

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5396-N-01]**

**Sustainable Communities Planning Grant Program  
Advance Notice and Request for Comment**

**AGENCY:** Office of Sustainable Housing and Communities, Office of the Deputy Secretary, HUD.

**ACTION:** Advance Notice and Request for Comments.

**SUMMARY:** This notice announces HUD's intention to offer funding through a competition made available as a Notice of Funding Availability (NOFA) under its Sustainable Communities Planning Grant Program (Program).

As part of the Administration's efforts to increase transparency in government operations and to expand opportunities for stakeholders to engage in decision-making, HUD is seeking comments on the Program through this Advance Notice. Feedback received through this process will permit HUD and its partners to better understand how this Program can support cooperative regional planning efforts that integrate housing, transportation, environmental impact, and economic development. HUD is seeking input from State and local governments, regional bodies, community development entities, and a broad range of other stakeholders on how the Program should be structured in order to have the most meaningful impact on regional planning for sustainable development.

The goal of the Program is to support multi-jurisdictional regional planning efforts that integrate housing, economic development, and transportation decision-making in a manner that empowers jurisdictions to consider the interdependent challenges of economic growth, social

equity and environmental impact simultaneously. Three funding categories are being considered:

(1) Funding to support the preparation of Regional Plans for Sustainable Development that address housing, economic development, transportation, and environmental quality in an integrated fashion where such plans do not currently exist;

(2) Funding to support the preparation of more detailed execution plans and programs to implement existing regional sustainable development plans (that address housing, economic development, transportation, and environmental quality in an integrated fashion); and

(3) Implementation funding to support regions that have regional sustainable development plans and implementation strategies in place and need support for a catalytic project or program that demonstrates commitment to and implementation of the broader plan.

This Program is being initiated in close coordination with the U.S. Department of Transportation (DOT) and the U.S. Environmental Protection Agency (EPA).

**DATES:** All comments, to be considered in response to this Advance Notice, must be received no later than midnight Eastern Standard Time on Friday, March 12, 2010. Comments will not be accepted after that date.

**ADDRESSES:** Electronic responses are preferred and should be addressed to:

[sustainablecommunities@hud.gov](mailto:sustainablecommunities@hud.gov) or may be submitted through the [www.hud.gov/sustainability](http://www.hud.gov/sustainability) website. Written comments may also be submitted and post-marked by the deadline and addressed to Office of Sustainable Housing and Communities, Department of Housing and Urban Development, 451 7th Street, S.W. Room 10180, Washington, DC 20410. HUD is expanding the opportunity for comment by establishing a Wiki to encourage public dialogue at the following link: [www.hud.gov/OSHCwiki](http://www.hud.gov/OSHCwiki).

**OUTREACH SESSIONS:** HUD and its partner agencies will conduct a series of listening sessions and webcasts to ensure the broadest possible dissemination of information about the Program and to receive feedback from interested parties. Further information will be available at [www.hud.gov/sustainability](http://www.hud.gov/sustainability) shortly after the publication of this Advance Notice, and through such interactive forums that will be described on [www.hud.gov/sustainability](http://www.hud.gov/sustainability).

**AVAILABILITY OF FUNDING AND TIMELINES:** This notice invites comments on the proposed award of funding for the Sustainable Communities Planning Grant Program. This notice is **not** a solicitation of proposals for the Program.

The Program was authorized by the Consolidated Appropriations Act, 2010 (Pub. L. 111-117) (the Appropriations Act, approved December 16, 2009). For the Program, \$100,000,000 will be made available, through the NOFA that will follow this Advance Notice, to support the integration of housing, transportation and land use planning.

The following maximum funding levels are proposed:

- **Small metropolitan or rural areas.** The grant amount awarded under the Program to an eligible entity that represents a small metropolitan or rural area with a population of not more than 499,999 may not exceed \$2,000,000.
- **Large metropolitan areas.** The grant amount awarded under the Program to an eligible entity that represents a large metropolitan area with a population of 500,000 or more may not exceed \$5,000,000.

HUD will expect that at least 20 percent of the overall costs of the projects awarded under this grant will include leveraged funding from other public, philanthropic and private sources including in-kind contributions.

Pursuant to the Appropriations Act, not less than \$25,000,000 shall be awarded in the Small Metropolitan Area category.

HUD will award funding by soliciting proposals through a final NOFA for the Program that will be developed after consideration of comments obtained through this Advance Notice and in outreach sessions. The final NOFA will be broadly announced through appropriate and familiar means and will provide further details on the finalized requirements and application process, pursuant to and in compliance with all applicable statutes and regulations, including, but not limited to, the Paperwork Reduction Act (44 U.S.C. 3501 et seq.).

HUD will set aside approximately \$2,000,000 for technical assistance services to assist the awardees in implementing their proposals. A separate NOFA will be released describing the process for obtaining these technical assistance funds. The Appropriations Act also appropriates \$40,000,000 for a Community Planning Challenge (CPC) Grants Program. HUD will publish a separate NOFA for the CPC program.

It is HUD's intent to meet the following schedule in developing the NOFA for the Program:

February 16-March 1, 2010—Regional Listening Sessions (locations and dates to be posted at [www.hud.gov/sustainability](http://www.hud.gov/sustainability))

Week of March 1, 2010—Webcast Briefings

March 12, 2010—Comments on Draft Description due C.O.B. to HUD

Week of April 12, 2010—NOFA published

Approx. June 5, 2010—Applications due to HUD

Approx. August 2, 2010—Announcement of Awardees

## **I. Background**

A top priority of the Administration is to build economically competitive, healthy, opportunity-rich communities. In the Appropriations Act, Congress provided a total of \$150,000,000 to HUD for a Sustainable Communities Initiative to improve regional planning efforts that integrate housing and transportation decisions, and increase State, regional and local capacity to incorporate livability, sustainability, and social equity principles into land use and zoning. Of that total, \$100,000,000 is available for regional integrated planning initiatives, which is the subject of this Advance Notice.

The Sustainable Communities Initiative was conceived to advance development patterns that achieve improved economic prosperity, environmental sustainability, and social equity in metropolitan regions and rural communities. Recognizing the fundamental role that public investment plays in achieving these outcomes, the Administration charged three agencies whose programs impact the physical form of communities—HUD, DOT, and EPA—to lead the way in reshaping the role of the Federal government in helping communities obtain the capacity to embrace a more sustainable future. As a result, HUD, DOT, and EPA have formed the Partnership for Sustainable Communities (the Partnership). HUD will take the lead in funding, evaluating and otherwise supporting integrative regional planning for sustainable development. DOT will focus on (a) building the capacity of transportation agencies to integrate their planning and investments into broader plans and action to promote sustainable development; and (b) investing in transportation infrastructure that directly supports sustainable development and livability principles, as discussed below. EPA will enhance its role as a provider of technical assistance and developer of environmental sustainability metrics and practices. The three

agencies have made a commitment to coordinate activities, integrate funding requirements and adopt a common set of performance metrics for use by grantees. The Partnership is a commitment by these three Federal agencies to work together to coordinate policies and programs in support of six Livability Principles:

**1. Provide more transportation choices.** Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.

**2. Promote equitable, affordable housing.** Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility, and lower the combined cost of housing and transportation.

**3. Enhance economic competitiveness.** Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services, and other basic needs by workers as well as expanded business access to markets.

**4. Support existing communities.** Target Federal funding toward existing communities - through such strategies as transit-oriented, mixed-use development and land recycling - to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes.

**5. Coordinate policies and leverage investment.** Align Federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

**6. Value communities and neighborhoods.** Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

The Partnership for Sustainable Communities has observed that regions that have already adopted a more integrated approach to regional planning tend to exhibit a variety of desirable qualities including: more diversified and resilient economies; improved employer attraction and retention; more opportunities to lead healthier and more affordable lifestyles; lower per capita public infrastructure costs; lower vehicle miles traveled (VMT) per capita and, thus, reduced air pollution; and lower rates of concentrated poverty. These regions have built a shared vision for the future that allows greater and more broad-based support of community development and investment decisions. However, these effects are not guaranteed, and communities face a number of competing objectives in these areas. In addition, the best ways to measure progress are rightly debated as policy goals and methodologies evolve.

While the benefits of integrated regional planning are numerous, the incentives, institutions, and funding for such efforts are not widely available. Decisions made by local jurisdictions about the locations of housing, shopping, and employment are often disjointed both within and across jurisdictions and are, therefore, unable to incorporate either the impact on accessibility to different types of destinations or the broader impact on mobility and livability in a region. This fragmented approach results in a host of unintended consequences including: spatial mismatch between affordable housing and opportunities for employment and education; long and expensive commutes; permanent loss of agricultural land; reduced water quality in streams, lakes, and other water bodies; higher emissions of greenhouse gasses and other damaging pollutants.

Despite the presence of Metropolitan Planning Organizations, Councils of Governments, and other regional planning entities, there is too often a misalignment of transportation, housing, and infrastructure systems due in part to the lack of coordination when plans by different agencies are prepared separately. While separate resources may be available for housing, economic development, water infrastructure, and transportation planning, few funding sources help communities address challenges and opportunities in an integrated fashion.

## **II. Sustainable Communities Planning Grant Program**

The Sustainable Communities Planning Grant Program (the Program) is intended to help build the capacity of communities to address the complex challenges of growth and revitalization in the 21<sup>st</sup> century in a comprehensive, multi-disciplinary way. Funding from this Program will support the development and implementation of Sustainable Regional Development Plans. A priority will be placed on supporting regions that demonstrate a commitment to take well-developed plans and move them into implementation. The Appropriations Act directs the Secretary of HUD to establish a regional planning grant program that provides grants to assist regional entities and consortia of local governments with integrated housing, transportation, economic development, water infrastructure, and environmental planning. HUD's Office of Sustainable Housing and Communities is working in partnership with DOT and EPA to define all aspects of this Program. HUD will serve as the lead agency for all grants and will consult with its agency partners throughout the Program.

The final product of a Sustainable Communities Planning Grant will be a Regional Plan for Sustainable Development and/or implementation strategy that meet the requirements of existing HUD, DOT, and EPA programs, such as Consolidated Plans, Long Range

Transportation Plans and Stormwater Master Plans. Building on these requirements, a Regional Plan for Sustainable Development would be a plan that:

- (A) Identifies housing, transportation, economic development, land use, environmental, energy, green space and water infrastructure priorities and goals in a region;
- (B) Establishes locally-appropriate performance goals and measures the future outcomes of baseline and alternative growth and reinvestment scenarios against those goals, and includes standardized metrics developed by the Partnership;
- (C) Provides strategies for meeting those priorities and goals;
- (D) Prioritizes projects that facilitate the implementation of the regional plan; and identifies responsible implementing entities (public or private) and funding sources; and
- (E) Engages residents and stakeholders substantively in the development of the shared vision and its implementation plan early and throughout the process.

### **III. Solicitation of Comments on Proposed Program Structure**

As noted above, HUD and its partners are soliciting comments through this Advance Notice on how the Program should be structured, what funding categories and activities are most appropriate to support, which entities should be eligible grantees, and how best to evaluate regional needs, so that the Program has the most meaningful impact on regional planning for sustainable development. The discussion below outlines in general terms the key questions HUD is considering in preparing the final NOFA for the Program and identifies some specific issues for comment. HUD encourages meaningful input on the Program more generally as well. HUD has provided the avenues for input in the ADDRESSES section of this notice and highlights that it has established a Wiki site to allow additional comment and dialogue regarding addressing these issues.

## **A. Proposed Funding Categories and Eligible Activities**

HUD and its partner agencies recognize that regions are at different stages of readiness and capacity to engage in efforts to plan for a sustainable future. Some regions have formed multi-jurisdictional and multi-sector coalitions that are ready to embark on an effort to envision a future to help direct growth or stimulate investment sustainably. Other regions have already adopted a sustainable vision, but lack the resources to put in place the specific strategies that ensure follow-through and implementation of that vision. A few regions are on the cutting edge and have demonstrated the capacity to plan for the long-term, build broad-based coalitions in support of sustainable communities and use an array of tools to incent investment in development, land preservation, and infrastructure that implements their sustainable vision.

Given this broad spectrum, the Partnership is considering supporting activities to meet the needs of each of these three categories of regions. In this comment period, HUD specifically seeks feedback on the extent to which these categories are of benefit to potential applicants, the types of activities that should be allowed in each category, and the extent to which the Program should support project-level implementation investments. HUD is also soliciting feedback on appropriate common performance metrics for each funding category.

**Category 1: Regional Plans for Sustainable Development.** Funds would support stakeholder-driven visioning and scenario planning exercises that will address and harmonize plans for the location, scale and type of housing, education and job centers; identify appropriate transportation and water infrastructure; and proactively consider risks from disasters and climate change. Applicants would be expected to identify a set of locally-appropriate performance metrics that are consistent with the Partnership's Livability Principles, as well as the Partnership's own metrics, and then measure the outcomes of proposed growth/reinvestment scenarios against those

metrics. Funding in this category would support data analysis, urban design and outreach efforts to achieve broad consensus among groups, citizens, and decision-makers for a single vision/scenario and to have that plan adopted by all appropriate regional governmental bodies.

HUD seeks comments on the following questions:

- What specific types of eligible activities would support this effort and which parties should be part of the regional planning process?
- What elements should be part of the plan, such as a region-wide vision and statement of goals, long term development and infrastructure investment map, implementation strategy and/or funding plan?
- How can citizens best participate, such as through a requirement for participation in a minimum number of public meetings to ensure broad regional consensus?
- Should Regional Plans for Sustainable Development be expected to harmonize and be consistent with HUD, DOT, and EPA-required plans and, if so, how? Should Regional Plans for Sustainable Development show a linkage to local formula-based programs supported by HUD, DOT, and EPA; and, if so, to what extent should such linkage be required?

**Category 2: Detailed Execution Plans and Programs.** Funds in this category would support the preparation and adoption of detailed plans and programs to implement an adopted integrated regional sustainable vision. Because implementation needs will vary significantly from region to region depending on the goals of a sustainable plan and the gaps that exist, the funds from this category would likely support a wide range of implementation activities but still be measured against the common and consistent metrics and outcome goals highlighted in the previous section. For example, inter-jurisdictional affordable and fair housing strategies, regional transportation investment programs, corridor transit-oriented development plans, sector or area

plans, land banking and acquisition strategies, revenue sharing strategies, economic development strategies, plans to improve access to community amenities, and other specific activities that help ensure that the goals of the regional vision are implemented. Regional coalitions would be eligible to apply for this category on the basis of demonstrating the adoption of a regional vision that is substantially consistent with the Livability Principles, program goals and metrics identified in the published NOFA.

HUD seeks comments on the following questions:

- What specific types of activities should be eligible for funding in this category?
- What criteria should be used to evaluate whether a previously adopted regional vision is consistent with the Livability Principles discussed above?
- Should the amount of local and contributed resources to support, expand, and enhance the development of implementation strategies be rewarded in application scoring or are there other means to leverage other funds and resources?

**Category 3: Implementation Incentives.** Recognizing that those regions that have already fully embraced sustainable regional planning provide important models to the nation, the Partnership is considering ways in which the Program can reward and incent further action by cutting edge regions.

First, HUD is evaluating the extent to which applicants that have an adopted Regional Sustainable Development Plan and appropriate implementation programs in place could be pre-certified as having met HUD, DOT, and EPA's criteria for sustainability and livability factors in other discretionary federal funding programs.

Second, HUD is considering providing a limited number of grants to complete a financing package for projects that would accelerate the implementation of a Regional

Sustainable Development Plan. As envisioned, this category would support pre-development costs, capital costs for a regionally significant development or infrastructure investment, or land acquisition investments. We are considering how to make best use of new federal dollars in the context of existing programs and their requirements—and also in the context of innovative practices in the field. Applicants would need to demonstrate that they have in place an adopted regional vision that is substantially consistent with the Livability Principles, metrics identified in the published NOFA to measure performance, and have commitments from affected participating partners to initiate implementation efforts, but have funding gaps that could be closed within the grant limits for this program.

HUD seeks comments on the following questions:

- Would “pre-certification” be an added value and, if so, what programs should this approach apply to? What criteria should be considered for meeting the “pre-certification” status?
- Is the direct support of implementation activities appropriate within this Program given the limited amount of resources and the expected modest size of grants?
- What criteria should be used to judge that an applicant successfully demonstrates that it has an adopted regional vision and that the project for funding under this category is truly catalytic?
- Specifically, what criteria should be considered for a project to be catalytic?
- What types of activities might be included, the timeframe by what time the project should be completed, and how much leveraging should be considered appropriate for demonstrating that the proposed investment will serve as a the region’s commitment to a sustainable future?

## **B. Entities Eligible for Funding**

In the Program, HUD is considering as an eligible entity a multi-jurisdictional and multi-sector partnership consisting of a consortium of units of general local government and all government, civic, philanthropic and business entities with a responsibility for implementing a Regional Plan for Sustainable Development.

HUD seeks input on the following questions:

- Should certain entities be required partners in multi-jurisdictional regions such as a metropolitan planning organization as defined in 23 CFR 450.104, or a rural planning organization or network of rural planning organizations in a rural area?
- What definitions should HUD use to define a rural multi-jurisdictional region eligible for funding?
- What units of government should be allowed to serve as a lead agency for funding purposes?
- What should demonstrate commitment on the part of each member organization, and whether there should be a minimum number of member organizations?

## **C. Selection Criteria**

In evaluating an application for a grant, HUD, in partnership with DOT and EPA, will evaluate whether the application furthers the creation of livable communities by advancing regional planning that integrates housing, transportation, and environmental decisions and the extent to which the applicant represents a strong collaboration effort for the region in question.

HUD seeks input on how to judge the capacity of the regional entity to carry out the proposed Program, including the extent of technical and organizational capacity to conduct the project in the proposed time frame, past experience in implementing a planning process, and/or

an implementation project as proposed, and extent to which the consortium has developed partnerships throughout an entire metropolitan or rural area, including, as appropriate, partnerships with the entities described above. Specifically, should a needs assessment be required as an application submission requirement, and, if so, what data elements should be mandatory in judging need and the scope of the needs assessment to ensure that it addresses the comprehensive needs of the region?

While HUD specifically seeks comment on the foregoing questions, HUD welcomes additional information that will help inform the Sustainable Communities Planning Grant Program.

Date: February 4, 2010

/s/  
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Ron Sims  
Deputy Secretary

**[FR-5396-N-01]**