March 12, 2010

Office of Sustainable Housing and Communities
Department of Housing and Urban Development
451 7th Street SW, Room 10180
Washington, DC 20410

Re.: Docket No. FR-5396-N-01
Sustainable Communities Planning Grant Program
Advance Notice and Request for Comment

To Whom It May Concern:

The proposed Sustainable Communities Planning Grant Program, released for public comment on February 10, 2010, represents a welcome policy direction for the nation. Many local governments and other interested parties in the Portland, Oregon/Vancouver, Washington metropolitan region are encouraged by the vision that has led to the creation of the Partnership for Sustainable Communities consisting of the Department of Housing and Urban Development, the Department of Transportation and the Environmental Protection Agency. We also applaud the adoption by the Partnership of six Livability Principles that represent an important recognition of the relationship between public investment and the creation of livable communities.

On behalf of the jurisdictions we represent, we are pleased to submit the comments reflected in Attachment A in response to the questions asked in the Advance Notice.

However, before doing so, we would also like to offer one overarching suggestion not specifically solicited in the Advance Notice: **the addition of a Livability Principle addressing social equity.**

As the Advance Notice states, "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" (emphasis added). An added seventh Livability Principle could read: **Advance Social Equity. Ensure fairness, justice, and equity in the formation and implementation of public policy, the distribution of public services, and the management of all institutions that serve the public** (this language is consistent with the definition of social equity embraced by the National Association of Public Administrators, 2000). A social equity goal for a regional sustainable communities planning effort can help ensure that everyone – regardless of the neighborhood in which they live – has access to the essential ingredients for economic and social success. We believe a social equity principle should inform Regional Plans and implementation strategies, and be demonstrated in catalytic projects.

As you read the specific comments, please keep in mind the following priorities:

Retain all three categories – While the Portland/Vancouver metropolitan region has considerable experience in developing and implementing a Regional Plan for Sustainable Development as called for in the Advance Notice, we concur with the observation that metropolitan areas across the country are at various stages of readiness and capacity to plan for a sustainable future. The three proposed grant categories appropriately recognize these differences. Moreover, even those areas with Regional Plans already in place could benefit from planning that integrates housing, access to education, economic development, transportation, environmental quality and social equity. Accordingly, we recommend that you retain in the final Notice of Funding Availability all three funding categories proposed in the Advance Notice:

- Category 1 – Funding to support the preparation of Regional Plans for Sustainable Development;
- Category 2 – Funding to support the preparation of more detailed execution plans and programs to implement existing regional sustainable development plans; and
- Category 3 – Funding for a catalytic project or program that demonstrates implementation of the broader plan.

The grant program should be focused on outcomes, not just plans – In all three funding categories, proposed applications should be evaluated based upon their ability to demonstrate implementation of the Livability Principles established by the Partnership for Sustainable Communities. That is, it should not be sufficient to award a grant from this program with the expected final product being just a plan.

- Award of a Category 1 grant for development of a Regional Plan for Sustainable Development should include commitment to follow through with implementing regulations, funding criteria, programs and projects.
- Award of a Category 2 grant to develop more detailed execution plans and programs should include a commitment not just to identify implementation programs, but to follow through

with their implementation with a realistic expectation of inducing other public and private sector investment.

- Award of a Category 3 grant should be based upon an applicant demonstrating that the project's catalytic nature will leverage actions that are transformative. Catalytic projects should also be able to document direct social equity outcomes such as increased economic wellbeing or health benefits for lower income residents. We also believe that catalytic projects should be defined to include the planning and organizational alignment of "soft" resources, not just capital projects. These resources might include rent assistance, workforce development, job placement and training, veterans' services, community and mental health, and child care so that low-income residents can better navigate a region's "hard" infrastructure to achieve self-sufficiency.

In summary, the result of this grant program should be measurable outcomes on the ground.

Eligible recipients should commit to implementation – Grants should be awarded to applicants composed of an appropriate, equitable and inclusive consortium of government partners, community and civic organizations, and private partners capable of and committed to implementing plans, implementation strategies and projects. In the case of Category 1 and 2 related to Regional Plans and implementation strategies, the applicant's jurisdictional scope should encompass at least the predominant share of the urbanized area and include the metropolitan planning organization or council of governments and appropriate implementing agencies such as local governments, housing authorities, transit districts, state Department of Transportation, workforce training entities, and other entities whose governing bodies will adopt such regional plans and/or implementation strategies. Specifically with respect to Category 2 planning to fine-tune existing plans, we suggest that a regional consortium be authorized to designate as the applicant the entity with the most experience and the most direct responsibility for the eventual implementation of the proposed actions. In the case of Category 3 catalytic projects, the applicant should be the agency responsible for implementation with support from the agency that developed the Regional Plan for Sustainable Development for which the project is being implemented. In addition, there should be support from the local municipal government where the catalytic project is located and those governing bodies should support such regional plans and implementation strategies. Metropolitan areas should be expected to demonstrate a track record that convinces HUD that their proposal will lead to real changes, including successful past efforts of intergovernmental cooperation and measurable outcomes.

Allow funding for capital projects – The Advance Notice requests feedback on whether to provide grants from this limited program for capital improvements. **YES,** the final Notice of Funding Availability should provide for transformative capital grants that meet the Livability Principles. However, in light of the limited size of this resource and potential grant awards, capital projects receiving grant awards should be clearly catalytic and should be judged based on the catalytic effects produced rather than on measures internal to the projects themselves.

No federal grant program alone will ever be sufficient to implement the Livability Principles, which will require sustained and integrated investments at all levels. Therefore, consistent with Livability Principle #5, HUD should seek to coordinate the flows of existing federal funds and leverage the plans, regulations and expenditures of state and local funds. Capital projects that leverage other federal, state, regional and local funding programs and that demonstrate market feasibility or

produce a pilot that can be replicated locally or nationally should be considered in scoring catalytic projects that merit a capital grant award.

HUD should specifically encourage capital projects that apply innovative solutions to the challenges of providing affordable housing and reducing transportation costs. In addition, planning that leads to innovative programs that meet social equity goals by promoting location-efficient housing near transit and jobs, thereby increasing self-reliance for lower-income residents, should be eligible for funding.

Planning for Brownfields remediation/reuse should be explicitly mentioned as an eligible component of all three funding categories and included in the Regional Plans for Sustainable Development. Reuse and redevelopment of land is a critical element of any true sustainable development strategy and is essential if we are to wisely invest to achieve the Livability Principles.

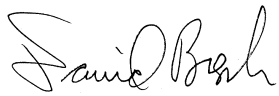
Allow applicants to apply for funding for activities from multiple categories – Eligible applicants may be able to enhance their integrated implementation strategies and benefit from funding for a catalytic capital project that serves as both a national model and a laboratory for building lasting collaborative approaches. These outcomes should be encouraged.

Local match – The Advance Notice indicates an expectation of at least 20% leveraged funds from other public and private sources including in-kind contributions. That proportion is fine for the direct cost of carrying out the scope of the grant award but much greater than 20% leverage should be demonstrated for complementary planning and capital improvement initiatives. The specific grant scope should be complemented by other state, regional and local initiatives, past, present and future, that strive to implement the six Livability Principles, including involvement of non-government organizations.

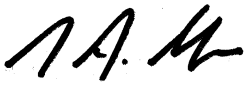
Needs assessment – The Advance Notice seeks feedback on whether a needs assessment should be a requirement as part of the submission of a grant application. **NO**, a needs assessment should not be required. In lieu of a "Needs Assessment," it may be appropriate that a grant application be accompanied by a Statement of Purpose that describes the problems and/or opportunities that the grant proposal is intended to address. This would be much like the "Purpose and Need" statement presented in an Environmental Impact Statement that serves to guide the development of the project or the Needs Assessment section of the Consolidated Plan. Clearly articulating the problem and what the project does to address it will indicate how the project will serve as a catalyst for change.

Thank you for the opportunity to comment.

Sincerely,



David Bragdon
President, Metro Council



Sam Adams
Mayor, City of Portland

Lynn Peterson
Chair, Clackamas County Board of Commissioners
Chair, Clackamas County Housing Authority

Nick Fish
Commissioner, City of Portland

Tom Brian
Chair, Washington County Board of Commissioners
Director, Washington County Housing Authority Board of Directors

Fred Hansen
General Manager, TriMet

Jana McLellan
Interim Chair, Multnomah Board of County Commissioners

Steve Rudman
Executive Director,
Housing Authority of Portland

Roy Johnson
Executive Director,
Vancouver Housing Authority

Adolph Valfre, Jr.
Executive Director,
Housing Authority of Washington County

Trell Anderson
Executive Director,
Housing Authority of Clackamas County

Wim Wiewel
President,
Portland State University

Greg Wolf
Executive Director,
National Policy Consensus Center

Attachment A

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

Sustainable Communities Planning Grant Program Advance Notice and Request for Comment

Comments submitted by:

Metro
600 NE Grand Ave.
Portland, OR 97232

TriMet
710 NE Holladay
Portland, OR 97232

City of Portland
1221 SW 4th Ave., Room 340
Portland, OR 97204

Housing Authority of Portland
135 SW Ash
Portland, OR 97204

Clackamas County
2051 Kaen Road
Oregon City OR, 97045

Clackamas County Housing Authority
13930 Gain
Oregon City OR 97045

Washington County
155 North First Ave., MS-21
Hillsboro, OR 97124

Washington County Housing Authority
111 NE Lincoln Street, Ste. 200-L
Hillsboro, OR 97124

Multnomah County
501 SE Hawthorne Blvd, Ste. 600
Portland, OR 97214-3587

Vancouver Housing Authority
2500 Main St.
Vancouver, WA 98660

Portland State University
PO Box 751
Portland, OR 97207-0751

National Policy Consensus Center
PO Box 751
Portland, OR 97207-0751

The following are specific questions for which HUD is seeking comment. Each numbered comment is asked in the Advance Notice and Request for Comment.

1. **Category 1: Regional Plans for Sustainable Development.**

    a. **What specific types of eligible activities would support this effort?**
    Response: Staff and consultants to carry out definition and evaluation of scenarios, policy development, urban design studies, transportation and other infrastructure analysis, transportation, environmental and land use modeling, park and natural area planning, financial analysis, public engagement, advertising, printing and graphic services, public opinion surveys, etc.

b. **Which parties should be part of the regional planning process?**
Response: All units of government that will have an implementation responsibility and need to be a party to supporting their part of regional policy making, including: local and state land use, transportation and environmental agencies, regional land use and transportation agencies including the MPO, a COG (if separate), transit districts and Port authorities, cities and counties, redevelopment agencies and significant housing authorities and urban serving universities. In addition, there should be a plan for involvement of significant non-governmental organizations and encouragement of co-sponsorship by non-governmental organizations.

c. **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?**
Response: The vision should include a long-range physical layout for major elements of urban form, transportation infrastructure, housing choice/location strategies and protection of significant environmental resources; the implementation and funding plan should constitute a broad strategy and timeline that integrates federal programs with existing and potential state, regional and local funding programs. Desired outcomes should be defined as part of the policy statement for the plan and metrics and a program to track performance should be defined.

d. **How can citizens best participate, such as through a requirement for participation in a minimum number of public meetings to ensure broad regional consensus?**
Response: Public engagement should be required. However, it is important to encourage the right method for the community and project. Public engagement should be meaningful to the affected community. Guidance from HUD on Best Practices for Public Engagement would be helpful in assisting communities to effectively engage the public. The NOFA should require transparency through dissemination of information on the process, schedule, decisions and decision-making bodies, and opportunities for involvement, and should require reaching out to underserved populations.

e. **Should Regional Plans for Sustainable Development be expected to harmonize and be consistent with HUD, DOT, and EPA-required plans and, if so, how?**
Response: Functional Plans for infrastructure should demonstrate compatibility with the vision, but the DOT-required long-range transportation plan and the HUD-required Consolidated Plans will be more detailed than the Vision document.

f. **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?**
Response: The federal formula programs should be part of the funding strategy describing the policy intent for the funds, its relation to the vision, jurisdictional responsibility for decisions and criteria for future project selection. This could continue current practice and demonstrate the linkage to the Vision or adoption of

the Vision and funding strategy could lead to a change in policy direction for a particular funding program. In addition, once a Vision is adopted by the region and local entities and is accepted by the federal agencies, it should be used to guide future investments using federal funds.

2. **Category 2: Detailed Execution Plans and Programs.**

   a. **What specific types of activities should be eligible for funding in this category?**
   Response: Staff and consultants to carry out policy development, development of locally appropriate performance measurement methodology that is consistent with the Livability Principles and the Vision, technical analysis, urban design studies, implementation of cluster-based economic development strategies, transportation and other infrastructure analysis, transportation, air quality, greenhouse gas and land use modeling, park and natural area planning, financial analysis, market studies, public engagement, advertising, printing and graphic services, public opinion surveys, etc. However, the focus for Category 2 vs. Category 1 should shift to implementation activities and include more intensive work on development of public facility plans, definition of projects and costs, financial analysis, development of fiscal tools, etc.

   b. **What criteria should be used to evaluate whether a previously adopted regional vision is consistent with the Livability Principles discussed above?**
   Response: To provide the basis for a Category 2 grant, a Regional Plan for Sustainable Development should address a long-term period (40-50 years), examine changes to both land use and transportation and the interaction between land use and transportation, be multi-jurisdictional, reflect the results of a public and stakeholder engagement process around scenarios and choices for the future, and include documentation of evaluation of performance metrics. The Regional Plan should have been officially adopted or demonstrably embraced by the units of government responsible for implementation.

   c. **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?**
   Response: The federal funding categories are generally too small to serve as the principal implementation mechanism and need to leverage other state, regional and local funding programs (existing and proposed). To leave out these state, local and regional sources at best results in a partial strategy and at worst could lead to these sources being used for contradictory purposes. Regions that are willing to demonstrate how the broad array of funding strategies work together should be rewarded for their effort. However, a comprehensive integration of state and local funding sources should not be required at the grant application step. Rather, applications should be expected to indicate that the region is moving in that direction and describe expected outcomes after going through the process funded by the grant.

3. **Category 3: Implementation Incentives.**

   a. **Would "pre-certification" be an added value and, if so, what programs should this approach apply to?**
   Response: Yes, pre-certification should be added to allow appropriate agencies to receive funding directly and reduce duplicative efforts. To be pre-certified an agency should clearly demonstrate that it has previously complied with federal guidelines/ regulations and delivered a federal project. Successful delivery of FTA, HUD, and FHWA projects indicates ability to comply with funding, reporting and environmental regulations. However, there should be clear definition of programs that pre-certification applies to and a clear benefit to the pre-certification.

   b. **What criteria should be considered for meeting the "pre-certification" status?**
   Response: The program for which pre-certification is applied is clearly linked into the Vision. An example would be assigning a "High" rating for the land use criteria when scoring prospective New Starts projects. The New Starts project should be reflected in the Vision and there should be clear actions reflected to provide supportive land uses around the New Start.

   c. **Is the direct support of implementation activities appropriate within this Program given the limited amount of resources and the expected modest size of grants?**
   Response: Yes, but only for catalytic projects that carry out a clear plan, leverage other funding and lead to further action.

   d. **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?**
   Response: A project that is catalytic carries out a vision, transforms problems into solutions, and stimulates other entities to independently implement additional projects. An applicant should demonstrate how the project can create results on the ground such as increasing transit ridership, changing mode share, reducing transportation and housing costs, attracting private investment, reducing carbon emissions, and reusing brownfields.

   Regional support may be demonstrated by official adoption of a Regional Plan for Sustainable Development, support from local/regional governments, and funding commitments for further public investment.

   e. **Specifically, what criteria should be considered for a project to be catalytic?**
   Response: In addition to the characteristics described in 3.d. (above), catalytic projects should implement the Livability Principles, have long-term effects on environmental quality and social equity, exemplify strong partnerships, and include participation of local jurisdictions. Furthermore, catalytic projects, by definition, should stimulate action by others. Affected property owners, business associations, developers, community organizations and local governments should be committed

to implementation beyond the individual catalytic project.

f. **What types of activities might be included?**
Response: Traditional public infrastructure such as streets, sewers, water infrastructure and non-traditional public infrastructure including but not limited to street trees and furniture, public plazas, historic building rehabilitation, historic street lighting, art, and public investment in private developments to impact their financial feasibility including land assembly/demolition/brownfield clean-up and land value write-down. Examples of other activities to include are affordable housing, public community centers, senior centers, day care centers and libraries. Programmatic innovations such as regional coordination of rental assistance with workforce training partnerships plus targeting of private Section 8 landlords near transit and employment centers should be fundable options. Efforts to preserve expiring rental subsidies near transit and employment centers should also be eligible.

g. **What is the timeframe by which the project should be completed?**
Response: 3-5 years from planning to completion.

h. **How much leveraging should be considered appropriate for demonstrating that the proposed investment will serve as a region's commitment to a sustainable future?**
Response: A grant award for an individual catalytic project should demonstrate leverage relevant to that project. That is, the project should be fully developed with a viable financial pro-forma showing the various direct project funding contributions being made and a conceptual strategy for how it fits into a broader plan for the district. The degree of leverage should be considered when scoring the merits of an application; however, no leverage threshold should be established as a requirement. Furthermore, expecting to leverage a commitment of regional funds beyond that related to the specific project and the surrounding area is inappropriate.

4. Entities Eligible for Funding

a. **Should certain entities be required partners in multi-jurisdictional regions such as a metropolitan planning organization as defined in 23 CFR 450.104?**
Response: Yes for Categories 1 and 2 (and a COG if separate). No for Category 3. However, the agency that developed the Regional Plan for Sustainable Development, which may be the MPO or COG, should endorse the proposed capital grant and describe how it is a catalyst for implementing the adopted Vision. Relevant NGOs should be strongly considered as co-applicants for all categories.

b. **What units of government should be allowed to serve as a lead agency for funding purposes?**
Response: For Categories 1 and 2, any agency whose geographic area covers the region in question should be allowed to serve as lead agency: if not the MPO, then a COG, transit district or state agency. For Category 2, the lead agency could be an

MPO or, alternatively, a coalition of regional housing authorities, workforce agencies and/or transit providers might come together to develop action plans to implement already adopted regional plans. The lead agency in this case would be designated from the regional consortium, most likely the entity with the most experience and responsibility for the eventual implementation actions. Consideration should be given to assigning the lead agency role to a non-profit or comparable entity whose mission clearly aligns with the goals of the Sustainable Communities Planning Grant program. For Category 3, the agency with implementing responsibility and the jurisdiction with permitting authority should take the lead.

c. **What should demonstrate commitment on the part of each member organization, and should there be a minimum number of member organizations?**
Response: Resolutions of support from the governing bodies in the grant application followed by a partnering intergovernmental agreement upon successful grant award clearly defining roles and responsibilities and decision-making processes. There should be no minimum number of member organizations.

5. Selection Criteria

a. **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.** The agency or consortium of agencies should have the technical capacity to carry out the analysis, the institutional coordination mechanisms to carry out the decision-making processes, the authority to implement the results either directly or through the commitment of those agencies/jurisdictions with the direct authority and the track record that demonstrates success in past endeavors.

b. **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?**
Response: NO, a needs assessment should not be required. In lieu of a "Needs Assessment," it may be appropriate that a grant application be accompanied by a Statement of Purpose that describes the problems and/or opportunities that the grant proposal is intended to address. This would be much like the "Purpose and Need" statement presented in an Environmental Impact Statement that serves to guide the development of the project or the Needs Assessment section of the Consolidated Plan. Clearly articulating the problem and what the project does to address it will indicate how the project will be a catalyst for change.