March 26, 2012

Peter M. Rogoff
Administrator, Federal Transit Administration
U.S. Department of Transportation
1200 New Jersey Ave SE
Washington, DC 20590

Subject: Docket Number FTA–2010–0009, New Starts and Small Starts Program
Notice of New Starts/Small Starts Proposed Rule and Policy Guidance

Dear Administrator Rogoff:

The Green Affordable Housing Coalition\(^1\) appreciates the opportunity to submit comments on the Federal Transit Administration’s (FTA) proposed New Starts/Small Starts policy guidance. We commend FTA for its commitment to measuring and promoting a wider range of benefits through its Major Capital Investments (New Starts/Small Starts) projects.

The undersigned organizations believe that public transit investments are important means of enhancing mobility, decreasing traffic congestion, improving air quality and facilitating economic development and community revitalization. We also believe that the benefits of public transit investments should be equitably shared by households of all incomes. To that end, we are supportive of FTA’s proposal to assess applicants’ efforts to create and preserve “publically supported affordable housing” proximate to New Starts/Small Starts projects. Several of the undersigned organizations have submitted detailed comments on this subject under separate cover.

The undersigned organizations also support FTA’s proposal to amend the “cost effectiveness” calculation by excluding the costs of “betterments” from the equation and believe that this exclusion should be explicitly mentioned in the Final Rule as well as the Policy Guidance. The proposal defines betterments as elements that go beyond the basic functioning of the project. If properly structured, this exemption would remove barriers to implementing project elements that will improve the overall functioning and quality of the project, but are above and beyond the items needed to deliver the mobility benefits measured as part of the cost-effectiveness index. These elements can enhance the ancillary benefits of the project by further reducing the project’s environmental impact (in the case of LEED Certification, as explicitly mentioned in the policy guidance), enhancing project access and mobility (through enhanced bicycle and pedestrian access) and ensuring that the benefits of the transit investment are shared by households of all incomes (through efforts to promote community development and create and preserve affordable housing). In implementing this proposal, we offer the following suggestions:

\textit{In addition to the explicit inclusion of LEED certification, allow the costs of meeting substantially equivalent green building certification systems to qualify for betterment status.} The undersigned organizations strongly support FTA’s proposal to subtract the costs of meeting LEED certification from the cost-effectiveness calculation. While various LEED rating systems could apply in these circumstances, the U.S. Green Building

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\(^1\) The Green Affordable Housing Coalition is a national action network that fosters collaboration and advocates for the development and preservation of green affordable housing. The views expressed in this letter reflect those of the undersigned organizations, rather than the official position of the Coalition as a whole or any Coalition member not included in this letter.
Council has designed the LEED for Neighborhood Development rating system specifically for addressing the community-scale impacts associated with investment in transit and related development. We also believe that other substantially equivalent, broadly recognized certification systems should be explicitly eligible, including but not limited to the Enterprise Green Communities Criteria and EarthCraft. By allowing the costs of meeting these certifications to be included, FTA is promoting environmental sustainability in all its projects, particularly those that are incorporating mixed-use and mixed-income development on-site.

*Allow the cost of acquiring land/property for affordable housing and community development projects adjacent to transit to qualify as betterments.* Transit investments can lead to positive community and economic development benefits proximate to transit stations. In many circumstances, this can lead to an increase in property values and housing costs. In order to ensure that low- and moderate-income households have an opportunity to benefit from the enhanced access and mobility that public transportation provides, many communities have proactively worked to create and preserve affordable housing units and provide ancillary community facilities near transit stops. In addition to the equity benefits of these investments, affordable housing and community development projects can have direct benefits to the transit project itself. Research has shown transit riders are more likely to be of low and moderate incomes, and therefore such activities can increase and/or stabilize ridership for the transit project. Therefore, FTA’s definition of betterments should include the acquisition costs of property near a proposed transit station when the end use is for a community benefit such as affordable housing and ancillary community facilities. Such activities can be undertaken through joint development, the sale of surplus property to an organization that makes a commitment to undertake such development activities, or other forms of public-private partnerships or legally-enforceable commitments to undertake community development activities. In addition, FTA’s definition of betterments should include the costs of providing bicycle and pedestrian access to the transit stop for nearby affordable housing and community development projects (both newly developed and existing).

*Allow the incremental costs of structured parking (vs. surface parking) to qualify as betterments if they allow for more intensive development adjacent to transit stops.* While the availability of parking adjacent to transit can facilitate increased ridership in some circumstances, the construction of extensive surface parking lots adjacent to transit can crowd out more productive uses such as intensive residential and commercial development. Therefore, if an applicant’s plan proposes to use vertical parking structures rather than a surface parking lot and uses the freed-up land for development (especially of affordable housing and/or community facilities), the incremental costs of the parking structure (vs. the costs of surface parking) should receive betterment status.

*The value of the betterment to be excluded in the cost-effectiveness calculation should be related to the actual cost of the element/activity.* FTA’s proposed policy guidance states that the capital costs of the project would be reduced to account for betterments by a fixed percentage specified by FTA. Each project will have unique circumstances that affect the costs of the overall project and individual betterments. Rather than creating a fixed percentage reduction for a prescriptive list of eligible betterment activities (for example, reducing any project’s capital costs by 5 percent for meeting green building certifications), FTA’s policy guidance should enumerate eligible public benefits and goals and base the betterment exemption on the actual cost of activities undertaken to meet them. This will provide applicants with the flexibility necessary to undertake innovative activities that promote overall program goals and improve project sustainability.

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Collaborate with other agencies and the interagency Partnership for Sustainable Communities in implementing proposals related to broader community benefits. While we strongly support FTA’s efforts to incorporate a more holistic approach to transit investments, we acknowledge that it may be necessary for FTA to leverage the expertise of external departments and agencies in implementing the proposed changes. Specifically in reference to affordable housing-related proposals, we recommend that FTA build off existing coordination efforts with the interagency Partnership for Sustainable Communities and the Department of Housing and Urban Development in particular.

Once again, thank you for the opportunity to provide comments on FTA’s proposed rule and policy guidance for Major Capital Investments projects. We commend FTA for its ongoing willingness to seek and respond to public input. Please contact Michael Spotts, Policy Analyst at Enterprise Community Partners (mspotts@enterprisecommunity.org; 202-649-3902) with any questions or for further discussion.

Sincerely,

Coalition to End Childhood Lead Poisoning
Enterprise Community Partners
Montgomery Housing Partnership
National Housing Conference
National Housing Trust
U.S. Green Building Council