

**21ST CENTURY COMMUNITIES: EXPANDING
OPPORTUNITY THROUGH INFRASTRUCTURE
INVESTMENTS**

HEARING
BEFORE THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

ON

EXAMINING HOW INFRASTRUCTURE INVESTMENT WILL HELP WORKERS AND
THEIR FAMILIES

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21ST CENTURY COMMUNITIES: EXPANDING OPPORTUNITY THROUGH INFRASTRUCTURE INVESTMENTS

THURSDAY, MAY 20, 2021

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 10:01 a.m., via Webex, Hon. Sherrod Brown, Chairman of the Committee, presiding.

OPENING STATEMENT OF CHAIRMAN SHERROD BROWN

Chairman BROWN. The Senate Committee on Banking, Housing, and Urban Affairs will come to order.

This hearing is in the virtual format. A few reminders. Once you start speaking, there will be a slight delay before you are displayed on the screen. To minimize background noise, please click the mute button until it is your turn to speak or to ask questions.

You should all have one box on your screens labeled “Clock.” For witnesses, you will have 5 minutes for opening statements. All Senators, the 5-minute clock still applies.

At 30 seconds remaining, you will hear a bell ring, then the bell when time has expired.

If there is a technology issue, we will move to the next witness or Senator until it is resolved. To simplify the speaking order process, Senator Toomey and I have agreed to go by seniority for this hearing.

We are honored today to welcome Secretary Marcia Fudge of the Department of Housing and Urban Development and Secretary Pete Buttigieg of the Department of Transportation.

President Biden promised an Administration that reflects the country it serves. We are lucky to have two Cabinet Departments led by former mayors from the industrial heartland.

Mayors know better than most how, for decades, an economy centered on Wall Street has left American cities, towns, and rural areas too often to fend for themselves.

We have seen the damage: housing that poisons our kids with lead paint and mold; homes bought up by rich outside investors, left empty to fall into disrepair; roads and bridges falling apart; and neighborhoods and workers that are cutoff from opportunity.

Now we have a once-in-a-generation opportunity—a once-in-a-generation opportunity—to rebuild this country’s infrastructure.

The investments we make through HUD and through DOT will matter for our country and will bring down the cost of housing and transportation for workers and their families.

These are the costs that matter to most people's lives—your rent, your mortgage, your utilities, your car payment, your bus fare.

All these investments will create jobs and grow local communities. When work has dignity, everyone can afford housing and can afford to get to work.

Over the past few months, this Committee has heard from leaders in housing and public transportation—not only experts in Washington, but local leaders who understand what communities really need to grow. These two distinguished Cabinet Secretaries are both, both experts and local leaders. All of these leaders have illustrated how decades of underinvestment in housing and transit have set us back.

It is common sense. When we do not invest in infrastructure that a modern economy requires, we lose out to competitors. Communities stagnate or, in the memorable words of our colleague from Montana, sometimes they dry up. Inequality gets worse, pollution harms families, jobs and prosperity flow to only a small number of wealthy cities, or they move out of the country altogether.

Rural communities have not gotten the investment they need to produce enough housing for local families. Bridges are too often in poor condition. Public transit providers need continued help. Households especially that do not have a car, that number is only growing as Baby Boomers age.

All of these problems are often at their most persistent in Brown and Black neighborhoods that have never had the transformative Federal investment in their communities.

As we discussed at our hearing on the legacy of redlining, when we talked about it, from Black codes to Jim Crow to redlining to locking in discriminatory practices at Federal agencies, we live in communities we built in the 20th century, with the biases of the time.

It is time to invest in creating communities that will meet the needs of this country in this century. This time we cannot leave anyone behind. We will rebuild our communities to work for everyone.

The American Jobs Plan is a bold effort to reverse decades of neglect, to rebuild, to put in place the foundation for a 21st century economy, where people have the jobs and the economic security to raise a family, to choose the community they want to live in, to start a small business.

It would produce, preserve, and retrofit over 2 million affordable homes, would address the huge backlog of capital needs in public housing, will make our homes more energy efficient to bring down utility costs—all while creating job opportunities in the building trades and other sectors.

The American Jobs Plan would construct new bus rapid transit lines in cities like Columbus and Cincinnati, really in all regions of the country. It would finally tackle the repair backlog in the transit industry estimated now to be in excess of \$100 billion.

President Biden and I also agree on the need to replace aging transit buses with zero-emission vehicles made right here in America. The Jobs Plan would allow us to replace 50,000 buses.

The Administration recognizes the importance of ensuring that investments in housing and transit work together and of encouraging communities to think about how they can help make it affordable for families to live there.

We know when a business decides where to build a new manufacturing facility or a young family decides whether to relocate for a new job, they do not only consider one factor. They think about how they will get to work, how long will the commute be, will their whole paycheck get eaten up by rent or the mortgage, is there broadband at home, is there child care nearby they can afford.

These pieces fit together. Communities need all of them if they want them to survive and thrive.

While much of today's conversation will focus on housing and transit investments, we must tackle all of these critical investments.

The Brent Spence Bridge over the Ohio River in Secretary Fudge's and my home State that connects Cincinnati and northern Kentucky carries approximately 3 percent of our Nation's GDP, but that bridge is dangerously outdated.

Brent Spence is far from the only one. Our Committee Members' States have thousands of large and small bridges in need of repair. Those bridges carry millions of cars and buses every day.

I look forward to working with both Secretaries on the Bridge Investment Act to make sure that Congress finally tackles overdue bridge projects.

We call this the "American Jobs Plan" for a reason. Almost all these jobs will be here. They cannot be shipped overseas. You cannot repair an American railroad track or an American bridge from China.

We are going to build new buses and rail cars and homes in America, with American raw materials and American union workers.

The President called this a "blue collar blueprint to rebuild America." He is right.

We need bold action to protect our communities, to build infrastructure, protect them from climate disasters, to put Americans to work in good-paying jobs.

The two former mayors today, from Warrensville Heights and South Bend, these two mayors know the pride people take in their neighborhoods and their hometowns. People want to see their communities thrive and grow. They want job opportunities for their kids. They want transportation and housing options they can afford.

And local leaders, of both parties, are desperate—I talk to mayors and county commissioners all the time; actually, in Ohio, there are many more Republicans than Democrats in those offices. They are desperate for the resources and support to make those dreams a reality. For decades, they have watched Washington point to soaring stock prices as evidence the economy is doing well, yet their communities too often are not. That Wall Street wealth never translated into investment in their own Main Streets.

We change that approach starting now.
 I look forward to hearing from both our witnesses, Secretary Marcia Fudge, Secretary Pete Buttigieg.
 Senator Toomey is recognized.

OPENING STATEMENT OF SENATOR PATRICK J. TOOMEY

Senator TOOMEY. Thank you, Mr. Chairman. Secretary Fudge and Secretary Buttigieg, welcome to both of you.

The topic of today's hearing is an important one. It is infrastructure. A week ago I met with President Biden and a group of my Republican colleagues to discuss a potential bipartisan infrastructure package. Secretary Buttigieg was there. It was a constructive meeting, and I am encouraged by the President's apparent willingness to negotiate with Republicans.

I would suggest that there should be three features of an infrastructure package if it is going to have broad, bipartisan support.

First, it should responsibly boost support for real, that is to say physical infrastructure. That is the platforms that we share, the platforms and systems that we use to move people, goods, and services throughout our economy. Those are things that most Americans understand to be infrastructure, things like roads and bridges and ports and airports and transit.

Second, a package that we agreed to cannot undo the 2017 tax reforms that helped create the best economy of my lifetime. Remember, before COVID, just a little over a year ago, we were experiencing an almost unprecedented economic boom. We had the lowest unemployment rate in 50 years, all-time record low unemployment for African-Americans, Hispanic Americans, many other subsets of our population. We had more job openings than there were people looking for jobs. We had a record low poverty rate. We had wages growing across the board, wages growing fastest for the lowest-income workers. So this economy was narrowing the income group while it was performing at a spectacular pace. I am suggesting it would be a good thing to get back to the best economy of my lifetime. So we will not get there if we undo the tax reform that helped us achieve that.

Third, we should not pay for a big infrastructure package by borrowing or printing hundreds of billions of more dollars. The good news on this front is we have hundreds of billions of unspent COVID-related legislated funds that Congress can repurpose to pay for the infrastructure. According to CBO, over \$700 billion just of the Democrats' March so-called COVID bill will not be spent even by the end of this year. And, in fact, the Biden administration has already begun repurposing unneeded excess COVID funds from previous bills. HHS has diverted \$1.7 billion that was originally meant for COVID, and they are using that instead for unaccompanied minors at the border.

So what Congress should not do is simply go on a spending binge of more taxpayer dollars on a liberal wish list that expands the welfare State. Let us take housing, for example.

The Biden administration is now proposing almost a quarter of a trillion dollars for housing in an infrastructure plan.

So, first of all, let us be clear: Housing is housing. Housing is not infrastructure. Of course, people need houses. They also need food

and clothing and education and health care. That does not mean that every human need is infrastructure. It is not. We can reach an agreement on infrastructure. But the Administration wants to spend quarter of a trillion dollars on top of the fact that just this past March—that was 2 months ago—they had spent \$32 billion for housing. And that came after Congress had provided over the course of last year \$80 billion for housing, which itself was on top of the roughly \$50 billion we spend annual on HUD alone, not to mention the billions we spend on other housing programs. If you have lost track of all the tens of billions of dollars, it is because it is really hard to keep it straight. It is a staggering amount of money.

It is a similar story on the Administration's transit proposal. The Biden administration wants to spend another \$85 billion for transit as part of this infrastructure bill. That would come after the Democrats in March spent \$30 billion for transit, which itself came after \$40 billion last year for transit. And that was on top of the \$13 billion that we annually spend on transit.

So in case you were not using a calculator to keep track, that is \$83 billion that Congress spent on transit just over the course of 1 year. That number actually exceeds the annual operating and capital costs combined of every single transit agency in America for a full year.

Well, our Democratic colleagues point to a decline in ridership, but ridership did not drop to zero. And if it had, we would have to ask ourselves whether we should be throwing all this money in a system that has no riders. And, in addition, State and local governments ought to have some responsibility for this, and we sent them \$850 billion on top of last year's all-time record high collection of revenue.

Some of the provisions in the Administration's so-called infrastructure plan are so unrelated, completely unrelated to infrastructure that it is hard to even consider them with a straight face: \$400 billion to expand Medicaid, \$100 billion in consumer subsidies and rebates to purchase electric vehicles. The list goes on and on.

Only 6 percent of the Administration's \$2.2 trillion so-called infrastructure actually goes to roads and bridges. So this kind of Government spending is not sustainable. It is contributing to inflation that is already with us. That inflation is essentially an extra tax that all of our constituents have to bear when they buy any of the things they need in life.

And none of this should come as a surprise. Even President Obama's Treasury Secretary, Larry Summers, warned us of the negative inflationary risks of excessive spending. And he was issuing that warning about the Democrats' bill in March which at \$1.9 trillion he thought was much too big. They passed it anyway, and now our Democratic colleagues are coming back to spend literally trillions more.

Let me end where I began. In my view, I do think it is possible for us to enact a bipartisan bill that responsibly boosts Federal support for real physical infrastructure. And if all sides are willing to negotiate in good faith, I think an agreement can be struck. But I hope we will focus on that, real infrastructure that our economy and society needs, and do it in a responsible fashion.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Toomey. I will now introduce our witnesses.

The Honorable Marcia Fudge, my former Congresswoman from Ohio's 11 District, has spent her career fighting for better opportunities for Ohioans. She has firsthand experience making housing more affordable for more families, including as the mayor of Warrensville Heights, Ohio. We are fortunate she is now applying her expertise across the Nation. It was an honor to chair the hearing reporting her nomination out of this Committee. It was my first hearing as Chair of this Committee. She was our first nominee reported out since I have been Chairman. It is an honor to work with a fellow Ohioan as Secretary of Housing and Urban Development. Welcome, Secretary Fudge. Glad you are with us.

Our other witness, the Honorable Pete Buttigieg, served as mayor of South Bend, Indiana, a State which is to the west of mine. Mayor Pete showed his passion and creativity in using infrastructure to improve the well-being of workers and businesses in South Bend, implementing a Smart Streets Initiative that was recognized by USDOT as a national model. Now with Secretary Peter at the helm, DOT is in a position to transform streets, bridges, railways, and transit systems across America, all using our greatest asset, American workers. Our country is very fortunate. Welcome, Secretary Buttigieg.

Secretary Fudge, you are now recognized for 5 minutes to provide your opening statement. Welcome.

STATEMENT OF MARCIA L. FUDGE, SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Secretary FUDGE. Thank you so very much, Mr. Chairman. It is always a pleasure to see you, and thank you on behalf of all Ohioans for the great work you do for your State.

Mr. Ranking Member, Mr. Toomey, and distinguished Members of the Senate Banking Committee, thank you for this opportunity to discuss President Biden's American Jobs Plan.

Today, as America rebuilds from the COVID-19 pandemic, we face a fundamental decision about our future.

We can choose to take a bold new direction that will make the United States more prosperous, more equitable, and more resilient in decades to come; a bold new direction that better positions us to win the global competition for the 21st century. That bold new direction is the American Jobs Plan.

If we do not pass this plan, we will choose instead a very different path. We will return our Nation to the position we occupied before COVID-19—to an America beset by crumbling bridges, buildings, and homes; an America unprepared for the existential danger posed by climate change; an America grappling with an affordable housing crisis that threatens the security and the dignity of people in every corner of our Nation.

Even before the pandemic, nearly 11 million Americans spent more than half of their incomes on rent. COVID-19 has only made this situation worse, especially for communities of color and people of modest means.

The American Jobs Plan would address our housing crisis head-on in cities, small towns, rural communities, and tribal nations. The plan invests \$213 billion to build and modernize more than 2 million affordable and sustainable places to live. To help more Americans realize their dream of home ownership, the plan includes a new Federal tax credit based on the proposed Neighborhood Homes Investment Act. This credit can lead to the construction and renovation of approximately 500,000 single-family homes.

In addition to creating more housing, the American Jobs Plan preserves the affordable housing we already have. Nearly 2 million people, including more than 1 million Americans of color, live in public housing. Yet much of our public housing is more than 50 years old and faces significant capital needs.

The American Jobs Plan contains a \$40 billion downpayment to help repair and rehabilitate our public housing infrastructure. This would dramatically improve the quality of life for residents. Furthermore, public housing is often located in underserved communities that are especially vulnerable to the effects of climate change. Investments that reduce energy use and increase resiliency can mitigate these risks. This plan will help make America's homes and public housing more efficient and better equipped to withstand extreme weather.

In addition, this plan advances equity tribal nations. It contains \$2 billion in Indian housing block grants to expand affordable housing, resilient infrastructure, and sustainable community development in tribal lands. All told, the investments in the American Jobs Plan underscore a fundamental truth: that housing is a vital part of our infrastructure.

A secure and stable home represents more than four walls and a roof. It can connect us to better jobs, more affordable transportation options, and communities with cleaner air and cleaner water. It can connect our children with good schools, providing them with a pathway to earn a brighter future.

Our homes are bedrock, brick-and-mortar institutions that lay the foundation for a stronger and more connected society—just like our streets, our highways, and our airports. To put it simply, our homes serve as a bridge to greater opportunities for a better life.

If we want the United States to remain the greatest Nation in the world, then we must first take care of home—in the most literal sense.

To pass an infrastructure plan that fails to address our affordable housing crisis would be akin to building a road that leads to nowhere. That is why I am honored to appear today alongside Secretary Buttigieg. The Biden-Harris administration understands that in order to successfully enact the Jobs Plan, our two agencies must work in unison to help build more sustainable infrastructure and expand access to both affordable housing and affordable options for transportation. Together, we can help revitalize our Nation's infrastructure, including our housing infrastructure, and create an America that is more thriving, more resilient, and more interconnected than ever before.

With that, I am happy to answer any questions you may have. Thank you so much, Mr. Chairman.

Chairman BROWN. Thank you, Secretary Fudge.

Secretary Buttigieg, you are recognized for 5 minutes.

STATEMENT OF PETE BUTTIGIEG, SECRETARY, DEPARTMENT OF TRANSPORTATION

Secretary BUTTIGIEG. Thanks very much, Chairman Brown, Ranking Member Toomey, Members of the Committee. I appreciate the opportunity to testify before you today, and I want to thank you for your support for the Department of Transportation and our vital mission. I am very honored to be here with Secretary Fudge to discuss America's transportation and housing needs, particularly in this moment of great challenge and opportunity.

We know that public transit has been hit hard by the pandemic. I want to thank you and your colleagues for passing the American Rescue Plan and other relief packages that provided a lifeline for public transit, for the people who depend on it, and for the essential transit workers who get people where they need to go.

Public transit is key to building vibrant and interconnected communities, creating jobs, reducing pollution, combating climate change, advancing racial equity, and providing travel options for everyone. Too many families across the Nation are forced to choose between living impossibly far away from work so they can afford housing or paying more for housing than they can afford in order to have a reasonable commute. This puts a toll on working families who lose precious time with their loved ones and money needed for other essentials. Our lowest-income Americans are spending more on housing and transportation than they are taking in each month. Building transit and affordable housing alongside each other can be transformational for communities and families.

That is why I am so grateful to be sitting next to Secretary Fudge—virtually, of course—at this hearing.

When people can move safely and easily in their community by public transit, foot, bike, wheelchair, or any other means, it can improve the lives of those who call that community home. That is why transit-oriented development and public transit are such priorities for our Department and for me personally. We have already made \$180 million available for cleaner transit buses. We allocated \$187 million to help communities expand bus rapid transit. We recently made \$10 million available to help more local governments plan for transit-oriented development in their communities.

I am also pleased to announce that DOT will soon issue new guidance to help local communities and other prospective borrowers use the Department's transit-oriented development financing programs. And I am thrilled that DOT is reinvigorating a partnership with the Department of Housing and Urban Development to identify ways to provide more affordable housing choices near high-quality public transit.

We are looking for opportunities to work with additional agencies, including the EPA and the Department of Agriculture, to make walking, biking, public transit, and other transportation options more widely available to disadvantaged and rural communities.

These important steps will benefit communities across the country, but we must do far more. We face a \$1 trillion backlog in needed repairs and improvements across our transportation infrastruc-

ture. The consequences of decades of disinvestment are felt in every State and have fallen most heavily on low-income communities and communities of color, who are nearly four times more likely to commute by public transit.

Our status quo is unsustainable. It is unfair and it is holding our people and economy back. And years of tinkering around the edges have not worked.

That brings us to President Biden's American Jobs Plan. It is a once-in-a-generation opportunity to meet this moment.

As we rebuild from the worst economic crisis in generations, this plan will provide the largest investment in American jobs since World War II, all with protections for existing labor standards. It will create millions of good-paying jobs, the majority of which will not require a college degree, for Americans to help expand and operate our public transit system, modernize our roads and bridges, and build the electric vehicles of the future.

It will double Federal investment—\$85 billion—for public transit, making it a more reliable, attractive, and accessible option to more people in more communities.

It will help us tackle the climate crisis by making public transit the option of choice for more people, by building a network of 500,000 electric vehicle chargers, and by replacing nearly 40 percent of the existing diesel transit vehicle fleet with electric vehicles.

Chairman Brown, I thank you for your leadership on reducing fossil fuel emissions in the transportation sector and for ensuring that the vehicles of the future are built by union workers here in the U.S.

This plan would also be the largest investment in transportation equity in history. At least 40 percent of the benefits of the plan's climate investments will flow to overburdened and underserved communities. And the plan has \$20 billion to reconnect neighborhoods cutoff by past transportation decisions, as well as another \$20 billion to improve road safety for all users.

I believe this is the best chance in our lifetime to modernize our infrastructure so Americans can thrive. This is our chance to provide current and future generations with the types of investment our forebears gave us in the New Deal—and this time to include all Americans in the opportunities that come from that investment.

I am looking forward to working with this Committee to deliver for the American people. Thank you for the chance to testify, and I look forward to the opportunity to respond to questions.

[Pause.]

Senator TOOMEY. Chairman, I think you are muted.

Senator SMITH. Senator Brown, you are muted.

[Pause.]

The CLERK. Because we are having some technical difficulties with the Chairman's mic, Ranking Member Toomey, would you mind going first?

Senator TOOMEY. That is fine. Can you hear me OK?

The CLERK. Yes, we can.

Senator TOOMEY. OK. Terrific. I will go first.

So back in March, a couple months ago, our Democratic colleagues passed a spending bill that provided \$5 billion for emergency housing vouchers to be distributed to people experiencing

homelessness, victims of human trafficking, and other circumstances.

Under that law and HUD's own regulations, illegal immigrants are not eligible for these vouchers, but just yesterday Fox Business reported that HUD reissued guidance that will have the effect of making it easier for illegal immigrants to obtain these emergency housing vouchers that are supposed to be meant for Americans. This happens because, as I understand it, the new guidance waives an existing HUD regulation that requires public housing authorities to obtain and verify documentation that an applicant for a housing voucher actually has a legal immigration status as opposed to an illegal status at the time of application.

HUD's own regulations say that this requirement, the one that HUD is waiving—if this report is accurate—this requirement is meant to “decrease the incidence of fraud, waste, and abuse.” HUD's guidance may now allow illegal immigrants to obtain these housing vouchers that, as I said, are meant for American citizens.

So, Secretary FUDGE, isn't it important that we follow the law and the HUD regulation and have processes in place to minimize the risk that these vouchers go to people who are not supposed to have them?

Secretary FUDGE. Yes, Senator, indeed, it is, and I thank you for the question. I think that it is very, very clear from our May 5th public notice detailing the operating requirements for the emergency housing vouchers program. It is clear that, in line with current law, eligibility for assistance is limited to United States citizens and those with legal residency.

Senator TOOMEY. Right, but I am concerned that this guidance, by waiving this rule that HUD has historically used to minimize the risk that illegal immigrants have these vouchers, by waiving this, isn't it going to increase the risk that illegal immigrants will end up obtaining these housing vouchers that are meant for U.S. citizens?

Secretary FUDGE. I do not believe that it will do that in any significant way, Senator. I think to say that would assume that every single illegal resident wants to come and scam the system. That is not how this works. People who are homeless generally do not have identification; they do not have their Social Security cards, et cetera. And so what we have done is allowed our housing authorities and partners to come up with ways to allow them to at least initially report themselves to self-certify and then we verify. And so—

Senator TOOMEY. OK. I—

Secretary FUDGE. —if we find that someone is in the system that should not be, we certainly will take care of it.

Senator TOOMEY. Right. So, first of all, my question does not in any way imply that everyone who is here illegally is looking for these vouchers. There is no such suggestion. I am simply saying that if there is not an opportunity to screen out people who are not actually eligible, if we do not have that mechanism, then there is likely to be some abuse of this system, and it inevitably will take months at best to discover and then litigate and adjudicate these cases.

I would just urge you to reconsider this. This is HUD's own regulation that is being waived, is described by HUD as serving the purpose of decreasing incidents of fraud, waste, and abuse. So I would just ask—

Secretary FUDGE. I am certainly willing to do so, sir. I will take another look at it.

Senator TOOMEY. I appreciate that.

The other thing is the Administration's so-called infrastructure plan calls for \$40 billion more for public housing, and, you know, in many, many cases, public housing has become places where people do not really want to live. There are notorious stories of concentrations of poverty and crime and other social ills, and there is research that shows that families who move out of these projects often are able to integrate themselves in communities. There is a lower risk that they will be victims of crime. It seems that there are sensible alternatives. And, in fact, some of these projects are such in a state of disrepair that the cost of repairing them is greater than the cost that it would incur of just providing vouchers for people to live in good, decent homes.

What are your thoughts on shifting some of this resource to providing vouchers for low-income people?

Secretary FUDGE. You know what, Senator? I agree with you 100 percent. The problem is that we have people who live in public housing now, and we do not have enough housing for the demand. And so we still have to take care of the people who are in public housing, and that is what this \$40 billion will do. For many, many years, we have not invested significantly in capital needs of public housing. And so what you have is buildings that are more than 50 years old, the majority of them, that are in different stages of disrepair.

And so even though I agree that we do need to find ways to move people into other housing in communities with better opportunities, we still have to deal with the issue we currently have, and that is what the \$40 billion will do.

Senator TOOMEY. Thank you. Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Toomey. Can I be heard now?

Senator TOOMEY. Yes, you can be heard.

Chairman BROWN. OK. Good. Thank you. I apologize. I do not really know what happened. Thank you and thanks for stepping up, Pat.

For too long—and I have talked to both of you about this personally, and I very much appreciate your recognition of this and your interest in solving it—we have failed to coordinate our housing and transportation policy. Your Departments are already working together to make unprecedented investments in our communities.

A question for each of you. Why do we need to encourage sustainable community development with coordinated housing and transit investments? Secretary Fudge, do you want to start with that, please?

Secretary FUDGE. I would just say that a perfect example, Senator, is in our very own community. More than a decade ago, the city of Cleveland in Cuyahoga County recognized that need, and so we right now are a community that primarily is a health care com-

munity. So the health care industry is the largest employer. So what did we do? We put transportation through the heart of our communities to get people to jobs, to get people to the hospitals, to the universities, to the research institutions. And it is clear it has been successful, so I think that we are a perfect example of why it is necessary and why it works.

Chairman BROWN. Thank you.

Secretary Buttigieg.

Secretary BUTTIGIEG. You know, I think as you noted, Secretary Fudge and I are both former mayors. I think mayors have to think about transportation and housing in an integrated way because they are part of the texture of how cities form. But maybe even more relevantly, families have to think about them in an integrated way because they hit the same family budget. And what we know is that if we can build housing on affordable terms and make it affordable to get to where you need to be, from home to work, to school, and anywhere else you need to go, that eases pressure on a family budget.

So it is very important to think about how these can mutually reinforce one another. It is one reason we are excited in this department about transit-oriented development and other ways to link housing policies with transit and transportation policies.

Chairman BROWN. Thank you.

Secretary Fudge, we had this conversation when I was in your office many years ago when you are mayor of Warrensville Heights, and we have had it since. I do not have to tell you how pervasive lead paint still is in Cleveland, how devastating the effects are. One in four children in our city entering kindergarten has had elevated blood lead levels. Preventing lead poisoning not only protects kids and their futures; it also saves health and education costs and creates jobs in remediation and removal of this poison.

Will you commit to work with me to make significant investments to eliminate lead paint hazards from homes in the infrastructure package that you and I and the Congress and the White House work on?

Secretary FUDGE. Yes, I will make that commitment, because certainly we can and we must do a better job at dealing with the lead-based paint issue. Absolutely, Senator, I would be happy to work with you on that.

Chairman BROWN. Thank you, Madam Secretary.

Secretary Buttigieg, on the local level, what does it mean with USDOT is able to fund a major project like bus rapid transit? Can you as a former mayor talk about the limits local leaders face under sort of average transportation bills that we have passed before, what more they could do with the transformative infrastructure package?

Secretary BUTTIGIEG. Well, certainly local leaders often have visionary plans for transportation in their communities, but with the resources that have been available, often it has taken heroic creativity just to keep things operating the way they are. And I do not think any visionary mayor or local leader wants to simply see things remain in the status quo.

Often what has been needed really is a new vision, the ability to extend transit to where it had not been before, or as you men-

tioned, much more efficient means of transit that were thought of a few decades ago, like bus rapid transit. And with the right resources, the kind of resources contemplated in the American Jobs Plan, we can meet those local leaders where they are. They have already been raising revenue, doing the work, but often these transformational investments just will not happen unless there is major Federal support.

Chairman BROWN. Thank you.

Last question, Secretary Fudge. Over the past couple months, this Committee has heard testimony from witnesses on all side, from Richard Rothstein, who wrote "The Color of Law", to Harvard's Joint Center on Housing Studies, to the American Enterprise Institute, saying that restrictive zoning can thwart access to opportunity, can hold us back as we try to address the affordable housing crisis.

Madam Secretary, how can HUD help communities address restrictive zoning and expand access to housing development?

Secretary FUDGE. Well, I am really happy you asked that question. The American Jobs Plan does address how we may assist communities in their zoning, because we do know that there is a lot of restrictive zoning that has created a problem, and it has made the cost of home buying and home building even more.

And so what we have done is say to communities we want to give you an incentive and assist you technically with how you look at and engage your communities to change some of the zoning laws that have created historically very difficult problems to address. We know it is a local issue, but we believe that we can give the kind of assistance that will make people rethink it and talk to them about the entire concept of moving people into communities, thriving communities that give them opportunities to be more productive citizens, to better train and school their children. We know that it is something that has to be done, and the Jobs Plan really addresses it very, very well.

Chairman BROWN. Thank you, Madam Secretary.

Senator Warner from Virginia is recognized for 5 minutes.

Senator WARNER. Well, thank you, Mr. Chairman, and thank you for holding this hearing. And it is great to see both Secretary Fudge and Secretary Buttigieg.

Secretary Fudge, I want to start with a couple questions for you, kind of building on some of the conversations we have had in the past. I really appreciate the fact that while you were in Congress, you were always a strong advocate for community development financial institutions, CDFIs, a relatively small piece of our overall financing system, but as my colleagues know, by definition they are lending over 60 percent of their lending to low- and moderate-income communities. I am proud of the fact that in the December bill we made a record investment in both MDIs, minority depository institutions, and CDFIs. And while a lot of the folks on the Democratic side were quite supportive, I want to call out my friend Mike Crapo, who was the lead Republican on that. We did get \$12 billion in, \$9 billion of which will go in as Tier 1 capital going into CDFIs. That will basically, you know, even on a conservative basis, add \$90 billion worth of ongoing lending capacity. When we think about

the affordable housing shortages, we have got to both get at the supply, but also the ability for folks to acquire some of these units.

Secretary Fudge, can you talk about the critical role that continuing to invest in CDFIs could have as a way to address some of the housing shortages we have?

Secretary FUDGE. Thank you very much, Senator, and thank you for our conversations that we have had. They have been quite instructive and I think quite helpful for me as well, and I hope for you.

What we noticed—and I will tell you a perfect example. What we noticed when the House and Senate decided to do the PPP, we realized then that, as we could see what was happening, that the big banks, the big institutions were getting all the resources, and that is why people of color, small businesses, et cetera, were not getting resources, because they deal with people like CDFIs and small lending institutions. And so when you start to send resources to those kinds of institutions, you reach the people of highest need. That is why it is important to fund CDFIs and small community banks, because the access and the understanding culturally as well as area-wide is so much better with these institutions.

So I think that they are something that we must continue to work with because they are the people who deal with the smaller loans that help people with technical assistance and other things when it comes to home buying. They are the people who drive low-income communities. And so I think that it is an absolute necessity that we continue to fund and support CDFIs and small banks.

Senator WARNER. Well, thank you, and I do think there are a number of our community banks who want to try to do more in this space. They may need some regulatory forbearance. But I look forward to working with you and the Committee on this.

I also just want to again make sure I get one question in to Secretary Buttigieg, but I do want to raise that I talked with you about, Secretary Fudge, and I had mentioned to the Chairman and I am working with the Administration on. We all know—and COVID obviously exacerbated this—the wealth gap in this country, the wealth gap between Black families, White families, 10:1 differential, almost as large in terms of Latino families. And a lot of that is due to the fact that Black and Brown families do not have access to home ownership in similar levels.

We are working on a program, Mr. Chairman, where we are looking at an initiative that would help all first-generation homebuyers—so this would be not just Black and Brown; it would be White as well, although my data, it would end up being about two-thirds Black and Brown communities. And I will not get into all the details here, but with a slight interest rate subsidy, we could create through Ginnie Mae a product that would allow a family, if they could meet, you know, a traditional mortgage payment, create literally a 20-year mortgage product that would have the payment based upon 30-year kind of rates. Doing this—and trust me on the math. At this point I will have to point it out to everybody that it would actually double wealth creation records. And I really look forward—in 10 years you would get twice as much wealth creation on a 20-year mortgage as you would on a 30-year mortgage.

I am down to 15 seconds. I just want to compliment you, Secretary Buttigieg. You met with frontline workers from WMATA and the general manager there. Forty percent of the Federal workforce travels on Metro. We have an important Federal component there. I am sure Chris Van Hollen will ask you a question on that, but I wanted to get my 2 cents in before my time ran out.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Warner.

Senator Hagerty, if he is here, is next. If not, Senator Moran? If not, Senator Cortez Masto from Nevada is recognized—oh, Senator Hagerty. I am sorry, Catherine.

Senator Cortez Masto. No problem.

Chairman BROWN. Senator Hagerty is recognized for 5 minutes.

Senator HAGERTY. Thank you, Chairman Brown, Ranking Member Toomey. Thank you, Secretary Fudge, Secretary Buttigieg. Thank you for being here today. I appreciate that.

I would like to turn to my own State, if I could, Tennessee. We have some of the best roads and bridges in America in Tennessee. We are also a physically well-managed State. In fact, we are one of the few States to actually finance our transportation projects without using debt financing. We pay as we go on this. But I think—and, Secretary Buttigieg, you are very well aware of this—that our Interstate 40 bridge that connects Tennessee and Arkansas across the Mississippi river, 9 days ago it was discovered it has a severe fracture in the structural frame, the support girders for that bridge.

I have been in touch with State and local officials, with the Tennessee Department of Transportation, with barge operators in the private sector. My team has been working with the Coast Guard, who have jurisdiction over the Mississippi River. And, again, the Mississippi is middle America's superhighway for transportation and commerce.

On Saturday, I sent a letter to President Biden about the crisis and copied you, Secretary Buttigieg, and I want to thank you, because as a result of that letter, I saw that this morning the Federal Highway Administration is sending a team to Memphis posthaste.

I applaud you for making this a top priority, Secretary Buttigieg. The crisis has delayed fuel supplies, it has delayed agricultural products—many critical commodities that reach markets through the Mississippi River. It has also created tremendous delays in traffic. This is affecting real people, the livelihoods, their ability to get to where they need to go. It is impacting commerce at some many levels. So I want to thank you for the effort that you have put in, the responsiveness to my letter and to our conversation, Secretary Buttigieg, to prioritize this for your Department, and I look forward to continuing to work with your Department to make sure that the situation in Memphis and Arkansas is resolved as quickly as possible.

I hope that the Administration and my Democratic colleagues are serious about working in a bipartisan way to solve our infrastructure problems. The I-40 bridge that we are talking about here is not the only problem, and this bridge should not require legislation or time-consuming debate about whether Government nanny care is infrastructure or not. Longer term, investment in real infrastruc-

ture—in our roads, our bridges, our tunnels, waterways, ports, rail, broadband, our power grid, and pipes—is needed. But to pay for it by raising taxes on American workers and job creators just as we are poised to emerge from a pandemic-driven recession is the opposite of what we need. We should be incentivizing hundreds of billions of dollars in private capital and get off the sidelines, and we need to be reducing bureaucratic paperwork, ridiculous regulatory costs, and unnecessary delays. And we have got to ensure that anything we do reaches all the way to the most rural areas of our country, like in my home State of Tennessee.

Secretary Buttigieg, I would like to turn my first question to you. You have had past private sector experience as a management consultant. I am sure that you looked at ways with your clients to improve operations. I am sure you looked at private financing, too, and perhaps ways to incentivize private capital. And within your domain at the Department of transportation, you have the Build America Bureau. The Build America Bureau's mission encompasses private activity bonds, the Transportation Infrastructure Finance and Innovation Act, the Railroad Rehabilitation and Improvement Financing Administration, among other programs.

As we look at infrastructure and think about infrastructure going forward, Secretary, I wanted to get your comments and thoughts on the types of process improvements, the types of bureaucratic regulatory changes that could be made that could help accelerate investment in infrastructure for us.

Secretary BUTTIGIEG. Well, thank you, Senator, and first of all, let me just state my appreciation for the collaboration and involvement with your office and others in dealing with the I-40 bridge matter.

To get to your question, we do believe there are a lot of opportunities for us to get more bang for a taxpayer buck through process improvements, something I encountered even as a mayor, seeing all of the steps involved in permitting, and have challenged our team to identify ways that we can find where there may be duplication or there might be a way to meet the intent of the law with fewer steps or a simpler and more predictable process.

I also appreciate your mentioning private activity bonds, one example, along with some of the others you mentioned, where we do see ways to mobilize private capital. And it is a popular program. As a matter of fact, I think we are just about at our congressionally authorized cap right now. And while it is more appropriate to some uses than others, since, of course, many of these financing options really expect or require that there be an associated revenue stream, we do think there is a lot more potential here and would welcome opportunities to work with you on building that out, building on successes like the Build America Bureau here at the Department.

Senator HAGERTY. I will look forward to working on that with you and your team, Secretary. Thank you.

Secretary BUTTIGIEG. Thank you.

Senator HAGERTY. Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Hagerty.

Senator Menendez from New Jersey is recognized for 5 minutes.

Senator MENENDEZ. Thank you, Mr. Chairman. Good morning to both our Secretaries. It is good to be with you.

Secretary Buttigieg, you and I have discussed the Gateway project, a series of projects including the port of North Bridge and the new Hudson River tunnels in a region that would modernize a 10-mile segment of track that is the linchpin of the Northeast corridor, a region of the country that generates 20 percent of GDP for the entire Nation. I appreciate that the President and your Department have consistently highlighted the importance of Gateway, and I had the pleasure of speaking to Nuria Fernandez, the President's nominee to be the FTA Administrator, about the project in her hearing last week. She committed to working with stakeholders to move the Hudson River tunnel projects through the capital investment grant program process, and I would like to ask for a similar commitment from you. Would you commit to working with the project sponsors and congressional delegations in the coming months to get the Gateway project done?

Secretary BUTTIGIEG. Well, thank you for the question, and, yes, you have our commitment to work with your office, other members of the delegations, and the project sponsors on this. This is an example of a project that may be located in one region but is so critical that you would feel it anywhere in the country if there were to be, for example, a failure in one of these critical tunnels. So we are continuing to see this move along and are committed to working with you to see it go forward.

Senator MENENDEZ. Well, thank you, Mr. Secretary. I appreciate your appreciation of what the project means.

The Department has previously said that we should see the environmental reviews for the project by the end of May after years of delay by the Trump administration. Do you know if we are still on track to see that process move forward?

Secretary BUTTIGIEG. We are hopeful to see that move forward soon, and right now I think the main area where the FTA and I think also FRA have been in touch with the project's sponsors has been on the financing plan. As that information comes together, I am hopeful we can move this along as planned.

Senator MENENDEZ. OK. A good infrastructure plan not only creates good jobs, but also takes into account how infrastructure affects access to good jobs. Secretary Fudge, does a lack of affordable housing in job-rich areas limit workers' access to good jobs?

Secretary FUDGE. There is no question about it. I just spent some time in your State, Senator, and when we do not have people housed properly or have them in a position where they have access to housing or to good jobs or schools, yes, it is a major issue.

Senator MENENDEZ. Thank you. Low-income communities then have the additional burden of disproportionately lacking access to transit which could connect communities to jobs. Secretary Buttigieg, does a lack of public transit options also limit workers' access to good jobs?

Secretary BUTTIGIEG. Unquestionably so. People need to be able to physically get to where the opportunity is, and if they lack good or affordable options to get there, that is an economic barrier.

Senator MENENDEZ. So, therefore, wouldn't you both say that transportation access should be a major consideration when designing affordable housing policy?

Secretary FUDGE. Absolutely.

Secretary BUTTIGIEG. Yes.

Senator MENENDEZ. I agree, and that is why I am reintroducing the Livable Communities Act, which would create a grant program to fund coordinated development of affordable housing and transit so that we can better expand access to economic opportunities, and I look forward to hopefully working with both of you. I hope that the fact that you are both here together testifying, which is not the normal course of events, is also indicative that both of you will be able to work together because of the nexus between transportation and housing.

Madam Secretary, there is a severe nationwide shortage of affordable senior housing. According to the Urban Institute, of the 16.1 million new household formations over the next 20 years, more than 80 percent of them—80 percent—will be senior households. I know what it means to seniors in my State, which is a high-cost State. What does the significant increase in senior households mean for our senior public and assisted housing capacity and the senior housing needs that Congress should prepare for?

Secretary FUDGE. Senator, I am so glad you asked that question because people, I think, forget that significant numbers of people who live in public housing are senior citizens. We know that we do not have in place the infrastructure to allow seniors over the next few years to age in place. That is one of the reasons why the Jobs Plan talks about how we take care of our seniors and puts resources in the 202 plan. I think that it is really important that we start to address this now, as we know the senior population is going to just continue to increase.

So I thank you for asking the question because it is something we must address, and we must address it soon.

Senator MENENDEZ. This is where a program like our Trusted Section 202 program is really important. We look forward to working with you and with you, Mr. Secretary, on the transit side of our efforts on the development of our package.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Menendez.

Senator Kennedy from Louisiana is recognized for 5 minutes.

Senator KENNEDY. Thank you, Mr. Chairman. Can you hear me OK?

Chairman BROWN. Yes.

Secretary BUTTIGIEG. Yes, Senator.

Senator KENNEDY. Thank you. I want to thank our two Secretaries for being here today. I know you are busy.

Secretary Fudge—

Secretary FUDGE. Sir, I am having a little trouble hearing you.

Senator KENNEDY. Can you hear me now?

Secretary FUDGE. I can hear you better, yes, sir.

Senator KENNEDY. OK. Secretary Fudge, Louisiana, as you probably know, was hit by two massive hurricanes last year. The focal point was southwest Louisiana, but the hurricanes were devastating central Louisiana to northeast Louisiana. With respect to

block grant disaster assistance, my Governor, who happens to be a Democrat, and I and our entire congressional delegation have repeatedly talked to the White House about getting an answer to our request for the disaster relief. We have asked, we have begged, we have cajoled, we have sent fruit baskets. We have not sent over a personal pan pizza yet, but we are thinking about doing that to the White House. We just want an answer.

Can you help me get an answer?

Secretary FUDGE. Well, Senator, it is my understanding that there was an answer sent to you by OMB on behalf of the President. Is there something further that you would like me to do? I am happy to do it.

Senator KENNEDY. Yes, ma'am. Tell me what the answer was, because I have not heard. I have not been able to find anybody to give me an answer with a search party. I cannot find them with Google. So if there is an answer, maybe you could tell me right now. I would really be grateful.

Secretary FUDGE. Well, basically I have the letter in front of me addressed to you from Acting Director Shalanda Young, who talked with you basically—

Senator KENNEDY. Can you tell me what it says?

Secretary FUDGE. OK, yes. Basically what it says is that—certainly, and let me just say this first, though, Senator, that I am very, very sorry about what has happened, especially even with the rains of this past week. But it says that the Administration—

Senator KENNEDY. That is OK. If the letter says yes, all is forgiven. Can you tell me if the letter says yes?

Secretary FUDGE. What the letter says and what I am saying as well is that we are more than willing to support what is happening, but Congress needs to make that decision. Whatever decision Congress makes, we are going to be supportive of.

Senator KENNEDY. Yes, ma'am. But as you know, customarily the way this works, the White House has to send a request to Congress. Has the President decided to send over that request? And if so, do you know when we get it?

Secretary FUDGE. No, but I can ask. But I would say this, Senator: You know, just by my own time in the House, I voted for many such pieces of legislation, and all of it did not start with the White House.

Senator KENNEDY. Well, we do things a little differently in the Senate. I am not saying that the House is wrong. You probably do it better than we do. But my colleagues normally will not consider anything until they know where the White House is.

Secretary FUDGE. Well, I will find out, sir, because I think we need to do as much as possibly can.

Senator KENNEDY. OK. Well, I thank you for that, Madam Secretary.

Let me make sure I understand. You personally, on behalf of HUD, are supportive of asking Congress to give us the relief. Is that right?

Secretary FUDGE. I personally, yes, but as you say, that is not my decision to make.

Senator KENNEDY. I know. Have you talked to anyone at the White House about our request?

Secretary FUDGE. I have not, but I will make sure that I do it right away.

Senator KENNEDY. OK. Can you tell me who you will talk to?

Secretary FUDGE. I will talk with OMB where this started, and ultimately they are the people who are responding on behalf of the President and the White House. I will call Director Young today.

Senator KENNEDY. Can you tell me when we will get the answer?

Secretary FUDGE. I am going to call today. Now, I do not know when that answer will be, but as soon as I get an answer, I will make sure you get it right away.

Senator KENNEDY. OK. So what I am hearing from you is, despite the letter, the White House has not said yes. Or am I mistaken?

Secretary FUDGE. I do not know, sir, because I have not been that involved in it. It goes between the White House and OMB, as I have said. But I will make sure that I find out the status. That I will do.

Senator KENNEDY. OK. If you could—I know you, Madam Secretary. If we could get an answer.

Secretary FUDGE. I will.

Senator KENNEDY. My people deserve an answer, and this has gone on—you know, this has been like rope-a-dope, OK? And this has gone on, and in order for us to get it done in the Congress, we are going to have to have a request by the President. We all know that. And there has just been too much dodging, bobbing, and weaving. I am a pretty simple guy. I like breakfast food, and I like straight answers. And if you could ask the White House to just give me a straight answer yes or no, I would be eternally grateful.

Secretary FUDGE. That I will do.

Senator KENNEDY. And I will send you a fruit basket.

Secretary FUDGE. I will ask them for a straight answer.

Senator KENNEDY. Thank you so much.

Thank you, Mr. Chairman.

Secretary FUDGE. You are welcome, sir.

Chairman BROWN. Thank you, Senator Kennedy.

The next three Senators are Senator Tester, then Senator Moran, and then Senator Warren. I have to duck out to do some questioning in the Ag Committee about climate, so Senator Tester is recognized for 5 minutes. If you would then just turn it to Senator Moran, who will—

Senator TESTER [presiding]. I will. But before you leave, Mr. Chairman, I think it is incumbent upon me to point out that Senator Moran, always being politically correct, has your book off his right shoulder.

With that, I want to turn to you, Secretary Fudge. There are many challenges across the country for folks trying to access housing. It is true in Ohio, as you know, as well as in Pennsylvania, certainly true in Montana. It is true in our cities and towns, but it is also true in rural areas—some would call them “frontier areas”—and on tribal lands where oftentimes communities need more specific help to make Federal programs work to access the resources that are available.

So, Secretary Fudge, how would HUD ensure that new or additional housing resources make it into those rural/frontier and tribal communities?

Secretary FUDGE. Senator, thank you so much, and thank you as always for the discussions we have had about this over the last few months. I appreciate your insight and input.

The Jobs Plan does specifically set aside resources for Indian country and for rural communities. As you know, HUD's mission is to take care of housing everywhere. We do not differentiate between urban and rural, and we understand very much the needs of rural communities as well where we talk about building supportive infrastructure and climate resilience and community development. We know that it takes a whole of Government to make these things happen.

So between the work that we do at HUD, the work that is done at USDA, we are very confident that with the Jobs Plan we can really make a significant increase and a significant downpayment and make clear that we believe in the expansion and empowering of communities, especially rural communities.

Senator TESTER. Well, that is good. I just think it is really important, because they do not have the resources, they do not have the planners, they do not have the ability to get these funds easily. And as pointed out by Senator Menendez, it is important in those communities, too, because, quite frankly, there is a shortage of housing all across the country. There is significant need. But there are examples of successful existing programs that help ease the shortage when these programs are utilized. There are tax credits that can be leveraged when available and examples of local communities enhancing their resources through public-private partnerships.

So, Secretary Fudge, how can we ensure that Federal resources for housing are fully utilized to get assistance to as many people and as many communities as possible?

Secretary FUDGE. Well, Senator, you know that for a very long time we have only had—truly in terms of the private part, we have had the low-income housing tax credits, which have been very, very helpful. But in the Jobs Plan, there is another tax credit, the neighborhood homes investment tax credit, that would also help us leverage more public resources. And then, of course, there are all the other programs that HUD can assist with where we have the Native American block grants and the housing block grants.

I think that if you pull all of these things together, you are going to find the resources to make not only the rural communities and, of course, Native communities expand their housing options; we are able to build new housing with the resources that have been put into the Jobs Plan; as well, we can talk about really then starting to talk about resilient communities, which we know that we can do. But the Jobs Plan makes sure that all of those resources are there together. With HOME and other programs from HUD, I think we can make it happen.

Senator TESTER. OK. Secretary Buttigieg, I want to talk to you a little bit about charging stations. I think it is really important we make the transition, and I think it is going to happen regard-

less. It could happen quicker if we are a little more aggressive, and I think the charging stations are part of it.

My question to you is: In Build Back Better, how is this going to work? Is this a revolving loan fund, or is the Government going to build charging stations? Or are we going to give loans out to businesses who want to put charging stations at convenience stores or grocery stores or wherever it may be? Can you tell me what the vision is there?

Secretary BUTTIGIEG. Thank you, Senator. It is a very important question, and it is one of policy design that I think will vary based on some of the geographies that we are looking at.

The economics of installing a charging station may pencil in, for example, a luxury apartment building in the middle of the city such that no assistance is required at all. On the other end of the spectrum, there are a lot of locations, especially in more spread out or rural areas, where there simply might not be a return unless there is some kind of support.

So I would not say that the vision is that all charging stations in the country or even most of them or any of them need to be owned and operated by the Federal Government. This is a great opportunity for leverage and to make sure that the dollars are being put to use in a way that maximizes the availability.

Of course, our support is not just in financing the establishment or the construction of the stations, but also just in siting them, and that is where we have work we can build on in the alternative fuels corridors designations that have been going on, which DOT does in partnership with the Department of Energy, just to establish where across our highway network we need to make sure there are charging stations, whether the market would provide them or not, so that range anxiety does not hold Americans back from adopting EVs.

Senator TESTER. Just a statement before I turn it over to Senator Moran. I will really hope that when it comes to roads and bridges infrastructure, we continue to rely on existing formulas. If we start screwing around with that, it gets pretty dicey pretty quick. Thank you.

Senator Moran.

Senator MORAN. Chairman Tester, thank you. Chairman Tester, over my right shoulder is another book that you might recognize as well, so I am not currently politically correct as I can be in this setting.

Secretary Buttigieg, thank you for joining us. You, too, Madam Secretary. I am pleased to have the opportunity to visit with you this morning, but I am going to focus on the Department of Transportation.

Mr. Secretary, let me raise two topics with you. COVID-19 had, as you know, a devastating impact on the airline industry, and Congress and the Administration responded in a number of ways to help repair the damage that was done by lack of commercial air travel. One of the industries that was also affected by that circumstance is the manufacturing sector of which Kansas is one of the prime places in which aviation manufacturing occurred.

With the help of Senator Warner from this Committee and Senator Cantwell, the Chairman of the Commerce Committee, we were

successful—it was successful in having passed legislation, the Aviation Manufacturing Jobs Protection Program. One of the discussions was about who should be responsible for implementing that program, and the conclusion was the U.S. Department of Transportation. So in your realm of responsibilities, you have implementation of this legislation.

It is important to me. I introduced and sponsored the legislation that became an amendment to the COVID relief package.

I would ask you—I mean, the Department has published information on steps eligible businesses need to take prior to submitting an application. But there is not more definitive instructions than that. Your Department has been kind to me. I intend to have a forum in Wichita or at least in Kansas, and your team has volunteered, once they know more, to be a participant in that program trying to explain to aviation manufacturers what the program is, how they can take advantage of it, and how we can protect our workforce in aviation.

Do you have any ideas at this point about the timeframe in which these funds will become eligible and when I should be looking at scheduling and asking your staff to join me to try to explain it to a group of businesses and employees that are significantly interested?

Secretary BUTTIGIEG. Yes, thank you. We are moving quickly to make sure this is implemented successfully, accountably, and, of course, in a timely fashion. As you point out, the impact on air carriers is probably better understood in the public than the impact on manufacturers, and so this important program really will have a powerful economic impact.

Unlike some of the other COVID relief plans that sent dollars through existing mechanisms, this required us to stand up a new one, and we want to make sure that we get it right.

I can tell you that DOT's most senior leadership is heavily engaged. We have established a Senior Advisory Council involving every relevant part of the Department to make sure that we are taking the right steps. And to your question, I hope to have an application process fully defined and out for applications later on this summer and would welcome that opportunity for DOT personnel to be there to help explain it to potential applicants.

Senator MORAN. Thank you for your obvious knowledge and awareness of this program and presumably, seemingly—“seemingly” is a better word—involvement in a personal level on the part of you as the Secretary. And thanks for committing your staff to helping me help explain what opportunities exist.

Let me turn to a renewable energy question in regard to transit. One of the things that I think has happened is that with the public transit programs that are attempting to accelerate the transition of our bus fleets from diesel and gasoline to cleaner energy alternatives, it seems to me that these programs have overwhelmingly favored certain renewable fuels—and by that I think those words mean electric—to the diminution of other cleaner fuels such as renewable natural gas or natural gas. And as a result, those bus programs that those renewable fuels, particularly renewable natural gas, make a lot of sense, I do not think they are going through the process to seek the funds because of what I think is maybe perhaps

a perceived or perhaps a real bias or prejudice one way or the other. I would ask that you take a look at being more balanced in that view. There are buses—and I think I am particularly probably talking about rural communities—in which renewable natural gas is a viable and valuable and environmentally sound alternative to electric vehicles.

I would ask you to enable the transit agencies to pursue the cleanest available vehicles that suit the needs of the fleet and the public transit infrastructure. It is better to get us in a position using renewable natural gas or natural gas to reduce emissions than those buses continuing in their current state without the Federal support because they are not converting to electric. And there are some issues with electric, as Senator Tester was saying about the charging stations, also the important elements that make up where batteries come from are outside the United States. So there are some issues with this.

I am just looking for you to commit that there is a place that the Department of Transportation should recognize for renewable natural gas and natural gas.

Secretary BUTTIGIEG. Well, thank you. We certainly have a role for natural gas vehicles that are producing fewer emissions than, for example, a diesel vehicle. Part of the issue, of course, is that in a program that is designed to minimize emissions, a vehicle with zero tailpipe emissions will typically be more competitive. But as you note, sometimes what is right in one region may be different from another, or there may be different resources available to different transit authorities. We will continue to try to tailor what we are doing so that it makes sense on the ground.

Senator MORAN. I appreciate that. Mr. Secretary, as you know, what is valuable and practical in your largest city in Indiana or my largest city in Kansas may not be the most practical or valuable solution in a rural community of several hundred or several thousands people. And we sometimes think of transit as being the large cities' way of moving people. But as you know, in our States it affects lots of seniors and disabled individuals and getting to the doctor and getting to the grocery store in ways that are different than what a city mass transit program would look like.

Secretary BUTTIGIEG. I absolutely agree, yes.

Senator MORAN. Thank you.

Thank you, Mr. Chairman.

Chairman BROWN [presiding]. Thank you, Senator Moran.

Senator Warren from Massachusetts is recognized for 5 minutes.

Senator WARREN. Thank you very much, Mr. Chairman.

Secretary Fudge, we have discussed the importance of addressing our Nation's affordable housing crisis head on, and I know that you are committed to increasing the number of affordable units available to families. But those homes have to be built somewhere, and too many communities around the country with restrictive zoning laws that were born out of racial segregation prevent new affordable housing units from being built.

Using exclusionary zoning to keep families, often lower-income families and families of color out of certain neighborhoods, is wrong. And over time the harm really adds up. Exclusionary prac-

tices drive up the cost of housing for everyone and reduce the amount of available land.

So, Secretary Fudge, at your confirmation hearing, you told this Committee that it is important that we get rid of the notion of “not in my back yard.” How does that “not in my back yard” approach impede efforts to address the affordable housing crisis?

Secretary FUDGE. Well, first off, thank you, Senator, for our ongoing conversations about this. The first thing that it does is it increases the cost of housing, and it limits where we can build housing. If you have restrictive zoning ordinances, then there are two things that happen or can happen. One is that where there is available land, you cannot build or the zoning is so onerous that it costs you more money to build. Maybe they put all kinds of restrictions on it that increase the cost of buying a property.

The other thing it does is it just basically says to people in our communities, “We do not want you to live in our neighborhood if you are low-income, if you are a person of color.”

And so what we have found is that these laws have been around so very long that the Jobs Plan now gives us the opportunity to go into communities with some incentives to assist them in how we discuss it, how we could give them the kind of technical assistance to change it, how we engage communities so that we can have a better narrative about why we should allow new housing and housing that is not restrictive in communities that historically have prevented us from building.

Senator WARREN. Right, so let me follow up on that. How would incentives help? Aren’t these changes that the Federal Government can just make on its own to get this housing built? Or why do you need these incentives?

Secretary FUDGE. Well, they really cannot—a lot of the zoning laws are really just local—they are local ordinances, many of which we cannot change as the Federal Government. Now, we can talk about discrimination overall. We can talk about civil rights overall. But we cannot just go into a community and change all of their zoning or planning ordinances. And that is why we want to engage communities with conversation, with technical assistance, to talk to them about how they can change them, how they could—maybe we can come to some agreement that makes them not as restrictive and not as costly.

Senator WARREN. Well, I completely agree with the direction you are going here. My American Housing and Economic Mobility Act includes a new \$10 billion housing innovation grant program that would provide funding so that local governments can use it to build things like parks or schools if they are actively removing unnecessary barriers to building affordable units in their communities. Eligible reforms would include things like changing bans on multi-family construction, revising minimum lot size requirements, or passing inclusionary zoning ordinances.

So let me ask, Secretary Fudge, could this kind of grant program make a difference in pushing communities to expand the supply of affordable housing?

Secretary FUDGE. There is no question but that it could be helpful.

Senator WARREN. Good.

Secretary FUDGE. And it is certainly something that I would like to really get into some more detail with you about, because until we can get to that point that we can include the kinds of things you are talking about, we are going to forever have people locked out of communities of opportunity, giving the opportunity to go to better schools, to have better jobs, and to build wealth. So I would very much like us to continue that conversation.

Senator WARREN. All right, and I very much want to work with you on this. You know, I was so glad to see President Biden call for the elimination of exclusionary zoning and to end harmful land use policies as part of his American Jobs Plan. And now I have got a proposal ready to go on this. Taking on our affordable housing crisis requires a comprehensive strategy, and reducing exclusionary zoning and land use restrictions has to be a part of this.

So thank you, Secretary Fudge, and thank you, Mr. Chairman. Secretary FUDGE. Thank you.

Chairman BROWN. Thank you, Senator Warren.

Senator Cortez Masto from Nevada is recognized for 5 minutes.

Senator CORTEZ MASTO. Thank you, Mr. Chairman. Thank you. And thank you to both Secretaries Buttigieg and Fudge for this great conversation and the good work that you are doing.

Let me start off with Secretary Buttigieg. I had the pleasure of speaking with Acting Administrator Fernandez at her nomination hearing about the ability for capital investment grant project sponsors, specifically in my State, the Regional Transportation Commission in Washoe County, to be able to utilize its project cost savings, further enhancing their specific project corridors. I am going to include for the record a question on whether the Department will reward project sponsors who are good stewards of taxpayer dollars that come in on time and under budget with the ability to repurpose those funds to other important elements of an existing federally funded project within their community. So I am going to submit that for the record.

Senator CORTEZ MASTO. I do want to talk to you about Smart Communities. I know that President Biden included a call for building on really an Obama era Smart Cities Challenge Program with \$1 billion annually in his infrastructure proposal. Can you talk to me about why this is important? Why are Smart Communities important? Why this proposal?

Secretary BUTTIGIEG. Thank you. Let me mention about the structure of the program and the substance of the program. I was a mayor when the Smart Cities Challenge came out and saw the impact it had even on cities like mine that were not even participating in the competition. It stimulated a race to the top and encouraged local communities to do what they do best, which is innovate. So that kind of such with an emphasis on sharing ideas and an emphasis working directly with local communities we think was very powerful and something we could build on.

In terms of the substance of the vision, it is really about making sure that we future-proof our investments and are taking advantage of the extraordinary change that is coming to transportation and certainly will be across the 2020s. That change could be enormously empowering and beneficial on everything from climate to equity to job creation, but it will not be that way on its own. It is

why we have to have a lot of intention and good policies behind it and, of course, resources, which is why you see it reflected in the President's vision.

Senator CORTEZ MASTO. Well, thank you, and I could not agree more. And I do agree that the incentive is so important, and that is why when I first got here to the Senate, I introduced the Moving FIRST Act to bring back and expand the Obama era Smart Cities Challenge. I think it is so important that this incentive is out there. We have seen the benefits of it and the opportunities we have to embrace this advanced technology for our communities.

I will tell you my bill is endorsed by the League of Cities, NACo, the Chamber of Commerce's Tech Division, and ATPA and the American Society of Civil Engineers. So I look forward to working with the Administration. I think this is a great, great opportunity here for our communities.

But let us talk about the communities, and I only have so much time. Secretary Fudge, I could not agree more. You both know this better than anyone. Everything that we are working on, particularly the nexus between affordable housing, transit, and employment centers starts at the local level with zoning. Zoning, zoning, zoning, right? That is the key to all of this, and that is why at the Federal level we may incentivize, we may try to get dollars and resources out there, but it really starts with that initial planning, urban planning or rural planning and the zoning. And that is why it was important for me to introduce the Better PLAN ACT.

Now, I absolutely support what Senator Menendez is doing with his legislation on Livable Communities. The Better PLAN Act that I have introduced is really compatible with what we are trying to do here, which is enhancing that coordination between metropolitan planning organizations, local land use agencies, and housing stakeholders to align transportation plans with our local housing goals as well as ensuring that we are connecting them with those important employment centers.

So, Secretary Fudge, can you talk just a little bit about that nexus and why it is so important and why we have to engage local communities in this if we are really going to get it right?

Secretary FUDGE. Well, first off, let me just thank you for your continued focus on affordable housing. In our conversations, I have been so very pleased to know of all of the things that you are working on that I believe are going to be helpful. But as you talk about—and your State probably is the perfect example. If we cannot get people to jobs because they live in communities that are so isolated and/or so difficult to move people from good jobs to home, then it is a problem, whether it be a teacher, a firefighter, or anybody else. I think that we have to make sure that we understand that both of them are really infrastructure.

But when you talk about building roads and bridges, you have to connect them to something, so let us not—why can we not connect them in the way that is beneficial to the people we represent, all of us? I represent people who need housing, who need public housing, low-income people. They have to rely on us to make sure that we plan appropriately, work together to make sure that what we are doing is going to be beneficial to them in the long run, and

that means we have to have transportation that is smart, transportation that is accessible to where people live and work.

Senator CORTEZ MASTO. That is right. And let me add—and I know my time is up, but one other thing, where they live and work. But in my State they are working 24 hours, right? So the transit, that connectivity, that opportunity has to be available to everyone at all times, particularly if they are working a graveyard shift or a late shift or a day shift, whatever that may be. It is so important that we bring that nexus together for everybody and meet their needs where they are, so thank you.

Chairman BROWN. Thank you, Senator Cortez Masto.

Senator Scott from South Carolina is recognized for 5 minutes.

Senator SCOTT. Thank you, Chairman Brown, and thank you to the panelists for being here today. I will start with Secretary Buttigieg.

As you know, a number of my constituents in South Carolina were affected by the hack of the Colonial Pipeline earlier this month. They estimated that about 40 percent of the gas stations in South Carolina were without gas because of that hack. That means that real people and their lives are strained by the lack of access to gas. I know by talking to some of my constituents in Spartanburg and in Greenville, they were waiting an hour in the line to try to figure out how to get gas in their cars to take their kids to school or go to the grocery store.

You called the Colonial Pipeline hack a “wake-up call” for the country’s cybersecurity vulnerability. I actually agree with that statement wholeheartedly. I think there is another wake-up call that we are seeing as well, and I believe Secretary Jennifer Granholm said just last week when she admitted that pipelines are the best way to transport fuel. That has to be a wake-up call for the Administration that did not continue with the construction of the XL Pipeline within the first few weeks of the Administration.

As Secretary of Transportation, do you agree with the Secretary of Energy when she says that pipelines are the best way to transport fuel?

Secretary BUTTIGIEG. Well, of course, it depends on the context. Nobody is proposing that we establish a pipeline that goes directly to every gas station or every community in the country, but—

Senator SCOTT. Let me—

Secretary BUTTIGIEG. —for certain—

Senator SCOTT. —give you more context then. Do you think that the important comments by the Secretary of Energy as it relates to transporting fuel through a pipeline is important enough for us to revisit the XL Pipeline project? Or does that statement not include the XL Pipeline from your perspective?

Secretary BUTTIGIEG. Yeah, in my view, it does not support any change to the Administration’s view on the XL Pipeline. It is certainly the case that over certain long distances in certain contexts it makes sense to have pipelines. After all, one thing our Department is very proud of is the work that we do through the Pipeline and Hazardous Materials Safety Administration to make sure that 2-plus-million miles of pipeline in the U.S. are safe.

At the same time, the President is keeping his commitment that he made during the campaign to guide any decisions about pipe-

lines or energy policy more generally based on climate responsibility as well as what makes sense for our economy in the long term.

Senator SCOTT. So thank you for that answer. I will say that according to many experts that I have read, the XL Pipeline, stopping that project means you are going to carry that energy over the roads, over the rail, which actually increases our carbon footprint, not decreases our carbon footprint. So by not having the pipeline, we are actually doing more harm to the environment and not less harm. So that is a confusing position, but I am glad to see that there is an inconsistency between the two Secretaries.

Let me move to HUD and ask a question of my friend Secretary Fudge as it relates to manufacturing housing. As you may recall, back in 2019 we passed bipartisan legislation that allowed for more manufactured housing to be a part of the strategy that we use to help home ownership become more affordable for people throughout the country. When would you expect HUD to issue guidance for the inclusion of manufactured housing in States and local governments' consolidated plans?

Secretary FUDGE. First off, thank you. It is good to see you Senator, and I thank you and appreciate your concern about manufactured housing. You know that we do have some guidelines and certainly the guidelines that were requested in 2019 I think probably got caught up in all of the things that were going along with COVID, but we believe that we will have something by the end of this year. We know we are little bit behind, but as I said, in 2019 I think COVID and trying to get CARES Act funding and other things out may have delayed it, but we are working on it as we speak, sir.

Senator SCOTT. Well, as you would imagine, my State has a disproportionate share of the manufactured housing, and we experience lots of natural disasters, and I will say that the current state of manufactured housing has transformed positively where you have a stronger home, you have a more resilient home than ever imagined. And so whatever we can do to hit the accelerator on that I believe will be helpful to those folks who are on the margin, on the bubble, so to speak. They could be a homeowner or they could not be a homeowner, depending on how accessible manufactured housing is. So thank you very much for your commitment to move that forward.

Secretary FUDGE. My pleasure, because I am a strong proponent as well, Senator, so we will get right on it.

Senator SCOTT. Yes, ma'am, thank you.

Chairman BROWN. Thank you, Senator Scott.

Senator Van Hollen of Maryland is recognized for 5 minutes.

Senator VAN HOLLEN. Thank you, Mr. Chairman. Secretary Fudge, thank you for your leadership, and I am pleased to see the American Jobs Plan include major provisions to increase the overall supply of housing and affordable housing and use Federal incentives to address discriminatory local zoning practices.

I was also pleased to see a reference there to the importance of continuing with affordable housing vouchers. Senator Young and I have introduced a bipartisan bill calling for the creation of 500,000 family stability and opportunity vouchers. The Center for Budget

and Policy Priorities has indicated that any plan to address affordable housing for the lowest-income households has to include an expansion of the voucher program, and this is designed to provide wrap-around services to families, and it has been a proven way of helping lift people out of poverty.

I have mentioned this to you before. We are going to introduce it again soon. What I want to ask today is just a commitment from you to get back to me and to Senator Young as to whether or not the Biden administration will fully endorse this proposal. That is my request today, that you get back to me.

Secretary FUDGE. The answer is yes, I will get back to you. Happy to do it, sir.

Senator VAN HOLLEN. Thank you. And, you know, speaking of discrimination, one of the most insidious forms of discrimination is landlords denying families, you know, rent based on source of income, and we have got to address that, I believe, in this legislation. Nobody should be denied access to housing because they are relying on an affordable housing voucher.

Secretary Buttigieg, I applaud the inclusion of the \$20 billion in the American Jobs Plan to help reconnect communities that had been split by prior Federal infrastructure investments. We have talked about this before. I was just in Baltimore City at the mayor this week at the site of what we call the “Highway to Nowhere,” 1½ miles of highway that was stopped because people in the better-off part of town succeeded in stopping it, but not before 1½ miles of highway were built that split an African-American community and neighborhoods. We have got to heal these wounds, bring the community together. It is a perfect example of why those funds need to be used.

I want to ask you now about the transportation funding formula for a second, because if a State like the State of Maryland wants to build a highway, we just use our Federal formula funds, and we go ahead. We get 80 percent Federal funding. If we want to invest in a transit line, a new start, we need to apply for a grant; we need to get approval from the FTA; and then at most we get 60 percent Federal match. And, currently, there is no new start with the full funding grant agreement of more than 50 percent Federal funds. So, clearly, if you are a State and you want your dollars to travel faster, the Federal Government is now incentivizing highways over transit.

Can you agree that we should change this and commit to work on changing this as part of the American Jobs Plan?

Secretary BUTTIGIEG. Well, one thing I would point to is that the once-in-a-lifetime investments that are contained in the American Jobs Plan roll out on a different basis. You know, you saw the President’s vision include \$85 billion for public transit and transit related investments—not that we do not care about highways, roads, and bridges. Indeed, there is over \$100 billion committed to that purpose. But we are trying to base it off where the needs actually are, and that is why you will see that different ratio encapsulated in the President’s vision for that major investment we need to make for the future.

Senator VAN HOLLEN. Got it. Well, I want to work with you on what the cost share is for the States, because right now in our on-

going programs, there is a huge incentive to go for a highway investment rather than a transit investment, and that discourages States from using their dollars for transit, even when that makes the most sense, because the Federal dollar travels faster on the highway than on transit.

Briefly, I know you agree that building Federal roads, bridges, or other infrastructure, we should do it in a way that is built to last, and if it is in a Federal floodplain or other area that will be impacted by climate change, we need to build with resilience.

The Obama administration put in place the Federal Risk Management Standard. The GAO has said that that is a good way to save taxpayer dollars. The Trump administration tanked it. President Biden indicated that he was going to reinstate this really in the first week, but that has not happened.

Can you speak to this and just commit to moving forward on this commonsense proposal?

Secretary BUTTIGIEG. With regard to that standard specifically, I will look into that and see if we can get more information on where it stands. More generally to your point, this is why resilience is such a focus of the Jobs Plan. I think there is a commonsense case to be made that if, let us say, a road washes out and climate change effects suggest it will wash out again next year if we put it back just the way it was, shouldn't our policy be able to tell the difference? And that is certainly part of what we mean when we say build back better.

Senator VAN HOLLEN. I appreciate that, Mr. Secretary. This is one thing you could do today that would help change that going forward before we even have to enact legislation. So I really encourage you to do that and hope you can get back to me on that. Thank you.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you Senator Van Hollen.

Senator Tillis from North Carolina is recognized for 5 minutes.

Senator TILLIS. Thank you, Mr. Chairman. Secretary Fudge and Secretary Buttigieg, congratulations on your confirmations, and thank you for being with us today.

Secretary Buttigieg, I want to thank you for reaching out to me with the courtesy call before you went down to North Carolina, and I want to ask you a general question of maybe what you are hearing as you travel across the country. But when you were down in North Carolina, what takeaways were there in terms of the needs and priorities down in the State?

Secretary BUTTIGIEG. Well, one of the things I saw was just how rightly proud North Carolinians are about some of the visionary work that has been done to support and expand options in communities that are growing. With growth comes a lot of challenges, and they are good challenges to have, but still require forward-looking transportation policy.

I also had a chance to see some of the extraordinary research that is going on, some of it supported with Federal and State transportation dollars, things that I could go on about for hours but I promise not to, in terms of, for example, optimizing pavement, which might not seem like a sizzling topic of great interest, but just a little difference in making a piece of pavement last longer in

harsh weather could mean enormous savings for communities and the Federal Government. So it was a very instructive trip, and I look forward to continuing to be in touch on the progress that is being made there.

Senator TILLIS. Thank you. I am kind of curious. Speaking with legislative leaders and the Governor, one of the topics that has come up in North Carolina, I am curious if it is something that we are hearing across the country, is that with the billions of dollars that are down in the States and they are looking at flexible ways to use it, have you heard much in the way of trying to use some of the relief funds that right now are restricted from transportation projects to potentially, I think, California has about a \$70 billion surplus, for example, and looking at maybe repurposing some of that for infrastructure projects?

Secretary BUTTIGIEG. So I think every State and local government that has gotten support is assessing how best to put it to use. I do want to emphasize that, of course, we want to make sure there is the right kind of flexibility for those dollars to be well spent, but would also flag the risk of spending the same dollar twice, so to speak, in terms of imagining that a dollar is unspent simply because it takes longer to get committed.

To give you an example, you can imagine a transit authority that sees that their ridership went down 90 percent or 80 percent in 2020. Now they see it maybe back at 50 percent. It might still be down 30 percent next year. And so you will not see some of those dollars that are designed to keep them afloat and obligated until next year, maybe later because of the reimbursement pattern. But that was part of the congressional intent, and so I just want to note that there was a multiyear vision for some of how these dollars would move.

Senator TILLIS. Just maybe back as a baseline question, we have got various views around Washington now about what defines infrastructure. In your role as Secretary, how do you define infrastructure?

Secretary BUTTIGIEG. Well, I view infrastructure as the foundation that makes it possible for Americans to live a life of their choosing. That can include the transportation infrastructure that makes it possible for you to get to work or school. It could include the Internet infrastructure that makes it possible for you to communicate with work or school, whether you are physically moving around or not.

We in the Administration, of course, also believe that tearing down a barrier in the form of, let us say, unaffordable elder care or child care amounts to part of the care infrastructure that helps America work. I recognize and respect there are different views about how we define these things. My hope is that even if we agree to disagree on a philosophical question about what to call something, we have a good chance to agree on good policies that will make a difference for the American people.

Senator TILLIS. Just on that note, I agree with the first part of your assessment of infrastructure, which I think has traditionally been defined that way, along with broadband, which I think the modern definition absolutely should include it. It is not that I am necessarily opposed to some of the other initiatives that we are

casting a wider net and calling “infrastructure,” but I think that most of the American people, when they think about infrastructure, they think about the things that are in your lane in the Department of Transportation and would like to have a separate discussion about the efficacy, the affordability, and the long-term viability of those other programs.

Just really quickly, and this is for Secretary Fudge and Secretary Buttigieg, I feel like Davis–Bacon that, you know, many say is an artifact from the Jim Crow era that was preventing minorities to get into construction work, now we are using it maybe a little bit differently. The concern that I have is if we are going to impose these higher labor costs on infrastructure projects, on affordable housing projects, aren’t we really just doubting the impact that we can have with the use of the Federal taxpayers’ money? And, Secretary Fudge, we can go to you first.

Secretary FUDGE. I really do not think that we are, and that is why we are putting in place things that the Jobs Plan will help us to bridge the gap for affordable housing, what it costs to build it, what people can pay for it. If you look at the Jobs Plan in its totality, you will see that these issues have actually been addressed within the bill.

Senator TILLIS. Well, you know, I have just seen the cost of labor in these construction projects can nearly double the cost of labor, so I am having a hard time getting my head around how that is consistent with trying to produce more access to affordable housing. But my time has expired. We will take this up off the Committee. Thank you very much.

Secretary FUDGE. Thank you.

Senator TILLIS. Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Tillis.

The Senator from Minnesota, Senator Smith, is recognized for 5 minutes.

Senator SMITH. Thank you, Chair Brown, and welcome, Secretary Fudge and Secretary Buttigieg. It is great to be with you virtually.

I am going to try to get to two questions, if I can, for both of you, and the first question has to do with this. You know, as we get ready, I hope, to be making bold and transformational investments in infrastructure, we need to focus on how to make sure that the benefits of those investments and the jobs that they create are broadly shared. And I think that we can all acknowledge that in the past, communities of color and low-income communities have often not seen the jobs that were created by Federal and State infrastructure investments. And, you know, we have seen this story unfold over and over again in roads and bridge construction, but also in public housing construction and maintenance, too.

So I think now in this moment we have an opportunity to change this, but it is going to take a clear strategy and intention. So that is what my question is for you. How do you intend to work on this issue in your agencies so that we can make sure that communities of color and low-income communities are benefiting from the job opportunities that are created by these significant infrastructure investments? And maybe I will start with Secretary Buttigieg.

Secretary Buttigieg.

Secretary BUTTIGIEG. Well, thank you. We share this priority. We think it is very important both in terms of the communities that benefit from the overall asset that might be added in the form of a transit line or a bridge or road or whatever it may be, but also those who get to participate in the business opportunities that are created, the ownership of the businesses and certainly the workers.

Yesterday with Secretary Walsh, Mayor Bowser here in Washington, and others, we visited the work site of the Frederick Douglass Bridge, which takes South Capitol across the river to Anacostia, and they had very effectively used local hire and project labor agreements to make sure that the local community, the diverse local community was reflected on the work site. I think continuing to partner with local agencies and authorities with labor organizations and everybody else who has a stake in this really needs to remain a priority so that we create the most opportunity we can for including or especially for those who have been excluded in the past.

Senator SMITH. Thank you, Secretary Buttigieg.

And, Secretary Fudge, you and I have talked about this before. What opportunities do we have for creating jobs for people living in public housing or in poor communities as we are, I dearly hope, making significant investments in housing in those communities?

Secretary FUDGE. Thank you very much, and we have talked about it. I think there are a number of things this Jobs Plan really can do. Apprenticeship programs so that we can prepared people for some of these construction jobs, we know there are going to be more than 100,000 of them. We can talk about doing things like making sure that certain contracts and certain employees come from certain geographic areas. We can create goals for contracts. There are many things we can do and should do, and the Jobs Plan is going to allow us the opportunity to do just those things.

Senator SMITH. Thank you. Thank you very much. I really look forward to working with both of you on this. I think this is extremely important.

Secretary Buttigieg, I want to come back to you on a question about the American Jobs Plan proposal to include a \$20 billion grant program to help reconnect communities that have been split apart by the creation of Federal highways. So just give me a minute to tell you about the story of the Rondo neighborhood in St. Paul. Rondo was a lively community with hundreds of prospering Black businesses and family homes. Eighty percent of St. Paul's African-American population lived in Rondo, including a strong and flourishing middle class. And then in the late 1950s and 1960s—you know the story—construction of the I-94 interstate literally ripped this community in half. Seven hundred homes owned by Black families were destroyed; 300 businesses gone forever; and the destruction of these homes and businesses had a devastating impact on this community: \$157 million in home equity lost. That is equity that never was able to be passed on and has clearly contributed to the intergenerational wealth gap that we see so significantly in Rondo, in Minnesota, and the whole country.

But here is the good news. The amazing community called "Re-Connect Rondo" has a vision for how to build a land bridge over

the I-94 freeway and create an African-American arts and enterprise and culture and living community.

So could you, in the few seconds that I have left, talk to us a little bit about how that vision for ReConnect Rondo fits with what your vision is for that \$20 billion grant program?

Secretary BUTTIGIEG. Well, thank you. Very briefly, this is certainly an example of what we have been talking about in terms of how Federal dollars often serve to segregate, divide, or destroy neighborhoods of color, and as your example illustrates, this is not something that was confined to one region of the country. It happened in so many different places.

So now the question is: How can we right that wrong? Sometimes in some geographies, that has meant removing, replacing, or submerging a highway. In others, it means working around it, and that is, I think, an elegant quality of the proposal you are describing. And these are the kinds of initiatives that we want to support with Federal dollars in visions like the American Jobs Plan, again, largely because we know in a previous generation it was Federal dollars sometimes that created the problem to begin with.

Senator SMITH. Thank you, Secretary. That was no accident, of course, that that is where the route for the I-94 freeway was chosen, and I think there is an opportunity to restore that community. And I would welcome you coming to Minnesota to see their vision and to imagine with us what we could do there.

Thank you very much.

Secretary BUTTIGIEG. Thank you.

Chairman BROWN. Thank you, Senator Smith.

Senator Cramer of North Dakota is recognized for 5 minutes.

Senator CRAMER. Thank you, Mr. Chairman, and thanks for having this important hearing. And to the two Administration officials, thanks for being here.

Mr. Secretary, thanks for the nice conversation yesterday, and as you know, I sit both on this Committee and the Environment and Public Works Committee, both of which have some jurisdiction over the main titles in the surface transportation authorization bill. Last month, we held a hearing in EPW on the solvency of the Highway Trust Fund, and it was pointed out then during the hearing that the fund would be nearly solvent if transit programs were actually appropriated rather than being included in the Highway Trust Fund distribution.

Now, I appreciate the point and I assume there is not an appetite in Congress right now to strip transit from the Highway Trust Fund. But, traditionally, Congress has always kept an 80-20 split between highway and transit programs, respectively. And so as we work toward this reauthorization, maybe you could give me your perspective or I will just ask straight up. Do you agree that we should keep the 80-20 split between highways and transit?

Secretary BUTTIGIEG. Well, I certainly recognize the role that that split in the formula has traditionally played. I would say the Jobs Plan thinks beyond the year-to-year funding that we are accustomed to because we know that a different ratio may characterize the once-in-a-lifetime transformational investments that we think we need to make as a country. So I think even though legislatively those two things may come to be joined together poten-

tially, depending on how things proceed, I would say conceptually we are really talking about two different things.

Of course, I think most of the communities we speak to are perhaps less concerned with some of the technicalities than they are with making sure that these priorities are funded. And I know that that is certainly important in rural areas that have a lot on the line in terms of whether we continue to support critical connections, whether we are talking about roads and highway, transit, or other means of getting around.

I want to echo what some of your colleagues have mentioned, that transit, I think, in the public imagination sometimes is conceived of as strictly a big-city phenomenon. But, of course, it is often in small communities that it can make a big difference as well.

Senator CRAMER. Again, you know, underfunding highways to, you know, this other issue, it has obviously a detriment as well. So the bottom line is we need enough money obviously to do all the things we want to do. In the meantime, I would like to hang onto at least as much of the formula as we can, if not all of it.

You know, I am going to switch for just a second. Secretary Fudge, great to see you again, by the way. I look forward to working with you some more. As you know, access to affordable housing obviously is a challenge for a lot of Americans, including those in rural America. So both highways and housing have a lot in common. The Housing Choice Voucher program at HUD helps about 5 million low-income people afford safe housing and decent housing in the private market. And it is administered, of course, by local public housing agencies, PHAs, as you know, and families that receive a voucher have 60 days to find a unit. They then pay 30 percent of household income toward rent and utilities while the PHA pays the landlord the remaining rent. And HCVs increase, of course, stability. They reduce homelessness and each year lift more than 1 million people out of poverty.

As HUD acknowledges in its 2019 Evidence Matters report, landlord participation in the program determines the number of available units—it is pretty obvious, right?—and their geographic distribution, of course, which in turn affects tenant mobility and healthy housing, fair housing.

Unfortunately, there are things like rent payment standards, administrative processes, and misrepresentations of the program that can cause uncertainty in the operations and deter owners from participating in the program. In fact, we know that landlord participation is declining, with an average of 10,000 housing providers having left the program each year between 2010 and 2016.

So as part of improving the voucher holders' access, today Senator Coons and I introduced a bill to increase resources and reduce the programmatic barriers in the HCV program that will help attract, hopefully attract and retain landlords. It is called the "Choice in Affordable Housing Act". It provides \$500 million to create what we call the "Herschel Lashkowitz Housing Partnership Fund", which is named after a long-time State Senator and mayor of Fargo who was a strong advocate for affordable housing. Just quickly, it would offer a signing bonus to landlord with units in low-poverty areas, provide security deposit assistance so that the tenants can

better afford to meet the required deposits, provide a financial bonus, increase funding to the tribal HUD VASH program and use some neighborhood-specific data, and reduce the specs and delays. I just say all that as my time runs out, Secretary Fudge, just to tell you that I am looking forward to spending more time with you to talk about the specifics as we roll it out.

Secretary FUDGE. I look forward to it.

Senator CRAMER. Thank you. Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Cramer.

Senator Sinema from Arizona is recognized for 5 minutes.

Senator SINEMA. Well, thank you, Mr. Chairman, and thank you to our witnesses for being here today. Secretary Fudge, it is wonderful to see you again.

You know, we have a lot of work to do to expand opportunities for first-time homebuyers and ensure that there is sufficient affordable housing available to Arizonans. The state of the housing market in Arizona is particularly challenging right now. It is a very hot market, and I hear from my friends and neighbors that a home will go on the market in Phoenix and receive dozens of offers within 48 hours. Many of these offers exceed the traditional 20-percent downpayment. Some offers are entirely in cash, and that shows the highly competitive nature of the market. I have even heard of homes that are selling for 20 or 30 percent over the list price paid entirely in cash.

So Arizonans who are looking to buy their first home are feeling very frustrated, and it is becoming too expensive to buy a home in Arizona. This has real implications for Arizona families. Delaying home ownership makes it harder for families to build long-term wealth, and it can force changes to other major life events, like taking a new job or getting married or starting a family.

So what types of solutions do you think could alleviate some of the housing supply challenges that we are seeing in Arizona?

Secretary FUDGE. Thank you very much, Senator, for the question and just know that I appreciate our conversations as well during my confirmation, et cetera.

Let me say there are a couple of things that the Jobs Plan is going to do to make this much better. We know that the biggest problem is that there is just not enough supply of affordable and low-income housing. It just does not exist. And so one of the things that the Jobs Plan is going to do is create as many as 2 million new houses or housing units, in addition to, with some of the tax credits, we think we can add another 500,000 houses or units of housing.

We also are talking about how we deal with assisting homebuyers, whether it be homebuyer assistance, technical assistance, downpayment assistance. We are working on all of those issues because we know that there are so many impediments to purchasing housing, but the biggest issue really is a supply issue. So that is the biggest thinking that we are working on, and that is a part of the jobs bill.

Senator SINEMA. Thank you, Secretary. I know that some of these shortages and price issues are also due to global supply chain issues, particularly lumber shortages, that are contributing to rising construction costs. So my next question relates to manufactured

housing. So whether we are talking about traditional manufactured housing or the growth of tiny homes, it is clear that these products are going to play an important role in satisfying consumer demand and providing affordable choices.

So what role do you believe that manufactured housing plays in addressing ongoing housing supply challenges? And how can we work collaborative to provide more safe, high-quality affordable choices to prospective homeowners?

Secretary FUDGE. I had an opportunity just last week to have a meeting with the home builders, and they have talked about the fact that lumber alone has gone up more than 200 percent since COVID began. We know that the cost of trying to build a single-family house today based upon lumber costs, et cetera, has gone up more than \$32,000. So the things that we are trying to do with resources like low-income tax credits, like HOME that can assist with bridging the gap between the cost of housing and making it more affordable for people to purchase, we have put in place a new tax credit as well. So those are things that have been considered within the jobs package, and I just do say to you that manufactured homes is an option that we too seldom look at. It is affordable, it is resilient, it is energy efficient, and it is something that we should do more and more of, because I think that it is quick to make sure that we can put in place, so it is fast to put in place, and it is just a good option, as are tiny homes and others. But I think the real issue becomes how do we make whatever the product is more affordable by the use of private investments, especially by way of tax credits.

Senator SINEMA. I agree. Before my time expires, I just want to ask you a final question about homelessness. We continue to see a larger number of individuals experiencing homelessness due to the economic damage from the pandemic. It is concerning, and we must ensure that our communities have the resources to provide safe, stable housing and other vital wrap-around services that can help folks get back on their feet.

So I wanted to raise with you that we are seeing a growing number of seniors experiencing homelessness in Arizona, and we have seen this trend on the rise for the past 2 years. Now, it is a challenging crisis, and there are no easy answers. But I would like to ask that our teams work together to identify some solutions to address senior homelessness and, of course, work to earn bipartisan support.

Secretary FUDGE. I would be happy to work with you. We have a lot of options that we can look at. Certainly, of course, Congress just did give us resources for emergency vouchers, so I would be happy to work with your team.

Senator SINEMA. Thank you so much, Secretary.

Mr. Chairman, I yield back my time.

Chairman BROWN. Thank you, Senator Sinema.

Senator Daines from Montana is recognized for 5 minutes.

Senator DAINES. Thank you, Chairman.

Secretary Fudge, on the matter of housing insecurity, you told the White House press pool on March 18th, "I do not know where my Republican colleagues live if they do not think that there is not a problem, but there is."

With all due respect, contrary to your assertion that Republicans are out of touch with the difficulties of housing-insecure Americans, whether urban or rural, we do understand. In fact, according to the Federal Housing Finance Agency, home prices rose about 11 percent between the fourth quarter of 2019 and 2020 nationwide, and let me tell you, where I live, in Montana, annual price appreciation was 15.5 percent, the second fastest in the Nation. In fact, in my hometown of Bozeman, it has gotten to the point now where housing is not affordable. The median price is now around \$700,000.

Low-income families, seniors struggling to get by, young families just starting out, municipal workers that form the backbone of our communities, they cannot catch a break. And turning back to a point some of my colleagues have already raised, what concerns me is the fact that your agency intends to provide assistance to illegal immigrants at the same time American citizens are homeless.

Considering that taxpayer dollars are a finite resource, should we really be extending housing assistance to persons who enter our country unlawfully when there are hundreds of thousands of homeless Americans, to say nothing of some 40,000 homeless veterans, people who are willing to die for our freedoms in our country?

Secretary FUDGE. Again, I would say that we have no intention of violating the current law. I have said it. I mean it. What you are talking about is waiving the document requirement, which will not, in fact, make it easier for people, because we know that families who are ineligible eventually are going to be removed from the system. But we do need to give our agencies the ability to conduct determinations as to whether these people do qualify, because initially we do not know if they qualify or not. But our goal is to make sure that people are not sleeping on the street.

And so we know that we are going to be able to meet your requirements and the requirements of the law. I am not at all concerned about the fact that the waiver is going to increase the number of illegal, undocumented people in this country.

Senator DAINES. Well, sheltering the homeless is critical, and as a former Member of Congress yourself, I know you will agree that taxpayer funds should be spent on citizens, and our first priority has to be our constituents.

Secretary FUDGE. Absolutely.

Senator DAINES. Shifting gears, we have witnessed record prices for wood products and other construction materials this spring, which has played a role in increases in the cost of housing, big increases. It is going to take some time for the supply chains to recover, but until then, construction costs are going to remain exorbitant.

You have mentioned that one of the President's priorities is the construction of new affordable housing units. Secretary Fudge, how will HUD address increased costs of timber, plywood, and other critical building materials?

Secretary BUTTIGIEG. Well, that is a tough one, certainly, because, you know, unfortunately, HUD does not have the ability to determine what the market will get for lumber. But what we can do is to make that housing more affordable by some of the things that are in the Jobs Plan. We can assist with bridging the gap between what makes a payment affordable and not affordable. We

can assist with, again, as I said, looking at downpayment, first-time homebuyer, looking at how we use tax credits.

There are many things we can do to assist, but we really do not have the ability to determine what the cost is really going to be because the market drives a lot of that, and it is just something that is not within our purview to do.

Senator DAINES. One of the real challenges—and thank you, Secretary Fudge—has been inflation. We are already beginning to see the effects of inflation that diminishes the spending power certainly of so many working Americans. And it is the result of some of the ill-advised, this very partisan stimulus package. Another massive spending package before we even reach appropriations season will only serve to accelerate inflation and make the cost of housing more unaffordable for lower-income families at a time when they need help.

I want to shift gears now and talk about permitting reform for Secretary Buttigieg. There are significant infrastructure needs in my State, a State like Montana—what is that?

Chairman BROWN. Sorry.

Senator DAINES. There are significant infrastructure needs in my State and throughout the country. We have got broad, bipartisan support for funding real infrastructure like roads, bridges, and ports, et cetera. I am going to cut to the chase here because I am out of time. Secretary Buttigieg, how does the Administration plan to address the issue of how long it takes to go through the permitting process? It can take up to 5 years. It is a real problem. When you get the funds to put the infrastructure in, but then we are caught up in 5 years of red tape, how does the Administration plan to address this? And can you commit to working with Congress to significantly reducing permitting times to get these projects to the point where they are starting to dig?

Secretary BUTTIGIEG. I would welcome opportunities to work with Congress on this. Of course, I do not mean anything that would be cutting corners in terms of safety or environmental expectations, but where we see a process taking longer than it has to or duplication in permitting or an opportunity for our Department to be more user-friendly, helping to move these processes along, we would welcome that so that we minimize the length of time and the expense of any project funded with Federal dollars.

Senator DAINES. Thanks to both of you.

Chairman BROWN. Thank you, Senator Daines.

Senator Ossoff from Georgia is recognized for 5 minutes.

Senator OSSOFF. Thank you, Mr. Chairman.

Secretary Buttigieg, there has been already early stage planning for passenger rail linking Atlanta and Charlotte, with a possible stop in the Athens area. There is also advanced discussion of rail connections between Atlanta and Savannah with a possible connection in the Macon area.

The South is often left out of intercity passenger rail discussions. Will you please commit to working with my office to ascertain what can be accomplished through upcoming infrastructure legislation to expand intercity rail connections in the Southeast region and comment on such initiatives, if you see fit?

Secretary BUTTIGIEG. Thank you. Yes, I would welcome a chance to work with you on this. I think many of the most compelling opportunities for strong rail connections are in the South and the Southeast, and as you mentioned, it is not just the cities at the endpoints of these routes, but those in between, Macon on the one route to Athens or Commerce communities in the other. All of these could unlock opportunity throughout the region, and when that happens, it makes the country as a whole stronger, which is part of why the President's Jobs Plan includes such robust resources to expand access to quality rail in the U.S.

Senator OSSOFF. Thank you, Mr. Secretary. I would like to ask you a couple questions about infrastructure and transit in metro Atlanta, first about the MARTA system and then about the Belt-Line project. As you well know and as we have discussed, since the mid-1960s MARTA has been helping folks get around metro Atlanta, but particularly as the pace of growth of the metro area has risen in the last couple of decades, we have chronically underinvested in this vital transit system. There is great interest in expanding bus rapid transit to connect, for example, destinations in Clayton and DeKalb and Gwinnett counties, also discussed rail extensions. Will you commit to working with my office, the city of Atlanta, and relevant regional planning authorities in the State of Georgia to develop a comprehensive plan to strengthen and expand MARTA service?

Secretary BUTTIGIEG. Absolutely. As we have discussed, both familiar routes and resources in MARTA and new possibilities around bus rapid transit can do a lot to alleviate congestion, expand opportunity, and, of course, that has climate benefits and air quality benefits, too. So we are always eager to find new ways to partner on that, and, again, I am glad that the President's American Jobs Plan has the resources we need to allow local authorities not just to hold onto what they have got, but to actually plan for the future and expand what is available to those they serve.

Senator OSSOFF. Thank you, Mr. Secretary. And touching on the BeltLine initiative, you know, there are over 150 infrastructure projects nationwide that reuse existing or abandoned infrastructure and transit infrastructure, reimagining and reutilizing this space to create new mobility and quality of life, and the Atlanta BeltLine, 7 of the 22-mile loop of former freight rail have already been transformed into a multi-use trail with transit capacity, affordable housing, parks, and green space planned. There has been more than \$7.9 billion in private investment in this initiative. I would like the Federal Government to get involved in helping to complete this project.

Will you please meet with my office in coming weeks to discuss what we can do to advance completion of the BeltLine? And I am so looking forward to welcoming you to Georgia tomorrow, and I think we will have the opportunity to inspect it.

Secretary BUTTIGIEG. Thank you. Yes, really looking forward to a chance to see it in person, welcome a chance to connect with your office further on how to encourage development. And we take a lot of pride in the Federal dollars, I think in the TIGER Program, that went into helping establish the earlier phases of the BeltLine. Whenever you can reuse and repurpose resources like that, as you

mentioned, it often can unlock private dollars that follow the public investments that have been made. And, of course, we need to focus on making sure it is accessible, that the housing that grows up around it is affordable. And I know that you have been emphatic about the importance of that, and I am eager to see it for myself.

Senator OSSOFF. Thank you so much, Mr. Secretary.

And, finally, to touch on the importance of completing the Savannah Harbor Expansion Project, this is the deepening from approximately 42 to 47 feet of the Savannah River at the entrance to the port of Savannah. You and I discussed this earlier this week. I was in Savannah a couple of weeks ago meeting with Mayor Johnson, the port authorities, the U.S. Army Corps of Engineers. This project has been consistently over budget and behind schedule, but we are now very, very close to completing it. I secured a commitment from the President's nominee for the Deputy position at OMB a couple of months ago to prioritize this project.

Mr. Secretary, will you commit to working with me and Mayor Van Johnson of Savannah to ensure that Savannah is timely and fully completing this deepening and expansion project, I hope by the end of this year?

Secretary BUTTIGIEG. Yes, I look forward to working with you on this. This is something of not just regional but I think national interest given the size and capacity of this port, and it is important to us to see it through to timely completion.

Senator OSSOFF. Thank you.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Ossoff.

Senator Warnock from Georgia is recognized for 5 minutes.

Senator WARNOCK. Thank you so very much, Chairman Brown, and thank you both, Secretary Fudge and Secretary Buttigieg, for your leadership. Congratulations on your appointment.

On Monday, I had an opportunity to speak with Nuria Fernandez, the nominee for Federal Transit Administrator, about the capital investment grant program and the need to invest more in both urban and rural public transportation service for communities that need that investment.

Secretary Buttigieg, I look forward to working with you on these critical transportation priorities, but today I want to talk to you about reconnecting communities, literally reconnecting them, and reversing the damage done to predominantly poor and Black communities during the construction of our interstate highway system.

You and I have spent a little time together down in Atlanta and at Ebenezer Church where I serve. Are you familiar, do you remember the Downtown Connector or Interstate 75/85 that runs through the core of Atlanta right next to my church?

Secretary BUTTIGIEG. Yes, I remember.

Senator WARNOCK. And are you aware that its construction in the 1950s and 1960s displaced or separated historic Black neighborhoods in Atlanta? It literally split Sweet Auburn Avenue with all of these Black businesses that were thriving, split them in two?

Secretary BUTTIGIEG. Yes, unfortunately, this is a pattern that a lot of federally supported highways in that period followed, and I am aware that that had enormous impact in that community.

Senator WARNOCK. And the irony is that this interstate that we are talking about, 75/85 in Atlanta, is called, ironically, “the Connector,” and it did exactly the opposite, separating these precious neighborhoods in Atlanta.

Given this unfortunate history, what responsibility do you think that we as policymakers have today when making new physical infrastructure investments?

Secretary BUTTIGIEG. Well, I think when you break something, you have a responsibility to put it right. And the reality is that Federal transportation policy broke something, broke a community in two in an important way. And that creates a responsibility for us today to use resources to create connections where there had been divisions.

We know how to do it. At least in dialog with the community we can arrive at ways to do it. And it is one of the reasons why the Thriving Communities initiative that is envisioned in the President’s American Jobs Plan creates real dollars to make that possible. This is clearly a responsibility of the same Federal Government that in some cases created these problems. But it is an opportunity not just to mend what was broken, but I think to lift up entire communities through the benefits that would come from them being better connected.

Senator WARNOCK. And can you speak a little bit about some ways we can redress these inequities?

Secretary BUTTIGIEG. Well, I think it, of course, needs to be tailored to the specific community, and I would welcome an opportunity to speak with you more about some of the ideas that have emerged locally. Sometimes it has to do with reenvisioning where a highway or piece of infrastructure ought to go. Other times it is leaving it intact but finding ways to connect across, above, or beneath it. And, again, these are the kinds of things that in the Jobs Plan, which, for example, includes \$5 billion to make sure that future projects help rather than harm on transportation equity and greater connectivity. These are the things we could be doing together, provided we had the resources to work with, and I would welcome the opportunity both to secure those resources and to put them to good use.

Senator WARNOCK. Great. And you are absolutely right. I agree with you that the Federal Government has a responsibility to repair what it actually broken, and it is the reason I am an original cosponsor of the Reconnecting Communities Act. And I know you are coming to Atlanta tomorrow, so we will get a chance to see this highway, again, ironically called “the Connector,” with me and Senator Ossoff.

Will you commit to working with me and my colleagues on this legislation to ensure that projects that seek to reconnect these communities in Georgia, like the more appropriately named “Midtown Connector” and “Project Stitch” in Atlanta, as well as the reimagining of the I-16 off ramp in Savannah, my hometown, are realized?

Secretary BUTTIGIEG. Yes, I welcome a chance to work with you on this, and, again, this is in the spirit of a major Administration and departmental priority, and so I appreciate the work that has

gone on and the leadership already to put together policies that would make a difference here.

Senator WARNOCK. Great. Thank you so much.

Mr. Chairman, I look forward to engaging Secretary Fudge. I wanted to talk to her about the social determinants of health, and I know it is something she is passionate about, and we will have time to talk about in the near future, I hope.

Chairman BROWN. Thank you, Senator Warnock, and she absolutely is. We have all had those conversations with her. Thank you.

Thanks to both of you. Secretary Fudge, thank you. Good to see you again. Secretary Buttigieg, you, too. Thanks for discussing why we need transformational coordinated investments in our housing and transportation infrastructure. These investments we know will create good American jobs and access to opportunity while helping communities become more equitable and affordable and resilient.

I want to clarify one thing with a brief question, a last question to each of you. When people say “labor costs,” as you heard in this Committee, what they mean is American workers and fair wages. These jobs will be pay good wages and allow workers to live with dignity in their communities they are helping to build. They will spend those wages in their communities at local businesses. Labor costs are the way people make a living.

I want to close by bringing our discussion back to those workers we serve and what this investment would mean in their lives. I know you both understand dignity of work and what this means. My question is more kind of an attitudinal, what sort of visceral response perhaps might work. When was the moment each of you—and I will start this time with you, Secretary Buttigieg. I started with Secretary Fudge more often in this. When was the moment you realized we needed a transformative infrastructure investment in this country? When did you first have that sort of vision and inspiration? For each of you.

Secretary BUTTIGIEG. Well, every mayor does battle with potholes, and I remember early in my time as mayor looking at the condition of our streets and roads, the work that needed to be done, and trying to do some mental math about what it would take to have a great road network in our city, and turning to my public works director and asking, “With the funding we have, how long would it take for us to redo every lane mile of street in the city?” And he let me know it would be on the order of 50 to 100 years. And I thought, “Great. All I need is some kind of asphalt to be invented that in our snowy climate could survive more than 8 or 10 years.”

That was just one example of many that showed to me what it would mean not just to have more funding for the things we had been doing all along like repaving roads, but more alternatives for how people can get around. I think all of us have had moments like that again and again, especially when traveling overseas and seeing the kinds of transportation infrastructure that citizens and other countries take for granted. I remember being a student in the U.K. on a train that they do not consider high speed, they just consider it regular speed, and realizing maybe for the first time in a visceral sense that we as Americans have come to settle for less. As somebody who believes in the idea of Americans having the best

in the world at whatever we do—and that certainly ought to include transportation—that pricked my national pride a little bit and left me motivated to make sure that, whether we are talking about roads or rail or housing or energy or anything else, we have got the best in the world. And that is what I think the President's American Jobs Plan can allow us finally to do in our lifetime.

Chairman BROWN. Thank you, Mr. Secretary.

Secretary FUDGE, when did it sort of jump into your mind the need for transformational investment in housing and infrastructure?

Secretary FUDGE. Really probably from the day I started to work. I realized how it would take me four buses to get to downtown Cleveland to go to work, and the only effective way to do it was by car. I would have to carpool with people because they did not have cars. And then we started in our infinite wisdom to build more and more roads into the exurbs, way beyond the suburbs, where people could not get to work. There was no transportation to get them there, so they had to have a car. And so you start to think about it maybe not in the way I think about it now, but I knew there was a problem then, and it has taken us an awful long time to get to this point to try to address it.

Chairman BROWN. Thank you. Excellent answers. Thank you both for being here.

For Senators who wish to submit questions for the record, those questions are due by the close of business next Thursday, May 27th. For witnesses, please submit your responses to questions for the record 45 days from today.

Thank you both very much for being here. Thank you both very much for your public service. Good to see you both.

The Committee is adjourned. Best wishes.

Secretary FUDGE. Thank you.

Secretary BUTTIGIEG. Thank you.

[Whereupon, at 12:21 p.m., the hearing was adjourned.]

[Prepared statements and responses to written questions supplied for the record follow:]

PREPARED STATEMENT OF CHAIRMAN SHERROD BROWN

We are honored today to welcome Secretary Marcia Fudge of the Department of Housing and Urban Development and Secretary Pete Buttigieg of the Department of Transportation.

President Biden promised an Administration that reflects the country it serves, and we are lucky to have two Cabinet departments led by former mayors from the industrial heartland.

Mayors know better than most how, for decades, an economy centered on Wall Street has left American cities, towns, and rural areas to fend for themselves.

We've seen the damage: housing that poisons our kids with lead paint and mold. Homes bought up by rich outside investors and left empty to fall into disrepair. Roads and bridges that are falling apart. And neighborhoods and workers that are cut off from opportunity.

Now, we have a once-in-a-generation opportunity to rebuild our country's infrastructure.

The investments we can make through HUD and DOT can bring down the cost of housing and transportation for workers and their families.

These are the costs that matter to most people's lives—your rent, your mortgage, your utilities, your car payment, or your bus fare.

And these investments will create jobs and grow local economies. When work has dignity, everyone can afford housing and afford to get to work.

Over the past few months, this Committee has heard from leaders in housing and public transportation—not only experts in Washington, but local leaders who understand what communities really need to grow. They have illustrated how decades of underinvestment in our Nation's housing and transit have set us back.

It's common sense—when we don't invest in the infrastructure that a modern economy requires, we lose out to our competitors. Communities stagnate or, in the memorable words of our colleague from Montana, dry up. Inequality gets worse, pollution harms families, and jobs and prosperity flow to only a small number of wealthy cities—or they move out of the country altogether.

Rural communities have not gotten the investment they need to produce enough housing for local families, bridges are in poor condition, and public transit providers need continued help to serve the one million rural households who don't have a car—a number that is only growing as baby boomers age.

And all of these problems are often at their most persistent in Black and Brown neighborhoods that have never had transformative Federal investment in their communities.

As we discussed at our hearing on the legacy of redlining, we are still living in communities we built in the 20th Century, with the biases of the time.

It's time to invest in creating the communities that will meet the needs of the country in the 21st Century. And this time, we cannot leave anyone behind. We will rebuild our communities to work for everyone.

The American Jobs Plan is a bold effort to reverse decades of neglect, to rebuild, and to put in place the foundation for a 21st century economy, where people have the jobs and the economic security to raise a family, to choose the community they want to live in, to start a small business.

It would produce, preserve, and retrofit over two million affordable homes, address the huge backlog of capital needs in public housing, and make our homes more energy efficient to bring down utility costs—all while creating job opportunities in the building trades and other sectors.

The American Jobs Plan would construct new bus rapid transit lines in Columbus, Cincinnati, and other cities in all regions of the country. It would finally tackle the repair backlog in the transit industry that is now estimated to be more than \$105 billion.

President Biden and I also agree on the need to replace aging transit buses with zero-emissions vehicles made right here in America. The Jobs Plan would allow us to replace 50,000 buses.

The Administration also recognizes the importance of ensuring that the investments in housing and transit work together, and of encouraging our communities to think about how they can help make it affordable for families to live there.

We know when a business decides where to build a new manufacturing facility, or a young family is deciding whether to relocate for a new job, they don't only consider one factor—they think about how they'll get to work, how long will the commute be, will their whole paycheck get eaten up by rent or the mortgage, is there broadband at home, is there childcare nearby they can afford.

All of these pieces fit together, and communities need all of them if they want to thrive.

While much of today's conversation will focus on the housing and transit investments in our Committee's jurisdiction, we must tackle ALL of these critical investments.

The Brent Spence Bridge over the Ohio River between Cincinnati and Northern Kentucky carries approximately 3 percent of our Nation's GDP, but the bridge is dangerously outdated.

And Brent Spence is far from the only one—our Committee Members' States have thousands of large and small bridges in need of repair, and those bridges carry millions of cars and buses every day.

I look forward to working with Secretary Buttigieg and my bipartisan partners in the Bridge Investment Act to make sure that Congress finally tackles overdue bridge projects.

And we call this the American Jobs Plan for a reason—almost all of these are jobs cannot be shipped overseas—you can't repair an American railroad track or an American bridge from China.

We're going to build new buses and rail cars and homes in America, with American raw materials and American union workers.

The President called this a "blue collar blueprint to rebuild America." He's right. We need bold action to rebuild our infrastructure, to protect our communities from climate disasters, and to put Americans to work in good-paying jobs.

The former mayors here today know the pride people take in their neighborhoods and their hometowns. People want to see their communities thrive and grow, they want job opportunities for their kids, they want transportation and housing options they can afford.

And local leaders, of both parties, are desperate for the resources and support to make those dreams a reality. For decades, they've watched Washington point to soaring stock prices as evidence the economy is doing well—but that Wall Street wealth never translated into investment in their own Main Streets.

We are changing that approach, starting now.

I look forward to working with our witnesses today to invest in the people and the places that make our country work. Welcome to Secretary Marcia Fudge and Secretary Pete Buttigieg.

PREPARED STATEMENT OF SENATOR PATRICK J. TOOMEY

Mr. Chairman, thank you. Secretary Fudge and Secretary Buttigieg, welcome to you both.

The topic of today's hearing is an important one: infrastructure. A week ago I met with President Biden and a group of my Republican colleagues to discuss a potential bipartisan infrastructure package. Secretary Buttigieg was also there. It was a constructive meeting, and I'm encouraged by the President's willingness to negotiate.

There are three features of an infrastructure package that should have broad, bipartisan support. First, it should responsibly boost support for real physical infrastructure. That's the platforms and systems we share and use to move people, goods, and services. That means things like roads, bridges, ports, airports, and transit.

Second, a package cannot undo the 2017 tax reforms that helped create the best economy of my lifetime. Before COVID, we were experiencing an economic boom. We had the lowest unemployment rate in 50 years, more jobs than people looking for work, a record low poverty rate, and wage growth across the board with wages growing fastest for the lowest income earners. That's the economy we should work to get back to.

Third, we should not pay for an infrastructure package by borrowing billions of more dollars. The good news is we have hundreds of billions of unspent COVID funds that Congress can repurpose to pay for infrastructure. According to CBO, over \$700 billion of the Democrats' March so-called COVID bill won't be spent until after 2021. In fact, the Biden administration itself has already begun repurposing unneeded COVID funds. HHS has diverted \$1.7 billion meant for COVID to its unaccompanied minors program.

What Congress shouldn't do is spend more taxpayer dollars to achieve liberal wish-lists that expand the welfare State. Take housing, for example.

The Biden administration is proposing almost a quarter-of-a-trillion dollars for housing in its infrastructure plan.

Let's be clear: housing is housing. People certainly need housing, but housing is not infrastructure. The Administration now wants this new spending after Democrats in March spent \$32 billion for housing. Democrats did that after Congress provided more than \$80 billion for housing in response to COVID in 2020, which was on top of the \$50 billion we annually spend on HUD programs alone, the billions

we spend on other housing programs, and the tens of billions more we forgo in tax revenues to subsidize housing.

The same holds true for the Administration's transit proposal. The Biden administration wants to spend \$85 billion for transit as part of an infrastructure bill. And the Administration is proposing this after Democrats in March spent \$30 billion for transit.

Democrats did that after Congress provided more than \$40 billion for transit in response to COVID in 2020, which was on top of the \$13 billion we annually spend on transit. That's a total of \$83 billion that Congress spent on transit over the course of one year. Amazingly, that number exceeds both the annual operating and capital costs of all the transit agencies in the U.S combined in 2019.

Democrats tried to justify this spending by saying that transit systems would collapse from declines in ridership and State and local government revenues. But ridership did not drop to zero and has improved. And, on the whole, State and local tax collections set a new record in 2020. For example, California has a budget surplus of over \$75 billion that it may use to send out "free" money to Californians. Plus, over the course of a year, we sent more than \$850 billion to States and local governments for COVID relief.

Some provisions in the Administration's so-called infrastructure plan are so unrelated to infrastructure, it's hard to read them with a straight face. For example, \$400 billion for Medicaid caregiving services, \$100 billion in consumer rebates to purchase electric vehicles, and \$10 billion for a Civilian Climate Corps.

In fact, overall, less than 6 percent of the Administration's \$2.2 trillion infrastructure plan goes to roads and bridges. This excessive Government spending is not sustainable and is contributing to inflation that will harm average Americans. Inflation is essentially an extra tax they must bear because goods and services will cost more.

None of this should come as a surprise. Earlier this year President Obama's Treasury Secretary Larry Summers was warning us of the negative inflationary risks of excess spending. And that warning was regarding the Democrats' March \$1.9 trillion spending bill. But Democrats ignored his warning. And now the Democrats are coming back to spend hundreds of billions more.

Let me end where I began. In my view, it's possible for us to enact a bipartisan bill that responsibly boosts Federal support for real physical infrastructure. If all sides are willing to negotiate in good faith, an agreement can be struck. Let's focus on that, rather than efforts to increase wasteful Government spending that will harm Americans by contributing to inflation.

PREPARED STATEMENT OF MARCIA L. FUDGE

SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MAY 20, 2021

Chairman Brown, Ranking Member Toomey, and the distinguished Members of the Senate Banking Committee: thank you for this opportunity to discuss President Biden's American Jobs Plan.

Today, as our Nation continues to rebuild from the COVID-19 pandemic, we face a fundamental decision about our future.

We can choose to take a bold new direction that will make the United States more prosperous, more equitable, and more resilient in the decades to come. A bold new direction that better positions us to win the global competition for the 21st century. That bold new direction is the American Jobs Plan.

If we do not pass the American Jobs Plan, we will choose instead a very different path. We will return our Nation to the position we occupied before COVID-19. To an America beset by crumbling bridges, buildings, and homes. To an America unprepared to respond to the existential danger posed by climate change. To an America grappling with an affordable housing crisis that threatens the security and the basic dignity of families in every corner of our Nation.

Even before the pandemic, nearly 11 million Americans spent more than half of their incomes on rent. COVID-19 has only made this situation worse.

Our Nation's affordable housing crisis is especially severe among low-income households and communities of color. It keeps millions of Americans up at night, wondering if they will need to choose between paying for housing—or other essentials such as health care, groceries, or school supplies. Moreover, it limits their ability to save and invest in their family's future—from buying a home to starting a college fund for their children.

Today's affordable housing crisis is due—in large part—to yesterday's lack of investment. Both the public and private sectors have failed to produce enough housing

for our growing population and to maintain our existing stock of affordable housing. We are at risk of losing thousands of affordable homes, including many in public housing, that have fallen into disrepair and may threaten the safety of residents.

The American Jobs Plan would reverse this trend and address our affordable housing crisis head on. The plan invests \$213 billion to build and modernize more than two million affordable and sustainable places to live. It provides \$75 billion in targeted tax credits, formula funding, grants, and rental assistance that can fill the gap between how much it costs to produce or preserve housing—and how much families are able to pay. In addition, it will allow HUD, the Department of Energy, and our partners across the Federal Government to fight climate change by making our homes more energy efficient—and better equipped to withstand extreme weather events.

The American Jobs Plan addresses restrictive zoning regulations that artificially limit our Nation's supply of affordable housing. These constraints raise the price of housing—and increase transportation time and costs for workers who must commute longer distances from the areas where they can afford to live. To help solve these problems, the American Jobs Plan incentivizes local jurisdictions to take concrete steps to eliminate local regulations that restrict housing choices for people with low or moderate incomes.

In addition to creating more housing, the American Jobs Plan preserves affordable housing that already exists. Nearly 2 million people—including more than 1 million Americans of color—currently live in public housing. Yet much of our public housing inventory is more than 50 years old and faces significant capital needs.

That is why the American Jobs Plan contains \$40 billion to rehabilitate and repair our public housing infrastructure. This funding would dramatically improve the quality of life for people who live in public housing. Furthermore, public housing is often located in under-resourced communities that are especially vulnerable to the dire effects of climate change. Investments that help reduce energy use, increase resilience, or fortify against extreme weather events can help mitigate these risks.

We know that stable, affordable housing can serve as a springboard for renters to achieve the dream of home ownership. To help more Americans realize that dream, the American Jobs Plan includes a new Federal tax credit based on the proposed Neighborhood Homes Investment Act. The new credit could lead to the construction and renovation of approximately 500,000 single-family homes during the next decade. This, in turn, can enable more families to become homeowners and build a source of wealth they can pass down to future generations.

All told, the bold investments provided in The American Jobs Plan underscore a fundamental truth: that housing represents a vital part of our Nation's infrastructure.

A secure and stable home represents more than four walls and a roof. It can connect us to better jobs, more affordable transportation options, and communities with cleaner air and cleaner water. It can connect our children with good schools—providing them with a pathway to earn a brighter future.

Our homes are bedrock, brick and mortar institutions that lay the foundation for a stronger and more connected society—just like our roads, our highways, and our airports. To put it simply, our homes serve as a bridge to greater opportunities and a better life.

If we want to ensure the United States remains the greatest Nation in the world during the 21st century, then we must first take care of home—in the most literal sense.

That is why I am honored to testify today alongside Secretary Buttigieg. HUD and the Department of Transportation are committed to working with one another to help communities build more sustainable infrastructure—and expand access to both affordable housing and affordable options for transportation.

The Biden–Harris administration understands that—in order to successfully enact the American Jobs Plan—we will need to deepen the partnership between our two agencies. HUD is committed to joining forces with the DOT to help ensure that the historic investments contained in the American Jobs Plan are delivered with efficiency and with equity.

Together, we can help revitalize our Nation's infrastructure—and create communities that are more thriving, more resilient, and more interconnected than ever before.

With that, on behalf of the Department of Housing and Urban Development, I am happy to answer any questions you may have.

PREPARED STATEMENT OF PETE BUTTIGIEG

SECRETARY, DEPARTMENT OF TRANSPORTATION

MAY 20, 2021

Chairman Brown, Ranking Member Toomey, and Members of the Committee, thank you for the opportunity to testify before you today, and for your support of the Department of Transportation and our vital mission. I'm honored to be here with Secretary Fudge to discuss America's transportation and housing needs—particularly in this moment of great challenge and opportunity.

We know that public transit has been hit hard by the pandemic. I want to thank you and your colleagues for passing the American Rescue Plan and other relief packages that provided a lifeline for public transit, the people who depend on it, and the essential transit workers who get people where they need to go.

Public transit is key to building vibrant and interconnected communities, creating jobs, reducing pollution, combating climate change, advancing racial equity, and providing travel options for everyone. Too many families across the Nation are forced to choose between living impossibly far away from work so they can afford housing, or paying more for housing than they can afford in order to have a reasonable commute. This puts a toll on working families, who lose precious time with their loved ones and money needed for other essentials. Our lowest-income Americans are spending more on housing and transportation than they're taking in each month. Building transit and affordable housing alongside each other can be transformational for communities and families.

That is why I'm so grateful to be sitting next to Secretary Fudge at this hearing.

When people can move safely and easily in their community by public transit, foot, bike, wheelchair, or any other means, it can improve the lives of those who call that community home. That's why transit-oriented development and public transit is such a priority for our Department and for me personally. We have already made \$180 million available for cleaner transit buses. We allocated \$187 million to help communities expand Bus Rapid Transit. We recently made \$10 million available to help more local governments plan for transit-oriented development in their communities. I'm also pleased to announce that DOT will soon issue new guidance to help local communities and other prospective borrowers use the Department's transit-oriented development financing programs. And I'm thrilled that DOT is reinvigorating a partnership with the Department of Housing and Urban Development to identify ways to provide more affordable housing choices near high quality transit. We are looking for opportunities to work with additional agencies, including EPA and USDA, to make walking, biking, public transit, and other transportation options more available to disadvantaged and rural communities.

These important steps will benefit communities across the country. But we must do far more. We face a \$1 trillion backlog in needed repairs and improvements across our transportation infrastructure. The consequences of disinvestment are felt in every State, and have fallen most heavily on low-income communities and communities of color, who are nearly four times more likely to commute by public transit.

Our status quo is unsustainable—it's unfair and it's holding our people and economy back. And years of tinkering around the edges have not worked.

That brings us to President Biden's American Jobs Plan. It is a once-in-a-generation opportunity to meet this moment.

As we rebuild from the worst economic crisis in generations, this plan will provide the largest investment in American jobs since World War II, all with protections for existing labor standards. It will create millions of good-paying jobs, the majority of which will not require a college degree, for Americans to help expand and operate our public transit system, modernize our roads and bridges, and build the electric vehicles of the future.

It will double Federal investment—\$85 billion—for public transit, making it a more reliable, attractive, and accessible option to more people in more communities.

It will help us tackle the climate crisis by making public transit the option of choice for more people, by building a network of 500,000 electric vehicle chargers, and by replacing nearly 40 percent of the existing diesel transit vehicle fleet with electric vehicles. Chairman Brown, I thank you for your leadership on reducing fossil fuel emissions in the transportation sector, and for ensuring that the vehicles of the future are built by union workers here in the U.S.

This plan would also be the largest investment in transportation equity in history. At least 40 percent of the benefits of the plan's climate investments will flow to overburdened and underserved communities. And the plan has \$20 billion to recon-

nect neighborhoods cut off by past transportation decisions, as well as another \$20 billion to improve road safety for all users.

I believe this is the best chance in our lifetime to modernize our infrastructure so Americans can thrive. This is our chance to provide current and future generations with the type of investment our forebears gave us in the New Deal—and this time, to include all Americans in the opportunities that come from that investment.

I look forward to working with this Committee to deliver for the American people. Thank you again for the opportunity to testify, and I will be happy to answer your questions.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR TOOMEY
FROM MARCIA L. FUDGE**

Q.1. The last time a Capital Needs Assessment of HUD's public housing was conducted was in 2010. Do you believe HUD should conduct another Capital Needs Assessment to accurately measure the current capital needs backlog for public housing?

A.1. HUD's Office of Policy Development and Research is currently exploring ways to estimate current capital needs using existing HUD data sources. The Department believes that the most cost- and time-efficient way to assess the portfolio's capital needs would be to gather data on capital needs at the property level much as it gathers data on the physical and financial condition of public housing at the property level. Just as HUD uses physical/financial assessment data to identify where there needs to be intervention, HUD would be able to use property-level capital needs data to work with PHAs to address urgent capital needs and to craft strategies/policies to efficiently address capital needs on an ongoing basis.

Based on the 2010 assessment and the level of funding Congress has provided since, we are confident that the \$40 billion proposed by the President in the Build Back Better agenda is less than the total capital need but will leverage other private and public financing sources to bring sufficient resources to bear to transform the public housing stock for the 21st century.

Q.2. How did you come to the conclusion in the Biden administration's infrastructure plan that you need \$40 billion for capital repairs for public housing?

A.2. Based on HUD's experience with programs to rehabilitate and/or reposition Public Housing, HUD believes \$40 billion is the amount necessary to leverage additional public and private funding to realize a holistic transformation in the nationwide stock of public housing.

The modernization needs of the public housing stock extend beyond the backlog of replacing existing capital items and include the need to address concerns regarding the stock itself (climate resilience, energy inefficiency, environmental hazards, physical condition, functionality); the health, safety, and quality of life for resident families (including racial equity, geographic location, access for persons with disabilities, internet connectivity); and other risks to the properties' long-term physical, operational, and financial viability.

HUD is confident that the overall annual financial capital need far exceeds annual Congressional appropriations for the public housing Capital Fund, typically significantly less than \$3 billion, with continuously accruing capital needs too often rendering those annual appropriations necessary just to address deferred maintenance.

Q.3. Do you believe it would be useful for HUD to identify public housing developments where the cost of capital repairs exceeds the cost of conversion to tenant-based or project-based assistance? Please explain why or why not.

A.3. As noted above, the Department believes that it would be better for there to be property-level assessments of capital needs. One reason for obtaining specific property-level data would be to assess whether continued investments in a given property make sense based on a variety of factors, including the cost of transitioning from public housing to a Section 8 assistance platform.

We do not currently have the necessary project-specific data to make cost-test determinations under Required Conversion (Section 33) or Voluntary Conversion (Section 22); however, HUD continues to make Voluntary Conversion available to PHAs who wish to produce such project-specific data. To date, 1,039 units have used Voluntary Conversion. Only 1,073 units have been required to convert under Required/Mandatory Conversion. To put this in context, a total of 110,000 units have been repositioned since FY2018.

Legislative language included in enacted appropriations bills for several years has precluded HUD from requiring PHAs to conduct physical needs assessments. This means that HUD does not have information from PHAs on the physical needs of their properties. Therefore, we cannot assert the best way to revitalize specific properties. We do know overall that there are about 970,000 units of public housing and more than half of the housing stock is over 50 years old.

It is important to note that determining the appropriate recapitalization strategy for these units is contextual and should be determined by local actors, specifically the PHA and the residents, working with local and State leadership and funders.

Q.4. Do you believe it would be useful for HUD to know the estimated capital needs backlog for developments administered by public housing agencies (PHAs) that HUD, the HUD Office of Inspector General (OIG), or the U.S. Department of Justice (DOJ) have alleged are grossly mismanaged, or those that have been identified by HUD as “substandard” or “troubled?” Please explain why or why not.

A.4. In order to identify specific properties where capital investment would make a difference, the Department would need to have property-specific estimates of capital needs, and we agree that it would be useful to know the estimated capital needs of developments at PHAs identified as facing particular challenges.

Many PHAs that are in troubled or substandard status are in that situation due to the impact of funding volatility in the public housing program on their property’s physical and financial condition. Currently, we have 71 troubled PHAs (23,219 units or 2.4 percent of all public housing units) and 373 substandard PHAs (95,062 units or 9.8 percent of all public housing units). Combined, troubled and substandard PHAs manage 12.2 percent of all public housing units.

Funding for capital improvements could help transform the performance of these agencies. For example, many PHAs have seen improvement after successfully converting public housing properties under RAD, stabilizing funding and leveraging other funding sources to address capital needs. To date, 109 PHAs that were in troubled or substandard status when RAD first began have converted 22,898 units and generated nearly \$1.8 billion to re-invest

in the public housing assets. Further, PHAs with limited development experience have been able to partner with high-capacity housing developers and managers to improve and maintain properties to the market standard.

Q.5. My Banking Committee staff asked HUD over a month ago for HUD's best estimate of the public housing capital needs backlog. However, HUD has still not provided that information and other related data.

When will HUD provide my staff this information?

A.5. With, as noted above, only limited data available to HUD on this matter, we are working to develop our best estimates of the capital needs backlog for public housing, based on the variety of data sources available to us. We are working to cross-reference data from all the sources available to us to estimate the capital needs. Our CIR office has since provided a response to your office.

But as noted above, those baseline figures will only take into account the backlog of replacing existing capital items. Despite not having sufficient funds to address the entire backlog of needs, PHAs continue to use their Capital Fund appropriations to address urgent capital needs annually. HUD considers the true need to provide a portfolio of quality affordable housing for all public housing residents to extend significantly beyond those basic backlogged replacement items, to include additional needs inherent in the portfolio itself (climate resilience, energy inefficiency, environmental hazards, physical condition, functionality); the health, safety, and quality of life for resident families (including racial equity, geographic location, access for persons with disabilities, internet connectivity); and other risks to the properties' long-term physical, operational, and financial viability. That is why HUD has confidence that the true need, which it will be able to meet through leverage, is well in excess of \$40 billion.

Q.6. Do you think it is a good idea for Congress to spend \$40 billion without asking to review justifications for that amount?

A.6. HUD always commits to being good stewards of public funding, and we will set exacting criteria for Build Back Better funding to demonstrate measurable improvements in the quality of housing offered to public housing residents. It is clear that longstanding appropriations for the Capital Fund have fallen substantially short of the needs established in the 2010 capital needs study. The \$40 billion request represents the amount required to address estimates of the capital needs of the public housing inventory on the assumption that PHAs will be able to raise tens of billions of dollars in leveraged funds to transform the public housing portfolio.

Q.7. In 2020, HUD's OIG determined that for the last 11 years, HUD has failed to submit an annual report to Congress required by law on troubled PHAs. Will you transmit this report to Congress this year as required by law?

A.7. Yes, HUD is finalizing the FY2020 report and it will be submitted to Congress in the next 30–45 days. Attached is the previously submitted FY2019 report. (https://www.sig tarp.gov/sites/sig tarp/files/Quarterly_Reports/July_30_2019_Report_to_Congress.pdf)

Q.8. In implementing operating requirements for Emergency Housing Vouchers (EHVs) pursuant to the March 2021 Democrat stimulus bill, HUD has waived a regulation that prohibits PHAs from admitting anyone who has been previously evicted from federally assisted housing within the last 3 years for drug-related criminal activity.¹ Why have you decided to waive this regulation? Do you believe people previously evicted from federally assisted housing for engaging in drug-related criminal activity should be given an EHV instead of other noncriminals who have not been evicted?

A.8. HUD recognizes decent and stable housing is essential for human survival and dignity and sought to ensure equitable access for the target population in the development of the EHV program. EHVs are specifically targeted to families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. HUD provides federally subsidized housing to millions of low-income people who could not otherwise afford homes on their own; however, existing policies exclude numerous families who may have been previously evicted from federally assisted housing for drug-related criminal activity, condemning them to homelessness or transient living.

As reflected in HUD's 2020 Annual Homeless Assessment Report (AHAR), African-Americans and indigenous people remained considerably overrepresented among the homeless population compared to the U.S. population. People identifying as Black or African-American accounted for 39 percent of all people experiencing homelessness in 2020 and 53 percent of people experiencing homelessness as members of families with children, despite being 12 percent of the U.S. population. In contrast, 48 percent of all people experiencing homelessness were White compared with 74 percent of the U.S. population. People identifying as Hispanic or Latino (who can be of any race) represented 23 percent of the homeless population, but only 16 percent of the population overall. HUD recognizes the need for communities to better understand and address the overrepresentation of people of color among those experiencing homelessness. Waiving the regulation to prohibit PHAs from admitting families who have been previously evicted from federally assisted housing within the last 3 years for drug-related criminal activity aligns with the American Rescue Plan's goal of establishing equity as one of its central goals.

The current Housing Choice Voucher regulatory requirements at 24 CFR §982.553 state a PHA must prohibit admission if a household member has been evicted from federally assisted housing for drug-related criminal activity. However, this prohibition is not absolute. A PHA may admit the household if they determine the subject member has successfully completed a drug rehabilitation program approved by the PHA or that the circumstances leading to the eviction no longer exist. The waiver of this regulation is the same policy that has been applied for many years to the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program that

¹ 24 CFR §982.553(a)(1)(i).

serves veterans experiencing homelessness. Given the target populations of homeless, at-risk of homelessness, and survivors of domestic violence, dating violence, and human trafficking, individuals and families may include individuals struggling with drug addiction, and that addiction may be one of the root causes of their homelessness. HUD recognized the opportunity for safe housing provided to families through the EHV program as a critical first step in helping households recover from addiction. Consequently, PIH Notice 2021-15 advised Public Housing Agencies that prohibitions based on criminal activity for the eligible EHV populations regarding drug possession should be considered apart from criminal activity against persons (i.e., violent criminal activity).

HUD is not prioritizing previously evicted families from federally assisted housing who have previously engaged in drug-related criminal activity over any other eligible population to receive Emergency Housing Vouchers. The Department's goal is to ensure equitable access to vouchers for thousands of families who find themselves condemned to living on the streets, in overcrowded shelters, in squalid transient motels, or crowded into the homes of friends and relatives.

Q.9. As a justification for waiving requirements to collect and verify the immigration status of applicants for EHV, HUD cited a concern that “documentation may not be readily on hand and may be difficult to obtain for individuals and families experiencing homelessness.”² How are the circumstances of homeless families today unique such that they require waiving regulations that had not been waived before?

A.9. The Emergency Housing Voucher program was authorized and funded as part of the American Rescue Plan to help communities respond to the Nation's homelessness crisis, which has been severely impacted by the COVID-19 pandemic. While developing PIH Notice 2021-15, HUD received reports from several communities that waiting times for vital documents, such as identification, birth certificates, and social security cards increased during the pandemic, resulting in obstacles to quickly re-house people experiencing homelessness, including victims of domestic violence, sexual assault, and human trafficking. People experiencing homelessness have understandable difficulty retaining their possessions, including their identification and documents. Even under normal circumstances, it can take weeks to assist people experiencing homelessness with collecting the supporting documentation that is required to verify eligibility. Barriers, such as transportation, lack of supporting documentation, and lack of a permanent address, hinder processes to obtain vital documents. In response to this widespread concern among communities, one of the regulatory flexibilities that HUD made available to PHAs (and their Continuum of Care (CoCs) partners, who are responsible for referring applicants) for the emergency housing voucher program, was the option to have additional time to collect documentation to verify recipient eligibility, including SSN, proof of eligible immigration status, date of birth, and disability status.

² HUD, PIH Notice 2021-15, at 33 (May 5, 2021).

Q.10. The law governing noncitizen eligibility for EHV permits lawful residents meeting certain criteria and provides for no exceptions.³ A related law prohibiting aliens from being eligible for other housing programs (unless they are qualified aliens) does provide exceptions for certain short-term shelter programs when assistance is not conditioned on income,⁴ but the amount of assistance through the EHV program is conditioned on the applicant's income and the program is not short-term. Why do you believe your justification for the waiver—that homeless people have difficulty obtaining documentation—is acceptable given that Congress considered permitting assistance to unlawful aliens only for certain homeless assistance programs that substantively differ from the EHV program?

A.10. HUD has made clear that PHAs are responsible for ensuring all voucher recipients meet the eligibility requirements for the program. This includes ensuring voucher recipients are U.S. citizens or non-citizens with an eligible immigration status. PHAs that choose to take up this option for regulatory flexibility are still required to collect documentation verifying eligible status within 180 days of admission to the program. These alternative requirements do not waive the verification of eligibility or the collection of supporting documentation; they simply provide PHAs with flexibility and additional time to collect such documentation as may be required in order to prevent delays in addressing the urgent housing needs of vulnerable families.

There are several additional safeguards in place. First, the Notice is explicit that “The adoption of this waiver does not authorize any ineligible family to receive assistance under these programs. If a PHA determines that an ineligible family received assistance, the PHA must take steps to terminate that family from the program.” Second, with respect to evidence of eligible immigration status for noncitizens claiming eligibility for assistance, for PHAs that take advantage of the waiver option, applicants must sign a declaration of eligible immigration status and then within 180 days of admissions such individuals must submit supporting documentation to the PHAs. Examples of supporting documentation are detailed in Exhibit 1 of the HCV Program Guidebook titled “Eligibility Determination and Denial of Assistance”. Third, referrals for these vouchers will be made through local Continuums of Care’s coordinated entry systems. In these systems, homeless shelters and homeless outreach provider organizations will be referring individuals and families with whom a relationship has already been established.

Q.11. GAO recently reported that HUD has not conducted a comprehensive fraud risk assessment of the Community Development Block Grant–Disaster Recovery (CDBG–DR) program and that its current fraud risk approach does not involve relevant stakeholders, such as grantees.⁵ In response to these findings, however, HUD

³ 42 U.S.C. §1436a.

⁴ 8 U.S.C. §1611(b).

⁵ GAO, GAO-21-177 “HUD Should Take Additional Action To Assess Community Development Block Grant Fraud Risks” (May 5, 2021), <https://www.gao.gov/assets/gao-21-177.pdf>.

did not specify whether it agreed or disagreed with the GAO's recommendations.⁶

Do you agree with these GAO's recommendations?

A.11. HUD recently sent its response to the GAO report. In that letter (hereby submitted to the record), we provide information about actions that we are already taking to assess risk and commit to specific actions to address the GAO recommendations. (<https://www.gao.gov/assets/gao-21-177.pdf>)

Q.12. If yes, how will you implement them? If not, why not?

A.12. Our letter provides examples of actions we have already taken to strengthen existing fraud-related controls and commits to the implementation of additional specific responsive measures.

Q.13. In HUD's official response to GAO's report on CDBG-DR, a HUD official stated that HUD "views fraud risks in programs managed by grantees as fraud risk to the grantee . . ."⁷

Do you agree? Please explain why or why not.

A.13. Yes. As we say in our letter, Congress has affirmed the block grant status of CDBG-DR funding. Consistent with the block grant framework of the Housing and Community Development Act, CDBG-DR grantees are responsible for the design and implementation of programs that respond to their specific recovery needs. HUD's role is to make a determination that grantee programs are operated in compliance with CDBG-DR requirements, based on HUD's review of a grantee's Action Plans, Action Plan Amendments, Quarterly Performance Reports, voucher submissions to support grant payments, and through on-going monitoring and technical assistance engagements with grantees. Our response to GAO provides examples of the risk management tools and controls the Department has deployed that are designed to protect the Department's assets and enhance grantee capacity to detect and prevent fraud. Ultimately, if a grantee does not comply with antifraud or CDBG-DR requirements, HUD has authority to enforce against the grantees, including seeking repayment from non-Federal sources for any misuse of funds. In this way, the fraud risks are borne by the grantee. While the Department views fraud risks in programs managed by grantees as fraud risk to the grantee, HUD has agreed to investigate additional measures to mitigate risk and prevent fraud, waste, and abuse in the disbursement of CDBG-DR funds.

Q.14. Do you think it is inappropriate or imprudent to involve relevant stakeholders responsible for the design and implementation of the CDBG-DR's fraud controls as part of HUD's fraud risk assessment process?

A.14. HUD believes it is prudent to involve grantees in the process and outlines a set of techniques to involve grantees in its letter to GAO, which is attached to these QFR responses.

⁶Id. at 40.

⁷Id. at 67.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR WARREN
FROM MARCIA L. FUDGE**

Q.1. Currently more than 75 percent of foreclosed FHA properties are sold to third parties prior to conveyance into the HUD REO portfolio through the FHA Claims Without Conveyance of Title (CWCOT) program. Because properties that flow through CWCOT never enter HUD's REO portfolio, they aren't subject to home ownership and nonprofit acquisition opportunities provided through HUD's REO program, including the 15-day "first look" period of priority for homeowners, nonprofits, and Government agencies. The properties are also often sold through private auction websites that are not accessible to the average family. Does HUD have any plans to review the CWCOT program, including whether new guidelines may be necessary?

A.1. HUD is proactively reviewing its property disposition paths and foreclosure prevention tools. The current volume of real estate owned (REO) portfolio is very low given the ongoing COVID-19 related foreclosure moratorium, entering its 16th month. The CWCOT program has historically been effective in reducing the timelines on foreclosed properties, in an effort to reduce neighborhood blight and the other negative effects that vacant REO property can cause in neighborhoods. CWCOT makes up roughly 50 percent of all property disposition activities that took place in 2020. One of the key goals in our efforts to get properties back into the hands of homeowner occupants or mission-oriented non-profits is to improve and expand the Good Neighbor Next Door program, which sells REO properties at a discount for sale to public service workers like teachers, firefighters, paramedics, and police, encouraging them live in the communities where they work. The Presidents FY22 budget includes funding for enhancements to this program. We continue to review our loss mitigation policies, including CWCOT execution and other disposition policies to ensure an equitable recovery for those families who are behind due to COVID-19 related hardships. HUD looks forward to working with your office on options that can benefit homeowners and communities.

**RESPONSES TO WRITTEN QUESTIONS OF
SENATOR VAN HOLLEN FROM MARCIA L. FUDGE**

Q.1. The last update to HUD's C-PACE guidance was in January 2017, and many stakeholders have expressed concern with the inability to leverage private C-PACE capital into new construction and preexisting multifamily buildings to maximize project energy/water sustainability based on the 2017 guidance. To support the Administration's climate priorities, is HUD working on updating its C-PACE guidance for its multifamily programs so that it can be more efficiently used by participants while continuing to protect tenants?

A.1. The Multifamily guidance on combining PACE Financing with HUD/FHA properties has been in effect since 2017 and to the best of HUD's knowledge, it has not received significant concerns about implementation barriers posed by the guidance from Multifamily lenders, borrowers, and local governments. In fact, many local governments have received approval for their Multifamily PACE pro-

gram from HUD. HUD's assessment is that limited interest in PACE is affected by the many other ways to finance energy efficiency and sustainability property improvements, including FHA mortgage financing. HUD always welcomes suggestions on how to improve our guidance, and encourages stakeholders to contact their respective Multifamily field offices with specific concerns regarding implementation of the guidance.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR TOOMEY
FROM PETE BUTTIGIEG**

Q.1. *Transit System State of Good Repair*—In your testimony, you highlighted the need to address the maintenance backlog across the Nation's transportation infrastructure. The Federal Transit Administration (FTA) currently issues project justification warrants that automatically give certain Capital Investment Grant projects a satisfactory rating if certain requirements are met, including verification that a system is in a state of good repair. However, this requirement is limited to certain projects and only a fraction of the projects in the Capital investment Grant pipeline have qualified for and received these warrants. Do you believe that a transit agency should have to demonstrate progress toward bringing its system into a state of good repair when looking to expand its system?

A.1. FTA estimates that the transit state of good repair backlog exceeds \$105 billion, and there are more than \$20 billion of expansion projects in the Capital Investment Grants program project pipeline. We look forward to utilizing the increased funding provided by the Bipartisan Infrastructure Law to help address this backlog and these critical expansion projects. Each transit system across the United States faces a unique array of challenges and opportunities. A singular standard for demonstrating progress toward achieving a state of good repair could easily be overly punitive to systems most requiring Federal assistance. In addition, during the COVID-19 pandemic, agencies across the Nation have faced unprecedented operational challenges. Finding agencies that did not defer some maintenance while maintaining safety as the lowest cost option for remaining operational would likely be very difficult; however, we will continue working with transit agencies to address their maintenance backlogs.

Q.2. *Natural Gas Eligibility in FTA's Low or No Emission Vehicle Program*—The FTA administers the Low or No Emission Vehicle (Low-No) Program. Natural gas buses are eligible for the program, but virtually all of the projects that have been selected for the program are zero-emission electric buses. According to data from the California Air Resources Board, buses fueled by compressed natural gas (CNG) can reduce greenhouse gas emissions by 17 percent compared to diesel buses. In 2014, while you were Mayor of South Bend, Indiana, the city's transit authority began replacing a large portion of its transit bus fleet with CNG buses. Over the course of the next several years, South Bend won awards for greenhouse gas reductions in its vehicle fleet. Can you explain why, despite being eligible, natural gas bus projects have not received awards under the FTA's Low-No Emission Vehicle Program?

A.2. The Low or No Emission Vehicle competitive program provides funding to State and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses as well as the acquisition, construction, and leasing of required supporting facilities. FTA has awarded \$409 million for these types of projects since the program began in 2016.

FTA implements the program in accordance with the authorizing statute, 49 U.S.C. §5339(c). The statute requires that FTA “shall only consider eligible projects relating to the acquisition or leasing of low or no emission buses or bus facilities that . . . make greater reductions in energy consumption and harmful emissions, including direct carbon emissions, than comparable standard buses or other low or no emission buses.” FTA applies this statutory requirement to all applications for eligible projects it receives pursuant to the Notice of Funding Opportunity.

Beyond the Low or No Emission Vehicle program, the Department has also awarded funds for compressed natural gas (CNG) vehicle purchases under the Buses and Bus Facilities competitive program. In addition, both CNG and zero-emission electric buses are eligible under the Buses and Bus Facilities formula program, and transit agencies can opt to use that formula funding to purchase either vehicle type.

Q.3. *Transit System Expansion*—The Biden administration’s American Jobs Plan calls on Congress to spend an extra \$25 billion for transit system expansion. However, transit ridership has steadily declined since 2014, with the exception of a slight bump in 2019. Ridership fell off a cliff as a result of the COVID–19 pandemic and may never return to pre-pandemic levels, according to Moody’s Analytics. Why shouldn’t we wait to see if transit ridership rebounds before spending tens of billions of taxpayer dollars more on transit expansion projects?

A.3. The funding that Congress has provided to public transit agencies has been essential, to maintain service to the American people during the COVID–19 pandemic. Over the past several months, transit ridership has been increasing, but it will be a while before we recover to pre-pandemic levels. I am committed to helping expand transportation options, not just return to the way things were before the pandemic.

While the pandemic saw transit ridership drop significantly, bus ridership, especially in neighborhoods where essential workers live, remained relatively stable, highlighting the importance of this full range of public transit for essential workers and those who rely on it to access health care, groceries, and more. While the changes of travel patterns as a result of the COVID pandemic may develop over a series of years, the need to improve access and quality of transportation options has only grown. FTA estimates that the transit state of good repair backlog exceeds \$105 billion and there are more than \$20 billion of expansion projects in the project pipeline. This is why the Administration is looking forward to working with Congress to implement the historic investment in public transit made possible by the recently enacted Bipartisan Infrastructure Law.

**RESPONSES TO WRITTEN QUESTIONS OF
SENATOR CORTEZ MASTO FROM PETE BUTTIGIEG**

Q.1. *Washoe County, NV Issue on CIG Cost Savings*—Secretary Buttigieg, I wanted to share the transcript of the conversation I had with FTA Acting Administrator Fernandez that I mentioned during your appearance at the Banking Committee hearing:

CORTEZ MASTO: Mr. Chairman, thank you. Thank you to the Ranking Member as well. Ms. Fernandez, In 2018, the Regional Transportation Commission of Washoe County completed their Fourth Street Prater Way Bus Rapid Transit Project ahead of schedule and under budget. And then in March of this year, they also completed the Virginia Street Bus Rapid Transit Extension Project early and under budget.

My colleagues and I from Nevada have written to you, urging the approval of RTC's request to utilize its project cost savings to further enhance these two projects for bus enhancements at the downtown Reno 4th Street station and additional bus lanes and accessible sidewalks in the Virginia Street Project corridor.

Can you please speak to your position on allowing local agencies like the Regional Transportation Commission in Northern Nevada to utilize their left over funding on other aspects of their projects?

FERNANDEZ: Senator, it's always great news when projects are delivered within the agreed schedule and under budget, and I will take this opportunity to applaud the successful completion of the two Reno bus rapid transit projects. I know that they have already retained their share of the cost savings, and if confirmed, I will commit to carefully considering such requests from the project sponsors.

CORTEZ MASTO: Wonderful. That's great news. Thank you. And I hope you consider them in a favorable way that benefits continued improvements in northern Nevada.

And this is not only an issue for Nevada, but other projects in the county. I would like to request a timeline from you on the when we will expect to see a favorable resolution to this matter that should reward project sponsors who are good stewards of taxpayer dollars by coming in on-time and underbudget with the ability to repurpose funds to other important elements of an existing federally funded project. Can you please have your staff communicate that information, as well the context for what is going into this decision making process, within the next month?

A.1. On June 1, FTA informed the Regional Transportation Commission of Washoe County (RTC) that it would be permitted to retain a portion of FTA's share of cost savings from the 4th Street/Prater Way Bus Rapid Transit project and the Virginia Street Bus Rapid Transit project.

The RTC should be commended for successfully completing the two Reno bus rapid transit projects on-time and under budget.

Q.2. *Smart Communities and The Moving FIRST Act (w/ Sens. Burr, Sinema, Portman), S. 652*—Secretary Buttigieg, as I mentioned at the hearing, I have been working for 4 years now on my bipartisan Moving FIRST Act to bring back and expand the Obama-era Smart Cities Challenge. I appreciate your familiarity with that previous program.

My bipartisan cosponsors and I agree with much of what you said in regards to the value of these competitive opportunities for our communities of all sizes. That is why we have so much specific support for this legislation, including:

1. National League of Cities
2. National Association of Counties (NACO)
3. Transportation for America
4. American Society of Civil Engineers
5. U.S. Chamber Technology Engagement Center (C-TEC)
6. ITS America
7. Association of Global Automakers
8. Honda North America, Inc.
9. American Trucking Associations
10. Lyft
11. Uber
12. Railroad Passengers Association
13. League of American Bicyclists
14. Intelligent Transportation Society of America
15. Smart City Council
16. Venture Smarter
17. Smart Regions Initiatives
18. Center for Data Innovation
19. Waycare
20. Wi-fiber
21. Panasonic Corporation of North America
22. GPS Innovation Alliance (GPSIA)
23. Qualcomm
24. CompTIA
25. Security Industry Association (SIA)
26. CTIA
27. Verizon
28. Sprint
29. Geotab
30. Hotwire Communications
31. Small UAV Coalition
32. Securing America's Future Energy (SAFE)
33. The Electrification Coalition
34. Nevada League of Cities
35. Nevada Association of Counties
36. Regional Transportation Commission of Southern Nevada

37. Regional Transportation Commission of Washoe Co.
38. Las Vegas Metro Chamber of Commerce
39. Reno-Sparks Chamber of Commerce
40. Nevada Trucking Association
41. Switch
42. Tahoe Transportation District
43. Tahoe Regional Planning Agency (TRPA)
44. Tahoe Prosperity Center

Can I get your commitment to support this bipartisan effort to bring back a very popular program in red and blue States, and to help us utilize and expand intelligent transportation solutions to address locally appropriate challenges?

A.2. The Department understands the importance of utilizing and expanding innovative transportation solutions across the Nation and looks forward to working with Congress on approaches to deploy these innovations to improve safety and efficiency. The Strengthening Mobility and Revolutionizing Transportation (SMART) Grant Program authorized in the Bipartisan Infrastructure Law provides funding for demonstration projects focused on advanced smart city or community technologies and systems in a variety of communities to improve transportation efficiency and safety. The SMART grant program builds on the success of DOT's Smart City Challenge and prior DOT pilot programs.

Q.3. *The TRAVEL Act, S. 1516 and COVID's Impact on Nevada's Travel and Tourism Sector*—Secretary Buttigieg, I have been working with the U.S. Travel Association and their members, including the Las Vegas Convention and Visitors Authority, to develop legislation titled the TRAVEL Act that would position regions with increased tourism with greater significance and consideration when it comes to Federal transportation investments by the USDOT. This legislation is directly in line with what is described and laid out in the Department's National Travel and Tourism Infrastructure Strategic Plan FY2020–2024. We need to get ahead of the transportation needs of this vital economic driver to so many places in America—whether it's rural, urban, suburban, or tribal. My legislation calls for leveling the playing field for the needed projects that aid in efficiently moving our tourists, as well as the workers who help them enjoy their travels. With that, it creates the Office of Travel and Tourism to help the department maintain a focus on the needs of these important communities. I am eager for you to visit Nevada so I can show you the impact that helping alleviate congestion around Lake Tahoe or on I-15 corridor between California and Nevada would make, or the impact that investments in the future Interstate 11 from Arizona through Nevada will make to our region. As you well know, COVID-19 has been debilitating for the travel and tourism industry. But making the smart investments so that this sector can return stronger and be more resilient in the future is the opportunity in front of us now.

Can you please provide me an update on how the department is assisting communities like mine that have been devastated the inability to maintain the strength of our tourism industry in the wake of the COVID-19 pandemic?

A.3. The travel and tourism industry was devastated nationwide by the COVID-19 pandemic, and DOT has worked in partnership with many stakeholders to address these concerns, within the scope of our authority. The Department helped Americans get back to work, travel, and everyday activities as safely as possible. Through supplemental funding appropriated to help mitigate the impacts of the COVID-19 pandemic, DOT has kept the Nation and Nevada moving. Additionally, supplemental COVID funding has allowed Amtrak to continue operating the California Zephyr route, which services Elko, Winnemucca, and Reno.

Q.4. Second, can you commit to working with the CDC, HHS, the State Department and others in the Administration to ensure we review the preparations that were taken, and response that was employed in the past year-and-a-half, to make sure that we are better informed to address and mitigate the impacts of health events like this in the future?

A.4. Yes, the Department is focused on learning from actions taken throughout the pandemic and will continue to work with inter-agency partners to incorporate lessons learned into our plans for future emergencies. DOT is also interested in identifying best practices initiated during the pandemic that could be replicated and expanded to improve the safety of all Americans.

Q.5. And lastly, can I get a commitment from you to have your department and individual modes review my TRAVEL Act and work directly with me on how we can address the needs of the transportation networks that move tourists in order to enhancing our economic recovery for tourism, protect our environment, and provide jobs in many places so hurt over the past year-plus?

A.5. Yes. I commit to the Department reviewing your bill and look forward to continued work with you and your colleagues to implement the Bipartisan Infrastructure Law.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR KENNEDY
FROM PETE BUTTIGIEG**

Q.1. The near-airport parking industry serves and, in most cases, directly competes with airports for parking customers. While many of the pandemic relief efforts provided direct, large appropriations to the Nation's airports during this significant and unprecedented downturn in travel, airports are demanding near-airport parking operators continue to pay access and permitting fees without relief, increasing upcoming fees in more than a few cases, and also requiring operators to remit portions of revenues earned by operators on non-airport land utilization. These airport demands and a lack of flexibility accompany the lack of access many national operators have had to any COVID relief funding during a year of struggle at the height of which, near airport parking revenues fell 95 percent. In years past, operator access fees paid by the industry to airports amounted to upwards of \$25 million annually. These are real and desperately needed dollars for an industry in financial disarray having already lost more than \$1 billion in revenues over the course of the pandemic.

The Coronavirus Economic Relief for Transportation Services (CERTS) program was created as part of the Consolidated Appropriations Act of 2021. The program, administered by the Secretary of the Treasury in consultation with the Secretary of Transportation, can create a viable path for relief for the motorcoach, school bus, passenger vessel and other transportation providers. The near airport parking industry, itself regulated by the Department of Transportation and not unlike the motorcoach industry, has identified the program as another avenue for relief, but absent the Secretary's use of discretion and direct involvement, the industry's chances for long-term survival are slim.

Coronavirus Econ. Relief for Transp. Serv. (CERTS)-Near-Airport Parking Industry—The Consolidated Appropriations Act of 2021 included the Coronavirus Economic Relief for Transportation Services (CERTS) Act, a \$2 billion relief program for transportation service providers including motorcoaches, passenger ferries, school bus operators, and “any other passenger transportation service company subject to regulation by the Department of Transportation as the (Treasury) Secretary, in consultation with the Secretary of Transportation, determines to be appropriate.” CERTS program guidance was released on May 6th, leaving out “other” passenger transportation providers entirely. For example, a DOT regulated provider running an off-airport courtesy shuttle or a 35-passenger minibus would currently be excluded simply because their vehicles lack the right baggage compartment.

Secretary Buttigieg, please describe the process DOT used to determine that no other transportation providers would be eligible for relief?

A.1. DOT understands the devastating impact that the COVID-19 pandemic has had on the transportation sector. As directed by Congress, U.S. Department of Treasury is the lead Department responsible for CERTS program implementation. DOT provided technical assistance to Treasury in its development of the CERTS application guidance and eligibility criteria and also provided support to ensure that CERTS grant funding is distributed as promptly and responsibly as possible. At the outset, DOT stood up a team of senior career officials from OST, FMCSA, FTA, MARAD, and the U.S. Coast Guard to assist with industry stakeholder outreach and provide technical assistance to Treasury. For example, during the review process, FMCSA reviewed all 1,600+ motorcoach applications and conducted data checks to verify applicant eligibility. FMCSA also reviewed over 4,000 other records that had been blocked and quarantined by Treasury's system to verify none were falsely deemed ineligible. These collaborative efforts contributed to Treasury's successful implementation of CERTS.

Treasury determined the scope of CERTS had to be limited to the four types of entities Congress specifically listed in the legislation and could not be expanded to other industries or types of transportation providers because program funding was significantly oversubscribed. Approved applicants in the four eligible industries received prorated grants representing less than 25 percent of their lost revenues.

Q.2. Would you commit to working with my office to revise the guidance, ensuring other DOT regulated transportation providers, who have been equally devastated, are able to access these funds as Congress intended before the Treasury grant portal opens?

A.2. Treasury has stated in its press release that the \$2 billion in available funding has been disbursed, and that the amount of documented revenue loss by applicants was in excess of \$8 billion. Should Congress authorize additional CERTS funding, the USDOT stands ready to assist you and your colleagues in any future technical assistance requests.

As directed by Congress, Treasury is the lead Department responsible for CERTS program implementation. Treasury reviewed the legislative language very carefully in initially determining eligibility and released related guidance on May 6, during which they invited questions from the public. They opened the CERTS application portal on June 19, and the application period closed on July 19. On August 13, Treasury began notifying and releasing grant agreements to approved applicants. Treasury made grant payments on a rolling basis as soon as the grantees signed the agreements. On October 8, Treasury sent the final payments to recipients of funding provided through the CERTS program. Over 1,400 motorcoach, school bus, passenger vessel and pilotage companies representing all 50 States received grants—93 percent of which are small businesses and more than 33 percent of which are minority-owned businesses. The CERTS grant recipients can be found on Treasury’s website available here: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-american-industry/coronavirus-economic-relief-for-transportation-services/Coronavirus-Economic-Relief-for-Transportation-Services-CERTS-Grant-Payments>.

Q.3. Similarly, if you answer in the affirmative, please explain how you would work to open that avenue with the anticipated timeline and application process Treasury has already announced.

A.3. In October 2021, U.S. Department of the Treasury sent the final payments to recipients of funding provided through the CERTS program. Over 1,400 motorcoach, school bus, passenger vessel and pilotage companies representing all 50 States received grants—93 percent of which are small businesses and more than 33 percent of which are minority-owned businesses. DOT stands ready to assist you and your colleagues in any future technical assistance requests.

Q.4. Do you believe that entities that are required to register their vehicles for DOT licensing and follow the FMCSA rules and regulations are under the jurisdiction of the Department?

A.4. Being required to register for a USDOT number is not a measure of whether FMCSA has jurisdiction over the registered entity. Many States require vehicle operators to obtain USDOT numbers, for example, even if the operators are not subject to FMCSA jurisdiction.

Regarding near-airport transportation, under 49 U.S.C. 13506(a), “Neither the Secretary [of Transportation] nor the [Surface Transportation] Board has jurisdiction [under 49 U.S.C. chapters 135–

149] over transportation of passengers by motor vehicle incidental to transportation by aircraft.”