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 Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

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

4 SEC. 2. FINDINGS.

5 Congress finds the following:
(1) When rural, suburban, and urban communities plan transportation, housing, and water infrastructure strategically it is estimated that these communities could save nearly $122,000,000,000 in infrastructure costs over the next 25 years.

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

(3) Federal regulations and policies should support community efforts to implement and sustain progress toward the achievement of locally-defined development goals, in terms of—

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

(B) maintaining structural and indoor environmental quality and minimizing health hazards.

(4) Greater coordination of public investment will provide direct support for immediate job creation and lay the groundwork for long-term resilience and prosperity by leveraging significant private sector and philanthropic investment to make the most of Federal funding.
SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to strengthen rural, suburban, and urban economies by enabling communities to establish goals for the future and to chart a course for achieving such goals;

(2) to promote local leadership by encouraging communities to develop innovative solutions that reflect the unique economic assets and needs of the communities;

(3) to maximize returns on Federal funding of housing, transportation, and other infrastructure projects through the coordination of Federal grant programs, regulations, and requirements, by reducing the number of duplicative Federal programs and improving the efficiency and effectiveness of programs and policies of the Department of Housing and Urban Development, the Department of Transportation, the Environmental Protection Agency, and other Federal agencies, as appropriate; and

(4) to ensure that Federal funding supports locally defined long range development goals.

SEC. 4. 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) Comprehensive Regional Plan.—The term “comprehensive regional plan” means a plan that—

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

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

(C) is tied to short-term capital improvement programs and annual budgets.

(3) Department.—The term “Department” means the Department of Housing and Urban Development.

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

(5) Extremely Low-Income Family.—The term “extremely low-income family” means a family that has an income that does not exceed—

(A) 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

(B) 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.

(6) HEALTHY HOUSING.—The term “healthy housing” means housing that is designed, constructed, rehabilitated, and maintained in a manner that supports the health of the occupants of the housing.

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

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

(9) LIVABLE COMMUNITY.—The term “livable community” means a metropolitan, urban, suburban, or rural community that—
(A) provides safe, reliable, and accessible transportation choices;

(B) provides long-term affordable, accessible, 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.

(10) LOCATION-EFFICIENT.—The term “location-efficient” characterizes mixed-use development or neighborhoods that integrate housing, commercial development, and facilities and amenities—

(A) to lower living expenses for working families;
(B) to enhance mobility;

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

(D) to encourage private sector infill development and maximize the use of existing infrastructure.

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

(12) **METROPOLITAN PLANNING ORGANIZATION.**—The term “metropolitan planning organization” means a metropolitan planning organization described in section 134(b) of title 23, United States Code or section 5303(b) of title 49, United States Code.

(13) **OFFICE.**—The term “Office” means the Office of Sustainable Housing and Communities established under section 5.

(14) **REGIONAL COUNCIL.**—The term “regional council” means a multiservice 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.

(15) RURAL PLANNING ORGANIZATION.—The term “rural planning organization” means a voluntary regional 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.

(16) SECRETARY.—The term “Secretary” means the Secretary of Housing and Urban Development.

(17) STATE.—The term “State” has the meaning given that term by the Secretary, by rule.
(18) TRANSIT-ORIENTED DEVELOPMENT.—The term “transit-oriented development” means high-density, walkable, location-efficient, 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.

(19) 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.

(20) 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.

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

SEC. 5. 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 that—

(A) encourage locally directed comprehensive and integrated planning and development at the State, regional, and local levels;

(B) encourage coordinated public investments through the development of comprehensive regional plans;

(C) provide long-term affordable, accessible, energy-efficient, healthy, location-efficient housing choices for people of all ages, incomes, races, and ethnicities, particularly for low-, very low-, and extremely low-income families; and
(D) achieve other goals consistent with the purposes of this Act;

(2) review Federal programs and policies to determine barriers to interagency collaboration and make recommendations to promote the ability of local communities to access resources in the Department and throughout the Federal Government and coordinate with and conduct outreach to Federal agencies, including the Department of Transportation and the Environmental Protection Agency, on methods to reduce duplicative programs and improve the efficiency and effectiveness of programs within the Department of Transportation, the Environmental Protection Agency, and the Department of Housing and Urban Development;

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

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

(A) developing the process and format for grant applications for each grant program;
(B) promulgating regulations or guidance 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) administer initiatives of the Department relating to the policies described in paragraph (1), as determined by the Secretary; and
(7) work with the Federal Transit Administration of the Department of Transportation and other offices and administrations of the Department of Transportation, as appropriate—

(A) to encourage transit-oriented development; and

(B) to coordinate Federal housing, community development, and transportation policies, including the policies described in paragraph (1).

(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 shall carry out the grant programs established under this Act.

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

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

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

(B) by Federal interagency agreement, transfer funds to another Federal agency to facilitate and support technical assistance; and

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

SEC. 6. COMPREHENSIVE PLANNING GRANT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) 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, a micropolitan statistical area, or a noncore area;

(B) has the authority under State, tribal, 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;
(2) the term “eligible entity” means—
(A) a partnership between a consortium of
units of general local government and an eligi-
ble partner; or
(B) an Indian tribe, if—
(i) the Indian tribe has—
(I) a tribal entity that performs
housing and land use planning func-
tions; and
(II) a tribal entity that performs
transportation and transportation
planning functions; and
(ii) the Secretary determines that the
isolated location and land expanse of the
Indian tribe require the Secretary to treat
the tribe as an eligible entity for purposes
of carrying out activities using a grant
under this section;
(3) 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—

(i) a State;

(ii) an Indian tribe;

(iii) a State and an Indian tribe; or

(iv) an institution of higher education;

(4) the term “grant program” means the comprehensive planning grant program established under subsection (b); and

(5) the term “noncore area” means a county or group of counties that are not designated by the Office of Management and Budget as a micropolitan statistical area or metropolitan statistical area.

(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—

(1) to coordinate locally defined planning processes, across jurisdictions and agencies;

(2) to identify regional partnerships for developing and implementing a comprehensive regional plan;
(3) to conduct or update assessments to determine regional needs and promote economic and community development;

(4) to develop or update—

(A) a comprehensive regional plan; or

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

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

(c) GRANTS.—

(1) DIVERSITY OF GRANTEE S.—The Director shall ensure geographic diversity among and adequate representation from each of the following categories:

(A) SMALL AND RURAL COMMUNITIES.—

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

(B) MID-SIZED METROPOLITAN COMMUNITIES.—Eligible entities that represent all or part of a metropolitan statistical area with a
population of more than 200,000 and not more than 500,000.

(C) LARGE METROPOLITAN COMMUNITIES.—Eligible entities that represent all or part of a metropolitan statistical area with a population of more than 500,000.

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

(A) IN GENERAL.—The Director shall—

(i) award not less than 15 percent of the funds under the grant program to eligible entities described in paragraph (1)(A); and

(ii) ensure diversity among the geographic regions and the size of the population of the communities served by recipients of grants that are eligible entities described in paragraph (1)(A).

(B) INSUFFICIENT APPLICATIONS.—If the Director determines that insufficient approvable applications have been submitted by eligible entities described in paragraph (1)(A), the Director may award less than 15 percent of the funds under the grant program to eligible entities described in paragraph (1)(A).
(3) Federal share.—

(A) In general.—Except as provided in subparagraph (B), the Federal share of the cost of a project carried out using a grant under the grant program may not exceed 80 percent.

(B) Exceptions.—

(i) Small and rural communities.—In the case of an eligible entity described in paragraph (1)(A), the Federal share of the cost of a project carried out using a grant under the grant program may be 90 percent.

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

(C) Non-Federal share.—

(i) In-kind contributions.—For the purposes of this section, in-kind contributions may be used for all or part of the non-Federal share of the cost of a project carried out using a grant under the grant program.
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(ii) **Other Federal Funding.**—

Federal funding from sources other than the grant program may not be used for the non-Federal share of the cost of a project carried out using a grant under the grant program.

(4) **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 2 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 this section shall submit to the Director an application, at such time and in such manner as the Director shall prescribe, that contains—

(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) the designation of a lead agency or organization, which may be the eligible entity, to receive and manage any funds received by the eligible entity under the grant program;

(D) a signed copy of a memorandum of understanding among local jurisdictions, including, as appropriate, a State, a tribe, 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 an eligible entity;
(ii) a description of the nature and extent of planned collaboration between the eligible entity and any partners of the eligible entity;

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

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

(E) a certification that the eligible entity has—

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

(ii) 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 representatives of a State, the metropolitan planning organization, the rural planning organization, the regional council, local jurisdictions, non-profit organizations,
and others, as deemed appropriate by the eligible entity, given the local context of the comprehensive planning effort; and

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

(i) a description of the process for receiving public comment relating to the proposal; and

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

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

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

(2) INDIAN TRIBES.—An eligible entity that is an Indian tribe is not required to submit the certification under paragraph (1)(E).

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

(1) demonstrates the technical capacity of the eligible entity to carry out the project;
(2) demonstrates the extent to which the consortium has developed partnerships throughout an entire region, including, as appropriate, partnerships with the entities described in subsection (d)(1)(D);

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

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

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

(6) demonstrates a commitment to seeking substantial public input during the planning process and public participation in the development of the comprehensive regional plan;

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

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

(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) Coordinating locally defined planning processes across jurisdictions and agencies.

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

(3) Conducting or updating assessments to determine regional needs, including healthy housing, and promote economic and community development.

(4) Developing or updating—

(A) a comprehensive regional plan; or

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

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

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

(h) **PUBLIC OUTREACH.**—

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

(A) to engage a broad cross-section of community stakeholders in the process of developing a comprehensive regional plan, including low-income families, minorities, older adults, and economically disadvantaged community members; and

(B) to create an effective means for stakeholders to participate in the development and implementation of a comprehensive regional plan.

(2) **FINALIZATION OF COMPREHENSIVE REGIONAL PLAN.**—

(A) **IN GENERAL.**—An eligible entity that receives a grant under the grant program may not finalize a comprehensive regional plan before the eligible entity holds a public hearing to obtain the views of citizens, public agencies, and other interested parties.
(B) AVAILABILITY OF INFORMATION.—Not later than 30 days before a hearing described in subparagraph (A), an eligible entity shall make the proposed comprehensive regional plan and all information relevant to the hearing available to the public for inspection during normal business hours.

(C) NOTICE.—Not later than 30 days before a hearing described in subparagraph (A), an eligible entity shall publish notice—

(i) of the hearing; and

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

(i) VIOLATION OF GRANT AGREEMENT OR FAILURE TO COMPLY WITH PUBLIC OUTREACH REQUIREMENTS.—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, is otherwise in violation of the grant agreement, or has not complied with the public outreach requirements under subsection (h), the Director may—

(1) withhold financial assistance until the requirements under the grant agreement or under subsection (h), as applicable, are met; or
(2) terminate the grant agreement.

(j) REPORT ON THE COMPREHENSIVE PLANNING 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 the grant program shall submit a final report on the project to the Secretary.

(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 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 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.

(k) 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) $100,000,000 for fiscal year 2012; and

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

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

SEC. 7. COMMUNITY CHALLENGE GRANT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the terms “consortium of units of general local governments”, “eligible entity”, and “eligible partner” have the same meaning as in section 6; and
the term “grant program” means the community challenge grant program established under subsection (b).

(b) COMMUNITY CHALLENGE GRANT PROGRAM ESTABLISHED.—The Director shall establish a community challenge grant program to make grants to eligible entities to—

(1) promote integrated planning and investments across policy and governmental jurisdictions; and

(2) implement projects identified in a comprehensive regional plan.

(c) GRANTS.—

(1) DIVERSITY OF GRANTEES.—The Director shall ensure geographic diversity among and adequate representation from eligible entities in each of the categories described in section 6(c)(1).

(2) TERMS AND CONDITIONS.—Except as otherwise provided in this section, a grant under the grant program shall be made on the same terms and conditions as a grant under section 6.

(3) EXPENDING FUNDS.—An eligible entity that receives a grant under the grant program shall 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.

(d) APPLICATION.—

(1) CONTENTS.—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, that con-
tains—

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

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

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

(D) a signed copy of a memorandum of
understanding among local jurisdictions, includ-
ing, as appropriate, a State, units of general
purpose local government, units of special pur-
pose 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; and

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

(E) a certification that the eligible entity has solicited public comment on the contents of the project or projects described in subparagraph (B) that includes—

(i) a certification that the eligible entity made information about the project or projects available and afforded citizens, public agencies, and other interested parties a reasonable opportunity to examine the content of the project or projects and to submit comments;

(ii) a description of the process for receiving public comment, and a description of the outreach efforts to affected populations and stakeholders;

(iii) a certification that the eligible entity—
(I) held a public hearing to obtain the views of citizens, public agencies, and other interested parties;

(II) made the proposed project and all information relevant to the hearing available for inspection by the public during normal business hours not less than 30 days before the hearing under subclause (I); and

(III) published a notice informing the public of the hearing under subclause (I) and the availability of the information described in subclause (II); and

(F) 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

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

(2) INDIAN TRIBES.—An eligible entity that is an Indian tribe is not required to submit a memorandum of understanding under paragraph (1)(D).
(c) SELECTION.—In evaluating an application for a grant under the grant program, the Director shall consider the extent to which the application—

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

(2) demonstrates the extent to which the eligible entity has developed partnerships throughout an entire region, including partnerships with units of special purpose local government and transportation providers;

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

(4) demonstrates a commitment to implementing a comprehensive regional plan and documents action taken or planned to implement the plan;

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

(6) 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;
(7) promotes diversity among the geographic regions and the size of the population of the communities served by recipients of grants under the grant program;

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

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

(10) has a high quality overall; and

(11) 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. Activities related to the updating, reform, or development of a local code, plan, or ordinance to implement projects contained in a comprehensive regional plan shall not be considered planning activities for the purposes of a grant under the grant program.

(2) PROJECTS AND INVESTMENTS.—An eligible entity that receives a grant under the grant program shall carry out 1 or more projects that are designed
to achieve the goals identified in a comprehensive regional plan.

(g) Grant Agreement.—Each eligible entity that receives a grant under the grant program shall agree to establish, in coordination with the Director, performance measures, reporting requirements, and any other requirements that the Director determines are necessary, 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 requirements under the grant agreement are met; or

(2) terminate the grant agreement.

(i) Report on the Community 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 the grant program shall submit a final report on the project to the Secretary.
(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) $30,000,000 for each of fiscal years 2012 and 2013;

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

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

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

SEC. 8. CREDIT FACILITY TO SUPPORT TRANSIT-ORIENTED DEVELOPMENT.

(a) Definitions.—In this section—

(1) Eligible applicant.—The term “eligible applicant” means a State or local government.

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

(3) Eligible borrower.—The term “eligible borrower” means—

(A) a governmental entity, authority, agency, or instrumentality;

(B) a corporation, partnership, joint venture, or trust on behalf of which an eligible ap-
Applicant has submitted an application under subsection (c); or

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

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

(A) a fixed-guideway transit station;

(B) a high speed rail or intercity rail station;

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

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

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

(6) PROJECT.—The term “project” means an infrastructure project that is used to support a transit-oriented development in an eligible area, including—
(A) property enhancement, including conducting environmental remediation, park development, and open space acquisition;

(B) improvement of mobility and parking, including rehabilitating, or providing for additional, streets, transit stations, structured parking, walkways, and bikeways;

(C) utility development, including rehabilitating existing, or providing for new drinking water, wastewater, electric, and gas utilities; or

(D) community facilities, including child care centers.

(b) Loan Program Established.—The Secretary may make or guarantee loans under this section to eligible borrowers for projects.

(e) Application.—

(1) In general.—An eligible applicant may submit to the Secretary an application for a loan or loan guarantee under this section—

(A) to fund a project carried out by the eligible applicant; or

(B) on behalf of an eligible borrower, to fund a project carried out by the eligible borrower.

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

(A) is part of a community-wide development plan, as defined by the Secretary;

(B) promotes sustainable development; and

(C) ensures that not less than 15 percent of any housing units constructed or substantially rehabilitated as part of transit-oriented development supported by the project are affordable over the long-term to, and occupied at time of initial occupancy by—

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

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

(2) CONSIDERATIONS.—The Secretary shall select the recipients of loans and loan guarantees under this section based on the extent to which—

(A) the transit-oriented development supported by the project will encourage increased use of transit;

(B) the transit-oriented development supported by the project will create or preserve long-term affordable housing units in addition
to the housing units required to be made available under paragraph (1)(C) or will provide deeper affordability than required under paragraph (1)(C);

(C) the project will facilitate and encourage additional development or redevelopment in the overall transit station area;

(D) the local government has adopted policies that—

(i) promote long-term affordable housing; and

(ii) allow high-density, mixed-use development near transit stations;

(E) the transit-oriented development supported by the project is part of a comprehensive regional plan;

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

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

(H) a loan or loan guarantee under this section would be used in conjunction with non-
Federal loans to fund the project.
(e) **Eligible Sources of Repayment.**—A loan made or guaranteed under this section shall be repayable, in whole or in part, from dedicated revenue sources, which may include—

1. user fees;
2. property tax revenues;
3. sales tax revenues;
4. other revenue sources dedicated to the project by property owners and businesses; and
5. a bond or other indebtedness backed by one of the revenue sources listed in this paragraph.

(f) **Interest Rate.**—The Secretary shall establish an interest rate for loans made or guaranteed under this section with reference to a benchmark interest rate (yield) on marketable Treasury securities with a maturity that is similar to the loans made or guaranteed under this section.

(g) **Maximum Maturity.**—The maturity of a loan made or guaranteed under this section may not exceed the lesser of—

1. 35 years; or
2. 90 percent of the useful life of any project to be financed by the loan, as determined by the Secretary.

(h) **Maximum Loan Guarantee Rate.**—
(1) **In General.**—The guarantee rate on a loan guaranteed under this section may not exceed 75 percent of the amount of the loan.

(2) **Lower Guarantee Rate for Low-Risk Borrowers.**—The Secretary shall establish a guarantee rate for loans to eligible borrowers that the Secretary determines pose a lower risk of default that is lower than the guarantee rate for loans to other eligible borrowers.

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

(j) **Nonsubordination.**—A loan made or guaranteed under this section may not be subordinated to the claims of any holder of an obligation relating to the project in the event of bankruptcy, insolvency, or liquidation.

(k) **Commencement of Repayment.**—The scheduled repayment of principal or interest on a loan made or guaranteed under this section shall commence not later than 5 years after the date of substantial completion of the project.

(l) **Repayment Deferral for Loans.**—
(1) IN GENERAL.—If, at any time after the date of substantial completion of a project, the Secretary determines that dedicated revenue sources of an eligible borrower are insufficient to make the scheduled loan repayments of principal and interest on a loan made or guaranteed under this section, the Secretary may, subject to criteria established by the Secretary, allow the eligible borrower to add unpaid principal and interest to the outstanding balance of the loan.

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

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

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

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

SEC. 9. HEALTHY HOMES.

(a) FEDERAL INITIATIVE TO SUPPORT HEALTHY HOUSING AND ERADICATE HOUSING-RELATED HEALTH HAZARDS.—The Secretary, acting through the Director of the Office of Healthy Homes and Lead Hazard Control
and in consultation with the Secretary of Energy, the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, the Director of the National Institute of Standards and Technology, the Director of the National Institute of Environmental Health Sciences, and the Director of the Centers for Disease Control, shall lead the Federal initiative to support healthy housing and eradicate housing-related health hazards by—

(1) reviewing, monitoring, and evaluating Federal housing, health, energy, and environmental programs and identifying areas of overlap and duplication that could be improved;

(2) identifying best practices and model programs, including practices and programs that link services for low-income families and services for health hazards;

(3) identifying best practices for finance products, building codes, and regulatory practices;

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

(5) promoting collaboration among Federal, State, local, and tribal agencies and non-governmental organizations; and
(6) coordinating with all relevant Federal agencies.

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

(1) coordinating activities relating to healthy housing;

(2) removing unnecessary barriers to interagency coordination in Federal statutes and regulations; and

(3) creating incentives in programs of the Federal Government to advance the complementary goals of improving environmental health, energy conservation, and the availability of housing.

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

(1) STUDY.—The Secretary, in consultation with the Secretary of Energy, the Director of the National Institute of Standards and Technology, the Director of the National Institute of Environmental Health Sciences, the Director of the Centers for Disease Control, and any other Federal agency that the Secretary determines is appropriate, shall conduct a
detailed study of how sustainable building features
in housing, such as energy efficiency, affect—

(A) the quality of the indoor environment;

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

(C) the health of occupants of the housing.

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

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

SEC. 10. INELIGIBILITY OF INDIVIDUALS WHO ARE NOT
LAWFULLY PRESENT.

No housing assisted using a grant under this Act may
be made available to an individual who is not lawfully
present in the United States. Nothing in this Act may be
construed to alter the restrictions or definitions under sec-
tion 214 of the Housing and Community Development Act