

112TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. MENENDEZ (for himself, Mr. REED, Mr. BENNET, Mr. HARKIN, Mr. LAUTENBERG, Mr. FRANKEN, Mr. MERKLEY, Mr. SANDERS, Mr. BLUMENTHAL, Mr. WYDEN, Mr. DURBIN, Mr. CARDIN, Mr. AKAKA, Mr. WHITEHOUSE, Mr. COONS, Mrs. SHAHEEN, Ms. LANDRIEU, and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on _____

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”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

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

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

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

15 (A) geographic location and proximity to
16 existing resources; and

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

20 (4) Greater coordination of public investment
21 will provide direct support for immediate job cre-
22 ation and lay the groundwork for long-term resil-
23 ience and prosperity by leveraging significant private
24 sector and philanthropic investment to make the
25 most of Federal funding.

1 **SEC. 3. PURPOSES.**

2 The purposes of this Act are—

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

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

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

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

23 **SEC. 4. DEFINITIONS.**

24 In this Act, the following definitions shall apply:

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

4 (2) COMPREHENSIVE REGIONAL PLAN.—The
5 term “comprehensive regional plan” means a plan
6 that—

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

11 (B) prioritizes projects for implementation,
12 including healthy housing projects; and

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

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

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

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

24 (A) 30 percent of the median income in
25 the area where the family lives, as determined

1 by the Secretary, with appropriate adjustments
2 for the size of the family; or

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

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

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

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

23 (9) LIVABLE COMMUNITY.—The term “livable
24 community” means a metropolitan, urban, suburban,
25 or rural community that—

1 (A) provides safe, reliable, and accessible
2 transportation choices;

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

7 (C) supports, revitalizes, and encourages
8 the growth of existing communities and maxi-
9 mizes the cost-effectiveness of existing infra-
10 structure;

11 (D) promotes economic development and
12 economic competitiveness;

13 (E) preserves the environment and natural
14 resources;

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

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

20 (10) LOCATION-EFFICIENT.—The term “loca-
21 tion-efficient” characterizes mixed-use development
22 or neighborhoods that integrate housing, commercial
23 development, and facilities and amenities—

24 (A) to lower living expenses for working
25 families;

1 (B) to enhance mobility;

2 (C) to encourage private investment in
3 transit-oriented development; and

4 (D) to encourage private sector infill devel-
5 opment and maximize the use of existing infra-
6 structure.

7 (11) LOW-INCOME FAMILY.—The term “low-in-
8 come family” has the meaning given that term in
9 section 3(b) of the United States Housing Act of
10 1937 (42 U.S.C. 1437a(b)).

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

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

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

23 (A) accountable to units of general local
24 government;

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

3 (C) performs planning functions and pro-
4 vides professional and technical assistance.

5 (15) RURAL PLANNING ORGANIZATION.—The
6 term “rural planning organization” means a vol-
7 untary regional organization of local elected officials
8 and representatives of local transportation systems
9 that—

10 (A) works in cooperation with the depart-
11 ment of transportation (or equivalent entity) of
12 a State to plan transportation networks and ad-
13 vise officials of the State on transportation
14 planning; and

15 (B) is located in a rural area—

16 (i) with a population of not less than
17 5,000; and

18 (ii) that is not located in an area rep-
19 resented by a metropolitan planning orga-
20 nization.

21 (16) SECRETARY.—The term “Secretary”
22 means the Secretary of Housing and Urban Develop-
23 ment.

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

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

8 (19) UNIT OF GENERAL LOCAL GOVERN-
9 MENT.—The term “unit of general local govern-
10 ment” means—

11 (A) a city, county, town, township, parish,
12 village, or other general purpose political sub-
13 division of a State; or

14 (B) a combination of general purpose polit-
15 ical subdivisions, as determined by the Sec-
16 retary.

17 (20) UNIT OF SPECIAL PURPOSE LOCAL GOV-
18 ERNMENT.—The term “unit of special purpose local
19 government”—

20 (A) means a division of a unit of general
21 purpose government that serves a special pur-
22 pose and does not provide a broad array of
23 services; and

1 (B) includes an entity such as a school dis-
2 trict, a housing agency, a transit agency, and a
3 parks and recreation district.

4 (21) VERY LOW-INCOME FAMILY.—The term
5 “very low-income family” has the same meaning as
6 in section 3(b) of the United States Housing Act of
7 1937 (42 U.S.C. 1437a(b)).

8 **SEC. 5. OFFICE OF SUSTAINABLE HOUSING AND COMMU-**
9 **NITIES.**

10 (a) OFFICE ESTABLISHED.—There is established in
11 the Department an Office of Sustainable Housing and
12 Communities, which shall—

13 (1) coordinate Federal policies that—

14 (A) encourage locally directed comprehen-
15 sive and integrated planning and development
16 at the State, regional, and local levels;

17 (B) encourage coordinated public invest-
18 ments through the development of comprehen-
19 sive regional plans;

20 (C) provide long-term affordable, acces-
21 sible, energy-efficient, healthy, location-efficient
22 housing choices for people of all ages, incomes,
23 races, and ethnicities, particularly for low-, very
24 low-, and extremely low-income families; and

1 (D) achieve other goals consistent with the
2 purposes of this Act;

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

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

21 (4) implement and oversee the grant programs
22 established under this Act by—

23 (A) developing the process and format for
24 grant applications for each grant program;

1 (B) promulgating regulations or guidance
2 relating to each grant program;

3 (C) selecting recipients of grants under
4 each grant program;

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

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

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

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

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

22 (6) administer initiatives of the Department re-
23 lating to the policies described in paragraph (1), as
24 determined by the Secretary; and

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

5 (A) to encourage transit-oriented develop-
6 ment; and

7 (B) to coordinate Federal housing, commu-
8 nity development, and transportation policies,
9 including the policies described in paragraph
10 (1).

11 (b) DIRECTOR.—The head of the Office shall be the
12 Director of the Office of Sustainable Housing and Com-
13 munities.

14 (c) DUTIES RELATING TO GRANT PROGRAMS.—

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

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

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

23 (A) coordinate with other Federal agencies
24 to establish interagency and multidisciplinary
25 teams to provide technical assistance to recipi-

1 ents of, and prospective applicants for, grants
2 under this Act;

3 (B) by Federal interagency agreement,
4 transfer funds to another Federal agency to fa-
5 cilitate and support technical assistance; and

6 (C) make contracts with third parties to
7 provide technical assistance to grant recipients
8 and prospective applicants for grants.

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

10 (a) DEFINITIONS.—In this section—

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

15 (A) represents all or part of a metropolitan
16 statistical area, a micropolitan statistical area,
17 or a noncore area;

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

23 (C) has provided documentation to the
24 Secretary sufficient to demonstrate that the

1 purpose of the consortium is to carry out a
2 project using a grant awarded under this Act;

3 (2) the term “eligible entity” means—

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

7 (B) an Indian tribe, if—

8 (i) the Indian tribe has—

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

12 (II) a tribal entity that performs
13 transportation and transportation
14 planning functions; and

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

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

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

1 (B) a metropolitan planning organization,
2 a rural planning organization, or a regional
3 council, and—

4 (i) a State;

5 (ii) an Indian tribe;

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

7 (iv) an institution of higher education;

8 (4) the term “grant program” means the com-
9 prehensive planning grant program established
10 under subsection (b); and

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

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

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

21 (2) to identify regional partnerships for devel-
22 oping and implementing a comprehensive regional
23 plan;

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

4 (4) to develop or update—

5 (A) a comprehensive regional plan; or

6 (B) goals and strategies to implement an
7 existing comprehensive regional plan and other
8 related activities; and

9 (5) to identify local zoning and other code
10 changes necessary to implement a comprehensive re-
11 gional plan and promote sustainable development.

12 (c) GRANTS.—

13 (1) DIVERSITY OF GRANTEES.—The Director
14 shall ensure geographic diversity among and ade-
15 quate representation from each of the following cat-
16 egories:

17 (A) SMALL AND RURAL COMMUNITIES.—

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

22 (B) MID-SIZED METROPOLITAN COMMU-

23 NITIES.—Eligible entities that represent all or
24 part of a metropolitan statistical area with a

1 population of more than 200,000 and not more
2 than 500,000.

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

7 (2) AWARD OF FUNDS TO SMALL AND RURAL
8 COMMUNITIES.—

9 (A) IN GENERAL.—The Director shall—

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

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

19 (B) INSUFFICIENT APPLICATIONS.—If the
20 Director determines that insufficient approvable
21 applications have been submitted by eligible en-
22 tities described in paragraph (1)(A), the Direc-
23 tor may award less than 15 percent of the
24 funds under the grant program to eligible enti-
25 ties described in paragraph (1)(A).

1 (3) FEDERAL SHARE.—

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

6 (B) EXCEPTIONS.—

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

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

18 (C) NON-FEDERAL SHARE.—

19 (i) IN-KIND CONTRIBUTIONS.—For
20 the purposes of this section, in-kind con-
21 tributions may be used for all or part of
22 the non-Federal share of the cost of a
23 project carried out using a grant under the
24 grant program.

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

7 (4) AVAILABILITY OF FUNDS.—

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

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

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

19 (B) UNOBLIGATED AMOUNTS.—After the
20 date described in subparagraph (A)(i), the Sec-
21 retary may award to another eligible entity, to
22 carry out activities under this section, any
23 amounts that an eligible entity has not obli-
24 gated under subparagraph (A)(i).

25 (d) APPLICATION.—

1 (ii) a description of the nature and ex-
2 tent of planned collaboration between the
3 eligible entity and any partners of the eligi-
4 ble entity;

5 (iii) a commitment to develop a com-
6 prehensive regional plan; and

7 (iv) a commitment to implement the
8 plan after the plan is developed;

9 (E) a certification that the eligible entity
10 has—

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

17 (ii) created, or will create not later
18 than 1 year after the date of the grant
19 award, a regional advisory board to provide
20 input and feedback on the development of
21 the comprehensive regional plan that in-
22 cludes representatives of a State, the met-
23 ropolitan planning organization, the rural
24 planning organization, the regional council,
25 local jurisdictions, non-profit organizations,

1 and others, as deemed appropriate by the
2 eligible entity, given the local context of
3 the comprehensive planning effort; and

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

8 (i) a description of the process for re-
9 ceiving public comment relating to the pro-
10 posal; and

11 (ii) such other information as the Di-
12 rector may require;

13 (G) a description of how the eligible entity
14 will carry out the activities under subsection (f);
15 and

16 (H) such additional information as the Di-
17 rector may require.

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

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

24 (1) demonstrates the technical capacity of the
25 eligible entity to carry out the project;

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

5 (3) demonstrates integration with local efforts
6 in economic development and job creation;

7 (4) demonstrates a strategy for implementing a
8 comprehensive regional plan through regional infra-
9 structure investment plans and local land use plans;

10 (5) promotes diversity among the geographic re-
11 gions and the size of the population of the commu-
12 nities served by recipients of grants under this sec-
13 tion;

14 (6) demonstrates a commitment to seeking sub-
15 stantial public input during the planning process
16 and public participation in the development of the
17 comprehensive regional plan;

18 (7) demonstrates that a Federal grant is nec-
19 essary to accomplish the project proposed to be car-
20 ried out;

21 (8) minimizes the Federal share necessary to
22 carry out the project and leverages State, local, or
23 private resources;

24 (9) has a high quality overall; and

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

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

6 (1) Coordinating locally defined planning proc-
7 esses across jurisdictions and agencies.

8 (2) Identifying potential regional partnerships
9 for developing and implementing a comprehensive
10 regional plan.

11 (3) Conducting or updating assessments to de-
12 termine regional needs, including healthy housing,
13 and promote economic and community development.

14 (4) Developing or updating—

15 (A) a comprehensive regional plan; or

16 (B) goals and strategies to implement an
17 existing comprehensive regional plan.

18 (5) Implementing local zoning and other code
19 changes necessary to implement a comprehensive re-
20 gional plan and promote sustainable development.

21 (g) GRANT AGREEMENT.—Each eligible entity that
22 receives a grant under this section shall agree to establish,
23 in coordination with the Director, performance measures,
24 reporting requirements, and any other requirements that
25 the Director determines are necessary, that must be met

1 at the end of each year in which the eligible entity receives
2 funds under the grant program.

3 (h) PUBLIC OUTREACH.—

4 (1) OUTREACH REQUIRED.—Each eligible entity
5 that receives a grant under the grant program shall
6 perform substantial outreach activities—

7 (A) to engage a broad cross-section of
8 community stakeholders in the process of devel-
9 oping a comprehensive regional plan, including
10 low-income families, minorities, older adults,
11 and economically disadvantaged community
12 members; and

13 (B) to create an effective means for stake-
14 holders to participate in the development and
15 implementation of a comprehensive regional
16 plan.

17 (2) FINALIZATION OF COMPREHENSIVE RE-
18 GIONAL PLAN.—

19 (A) IN GENERAL.—An eligible entity that
20 receives a grant under the grant program may
21 not finalize a comprehensive regional plan be-
22 fore the eligible entity holds a public hearing to
23 obtain the views of citizens, public agencies, and
24 other interested parties.

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

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

11 (i) of the hearing; and

12 (ii) that the information described in
13 subparagraph (B) is available.

14 (i) VIOLATION OF GRANT AGREEMENT OR FAILURE
15 TO COMPLY WITH PUBLIC OUTREACH REQUIREMENTS.—

16 If the Director determines that an eligible entity has not
17 met the performance measures established under sub-
18 section (g), is not making reasonable progress toward
19 meeting such measures, is otherwise in violation of the
20 grant agreement, or has not complied with the public out-
21 reach requirements under subsection (h), the Director
22 may—

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

1 (2) terminate the grant agreement.

2 (j) REPORT ON THE COMPREHENSIVE PLANNING
3 GRANT.—

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

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

11 (A) a detailed explanation of the activities
12 undertaken using the grant, including an expla-
13 nation of the completed project and how it
14 achieves specific transit-oriented, transpor-
15 tation, housing, or sustainable community goals
16 within the region;

17 (B) a discussion of any obstacles encoun-
18 tered in the planning process and how the eligi-
19 ble entity overcame the obstacles;

20 (C) an evaluation of the success of the
21 project using the performance standards and
22 measures established under subsection (g), in-
23 cluding an evaluation of the planning process
24 and how the project contributes to carrying out
25 the comprehensive regional plan; and

1 (D) any other information the Director
2 may require.

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

7 (k) AUTHORIZATION OF APPROPRIATIONS.—

8 (1) AUTHORIZATION.—There are authorized to
9 be appropriated to the Secretary for the award of
10 grants under this section, to remain available until
11 expended—

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

13 (B) \$125,000,000 for each of fiscal years
14 2013 through 2016.

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

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

20 (a) DEFINITIONS.—In this section—

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

1 (2) the term “grant program” means the com-
2 munity challenge grant program established under
3 subsection (b).

4 (b) COMMUNITY CHALLENGE GRANT PROGRAM ES-
5 TABLISHED.—The Director shall establish a community
6 challenge grant program to make grants to eligible entities
7 to—

8 (1) promote integrated planning and invest-
9 ments across policy and governmental jurisdictions;
10 and

11 (2) implement projects identified in a com-
12 prehensive regional plan.

13 (c) GRANTS.—

14 (1) DIVERSITY OF GRANTEEES.—The Director
15 shall ensure geographic diversity among and ade-
16 quate representation from eligible entities in each of
17 the categories described in section 6(e)(1).

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

22 (3) EXPENDING FUNDS.—An eligible entity
23 that receives a grant under the grant program shall
24 expend any funds received under the grant program

1 not later than 5 years after the date on which the
2 grant agreement under subsection (g) is made.

3 (d) APPLICATION.—

4 (1) CONTENTS.—An eligible entity that desires
5 a grant under the grant program 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 copy of the comprehensive regional
10 plan, whether developed as part of the com-
11 prehensive planning grant program under sec-
12 tion 6 or developed independently;

13 (B) a description of the project or projects
14 proposed to be carried out using a grant under
15 the grant program;

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

21 (D) a signed copy of a memorandum of
22 understanding among local jurisdictions, includ-
23 ing, as appropriate, a State, units of general
24 purpose local government, units of special pur-
25 pose local government, metropolitan planning

1 organizations, rural planning organizations, and
2 regional councils that demonstrates—

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

5 (ii) a commitment to implement the
6 activities described in the comprehensive
7 regional plan; and

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

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

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

23 (iii) a certification that the eligible en-
24 tity—

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

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

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

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

19 (G) 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 a memo-
23 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-
24 tion 214 of the Housing and Community Development Act
25 of 1980 (42 U.S.C. 1436a).