this would be in their best interests. What safeguards will be put in place within HUD to ensure the continued independence of local officials in the design of their communities? If State and local officials do not pursue the initiatives and priorities of this office, will there be any negative consequences as it relates to other Federal programs or funding?

A.1. Answer not received by time of publication.

Q.2. Secretary Donovan, one of the factors cited as a reason for the Federal Government to take action in promoting housing, which offers the convenience of the option to walk for many goods and services, is an identified pent-up demand for these type of communities. Given this, and given the goal of including affordable housing within these developments, how does HUD plan to ensure that affordable housing goals do not crowd out other Americans who are seeking to reside in these communities? Additionally, how do the costs of providing affordable housing within these settings compare with the cost of providing affordable housing in other types of communities within the same metro area?

A.2. Answer not received by time of publication.

Q.3. Secretary Donovan, obviously the needs and capabilities of rural communities are going to differ greatly from the needs and capabilities of more urban areas. If a larger mixed use development

may not be economically viable in a smaller, more rural community, how will HUD ensure that these communities will be able to participate in the Sustainable Communities Initiative if they wish to so?

A.3. Answer not received by time of publication.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SCHUMER
FROM SHAUN DONOVAN**

Q.1. Secretary Donovan, as you know well from your time as Commissioner of the Department of Housing Preservation and Development in New York City, urban areas face particular challenges in trying to make their existing housing stock, and especially their affordable housing, more green.

What plans does HUD have to try and incentivize owners of affordable housing to undertake these greening efforts in existing projects?

A.1. Answer not received by time of publication.

Q.2. Each of you have outlined the need for a coherent national policy, with long-term goals and indicators of success in working to develop more sustainable, energy efficient, and clean communities, that needs to be coordinated across each of your agencies.

As you know, my State has one of the largest urban areas in the country, as well as some of the most rural. How are the policy initiatives that your respective agencies are undertaking going to affect both urban and rural areas? How do they fit into the vision of a coherent national policy on greening, energy efficiency, and emissions reduction? How can Congress help you to achieve this goal?

A.2. Answer not received by time of publication.

**RESPONSE TO WRITTEN QUESTIONS OF SENATOR MENENDEZ
FROM SHAUN DONOVAN**

Q.1. Let me recognize and applaud the Administration's sustainable and livable communities effort to bring together transit, housing, and environmental benefits. Which agency will serve as the base for this multi-agency effort? Have you thought about coupling HUD and DOT's efforts with additional funding from sources such as the Community Development Block Grant program?

A.1. Answer not received by time of publication.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR BENNET
FROM SHAUN DONOVAN**

Q.1. A nice new neighborhood that is far away from good jobs and good schools, will not be a nice neighborhood for long. How can Washington's policy expertise and resources be harnessed most effectively with local leaders who understand a local jobs market and who know where the good schools are? I'm impressed with what I'm seeing from this panel—the Administration obviously intends to take an integrated approach. But local housing and urban planning experts have the applied knowledge of how particular commu-

nities work—how transit can interact with affordable housing, for instance. In short, how does Washington do a better job of helping particular cities integrate their planning decisions?

A.1. Answer not received by time of publication.

Q.2. Efforts to support mixed income development fall short without good schools. Secretary Donovan, how can you work with local education officials to strategically support school reform and to construct new schools in locations that complement innovative development efforts?

A.2. Answer not received by time of publication.

Q.3. I am glad you include rural communities in your plans for sustainable development. Can you talk specifically about the challenges to employing sustainable development initiatives in rural areas? Are there opportunities to work with the Department of Agriculture on these efforts?

A.3. Answer not received by time of publication.

Q.4. A critical component of effective development is buy-in and participation from residents. Will the incentives for regional planning include incentives to integrate local residents into the planning process?

A.4. Answer not received by time of publication.

Q.5. As you know, most HOPE VI projects have been successful at leveraging public and private resources to displace the concentrations of poverty we have seen in our cities. But initiatives like HOPE VI, though critically important, can run into local trouble when local residents worry that losing affordable housing stock will displace people and break apart communities. In short, what's good for a community in the long run can be terribly disruptive in the short run. What lessons have we learned from past setbacks at managing local expectations, that we can apply moving forward? How can HOPE VI be made to work better at managing local expectations?

A.5. Answer not received by time of publication.

Q.6. The HUD budget proposal for the Sustainable Communities Initiative to provide \$100 million for Metropolitan Planning Organizations and cities or counties that receive CDBG and HOME funds to collaborate on regional plans that integrate housing, land use, and transportation, and \$40 million to provide challenge grants for local land use changes that support regional objectives.

I can see the value of these from recent Denver experience. For example, the City, MacArthur Foundation, Enterprise Communities, Denver Foundation, and local banks have capitalized a \$15 million ten-year Transit-Oriented Development (TOD) Fund, which will provide financing to preserve and create affordable housing within a half mile of rail service and a quarter mile of high-frequency bus routes. The fund will target existing federally assisted rental properties; existing unsubsidized rental properties currently affordable to households below 60 percent of area median income; and currently vacant or commercial properties with desirable locations for new affordable housing. The Fund will enable holding properties for up to 5 years, which is considerably longer than most

similar funds allow, but given the market conditions near transit stations, it will provide the maximum flexibility to secure long-term subsidies to preserve existing rental housing. But at \$15 million, it still is underfunded for the need and impact.

Is that the type of programmatic activity you would seek to finance under these programs? Can you give specific examples, and the funding criteria and outcome measures you would expect to apply, and how would you operationalize them?

A.6. Answer not received by time of publication.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO
FROM SHAUN DONOVAN**

Q.1. As you know, there is a Section 8 funding shortfall happening to a number of PHA's around the country. The Boise City/Ada County Housing Authority has notified me that based on the funding notice it received in May from HUD, for the period retroactive to January 1, 2009, it is approximately \$1 million short and is preparing to terminate 400—500 families from assistance. While I don't have information to indicate the full scope of the problem nationwide, it is my understanding that a significant number of PHA's are facing similar decisions. While some appeal funding has been set aside, considering that families receiving assistance are among our most vulnerable, and landlords count on rental payments to offset their property costs, and communities stand to lose more economic stability in an already unstable economic climate, what is the Department prepared to do to address a crisis which may greatly exceed the funding that has been made available to honor existing assistance contracts?

A.1. Answer not received by time of publication.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CORKER
FROM SHAUN DONOVAN**

Q.1. Due to the challenges in the financial sector, hospitals that are looking to expand their facilities or construct new facilities that are needed in certain areas are unable to get the financing necessary for these projects. Two HUD loan program, Section 232 and Section 242, provide much needed assistance to our health care facilities and have played an important role in filling the credit void that exists for many borrowers.

Based on your interpretation of eligibility, is it possible for psychiatric hospitals to be eligible for either of these programs? If so, what are the terms of eligibility? If they are not, please offer you comments on the expansion of these programs to include these facilities.

A.1. Answer not recieved by time of publication.

Q.2. We've heard from constituents who were informed by HUD that the Section 232 mortgage program would soon, if it has not already, stop insuring qualified medical facility loans. If this is the case, can you explain HUD's rationale for this decision?

A.2. Answer not recieved by time of publication.

Q.3. We certainly believe that there are still significant challenges in the real estate market, and until confidence in this market returns, buyers will be sidelined and our economy will continue to experience stress. Contributing to the uneasiness some buyers feel about conditions in the market are certain HUD positions that may have exacerbated the uncertainty currently existing in the housing market. One example has been HUD's position regarding home service contracts, treating them as a settlement service under RESPA.

What rationale does the Department have for classifying these contracts as a settlement service?

Why did HUD question the propriety of selling these contracts in residential real estate transactions? Does HUD believe they afford consumers protection against unexpected home repairs?

Does HUD believe that home services contracts, unrelated to the lawful consummation of a residential real estate transaction, should be exempt from RESPA, or should Mr. Ceja's letter be rescinded?

A.3. Answer not received by time of publication.

Q.4. In urban centers across the country, there are obsolete corridors—particularly commercial ones—where the population has moved along, but we still have infrastructure in place and not being utilized. We see this in places across my own State of Tennessee where large retail centers or strip mall type areas stand abandoned.

How do we find ways to create appropriate incentives for private sector development in these types of areas that help overcome the costs associated with EPA or ADA regulations that often point builders in a different direction?

A.4. Answer not received by time of publication.

Q.5. In the City of Memphis, an estimated 10 percent of the residential, buildable lots are vacant and the difficulties in land consolidation and the environmental clean-up often required is prohibitive for new builds. On the residential side of things, do you have any suggestions as to what are the most appropriate incentives to encourage development and utilization? Should there be any distinction between residential areas and commercial areas in your view?

A.5. Answer not received by time of publication.

Q.6. Do you believe that coordination between land use and transportation infrastructure use needs to be mandated when planning occurs? Far too often such planning happens in a vacuum. How can we encourage reinvestment in aging infrastructure instead of building new?

A.6. Answer not received by time of publication.

Q.7. Do you believe that under the Uniform Relocation Act the rules and regulations have made the replacement of older multi-family units prohibitive, even with multiple incentives included? Do you believe that such regulations promote an acceptance of very substandard housing in certain urban areas?

A.7. Answer not received by time of publication.

**RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN DODD
FROM RAY LAHOOD**

Q.1. *The Sustainable Communities Agenda and Small Towns*—In Connecticut, in addition to cities like Hartford and New Haven, we have many small towns.

It seems clear that promoting transit-oriented development can benefit large suburban communities and cities, but how can this sustainable communities agenda benefit small towns, such as Torrington, CT, as well as rural communities?

A.1. Livability and transit-oriented development are not just for large urban and suburban communities. Key principles of livability/sustainable communities are to support existing communities and to value communities and neighborhoods. Our objective is to ensure that all communities—rural, urban, or suburban—be sustainable in healthy, safe and walkable neighborhoods, and to target Federal funding in communities to increase community revitalization and efficiency of public works investments, and safeguarding rural landscapes. To provide a decision framework for this, there needs to be a transportation planning process in all areas that calls for coordination across planning disciplines. State and local officials and transportation service providers, working through this planning process, may develop better coordinated transportation, housing, and land-use plans.

There is no “one size fits all,” whether we are talking about livability and sustainability, or transit-oriented development. Many small towns and rural areas currently do not have transportation options available for their residents. Without access to automobiles or trucks, these residents may be disconnected to the routine activities that provide for quality of life, such as medical appointments and shopping. A seamless and integrated intermodal transportation network is as essential to the quality of life in small town and rural areas as it is to large metropolitan areas; only the scale is different.

Q.2. *Transportation Reauthorization*—When we talk about livable, sustainable communities, we tend to think of cities and towns where people have real travel choices: they can walk, bike, and take public transportation. We know the availability of safe, reliable public transportation helps to remove cars from the road, which reduces congestion, reduces our dependence on foreign oil, and reduces greenhouse gas emissions. Your department and my Committee both want to write a transportation bill that serves the needs of America in the 21st century. One of our priorities must be to increase the number of people who have access to first-rate public transportation.

What can we do in the next transportation bill to make this happen and significantly grow transit ridership?

A.2. What makes any public transportation system “first-rate” is reliability, convenience, accessibility, and safety. Of course, everyone thinks that providing more funding to purchase more vehicles and equipment with the latest technology is the solution. But that’s only part of it. We need to optimize the operations and maintenance of our transit systems, to maintain a state of good repair,

and ensure that local and State funding sources provide adequate funding for appropriate levels of transit services.

Transit agencies need to have a stronger voice in transportation planning to improve the modal balance in transportation investment. Neighborhoods configured to provide a mix of land uses provide easier access to nonauto travelers and promote mobility for all travelers. Investment in sustaining our transportation infrastructure will also stimulate private sector economic activity, increasing the viability of street level retail, creating housing opportunities, and extending the usefulness of transit facilities. Improving the accessibility and connectivity of our public transportation network will influence more people to choose transit.

Q.3. *New Starts Program*—The New Starts program, as authorized, includes land use and economic development as key evaluation criteria. However, the dominant criteria evaluated by the Federal Transit Administration has been cost-effectiveness.

As we look at rewriting the New Starts program for the next transportation bill, do you have any thoughts as to how we can elevate the land-use and economic development criteria, and therefore encourage the kind of mixed-use development around transit stations that we are talking about today?

A.3. One of my key initiatives is livability and better tying transportation investments to land-use planning, economic development, and environmental goals.

The New Starts process has considered transit supportive land use and weighted it equally to cost-effectiveness in the evaluation and rating of project justification since TEA-21. Since its addition as a criterion in SAFETEA-LU, FTA has been considering the economic development effects of a project as an “other factor” in the evaluation and rating process. FTA has been working for some time to develop a better approach for measuring and evaluating the economic development effects of projects, and recently put forth one possible approach for public comment. FTA received over 80 comments on the approach and is currently reviewing them before putting forth a formal proposal.

Under my direction, FTA has also recently taken steps to immediately give all of the New Starts project justification criteria more comparable weights in the evaluation and rating process. On May 19, 2009, FTA published a Federal register notice describing its proposal for reweighting the criteria to comply with the SAFETEA-LU Technical Corrections Act. Under the proposal put forth by FTA, the weights would be: mobility benefits 20 percent, economic development 20 percent, land use 20 percent, cost-effectiveness 20 percent, environmental benefits 10 percent, and operating efficiencies 10 percent. FTA is currently considering the comments received and will put forth a final proposal in the very near future.

Q.4. *Senior Mobility*—Secretary LaHood, in your testimony, you mentioned the importance of mobility for older Americans. Older Americans represent the fastest growing demographic in the Nation and, as indicated in your testimony, there is an increased desire of older adults to “age in place” near their families and friends. Without adequate public transportation, it is too easy for these individuals to become isolated or forced into nursing homes.

How can the livability agenda help ensure that seniors or others with special transportation needs have access to transportation that meets their needs?

A.4. Implementation of strategies that incorporate the principles of livability will result in improved quality of life for all Americans, including older Americans. As the population ages, we must identify new strategies to move people within communities and throughout the Nation. Integrating transportation planning with community development will improve mobility by providing transportation choices that serve community needs, and improve accessibility and connectivity. Likewise, planning for housing and companion services—including that required for those with special needs—around existing and planned transportation infrastructure makes for efficient and effective use of those investments. This form of integrated planning will strengthen the ties between transportation providers and the communities they serve.

Local governments, transportation providers, and all stakeholder groups will learn new ways to think and relate to one another, resulting in the materialization of strategies in many forms: multi-agency partnerships; more customer-driven approaches to transportation delivery; innovative financing approaches; *etc.* The livability agenda is focused on serving the transportation needs of all Americans—drivers and nondrivers alike—and values the characteristics of individual communities and neighborhoods.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SCHUMER
FROM RAY LAHOOD**

Q.1. Secretary LaHood, as you know, New York City’s extensive infrastructure system consists of nearly 1,500 highway bridges and over 6,000 miles of highway. Furthermore, our transit system in New York City, made up of over 700 miles is the largest system in the entire country.

In light of the increasing significance that Mass Transit has for the economy of New York, and the entire country, what efforts has the Department of Transportation undertaken to maintain and upgrade this critical infrastructure? How can Congress provide the Department with more tools to do this work in a cost-effective way, while at the same time meeting a more rigorous energy efficiency standard?

A.1. Maintaining our Nation’s transportation infrastructure in a “state of good repair” is among the Department’s highest priorities. Not only do we strive to ensure that federally funded assets are being taken care of and in sufficient working order throughout their useful life—that is, that taxpayers are getting a good return on their investment—but that the transportation systems they support and that all Americans depend upon on a daily basis are safe and reliable.

New York City, in particular, is home to our Nation’s largest public transportation system. It is hard to imagine the impact to the Nation’s economy if transit in New York could no longer provide the basic mobility that so many millions of riders depend upon daily.

The Federal Transit Administration (FTA) provides funding to New York City and other transit systems across the country. In FY 2009, Congress appropriated nearly \$886 million in formula funding for transit capital projects in the metropolitan New York City area—a significant amount which went to recapitalization. New York City was further appropriated another \$460 million for specific investments to modernize its rail system. The American Recovery and Reinvestment Act (ARRA) provided another \$1.18 billion in formula funds for the region and \$254 million for New York City rail recapitalization.

While these are significant investments, they are not enough. A recent FTA study on the reinvestment needs of the Nation's seven oldest and largest transit agencies identified a backlog of \$50 billion to bring their capital infrastructure to a state of good repair. Clearly, Congress needs to consider the maintenance and modernization needs of transit—and highway—infrastructure in the next reauthorization of a Federal surface transportation program.

In the meantime, FTA has embarked on a wide-ranging initiative aimed at better understanding the state of repair of the Nation's transit systems and how improved asset management and other practices might help mitigate the backlog. In addition to the aforementioned rail modernization study, FTA has established a working group with the industry to disseminate best practices and consider a common definition, or standard, for achieving a state of good repair. In July, FTA brought together large and small transit operators from across the country to further discuss issues—and ideas—associated with this important topic. FTA will soon be publishing a national and international scan of transit asset management practices, as well as an expansion of the rail modernization study to include other systems.

Importantly, in light of recent transit accidents that have regrettably resulted in the loss of lives, FTA is particularly interested in working with the transit industry to identify those capital assets which are most “safety-critical” and determine how their maintenance and replacement can be the focus of local prioritization and decision making. Moreover, we need to ensure that the replacement and modernization of our transit systems result in investments which are energy efficient and reduce greenhouse gas emissions. We are excited about the Transit Investments Generating Greenhouse Gas and Energy Reduction program provided for by ARRA, and look forward to a similar program in reauthorization.

Q.2. Each of you have outlined the need for a coherent national policy, with long-term goals and indicators of success in working to develop more sustainable, energy-efficient, and clean communities, that needs to be coordinated across each of your agencies.

As you know, my State has one of the largest urban areas in the country, as well as some of the most rural. How are the policy initiatives that your respective agencies are undertaking going to affect both urban and rural areas? How do they fit into the vision of a coherent national policy on greening, energy efficiency, and emissions reduction? How can Congress help you to achieve this goal?

A.2. The elements of livability impact both urban and rural communities. A transportation system that provides reliable and safe

access to jobs, education, health care, and goods and services is equally important to rural and urban communities. Remote locations present unique challenges to mobility, including ensuring access for older citizens to services and activities. Providing transportation choices can increase community mobility and allow seniors to age in place. Fostering land-use planning that promotes clustered commercial centers can enable one-stop-shopping for many residents, reducing fuel costs and time on the road, and enhancing a sense of community.

Additionally, transportation planning is presently carried out at the regional level in metropolitan and urbanized areas or at the State level for rural and nonurbanized communities, whereas housing and land-use planning is conducted at the local municipal/county level. Bringing these disparate groups together to integrate planning of housing development, land-use, and transportation improvements is fundamental to locating new and preserving existing affordable housing in proximity to public transportation.

About 28 percent of the greenhouse gases generated in the United States are attributable to transportation, so this is an area in which we need to make progress. We must reduce the amount of energy needed to operate our transportation system, and that means moving more of our freight by energy-efficient means such as rail and water, and making more strategic investments for passenger travel. We need to accelerate the introduction of energy-efficient cars and trucks.

To support these goals, we must be strategic about our investments in existing infrastructure by supporting ventures that will improve street connectivity and transit-oriented development, which not only improve livability but reduce the carbon footprint of our transportation system.

We need to ensure access and promote integrated planning processes to make certain that the transportation system makes a positive contribution to enhancing the livability of communities. These are the types of investments that the Federal Government should be making on existing infrastructure to ensure that we are obtaining a high-return while effectively contributing to a state of good repair of our existing infrastructure. Congress can support these efforts by making them a priority in the surface transportation authorization process.

**RESPONSE TO WRITTEN QUESTIONS OF SENATOR MENENDEZ
FROM RAY LAHOOD**

Q.1. New Jersey has many transit stations located along the Northeast Corridor. If towns along this line want to promote transit oriented development, they have to work with and get permission from AMTRAK. Will you be coordinating your initiative with AMTRAK so they are a partner in transit oriented development? New Jersey also has many commuter rail lines that share the tracks with freight rail companies. Can we count on the Federal Railroad Administration along with the freight rail companies to cooperate with this effort?

A.1. Although funding under the Federal Railroad Administration's (FRA) High-Speed Intercity Passenger Rail (HSIPR) Program is in-

tended for the development of high-speed and intercity passenger rail service, not commuter rail service, the HSIPR Program recognizes the benefits of commuter rail service and transit-oriented development. The HSIPR Program's application evaluation criteria takes into account a proposed project's integration with local transit networks at train stations and the proposed project's promotion of livable communities, including the incorporation of transit-oriented development. HSIPR Program applicants must reach agreements with project infrastructure owners and service operators, including the freight railroads and Amtrak where applicable.

Q.2. Secretary LaHood, one thing I have noticed in recent years is that the strict cost/benefit analysis required by the New Starts program has sometimes resulted in transit lines being sited outside of city centers. This makes the projects cheaper, but does not serve to generate development. In New Jersey, we have seen that when you build where people live, as we did on the Hudson/Bergen Light Rail project, billions of dollars of transit oriented development will follow. Secretary LaHood, for this reason do you think a transit oriented development program should have as one of its requirements enough existing population around planned stops to spark new growth?

A.2. I believe that consideration of existing population and employment as well as projections for future population and employment is necessary to perform a fair comparison of projects around the country. Generally, transit performs best in areas with sufficient densities of people making similar trip patterns. Because these are long-term investments, it would be short-sighted to base decisions on existing population and employment alone. That said, the integrated planning approaches we are promoting are intended to help advance investments that will support future growth of the patterns and densities needed to make transit successful and sustainable.

Q.3. How much do you think the issue of transit oriented development has to do with the proper outreach? Many communities have zoning and land-use regulations that have their roots in the 1950s and 1960s. NJ TRANSIT has conducted some 40 vision-planning sessions for communities it has targeted for transit villages and it has seen the benefits, but the costs, time, and effort it takes to educate citizens, community groups, and local governments can be high. Do you think such outreach would be worthwhile use of resources for a Federal transit oriented development program?

A.3. Yes. Outreach and capacity building are critical to the institutionalization of transit-oriented development, as it engages practitioners from distinct specialty areas—land use and transportation. While the linkage between transportation and land use is generally acknowledged among these practitioners, their orientation to this integral element is rarely mutual. The focus on sustainable communities, however, requires them to find common goals and objectives. Land-use planning is locally oriented whereas transportation planning is either regional or statewide. Awareness of their interrelatedness, both in process as well as form, is most effectively realized through vision-planning exercises. Vision and grass roots based outreach and education to the public and elected officials can have

a significant impact on their understanding and acceptance of alternative land-use development that is more favorable to transportation, including public transportation. In summary, enhanced capacity building and outreach to all community stakeholders (individual residents, transit agencies, government officials, neighborhood/community associations, *etc.*) will enable communities to make effective investment decisions and also leverage the Federal investment.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR BENNET
FROM RAY LAHOOD**

Q.1. A nice new neighborhood that is far away from good jobs and good schools, will not be a nice neighborhood for long. How can Washington's policy expertise and resources be harnessed most effectively with local leaders who understand a local jobs market and who know where the good schools are? I'm impressed with what I'm seeing from this panel—the Administration obviously intends to take an integrated approach. But local housing and urban planning experts have the applied knowledge of how particular communities work—how transit can interact with affordable housing, for instance. In short, how does Washington do a better job of helping particular cities integrate their planning decisions?

A.1. Enhanced integrated planning and investment is one of the key goals of the Department of Housing and Urban Development, the Department of Transportation and Environmental Protection Agency Sustainable Communities Partnership. Just as we at the Federal level are talking and working with one another, we are encouraging our respective community stakeholders to do the same. We are reviewing case studies of cities and States for which this collaboration actually occurs now. As a result, we will be able to define elements of successful integrated, comprehensive planning processes. We will work with local communities to replicate these efforts in consideration of their unique characteristics through technical assistance and capacity building programs, and promote identified best practices at housing and transportation forums across the Nation.

In addition, the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) assist Metropolitan Planning Organizations (MPOs) with understanding how to undertake integrated land-use/transportation/housing planning in a number of ways. At the region level, scenario planning can provide local planning staff and decision makers (local elected officials and local planners as well as MPO staff) with information on how various potential future transportation and land-use scenarios might perform. When future land use and transportation are analyzed in combination, it helps answer questions concerning the impacts of future population and employment growth and their impacts on land use and transportation. The outcome provides decision makers information on the implications of different land-use and transportation scenarios which in turn can be used to make decisions on what to include in the long range transportation plan for the region. On a more location-specific basis, planning for transit-oriented development (TOD) can similarly lead to better integrated

land-use/transportation plans. Technical assistance has been provided and informational reports are in preparation outlining the strategic policy and programmatic opportunities available through MPOs to advance TOD in hundreds of communities across the United States.

Q.2. I am glad you include rural communities in your plans for sustainable development. Can you talk specifically about the challenges to employing sustainable development initiatives in rural areas? Are there opportunities to work with the Department of Agriculture on these efforts?

A.2. We recognize that rural areas have needs that are unique to their rural characteristics. For example, rural communities are being affected by the aging of the population and often have a higher percentage of older Americans who need access to services while being dependent on the automobile.

Under the programs of the DOT, we have worked to include rural America in the transportation decision-making process by ensuring that there is a proactive effort for the participation of the public and rural local officials in the statewide transportation planning process. Encouraging this input into the planning process provides rural communities with the opportunity to foster transportation development in a sustainable manner.

Small rural towns have the unique function as centers of commerce and community interaction that are critical to the sustainability of the area as a whole. Oftentimes, rural residents are far from needed social services like health care, education, and jobs. Rural areas also play an important role in environmental protection, such as source water and endangered species protection. Sustainable development in these communities would mean providing for and supporting the capacity for rural areas to maintain their rural character with the mix of farming, craftsmen, and small businesses, and a clean and healthy environment while also providing for access to services to town and urban centers in a safe and reliable manner. I believe we need to look at transportation from a national perspective and identify the best ways to link points of population and commerce, including the farms where our food is grown, the industrial areas, recreational opportunities, and the land borders and ports. Improvements to transportation infrastructure are critical to rural areas with a high stake in the agricultural economy. Certainly, we will look to the Department of Agriculture for assistance in achieving these goals.

Currently, the FHWA Office of Planning and FHWA Office of Operations are working on ways to improve freight movement across the country, as moving agricultural products to market is a key for providing rural communities with needed resources. DOT and USDA can work together to ensure more reliable and sustainable freight movement.

Q.3. A critical component of effective development is buy-in and participation from residents. Will the incentives for regional planning include incentives to integrate local residents into the planning process?

A.3. Since the passage of the Intermodal Surface Transportation Efficiency Act (ISTEA) in December 1991 and throughout the sub-

sequent authorizations, public involvement opportunities in the transportation planning process have been greatly enhanced. Metropolitan Planning Organizations (MPOs) and State Departments of Transportation (DOTs) now include public involvement in the development of transportation programs and plans. The public is given the opportunity to comment and participate in the development of transportation plans and programs through public meetings, stakeholder groups (*e.g.*, bicycle, freight), use of the World Wide Web, and in some cases use of visualization tools. However, there is much room for improvement. I look forward to working with Congress to improve the way complex issues are presented to the public and how public input is integrated into transportation planning and investment decisions.

Q.4. As this Committee drafts the surface transportation program reauthorization, what specific changes should we make to the way that current transit and highway funding programs work in order to promote development that enables greater mobility and reduced reliance on cars?

For example, some recent analyses of State transportation spending show that our major metropolitan areas receive dramatically less funding than their proportion of the State's population, vehicle miles traveled, or economic output, all of which are associated with the level of transportation needs.

We've heard in prior hearings from Denver Mayor Hickenlooper and others that the current Cost Effectiveness Index for Federal transit investment decisions does not adequately take into account housing and economic development impacts, or support local efforts to direct future growth patterns along transit-oriented corridors.

We also need to assure that rural residents, of which there are many in Colorado, continue to be well-served by transportation spending.

But how would you modify the decision criteria, targeting, uses, and funding or match levels of our highway funding programs and transit programs to address the amount and use of transportation investment in Nation's metropolitan areas for more sustainable development?

A.4. In the proposal for an 18-month extension of the surface transportation program, the Administration has proposed to lay the groundwork for reform in the eventual reauthorization. One of those steps is to create a program to support efforts to coordinate transportation, housing, and land-use planning and fund projects that enhance the livability of communities, including transit and bike and pedestrian infrastructure.

We also put out a solicitation for grant applications for the new multi-modal discretionary grant program created under the American Recovery and Reinvestment Act of 2009 (Recovery Act). In that solicitation, we made clear that we are looking for transportation projects that had both short and long term economic benefits for communities as well as improve the livability and sustainability of the community. We hope that our administration of this program encourages Congress to continue and expand this approach to ensure that the projects the Federal Government funds are the highest performing and top quality.

Q.5. The HUD budget proposal for the Sustainable Communities Initiative to provide \$100 million for Metropolitan Planning Organizations and cities or counties that receive CDBG and HOME funds to collaborate on regional plans that integrate housing, land use, and transportation, and \$40 million to provide challenge grants for local land-use changes that support regional objectives.

Metropolitan Planning Organizations in major population centers across the country are inconsistent in their capacity, governance, and regional representation. States currently establish these structures. Many do not have effective land-use planning abilities. Many do not fully integrate transit agencies. Many are known for voting systems whereby suburban and smaller communities dominate the more populous central city and direct highway resources in ways that enable sprawl and more vehicles miles, rather than compact growth or infill.

Do you have recommendations on structural changes to MPOs that will help them serve as better regional facilitators for integrated growth, potentially to consider in the surface transportation program reauthorization?

Would you consider a new requirement in HUD Consolidated Plan and annual Action Plan, or MPO Long-Range Plans and Transportation Improvement Programs, that they demonstrate an alignment of housing, transportation, and land-use goals?

A.5. Successful plans can be and have been implemented by MPOs. Two examples are: PlanCheyenne, an integrated community master plan that defines the Cheyenne, Wyoming, area future growth; and Envision Utah Public/Private Partnership, formed to guide development and create growth strategies that protect Utah's environment, economic strengths and provide a sustainable quality of life for its residents.

As part of the 18-month extension of the surface transportation program, the Administration is interested at taking steps to improve the capacity at Metropolitan Planning Organizations to better coordinate transportation planning with housing and development plans. We are currently developing legislative language and hope to share it with members of Congress in the coming days. Further, we look forward to working with Congress to address these issues in a long-term reauthorization.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO
FROM RAY LAHOOD**

Q.1. In Boise, Idaho, a task force comprised of top level civic and business leaders is working in the community and is actively engaged in a comprehensive feasibility analysis and implementation strategy for the Downtown Boise Streetcar which can begin construction in 2010. The City of Boise will shortly be sending you an application for a \$25 million exempt grant from TIGER for this project. Can I get your commitment that you will consider this request and that your staff will work with City of Boise on how best to proceed?

A.1. We encourage all project sponsors who believe they have a project that meets the criteria outlined in our Federal Register notice—long term outcomes, job creation, and economic stimulus, as

well as innovation and partnership—to apply for TIGER grants under the American Recovery and Reinvestment Act. You have my pledge that we will carefully consider any application submitted by the City of Boise and will work with all applicants to ensure we have a thorough understanding of the projects and their benefits before making final selections for award.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CORKER
FROM RAY LAHOOD**

Q.1. In urban centers across the country, there are obsolete corridors—particularly commercial ones—where the population has moved along, but we still have infrastructure in place and not being utilized. We see this in places across my own State of Tennessee where large retail centers or strip mall type areas stand abandoned.

How do we find ways to create appropriate incentives for private sector development in these types of areas that help overcome the costs associated with EPA or ADA regulations that often point builders in a different direction?

A.1. Changes in demographics, shifts in land-use patterns, and the emergence of new job markets require different approaches to managing mobility and development. Poor coordination between transportation, housing and development policies can play a role in creating these obsolete corridors. Improving coordination between these policies and investments in housing, transportation and development programs can help to reverse the problem. They can also create stronger communities, better able to weather economically challenging times. Over the past year, communities with town centers, walkability, and transit have seen lower foreclosure rates than their car-dependent counterparts.

In the proposal for an 18-month extension of the surface transportation program, the Administration has proposed to lay the groundwork for reform in the eventual reauthorization. One of those steps is to create a program to support efforts to coordinate transportation, housing and land-use planning and fund projects that enhance the livability of communities, including transit, transit-oriented development, and bike and pedestrian infrastructure. We are currently developing legislative language and hope to share it with members of Congress in the coming days. Further, we look forward to working with Congress to address these issues in a long-term reauthorization.

Q.2. In the City of Memphis, an estimated 10 percent of the residential, buildable lots are vacant and the difficulties in land consolidation and the environmental clean-up often required is prohibitive for new builds. On the residential side of things, do you have any suggestions as to what are the most appropriate incentives to encourage development and utilization? Should there be any distinction between residential areas and commercial areas in your view?

A.2. Infill and urban growth strategies are necessary to develop a truly successful livable community. One barrier is that developers typically leap frog to cheaper land parcels on the outer fringe of ur-

banized areas. Strong infill and growth strategies are required at the local level to prevent such development practices and this requires strong coordination between transportation, housing and development planning and investments. All Federal agencies must work together to ensure that Federal funding promotes coordination, leverages scarce resources and builds strong communities

Q.3. Do you believe that coordination between land-use and transportation infrastructure use needs to be mandated when planning occurs? Far too often such planning happens in a vacuum. How can we encourage reinvestment in aging infrastructure instead of building new?

A.3. Transportation dollars are most effectively spent in areas that coordinate those investments with housing and development investments. That is why we put such an emphasis on this coordination in our solicitation for grant applications for the new multi-modal discretionary grant program created under the Recovery act.

We can also place a greater emphasis on bringing our infrastructure up to a state of good repair. Over the past 10 years, the percentage of miles traveled on highways in good condition has increased from 39 to 47 percent. Still, there is much work to do. A performance-based system that prioritizes asset management is something that many members of Congress have expressed a desire to see, and we look forward to working with you to address this in the reauthorization of the surface transportation program.

Q.4. Do you believe that under the Uniform Relocation Act the rules and regulations have made the replacement of older multi-family units prohibitive, even with multiple incentives included? Do you believe that such regulations promote an acceptance of very substandard housing in certain urban areas?

A.4. The Uniform Act provides important protections and assistance for people affected by federally funded projects. This law was enacted to ensure that people whose real property is acquired, or who move as a result of projects receiving Federal funds, will be treated fairly and equitably and will receive assistance in moving from the property they occupy. Ensuring that comparable housing that is decent, safe and sanitary is available to a homeowner or tenant displaced by a project or program that receives Federal financial aid or assistance is a bedrock principal and purpose of the Uniform Act. There is nothing in the Uniform Act or implementing regulations that has made redevelopment or replacement of older multi-family units prohibitive or would promote an acceptance of substandard housing. Agencies can and do utilize a number of creative options to ensure that the Uniform Act requirements can be met in a timely way. The provisions of the Uniform Act can be successfully used in conjunction with a collaborative development/redevelopment process. Given this situation, we do not see the Uniform Act as a barrier to development or redevelopment of older multi-family units.

**RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN DODD
FROM LISA P. JACKSON**

Q.1. *The Sustainable Communities Agenda and Small Towns*—In Connecticut, in addition to cities like Hartford and New Haven, we have many small towns. It seems clear that promoting transit-oriented development can benefit large suburban communities and cities, but how can this sustainable communities agenda benefit small towns, such as Torrington, CT, as well as rural communities?

A.1. The basic principles of the Partnership for Sustainable Communities hold as true for small towns and rural areas as they do for cities and suburbs. All communities can find ways to direct development in a manner that supports existing neighborhoods, offers more equitable employment and housing opportunities, and offers transportation options that will help residents rely less on their cars.

Rural communities can use these principles to direct development while protecting farmland and natural areas. Preserving the landscape is key to maintaining the rural way of life. For many rural places, farming or tourism are major economic assets and should be protected with carefully planned growth.

Good planning can help with two issues that many rural communities struggle with: young people leaving the community to seek economic opportunities or affordable homes, and rural poverty. By encouraging a range of housing types, rural communities can give young people, older people who may be on fixed incomes, and lower income workers new options to stay in the community.

Small and rural communities may face additional challenges where youth are drawn away from the community, particularly for job opportunities not available in the community. Small and rural towns are more economically, socially, and environmentally sustainable when connected to a larger public transportation grid that does not depend exclusively on private vehicles. Where viable in rural areas, public transportation allows industries to attract workers and professionals from a broader area.

Small towns can revitalize their main streets, preserve their historic neighborhoods, and make sure that they have homes that young people just starting out can afford. They can preserve the character of their historic areas while accommodating new development, as Torrington is doing in its downtown. Small towns often have brownfields that offer good opportunities for redevelopment once they are cleaned up. Torrington, for example, is receiving \$1 million from EPA to clean up and revitalize brownfields, which will help with its economic development efforts by returning contaminated properties to productive use.

Q.2. *Brownfield Development*—One part of the urban environment in many cities is old industrial sites, or brownfields. In fact, there is a large brownfield site in Bridgeport, CT, that is also very close to public transportation. These sites present a number of issues, including environmental concerns.

How can this interagency sustainable communities agenda, and the EPA specifically, help communities tackle obstacles to revitalizing these areas?

A.2. Cleaning and redeveloping brownfields is a key strategy for sustainable communities. It can be particularly important in addressing environmental justice and equitable development questions. Brownfields are often located in poorer neighborhoods and, until they are cleaned up, can pose risks to public health and act as a deterrent to private investment in the neighborhood. HUD requires disclosure of brownfield properties prior to property rental or sale. As a result, property owners or tenants are aware of brownfield issues prior to their assumption of the property.

While they can offer great opportunities for redevelopment—particularly when they are served by existing infrastructure and transportation—the complexity of putting these sites back to productive use can be daunting. HUD and EPA will work together to make sure our policies ensure that former brownfield sites can be put back into productive use in ways that protect future residents, strengthen and revitalize disadvantaged communities, and help local economies.

EPA's Brownfields and Land Revitalization Program has been working for years to help communities overcome the challenges of cleaning up and redeveloping contaminated sites. As I mentioned in my testimony, the Brownfields Program has supported assessments of more than 13,500 properties and leveraged more than \$13 billion in cleanup and redevelopment funding. (Based on data collected from the EPA Assessment, Cleanup and Redevelopment Exchange System (A.C.R.E.S.) Database, which is collected and reported annually.) Coordinating with DOT and HUD will help communities use these funds even more effectively by better incorporating transportation and housing concerns and tapping new sources of funding.

As you know, Bridgeport has experience cleaning up and redeveloping brownfields. It is one of the Brownfield Program's success stories for cleaning up an abandoned factory and redeveloping it into a baseball stadium and other amenities. Bridgeport is also an example of how the Partnership for Sustainable Communities could coordinate efforts. In Bridgeport, the collaboration of multiple Federal agencies allowed cleanup and redevelopment to progress well beyond the assessment and planning stages enabled by EPA's initial \$200,000 brownfields grant.

Cleanup and redevelopment can also create jobs for residents of disadvantaged communities. With effective coordination, the Department of Labor, DOT, EPA, and HUD can leverage efforts to provide jobs for local low income persons living in economically distressed communities adjacent to brownfield sites.

The Brownfields Program reports that it has trained more than 5,000 residents living near brownfield communities for environmental jobs. Bridgeport can claim one of these job training success stories. The WorkPlace, Inc., first received EPA Brownfields Job Training Grant funding in 2001. The program has trained 248 residents from Bridgeport and Naugatuck Valley and has a placement rate of 100 percent. Under the most recent grant, which was announced in January 2009, The WorkPlace, Inc., plans to train 55 residents from Ansonia, Derby, Norwalk, Seymour, and Shelton, Connecticut, for green jobs such as sampling techniques for soil and groundwater, phytoremediation, energy efficiency, and green

buildings. To date, the average hourly wage for the individuals placed in jobs from The WorkPlace, Inc.'s program is \$14.20 per hour, and 80 percent have retained employment after 1 year.

Other job training success stories include:

- A project that created new opportunities for residents of the Crow Indian Reservation in Montana, training them in hazardous waste remediation and ecosystem management; and
- A project in Brooklyn, New York, that worked with local employers to determine their needs, then trained residents not only in environmental management, but also in "life skills" that prepare them for their future employers' expectations.

This sustainable communities agenda will encourage cleanup and redevelopment of sites like the one you describe in Bridgeport and will help communities meet environmental, transportation, and housing goals with the same investment.

Q.3. *Public Transportation and Climate Change*—Public transportation saves over 4 million gallons of gasoline annually and reduces carbon emissions by some 37 million metric tons per year. We also know that the transportation sector is responsible for one-third of carbon emissions. In my view, any climate change bill must address transportation.

What role could improved public transportation and coordinated land-use planning play in helping to reduce carbon emissions from automobiles?

A.3. Increased investment in transit and better land-use planning around transit stations are two critical sides of the same coin. For example, an EPA study conducted with the Charlotte Department of Transportation found that transit-oriented development around the LYNX light rail stations would increase ridership by 6,000 trips each day, a 50 percent increase over projected ridership without transit-oriented development. Over their lifetimes, these homes and office buildings would reduce emissions from vehicle travel by 2.5 million metric tons of CO₂. The 2008 Growing Cooler report, which EPA partially funded, estimated that compact development could reduce transportation-related CO₂ emissions by 7 to 10 percent from current trends in 2050.

Nationwide, there is significant potential for adding housing and employment near transit. A study sponsored by the Federal Transit Administration concluded that 14 million households could be accommodated around existing and planned rail transit stations. If just half that number of homes were shifted to transit station areas, and those households drove 10 percent fewer miles, it would add up to 4.5 million metric tons of avoided carbon emissions each year.

At the local level, there are often barriers that limit this kind of transit-oriented development. However, these barriers can often be overcome with Federal support. For example, local zoning and parking regulations often need to be updated to accommodate transit-oriented projects proposed by developers.

The EPA Smart Growth Program recently completed a technical assistance project to help Valley Metro Transit and the cities of Phoenix and Mesa, Arizona, determine what policy and planning

options were available to promote transit-oriented development around the light rail system and how to prioritize implementation of these options. The resources developed through this project could be helpful to other communities that want to encourage transit-oriented development.

Additionally, although transit-oriented development places a lower burden on a region's infrastructure, investments may still need to be made to upgrade local facilities. For example, sewer and water utilities serving it may need to be improved or expanded to accommodate a significant increase in homes or commercial buildings.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SCHUMER
FROM LISA P. JACKSON**

Q.1. Each of you have outlined the need for a coherent national policy, with long-term goals and indicators of success in working to develop more sustainable, energy-efficient, and clean communities, that needs to be coordinated across each of your agencies.

As you know, my State has one of the largest urban areas in the country, as well as some of the most rural. How are the policy initiatives that your respective agencies are undertaking going to affect both urban and rural areas? How do they fit into the vision of a coherent national policy on greening, energy efficiency, and emissions reduction? How can Congress help you to achieve this goal?

A.1. As President Obama has said, our urban and rural communities are not independent; they are interdependent. The livability principles of the Partnership for Sustainable Communities were crafted to apply to all types of communities. We are still working on determining specific policy initiatives, but I can assure you that all three agencies in the partnership are concerned about protecting rural and small towns as well as suburbs and cities.

We support the vision of a coherent national policy on greening, energy efficiency, and emissions reduction and believe that the Partnership for Sustainable Communities will help get us to that vision. Coordinating transportation, housing, and environmental protection goals will support development that uses green building techniques, target new development to areas where it makes sense to grow, and provide transportation options that will help reduce pollution and use less energy.

For example, as part of EPA's Smart Growth Implementation Assistance program, the New York City's Mayor's Office of Comprehensive Neighborhood Economic Development and the Coalition for the Improvement of Bedford-Stuyvesant asked for EPA's assistance in using smart growth approaches and green building techniques for redevelopment in Bedford-Stuyvesant. Through a multi-day workshop and policy analysis work, EPA will be providing community members and the city of New York with ideas on how development policies—from smarter land use to green building standards—can be adapted to achieve additional energy efficiency. It is anticipated that the results of the work could be replicated in other areas—urban, suburban, and rural.

**RESPONSE TO WRITTEN QUESTIONS OF SENATOR MENENDEZ
FROM LISA P. JACKSON**

Q.1. Transportation accounts for one-third of U.S. carbon emissions. Per passenger mile traveled, transit is one-third or more efficient than a passenger vehicle, but when you factor in the emissions saved from reducing traffic and changing land-use patterns, the differences are truly enormous. In the upcoming climate change bill will the Administration be supportive of using pollution allowances to fund transit as was proposed by the Lieberman Warner bill last year?

A.1. Supporting transit and transit-oriented development are certainly important strategies for reducing greenhouse gas emissions. Americans want improved access to transit and better housing choices. While a cap and trade system may directionally encourage the use of transit via an increase in the cost of transportation fuel, this indirect and relatively small signal will not be enough to significantly shift travel patterns. According to the American Public Transit Association, Americans are riding transit in record numbers, with 2008 marking the highest level of ridership in more than 50 years. And a 2007 survey by the National Association of Realtors found that, three-fourths of Americans believe that improving public transportation and building smarter development are better long-term solutions for reducing traffic congestion than building roads. That survey also found that more than 70 percent of Americans are concerned with how growth and development affects global warming.

Increased access to transit will help many Americans reduce their transportation costs. If people have more convenient alternatives, it's easier for them to reduce the amount they drive. In turn, the more we reduce the demand for carbon allowances from the transportation sector, the lower the price will be in allowance auctions. Better substitutes for driving are also the key to protecting Americans from gas price increases produced by global oil markets. It's no coincidence that transit ridership increases when the price of gas rises.

Reduced driving also brings important co-benefits. Fewer vehicle miles traveled will reduce criteria air pollutants and can provide greater protections for those most vulnerable among us from the debilitating health impacts of air pollution.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR BENNET
FROM LISA P. JACKSON**

Q.1. A nice new neighborhood that is far away from good jobs and good schools, will not be a nice neighborhood for long. How can Washington's policy expertise and resources be harnessed most effectively with local leaders who understand a local jobs market and who know where the good schools are? I'm impressed with what I'm seeing from this panel—the Administration obviously intends to take an integrated approach. But local housing and urban planning experts have the applied knowledge of how particular communities work—how transit can interact with affordable housing, for instance. In short, how does Washington do a better job of helping particular cities integrate their planning decisions?

A.1. We agree that local leaders know the conditions of their neighborhoods and markets better than anyone from Washington, DC, could. There has been a long debate in this Nation about the appropriate Federal role in relation to land-use decisions. While it is true that development decisions are and should be made at the local, State, and tribal level, it is equally true that Federal policies, rules, and spending influence development patterns. The Partnership for Sustainable Communities will support local leaders by giving them tools and other resources to articulate and achieve their vision of development in their communities, and coordinating the flow of Federal funds to the local level to support these visions.

This partnership will work to identify barriers to more integrated environmental, transportation, and housing planning processes at the Federal, State, and local levels. Many States already coordinate their housing, transportation, and environmental protection goals and funding. This partnership will help ensure that more States think of these three areas in a coordinated way. When coordinated, these activities will emphasize environmental, economic, cultural, and social sustainability.

Q.2. Sustainable development in the West means, among other things, managing our scarce water resources in a prudent manner. In your estimation, what steps are necessary to ensure we facilitate development that doesn't further exacerbate our already precarious situation with regards to water, and encourages integrating conservation measures?

A.2. EPA is working to foster a national ethic of water efficiency so that water is valued as a limited resource that should be used wisely. Water shortages have affected not only communities in the western United States, but all around the country.

The 2009 report "Global Climate Change Impacts in the United States," from the U.S. Global Change Research Program, outlines projected impacts of climate change. For not only the Southwest, but almost every area of the country, the report projects increasingly scarce water supplies and more periods of drought. This partnership will be working to remove barriers to compact development and encourage more water-efficient development all over the country.

Compact development saves water in two primary ways:

- Large residential or commercial lots use more water because they usually have more lawn or landscaping space that needs to be irrigated. Lawn care uses an average of 50 percent of household water use nationally, and that percentage increases in some regions depending on the local climate.
- More spread-out development means longer pipes to supply water to customers. The longer the pipe, the more water lost to leaks. Drinking water systems lose anywhere from 6 to 25 percent of their water through leaks and breaks.

In addition to saving water, compact development saves money spent on water infrastructure because less infrastructure has to be built, maintained, and repaired. For example, modeling by the Envision Utah project estimated that, compared to a business-as-usual scenario, compact growth could reduce water demand by

about 10 percent and reduce infrastructure costs by about 20 percent.

The effects of developing more compactly are complemented by using green building techniques that reduce water use. In June 2006, EPA announced WaterSense, an innovative partnership program that helps American consumers, businesses, and governments make smart water choices that save money and maintain high environmental standards without compromising performance or requiring lifestyle changes. The WaterSense program is helping to reduce water use across the country by creating an easy-to-identify label for water-efficient products that is backed by strict criteria and independent certification. Products with the WaterSense label use at least 20 percent less water and perform as well as—or better than—conventional models. The WaterSense program is saving more than 277 million gallons of water per year and saving consumers \$1.6 million on their utility bills.

To develop and maintain sustainable water management systems and protect ecosystems, States and communities need to meld the management of wastewater, drinking water, and stormwater to reduce water withdrawals, treatment volumes, energy consumption, and negative impacts on streams, lakes, and coastal areas. We need to treat water more as a real commodity and plan, design, and manage our water infrastructure accordingly based on the true costs—direct and indirect—of providing clean water for our communities. Maximizing the reuse of wastewater, greywater, and the harvest and the use of stormwater and snowmelt would reduce unnecessary treatment and transport of water and the infrastructure necessary to convey and treat the water.

Q.3. I am glad you include rural communities in your plans for sustainable development. Can you talk specifically about the challenges to employing sustainable development initiatives in rural areas? Are there opportunities to work with the Department of Agriculture on these efforts?

A.3. Smart and sustainable development makes sense for rural communities and small towns for many of the same reasons that it makes sense for suburbs and cities. Smart growth approaches help rural communities and small towns save taxpayer money, support Main Street businesses, and grow while protecting the very assets—open space, farmland, and natural areas—that make them such desirable places to live and work and that can help them compete in the global economy.

There are at least two broad areas that present particular challenges for rural communities. First is transportation. Residents of rural communities tend to drive more than their urban or metropolitan counterparts. This is to be expected, given population densities and rural economies. However, public investments in transportation enhancements that create more walkable, compact small towns, coupled with economic development strategies that help existing communities become more vibrant and thriving, can allow rural residents to combine trips and take shorter trips.

Even in rural areas, these strategies can make walking and biking realistic alternatives to the automobile. Basalt, Colorado, for instance, recently adopted a new policy manual to increase mobility

options and ensure that new street infrastructure is safe for pedestrians, bikers, and automobiles. Further, many rural communities across the country are adding public transit options such as commuter buses and vans that serve job centers, health-care facilities, and tourist destinations.

The second broad challenge is water and sewer infrastructure. Many rural communities are struggling with failing septic systems, which pollute groundwater and cause water quality problems for surrounding waterbodies. The most common response to this problem has been to replace these systems with centralized wastewater treatment, which can lead to additional, uncontrolled growth. A better approach for these rural communities may be to replace or repair those failing systems with new septic systems. This approach respects the rural character of these places, is fiscally responsible, and allows EPA to better align our water infrastructure funding with a community's housing and transportation needs.

There certainly are opportunities to work with the Department of Agriculture (USDA) on smart growth and sustainable community efforts. As you know, USDA is responsible for many funding programs that affect the built environment in rural areas. These programs include: utilities and rural electrification, community development, small business assistance, water and sewer infrastructure, the provision of social services, and many other programs. EPA will continue to talk with USDA to better coordinate our efforts to help rural communities grow in ways that protect their environment, economy, and character.

Q.4. A critical component of effective development is buy-in and participation from residents. Will the incentives for regional planning include incentives to integrate local residents into the planning process?

A.4. Effective public engagement includes workshops that solicit ideas and concerns from residents and provide feedback on how these concerns are addressed. The public should be involved at all stages of the development process to have truly meaningful input.

There are many models of successful regional planning processes that engaged the public on a large scale and for a long period of time. The Sacramento Blueprint process brought together more than 5,000 community members, elected officials, and business leaders in workshops over 2 years. Envision Utah incorporated input from more than 17,000 surveys and 2,000 attendees at workshops to develop scenarios for the Greater Wasatch region around Salt Lake City.

It will also be important for these public engagement activities to make a particular effort to engage residents of disadvantaged communities, to make them feel welcome, and to make them feel like their voices are being heard and respected.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CORKER
FROM LISA P. JACKSON**

Q.1. In urban centers across the country, there are obsolete corridors—particularly commercial ones—where the population has moved along, but we still have infrastructure in place and not being utilized. We see this in places across my own State of Ten-

nessee where large retail centers or strip mall type areas stand abandoned.

How do we find ways to create appropriate incentives for private sector development in these types of areas that help overcome the costs associated with EPA or ADA regulations that often point builders in a different direction?

A.1. The Partnership for Sustainable Communities will work to reduce Federal barriers to infill redevelopment in a way that makes sense—encouraging redevelopment that brings new homes, jobs, and amenities while still protecting the environment and disadvantaged populations.

New Jersey and Maryland pioneered the development of “smart codes” that adapts building code requirements for renovation and rehabilitation of existing buildings, so that reuse of existing buildings becomes as financially feasible as, or even less expensive than, new construction. These States have seen success in stimulating new development as a result. During the first year the code was in effect rehabilitation work in Newark grew by nearly 60 percent, by 84 percent in Jersey City, and by 41 percent in Trenton. National standards are now commercially available from the International Code Council, for example, in the form of its International Existing Building Code.

EPA is working with State and local governments to create incentives for private development. For example, EPA worked with the State of West Virginia to develop stormwater permitting language that provides stormwater credits to developers who redevelop already degraded land, such as large retail centers or strip malls.

EPA’s Smart Growth Program is working with national standard-setting organizations to help revise other national, State, and local regulations and guidelines that can be barriers to infill redevelopment. For example, in many communities, fire codes require wide streets in places where more narrow streets would be appropriate. EPA brought together a coalition of emergency responders, local officials, and other experts to help demonstrate the benefits of narrower, better connected streets in reducing emergency response time and giving responders multiple routes to reach calls, while improving health and quality of life in the community. One national model for this type of collaboration is Harbor Town in Memphis, where the Memphis Fire Department worked with the Harbor Town developer to find street designs that protected public safety but also maintained the community character the residents wanted.

EPA also offers resources to help small towns navigate the complex world of brownfields cleanup and redevelopment. Small towns may have a site needing assessment, but may lack the resources to get redevelopment started. EPA’s Targeted Brownfields Assessment program is designed to help municipalities—especially those without EPA Brownfields Assessment Grants—minimize the uncertainties of contamination often associated with brownfields. Targeted Brownfields Assessments supplement and work with other efforts under EPA’s Brownfields Program to promote the cleanup and redevelopment of brownfields.

Chattanooga, of course, is a national model for smart growth and revitalization, and we are interested in working with you to take advantage of your experience in encouraging redevelopment.

Q.2. In the City of Memphis, an estimated 10 percent of the residential, buildable lots are vacant and the difficulties in land consolidation and the environmental cleanup often required is prohibitive for new builds. On the residential side of things, do you have any suggestions as to what are the most appropriate incentives to encourage development and utilization? Should there be any distinction between residential areas and commercial areas in your view?

A.2. The economic downturn, housing market crash, and fuel price volatility have all contributed to soaring vacancy rates in both residential (roughly 11 percent of all homes are estimated to be vacant) and commercial (retail vacancies are projected to reach 14 percent in 2010) buildings. This is in addition to the vacant, buildable lots found in Memphis and elsewhere.

Policies that encourage mixed-use redevelopment can stimulate development and put to use the existing buildings, infrastructure, and amenities that these sites offer. Further, efforts that better connect residential and commercial areas—either through closer proximity, better transportation or pedestrian connections, or a mixed-use redevelopment—provide residents and employees more transportation options. This can be a critical benefit in increasing affordability for residents and can be a powerful economic driver for commercial areas that may benefit from pedestrian-oriented as well as auto-oriented retail.

EPA supports the National Vacant Properties Campaign, which works with communities to discover innovative ways of restoring underused and abandoned properties to productive use and disseminates these strategies to other interested cities. We believe there is potential for programs under the Community Redevelopment Act, or similar legislation, to be applied to this issue.

As for the question about distinctions between residential and commercial areas, the EPA encourages all brownfields site cleanups to be performed through State Voluntary Cleanup Programs (VCP). Under the VCPs, cleanup levels that are protective of human health and the environment are determined based on the future reuse of the site. In general, cleanup standards are more stringent for residential than for mixed use or commercial reuse. The Brownfields Program recognizes the difficulties many communities are facing in addressing brownfields sites. The program provides communities with grant funding to assess and cleanup brownfields sites and information on tools and resources to overcome obstacles and barriers.

Q.3. Do you believe that coordination between land-use and transportation infrastructure use needs to be mandated when planning occurs? Far too often such planning happens in a vacuum. How can we encourage reinvestment in aging infrastructure instead of building new?

A.3. Coordinating land-use and transportation policies not only is a better use of taxpayer money, it also has the potential to produce significant environmental and financial benefits. For example, a

2002 National Academy of Sciences study concluded that modest changes in growth patterns would save \$109 billion in road costs and \$12 billion in water and sewer infrastructure over a 25 year period. In another example, the “preferred scenario” under the Sacramento Region Blueprint visioning process concluded that more coordinated land use and transportation would lead to:

- Preservation of 64 square miles of farmland, a 38 percent reduction in farmland lost under the baseline scenario;
- 69 percent of households living in walkable neighborhoods, compared to 34 percent in the baseline scenario;
- 53 percent of households living near major employment centers, compared to 26 percent in the baseline scenario;
- 38 percent more households and 41 percent more jobs within walking distance of transit; and
- A 15 percent reduction in CO₂ emissions per person.

Therefore, we support better coordination of land-use and transportation planning. However, most State and regional transportation agencies would probably need additional resources for staff and analytical support to achieve meaningful coordination. Any mandate should be mindful of this implementation reality.

States can save taxpayer money; leverage past infrastructure investments; and create jobs by directing spending to the repair and upgrade of existing schools, roads, sewers, and buildings, before investing in new infrastructure projects. Public reinvestment in existing neighborhoods signals a commitment to the area that can encourage private investment. It also makes neighborhoods more appealing to current and prospective residents and businesses. In addition, infrastructure in already-developed areas is likely to be the oldest and the most in need of repair. The longer repairs are put off, the more expensive the maintenance burden becomes.

Several States use “fix-it-first” approaches, which direct infrastructure dollars to upgrade existing systems rather than constructing new infrastructure on the urban fringe. New Jersey’s Fix it First Policy, for example, focuses funds on repair and upgrade of existing transportation infrastructure, while the New Jersey Department of Environmental Protection and the New Jersey Environmental Infrastructure Trust prioritize use of their Clean Water State Revolving Fund resources for programs that support development in State-designated urban centers, urban complexes, and transit villages.

Q.4. Do you believe that under the Uniform Relocation Act the rules and regulations have made the replacement of older multi-family units prohibitive, even with multiple incentives included? Do you believe that such regulations promote an acceptance of very substandard housing in certain urban areas?

A.4. The Uniform Relocation Act was passed by Congress in 1970, and since that time has offered protection and assistance for residents affected by the acquisition, rehabilitation, or demolition of real property for Federal or federally funded projects. It is an important tool for ensuring that existing residents are not unduly burdened with displacement costs. The program has been successful in ensuring that the costs associated with moving and finding

alternate housing solutions are covered. It is also a critical part of ensuring that the redevelopment of existing neighborhoods takes place in way that is equitable and protects existing residents.

The Act has facilitated successful redevelopments across the country, turning vacant, blighted, or substandard housing sites into vibrant, mixed-use, mixed-income magnets for new investment. The Act's requirements apply to many HUD programs, such as HOME, Community Development Block Grants, and Section 108 loan guarantees. The Uniform Relocation Act applied to the two examples below, which show that high quality redevelopment is not impeded by the act's requirements.

Nonprofit organizations and community development corporations often lead the way in the most successful redevelopments, in which public funds are used to support mixed-income and affordable housing redevelopments. For example, the nonprofit organization Urban Edge, recipient of EPA's 2008 National Achievement in Smart Growth Award, demonstrated this approach in Boston in its Academy Homes redevelopment, in which more than 200 mixed-income housing units were created without resident displacement, and in Egleston Crossing, a mixed-income, mixed-use, transit accessible, and green redevelopment. Urban Edge's approach prevents gentrification while improving the housing stock in urban areas.

Another award-winning development, Southside in Greensboro, North Carolina, used smart growth approaches to stimulate redevelopment in an area where only 30 percent of the housing stock was viable, by rehabilitating existing homes and developing new single- and multi-family infill developments. As a result, the neighborhood, which in 1995 generated only \$400,000 in tax revenue, is expected to generate over \$10 million this year, reflecting an enormous increase in property values in this centrally located, transit-accessible, mixed-use neighborhood.