

111TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

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Mr. DODD (for himself, Mr. MENENDEZ, Mr. MERKLEY, Mr. BENNET, and Mr. AKAKA) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

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

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; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5 “Livable Communities Act of 2009”.

6       (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Purposes.
- Sec. 4. Definitions.
- Sec. 5. Office of Sustainable Housing and Communities.
- Sec. 6. Interagency Council on Sustainable Communities.
- Sec. 7. Comprehensive planning grant program.
- Sec. 8. Sustainability challenge grant program.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Demographic trends support the need for  
4 cooperation in land use planning and the develop-  
5 ment of housing and transportation. The population  
6 of the United States will grow from approximately  
7 307,000,000 people to approximately 439,000,000  
8 people during the period between 2009 and 2050, an  
9 increase of more than 40 percent.

10 (2) The demographic groups that are most like-  
11 ly to use public transportation are the groups that  
12 are projected to increase in size the most during the  
13 period between 2009 and 2025.

14 (3) By 2025, nearly 1 in every 5 people in the  
15 United States will be 65 years of age or older.

16 (4) During the period between 1980 and 2000,  
17 the growth of the largest 99 metropolitan areas in  
18 the continental United States consumed 16,000,000  
19 acres of rural land, or about 1 acre for every new  
20 household.

1           (5) In 2007, traffic congestion caused people in  
2 large and small metropolitan areas of the United  
3 States to waste 4,200,000,000 hours in traffic and  
4 to purchase an extra 2,800,000,000 gallons of fuel,  
5 for a congestion cost of \$87,200,000,000. This rep-  
6 represents a 5-fold increase in wasted time and cost  
7 since 1982.

8           (6) The Energy Information Administration of  
9 the Department of Energy forecasts that driving will  
10 increase 59 percent between 2005 and 2030, far  
11 outpacing the projected 23 percent increase in popu-  
12 lation.

13           (7) According to the United States Census Bu-  
14 reau, only 54 percent of households in the United  
15 States have access to public transportation.

16           (8) In 2008, voters throughout the United  
17 States approved State and local ballot initiatives  
18 that supported public transportation 79 percent of  
19 the time, even when it meant local taxes would be  
20 raised or continued.

21           (9) Demographers estimate that as much as 30  
22 percent of current demand for housing is for housing  
23 in dense, walkable, mixed-use communities, and that  
24 less than 2 percent of new housing is in this cat-  
25 egory.

1           (10) The average household spends 19 percent  
2 of its household budget on transportation, and some  
3 very low-income households spend as much as 55  
4 percent of the household budget on transportation.  
5 Households with good access to public transpor-  
6 tation spend only 9 percent of the household budget  
7 on transportation, which increases the portion of the  
8 household budget available for other critical house-  
9 hold needs.

10           (11) The need for safe and affordable housing  
11 is great. Fifty-four percent of renters spend more  
12 than 30 percent of their income on housing costs,  
13 and 29 percent of renters pay more than 50 percent  
14 of their income for housing. In 2007, there was a  
15 shortage of 2,800,000 units of affordable housing  
16 for extremely low-income renter households.

17           (12) People who live in areas of compact devel-  
18 opment (where housing, shopping, jobs, and public  
19 transportation are in close proximity) drive 20 to 40  
20 percent less than people who live in average develop-  
21 ment patterns in the United States.

22           (13) When the effects of emissions savings from  
23 passengers taking transit instead of driving and the  
24 reduction in vehicle miles traveled due to the impact  
25 of transit on land use are taken into account, public

1 transportation in the United States reduces carbon  
2 dioxide emissions by nearly 37,000,000 metric tons  
3 each year.

4 (14) Transportation accounts for 70 percent of  
5 the oil consumed in the United States and nearly  $\frac{1}{3}$   
6 of carbon emissions in the United States come from  
7 the transportation sector. Reducing the growth of  
8 the number of miles driven and providing transpor-  
9 tation alternatives through good planning and sus-  
10 tainable development is a necessary part of the en-  
11 ergy independence and climate change strategies of  
12 the United States.

13 (15) A number of studies, reports, and articles  
14 by organizations including the Environmental Pro-  
15 tection Agency, the National Association of Realtors,  
16 and the Transit Cooperative Research Project have  
17 found that one of the keys to revitalizing and main-  
18 taining the character of town centers and preserving  
19 surrounding agricultural land in small and rural  
20 communities is to prevent commercial and residen-  
21 tial development on the outskirts of town, by pro-  
22 moting integrated housing, economic, and transpor-  
23 tation development in town centers.

24 (16) More than 1,600,000 rural households do  
25 not have access to cars.

1           (17) The burden of transportation costs is espe-  
2           cially heavy for low-income rural residents, because  
3           residents of rural areas drive approximately 17 per-  
4           cent more than residents of urban areas.

5           (18) Demand for public transportation in rural  
6           and small town communities is growing. Between  
7           2002 and 2005, ridership on small urban and rural  
8           public transportation systems increased 20 percent.

9           (19) Poorly planned development in rural areas  
10          can fragment agricultural and forest lands, pollute  
11          waterways with surface water runoff, cause unneces-  
12          sary environmental impacts, strain the capacity of  
13          rural roads, and sap economic vitality from existing  
14          “main street” commercial areas.

15          (20) Funding for integrated housing, transpor-  
16          tation, energy, environmental, and economic develop-  
17          ment and other land use planning efforts at the local  
18          and regional levels is necessary to provide for sus-  
19          tainable development and smart growth.

20 **SEC. 3. PURPOSES.**

21          The purposes of this Act are—

22               (1) to facilitate and improve the coordination of  
23          housing, community development, transportation,  
24          energy, and environmental policy in the United  
25          States;

1           (2) to coordinate Federal policies and invest-  
2           ments to promote sustainable development;

3           (3) to encourage regional planning for livable  
4           communities and the adoption of sustainable devel-  
5           opment techniques, including transit-oriented devel-  
6           opment;

7           (4) to provide a variety of safe, reliable trans-  
8           portation choices, with special emphasis on public  
9           transportation and complete streets, in order to re-  
10          duce traffic congestion, greenhouse gas emissions,  
11          and dependence on foreign oil;

12          (5) to provide affordable, energy-efficient, and  
13          location-efficient housing choices for people of all  
14          ages, incomes, races, and ethnicities, and to make  
15          the combined costs of housing and transportation  
16          more affordable to families;

17          (6) to support, revitalize, and encourage growth  
18          in existing communities, in order to maximize the  
19          cost effectiveness of existing infrastructure and pre-  
20          serve undeveloped lands;

21          (7) to promote economic development and com-  
22          petitiveness by connecting the housing and employ-  
23          ment locations of workers, reducing traffic conges-  
24          tion, and providing families with access to essential  
25          services;

1           (8) to preserve the environment and natural re-  
2           sources, including agricultural and rural land and  
3           green spaces; and

4           (9) to support public health and improve qual-  
5           ity of life for the residents of and workers in com-  
6           munities by promoting healthy, walkable neighbor-  
7           hoods, access to green space, and the mobility to  
8           pursue greater opportunities.

9 **SEC. 4. DEFINITIONS.**

10           In this Act, the following definitions shall apply:

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

14           (2) CENSUS TRACT.—The term “census tract”  
15           means a small, relatively permanent statistical sub-  
16           division of a county, delineated by a local committee  
17           of census data users for the purpose of presenting  
18           data.

19           (3) CHAIRPERSON.—The term “Chairperson”  
20           means the Chairperson of the Interagency Council  
21           on Sustainable Communities.

22           (4) COMPLETE STREET.—The term “complete  
23           street” means a street that enables all travelers,  
24           particularly public transit users, bicyclists, pedes-  
25           trians (including individuals of all ages and individ-



1 uals with disabilities), and motorists, to use the  
2 street safely and efficiently.

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

6 (A) identifies land use, transportation,  
7 community development, housing, economic de-  
8 velopment, environmental, energy, and infra-  
9 structure needs and goals in a region;

10 (B) provides strategies for meeting the  
11 needs and goals described in subparagraph (A),  
12 including strategies for—

13 (i) providing affordable, energy-effi-  
14 cient, and location-efficient housing choices  
15 for people of all ages, incomes, races, and  
16 ethnicities;

17 (ii) reducing growth in vehicle miles  
18 traveled, in order to reduce traffic conges-  
19 tion and regional greenhouse gas emissions  
20 from transportation;

21 (iii) encouraging economic competi-  
22 tiveness and economic development; and

23 (iv) increasing the connectivity of the  
24 region by increasing public transportation

1                   ridership and improving access to trans-  
2                   portation alternatives; and

3                   (C) prioritizes projects for funding and im-  
4                   plementation.

5                   (6) CONSORTIUM OF UNITS OF GENERAL LOCAL  
6                   GOVERNMENTS.—The term “consortium of units of  
7                   general local governments” means a consortium of  
8                   geographically contiguous units of general local gov-  
9                   ernment that the Secretary determines—

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

13                   (B) has the authority under State or local  
14                   law to carry out planning activities, including  
15                   surveys, land use studies, environmental or pub-  
16                   lic health analyses, and development of urban  
17                   revitalization plans; and

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

22                   (7) COUNCIL.—The term “Council” means the  
23                   Interagency Council on Sustainable Communities es-  
24                   tablished under section 6.

1           (8) DEPARTMENT.—The term “Department”  
2 means the Department of Housing and Urban De-  
3 velopment.

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

7           (10) EXTREMELY LOW-INCOME FAMILY.—The  
8 term “extremely low-income family”—

9           (A) means a family that has an income  
10 that does not exceed—

11           (i) 30 percent of the median income in  
12 the area where the family lives, as deter-  
13 mined by the Secretary, with appropriate  
14 adjustments for the size of the family; or

15           (ii) a percentage of the median income  
16 in the area where the family lives, as deter-  
17 mined by the Secretary upon a finding by  
18 the Secretary that such percentage is nec-  
19 essary due to unusually high or low family  
20 incomes in the area where the family lives;  
21 and

22           (B) includes a family that includes a per-  
23 son with special needs, including an elderly per-  
24 son or a person with disabilities, as those terms

1           are defined in section 3(b) of the United States  
2           Housing Act of 1937 (42 U.S.C. 1437a(b)).

3           (11) HIGH-POVERTY AREA.—The term “high-  
4           poverty area” means a census tract, or a group of  
5           contiguous census tracts, that has a poverty rate of  
6           20 percent or more.

7           (12) LIVABLE COMMUNITY.—The term “livable  
8           community” means a metropolitan, urban, suburban,  
9           rural, or neighborhood community that—

10                   (A) provides safe and reliable transpor-  
11                   tation choices;

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

15                   (C) supports, revitalizes, and encourages  
16                   the growth of existing communities and maxi-  
17                   mizes the cost effectiveness of existing infra-  
18                   structure;

19                   (D) promotes economic development and  
20                   economic competitiveness;

21                   (E) preserves the environment and natural  
22                   resources;

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

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

4 (13) LOCATION-EFFICIENT.—The term “loca-  
5 tion-efficient” characterizes development, housing, or  
6 neighborhoods that integrate land use, mixed-use  
7 housing and commercial development, employment,  
8 and transportation—

9 (A) to enhance mobility;

10 (B) to encourage transit-oriented develop-  
11 ment;

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

14 (D) to reduce growth in vehicle miles trav-  
15 eled and the transportation costs and energy re-  
16 quirements associated with ownership or rental  
17 of a home.

18 (14) LOW-INCOME FAMILY.—The term “low-in-  
19 come family”—

20 (A) has the same meaning as in section  
21 3(b) of the United States Housing Act of 1937  
22 (42 U.S.C. 1437a(b)); and

23 (B) includes a low-income family with a  
24 person with special needs, including an elderly  
25 person or a person with disabilities, as those

1 terms are defined section 3(b) of the United  
2 States Housing Act of 1937 (42 U.S.C.  
3 1437a(b)).

4 (15) METROPOLITAN PLANNING ORGANIZA-  
5 TION.—The term “metropolitan planning organiza-  
6 tion” has the meaning given that term in section  
7 134(b) of title 23, United States Code, and section  
8 5303(b) of title 49, United States Code.

9 (16) METROPOLITAN STATISTICAL AREA.—The  
10 term “metropolitan statistical area” means a county  
11 or group of counties that—

12 (A) is designated by the Office of Manage-  
13 ment and Budget as a metropolitan statistical  
14 area; and

15 (B) has 1 or more large population centers  
16 with a population of not less than 50,000 and  
17 adjacent territory with a high level of integra-  
18 tion with the core.

19 (17) MICROPOLITAN STATISTICAL AREA.—The  
20 term “micropolitan statistical area” means a county  
21 or group of counties that—

22 (A) is designated by the Office of Manage-  
23 ment and Budget as a micropolitan statistical  
24 area; and

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

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

7 (19) REGIONAL COUNCIL.—The term “regional  
8 council” means a multi-service regional organization  
9 with State and locally-defined boundaries that is—

10 (A) accountable to units of general local  
11 government;

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

14 (C) performs planning functions and pro-  
15 vides professional and technical assistance.

16 (20) RURAL PLANNING ORGANIZATION.—The  
17 term “rural planning organization” means a vol-  
18 untary organization of local elected officials and rep-  
19 resentatives of local transportation systems that—

20 (A) works in cooperation with the depart-  
21 ment of transportation (or equivalent entity) of  
22 a State to plan transportation networks and ad-  
23 vise officials of the State on transportation  
24 planning; and

25 (B) is located in a rural area—

1 (i) with a population of not less than  
2 5,000; and

3 (ii) that is not located in an area rep-  
4 resented by a metropolitan planning orga-  
5 nization.

6 (21) SECRETARY.—The term “Secretary”  
7 means the Secretary of Housing and Urban Develop-  
8 ment.

9 (22) STATE.—The term “State” means the sev-  
10 eral States, the District of Columbia, Puerto Rico,  
11 Guam, the Northern Mariana Islands, the Virgin Is-  
12 lands, American Samoa, and the Trust Territory of  
13 the Pacific Islands.

14 (23) SUSTAINABLE DEVELOPMENT.—The term  
15 “sustainable development” means a pattern of re-  
16 source use designed to create livable communities  
17 by—

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

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

23 (C) supporting, revitalizing, and encour-  
24 aging the growth of communities and maxi-



1 mizing the cost effectiveness of existing infra-  
2 structure;

3 (D) promoting economic development and  
4 economic competitiveness;

5 (E) preserving the environment and nat-  
6 ural resources;

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

9 (G) supporting public health and improv-  
10 ing the quality of life for residents of and work-  
11 ers in a community.

12 (24) TRANSIT-ORIENTED DEVELOPMENT.—The  
13 term “transit-oriented development” means high-  
14 density, walkable, mixed-use development (including  
15 commercial development, affordable housing, and  
16 market-rate housing) that is within walking distance  
17 of and accessible to 1 or more public transportation  
18 facilities.

19 (25) UNIT OF GENERAL LOCAL GOVERN-  
20 MENT.—The term “unit of general local govern-  
21 ment” means—

22 (A) a city, county, town, township, parish,  
23 village, or other general purpose political sub-  
24 division of a State; or

1 (B) a combination of general purpose polit-  
2 ical subdivisions, as determined by the Sec-  
3 retary.

4 (26) UNIT OF SPECIAL PURPOSE LOCAL GOV-  
5 ERNMENT.—The term “unit of special purpose local  
6 government”—

7 (A) means a division of a unit of general  
8 purpose government that serves a special pur-  
9 pose and does not provide a broad array of  
10 services; and

11 (B) includes an entity such as a school dis-  
12 trict, a housing agency, a transit agency, and a  
13 parks and recreation district.

14 (27) VERY LOW-INCOME FAMILY.—The term  
15 “very low-income family”—

16 (A) has the same meaning as in section  
17 3(b) of the United States Housing Act of 1937  
18 (42 U.S.C. 1437a(b)); and

19 (B) includes a very low-income family with  
20 a person with special needs, including an elderly  
21 person or a person with disabilities, as those  
22 terms are defined section 3(b) of the United  
23 States Housing Act of 1937 (42 U.S.C.  
24 1437a(b)).

1           (28) WORKFORCE HOUSING.—The term “work-  
2           force housing” means housing, the cost of which  
3           does not exceed 30 percent of—

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

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

14 **SEC. 5. OFFICE OF SUSTAINABLE HOUSING AND COMMU-**  
15 **NITIES.**

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

19                   (1) coordinate Federal policies and initiatives  
20          that foster livable communities, including—

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

23                           (B) encouraging the development of com-  
24                           prehensive regional plans;

1 (C) fostering energy-efficient communities  
2 and housing;

3 (D) providing affordable, location-efficient  
4 housing choices for people of all ages, incomes,  
5 races, and ethnicities, particularly for low-, very  
6 low-, and extremely low-income families; and

7 (E) working with the Federal Transit Ad-  
8 ministration of the Department of Transpor-  
9 tation to—

10 (i) encourage transit-oriented develop-  
11 ment; and

12 (ii) coordinate Federal housing, com-  
13 munity development, and transportation  
14 policies;

15 (2) conduct research and advise the Secretary  
16 on the research agenda of the Department relating  
17 to sustainable development;

18 (3) provide administrative support for participa-  
19 tion by the Secretary in the activities of the Council;

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

22 (A) developing grant applications for each  
23 grant program;

24 (B) promulgating regulations relating to  
25 each grant program;

1           (C) selecting recipients of grants under  
2 each grant program;

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

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

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

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

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

20           (6) provide guidance and technical assistance to  
21 communities seeking to prepare applications for the  
22 comprehensive planning grant program under sec-  
23 tion 7;

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

4           (8) coordinate with and conduct outreach to  
5 other Federal agencies, including the Federal Tran-  
6 sit Administration of the Department of Transpor-  
7 tation and the Office of Smart Growth of the Envi-  
8 ronmental Protection Agency, on sustainability  
9 issues.

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

13       (c) DUTIES RELATING TO GRANT PROGRAMS.—

14           (1) IN GENERAL.—The Director, in coordina-  
15 tion with the Council or a working group established  
16 by the Council under section 6(b)(6), shall carry out  
17 the grant programs established under this Act.

18           (2) INTERIM WORKING GROUP.—During the pe-  
19 riod between the date of enactment of this Act and  
20 the date on which a memorandum of understanding  
21 is signed under section 6(a)(7), in carrying out the  
22 grant programs under this Act, the Secretary shall  
23 consult with an interim working group that includes  
24 the Secretary of Transportation, the Administrator  
25 of the Environmental Protection Agency (or the des-

1       ignee of such Secretary or Administrator), and rep-  
2       resentatives from such other Federal agencies, de-  
3       partments, or offices, as the President may deter-  
4       mine.

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

7               (A) coordinate with the members of the  
8       Council to establish interagency and multidisci-  
9       plinary teams to provide technical assistance to  
10      recipients of and prospective applicants for  
11      grants under this Act;

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

15              (C) establish a technical assistance pro-  
16      gram for prospective applicants, particularly  
17      prospective applicants from smaller commu-  
18      nities, preparing to apply for grants under sec-  
19      tion 7.

20      (d) REPORT ON HOUSING LOCATION AFFORDABILITY  
21      INDEX.—

22              (1) STUDY.—The Director shall conduct a  
23      study on—

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

4 (B) ways in which the affordability index  
5 described in subparagraph (A) could be made  
6 available to the public to inform consumers of  
7 the combined costs of housing and transpor-  
8 tation.

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

15 (e) REPORT ON INCENTIVES FOR ENERGY-EFFI-  
16 CIENT MORTGAGES AND LOCATION-EFFICIENT MORT-  
17 GAGES.—

18 (1) DEFINITIONS.—In this subsection—

19 (A) the term “energy-efficient mortgage”  
20 means a mortgage loan under which the income  
21 of the borrower, for purposes of qualification  
22 for such loan, is considered to be increased by  
23 not less than \$1 for each \$1 of savings pro-  
24 jected to be realized by the borrower as a result  
25 of cost-effective energy-saving design, construc-



1           tion, or improvements (including use of renew-  
2           able energy sources, such as solar, geothermal,  
3           biomass, and wind, super-insulation, energy-  
4           saving windows, insulating glass and film, and  
5           radiant barrier) for the home for which the loan  
6           is made; and

7           (B) the term “location-efficient mortgage”  
8           means a mortgage loan under which—

9           (i) the income of the borrower, for  
10           purposes of qualification for such loan, is  
11           considered to be increased by not less than  
12           \$1 for each \$1 of savings projected to be  
13           realized by the borrower because the loca-  
14           tion of the home for which the loan is  
15           made will result in decreased transpor-  
16           tation costs for the household of the bor-  
17           rower; or

18           (ii) the sum of the principal, interest,  
19           taxes, and insurance due under the mort-  
20           gage loan is decreased by not less than \$1  
21           for each \$1 of savings projected to be real-  
22           ized by the borrower because the location  
23           of the home for which the loan is made will  
24           result in decreased transportation costs for  
25           the household of the borrower.

1 (2) STUDY.—

2 (A) IN GENERAL.—The Director shall con-  
3 duct a study on incentives for encouraging lend-  
4 ers to make, and homebuyers and homeowners  
5 to participate in, energy-efficient mortgages and  
6 location-efficient mortgages, including—

7 (i) fee reductions;

8 (ii) fee waivers;

9 (iii) interest rate reductions; and

10 (iv) adjustment of mortgage qualifica-  
11 tions.

12 (B) CONSIDERATIONS.—In studying the  
13 incentives under subparagraph (A), the Sec-  
14 retary shall consider the potential for lower risk  
15 of default on energy-efficient mortgages and lo-  
16 cation-efficient mortgages in comparison to  
17 mortgages that are not energy-efficient or loca-  
18 tion-efficient.

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

1 (f) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to the Secretary such  
3 sums as may be necessary to carry out this section.

4 **SEC. 6. INTERAGENCY COUNCIL ON SUSTAINABLE COMMU-**  
5 **NITIES.**

6 (a) ESTABLISHMENT OF COUNCIL.—

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

11 (2) MEMBERS.—

12 (A) IN GENERAL.—The members of the  
13 Council are—

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

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

21 (B) DESIGNEES.—

22 (i) IN GENERAL.—The head of a Fed-  
23 eral agency described in subparagraph (A)  
24 may select a designee to serve in the place

1 of the head of the Federal agency on the  
2 Council.

3 (ii) QUALIFICATIONS.—The head of a  
4 Federal agency that selects a designee  
5 under clause (i) shall ensure that the des-  
6 ignee has the appropriate experience and  
7 authority to serve on the Council.

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

10 (3) CHAIRPERSON.—

11 (A) CHAIRPERSON.—The Chairperson of  
12 the Council shall be, in successive terms—

13 (i) the Secretary;

14 (ii) the Secretary of Transportation;

15 and

16 (iii) the Administrator of the Environ-  
17 mental Protection Agency.

18 (B) DUTIES.—The Chairperson shall—

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

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

24 (C) TERM.—The Chairperson shall serve  
25 for a term of 1 year.

1 (D) FIRST CHAIRPERSON.—The Secretary  
2 shall be the first individual to serve as Chair-  
3 person after the date of enactment of this Act.

4 (4) EXECUTIVE DIRECTOR AND STAFF.—

5 (A) EXECUTIVE DIRECTOR.—

6 (i) APPOINTMENT AND COMPENSA-  
7 TION.—The Council shall appoint an Exec-  
8 utive Director, who shall be compensated  
9 at a rate not to exceed the rate of basic  
10 pay for level V of the Executive Schedule  
11 under section 5316 of title 5, United  
12 States Code.

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

18 (B) ADDITIONAL PERSONNEL.—With the  
19 approval of the Council, the Executive Director  
20 of the Council may appoint and fix the com-  
21 pensation of such additional personnel as the  
22 Executive Director determines are necessary to  
23 carry out the duties of the Council.

24 (C) DETAILEES FROM OTHER AGENCIES.—

25 Upon request of the Council, the head of any

1 Federal agency may detail any of the personnel  
2 of such agency to the Council to assist the  
3 Council in carrying out its duties under this  
4 section.

5 (D) EXPERTS AND CONSULTANTS.—With  
6 the approval of the Council, the Executive Di-  
7 rector of the Council may procure temporary  
8 and intermittent services pursuant to section  
9 3109(b) of title 5, United States Code.

10 (5) CONSULTATION WITH ADDITIONAL SECRE-  
11 TARIES AND ADMINISTRATORS.—

12 (A) CONSULTATION.—In carrying out its  
13 duties under this section, the Council may con-  
14 sult with the heads of departments, agencies,  
15 and offices in the executive branch, including  
16 the Secretary of Energy, the Secretary of Edu-  
17 cation, the Secretary of Agriculture, the Sec-  
18 retary of Health and Human Services, the Sec-  
19 retary of Commerce, the Chairman of the Coun-  
20 cil on Environmental Quality, and the Director  
21 of the White House Office of Urban Affairs.

22 (B) PARTICIPATION IN MEETINGS OF  
23 COUNCIL.—The head of a department, agency,  
24 or office with whom the Council consults under

1           subparagraph (A) may participate in a meeting  
2           of the Council.

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

8           (6) MEETINGS.—The Council shall meet—

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

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

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

20          (8) INCORPORATION OF WORK OF INTERIM  
21          WORKING GROUP.—Any activities carried out by an  
22          interim working group pursuant to section 5(e)(2)  
23          shall be incorporated into the activities of the Coun-  
24          cil, effective on the date the memorandum of under-  
25          standing under paragraph (7) is signed.

1 (b) DUTIES OF THE COUNCIL.—The Council shall—

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

4 (2) conduct outreach to nonprofit and for-profit  
5 organizations and State and local governments to  
6 build partnerships and knowledge relating to sus-  
7 tainable development;

8 (3) ensure that the research agendas of depart-  
9 ments and agencies of the Federal Government on  
10 sustainable development are coordinated;

11 (4) establish a clearinghouse for guidance, best  
12 practices, and other information for communities un-  
13 dertaking activities relating to sustainable develop-  
14 ment;

15 (5) coordinate an assessment by departments  
16 and agencies of the Federal Government of impedi-  
17 ments to sustainable development, including impedi-  
18 ments created by Federal programs, and the devel-  
19 opment of recommendations for methods for over-  
20 coming such impediments; and

21 (6) coordinate with the Director on activities re-  
22 lating to the grant programs established under this  
23 Act, as described in section 5(a)(4), or establish a  
24 working group to coordinate with the Director on  
25 such activities.



1 (c) REPORTS.—

2 (1) ANNUAL REPORT.—Not later than 1 year  
3 after the date of enactment of this Act, and annually  
4 thereafter, the Council shall submit to the Com-  
5 mittee on Banking, Housing, and Urban Affairs of  
6 the Senate and the Committee on Financial Services  
7 of the House of Representatives a report on the ac-  
8 tivities and accomplishments of the Council.

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

15 (A) an analysis of impediments to sustain-  
16 able development; and

17 (B) recommendations for action by the  
18 Federal Government on issues relating to sus-  
19 tainable development.

20 (d) STUDY OF FEDERAL ACTIONS.—Not later than  
21 3 years after the date of enactment of this Act, the Comp-  
22 troller General shall submit to the Committee on Banking,  
23 Housing, and Urban Affairs of the Senate and the Com-  
24 mittee on Financial Services of the House of Representa-  
25 tives a report that contains—

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

4           (2) a description of actions taken by the Fed-  
5           eral Government to implement the recommendations  
6           made by the Council in the report under subsection  
7           (c)(2)(B).

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

11 **SEC. 7. COMPREHENSIVE PLANNING GRANT PROGRAM.**

12          (a) DEFINITIONS.—In this section—

13           (1) the term “eligible entity” means a partner-  
14           ship between a consortium of units of general local  
15           government and an eligible partner;

16           (2) the term “eligible partner” means—

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

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

23           (3) the term “grant program” means the com-  
24           prehensive planning grant program established  
25           under subsection (b).

1 (b) COMPREHENSIVE PLANNING GRANT PROGRAM  
2 ESTABLISHED.—The Director shall establish a com-  
3 prehensive planning grant program to make grants to eli-  
4 gible entities to carry out a project to—

5 (1) coordinate land use, housing, transpor-  
6 tation, and infrastructure planning processes across  
7 jurisdictions and agencies;

8 (2) identify potential regional partnerships for  
9 developing and implementing a comprehensive re-  
10 gional plan;

11 (3) conduct or update housing, infrastructure,  
12 transportation, energy, and environmental assess-  
13 ments to determine regional needs and promote sus-  
14 tainable development;

15 (4) develop or update—

16 (A) a comprehensive regional plan; or

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

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

22 (c) GRANTS.—

23 (1) AMOUNT OF GRANTS.—

24 (A) MICROPOLITAN STATISTICAL AREAS

25 AND SMALL METROPOLITAN STATISTICAL

1 AREAS.—The amount awarded under the grant  
2 program to an eligible entity that represents all  
3 or part of a micropolitan area, or a metropoli-  
4 tan statistical area with a population of not  
5 more than 200,000, may not exceed \$750,000.

6 (B) MID-SIZED METROPOLITAN STATIS-  
7 TICAL AREAS.—The amount awarded under the  
8 grant program to an eligible entity that rep-  
9 represents all or part of a metropolitan statistical  
10 area with a population of more than 200,000  
11 and less than 500,000 may not exceed  
12 \$1,500,000.

13 (C) LARGE METROPOLITAN STATISTICAL  
14 AREAS.—The amount awarded under the grant  
15 program to an eligible entity that represents all  
16 or part of a metropolitan statistical area with a  
17 population of 500,000 or more may not exceed  
18 \$5,000,000.

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

22 (3) AVAILABILITY OF FUNDS.—

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

1 (i) obligate any funds received under  
2 the grant program not later than 3 years  
3 after the date on which the grant agree-  
4 ment under subsection (g) is made; and

5 (ii) expend any funds received under  
6 the grant program not later than 4 years  
7 after the date on which the grant agree-  
8 ment under subsection (g) is made.

9 (B) UNOBLIGATED AMOUNTS.—After the  
10 date described in subparagraph (A)(i), the Sec-  
11 retary may award to another eligible entity, to  
12 carry out activities under this section, any  
13 amounts that an eligible entity has not obli-  
14 gated under subparagraph (A)(i).

15 (d) APPLICATION.—

16 (1) IN GENERAL.—An eligible entity that de-  
17 sires a grant under the grant program shall submit  
18 to the Director an application at such time and in  
19 such manner as the Director shall prescribe.

20 (2) CONTENTS.—Each application shall con-  
21 tain—

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

24 (B) a budget for the project that includes  
25 the anticipated Federal share of the cost of the

1 project and a description of the source of the  
2 non-Federal share;

3 (C) a signed copy of a memorandum of un-  
4 derstanding among local jurisdictions, includ-  
5 ing, as appropriate, a State, units of general  
6 purpose local government, units of special pur-  
7 pose local government, metropolitan planning  
8 organizations, rural planning organizations, and  
9 regional councils that demonstrates—

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

12 (ii) a commitment to develop a com-  
13 prehensive regional plan; and

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

16 (D) a certification that the eligible entity  
17 has created, or will create not later than 1 year  
18 after the date of the grant award, a regional  
19 advisory board to provide input and feedback on  
20 the development of the comprehensive regional  
21 plan that includes, as appropriate, representa-  
22 tives of a State, the metropolitan planning or-  
23 ganization, the rural planning organization, the  
24 regional council, public transportation agencies,  
25 public housing agencies, economic development

1 authorities, other local governments, environ-  
2 mental agencies, public health agencies, the  
3 nonprofit community, the private sector, com-  
4 munity-based organizations, citizen groups,  
5 neighborhood groups, and members of the pub-  
6 lic;

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

11 (i) a certification that the eligible en-  
12 tity has held 1 or more public hearings;

13 (ii) a description of the process for re-  
14 ceiving public comment;

15 (iii) a summary of the comments re-  
16 ceived; and

17 (iv) such other information as the Di-  
18 rector may require;

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

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

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) furthers the creation of livable communities;

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

7 (3) demonstrates the extent to which the con-  
8 sortium has developed partnerships throughout an  
9 entire micropolitan or metropolitan statistical area,  
10 including, as appropriate, partnerships with the enti-  
11 ties described in subsection (d)(2)(D);

12 (4) demonstrates a commitment to—

13 (A) sustainable development;

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

16 (C) developing new capacity for public  
17 transportation and increasing ridership on pub-  
18 lic transportation;

19 (D) providing affordable, energy-efficient,  
20 and location-efficient housing choices for fami-  
21 lies of all ages, incomes, races, and ethnicities;

22 (E) creating and preserving long-term af-  
23 fordable, energy-efficient, and location-efficient  
24 housing for low-, very low-, and extremely low-  
25 income families;



1 (F) revitalizing communities, neighbor-  
2 hoods and commercial centers supported by ex-  
3 isting infrastructure;

4 (G) monitoring and improving environ-  
5 mental quality, including air and water quality,  
6 energy use, greenhouse gas emissions, and the  
7 redevelopment of brownfields; and

8 (H) coordinating the provision of transpor-  
9 tation services to elderly, disabled, and low-in-  
10 come populations;

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

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

18 (7) promotes economic benefits;

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

22 (9) has a high quality overall; and

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

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

4 (1) Planning and coordinating across jurisdic-  
5 tions in the region to develop a comprehensive re-  
6 gional plan.

7 (2) Developing achievable goals and strategies  
8 for carrying out the comprehensive regional plan, in-  
9 cluding—

10 (A) land use, zoning, and other code re-  
11 form, including reform of conservation zoning  
12 in agricultural and other natural resource  
13 areas;

14 (B) promoting efficient land use, mixed-  
15 use development, and the preservation of agri-  
16 cultural, green, and open space;

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

19 (D) the creation and preservation of work-  
20 force housing and affordable housing for low-,  
21 very low-, and extremely low-income families,  
22 including housing with access to jobs and public  
23 transportation;

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

1 (F) revitalizing communities; and

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

5 (3) Developing a plan that outlines feasible  
6 steps for implementing the comprehensive regional  
7 plan, including making interjurisdictional agree-  
8 ments that provide for cooperative and coordinated  
9 approaches to achieving the goals of the plan.

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

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

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

20 (7) Assessing transportation options in the re-  
21 gion, including—

22 (A) public transportation options;

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

1 (C) any obstacles to providing access to lo-  
2 cations that offer employment opportunities.

3 (8) Developing techniques to inform decision  
4 makers on how growth of population and employ-  
5 ment, development patterns, and investments in  
6 transportation infrastructure are likely to affect  
7 travel, congestion, air quality, and quality of life.

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

11 (10) Assessing housing needs, including the  
12 need for workforce housing and affordable housing  
13 for low-, very low-, and extremely low-income fami-  
14 lies, and the availability of housing in the region to  
15 meet such needs.

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

20 (A) are undergoing redevelopment or car-  
21 rying out transit-oriented development; and

22 (B) have access to services including trans-  
23 portation (particularly public transportation),  
24 neighborhood commercial centers, and medical  
25 services.

1           (12) Assessing methods for lowering the com-  
2           bined cost of housing and transportation for families  
3           in the region, particularly for families that utilize  
4           workforce housing and for low-, very low-, and ex-  
5           tremely low-income families.

6           (13) Assessing existing infrastructure and in-  
7           frastructure needs in the region, including projected  
8           water needs and sources, the need for sewer infra-  
9           structure, and the existence of flood plains.

10          (14) Assessing local land use and zoning poli-  
11          cies and opportunities for revising or expanding such  
12          policies to implement a comprehensive regional plan.

13          (15) Assessing the opportunity to revitalize ex-  
14          isting communities, including infill development.

15          (16) Assessing environmental and public health  
16          needs in the region and potential strategies for re-  
17          ducing greenhouse gas emissions, improving air and  
18          water quality, and remediating brownfield sites.

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

22          (18) Evaluating any tools or resources that are  
23          available to address regional needs identified in an  
24          assessment under any of paragraphs (4) through (7)  
25          and (9) through (17) and to monitor progress in

1 meeting such needs, including any existing sources  
2 of funding and any sources of funding that are lack-  
3 ing.

4 (19) Implementing land use, zoning, and other  
5 code reforms to promote location efficiency and sus-  
6 tainable development.

7 (20) Other activities consistent with the pur-  
8 poses of this Act, as determined by the Director.

9 (g) GRANT AGREEMENT.—Each eligible entity that  
10 receives a grant under this section shall agree to establish,  
11 in coordination with the Director, performance measures  
12 that must be met at the end of each year in which the  
13 eligible entity receives funds under the grant program.

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

20 (1) withhold financial assistance until the per-  
21 formance measures are met; or

22 (2) terminate the grant agreement.

23 (i) SUSTAINABILITY CHALLENGE GRANTS.—An eligi-  
24 ble entity that receives a grant under this section and has

1 created a comprehensive regional plan may apply for a  
2 sustainability challenge grant under section 8.

3 (j) REPORTS REQUIRED.—

4 (1) ANNUAL REPORT.—Not later than 60 days  
5 after the end of the first year after the grant agree-  
6 ment is made under subsection (g), and each year  
7 thereafter, an eligible entity that receives a grant  
8 under this section shall submit to the Director a  
9 progress report that contains—

10 (A) a description of any progress made to-  
11 ward meeting the performance measures estab-  
12 lished under subsection (g), including—

13 (i) a description of any partnership  
14 created across policy and governmental ju-  
15 risdictions and a description of any task  
16 force or multiagency group established by  
17 the eligible entity at the regional level; and

18 (ii) a description of—

19 (I) housing, land use, transpor-  
20 tation, public transportation, energy,  
21 infrastructure, and environmental  
22 needs in the region; or

23 (II) the obstacles encountered  
24 that prevented the eligible entity from  
25 completing a comprehensive evalua-

1                   tion of housing, land use, transpor-  
2                   tation, public transportation, energy,  
3                   infrastructure, and environmental  
4                   needs, and a date by which the eligible  
5                   entity expects to complete the evalua-  
6                   tion;

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

11                  (C) a description of—

12                   (i) a strategy for meeting the goals  
13                   described in subparagraph (B), including a  
14                   discussion of potential transportation,  
15                   housing, transit-oriented development, en-  
16                   ergy, infrastructure, or environmental ac-  
17                   tivities; or

18                   (ii) the obstacles encountered that  
19                   prevented the eligible entity from com-  
20                   pleting a strategy for meeting the goals  
21                   identified under clause (i) and a date by  
22                   which the eligible entity expects to com-  
23                   plete the strategy; and

24                  (D) any other information the Director  
25                  may require.



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

6           (A) a description of a comprehensive re-  
7 gional plan that includes specific projects that  
8 will help meet housing, transportation, energy,  
9 infrastructure, and environmental goals for the  
10 region;

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

14           (C) a plan for next steps to be taken by  
15 the eligible entity, including whether the eligible  
16 entity intends to apply for a sustainability chal-  
17 lenge grant under section 8; and

18           (D) any other information the Director  
19 may require.

20 (k) AUTHORIZATION OF APPROPRIATIONS.—

21           (1) AUTHORIZATION.—There are authorized to  
22 be appropriated to the Secretary for the award of  
23 grants under this section, \$100,000,000 for each of  
24 fiscal years 2010 through 2013, to remain available  
25 until expended.

1           (2) TECHNICAL ASSISTANCE.—The Director  
2           may use 2 percent of the amounts made available  
3           under this subsection for a fiscal year for technical  
4           assistance under section 5(c)(3).

5 **SEC. 8. SUSTAINABILITY CHALLENGE GRANT PROGRAM.**

6           (a) DEFINITIONS.—In this section—

7                 (1) the term “eligible entity” means a partner-  
8                 ship between a consortium of units of general local  
9                 government and an eligible partner;

10                (2) the term “eligible partner” means—

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

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

17                 (3) the term “grant program” means the sus-  
18                 tainability challenge grant program established  
19                 under subsection (b).

20           (b) SUSTAINABILITY CHALLENGE GRANT PROGRAM  
21 ESTABLISHED.—The Director shall establish a sustain-  
22 ability challenge grant program to make grants to eligible  
23 entities to—

1           (1) promote integrated transportation, housing,  
2 energy, and economic development activities carried  
3 out across policy and governmental jurisdictions;

4           (2) promote sustainable and location-efficient  
5 development; and

6           (3) implement projects identified in a com-  
7 prehensive regional plan.

8 (c) GRANTS.—

9           (1) MICROPOLITAN STATISTICAL AREA OR  
10 SMALL METROPOLITAN STATISTICAL AREA.—The  
11 total amount awarded under this section to an eligi-  
12 ble entity that represents all or part of a  
13 micropolitan area, or a metropolitan area with a  
14 population of not more than 200,000, may not ex-  
15 ceed \$15,000,000.

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

22           (3) LARGE METROPOLITAN AREAS.—The total  
23 amount awarded under this section to an eligible en-  
24 tity that represents all or part of a metropolitan

1 area with a population of 500,000 may not exceed  
2 \$100,000,000.

3 (4) FEDERAL SHARE.—The Federal share of  
4 the cost of a project under this section may not ex-  
5 ceed 80 percent.

6 (5) AVAILABILITY OF FUNDS.—

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

10 (i) obligate any funds received under  
11 the grant program not later than 3 years  
12 after the date on which the grant agree-  
13 ment under subsection (g) is made; and

14 (ii) expend any funds received under  
15 the grant program not later than 5 years  
16 after the date on which the grant agree-  
17 ment under subsection (g) is made.

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

1 (d) APPLICATION.—An eligible entity that desires a  
2 grant under this section shall submit to the Director an  
3 application that contains—

4 (1) a copy of the comprehensive regional plan,  
5 whether developed as part of the comprehensive  
6 planning grant program under section 7 or devel-  
7 oped independently;

8 (2) a description of the project or projects pro-  
9 posed to be carried out using a grant under the  
10 grant program;

11 (3) a description of any preliminary actions  
12 that have been or must be taken at the local or re-  
13 gional level to implement the project or projects  
14 under paragraph (2), including the revision of land  
15 use or zoning policies;

16 (4) a signed copy of a memorandum of under-  
17 standing among local jurisdictions, including, as ap-  
18 propriate, a State, units of general purpose local  
19 government, units of special purpose local govern-  
20 ment, metropolitan planning organizations, rural  
21 planning organizations, and regional councils that  
22 demonstrates—

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

1           (B) a commitment to implement the activi-  
2           ties described in the comprehensive regional  
3           plan;

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

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

9           (B) a description of the process for receiv-  
10          ing public comment;

11          (C) a summary of the comments received;  
12          and

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

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

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

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) furthers the creation of livable communities;

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

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

8           (4) demonstrates clear and meaningful inter-  
9 jurisdictional cooperation and coordination of hous-  
10 ing, transportation, and environmental policies and  
11 plans;

12           (5) demonstrates a commitment to imple-  
13 menting a comprehensive regional plan and docu-  
14 ments action taken or planned to implement the  
15 plan, including—

16                   (A) rezoning or other changes to land use  
17 controls to enable mixed-use, mixed-income de-  
18 velopment;

19                   (B) planned or proposed public transpor-  
20 tation investments, including—

21                           (i) financial contributions for capital  
22 and operating costs of public transpor-  
23 tation;

24                           (ii) improvements for bicycle riders  
25 and pedestrians;

1 (iii) action taken to increase the num-  
2 ber of trips made using public transpor-  
3 tation and bicycles and by walking; and

4 (iv) special efforts to address the  
5 needs of elderly, disabled, and low-income  
6 populations, including populations in rural  
7 areas;

8 (C) investment in and actions relating to  
9 plans or proposals for incentives, subsidies, or  
10 requirements for developers to create and pre-  
11 serve affordable housing, including—

12 (i) workforce housing and affordable  
13 housing for low-income families, particu-  
14 larly housing in mixed-income, location-ef-  
15 ficient neighborhoods with transit-oriented  
16 development and access to public transpor-  
17 tation, employment, and commercial and  
18 other services; and

19 (ii) affordable housing for very low-  
20 and extremely low-income families, particu-  
21 larly housing in mixed-income, location-ef-  
22 ficient neighborhoods with transit-oriented  
23 development;

24 (D) actions taken to promote transit-ori-  
25 ented development, including plans or proposals



1 for zoning, or for incentives, subsidies, or re-  
2 quirements for developers; and

3 (E) planned or proposed incentives, sub-  
4 sidies, or requirements designed to preserve ag-  
5 ricultural and rural land and other green space,  
6 including planned or proposed programs for the  
7 purchase of development rights;

8 (6) minimizes the Federal share necessary to  
9 carry out the project;

10 (7) identifies original and innovative ideas to  
11 overcoming regional problems, including local land  
12 use and zoning (or other code) obstacles to carrying  
13 out the comprehensive regional plan;

14 (8) promotes location-efficient development  
15 through—

16 (A) mixed-income, mixed-use residential  
17 and commercial development that is accessible  
18 to jobs and public transportation; or

19 (B) development that is pedestrian-friendly  
20 and includes complete street projects;

21 (9) promotes diversity among the geographic re-  
22 gions and the sizes of the population of the commu-  
23 nities served by recipients of grants under this sec-  
24 tion;

1           (10) demonstrates that a Federal grant is nec-  
2           essary to accomplish the project or projects proposed  
3           to be carried out;

4           (11) has a high quality overall; and

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

7           (f) GRANT ACTIVITIES.—

8           (1) PLANNING ACTIVITIES.—An eligible entity  
9           that receives a grant under the grant program may  
10          use not more than 10 percent of the grant for plan-  
11          ning activities.

12          (2) PROJECTS AND INVESTMENTS.—An eligible  
13          entity that receives a grant under the grant program  
14          shall carry out 1 or more projects that—

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

17                (B) promote livable communities through  
18                investment in—

19                       (i) transit-oriented development;

20                       (ii) transportation infrastructure and  
21                       facilities, including public transportation,  
22                       projects that improve access to public  
23                       transportation, structured parking near  
24                       public transportation, and complete street  
25                       projects;

1 (iii) short-term operating funds to ini-  
2 tiate a demonstration of new public trans-  
3 portation services;

4 (iv) promotion of employer-based com-  
5 muter benefit programs to increase public  
6 transportation ridership;

7 (v) promotion of trip reduction pro-  
8 grams and the use of transportation alter-  
9 natives;

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

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

19 (viii) infrastructure maintenance and  
20 improvement initiatives that support re-  
21 gionally integrated planning and smart  
22 growth;

23 (ix) energy efficiency retrofit projects;

24 (x) land banking for transit-oriented  
25 development;

1 (xi) implementing land use, zoning,  
2 and other code reforms to promote loca-  
3 tion-efficient development and sustainable  
4 development;

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

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

11 (g) GRANT AGREEMENT.—Each eligible entity that  
12 receives a grant under this section shall agree to establish,  
13 in coordination with the Director, performance measures  
14 and reporting requirements that must be met at the end  
15 of each year in which the eligible entity receives funds  
16 under the grant program.

17 (h) VIOLATION OF GRANT AGREEMENT.—If the Di-  
18 rector determines that an eligible entity has not met the  
19 performance measures established under subsection (g), is  
20 not making reasonable progress toward meeting such  
21 measures, or is otherwise in violation of the grant agree-  
22 ment, the Director may—

23 (1) withhold financial assistance until the per-  
24 formance measures are met; or

25 (2) terminate the grant agreement.

1 (i) REPORT ON THE SUSTAINABILITY CHALLENGE

2 GRANT.—

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

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

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

16 (B) a discussion of any obstacles encoun-  
17 tered in the planning and implementation proc-  
18 ess and how the eligible entity overcame the ob-  
19 stacles;

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 and im-  
24 plementation process and how the project con-

1 tributes to carrying out the comprehensive re-  
2 gional plan; and

3 (D) any other information the Director  
4 may require.

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

9 (j) AUTHORIZATION OF APPROPRIATIONS.—

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

14 (A) \$750,000,000 for fiscal year 2011;

15 (B) \$1,250,000,000 for fiscal year 2012;

16 and

17 (C) \$1,750,000,000 for fiscal year 2013.

18 (2) TECHNICAL ASSISTANCE.—Of amounts  
19 made available under this subsection, the Director  
20 may use for technical assistance under section  
21 5(c)(3) an amount that does not exceed the lesser  
22 of—

23 (A) 0.5 percent of the amounts made avail-  
24 able under this subsection for a fiscal year; and

25 (B) \$2,000,000.