

111th CONGRESS

2d Session

H. R. 4690

To establish the Office of Sustainable Housing and Communities, to establish the Interagency Council on Sustainable Communities, to establish a comprehensive planning grant program, to establish a sustainability challenge grant program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

February 25, 2010

Mr. PERLMUTTER (for himself, Ms. WATERS, Mrs. HALVORSON, Mr. LARSON of Connecticut, Mr. BLUMENAUER, Mr. HODES, Mr. HIMES, Mr. SIRES, Mr. CARSON of Indiana, Mr. ELLISON, Mrs. CHRISTENSEN, Mr. CARNAHAN, Mr. HOLT, Mr. COHEN, Mr. COURTNEY, Mr. MCDERMOTT, Mr. QUIGLEY, Ms. SCHWARTZ, Mr. TONKO, and Mr. SARBANES) 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

A BILL

To establish the Office of Sustainable Housing and Communities, to establish the Interagency Council on Sustainable Communities, to establish a comprehensive planning grant program, to establish a sustainability challenge grant program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title- This Act may be cited as the 'Livable Communities Act of 2010'.

(b) Table of Contents- The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

Sec. 3. Office of Sustainable Housing and Communities.

Sec. 4. Interagency Council on Sustainable Communities.

Sec. 5. Comprehensive planning grant program.

Sec. 6. Sustainability challenge grant program.

SEC. 2. DEFINITIONS.

In this Act, the following definitions shall apply:

(1) **AFFORDABLE HOUSING**- The term `affordable housing' means housing, the cost of which does not exceed 30 percent of the income of a family.

(2) **CENSUS TRACT**- The term `census tract' means a small, relatively permanent statistical subdivision of a county, delineated by a local committee of census data users for the purpose of presenting data.

(3) **CHAIRPERSON**- The term `Chairperson' means the Chairperson of the Interagency Council on Sustainable Communities.

(4) **COMPLETE STREET**- The term `complete street' means a street that enables all travelers, particularly public transit users, bicyclists, pedestrians (including individuals of all ages and individuals with disabilities), and motorists, to use the street safely and efficiently.

(5) **COMPREHENSIVE REGIONAL PLAN**- The term `comprehensive regional plan' means a plan that--

(A) identifies land use, transportation, community development, housing, economic development, environmental, energy, and infrastructure needs and goals in a region;

(B) provides strategies for meeting the needs and goals described in subparagraph (A), including strategies for--

(i) providing affordable, energy-efficient, and location-efficient housing choices for people of all ages, incomes, races, and ethnicities;

(ii) reducing growth in vehicle miles traveled, in order to reduce traffic congestion and regional greenhouse gas emissions from transportation;

(iii) encouraging economic competitiveness and economic development; and

(iv) increasing the connectivity of the region by increasing public transportation ridership and improving access to transportation alternatives; and

(C) prioritizes projects for funding and implementation.

(6) **CONSORTIUM OF UNITS OF GENERAL LOCAL GOVERNMENTS**- The term `consortium of units of general local governments' means a consortium of geographically contiguous units of general local government that the Secretary determines--

(A) represents all or part of a metropolitan statistical area or a micropolitan statistical area;

(B) has the authority under State or local law to carry out planning activities, including surveys, land

use studies, environmental or public health analyses, and development of urban revitalization plans; and

(C) has provided documentation to the Secretary sufficient to demonstrate that the purpose of the consortium is to carry out a project using a grant awarded under this Act.

(7) COUNCIL- The term `Council' means the Interagency Council on Sustainable Communities established under section 4.

(8) DEPARTMENT- The term `Department' means the Department of Housing and Urban Development.

(9) DIRECTOR- The term `Director' means the Director of the Office of Sustainable Housing and Communities established under section 3.

(10) EXTREMELY LOW-INCOME FAMILY- The term `extremely low-income family'--

(A) means a family that has an income that does not exceed--

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

(ii) a percentage of the median income in the area where the family lives, as determined by the Secretary upon a finding by the Secretary that such percentage is necessary due to unusually high or low family incomes in the area where the family lives; and

(B) includes a family that includes a person with special needs, including an elderly person or a person with disabilities, as those terms are defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(11) HIGH-POVERTY AREA- The term `high-poverty area' means a census tract, or a group of contiguous census tracts, that has a poverty rate of 20 percent or more.

(12) LIVABLE COMMUNITY- The term `livable community' means a metropolitan, urban, suburban, rural, or neighborhood community that--

(A) provides safe and reliable transportation choices;

(B) provides affordable, energy-efficient, and location-efficient housing choices for people of all ages, incomes, races, and ethnicities;

(C) supports, revitalizes, and encourages the growth of existing communities and maximizes the cost effectiveness of existing infrastructure;

(D) promotes economic development and economic competitiveness;

(E) preserves the environment and natural resources;

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

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

(13) LOCATION-EFFICIENT- The term `location-efficient' characterizes development, housing, or neighborhoods that integrate land use, mixed-use housing and commercial development, employment, and transportation--

(A) to enhance mobility;

(B) to encourage transit-oriented development;

(C) to encourage infill development and the use of existing infrastructure; and

(D) to reduce growth in vehicle miles traveled and the transportation costs and energy requirements associated with ownership or rental of a home.

(14) LOW-INCOME FAMILY- The term `low-income family'--

(A) has the same meaning as in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)); and

(B) includes a low-income family with a person with special needs, including an elderly person or a person with disabilities, as those terms are defined section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(15) METROPOLITAN PLANNING ORGANIZATION- The term `metropolitan planning organization' has the meaning given that term in section 134(b) of title 23, United States Code, and section 5303(b) of title 49, United States Code.

(16) METROPOLITAN STATISTICAL AREA- The term `metropolitan statistical area' means a county or group of counties that--

(A) is designated by the Office of Management and Budget as a metropolitan statistical area; and

(B) has 1 or more large population centers with a population of not less than 50,000 and adjacent territory with a high level of integration with the core.

(17) MICROPOLITAN STATISTICAL AREA- The term `micropolitan statistical area' means a county or group of counties that--

(A) is designated by the Office of Management and Budget as a micropolitan statistical area; and

(B) has 1 or more large urban clusters with a population of not less than 10,000 and not more than 50,000.

(18) OFFICE- The term `Office' means the Office of Sustainable Housing and Communities established under section 3.

(19) REGIONAL COUNCIL- The term `regional council' means a multi-service regional organization with State and locally defined boundaries that is--

(A) accountable to units of general local government;

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

(C) performs planning functions and provides professional and technical assistance.

(20) RURAL PLANNING ORGANIZATION- The term `rural planning organization' means a voluntary organization of local elected officials and representatives of local transportation systems that--

(A) works in cooperation with the department of transportation (or equivalent entity) of a State to plan transportation networks and advise officials of the State on transportation planning; and

(B) is located in a rural area--

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

(ii) that is not located in an area represented by a metropolitan planning organization.

(21) SECRETARY- The term `Secretary' means the Secretary of Housing and Urban Development.

(22) STATE- The term `State' means the several States, the District of Columbia, Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

(23) SUSTAINABLE DEVELOPMENT- The term `sustainable development' means a pattern of resource use designed to create livable communities by--

(A) providing a variety of safe and reliable transportation choices;

(B) providing affordable, energy-efficient, and location-efficient housing choices for people of all income levels, ages, races, and ethnicities;

(C) supporting, revitalizing, and encouraging the growth of communities and maximizing the cost effectiveness of existing infrastructure;

(D) promoting economic development and economic competitiveness;

(E) preserving the environment and natural resources;

(F) protecting agricultural land, rural land, and green spaces; and

(G) supporting public health and improving the quality of life for residents of and workers in a community.

(24) TRANSIT-ORIENTED DEVELOPMENT- The term `transit-oriented development' means high-density, walkable, mixed-use development (including commercial development, affordable housing, and market-rate housing) that is within walking distance of and accessible to 1 or more public transportation facilities.

(25) UNIT OF GENERAL LOCAL GOVERNMENT- The term `unit of general local government' means--

(A) a city, county, town, township, parish, village, or other general purpose political subdivision of a State; or

(B) a combination of general purpose political subdivisions, as determined by the Secretary.

(26) UNIT OF SPECIAL PURPOSE LOCAL GOVERNMENT- The term `unit of special purpose local government'--

(A) means a division of a unit of general purpose government that serves a special purpose and does not provide a broad array of services; and

(B) includes an entity such as a school district, a housing agency, a transit agency, and a parks and recreation district.

(27) VERY LOW-INCOME FAMILY- The term `very low-income family'--

(A) has the same meaning as in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)); and

(B) includes a very low-income family with a person with special needs, including an elderly person or a person with disabilities, as those terms are defined section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(28) WORKFORCE HOUSING- The term `workforce housing' means housing, the cost of which does not exceed 30 percent of--

(A) 120 percent of the median income in the area where the family lives, as determined by the Secretary, with appropriate adjustments for the size of family; or

(B) a percentage, as determined by the Secretary, of the median income in the area where the family lives, upon a finding by the Secretary that such percentage is necessary due to unusually high or low family incomes in the area where the family lives.

SEC. 3. OFFICE OF SUSTAINABLE HOUSING AND COMMUNITIES.

(a) Office Established- There is established in the Department an Office of Sustainable Housing and Communities, which shall--

(1) coordinate Federal policies and initiatives that foster livable communities, including--

(A) encouraging sustainable development at the State, regional, and local levels;

(B) encouraging the development of comprehensive regional plans;

(C) fostering energy-efficient communities and housing;

- (D) providing affordable, location-efficient housing choices for people of all ages, incomes, races, and ethnicities, particularly for low-, very low-, and extremely low-income families; and
 - (E) working with the Federal Transit Administration of the Department of Transportation to--
 - (i) encourage transit-oriented development; and
 - (ii) coordinate Federal housing, community development, and transportation policies;
 - (2) conduct research and advise the Secretary on the research agenda of the Department relating to sustainable development;
 - (3) provide administrative support for participation by the Secretary in the activities of the Council;
 - (4) implement and oversee the grant programs established under this Act by--
 - (A) developing grant applications for each grant program;
 - (B) promulgating regulations relating to each grant program;
 - (C) selecting recipients of grants under each grant program;
 - (D) creating performance measures for recipients of grants under each grant program;
 - (E) developing technical assistance and other guidance to assist recipients of grants and potential applicants for grants under each grant program;
 - (F) monitoring and evaluating the performance of recipients of grants under each grant program; and
 - (G) carrying out such other activities relating to the administration of the grant programs under this Act as the Secretary determines are necessary;
 - (5) provide guidance, information on best practices, and technical assistance to communities seeking to adopt sustainable development policies and practices;
 - (6) provide guidance and technical assistance to communities seeking to prepare applications for the comprehensive planning grant program under section 5;
 - (7) administer initiatives of the Department relating to the policies described in paragraph (1), as determined by the Secretary; and
 - (8) coordinate with and conduct outreach to other Federal agencies, including the Federal Transit Administration of the Department of Transportation and the Office of Smart Growth of the Environmental Protection Agency, on sustainability issues.
- (b) Director- The head of the Office shall be the Director of the Office of Sustainable Housing and Communities.
- (c) Duties Relating to Grant Programs-

(1) IN GENERAL- The Director, in coordination with the Council or a working group established by the Council under section 4(b)(6), shall carry out the grant programs established under this Act.

(2) INTERIM WORKING GROUP- During the period between the date of enactment of this Act and the date on which a memorandum of understanding is signed under section 4(a)(7), in carrying out the grant programs under this Act, the Secretary shall consult with an interim working group that includes the Secretary of Transportation, the Administrator of the Environmental Protection Agency (or the designee of such Secretary or Administrator), and representatives from such other Federal agencies, departments, or offices, as the President may determine.

(3) TECHNICAL ASSISTANCE FOR GRANT RECIPIENTS AND APPLICANTS- The Director may--

(A) coordinate with the members of the Council to establish interagency and multidisciplinary teams to provide technical assistance to recipients of and prospective applicants for grants under this Act;

(B) make contracts with third parties to provide technical assistance to grant recipients and prospective applicants for grants; and

(C) establish a technical assistance program for prospective applicants, particularly prospective applicants from smaller communities, preparing to apply for grants under section 5.

(d) Report on Housing Location Affordability Index-

(1) STUDY- The Director shall conduct a study on--

(A) the development of a housing location affordability index that includes housing and transportation costs; and

(B) ways in which the affordability index described in subparagraph (A) could be made available to the public to inform consumers of the combined costs of housing and transportation.

(2) REPORT- Not later than 1 year after the date of enactment of this Act, the Director shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the study under paragraph (1).

(e) Report on Incentives for Energy-Efficient Mortgages and Location-Efficient Mortgages-

(1) DEFINITIONS- In this subsection--

(A) the term `energy-efficient mortgage' means a mortgage loan under which the income of the borrower, for purposes of qualification for such loan, is considered to be increased by not less than \$1 for each \$1 of savings projected to be realized by the borrower as a result of cost-effective energy-saving design, construction, or improvements (including use of renewable energy sources, such as solar, geothermal, biomass, and wind, super-insulation, energy-saving windows, insulating glass and film, and radiant barrier) for the home for which the loan is made; and

(B) the term `location-efficient mortgage' means a mortgage loan under which--

(i) the income of the borrower, for purposes of qualification for such loan, is considered to be increased by not less than \$1 for each \$1 of savings projected to be realized by the borrower because the location of the home for which the loan is made will result in decreased transportation costs for the household of the borrower; or

(ii) the sum of the principal, interest, taxes, and insurance due under the mortgage loan is decreased by not less than \$1 for each \$1 of savings projected to be realized by the borrower because the location of the home for which the loan is made will result in decreased transportation costs for the household of the borrower.

(2) STUDY-

(A) IN GENERAL- The Director shall conduct a study on incentives for encouraging lenders to make, and homebuyers and homeowners to participate in, energy-efficient mortgages and location-efficient mortgages, including--

(i) fee reductions;

(ii) fee waivers;

(iii) interest rate reductions; and

(iv) adjustment of mortgage qualifications.

(B) CONSIDERATIONS- In studying the incentives under subparagraph (A), the Secretary shall consider the potential for lower risk of default on energy-efficient mortgages and location-efficient mortgages in comparison to mortgages that are not energy-efficient or location-efficient.

(3) REPORT- Not later than 1 year after the date of enactment of this Act, the Director shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the study under paragraph (2).

(f) Authorization of Appropriations- There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section.

SEC. 4. INTERAGENCY COUNCIL ON SUSTAINABLE COMMUNITIES.

(a) Establishment of Council-

(1) ESTABLISHMENT- There is established in the executive branch an independent entity to be known as the Interagency Council on Sustainable Communities.

(2) MEMBERS-

(A) IN GENERAL- The members of the Council are--

(i) the Secretary, the Secretary of Transportation, and the Administrator of the Environmental Protection Agency; and

(ii) such representatives from other Federal agencies, departments, or offices in the executive branch as the President may prescribe.

(B) DESIGNEES-

(i) IN GENERAL- The head of a Federal agency described in subparagraph (A) may select a designee to serve in the place of the head of the Federal agency on the Council.

(ii) QUALIFICATIONS- The head of a Federal agency that selects a designee under clause (i) shall ensure that the designee has the appropriate experience and authority to serve on the Council.

(C) PAY- The members of the Council shall serve with no additional pay.

(3) CHAIRPERSON-

(A) CHAIRPERSON- The Chairperson of the Council shall be, in successive terms--

(i) the Secretary;

(ii) the Secretary of Transportation; and

(iii) the Administrator of the Environmental Protection Agency.

(B) DUTIES- The Chairperson shall--

(i) set the time, date, and location of each meeting of the Council; and

(ii) in consultation with the members of the Council, set the agenda for each meeting of the Council.

(C) TERM- The Chairperson shall serve for a term of 1 year.

(D) FIRST CHAIRPERSON- The Secretary shall be the first individual to serve as Chairperson after the date of enactment of this Act.

(4) EXECUTIVE DIRECTOR AND STAFF-

(A) EXECUTIVE DIRECTOR-

(i) APPOINTMENT AND COMPENSATION- The Council shall appoint an Executive Director, who shall be compensated at a rate not to exceed the rate of basic pay for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(ii) SENSE OF CONGRESS- It is the sense of Congress that the Council should appoint an Executive Director not later than 90 days after the date of enactment of this Act.

(B) ADDITIONAL PERSONNEL- With the approval of the Council, the Executive Director of the Council may appoint and fix the compensation of such additional personnel as the Executive Director determines are necessary to carry out the duties of the Council.

(C) DETAILEES FROM OTHER AGENCIES- Upon request of the Council, the head of any Federal agency may detail any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this section.

(D) EXPERTS AND CONSULTANTS- With the approval of the Council, the Executive Director of the Council may procure temporary and intermittent services pursuant to section 3109(b) of title 5, United States Code.

(5) CONSULTATION WITH ADDITIONAL SECRETARIES AND ADMINISTRATORS-

(A) CONSULTATION- In carrying out its duties under this section, the Council may consult with the heads of departments, agencies, and offices in the executive branch, including the Secretary of Energy, the Secretary of Education, the Secretary of Agriculture, the Secretary of Health and Human Services, the Secretary of Commerce, the Chairman of the Council on Environmental Quality, and the Director of the White House Office of Urban Affairs.

(B) PARTICIPATION IN MEETINGS OF COUNCIL- The head of a department, agency, or office with whom the Council consults under subparagraph (A) may participate in a meeting of the Council.

(C) INFORMATION SHARING- The head of each Federal agency shall make available to the Council such information as may be necessary for the Council to carry out its duties under this section.

(6) MEETINGS- The Council shall meet--

(A) not later than 90 days after the date of enactment of this Act; and

(B) not less frequently than 3 times each year.

(7) GOVERNANCE- Not later than 120 days after the date of enactment of this Act, the members of the Council shall develop and sign a memorandum of understanding that establishes rules relating to the governance of the Council, including rules relating to the process by which decisions of the Council are made.

(8) INCORPORATION OF WORK OF INTERIM WORKING GROUP- Any activities carried out by an interim working group pursuant to section 3(c)(2) shall be incorporated into the activities of the Council, effective on the date the memorandum of understanding under paragraph (7) is signed.

(b) Duties of the Council- The Council shall--

(1) ensure interagency coordination of Federal policy on sustainable development;

(2) conduct outreach to nonprofit and for-profit organizations and State and local governments to build partnerships and knowledge relating to sustainable development;

(3) ensure that the research agendas of departments and agencies of the Federal Government on sustainable development are coordinated;

(4) establish a clearinghouse for guidance, best practices, and other information for communities undertaking activities relating to sustainable development;

(5) coordinate an assessment by departments and agencies of the Federal Government of impediments to sustainable development, including impediments created by Federal programs, and the development of recommendations for methods for overcoming such impediments; and

(6) coordinate with the Director on activities relating to the grant programs established under this Act, as described in section 3(a)(4), or establish a working group to coordinate with the Director on such activities.

(c) Reports-

(1) ANNUAL REPORT- Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Council shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the activities and accomplishments of the Council.

(2) RECOMMENDATIONS- Not later than 1 year after the date of enactment of this Act, the Council shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that contains--

(A) an analysis of impediments to sustainable development; and

(B) recommendations for action by the Federal Government on issues relating to sustainable development.

(d) Study of Federal Actions- Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that contains--

(1) an updated analysis of impediments to sustainable development, as described in subsection (c)(2)(A); and

(2) a description of actions taken by the Federal Government to implement the recommendations made by the Council in the report under subsection (c)(2)(B).

(e) Authorization of Appropriations- There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 5. COMPREHENSIVE PLANNING GRANT PROGRAM.

(a) Definitions- In this section--

(1) the term `eligible entity' means a partnership between a consortium of units of general local government and an eligible partner;

(2) the term `eligible partner' means--

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

(B) a metropolitan planning organization, a rural planning organization, or a regional council, and a State; and

(3) the term `grant program' means the comprehensive planning grant program established under subsection (b).

(b) Comprehensive Planning Grant Program Established- The Director shall establish a comprehensive planning grant program to make grants to eligible entities to carry out a project to--

(1) coordinate land use, housing, transportation, and infrastructure planning processes across jurisdictions and agencies;

(2) identify potential regional partnerships for developing and implementing a comprehensive regional plan;

(3) conduct or update housing, infrastructure, transportation, energy, and environmental assessments to determine regional needs and promote sustainable development;

(4) develop or update--

(A) a comprehensive regional plan; or

(B) goals and strategies to implement an existing comprehensive regional plan; and

(5) implement local zoning and other code changes necessary to implement a comprehensive regional plan and promote sustainable development.

(c) Grants-

(1) AMOUNT OF GRANTS-

(A) MICROPOLITAN STATISTICAL AREAS AND SMALL METROPOLITAN STATISTICAL AREAS- The amount awarded under the grant program to an eligible entity that represents all or part of a micropolitan area, or a metropolitan statistical area with a population of not more than 200,000, may not exceed \$750,000.

(B) MID-SIZED METROPOLITAN STATISTICAL AREAS- The amount awarded under the grant program to an eligible entity that represents all or part of a metropolitan statistical area with a population of more than 200,000 and less than 500,000 may not exceed \$1,500,000.

(C) LARGE METROPOLITAN STATISTICAL AREAS- The amount awarded under the grant program to an eligible entity that represents all or part of a metropolitan statistical area with a population of 500,000 or more may not exceed \$5,000,000.

(2) FEDERAL SHARE- The Federal share of the cost of a project carried out using a grant under the grant program may not exceed 80 percent.

(3) AVAILABILITY OF FUNDS-

(A) IN GENERAL- An eligible entity that receives a grant under the grant program shall--

(i) obligate any funds received under the grant program not later than 3 years after the date on which the grant agreement under subsection (g) is made; and

(ii) expend any funds received under the grant program not later than 4 years after the date on which the grant agreement under subsection (g) is made.

(B) UNOBLIGATED AMOUNTS- After the date described in subparagraph (A)(i), the Secretary may award to another eligible entity, to carry out activities under this section, any amounts that an eligible entity has not obligated under subparagraph (A)(i).

(d) Application-

(1) IN GENERAL- An eligible entity that desires a grant under the grant program shall submit to the Director an application at such time and in such manner as the Director shall prescribe.

(2) CONTENTS- Each application shall contain--

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

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

(C) a signed copy of a memorandum of understanding among local jurisdictions, including, as appropriate, a State, units of general purpose local government, units of special purpose local government, metropolitan planning organizations, rural planning organizations, and regional councils that demonstrates--

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

(ii) a commitment to develop a comprehensive regional plan; and

(iii) a commitment to implement the plan after it is developed;

(D) a certification that the eligible entity has created, or will create not later than 1 year after the date of the grant award, a regional advisory board to provide input and feedback on the development of the comprehensive regional plan that includes, as appropriate, representatives of a State, the metropolitan planning organization, the rural planning organization, the regional council, public transportation agencies, public housing agencies, economic development authorities, other local governments, environmental agencies, public health agencies, the nonprofit community, the private sector, community-based organizations, citizen groups, neighborhood groups, and members of the public;

(E) a certification that the eligible entity has solicited public comment on the contents of the project description under subparagraph (A) that includes--

(i) a certification that the eligible entity has held 1 or more public hearings;

(ii) a description of the process for receiving public comment;

(iii) a summary of the comments received; and

(iv) such other information as the Director may require;

(F) a description of how the eligible entity will carry out the activities under subsection (f); and

(G) such additional information as the Director may require.

(e) Selection- In evaluating an application for a grant under the grant program, the Director shall consider the extent to which the application--

(1) furthers the creation of livable communities;

(2) demonstrates the technical capacity of the eligible entity to carry out the project;

(3) demonstrates the extent to which the consortium has developed partnerships throughout an entire micropolitan or metropolitan statistical area, including, as appropriate, partnerships with the entities described in subsection (d)(2)(D);

(4) demonstrates a commitment to--

(A) sustainable development;

(B) location-efficient and transit-oriented development;

(C) developing new capacity for public transportation and increasing ridership on public transportation;

(D) providing affordable, energy-efficient, and location-efficient housing choices for families of all ages, incomes, races, and ethnicities;

(E) creating and preserving long-term affordable, energy-efficient, and location-efficient housing for low-, very low-, and extremely low-income families;

(F) revitalizing communities, neighborhoods and commercial centers supported by existing infrastructure;

(G) monitoring and improving environmental quality, including air and water quality, energy use, greenhouse gas emissions, and the redevelopment of brownfields; and

(H) coordinating the provision of transportation services to elderly, disabled, and low-income populations;

(5) demonstrates a plan for implementing a comprehensive regional plan through regional infrastructure investment plans and local land use plans;

(6) promotes diversity among the geographic regions and the sizes of the population of the communities served by recipients of grants under this section;

(7) promotes economic benefits;

(8) demonstrates that a Federal grant is necessary to accomplish the project proposed to be carried out;

(9) has a high quality overall; and

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

(f) Eligible Activities- An eligible entity that receives a grant under this section shall carry out a project that includes 1 or more of the following activities:

(1) Planning and coordinating across jurisdictions in the region to develop a comprehensive regional plan.

(2) Developing achievable goals and strategies for carrying out the comprehensive regional plan, including--

(A) land use, zoning, and other code reform, including reform of conservation zoning in agricultural and other natural resource areas;

(B) promoting efficient land use, mixed-use development, and the preservation of agricultural, green, and open space;

(C) increasing access to and ridership on public transportation;

(D) the creation and preservation of workforce housing and affordable housing for low-, very low-, and extremely low-income families, including housing with access to jobs and public transportation;

(E) promoting economic development and transit-oriented development;

(F) revitalizing communities; and

(G) promoting environmental protection and public health and reducing greenhouse gas emissions.

(3) Developing a plan that outlines feasible steps for implementing the comprehensive regional plan, including making interjurisdictional agreements that provide for cooperative and coordinated approaches to achieving the goals of the plan.

(4) Assessing projected regional population growth or loss and demographic changes.

(5) Assessing how the regional population growth or loss and demographic changes will impact the need for housing, community development, and transportation, including public transportation in the region.

(6) Assessing the accessibility of job centers within the region to public transportation facilities and housing.

(7) Assessing transportation options in the region, including--

(A) public transportation options;

(B) options for people with low incomes, people living in high-poverty areas, elderly people, and people with disabilities; and

(C) any obstacles to providing access to locations that offer employment opportunities.

(8) Developing techniques to inform decision makers on how growth of population and employment, development patterns, and investments in transportation infrastructure are likely to affect travel, congestion, air quality, and quality of life.

(9) Assessing the daily vehicle miles traveled in the region and opportunities for reducing the growth in daily vehicle miles traveled and traffic congestion.

(10) Assessing housing needs, including the need for workforce housing and affordable housing for low-, very low-, and extremely low-income families, and the availability of housing in the region to meet such needs.

(11) Assessing the need to create, preserve, and improve long-term affordable housing for low-, very low-, and extremely low-income families and families that utilize workforce housing in areas that--

(A) are undergoing redevelopment or carrying out transit-oriented development; and

(B) have access to services including transportation (particularly public transportation), neighborhood commercial centers, and medical services.

(12) Assessing methods for lowering the combined cost of housing and transportation for families in the region, particularly for families that utilize workforce housing and for low-, very low-, and extremely low-income families.

(13) Assessing existing infrastructure and infrastructure needs in the region, including projected water needs and sources, the need for sewer infrastructure, and the existence of flood plains.

(14) Assessing local land use and zoning policies and opportunities for revising or expanding such policies to implement a comprehensive regional plan.

(15) Assessing the opportunity to revitalize existing communities, including infill development.

(16) Assessing environmental and public health needs in the region and potential strategies for reducing greenhouse gas emissions, improving air and water quality, and remediating brownfield sites.

(17) Assessing projected loss of agricultural and rural land and other green space in the region to development, and methods to minimize such loss.

(18) Evaluating any tools or resources that are available to address regional needs identified in an assessment under any of paragraphs (4) through (7) and (9) through (17) and to monitor progress in meeting such needs, including any existing sources of funding and any sources of funding that are lacking.

(19) Implementing land use, zoning, and other code reforms to promote location efficiency and sustainable development.

(20) Other activities consistent with the purposes of this Act, as determined by the Director.

(g) Grant Agreement- Each eligible entity that receives a grant under this section shall agree to establish, in coordination with the Director, performance measures that must be met at the end of each year in which the eligible entity receives funds under the grant program.

(h) Violation of Grant Agreement- If the Director determines that an eligible entity has not met the performance measures established under subsection (g), is not making reasonable progress toward meeting such measures, or is otherwise in violation of the grant agreement, the Director may--

(1) withhold financial assistance until the performance measures are met; or

(2) terminate the grant agreement.

(i) Sustainability Challenge Grants- An eligible entity that receives a grant under this section and has created a comprehensive regional plan may apply for a sustainability challenge grant under section 6.

(j) Reports Required-

(1) ANNUAL REPORT- Not later than 60 days after the end of the first year after the grant agreement is made under subsection (g), and each year thereafter, an eligible entity that receives a grant under this section shall submit to the Director a progress report that contains--

(A) a description of any progress made toward meeting the performance measures established under subsection (g), including--

(i) a description of any partnership created across policy and governmental jurisdictions and a description of any task force or multiagency group established by the eligible entity at the regional level; and

(ii) a description of--

(I) housing, land use, transportation, public transportation, energy, infrastructure, and environmental needs in the region; or

(II) the obstacles encountered that prevented the eligible entity from completing a comprehensive evaluation of housing, land use, transportation, public transportation, energy, infrastructure, and environmental needs, and a date by which the eligible entity expects to complete the evaluation;

(B) a description of any planning goals for the region that address housing, transportation, public transportation, energy, infrastructure, and environmental needs;

(C) a description of--

(i) a strategy for meeting the goals described in subparagraph (B), including a discussion of potential transportation, housing, transit-oriented development, energy, infrastructure, or environmental activities; or

(ii) the obstacles encountered that prevented the eligible entity from completing a strategy for meeting the goals identified under clause (i) and a date by which the eligible entity expects to complete the

strategy; and

(D) any other information the Director may require.

(2) FINAL REPORT- Not later than 90 days after the date on which the grant agreement under subsection (g) expires, an eligible entity that receives a grant under this section shall submit to the Director a final report that contains--

(A) a description of a comprehensive regional plan that includes specific projects that will help meet housing, transportation, energy, infrastructure, and environmental goals for the region;

(B) a detailed description of how the plan under subparagraph (A) meets the performance measures established under subsection (g);

(C) a plan for next steps to be taken by the eligible entity, including whether the eligible entity intends to apply for a sustainability challenge grant under section 6; and

(D) any other information the Director may require.

(k) Authorization of Appropriations-

(1) AUTHORIZATION- There are authorized to be appropriated to the Secretary for the award of grants under this section, \$100,000,000 for each of fiscal years 2011 through 2014, to remain available until expended.

(2) TECHNICAL ASSISTANCE- The Director may use 2 percent of the amounts made available under this subsection for a fiscal year for technical assistance under section 3(c)(3).

SEC. 6. SUSTAINABILITY CHALLENGE GRANT PROGRAM.

(a) Definitions- In this section--

(1) the term `eligible entity' means a partnership between a consortium of units of general local government and an eligible partner;

(2) the term `eligible partner' means--

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

(B) a metropolitan planning organization, a rural planning organization, or a regional council, and a State; and

(3) the term `grant program' means the sustainability challenge grant program established under subsection (b).

(b) Sustainability Challenge Grant Program Established- The Director shall establish a sustainability challenge grant program to make grants to eligible entities to--

(1) promote integrated transportation, housing, energy, and economic development activities carried

out across policy and governmental jurisdictions;

- (2) promote sustainable and location-efficient development; and
- (3) implement projects identified in a comprehensive regional plan.

(c) Grants-

(1) MICROPOLITAN STATISTICAL AREA OR SMALL METROPOLITAN STATISTICAL AREA- The total amount awarded under this section to an eligible entity that represents all or part of a micropolitan area, or a metropolitan area with a population of not more than 200,000, may not exceed \$15,000,000.

(2) METROPOLITAN STATISTICAL AREAS BETWEEN 200,000 AND 500,000- The total amount awarded under this section to an eligible entity that represents all or part of a metropolitan statistical area with a population of more than 200,000 and less than 500,000 may not exceed \$35,000,000.

(3) LARGE METROPOLITAN AREAS- The total amount awarded under this section to an eligible entity that represents all or part of a metropolitan area with a population of 500,000 may not exceed \$100,000,000.

(4) FEDERAL SHARE- The Federal share of the cost of a project under this section may not exceed 80 percent.

(5) AVAILABILITY OF FUNDS-

(A) IN GENERAL- An eligible entity that receives a grant under the grant program shall--

(i) obligate any funds received under the grant program not later than 3 years after the date on which the grant agreement under subsection (g) is made; and

(ii) expend any funds received under the grant program not later than 5 years after the date on which the grant agreement under subsection (g) is made.

(B) UNOBLIGATED AMOUNTS- After the date described in subparagraph (A)(i), the Secretary may award to another eligible entity, to carry out activities under this section, any amounts that an eligible entity has not obligated under subparagraph (A)(i).

(d) Application- An eligible entity that desires a grant under this section shall submit to the Director an application that contains--

(1) a copy of the comprehensive regional plan, whether developed as part of the comprehensive planning grant program under section 5 or developed independently;

(2) a description of the project or projects proposed to be carried out using a grant under the grant program;

(3) a description of any preliminary actions that have been or must be taken at the local or regional level to implement the project or projects under paragraph (2), including the revision of land use or

zoning policies;

(4) a signed copy of a memorandum of understanding among local jurisdictions, including, as appropriate, a State, units of general purpose local government, units of special purpose local government, metropolitan planning organizations, rural planning organizations, and regional councils that demonstrates--

(A) the creation of a consortium of units of general local government; and

(B) a commitment to implement the activities described in the comprehensive regional plan;

(5) a certification that the eligible entity has solicited public comment on the contents of the project description under paragraph (2) that includes--

(A) a certification that the eligible entity has held 1 or more public hearings;

(B) a description of the process for receiving public comment;

(C) a summary of the comments received; and

(D) such other information as the Director may require;

(6) a budget for the project that includes the Federal share of the cost of the project or projects requested and a description of the source of the non-Federal share; and

(7) such additional information as the Director may require.

(e) Selection- In evaluating an application for a grant under the grant program, the Director shall consider the extent to which the application--

(1) furthers the creation of livable communities;

(2) demonstrates the technical capacity of the eligible entity to carry out the project;

(3) demonstrates the extent to which the eligible entity has developed partnerships throughout an entire micropolitan or metropolitan statistical area, including partnerships with units of special purpose local government and public transportation agencies;

(4) demonstrates clear and meaningful interjurisdictional cooperation and coordination of housing, transportation, and environmental policies and plans;

(5) demonstrates a commitment to implementing a comprehensive regional plan and documents action taken or planned to implement the plan, including--

(A) rezoning or other changes to land use controls to enable mixed-use, mixed-income development;

(B) planned or proposed public transportation investments, including--

(i) financial contributions for capital and operating costs of public transportation;

- (ii) improvements for bicycle riders and pedestrians;
- (iii) action taken to increase the number of trips made using public transportation and bicycles and by walking; and
- (iv) special efforts to address the needs of elderly, disabled, and low-income populations, including populations in rural areas;
- (C) investment in and actions relating to plans or proposals for incentives, subsidies, or requirements for developers to create and preserve affordable housing, including--
 - (i) workforce housing and affordable housing for low-income families, particularly housing in mixed-income, location-efficient neighborhoods with transit-oriented development and access to public transportation, employment, and commercial and other services; and
 - (ii) affordable housing for very low- and extremely low-income families, particularly housing in mixed-income, location-efficient neighborhoods with transit-oriented development;
- (D) actions taken to promote transit-oriented development, including plans or proposals for zoning, or for incentives, subsidies, or requirements for developers; and
- (E) planned or proposed incentives, subsidies, or requirements designed to preserve agricultural and rural land and other green space, including planned or proposed programs for the purchase of development rights;
- (6) minimizes the Federal share necessary to carry out the project;
- (7) identifies original and innovative ideas to overcoming regional problems, including local land use and zoning (or other code) obstacles to carrying out the comprehensive regional plan;
- (8) promotes location-efficient development through--
 - (A) mixed-income, mixed-use residential and commercial development that is accessible to jobs and public transportation; or
 - (B) development that is pedestrian-friendly and includes complete street projects;
- (9) promotes diversity among the geographic regions and the sizes of the population of the communities served by recipients of grants under this section;
- (10) demonstrates that a Federal grant is necessary to accomplish the project or projects proposed to be carried out;
- (11) has a high quality overall; and
- (12) demonstrates such other qualities as the Director may determine.
- (f) Grant Activities-

(1) **PLANNING ACTIVITIES-** An eligible entity that receives a grant under the grant program may use not more than 10 percent of the grant for planning activities.

(2) **PROJECTS AND INVESTMENTS-** An eligible entity that receives a grant under the grant program shall carry out 1 or more projects that--

(A) are designed to achieve goals identified in a comprehensive regional plan; and

(B) promote livable communities through investment in--

(i) transit-oriented development;

(ii) transportation infrastructure and facilities, including public transportation, projects that improve access to public transportation, structured parking near public transportation, and complete street projects;

(iii) short-term operating funds to initiate a demonstration of new public transportation services;

(iv) promotion of employer-based commuter benefit programs to increase public transportation ridership;

(v) promotion of trip reduction programs and the use of transportation alternatives;

(vi) creating or preserving affordable housing for low-, very low-, and extremely low-income families in mixed-income, mixed-use neighborhoods with access to public transportation;

(vii) brownfield redevelopment, or other redevelopment of communities and commercial areas, including the main streets of small towns;

(viii) infrastructure maintenance and improvement initiatives that support regionally integrated planning and smart growth;

(ix) energy efficiency retrofit projects;

(x) land banking for transit-oriented development;

(xi) implementing land use, zoning, and other code reforms to promote location-efficient development and sustainable development;

(xii) other economic development that is part of the comprehensive regional plan; and

(xiii) other activities consistent with the purposes of this Act, as determined by the Director.

(g) **Grant Agreement-** Each eligible entity that receives a grant under this section shall agree to establish, in coordination with the Director, performance measures and reporting requirements that must be met at the end of each year in which the eligible entity receives funds under the grant program.

(h) **Violation of Grant Agreement-** If the Director determines that an eligible entity has not met the performance measures established under subsection (g), is not making reasonable progress toward

meeting such measures, or is otherwise in violation of the grant agreement, the Director may--

(1) withhold financial assistance until the performance measures are met; or

(2) terminate the grant agreement.

(i) Report on the Sustainability Challenge Grant-

(1) IN GENERAL- Not later than 90 days after the date on which the grant agreement under subsection (g) expires, an eligible entity that receives a grant under this section shall submit a final report on the project to the Council.

(2) CONTENTS OF REPORT- The report shall include--

(A) a detailed explanation of the activities undertaken using the grant, including an explanation of the completed project and how it achieves specific transit-oriented, transportation, housing, or sustainable community goals within the region;

(B) a discussion of any obstacles encountered in the planning and implementation process and how the eligible entity overcame the obstacles;

(C) an evaluation of the success of the project using the performance standards and measures established under subsection (g), including an evaluation of the planning and implementation process and how the project contributes to carrying out the comprehensive regional plan; and

(D) any other information the Director may require.

(3) INTERIM REPORT- The Director may require an eligible entity to submit an interim report, before the date on which the project for which the grant is awarded is completed.

(j) Authorization of Appropriations-

(1) AUTHORIZATION- There are authorized to be appropriated to the Secretary for the award of grants under this section, to remain available until expended--

(A) \$750,000,000 for fiscal year 2012;

(B) \$1,250,000,000 for fiscal year 2013; and

(C) \$1,750,000,000 for fiscal year 2014.

(2) TECHNICAL ASSISTANCE- Of amounts made available under this subsection, the Director may use for technical assistance under section 3(c)(3) an amount that does not exceed the lesser of--

(A) 0.5 percent of the amounts made available under this subsection for a fiscal year; and

(B) \$2,000,000.

END