

112TH CONGRESS  
1ST SESSION

# H. R. 3325

To create livable communities through coordinated public investment and streamlined requirements, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 2, 2011

Mr. PERLMUTTER (for himself, Mr. MORAN, Mr. AL GREEN of Texas, Ms. WATERS, Mr. JOHNSON of Georgia, Mrs. CAPPS, Mr. SIRES, Mr. BLUMENAUER, Mr. LARSON of Connecticut, Mr. CLEAVER, Mr. FILNER, and Mr. QUIGLEY) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Transportation and Infrastructure and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To create livable communities through coordinated public investment and streamlined requirements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Livable Communities  
5 Act of 2011”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) When rural, suburban, and urban commu-  
4 nities plan transportation, housing, and water infra-  
5 structure strategically it is estimated that these com-  
6 munities could save nearly \$122,000,000,000 in in-  
7 frastructure costs over the next 25 years.

8 (2) Key Federal programs are missing a vital  
9 opportunity to boost economic growth at the local  
10 and regional level through better coordination of  
11 housing, transportation, and related infrastructure  
12 investments.

13 (3) Federal regulations and policies should sup-  
14 port community efforts to implement and sustain  
15 progress toward the achievement of locally defined  
16 development goals, in terms of—

17 (A) geographic location and proximity to  
18 existing resources; and

19 (B) maintaining structural and indoor en-  
20 vironmental quality and minimizing health haz-  
21 ards.

22 (4) Greater coordination of public investment  
23 will provide direct support for immediate job cre-  
24 ation and lay the groundwork for long-term resil-  
25 ience and prosperity by leveraging significant private

1 sector and philanthropic investment to make the  
2 most of Federal funding.

3 **SEC. 3. PURPOSES.**

4 The purposes of this Act are—

5 (1) to strengthen rural, suburban, and urban  
6 economies by enabling communities to establish  
7 goals for the future and to chart a course for achiev-  
8 ing such goals;

9 (2) to promote local leadership by encouraging  
10 communities to develop innovative solutions that re-  
11 flect the unique economic assets and needs of the  
12 communities;

13 (3) to maximize returns on Federal funding of  
14 housing, transportation, and other infrastructure  
15 projects through the coordination of Federal grant  
16 programs, regulations, and requirements, by reduc-  
17 ing the number of duplicative Federal programs and  
18 improving the efficiency and effectiveness of pro-  
19 grams and policies of the Department of Housing  
20 and Urban Development, the Department of Trans-  
21 portation, the Environmental Protection Agency,  
22 and other Federal agencies, as appropriate; and

23 (4) to ensure that Federal funding supports lo-  
24 cally defined long range development goals.

1 **SEC. 4. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

3 (1) **AFFORDABLE HOUSING.**—The term “afford-  
4 able housing” means housing, the cost of which does  
5 not exceed 30 percent of the income of a family.

6 (2) **COMPREHENSIVE REGIONAL PLAN.**—The  
7 term “comprehensive regional plan” means a plan  
8 that—

9 (A) uses a cooperative, locally controlled  
10 and inclusive public engagement process to  
11 identify needs and goals across a region and to  
12 integrate related planning processes;

13 (B) prioritizes projects for implementation,  
14 including healthy housing projects; and

15 (C) is tied to short-term capital improve-  
16 ment programs and annual budgets.

17 (3) **DEPARTMENT.**—The term “Department”  
18 means the Department of Housing and Urban De-  
19 velopment.

20 (4) **DIRECTOR.**—The term “Director” means  
21 the Director of the Office of Sustainable Housing  
22 and Communities established under section 5.

23 (5) **EXTREMELY LOW-INCOME FAMILY.**—The  
24 term “extremely low-income family” means a family  
25 that has an income that does not exceed—

1 (A) 30 percent of the median income in  
2 the area where the family lives, as determined  
3 by the Secretary, with appropriate adjustments  
4 for the size of the family; or

5 (B) a percentage of the median income in  
6 the area where the family lives, as determined  
7 by the Secretary upon a finding by the Sec-  
8 retary that such percentage is necessary due to  
9 unusually high or low family incomes in the  
10 area where the family lives.

11 (6) HEALTHY HOUSING.—The term “healthy  
12 housing” means housing that is designed, con-  
13 structed, rehabilitated, and maintained in a manner  
14 that supports the health of the occupants of the  
15 housing.

16 (7) HOUSING-RELATED HEALTH HAZARD.—The  
17 term “housing-related health hazard” means any bi-  
18 ological, physical, or chemical source of exposure or  
19 condition in, or immediately adjacent to, housing  
20 that could adversely affect human health.

21 (8) INDIAN TRIBE.—The term “Indian tribe”  
22 has the same meaning as in section 4 of the Native  
23 American Housing Assistance and Self-Determina-  
24 tion Act of 1996 (25 U.S.C. 4103).

1           (9) LIVABLE COMMUNITY.—The term “livable  
2 community” means a metropolitan, urban, suburban,  
3 or rural community that—

4           (A) provides safe, reliable, and accessible  
5 transportation choices;

6           (B) provides long-term affordable, acces-  
7 sible, energy-efficient, and location-efficient  
8 housing choices for people of all ages, incomes,  
9 races, and ethnicities;

10          (C) supports, revitalizes, and encourages  
11 the growth of existing communities and maxi-  
12 mizes the cost-effectiveness of existing infra-  
13 structure;

14          (D) promotes economic development and  
15 economic competitiveness;

16          (E) preserves the environment and natural  
17 resources;

18          (F) protects agricultural land, rural land,  
19 and green spaces; and

20          (G) supports public health and improves  
21 the quality of life for residents of, and workers  
22 in, the community.

23           (10) LOCATION-EFFICIENT.—The term “loca-  
24 tion-efficient” characterizes mixed-use development

1 or neighborhoods that integrate housing, commercial  
2 development, and facilities and amenities—

3 (A) to lower living expenses for working  
4 families;

5 (B) to enhance mobility;

6 (C) to encourage private investment in  
7 transit-oriented development; and

8 (D) to encourage private sector infill devel-  
9 opment and maximize the use of existing infra-  
10 structure.

11 (11) LOW-INCOME FAMILY.—The term “low-in-  
12 come family” has the meaning given that term in  
13 section 3(b) of the United States Housing Act of  
14 1937 (42 U.S.C. 1437a(b)).

15 (12) METROPOLITAN PLANNING ORGANIZA-  
16 TION.—The term “metropolitan planning organiza-  
17 tion” means a metropolitan planning organization  
18 described in section 134(b) of title 23, United States  
19 Code or section 5303(b) of title 49, United States  
20 Code.

21 (13) OFFICE.—The term “Office” means the  
22 Office of Sustainable Housing and Communities es-  
23 tablished under section 5.

1           (14) REGIONAL COUNCIL.—The term “regional  
2 council” means a multiservice regional organization  
3 with State and locally defined boundaries that is—

4           (A) accountable to units of general local  
5 government;

6           (B) delivers a variety of Federal, State,  
7 and local programs; and

8           (C) performs planning functions and pro-  
9 vides professional and technical assistance.

10          (15) RURAL PLANNING ORGANIZATION.—The  
11 term “rural planning organization” means a vol-  
12 untary regional organization of local elected officials  
13 and representatives of local transportation systems  
14 that—

15           (A) works in cooperation with the depart-  
16 ment of transportation (or equivalent entity) of  
17 a State to plan transportation networks and ad-  
18 vise officials of the State on transportation  
19 planning; and

20           (B) is located in a rural area—

21           (i) with a population of not less than  
22 5,000; and

23           (ii) that is not located in an area rep-  
24 resented by a metropolitan planning orga-  
25 nization.



1           (16) SECRETARY.—The term “Secretary”  
2 means the Secretary of Housing and Urban Develop-  
3 ment.

4           (17) STATE.—The term “State” has the mean-  
5 ing given that term by the Secretary, by rule.

6           (18) TRANSIT-ORIENTED DEVELOPMENT.—The  
7 term “transit-oriented development” means high-  
8 density, walkable, location-efficient, mixed-use devel-  
9 opment, including commercial development, afford-  
10 able housing, and market-rate housing, that is with-  
11 in walking distance of and accessible to 1 or more  
12 public transportation facilities.

13           (19) UNIT OF GENERAL LOCAL GOVERN-  
14 MENT.—The term “unit of general local govern-  
15 ment” means—

16                   (A) a city, county, town, township, parish,  
17 village, or other general purpose political sub-  
18 division of a State; or

19                   (B) a combination of general purpose polit-  
20 ical subdivisions, as determined by the Sec-  
21 retary.

22           (20) UNIT OF SPECIAL PURPOSE LOCAL GOV-  
23 ERNMENT.—The term “unit of special purpose local  
24 government”—

1 (A) means a division of a unit of general  
2 purpose government that serves a special pur-  
3 pose and does not provide a broad array of  
4 services; and

5 (B) includes an entity such as a school dis-  
6 trict, a housing agency, a transit agency, and a  
7 parks and recreation district.

8 (21) VERY LOW-INCOME FAMILY.—The term  
9 “very low-income family” has the same meaning as  
10 in section 3(b) of the United States Housing Act of  
11 1937 (42 U.S.C. 1437a(b)).

12 **SEC. 5. OFFICE OF SUSTAINABLE HOUSING AND COMMU-**  
13 **NITIES.**

14 (a) OFFICE ESTABLISHED.—There is established in  
15 the Department an Office of Sustainable Housing and  
16 Communities, which shall—

17 (1) coordinate Federal policies that—

18 (A) encourage locally directed comprehen-  
19 sive and integrated planning and development  
20 at the State, regional, and local levels;

21 (B) encourage coordinated public invest-  
22 ments through the development of comprehen-  
23 sive regional plans;

24 (C) provide long-term affordable, acces-  
25 sible, energy-efficient, healthy, location-efficient

1 housing choices for people of all ages, incomes,  
2 races, and ethnicities, particularly for low-, very  
3 low-, and extremely low-income families; and

4 (D) achieve other goals consistent with the  
5 purposes of this Act;

6 (2) review Federal programs and policies to de-  
7 termine barriers to interagency collaboration and  
8 make recommendations to promote the ability of  
9 local communities to access resources in the Depart-  
10 ment and throughout the Federal Government and  
11 coordinate with and conduct outreach to Federal  
12 agencies, including the Department of Transpor-  
13 tation and the Environmental Protection Agency, on  
14 methods to reduce duplicative programs and improve  
15 the efficiency and effectiveness of programs within  
16 the Department of Transportation, the Environ-  
17 mental Protection Agency, and the Department of  
18 Housing and Urban Development;

19 (3) conduct research and advise the Secretary  
20 on the research agenda of the Department relating  
21 to coordinated development, in collaboration with the  
22 Office of Policy Development and Research of the  
23 Department;

24 (4) implement and oversee the grant programs  
25 established under this Act by—

1 (A) developing the process and format for  
2 grant applications for each grant program;

3 (B) promulgating regulations or guidance  
4 relating to each grant program;

5 (C) selecting recipients of grants under  
6 each grant program;

7 (D) creating performance measures for re-  
8 cipients of grants under each grant program;

9 (E) developing technical assistance and  
10 other guidance to assist recipients of grants and  
11 potential applicants for grants under each grant  
12 program;

13 (F) monitoring and evaluating the per-  
14 formance of recipients of grants under each  
15 grant program; and

16 (G) carrying out such other activities relat-  
17 ing to the administration of the grant programs  
18 under this Act as the Secretary determines are  
19 necessary;

20 (5) provide guidance, information on best prac-  
21 tices, and technical assistance to communities seek-  
22 ing to adopt sustainable development policies and  
23 practices;

1           (6) administer initiatives of the Department re-  
2 relating to the policies described in paragraph (1), as  
3 determined by the Secretary; and

4           (7) work with the Federal Transit Administra-  
5 tion of the Department of Transportation and other  
6 offices and administrations of the Department of  
7 Transportation, as appropriate—

8                 (A) to encourage transit-oriented develop-  
9 ment; and

10                (B) to coordinate Federal housing, commu-  
11 nity development, and transportation policies,  
12 including the policies described in paragraph  
13 (1).

14         (b) DIRECTOR.—The head of the Office shall be the  
15 Director of the Office of Sustainable Housing and Com-  
16 munities.

17         (c) DUTIES RELATING TO GRANT PROGRAMS.—

18                 (1) IN GENERAL.—The Director shall carry out  
19 the grant programs established under this Act.

20                 (2) SMALL AND RURAL COMMUNITIES GRANTS  
21 PROGRAM.—The Director shall coordinate with the  
22 Secretary of Agriculture to make grants to small  
23 and rural communities under sections 7 and 8.

24                 (3) TECHNICAL ASSISTANCE FOR GRANT RE-  
25 CIPIENTS AND APPLICANTS.—The Director may—

1 (A) coordinate with other Federal agencies  
2 to establish interagency and multidisciplinary  
3 teams to provide technical assistance to recipi-  
4 ents of, and prospective applicants for, grants  
5 under this Act;

6 (B) by Federal interagency agreement,  
7 transfer funds to another Federal agency to fa-  
8 cilitate and support technical assistance; and

9 (C) make contracts with third parties to  
10 provide technical assistance to grant recipients  
11 and prospective applicants for grants.

12 **SEC. 6. COMPREHENSIVE PLANNING GRANT PROGRAM.**

13 (a) DEFINITIONS.—In this section—

14 (1) the term “consortium of units of general  
15 local governments” means a consortium of geo-  
16 graphically contiguous units of general local govern-  
17 ment that the Secretary determines—

18 (A) represents all or part of a metropolitan  
19 statistical area, a micropolitan statistical area,  
20 or a noncore area;

21 (B) has the authority under State, tribal,  
22 or local law to carry out planning activities, in-  
23 cluding surveys, land use studies, environmental  
24 or public health analyses, and development of  
25 urban revitalization plans; and

1 (C) has provided documentation to the  
2 Secretary sufficient to demonstrate that the  
3 purpose of the consortium is to carry out a  
4 project using a grant awarded under this Act;  
5 (2) the term “eligible entity” means—

6 (A) a partnership between a consortium of  
7 units of general local government and an eligi-  
8 ble partner; or

9 (B) an Indian tribe, if—

10 (i) the Indian tribe has—

11 (I) a tribal entity that performs  
12 housing and land use planning func-  
13 tions; and

14 (II) a tribal entity that performs  
15 transportation and transportation  
16 planning functions; and

17 (ii) the Secretary determines that the  
18 isolated location and land expanse of the  
19 Indian tribe require the Secretary to treat  
20 the tribe as an eligible entity for purposes  
21 of carrying out activities using a grant  
22 under this section;

23 (3) the term “eligible partner” means—

1 (A) a metropolitan planning organization,  
2 a rural planning organization, or a regional  
3 council; or

4 (B) a metropolitan planning organization,  
5 a rural planning organization, or a regional  
6 council, and—

7 (i) a State;

8 (ii) an Indian tribe;

9 (iii) a State and an Indian tribe; or

10 (iv) an institution of higher education;

11 (4) the term “grant program” means the com-  
12 prehensive planning grant program established  
13 under subsection (b); and

14 (5) the term “noncore area” means a county or  
15 group of counties that are not designated by the Of-  
16 fice of Management and Budget as a micropolitan  
17 statistical area or metropolitan statistical area.

18 (b) COMPREHENSIVE PLANNING GRANT PROGRAM  
19 ESTABLISHED.—The Director shall establish a com-  
20 prehensive planning grant program to make grants to eli-  
21 gible entities to carry out a project—

22 (1) to coordinate locally defined planning proc-  
23 esses, across jurisdictions and agencies;



1           (2) to identify regional partnerships for devel-  
2           oping and implementing a comprehensive regional  
3           plan;

4           (3) to conduct or update assessments to deter-  
5           mine regional needs and promote economic and com-  
6           munity development;

7           (4) to develop or update—

8                 (A) a comprehensive regional plan; or

9                 (B) goals and strategies to implement an  
10           existing comprehensive regional plan and other  
11           related activities; and

12           (5) to identify local zoning and other code  
13           changes necessary to implement a comprehensive re-  
14           gional plan and promote sustainable development.

15           (c) GRANTS.—

16                 (1) DIVERSITY OF GRANTEEES.—The Director  
17           shall ensure geographic diversity among and ade-  
18           quate representation from each of the following cat-  
19           egories:

20                 (A) SMALL AND RURAL COMMUNITIES.—

21           Eligible entities that represent all or part of a  
22           noncore area, a micropolitan area, or a small  
23           metropolitan statistical area with a population  
24           of not more than 200,000.

1 (B) MID-SIZED METROPOLITAN COMMU-  
2 NITIES.—Eligible entities that represent all or  
3 part of a metropolitan statistical area with a  
4 population of more than 200,000 and not more  
5 than 500,000.

6 (C) LARGE METROPOLITAN COMMU-  
7 NITIES.—Eligible entities that represent all or  
8 part of a metropolitan statistical area with a  
9 population of more than 500,000.

10 (2) AWARD OF FUNDS TO SMALL AND RURAL  
11 COMMUNITIES.—

12 (A) IN GENERAL.—The Director shall—

13 (i) award not less than 15 percent of  
14 the funds under the grant program to eli-  
15 gible entities described in paragraph  
16 (1)(A); and

17 (ii) ensure diversity among the geo-  
18 graphic regions and the size of the popu-  
19 lation of the communities served by recipi-  
20 ents of grants that are eligible entities de-  
21 scribed in paragraph (1)(A).

22 (B) INSUFFICIENT APPLICATIONS.—If the  
23 Director determines that insufficient approvable  
24 applications have been submitted by eligible en-  
25 tities described in paragraph (1)(A), the Direc-

1           tor may award less than 15 percent of the  
2           funds under the grant program to eligible enti-  
3           ties described in paragraph (1)(A).

4           (3) FEDERAL SHARE.—

5           (A) IN GENERAL.—Except as provided in  
6           subparagraph (B), the Federal share of the cost  
7           of a project carried out using a grant under the  
8           grant program may not exceed 80 percent.

9           (B) EXCEPTIONS.—

10           (i) SMALL AND RURAL COMMU-  
11           NITIES.—In the case of an eligible entity  
12           described in paragraph (1)(A), the Federal  
13           share of the cost of a project carried out  
14           using a grant under the grant program  
15           may be 90 percent.

16           (ii) INDIAN TRIBES.—In the case of  
17           an eligible entity that is an Indian tribe,  
18           the Federal share of the cost of a project  
19           carried out using a grant under the grant  
20           program may be 100 percent.

21           (C) NON-FEDERAL SHARE.—

22           (i) IN-KIND CONTRIBUTIONS.—For  
23           the purposes of this section, in-kind con-  
24           tributions may be used for all or part of  
25           the non-Federal share of the cost of a

1 project carried out using a grant under the  
2 grant program.

3 (ii) OTHER FEDERAL FUNDING.—  
4 Federal funding from sources other than  
5 the grant program may not be used for the  
6 non-Federal share of the cost of a project  
7 carried out using a grant under the grant  
8 program.

9 (4) AVAILABILITY OF FUNDS.—

10 (A) IN GENERAL.—An eligible entity that  
11 receives a grant under the grant program  
12 shall—

13 (i) obligate any funds received under  
14 the grant program not later than 2 years  
15 after the date on which the grant agree-  
16 ment under subsection (g) is made; and

17 (ii) expend any funds received under  
18 the grant program not later than 4 years  
19 after the date on which the grant agree-  
20 ment under subsection (g) is made.

21 (B) UNOBLIGATED AMOUNTS.—After the  
22 date described in subparagraph (A)(i), the Sec-  
23 retary may award to another eligible entity, to  
24 carry out activities under this section, any

1 amounts that an eligible entity has not obli-  
2 gated under subparagraph (A)(i).

3 (d) APPLICATION.—

4 (1) IN GENERAL.—An eligible entity that de-  
5 sires a grant under this section shall submit to the  
6 Director an application, at such time and in such  
7 manner as the Director shall prescribe, that con-  
8 tains—

9 (A) a description of the project proposed to  
10 be carried out by the eligible entity;

11 (B) a budget for the project that includes  
12 the anticipated Federal share of the cost of the  
13 project and a description of the source of the  
14 non-Federal share;

15 (C) the designation of a lead agency or or-  
16 ganization, which may be the eligible entity, to  
17 receive and manage any funds received by the  
18 eligible entity under the grant program;

19 (D) a signed copy of a memorandum of  
20 understanding among local jurisdictions, includ-  
21 ing, as appropriate, a State, a tribe, units of  
22 general purpose local government, units of spe-  
23 cial purpose local government, metropolitan  
24 planning organizations, rural planning organi-

1 zations, and regional councils that dem-  
2 onstrates—

3 (i) the creation of an eligible entity;

4 (ii) a description of the nature and ex-  
5 tent of planned collaboration between the  
6 eligible entity and any partners of the eligi-  
7 ble entity;

8 (iii) a commitment to develop a com-  
9 prehensive regional plan; and

10 (iv) a commitment to implement the  
11 plan after the plan is developed;

12 (E) a certification that the eligible entity  
13 has—

14 (i) secured the participation, or made  
15 a good-faith effort to secure the participa-  
16 tion, of transportation providers and public  
17 housing agencies within the area affected  
18 by the comprehensive regional plan and the  
19 entities described in clause (ii); and

20 (ii) created, or will create not later  
21 than 1 year after the date of the grant  
22 award, a regional advisory board to provide  
23 input and feedback on the development of  
24 the comprehensive regional plan that in-  
25 cludes representatives of a State, the met-

1           ropolitan planning organization, the rural  
2           planning organization, the regional council,  
3           local jurisdictions, non-profit organizations,  
4           and others, as deemed appropriate by the  
5           eligible entity, given the local context of  
6           the comprehensive planning effort;

7           (F) a certification that the eligible entity  
8           has solicited public comment on the contents of  
9           the project description under subparagraph (A)  
10          that includes—

11                   (i) a description of the process for re-  
12                   ceiving public comment relating to the pro-  
13                   posal; and

14                   (ii) such other information as the Di-  
15                   rector may require;

16           (G) a description of how the eligible entity  
17           will carry out the activities under subsection (f);  
18           and

19           (H) such additional information as the Di-  
20           rector may require.

21          (2) INDIAN TRIBES.—An eligible entity that is  
22          an Indian tribe is not required to submit the certifi-  
23          cation under paragraph (1)(E).

1 (e) SELECTION.—In evaluating an application for a  
2 grant under the grant program, the Director shall con-  
3 sider the extent to which the application—

4 (1) demonstrates the technical capacity of the  
5 eligible entity to carry out the project;

6 (2) demonstrates the extent to which the con-  
7 sortium has developed partnerships throughout an  
8 entire region, including, as appropriate, partnerships  
9 with the entities described in subsection (d)(1)(D);

10 (3) demonstrates integration with local efforts  
11 in economic development and job creation;

12 (4) demonstrates a strategy for implementing a  
13 comprehensive regional plan through regional infra-  
14 structure investment plans and local land use plans;

15 (5) promotes diversity among the geographic re-  
16 gions and the size of the population of the commu-  
17 nities served by recipients of grants under this sec-  
18 tion;

19 (6) demonstrates a commitment to seeking sub-  
20 stantial public input during the planning process  
21 and public participation in the development of the  
22 comprehensive regional plan;

23 (7) demonstrates that a Federal grant is nec-  
24 essary to accomplish the project proposed to be car-  
25 ried out;



1           (8) minimizes the Federal share necessary to  
2 carry out the project and leverages State, local, or  
3 private resources;

4           (9) has a high quality overall; and

5           (10) demonstrates such other qualities as the  
6 Director may determine.

7       (f) ELIGIBLE ACTIVITIES.—An eligible entity that re-  
8 ceives a grant under this section shall carry out a project  
9 that includes 1 or more of the following activities:

10           (1) Coordinating locally defined planning proc-  
11 esses across jurisdictions and agencies.

12           (2) Identifying potential regional partnerships  
13 for developing and implementing a comprehensive  
14 regional plan.

15           (3) Conducting or updating assessments to de-  
16 termine regional needs, including healthy housing,  
17 and promote economic and community development.

18           (4) Developing or updating—

19               (A) a comprehensive regional plan; or

20               (B) goals and strategies to implement an  
21 existing comprehensive regional plan.

22           (5) Implementing local zoning and other code  
23 changes necessary to implement a comprehensive re-  
24 gional plan and promote sustainable development.

1 (g) GRANT AGREEMENT.—Each eligible entity that  
2 receives a grant under this section shall agree to establish,  
3 in coordination with the Director, performance measures,  
4 reporting requirements, and any other requirements that  
5 the Director determines are necessary, that must be met  
6 at the end of each year in which the eligible entity receives  
7 funds under the grant program.

8 (h) PUBLIC OUTREACH.—

9 (1) OUTREACH REQUIRED.—Each eligible entity  
10 that receives a grant under the grant program shall  
11 perform substantial outreach activities—

12 (A) to engage a broad cross-section of  
13 community stakeholders in the process of devel-  
14 oping a comprehensive regional plan, including  
15 low-income families, minorities, older adults,  
16 and economically disadvantaged community  
17 members; and

18 (B) to create an effective means for stake-  
19 holders to participate in the development and  
20 implementation of a comprehensive regional  
21 plan.

22 (2) FINALIZATION OF COMPREHENSIVE RE-  
23 GIONAL PLAN.—

24 (A) IN GENERAL.—An eligible entity that  
25 receives a grant under the grant program may

1 not finalize a comprehensive regional plan be-  
2 fore the eligible entity holds a public hearing to  
3 obtain the views of citizens, public agencies, and  
4 other interested parties.

5 (B) AVAILABILITY OF INFORMATION.—Not  
6 later than 30 days before a hearing described in  
7 subparagraph (A), an eligible entity shall make  
8 the proposed comprehensive regional plan and  
9 all information relevant to the hearing available  
10 to the public for inspection during normal busi-  
11 ness hours.

12 (C) NOTICE.—Not later than 30 days be-  
13 fore a hearing described in subparagraph (A),  
14 an eligible entity shall publish notice—

15 (i) of the hearing; and

16 (ii) that the information described in  
17 subparagraph (B) is available.

18 (i) VIOLATION OF GRANT AGREEMENT OR FAILURE  
19 TO COMPLY WITH PUBLIC OUTREACH REQUIREMENTS.—  
20 If the Director determines that an eligible entity has not  
21 met the performance measures established under sub-  
22 section (g), is not making reasonable progress toward  
23 meeting such measures, is otherwise in violation of the  
24 grant agreement, or has not complied with the public out-

1 reach requirements under subsection (h), the Director  
2 may—

3 (1) withhold financial assistance until the re-  
4 quirements under the grant agreement or under sub-  
5 section (h), as applicable, are met; or

6 (2) terminate the grant agreement.

7 (j) REPORT ON THE COMPREHENSIVE PLANNING  
8 GRANT.—

9 (1) IN GENERAL.—Not later than 90 days after  
10 the date on which the grant agreement under sub-  
11 section (g) expires, an eligible entity that receives a  
12 grant under the grant program shall submit a final  
13 report on the project to the Secretary.

14 (2) CONTENTS OF REPORT.—The report shall  
15 include—

16 (A) a detailed explanation of the activities  
17 undertaken using the grant, including an expla-  
18 nation of the completed project and how it  
19 achieves specific transit-oriented, transpor-  
20 tation, housing, or sustainable community goals  
21 within the region;

22 (B) a discussion of any obstacles encoun-  
23 tered in the planning process and how the eligi-  
24 ble entity overcame the obstacles;

1           (C) an evaluation of the success of the  
2 project using the performance standards and  
3 measures established under subsection (g), in-  
4 cluding an evaluation of the planning process  
5 and how the project contributes to carrying out  
6 the comprehensive regional plan; and

7           (D) any other information the Director  
8 may require.

9           (3) INTERIM REPORT.—The Director may re-  
10 quire an eligible entity to submit an interim report,  
11 before the date on which the project for which the  
12 grant is awarded is completed.

13           (k) AUTHORIZATION OF APPROPRIATIONS.—

14           (1) AUTHORIZATION.—There are authorized to  
15 be appropriated to the Secretary for the award of  
16 grants under this section, to remain available until  
17 expended—

18                   (A) \$100,000,000 for fiscal year 2012; and

19                   (B) \$125,000,000 for each of fiscal years  
20 2013 through 2016.

21           (2) TECHNICAL ASSISTANCE.—The Director  
22 may use not more than 2 percent of the amounts  
23 made available under this subsection for a fiscal  
24 year for technical assistance under section 5(c)(3).

1 **SEC. 7. COMMUNITY CHALLENGE GRANT PROGRAM.**

2 (a) DEFINITIONS.—In this section—

3 (1) the terms “consortium of units of general  
4 local governments”, “eligible entity”, and “eligible  
5 partner” have the same meaning as in section 6; and

6 (2) the term “grant program” means the com-  
7 munity challenge grant program established under  
8 subsection (b).

9 (b) COMMUNITY CHALLENGE GRANT PROGRAM ES-  
10 TABLISHED.—The Director shall establish a community  
11 challenge grant program to make grants to eligible entities  
12 to—

13 (1) promote integrated planning and invest-  
14 ments across policy and governmental jurisdictions;  
15 and

16 (2) implement projects identified in a com-  
17 prehensive regional plan.

18 (c) GRANTS.—

19 (1) DIVERSITY OF GRANTEES.—The Director  
20 shall ensure geographic diversity among and ade-  
21 quate representation from eligible entities in each of  
22 the categories described in section 6(e)(1).

23 (2) TERMS AND CONDITIONS.—Except as other-  
24 wise provided in this section, a grant under the  
25 grant program shall be made on the same terms and  
26 conditions as a grant under section 6.

1           (3) EXPENDING FUNDS.—An eligible entity  
2 that receives a grant under the grant program shall  
3 expend any funds received under the grant program  
4 not later than 5 years after the date on which the  
5 grant agreement under subsection (g) is made.

6           (d) APPLICATION.—

7           (1) CONTENTS.—An eligible entity that desires  
8 a grant under the grant program shall submit to the  
9 Director an application, at such time and in such  
10 manner as the Director shall prescribe, that con-  
11 tains—

12                   (A) a copy of the comprehensive regional  
13 plan, whether developed as part of the com-  
14 prehensive planning grant program under sec-  
15 tion 6 or developed independently;

16                   (B) a description of the project or projects  
17 proposed to be carried out using a grant under  
18 the grant program;

19                   (C) a description of any preliminary ac-  
20 tions that have been or must be taken at the  
21 local or regional level to implement the project  
22 or projects under subparagraph (B), including  
23 the revision of land use or zoning policies;

24                   (D) a signed copy of a memorandum of  
25 understanding among local jurisdictions, includ-

1           ing, as appropriate, a State, units of general  
2           purpose local government, units of special pur-  
3           pose local government, metropolitan planning  
4           organizations, rural planning organizations, and  
5           regional councils that demonstrates—

6                   (i) the creation of a consortium of  
7                   units of general local government; and

8                   (ii) a commitment to implement the  
9                   activities described in the comprehensive  
10                  regional plan;

11           (E) a certification that the eligible entity  
12           has solicited public comment on the contents of  
13           the project or projects described in subpara-  
14           graph (B) that includes—

15                   (i) a certification that the eligible en-  
16                   tity made information about the project or  
17                   projects available and afforded citizens,  
18                   public agencies, and other interested par-  
19                   ties a reasonable opportunity to examine  
20                   the content of the project or projects and  
21                   to submit comments;

22                   (ii) a description of the process for re-  
23                   ceiving public comment, and a description  
24                   of the outreach efforts to affected popu-  
25                   lations and stakeholders; and



1 (iii) a certification that the eligible en-  
2 tity—

3 (I) held a public hearing to ob-  
4 tain the views of citizens, public agen-  
5 cies, and other interested parties;

6 (II) made the proposed project  
7 and all information relevant to the  
8 hearing available for inspection by the  
9 public during normal business hours  
10 not less than 30 days before the hear-  
11 ing under subclause (I); and

12 (III) published a notice informing  
13 the public of the hearing under sub-  
14 clause (I) and the availability of the  
15 information described in subclause  
16 (II);

17 (F) a budget for the project that includes  
18 the Federal share of the cost of the project or  
19 projects requested and a description of the  
20 source of the non-Federal share; and

21 (G) such additional information as the Di-  
22 rector may require.

23 (2) INDIAN TRIBES.—An eligible entity that is  
24 an Indian tribe is not required to submit a memo-  
25 randum of understanding under paragraph (1)(D).

1 (e) SELECTION.—In evaluating an application for a  
2 grant under the grant program, the Director shall con-  
3 sider the extent to which the application—

4 (1) demonstrates the technical capacity of the  
5 eligible entity to carry out the project;

6 (2) demonstrates the extent to which the eligi-  
7 ble entity has developed partnerships throughout an  
8 entire region, including partnerships with units of  
9 special purpose local government and transportation  
10 providers;

11 (3) demonstrates clear and meaningful inter-  
12 jurisdictional cooperation and coordination of hous-  
13 ing (including healthy housing), transportation, and  
14 environmental policies and plans;

15 (4) demonstrates a commitment to imple-  
16 menting a comprehensive regional plan and docu-  
17 ments action taken or planned to implement the  
18 plan;

19 (5) minimizes the Federal share necessary to  
20 carry out the project and leverages a significant  
21 amount of State, local, or private resources;

22 (6) identifies original and innovative ideas to  
23 overcoming regional problems, including local land  
24 use and zoning (or other code) obstacles to carrying  
25 out the comprehensive regional plan;

1           (7) promotes diversity among the geographic re-  
2           gions and the size of the population of the commu-  
3           nities served by recipients of grants under the grant  
4           program;

5           (8) demonstrates a commitment to substantial  
6           public input throughout the implementation process;

7           (9) demonstrates that a Federal grant is nec-  
8           essary to accomplish the project or projects proposed  
9           to be carried out;

10          (10) has a high quality overall; and

11          (11) demonstrates such other qualities as the  
12          Director may determine.

13          (f) GRANT ACTIVITIES.—

14           (1) PLANNING ACTIVITIES.—An eligible entity  
15           that receives a grant under the grant program may  
16           use not more than 10 percent of the grant for plan-  
17           ning activities. Activities related to the updating, re-  
18           form, or development of a local code, plan, or ordi-  
19           nance to implement projects contained in a com-  
20           prehensive regional plan shall not be considered  
21           planning activities for the purposes of a grant under  
22           the grant program.

23           (2) PROJECTS AND INVESTMENTS.—An eligible  
24           entity that receives a grant under the grant program  
25           shall carry out 1 or more projects that are designed

1 to achieve the goals identified in a comprehensive re-  
2 gional plan.

3 (g) GRANT AGREEMENT.—Each eligible entity that  
4 receives a grant under the grant program shall agree to  
5 establish, in coordination with the Director, performance  
6 measures, reporting requirements, and any other require-  
7 ments that the Director determines are necessary, that  
8 must be met at the end of each year in which the eligible  
9 entity receives funds under the grant program.

10 (h) VIOLATION OF GRANT AGREEMENT.—If the Di-  
11 rector determines that an eligible entity has not met the  
12 performance measures established under subsection (g), is  
13 not making reasonable progress toward meeting such  
14 measures, or is otherwise in violation of the grant agree-  
15 ment, the Director may—

16 (1) withhold financial assistance until the re-  
17 quirements under the grant agreement are met; or

18 (2) terminate the grant agreement.

19 (i) REPORT ON THE COMMUNITY CHALLENGE  
20 GRANT.—

21 (1) IN GENERAL.—Not later than 90 days after  
22 the date on which the grant agreement under sub-  
23 section (g) expires, an eligible entity that receives a  
24 grant under the grant program shall submit a final  
25 report on the project to the Secretary.

1           (2) CONTENTS OF REPORT.—The report shall  
2 include—

3           (A) a detailed explanation of the activities  
4 undertaken using the grant, including an expla-  
5 nation of the completed project and how it  
6 achieves specific transit-oriented, transpor-  
7 tation, housing, or sustainable community goals  
8 within the region;

9           (B) a discussion of any obstacles encoun-  
10 tered in the planning and implementation proc-  
11 ess and how the eligible entity overcame the ob-  
12 stacles;

13           (C) an evaluation of the success of the  
14 project using the performance standards and  
15 measures established under subsection (g), in-  
16 cluding an evaluation of the planning and im-  
17 plementation process and how the project con-  
18 tributes to carrying out the comprehensive re-  
19 gional plan; and

20           (D) any other information the Director  
21 may require.

22           (3) INTERIM REPORT.—The Director may re-  
23 quire an eligible entity to submit an interim report,  
24 before the date on which the project for which the  
25 grant is awarded is completed.

1 (j) AUTHORIZATION OF APPROPRIATIONS.—

2 (1) AUTHORIZATION.—There are authorized to  
3 be appropriated to the Secretary for the award of  
4 grants under this section, to remain available until  
5 expended—

6 (A) \$30,000,000 for each of fiscal years  
7 2012 and 2013;

8 (B) \$35,000,000 for fiscal year 2014;

9 (C) \$40,000,000 for fiscal year 2015; and

10 (D) \$45,000,000 for fiscal year 2016.

11 **SEC. 8. CREDIT FACILITY TO SUPPORT TRANSIT-ORIENTED**  
12 **DEVELOPMENT.**

13 (a) DEFINITIONS.—In this section—

14 (1) ELIGIBLE APPLICANT.—The term “eligible  
15 applicant” means a State or local government.

16 (2) ELIGIBLE AREA.—The term “eligible area”  
17 means the area within ½ mile of an existing or  
18 planned major transit facility.

19 (3) ELIGIBLE BORROWER.—The term “eligible  
20 borrower” means—

21 (A) a governmental entity, authority, agen-  
22 cy, or instrumentality;

23 (B) a corporation, partnership, joint ven-  
24 ture, or trust on behalf of which an eligible ap-

1           plicant has submitted an application under sub-  
2           section (c); or

3           (C) any other legal entity undertaking an  
4           infrastructure development project on behalf of  
5           which an eligible applicant has submitted an  
6           application under subsection (c).

7           (4) MAJOR TRANSIT FACILITY.—The term  
8           “major transit facility” means—

9           (A) a fixed-guideway transit station;

10           (B) a high speed rail or intercity rail sta-  
11           tion;

12           (C) a transit hub connecting more than 3  
13           local transit lines; or

14           (D) a transit center located in an area  
15           other than an urbanized area.

16           (5) PLANNED MAJOR TRANSIT FACILITY.—The  
17           term “planned major transit facility” means a major  
18           transit facility for which appropriate environmental  
19           reviews have been completed and for which funding  
20           for construction can be reasonably anticipated.

21           (6) PROJECT.—The term “project” means an  
22           infrastructure project that is used to support a tran-  
23           sit-oriented development in an eligible area, includ-  
24           ing—

1 (A) property enhancement, including con-  
2 ducting environmental remediation, park devel-  
3 opment, and open space acquisition;

4 (B) improvement of mobility and parking,  
5 including rehabilitating, or providing for addi-  
6 tional, streets, transit stations, structured park-  
7 ing, walkways, and bikeways;

8 (C) utility development, including rehabili-  
9 tating existing, or providing for new drinking  
10 water, wastewater, electric, and gas utilities; or

11 (D) community facilities, including child  
12 care centers.

13 (b) LOAN PROGRAM ESTABLISHED.—The Secretary  
14 may make or guarantee loans under this section to eligible  
15 borrowers for projects.

16 (c) APPLICATION.—

17 (1) IN GENERAL.—An eligible applicant may  
18 submit to the Secretary an application for a loan or  
19 loan guarantee under this section—

20 (A) to fund a project carried out by the eli-  
21 gible applicant; or

22 (B) on behalf of an eligible borrower, to  
23 fund a project carried out by the eligible bor-  
24 rower.

25 (d) SELECTION CRITERIA.—



1           (1) IN GENERAL.—The Secretary may make a  
2 loan or loan guarantee under this section for a  
3 project that—

4                   (A) is part of a community-wide develop-  
5 ment plan, as defined by the Secretary;

6                   (B) promotes sustainable development; and

7                   (C) ensures that not less than 15 percent  
8 of any housing units constructed or substan-  
9 tially rehabilitated as part of transit-oriented  
10 development supported by the project are af-  
11 fordable over the long-term to, and occupied at  
12 time of initial occupancy by—

13                           (i) renters with incomes at or below  
14 60 percent of the area median; or

15                           (ii) homeowners with incomes at or  
16 below 100 percent of the area median.

17           (2) CONSIDERATIONS.—The Secretary shall se-  
18 lect the recipients of loans and loan guarantees  
19 under this section based on the extent to which—

20                   (A) the transit-oriented development sup-  
21 ported by the project will encourage increased  
22 use of transit;

23                   (B) the transit-oriented development sup-  
24 ported by the project will create or preserve  
25 long-term affordable housing units in addition

1 to the housing units required to be made avail-  
2 able under paragraph (1)(C) or will provide  
3 deeper affordability than required under para-  
4 graph (1)(C);

5 (C) the project will facilitate and encour-  
6 age additional development or redevelopment in  
7 the overall transit station area;

8 (D) the local government has adopted poli-  
9 cies that—

10 (i) promote long-term affordable hous-  
11 ing; and

12 (ii) allow high-density, mixed-use de-  
13 velopment near transit stations;

14 (E) the transit-oriented development sup-  
15 ported by the project is part of a comprehensive  
16 regional plan;

17 (F) the eligible borrower has established a  
18 reliable, dedicated revenue source to repay the  
19 loan;

20 (G) the project is not financially viable for  
21 the eligible borrower without a loan or loan  
22 guarantee under this section; and

23 (H) a loan or loan guarantee under this  
24 section would be used in conjunction with non-  
25 Federal loans to fund the project.

1 (e) ELIGIBLE SOURCES OF REPAYMENT.—A loan  
2 made or guaranteed under this section shall be repayable,  
3 in whole or in part, from dedicated revenue sources, which  
4 may include—

5 (1) user fees;

6 (2) property tax revenues;

7 (3) sales tax revenues;

8 (4) other revenue sources dedicated to the  
9 project by property owners and businesses; and

10 (5) a bond or other indebtedness backed by one  
11 of the revenue sources listed in this paragraph.

12 (f) INTEREST RATE.—The Secretary shall establish  
13 an interest rate for loans made or guaranteed under this  
14 section with reference to a benchmark interest rate (yield)  
15 on marketable Treasury securities with a maturity that  
16 is similar to the loans made or guaranteed under this sec-  
17 tion.

18 (g) MAXIMUM MATURITY.—The maturity of a loan  
19 made or guaranteed under this section may not exceed the  
20 lesser of—

21 (1) 35 years; or

22 (2) 90 percent of the useful life of any project  
23 to be financed by the loan, as determined by the  
24 Secretary.

25 (h) MAXIMUM LOAN GUARANTEE RATE.—

1           (1) IN GENERAL.—The guarantee rate on a  
2           loan guaranteed under this section may not exceed  
3           75 percent of the amount of the loan.

4           (2) LOWER GUARANTEE RATE FOR LOW-RISK  
5           BORROWERS.—The Secretary shall establish a guar-  
6           antee rate for loans to eligible borrowers that the  
7           Secretary determines pose a lower risk of default  
8           that is lower than the guarantee rate for loans to  
9           other eligible borrowers.

10          (i) FEES.—The Secretary shall establish fees for  
11          loans made or guaranteed under this section at a level that  
12          is sufficient to cover all or part of the costs to the Federal  
13          Government of making or guaranteeing a loan under this  
14          section.

15          (j) NONSUBORDINATION.—A loan made or guaran-  
16          teed under this section may not be subordinated to the  
17          claims of any holder of an obligation relating to the project  
18          in the event of bankruptcy, insolvency, or liquidation.

19          (k) COMMENCEMENT OF REPAYMENT.—The sched-  
20          uled repayment of principal or interest on a loan made  
21          or guaranteed under this section shall commence not later  
22          than 5 years after the date of substantial completion of  
23          the project.

24          (l) REPAYMENT DEFERRAL FOR LOANS.—

1           (1) IN GENERAL.—If, at any time after the  
2           date of substantial completion of a project, the Sec-  
3           retary determines that dedicated revenue sources of  
4           an eligible borrower are insufficient to make the  
5           scheduled loan repayments of principal and interest  
6           on a loan made or guaranteed under this section, the  
7           Secretary may, subject to criteria established by the  
8           Secretary, allow the eligible borrower to add unpaid  
9           principal and interest to the outstanding balance of  
10          the loan.

11          (2) TREATMENT OF DEFERRED PAYMENTS.—  
12          Any payment deferred under this section shall—

13                 (A) continue to accrue interest until fully  
14                 repaid; and

15                 (B) be scheduled to be amortized over the  
16                 remaining term of the loan.

17          (m) AUTHORIZATION OF APPROPRIATIONS.—There  
18          are authorized to be appropriated for the cost of loans and  
19          loan guarantees under this section \$20,000,000 for each  
20          of fiscal years 2012 through 2016.

21          **SEC. 9. HEALTHY HOMES.**

22                 (a) FEDERAL INITIATIVE TO SUPPORT HEALTHY  
23                 HOUSING AND ERADICATE HOUSING-RELATED HEALTH  
24                 HAZARDS.—The Secretary, acting through the Director of  
25                 the Office of Healthy Homes and Lead Hazard Control

1 and in consultation with the Secretary of Energy, the Ad-  
2 ministrator of the Environmental Protection Agency, the  
3 Secretary of Agriculture, the Director of the National In-  
4 stitute of Standards and Technology, the Director of the  
5 National Institute of Environmental Health Sciences, and  
6 the Director of the Centers for Disease Control, shall lead  
7 the Federal initiative to support healthy housing and  
8 eradicate housing-related health hazards by—

9           (1) reviewing, monitoring, and evaluating Fed-  
10       eral housing, health, energy, and environmental pro-  
11       grams and identifying areas of overlap and duplica-  
12       tion that could be improved;

13           (2) identifying best practices and model pro-  
14       grams, including practices and programs that link  
15       services for low-income families and services for  
16       health hazards;

17           (3) identifying best practices for finance prod-  
18       ucts, building codes, and regulatory practices;

19           (4) researching training programs and work  
20       practices that can accurately assess housing-related  
21       health hazards;

22           (5) promoting collaboration among Federal,  
23       State, local, and tribal agencies and non-govern-  
24       mental organizations; and

1           (6) coordinating with all relevant Federal agen-  
2       cies.

3       (b) ASSESSMENT.—The Secretary shall conduct a  
4 collaborative, interagency assessment of best practices  
5 for—

6           (1) coordinating activities relating to healthy  
7       housing;

8           (2) removing unnecessary barriers to inter-  
9       agency coordination in Federal statutes and regula-  
10      tions; and

11          (3) creating incentives in programs of the Fed-  
12      eral Government to advance the complementary  
13      goals of improving environmental health, energy con-  
14      servation, and the availability of housing.

15       (c) STUDY AND REPORT ON SUSTAINABLE BUILDING  
16 FEATURES AND INDOOR ENVIRONMENTAL QUALITY IN  
17 HOUSING.—

18          (1) STUDY.—The Secretary, in consultation  
19      with the Secretary of Energy, the Director of the  
20      National Institute of Standards and Technology, the  
21      Director of the National Institute of Environmental  
22      Health Sciences, the Director of the Centers for Dis-  
23      ease Control, and any other Federal agency that the  
24      Secretary determines is appropriate, shall conduct a

1 detailed study of how sustainable building features  
2 in housing, such as energy efficiency, affect—

3 (A) the quality of the indoor environment;

4 (B) the prevalence of housing-related  
5 health hazards; and

6 (C) the health of occupants of the housing.

7 (2) REPORT.—Not later than 3 years after the  
8 date of enactment of this Act, the Secretary shall  
9 submit to the Committee on Banking, Housing, and  
10 Urban Affairs and the Committee on Appropriations  
11 of the Senate and the Committee on Financial Serv-  
12 ices and the Committee on Appropriations of the  
13 House of Representatives a report containing the re-  
14 sults of the study under paragraph (1).

15 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
16 are authorized to be appropriated such sums as may be  
17 necessary to carry out this section.

18 **SEC. 10. INELIGIBILITY OF INDIVIDUALS WHO ARE NOT**  
19 **LAWFULLY PRESENT.**

20 No housing assisted using a grant under this Act may  
21 be made available to an individual who is not lawfully  
22 present in the United States. Nothing in this Act may be  
23 construed to alter the restrictions or definitions under sec-



1 tion 214 of the Housing and Community Development Act  
2 of 1980 (42 U.S.C. 1436a).

○