

**STATEMENT OF
THE HONORABLE RAY LAHOOD
SECRETARY OF TRANSPORTATION**

**BEFORE THE
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
U.S. SENATE**

**HEARING ON
GREENER COMMUNITIES, GREATER OPPORTUNITIES: NEW IDEAS FOR
SUSTAINABLE DEVELOPMENT AND ECONOMIC GROWTH**

JUNE 16, 2009

Chairman Dodd and Members of the Committee:

Thank you for the opportunity to appear before you today to discuss the Department of Transportation's (DOT) activities 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 also highlighted it in his Middle Class initiative. How a community is designed – including the layout of the roads, transit systems and walkways – has a huge impact on its residents. Transportation and housing are the two largest expenses for the average American household. Reducing the need for 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 Surface Transportation Authorization provides us with an opportunity to incorporate these important priorities into the nation's transportation policy. My Department looks forward to working with members of Congress to make livable communities a centerpiece of the new authorization. I'll discuss that in greater detail later. I would like to first discuss the efforts we are undertaking in advance of reauthorization to foster livable communities.

First, I am pleased to announce that Administrator Jackson of the Environmental Protection Agency has joined the Sustainable Communities Partnership between Secretary Donovan of the Department of Housing and Urban Development (HUD) and me to help American families gain better access to affordable housing, more transportation options and healthier communities. This partnership will ensure that these housing and transportation goals are achieved while also better protecting the environment, promoting equitable development, and helping to address the challenges of climate change.

Each agency brings particular expertise to the partnership that can help institute real improvements in American communities. The agencies have developed the following principles that will direct the collective efforts for implementing this program:

- **Provide more transportation choices.** Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nations' dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.
- **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.
- **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.
- **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.
- **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.
- **Value communities and neighborhoods.** Enhance the unique characteristics of all communities by investing in healthy, safe and walkable neighborhoods – rural, urban or suburban.

The agencies are working together to identify how we can align our current programs to support these principles. We are considering what the critical elements of a livability plan are. We are looking at what performance measures can be used to determine whether the policy objectives have been achieved and examining whether data exists to support the measures.

The second area where the Department has already begun to emphasize the importance of livable communities was through the American Recovery and Reinvestment Act (ARRA). ARRA created a discretionary fund of \$1.5 billion available through September 30, 2011, for the Department to make 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. Selection criteria were recently established for these Transportation Investment Generating Economic Recovery (TIGER)

Discretionary Grants. Projects that promote greater mobility, a cleaner environment and more livable communities will receive priority over those that do not. This funding will open the door to many new innovative and cutting-edge transportation projects.

Applications will be accepted until September 15, 2009 with awards to be announced no later than February 17, 2010. The TIGER Discretionary Grant program provides the opportunity to highlight projects that address livability and that make significant improvements to communities and regions.

WHY LIVABILITY IS IMPORTANT

Our goal is to build livable communities, where safe, convenient and affordable transportation is available to all people, regardless of what mode they use. For the past 50 years, most government investment in transportation has undermined this goal.

In most communities, jobs, homes and other destinations are located apart and far away from one another, necessitating a separate car ride for every errand. Coordinating transportation and land-use decisions and investments enhances the effectiveness of both and increases the efficiency of federal transportation spending. Strategies that support mixed-use development, mixed-income communities and multiple transportation options help to reduce traffic congestion, pollution and energy use.

A new focus on livability can help transform the way transportation serves the American people and the contribution it makes to the quality of life in our communities. Transportation can play an enhanced role in creating safer, healthier communities with the strong economies needed to support our families. As the population increases, we must identify new strategies to move people and goods within communities and throughout the Nation. Integrating transportation planning with community development and expanding transportation options will not only improve connectivity and influence how people choose to travel, but also lower transportation costs, reduce dependence on foreign oil and decrease emissions.

Livable communities are mixed-use neighborhoods with highly-connected streets promoting mobility for all users, whether they are children walking or biking to school or commuters riding transit or driving motor vehicles. Benefits include improved traffic flow, shorter trip lengths, safer streets for pedestrians and cyclists, lower greenhouse gas emissions, reduced dependence on fossil fuels, increased trip-chaining, and independence for those who prefer not to or are unable to drive. In addition, investing in a “complete street” concept stimulates private-sector economic activity by increasing the viability of street-level retail small businesses and professional services, creating housing opportunities and extending the usefulness of school and transit facilities.

Mixed-use, compact development can result in an increase in walking and biking to destinations of short distances. Currently, American adults travel 25 million miles a day in trips of a half-mile or less, of which nearly 60 percent are vehicle trips. A 2005 Seattle study found that residents traveled 26 percent fewer vehicle miles in neighborhoods where land uses were mixed and streets were better connected. In these areas, non-auto

travel was easier than in neighborhoods that were more dispersed and less connected. If a large share of the travelling public could walk or bike for short trips, it is estimated that the Nation could save over one million gallons of gas and millions of dollars in motor fuel costs per day. Reduced use of vehicles for these short trips will also lower emissions, as these are particularly polluting trips. The Centers for Disease Control and Prevention has extensively studied the benefits of physical activity like walking and biking, finding that it can improve the health of Americans and lower medical costs. A study in 2003 found that people who live in more sprawling areas generally weigh more and are more likely to have higher blood pressure than those that live in more compact areas. The average weight of individuals who live in the most sprawling areas can be as much as 6 pounds more than their counterparts in dense urban areas with access to more active transportation options.

The elements of livability are important to both urban and rural communities. A transportation system that provides reliable, safe access to jobs, education, health care and goods and services is every bit as important to rural communities as it is to urban areas. Remote locations present unique challenges to mobility, including ensuring access for older citizens to services and activities. Providing transportation choices can increase community mobility; but the types of options in rural areas might be different, focusing on a variety of intercity transportation investments. As economic development is undertaken in rural areas, focusing that development in town and commercial centers can increase access to necessities and enable one-stop-shopping for many residents, thus reducing fuel costs and time on the road and enhancing a sense of community.

For example, in Cheyenne, Wyoming, the City, County and Metropolitan Planning Organizations (MPOs) developed PlanCheyenne which is an integrated community master plan that defines the Cheyenne area future growth. The plan places specific emphasis on integrating three major elements of the community's planning efforts: land-use, transportation, and parks and recreation and open space. The transportation component of the plan promotes developing mixed-use and activity centers along a network of principal arterials. Incidentally, EPA worked with Cheyenne to engage residents in developing policy options to implement PlanCheyenne's vision.

Livability incorporates the concept of collaborative decision-making. By involving the public early in the planning process and coordinating transportation activities with other activities related to healthy, sustainable communities, we improve the quality of life for all Americans. Collaborative, interdisciplinary decisions get good results, particularly more public-support and reduced costs and time to complete transportation projects.

Automobile congestion impacts our communities and quality of life. According to the 2007 Urban Mobility report prepared by the Texas Transportation Institute, traffic congestion continues to worsen in American cities of all sizes, creating a nearly \$80 billion annual drain on the U.S. economy in the form of 4.2 billion lost hours resulting from travel delay and 2.9 billion gallons of wasted fuel. The report notes that congestion caused the average peak-period traveler to spend an extra 38 hours of travel time and consume an additional 26 gallons of fuel annually, amounting to a cost of \$710 per

traveler. Although recent data suggest that travel, as measured by vehicle-miles traveled, has been less in recent months, we nevertheless need to give that time and money back to our economy and our citizens.

Ways to greatly improve the efficiency of the entire transportation network include expanded and improved transit services; increased ridesharing; variable road pricing, managing freight movement and other demand management strategies; and managing our road and transit systems better through Intelligent Transportation Systems, and other traffic flow improvements. Other options include integrated transportation, land-use and housing planning policies that encourage mixed-use, compact developments that reduce the need for motor vehicle trips and support more transportation options to reduce travel distances and time through cities is a very important part of livability.

The American Public Transportation Association (APTA) reports that increasing numbers of Americans took transit – an estimated 10.7 billion trips in 2008, the highest level of ridership in 52 years and a modern ridership record. And this trend continued, despite falling gas prices and an economic recession towards the end of the year. Increased transit ridership is having a real impact on the environment.

There are great examples of communities that are implementing the concepts of livability and are planning for a positive future. For example, the Envision Utah Public/Private Partnership—partially funded by EPA—was formed to guide the development of a broadly and publicly supported Quality Growth Strategy, the Envision Utah Plan. This plan guides development and creates growth strategies that protect Utah’s environment, economic strengths and provides a sustainable quality of life for its residents. Some of the major goals of this plan include increased mobility and number of transportation choices while providing a wide range of housing choices for Utah’s residents.

It was a priority for those involved in developing this plan to ensure that families could live near one another throughout their lives. This is only possible in an area where seniors can get around even when they have to curb driving. And it is necessary to have a range of housing choices that support people at all stages of life: apartments for young people just starting out, condos or small houses for young couples’ first homes, larger homes for families and smaller homes again for those who no longer can or desire to take care of a large home. When there is a mix of housing types in a walkable neighborhood, the Envision Utah effort found that it is more possible for grandparents to live within walking distance of their grandchildren.

Creating livable communities will result in improved quality of life for all Americans and create a more efficient and more accessible transportation network that services the needs of individual communities. Fostering the concept of livability in transportation projects and programs will help America’s neighborhoods become safer, healthier and more vibrant.

IMPORTANCE OF FEDERAL TRANSPORTATION INVESTMENT TO LIVABLE COMMUNITIES

Federal investments in transportation systems and infrastructure, including aviation, highways, rail, bus, ferries, and other public transportation, have been vitally important to the Nation's fastest-growing metropolitan areas, small- and mid-sized cities, and in rural areas. These systems create links between home, school, work, health care, recreation areas, and other important destinations. Since 1984, the number of cities with publicly funded passenger rail service has more than doubled. A decade ago, two out of every five residents in rural and small urban communities did not have access to public transportation. Since then, the Federal Transit Administration (FTA) has been instrumental in bringing new public transportation options to dozens of these communities. Tribal areas also benefit from FTA investments that afford greater accessibility and mobility options.

Federal transportation investment has increased mobility and accessibility throughout the country. Businesses benefit from easier access to suppliers, a larger labor pool, and expanded consumer markets. These factors can reduce transportation costs both for business-related passenger travel and for the movement of commercial freight. Access to larger numbers of workers, consumers, and suppliers also increases the attractiveness of a community to businesses. These investments, combined with initiatives aimed at making the most efficient use of existing capacity, will measurably improve quality of life in America.

Changes in demographics, shifts in land-use patterns, and the emergence of new job markets require different approaches to managing mobility, particularly for people who may not be able to use existing transportation services due to age, disability, location, or other factors. Federal funding for public transportation has provided a framework around which nine Federal departments are collaborating to deliver community-based transportation services under various authorities. These services, which may be operated by private non-profit groups and community organizations, offer a lifeline to persons with disabilities, older Americans, and individuals and families who do not possess automobiles.

The Job Access and Reverse Commute (JARC) program was established to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment. Many new entry-level jobs are located in suburban areas, and low-income individuals have difficulty accessing these jobs from their inner city, urban, or rural neighborhoods. In addition, many entry level-jobs require working late at night or on weekends when conventional transit services are either reduced or non-existent. A report published a few years ago by APTA noted that small urban and rural communities may be particularly at risk, as nearly 2/3 of the residents in these areas have few, if any, transportation options. APTA found that 41 percent of the residents of small urban and rural communities have no transit available to connect them to jobs and services, while another 25 percent lived in areas with below average transit services.

Transit-oriented, mixed-use development has the potential to provide efficient and convenient options for employers, developers, young professionals and families in many large and small cities around the United States. It also allows people to age in place, and in the same communities as their children and grandchildren. Transit-oriented development also has the potential to contribute significantly to the revitalization of downtown districts, foster walkable neighborhoods, and offer an alternative to urban and suburban sprawl and automobile-focused commuting. Moreover, transit-oriented development (TOD) in areas with existing transit service can turn subway stops and commuter rail stations into hubs for mixed-use development where workers can walk (or connect by a short bus ride) to jobs, housing and services. Over the past year, these communities have not seen as high foreclosure rates as their car-dependent counterparts.

LINKAGE BETWEEN TRANSPORTATION, HOUSING AND LIVABLE COMMUNITIES

Clearly the linkage between public transportation and urban development is crucial, particularly when it comes to low-income housing. Over the past five years, HUD and DOT's FTA have explored opportunities to coordinate housing and transportation planning and investment decision-making. A June 2003 roundtable hosted by the National Academy of Sciences focused on possible data sharing and development of Geographical Information Systems (GIS) platform by the two agencies.

Following the roundtable, HUD and DOT entered into a June 2005 Interagency Agreement (IAA) to help communities realize the potential demand for transit-oriented housing. The IAA was aimed at closing the gap between the projected demand for housing near transit in particular metropolitan regions, and realizing the development of that housing in proximity to new or existing transit corridors in these regions.

The IAA provided support for a jointly funded research study on *Realizing the Potential: Expanding Housing Opportunities Near Transit*. The report, published in April 2007 by the Center for Transit Oriented Development, included five case studies examining the role of public transportation in the location of affordable housing in Boston, Charlotte, Denver, Minneapolis-St. Paul, and Portland. More recently, DOT and HUD released a report to Congress in September 2008 on *Better Coordination of Transportation and Housing Programs*. This report outlines strategies to continue and expand coordination in the areas of mixed-income and affordable housing choices near transit.

In addition, DOT and HUD have been working as partners to continue development of coordinated, integrated strategies, methods and policies to promote the role of public transportation in affordable housing. Key among these policies and strategies is the integration of transportation and housing planning activities.

Presently, transportation planning is carried out at the regional level in metropolitan and urbanized areas or at the state level for rural and non-urbanized communities, whereas housing planning is conducted at the local municipal/county level. Bringing these disparate groups together to integrate planning of housing development and

transportation improvements is fundamental to locating new and preserving existing affordable housing in proximity to public transportation. This effort will include:

- Outreach to and capacity building for stakeholders
- Convening of expert roundtables and other forums;
- Development of appropriate tools to support location efficiencies;
- Promotion of incentives for housing related transit-oriented development within FTA programs
- Identification of appropriate research topics;
- Development of performance measures, information systems, and reporting mechanisms; and
- Development of a *Best Practices Manual* – a multi-scenario “how-to” manual for promoting development of mixed-income housing near transit, to be published by the end of the year.

DOT and HUD are developing a work plan for this effort, which will provide for briefings between the two agencies to better understand each other’s programs and how their community development activities can be aligned for greater efficiencies of Federal investments.

The Department has engaged its Volpe National Transportation Systems Center to provide technical and logistical support, and is using FTA’s regional offices in this effort to facilitate better coordination with our Federal partners, MPOs, State departments of transportation, and grantees in communities where the planning is actually carried out.

Finally, the Government Accountability Office is completing an examination of this effort in both agencies. The Department will certainly ensure that recommendations are appropriately acted upon when the report is published. Although limited to affordable housing, the results of this DOT-HUD effort will greatly influence and support the Department’s broader Livability Communities Initiative and the DOT-HUD-EPA Partnership.

DOT has also initiated a Federal Interagency Working Group on Transportation, Land-use, and Climate Change in which HUD and EPA are participating. The goal of this 13-agency working group is to identify opportunities to better align Federal programs and resources to achieve greenhouse gas (GHG) reductions through land-use solutions. The working group is currently developing performance metrics, research and data needs for several areas where the Federal Government can begin to align efforts to address GHGs. The results of this work will greatly benefit DOT’s livability efforts.

DOT’S LIVABLE COMMUNITIES INITIATIVE

I am committed to improving the livability of our nation’s communities and, in fact, shortly after I was confirmed as Secretary of Transportation, I charged the Department’s Policy Office with developing a DOT-wide Livable Communities Initiative. I am pleased to note that DOT already had numerous programs that foster livability – everything from

funding for bicycle and pedestrian facilities, ensuring safety, protecting and enhancing the human and natural environment, connecting remote communities to needed services, to reducing the impact of freight transportation, congestion mitigation and traffic management.

The ARRA also provided opportunities to promote livability. States must spend three percent of their allocation on the Transportation Enhancement Program, which is a primary source of bicycle and pedestrian infrastructure funding. The remainder of the “highway” money is flexible, permitting states and metropolitan areas to spend this funding on roads, bridges, transit, bike and pedestrian infrastructure, freight and passenger rail or ports.

Additional actions would enhance transportation’s contribution to strong and connected communities. First, the range of transportation choices available to all Americans – including transit, walking, bicycling, and improved connectivity for various modes – must be expanded. American businesses must also have effective transportation to meet their logistical needs so that they can continue to provide jobs for their surrounding communities. All segments of the population must have access to safe and convenient transportation options to get to work, housing, medical services, schools, shopping and other essential activities including recreation. Just as important, our transportation investment decisions need to be consistent with policies concerning greenhouse gas emissions. And efforts must be renewed to rescue other adverse effects of transportation on all aspects of the natural and human environment.

Although we are working to finalize the details, my goal through DOT’s Livable Communities Initiative is to enhance the economic and social well-being of all Americans by creating and maintaining a safe, reliable, intermodal and accessible transportation network that enhances choices for transportation users, providing easy access to employment opportunities and services. The initiative will need to build on innovative ways of doing business that promote mobility and enhance the unique characteristics of our neighborhoods, communities and regions.

Under the Livable Communities Initiative, my intent is to:

- Better integrate transportation and land-use planning to inform decision-making about public investments;
- Foster multimodal transportation systems and effective multimodal connections;
- Provide more safe transportation options to improve access to housing, jobs, health care, businesses, recreation, public services and social activities;
- Increase public participation in coordinating transportation and housing investments
- Improve public health by reducing noise and air pollution emissions and by increasing opportunities for physical activity through walking and bicycling.
- Plan for the unique transportation needs of individual communities; and better accommodate the needs of our aging population.

REAUTHORIZATION OF SURFACE TRANSPORTATION PROGRAMS

The current authorization for Federal surface transportation programs – the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) expires at the end of Fiscal Year 2009. The timing is such that we have a window of opportunity to think differently about transportation and propose bold, new approaches to improve the livability of our Nation's communities as part of reauthorization.

Whatever legislative approach is pursued, we will be taking a hard look at potential changes to metropolitan and statewide transportation planning processes to ensure that they improve livability. We believe it is important to include the six principles agreed upon in the DOT-HUD-EPA partnership to guide our authorization discussions.

The ongoing collaboration with our partners at HUD and EPA will improve the linkage between housing, water, and transportation investments and is a piece of the overall effort to combine land-use and transportation planning. This shift in development of transportation plans can provide for much more efficient Federal spending and can ensure a holistic approach to transportation systems – breaking away from the planning silos between transportation and land-use plans.

The Administration's surface transportation reauthorization proposal is still under development, and I look forward to discussing all the options for making livability a real centerpiece of the final proposal.

Thank you for the opportunity to appear before you today. I look forward to working with the Congress, HUD, EPA, and the transportation community to expand livability within our communities, including the connections between housing, transportation, and the environment.