August 29, 2014

Mr. Harlan W. Miller, Federal Highway Administration
Ms. Sherry Riklin, Federal Transit Administration
U.S. Department of Transportation
1200 New Jersey Avenue SE,
Washington, DC 20590

Docket No. FHWA-2013-0037; FHWA RIN 2125-AF52; FTA RIN 2132-AB10 – Notice of Proposed Rulemaking for Statewide and Nonmetropolitan Transportation Planning and Metropolitan Transportation Planning

Dear Mr. Miller and Ms. Riklin:

Enterprise Community Partners (Enterprise) appreciates the opportunity to comment on the joint Federal Highway Administration (FHWA) – Federal Transit Administration (FTA) Proposed Rule for Statewide and Nonmetropolitan Planning and Metropolitan Transportation Planning. Enterprise is a national nonprofit organization whose mission is to create opportunity for low- and moderate-income people through affordable housing in diverse, thriving communities. We work to achieve this by introducing solutions through cross-sector public-private partnerships with financial institutions, governments, community organizations and other partners that share our vision. Since 1982, Enterprise has raised and invested $16 billion to help finance nearly 320,000 affordable homes across the United States. We believe that public transportation is a crucial component of a thriving community, and that transit-oriented affordable housing supports a strong, equitable transportation network. Our Transit-Oriented Development (TOD) Initiative has provided capital and technical assistance to facilitate affordable housing and community development projects near transit throughout the country. Please see the appendix for more details on our TOD Initiative and empirical evidence in support of closer coordination between housing and transportation systems.

We commend the FHWA and FTA for working to create a more efficient and equitable transportation planning system. This builds off of previous progress made by the Department of Transportation (DOT) to support sustainable communities, including the incorporation of the Livability Principles into DOT policies and participation in the interagency Partnership for Sustainable Communities. Most notably, we commend FTA for its revisions to the Major Capital Investment Projects rating criteria, particularly the adoption of new provisions that encourage project sponsors to engage the affordable housing industry.

A strong and inclusive metropolitan planning process is crucial to promote long-term sustainability, vitality and opportunity in regions across the country. If implemented appropriately, the linkage of performance metrics and transportation planning could strengthen accountability and yield improvements in the quality of federal transportation investments. As you work to implement the
changes to transportation planning process prescribed under MAP-21 (Public Law 112-141), we urge you to adopt regulatory changes that:

- Create a more inclusive and representative Metropolitan, Nonmetropolitan and Statewide transportation planning process;
- Empower metropolitan planning organizations to use all the appropriate tools at their disposal to develop an effective, sustainable, and equitable transportation network; and
- Increase accountability in the federal transportation program by linking spending decisions to performance measures, and ensure that those measures promote sustainable and equitable development.

The following sections include our specific recommendations on how FHWA and FTA can achieve these goals. This letter has been developed in close coordination with partner organizations including the Natural Resources Defense Council (NRDC) and the National Housing Conference (NHC). In addition to the comments contained in this letter, we are supportive of the goals highlighted in their letters and urge FHWA and FTA to give careful consideration to their recommendations.

Creating a more inclusive and representative Metropolitan, Nonmetropolitan and Statewide transportation planning process.

Large infrastructure projects have a significant impact on the prosperity of a region. Quality transportation investments efficiently respond to the mobility needs of residents and businesses in a region. They can also spur investment, revitalization, and increased opportunity for households and communities whose access has improved. However, poorly planned transportation projects can have significant adverse impacts – facilitating environmentally destructive development patterns and “leapfrog” development, cutting off communities from the rest of the urban fabric, and serving as both literal and figurative barriers that have facilitated segregation (examples are found throughout the country, including in Miami, Pittsburgh, and Detroit). An inclusive planning process that involves the full range of affected people and communities would allow for up front identification and mitigation of these adverse impact and help avoid harmful projects altogether.

In addition to ensuring the overall effectiveness and quality of potential investments, the transportation planning process must also prioritize which projects receive limited federal resources. Given competing needs and scarce resources, an inclusive planning process is necessary to ensure that the distributional impacts of federally-funded transportation projects are equitably shared. While not every project will

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bring significant benefits to lower-income households and neighborhoods, it is important that the needs of these communities are not overlooked.

Ensuring project quality and proper prioritization is a difficult task. It is necessary for the full range of affected stakeholders to be involved and empowered in the transportation plan development process in order for these plans to have a strong foundation. To advance this goal, we offer the following comments on transportation planning representation and engagement:

- **Major providers of public transportation should have representation and voting parity as part of the metropolitan, nonmetropolitan and statewide transportation planning processes.** We support the proposal to ensure that major providers of public transportation are both included on MPO policy boards and given equal decision making rights, as required by MAP-21. As regions may have several major providers of public transportation, FHWA and FTA should require that each provider is represented on the policy boards in order to promote effective transit system integration and ensure that system needs are adequately addressed.

- **State and MPO transportation policy boards should be representative of the geographies they serve.** While it is important for the full range of geographies in a given state or region to be represented on transportation policy boards, representation on such boards should be reflective of overall population and needs. For states, this means that denser urban areas should have representation proportional to their population and economic activity levels. For MPOs, policy boards should not be structured in a manner that gives disproportionate power to less populous suburbs or state agencies, the latter of which may not be as attuned to the needs of that specific region.

- **The transportation process should be reflective of the needs of low-income and minority populations, and should incorporate environmental justice principles.** The Proposed Rule requires that states and MPOs develop plans and desired outcomes for engaging populations “traditionally underserved by existing transportation systems, such as low-income and minority households” as part of the transportation planning process (450.210 and 450.316 – Interested parties, participation and consultation). We strongly support this requirement and believe it can be strengthened by further incorporating the principles of environmental justice. We recommend that FHWA and FTA require or, at a minimum, encourage direct low-income and minority representation on MPO and state planning boards. Such representation would ensure that the interests of these communities are a direct part of the decision making process, from preliminary analysis to final decision making. This will increase the likelihood that traditionally underserved populations will gain equitable access to transportation assets and will not bear a disproportionate share of negative externalities such as pollution and neighborhood disruption.

- **The transportation planning process should complement affordable housing and community development efforts.** As detailed in the appendix, the transportation network is closely linked with efforts to improve outcomes for low-income households and communities, and efforts to expand low-income access to public transit can boost ridership and revenues for the system. Therefore we agree with language in the proposed rule that identifies housing and community development as relevant considerations in the transportation planning process (450.206 – Scope of the statewide and nonmetropolitan transportation planning process; and 450.306 – Scope of the metropolitan planning process). We recommend strengthening this provision to make it a required part of the planning process. This can be achieved by encouraging states and MPOs to
include representatives of these sectors on their planning boards, or by requiring that the planning process include outreach to the affordable housing and community development sectors under 450.210 and 450.316 – Interested parties, participation and consultation.\(^4\)

- **The transportation planning process should be coordinated with other federal planning processes.** We commend the recent federal efforts to break down silos between federal agencies, embodied by the interagency Partnership for Sustainable Communities. The achievement of desired outcomes in one discipline is often reliant on actions by other fields – transportation networks without supportive land uses and densities may become over- or under-utilized; environmental protection plans will not succeed if the transportation network and land use patterns support sprawl; and affordable housing efforts will struggle to create opportunity for residents without access to efficient transportation. This coordination is especially important in this era of diminished resources for both planning and implementation. Therefore, state, nonmetropolitan and metropolitan transportation planners should be explicitly encouraged to coordinate with all relevant local, regional and federal plans and processes, especially HUD Consolidated Plans, Sustainable Communities Regional Planning and Community Challenge programs, and Federal Emergency Management Agency Hazard Mitigation plans.

**Empowering metropolitan planning organizations to use all the appropriate tools at their disposal to develop an effective, sustainable, and equitable transportation network**

The aforementioned interagency coordination provides an opening for innovative thinking to address the various challenges facing the transportation system. Given the complexity of modern transportation networks, transportation planners should not be limited to traditional tools and practices. Rather, they should be empowered to adopt any reasonable measure that improves the functioning, efficiency, equity and sustainability of the transportation network. We offer the following comments on ways to encourage the use of innovative practices:

- **FHWA and FTA should encourage the use of scenario planning and provide information, technical assistance and best practices to MPOs and states.** Strong scenario planning should take into account land use and development patterns and the need for housing for households at all income levels. To the extent that accurate scenario planning leads to more efficient transportation investments, cost savings could offset some of the additional planning expenses. Therefore, we support efforts to encourage MPOs and states to undertake this process. To the extent feasible, FHWA/FTA should provide supplementary guidance, training and resources to grantees to support effective utilization of this tool. Finally, we recommend that FHWA and FTA leverage other federal planning efforts and adopt language in Section 450.324 that encourages MPOs and states to use local Analyses of Impediments to Fair Housing, Consolidated Plans, and regional housing studies to determine potential housing needs and impacts on transportation.

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\(^4\) Potential options for affordable housing and community development sector engagement include, but are not limited to: state housing finance agencies and housing departments; local housing and community development departments; public housing authorities; nonprofit providers of long-term affordable housing; local and regional affordable housing advocacy groups, regional collaboratives, and tenant associations; local land banks and community land trusts; and community development financial institutions and other providers of affordable housing/community development capital.
FHWA and FTA should encourage the use of programmatic mitigation plans. We support efforts to streamline necessary environmental reviews, provided that such efforts do not lead to poor analysis or environmental harms. To that end, we endorse the comments on programmatic mitigation plans offered by NRDC.

Intensive development near transit, including transit-oriented development and joint development, should be encouraged as a congestion management and environmental protection strategy. Land use and density can have a significant impact on the performance of the transportation network. Recent analyses have shown that it is possible for rapidly growing communities to halt rising traffic levels by combining dense development with a range of transportation options, including transit, walking and bicycling. Therefore, transportation planning regulations should be clear that transit-oriented development and joint development are relevant transportation control measures and congestion management processes in transportation management areas (450.322 – Congestion mitigation process in transportation management areas). Similarly, the definition of congestion management process (450.104) should reference land use management strategies in addition to “travel demand reduction” and “operational management strategies.”

Increase accountability in the federal transportation program by linking spending decisions to performance measures, and ensure that those measures promote sustainable and equitable development.

Just as resource limitations increase the importance of proper planning, they also necessitate robust evaluation of the effectiveness of those plans. The adoption of performance metrics will allow for the creation of feedback loops that will inform future planning efforts and make transportation programs more effective and accountable. However, rigid adherence to poorly designed metrics can have the opposite effect. Therefore, while the incorporation and utilization of performance metrics should be mandatory, there should be some initial flexibility in how they are implemented as states and MPOs adapt to this new process. We offer the following comments in support of a robust and effective performance-based transportation planning program:

States and MPOs should have flexibility to move beyond auto-centric standards and adopt performance measures that are mode-neutral and support more efficient and equitable development patterns. A non-exhaustive list of examples includes:

- Congestion reduction: Measuring average travel times rather than level-of-service can be more relevant to the daily needs of residents and commuters. For example, an individual whose average travel speed is 15 miles per hour but can access most daily needs within a five mile trip is functionally no worse off than someone whose average

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speed is 45 miles an hour but has a 15 mile commute. Many congestion metrics do not reflect this fact, skewing the distribution of scarce resources toward road widening and other highway projects that can be destructive to urban neighborhoods.

- **Freight movement and Economic Vitality:** A region has strong economic vitality if it allows people of all incomes to access employment opportunities. Therefore, job access measurements should be broken down by income levels and include impediments for low-income, minority and other disadvantaged households.

- **Accessibility and Mobility:** Residential mobility is a function of the both the spatial distribution of destinations and the efficiency of the transportation network. Measurements of location-efficiency, such as the Center for Neighborhood Technology’s Housing + Transportation Affordability Index and HUD’s Location Affordability Portal are useful tools/metrics that take both factors into account.

- **Environmental sustainability:** Environmental metrics should account for the distributional impacts of pollution and other negative externalities on traditionally disadvantaged communities.

**All performance measurement data should be made publicly available, and commonly utilized performance metrics should be standardized.** To improve state and MPO accountability, the general public should have ready access to the performance measurement information. While different states and MPOs should have the flexibility to adopt metrics that fit their needs and goals, FHWA and FTA should standardize those that are more frequently utilized to facilitate comparisons across jurisdictions and better link funding decisions to performance.

Once again, we commend FHWA and FTA for taking proactive efforts to improve inclusivity and effectiveness of the transportation planning process. We stand ready and willing to collaborate as you continue to work on these issues. Please contact Michael A. Spotts, Senior Analyst – Project Manager (mspotts@enterprisecommunity.org) with any questions.

Sincerely,

Melinda Pollack
Vice-President, Transit-Oriented Development
Enterprise Community Partners
Why is it important to coordinate transportation and affordable housing investments?

Land use and density can have a significant impact on the performance of the transportation network. Recent analyses have shown that it is possible for rapidly growing communities to halt rising traffic levels by combining dense development with a range of transportation options, including transit, walking and bicycling.\(^6\) Therefore, density of residential development and its proximity to transportation assets are important considerations during the transportation planning process.

There is also significant value in looking beyond the number and location of housing units and giving closer consideration to the income profile of residents and the affordability of units. This is a particularly important aspect of an equitable and effective transportation system, from a system efficiency, environmental protection and social equity perspective.

**System Efficiency**

Two oft-cited goals of the public transportation system are to increase resident mobility and to reduce congestion. To achieve these goals, it is imperative to orient the system in a way that links more frequent riders to useful destinations. Lower-income households are more likely to utilize public transportation, and transit-oriented development that reaches these potential riders can increase ridership, stabilize revenues, and reduce automobile congestion:

- A 2007 analysis indicated that nearly 66 percent of transit users had household incomes below $50,000 (in 2004 dollars).\(^7\)
- According to 2009 National Household Travel Survey data, the less a household earns, the more likely it is to utilize public transportation (with the exception of households earning more than $100,000).\(^8\)
- A California-based study showed that households earning less than 80 percent of area median income (AMI) rode transit more and made fewer vehicle trips per day than those above that

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threshold. Extremely low-income households (those earning up to 30 percent of AMI) took 50 percent more trips than households earning 120 percent of area median income or more.\(^9\)

- The same study found that the combination of the development pattern and the income mix of a neighborhood can have a significant impact on traffic. Transit-oriented areas had lower car ownership and fewer daily vehicle trips overall. Lower-income households living within one-half mile of transit drove 25-30 percent fewer miles than similar households in non-transit-oriented locations. Those within one-quarter mile drove even less. Higher income households within one-quarter mile of transit drove twice as many miles and owned twice as many cars as extremely low-income households within similar proximity.\(^{10}\)

**Environmental Protection**

Federal transportation policy also has the goal of mitigating negative environmental impacts, most notably in the form of the Congestion Mitigation and Air Quality Improvement program. In 2012, the transportation sector accounted for 28 percent of total U.S. greenhouse gas emissions, according to the Environmental Protection Agency.\(^{11}\) Sprawling development patterns not only lead to longer commutes (and higher emissions), but they also result in the loss of farmland and open space.\(^{12}\)

As the aforementioned travel data shows, mixed-income transit-oriented development facilitates the use of alternative modes of transportation and reduces the amount of land necessary to accommodate a growing population and economy. Therefore, it can serve as an effective tool for achieving the environmental goals of DOT and its grantees.

**Social Equity**

Transit-oriented development can expand mobility options, enhance access to employment opportunities, childcare, schools, stores and critical services, and lower commuting expenses.\(^{13}\) In addition to the aforementioned data showing the correlation between income and transit utilization, the 2009 National Household Travel Survey found that:

- Those with a medical condition were also more likely to use public transportation;
- Public transportation’s mode share is largest among those 85 and over; and

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\(^{10}\) TransForm, and California Housing Partnership Corporation; Pages 3, 8-9.


\(^{13}\) An analysis by the Illinois Housing Development Agency found that, among neighborhoods where they financed a development, households in neighborhoods served by both bus and rail saved an average of $3,000 in annual transportation costs compared to neighborhoods without transit access. Center for Neighborhood Technology. Safe, Decent, and Affordable: Transportation Costs of Affordable Housing in the Chicago Region. Chicago: Center for Neighborhood Technology, January 2012. [http://www.cnt.org/repository/SDA.pdf](http://www.cnt.org/repository/SDA.pdf).
There was a statistically significant decline in the usage of automobiles among that age cohort from 2001-2009.\textsuperscript{14}

The aging of the population means that if commuting trends continue, demand for more transit-oriented and walkable development will increase. Ensuring that a portion of this development remains affordable to lower income and other vulnerable household allows the benefits of TOD to reach those that can benefit most.

Meeting the Demand for Equitable TOD

High overall demand for transit-oriented neighborhoods makes it difficult to ensure that a portion of the housing stock remains affordable. Elevated land costs create pressure for developers to target higher-income households. Affordable housing developers may struggle to compete for sites against developers that can charge higher rents. Furthermore, property value increases in transit-served areas put existing residents at risk of increased cost burden and displacement.\textsuperscript{15} Therefore preserving and creating affordable housing opportunities near transit requires targeted plans, policies and tools, as well as the proactive involvement of both the housing and transportation sectors.

The Enterprise TOD Initiative: Working to Create Equitable, Transit-Served Communities

Enterprise strives to reduce housing insecurity through affordable housing that links low-income families to schools, jobs, transit and healthcare. The Enterprise TOD Initiative works with regional collaborations, policymakers and nonprofit housing organizations to advance development of mixed-income, amenity-rich neighborhoods near public transit. Enterprise creates innovative financing tools and solutions for transit-oriented development and serves as an influential voice for policy and best practices across the country. In collaboration with our partners, Enterprise is actively engaged in TOD capital, solutions and policy efforts in Atlanta, the Bay Area, Chicago, Cleveland, Denver, Los Angeles, Seattle and Washington, D.C.

Priorities

- Creating new capital resources for acquiring multifamily properties, under-utilized parcels and vacant land near existing and planned public transit stops for affordable housing and community development

\textsuperscript{14} Mattison, Jeremy. Travel Behavior and Mobility of Transportation-Disadvantaged Populations: Evidence from the National Household Travel Survey. Fargo, ND: Small Urban & Rural Transit Center; Upper Great Plains Transportation Institute; North Dakota State University, February 13, 2013. \texttt{http://www.ugpti.org/pubs/pdf/DP258.pdf}; Pages 21-23.

Advancing favorable policies that ensure planning for and investment in affordable housing and community assets near transit and coordination among public agencies

Conducting research that informs best practices in partnership with TOD experts such as The Natural Resources Defense Council, The Center for Transit Oriented Development, Local Initiatives Support Corporation, Low Income Investment Fund and the National Housing Conference

Supporting grantees of the U.S. Department of Housing and Urban Development’s Sustainable Communities program as they work to develop financial solutions for TOD in their communities

Accomplishments

The $15 million Denver TOD Fund, managed by Enterprise, seeks to create or preserve 1,000 affordable homes along current and future transit corridors in Denver. Since April 2010, the Fund has made eight acquisition loans, which will create and preserve approximately 600 affordable homes, a new public library, and over 100,000 square feet of supportive commercial space, all accessible by transit.

Enterprise is a partner in the $50 million Bay Area Transit Oriented Affordable Housing (TOAH) Fund, which has already funded over $10 million in acquisition loans that will result in over 200 affordable homes for seniors, families and people with chronic illnesses. These transit-friendly developments will include important retail and health care services, including a full-service grocery store in a former food desert.

In Washington, D.C., the Green Preservation of Affordable Transit-Oriented Housing (GreenPATH) initiative, launched by Enterprise and the National Housing Trust, works to preserve affordable housing within a half-mile of current and planned rail stations.

Enterprise, along with 19 other non-profit, foundation, and bank organizations, founded Denver’s Mile High Connects, a broad partnership of organizations with a collective mission to ensure that metro Denver’s regional transit system fosters communities that offer all residents the opportunity for a high quality of life. Mile High Connects focuses on leveraging public transportation to increase access to affordable housing choices, good jobs, quality schools and healthy lifestyles.

TOD Initiative Contacts

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