

STATEMENT OF
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BEFORE THE

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND
URBAN DEVELOPMENT, AND RELATED AGENCIES
U.S. HOUSE OF REPRESENTATIVES

“DOT’s Sustainability and Livability Initiatives in the FY 2011 Budget Request”

MARCH 10, 2010

Chairman Olver, Ranking Member Latham and Members of the committee:

Thank you for inviting me to appear before you today to discuss the Department of Transportation’s (DOT) budget request for Fiscal Year 2011 in support of livable communities, comprehensive planning, and sustainable development.

The President has made livable communities a key aspect of his agenda and the Vice President has highlighted it as a part of his Middle Class initiative. How a community is designed – including the layout of the roads, transit systems, bikeways, and walkways – has a huge impact on the quality of life of its residents.

Transportation and housing are the two largest expenses for the average American household. Reducing the need for private motor vehicle trips and providing access to transportation choices can address this cost and lower the average household expenditure on transportation, freeing up money for housing, education, and savings. The application of livability strategies can also save billions in infrastructure investment – like the case of Envision Utah, where their “Quality Growth Strategy” is projected to require \$4.5 billion less investment in transportation, water, sewer, and utility over 10 years as compared to traditional development patterns. Livable communities can decrease the strain on our natural resources, and can decrease greenhouse gases, improve air quality, and promote public health by supplying more efficient options for transportation and housing.

DOT, the Department of Housing and Urban Development (HUD), and the Environmental Protection Agency (EPA), in recognizing these benefits, have developed the following principles that will direct the collective efforts for implementing the livability program:

- Provide more transportation choices.

- Promote equitable, affordable housing.
- Enhance economic competitiveness.
- Support existing communities.
- Coordinate policies and leverage investment.
- Value what is unique about communities, whether urban, suburban or rural.

These principles are driving our efforts in the Partnership for Sustainable Communities, and driving DOT's efforts in our livability initiative – including our budget request for Fiscal Year 2011 (FY11).

FY11 BUDGET REQUEST – DOT'S STRUCTURE

Chairman Olver, thanks to your leadership and this Committee's focus on livable communities over the years, the President's 2011 budget provides a record-level of investments dedicated to making our communities more livable.

DOT requested \$527 million for livable community efforts for FY11. This funding will be divided into three programs: a Livable Communities Program within the Office of the Secretary (OST); transit funding to support livable communities in the Federal Transit Administration (FTA); and a capacity-building grant program in the Federal Highway Administration (FHWA). The purpose of these programs is to provide transportation practitioners with the tools, resources, and capacity they need to ultimately develop a transportation system that provides transportation choices and complements land use, housing, and water investments.

DOT has requested \$20 million in the FY11 budget to establish a new Livable Communities Program, including a new Office of Livability within OST. This Office will provide leadership for DOT's livability efforts, coordinate livability programs across the Department's modal administrations, provide grants and technical assistance for improving local public outreach, and assess the effectiveness of various programs in supporting livability. Having one office focused on aligning Departmental programs and priorities will significantly improve the effectiveness of DOT's program delivery. Additionally, the Office of Livability will serve as the focal point for interagency efforts such as the Partnership for Sustainable Communities. This will include spearheading efforts such as developing metrics and performance measures for livability.

DOT's request of \$307 million will refocus existing FTA programs to expand transit access for low-income families and increase the planning and project development capabilities of local communities. This program would provide effective transportation alternatives that increase access to jobs, health and social services, and other activities. Aligning current programs, such as the Job Access and Reverse Commute formula grants, Alternatives Analysis grants, and formula grants for State and metropolitan planning, would allow DOT to fund efforts with HUD and EPA to develop strategies that link quality public transportation with investments in smart development.

DOT has requested \$200 million in the FY11 budget to fund a competitive livability program within FHWA. The focus of this discretionary grant program is to increase capacity at all levels of government to integrate transportation, housing, economic development, and water

infrastructure planning and investments while enhancing natural resource conservation and improving health in urban and rural communities. The funds could be used to improve modeling and data collection – especially for transit and active transportation - provide training, and support organizational changes to better carry out integrated planning. This assistance would be available to States, local governments, and tribal partners.

FY11 BUDGET REQUEST – THREE AGENCY STRUCTURE

DOT's programs within this budget request are focused on capacity building. Transportation stakeholders are facing significant technical capacity issues, including outdated planning and regional models, poor data, and lack of training for transportation planning professionals. As a result of outreach for the Partnership, we have received numerous complaints from States and Metropolitan Planning Organizations (MPOs) indicating their data is no longer current – sometimes the latest data they have is 10 years old. We have heard from neighboring MPOs whose Geographic Information Systems (GIS) were incompatible, which restricted their capacity for effective regional transportation planning. DOT's proposed program would provide an opportunity for communities to develop the new data and tools they need, as well as proper training on how to use them. Giving communities the tools to assess their own transportation and community needs allows them to design and implement vibrant communities that can compete more effectively for economic resources and investments and get greater value for each tax dollar spent.

The goal of DOT's programs is to give communities the tools and technical assistance they need so that they can develop the capacity to effectively assess their transportation system, plan for needed improvements, and integrate transportation and other community needs.

DOT's requested programs were developed jointly with the HUD and EPA requests, with each agency handling a piece of the effort. As you will hear from Deputy Secretary Sims, HUD's program has a focus on improving regional planning efforts that integrate housing and transportation decisions, and update zoning codes to support the plans developed. EPA's role is designed to administer technical assistance. Through EPA's programs, communities will receive direct technical assistance from a team of national experts in the tools and strategies they need to expand economic opportunity, improve mobility and protect public health and the environment.

This budget request is the starting point for what we hope to be a robust livability initiative, both within DOT and among our partnering agencies. DOT hopes to institutionalize the concepts of livability within all of our programs.

We cannot hope to realize the benefits of livability – infrastructure savings, greenhouse gas emissions reductions, improved health and safety, household cost savings, and increased sense of community – unless this goal is incorporated across all DOT programs.

INCORPORATING LIVABILITY – DOT AND PARTNERSHIP EFFORTS

DOT has already started this process.

To foster the preservation and enhancement of urban and rural communities by providing better access to jobs, health care and education, DOT released a Notice of Funding Availability (NOFA) in December for two new pilot programs that would provide funding for livability projects: up to \$150 million is available for bus livability projects and \$130 million for urban circulator grants. These efforts are among the many actions DOT is making to invest in transportation projects that will stimulate America's neighborhoods to become safer, healthier, and more vibrant.

The three agencies are also coordinating with each other on additional discretionary grant programs. For example, DOT and EPA are supporting the development of HUD's NOFA for sustainable community grants authorized in the FY 2010 budget. DOT and HUD collaborated in the selection process and are providing staff to assist communities that received EPA's smart growth technical assistance grants. Through these discretionary grant and technical assistance dollars, DOT, HUD, and EPA are providing States and communities opportunities to build the livable communities they have found so important to their economic growth and quality of life.

We have also given priority to livability in our existing programs, identified and removed barriers to implementation, and are continuing to integrate the six principles of the Partnership for Sustainable Communities into the Department's daily operations.

For example, the recent change in the criteria for FTA's New Starts grants will ensure that livability is emphasized in the Department's funding recommendations of transit capital investments. Previously, cost-effectiveness was the single criterion in making a recommendation for construction funding, and looked only at the travel time savings as compared to cost. FTA's criteria will now allow for consideration of economic, environmental, and livability factors to determine the best use of funds. Cost-effectiveness will still be considered, but it will be weighted equally with the other factors. FTA is developing a new criterion for evaluating cost-effectiveness that will aim to measure all the benefits of projects – including the key factors that make localities more livable such as environmental, health, and economic benefits, and mobility for low-income residents – and measure them in relation to project costs.

Since the inception of the Partnership, increased collaboration and coordination among regional offices is helping to more effectively deliver programs at the local level. We have taken actions to train DOT's own staff and establish an effective regional network. DOT's FTA and FHWA field staff are now coordinating with their HUD and EPA's counterparts in their regional offices. We have also increased the coordination between headquarters and DOT's field offices by hosting webinars, webcasts and livability training sessions. These efforts, undertaken to assist transportation partners at the regional and local levels and to increase communication between and among field staff and headquarters staff, are ensuring that the Administration's policy objectives are being relayed and implemented on the ground.

DOT and our partners have been working hard to make tools available to transportation stakeholders and the public to ensure that they have the capacity to pursue the implementation of livability projects in their communities. For example, last November, DOT and HUD announced an action guide to help planners implement mixed-income transit oriented development and regional transit corridor planning. DOT is now working with the Center for Transit Oriented

Development to develop an online database for transit-oriented development, which includes over 4,000 existing and planned rail/transit stations. This database is in the testing phase and will be available to the public by the end of the summer.

Through our Partnership and Departmental efforts, we are taking strides to incorporate livability into all of our programs and efforts – addressing it as an important national goal.

The Department made especially significant steps towards recognizing livability as an American value through the American Recovery and Reinvestment Act (Recovery Act). The Recovery Act created a discretionary fund of \$1.5 billion for the Department to make Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants on a competitive basis for capital investments in surface transportation infrastructure projects that will have a significant impact on the Nation, a metropolitan area, or a region. The TIGER grant program focused on the Department's five priorities of safety, livability, sustainability, state of good repair, and economic competitiveness. This program provided the opportunity to highlight projects that address livability and that make significant improvements to communities and regions. Projects that promoted greater mobility, a cleaner environment, and more livable communities received priority over those that did not. During the selection process, HUD and EPA helped DOT to review and evaluate the applications rated highly against the livability criterion of the grant program.

The results of this program were significant. Among the 51 grants that were awarded, 22 projects will increase livability in their communities. The mode split among projects selected was nearly equal, with 23% of funding going towards highway projects, 26% to transit, 25% to rail, and 27% covering ports and other multimodal projects. We funded a variety of livability projects, including: a regional bicycle networks in Indianapolis designed to increase bicycle commuting and reduce motorized emissions; an intermodal center in Ames, Iowa designed to increase transportation options in the region; and a commuter rail project in Massachusetts designed to take cars off of crowded commuter highway routes.

We will continue to emphasize the importance of livability in the second round of discretionary infrastructure investment grants in the FY10 Appropriations Act, which are funded at \$600 million.

LOOKING FORWARD

The TIGER grant program was a big success, and one that allowed the Department to fund innovative projects that did not otherwise fit our formulaic and modally defined transportation programs. DOT proposes to continue to directly fund such projects through our request for a National Infrastructure Innovation and Finance Fund (NIIFF) – a \$4 billion fund that will allow investments in projects that support national priorities, including multi-modal projects, planning, and analytical capacity work that provide a significant economic benefit to our Nation. A program like NIIFF would allow DOT the flexibility to select the most outstanding projects outside our current authorities – addressing national interests that range from local to regional, from multi-modal to multi-state projects.

Our efforts in the Department, and our FY11 budget request, are our responses to a demand for livable communities among the American people. Our TIGER grant program received over 1,400 applications for nearly \$60 billion, with a surprising amount of those projects requesting funds for innovative livability initiatives. This shows that state and local governments are responding to a demand from their constituents. In fact, EPA has found that consumer surveys have indicate that at least one third of the consumer real estate market prefers this type of community – mixed use, transit-oriented development. The needs and desires of the U.S. homebuyer are changing: consumers in the early 1990s had a preference for golf courses and other recreational amenities. Today, surveys indicate that many consumers prefer walkable communities - communities characterized by pedestrian access and a sense of connection, community, and diversity. Realtors, developers, and investors recognize that an increase in walkability translates into a higher home value.

There is room for much larger and more significant efforts moving forward, many of which will depend on reauthorization of the surface transportation program. That will provide an important opportunity to focus on helping to develop livable communities that foster transit-oriented, pedestrian and bike-friendly development, provide more transportation choices, and offer better access to jobs and housing.

The programs that we have requested in the Department's FY11 budget have been designed to further the goals of the Partnership for Sustainable Communities before reauthorization – to assist regions and communities in need of Federal assistance now to pursue their own planning and development needs. By providing capacity building, planning funds, and technical assistance, our three agencies can help communities meet the demands that they face for developing these types of neighborhoods.

Thank you for the opportunity to appear before you today to discuss the efforts of our Partnership for Sustainable Communities and the Department's FY11 budget request to support this effort. We look forward to working with Congress and our stakeholders to make this a reality.

I will be happy to answer any questions you may have.