

111TH CONGRESS
2D SESSION

H. R. 5824

To require the Secretary of Housing and Urban Development to establish a process for incorporating transportation costs associated with the location of housing into affordability measures and standards, and to develop a transportation affordability index to measure and disclose the transportation costs associated with the location of a home.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2010

Mr. BLUMENAUER (for himself, Mr. PERLMUTTER, Mr. CONNOLLY of Virginia, Mr. McDERMOTT, Mr. CLEAVER, Mr. SIRES, Ms. WATSON, Mr. MORAN of Virginia, Mr. COHEN, and Ms. TITUS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Secretary of Housing and Urban Development to establish a process for incorporating transportation costs associated with the location of housing into affordability measures and standards, and to develop a transportation affordability index to measure and disclose the transportation costs associated with the location of a home.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Transportation and
3 Housing Affordability Transparency Act”.

4 **SEC. 2. FINDINGS AND PURPOSES.**

5 (a) FINDINGS.—The Congress finds the following:

6 (1) The average family spends about half of its
7 income on transportation and housing costs.

8 (2) Housing affordability has traditionally been
9 measured as the extent to which a household’s in-
10 come can cover the purchase price of a home or the
11 monthly rent.

12 (3) Households in location-efficient commu-
13 nities can experience substantial savings on trans-
14 portation costs as a result of lower car ownership,
15 higher transit usage, and more accessible amenities
16 such as stores and restaurants within walking dis-
17 tance.

18 (4) In certain auto-dependent areas, transpor-
19 tation costs can be very high, leaving families with
20 less money for housing, food, healthcare, and other
21 important expenses.

22 (5) Currently, transportation costs and savings
23 are not taken into account in government afford-
24 ability measures and standards, and information is
25 not generally available to consumers looking to pur-
26 chase homes.

1 (6) Low-income housing tax credits, downpay-
2 ment assistance grants, and rental assistance under
3 section 8 of the United States Housing Act of 1937,
4 for example, are all awarded and used without re-
5 gard to this transportation cost burden.

6 (7) A community's location, character, and de-
7 sign can contribute to overall affordability of the
8 community more than household size and income.

9 (8) Households with annual incomes between
10 \$20,000 and \$35,000 and located far from job cen-
11 ters spend 70 percent of their incomes on housing
12 and transportation combined.

13 (9) Studies have shown that 63 percent of fed-
14 erally assisted housing units located within one-half
15 mile of public transit may no longer be affordable to
16 low- and moderate-income families by 2012. At the
17 same time, of the more than 250,000 affordable
18 apartments within one-half mile of public transit in
19 20 metropolitan areas studied, more than two-thirds
20 of the Federal subsidies that keep these apartments
21 affordable will expire within the next 5 years.

22 (10) Existing and future affordable housing
23 stock should be taken into account by local agencies
24 when planning economic development and transit

1 projects, to ensure that the combined housing and
2 transportation costs remain affordable.

3 (11) The preservation of existing affordable
4 housing stock, particularly if it is located within one-
5 half mile of public transit or other neighborhood
6 amenities, should be a priority for local, State, and
7 Federal agencies.

8 (12) Potential homebuyers should have infor-
9 mation about the transportation costs associated
10 with their housing choices to enable fully informed
11 decisionmaking.

12 (13) Incorporating transportation costs into af-
13 fordability measures can enable stakeholders, citi-
14 zens, and decisionmakers at all levels of government
15 coordinate and target investment decisions, strate-
16 gies, and plans to lower transportation burdens.

17 (b) PURPOSES.—The purposes of this Act are as fol-
18 lows:

19 (1) To provide consumers with information
20 about the costs of housing based on its location.

21 (2) To recognize transportation costs as a key
22 element of housing affordability.

23 (3) To ensure transparency in housing and
24 transportation costs for consumers, housing pro-

1 viders, local and regional planning agencies, Federal
2 agencies, and other stakeholders.

3 (4) To enable the Department of Housing and
4 Urban Development, as appropriate, to incorporate
5 transportation costs associated with the location of
6 housing, including neighborhood characteristics such
7 as density, walkability, the availability of quality
8 transit service, and convenient access to amenities,
9 into affordability measures and standards.

10 (5) To help communities recognize the impor-
11 tance of providing transportation and housing
12 choices for their residents.

13 **SEC. 3. TRANSPORTATION AFFORDABILITY INDEX.**

14 (a) DEVELOPMENT.—

15 (1) IN GENERAL.—The Secretary of Housing
16 and Urban Development shall, through a public
17 process, develop a transportation affordability index
18 that measures the transportation costs associated
19 with the location of a home, both on a neighborhood
20 and regional basis.

21 (2) AGREEMENTS.—In developing the index,
22 the Secretary may enter into agreements with exist-
23 ing entities for access to, and may rely upon, pre-
24 viously developed databases, consistent with Federal
25 procurement guidelines.

1 (3) ADDITIONAL LOCATION-SPECIFIC COSTS.—

2 The Secretary shall conduct research and analysis as
3 to other location-specific costs associated with a
4 home and determine the feasibility of including such
5 costs into the index to be developed under this sub-
6 section.

7 (b) PARTICIPATION.—In developing the transpor-
8 tation affordability index, the Secretary shall consult with
9 the Secretary of Transportation, the Administrator of the
10 Environmental Protection Agency, the Rural Housing
11 Service of the Department of Agriculture, real estate, de-
12 velopment, housing, and transportation professionals, local
13 and State governments, low-income housing advocates, re-
14 searchers, and other appropriate parties.

15 (c) FACTORS.—The transportation affordability index
16 developed under this section for a household, property,
17 community, or region shall take into consideration appro-
18 priate factors, including at least the following factors:

19 (1) Location and, to the extent practicable, fre-
20 quency of service for bus, rail, light rail, streetcar,
21 ferry service, and other public transportation options
22 within $\frac{1}{4}$, $\frac{1}{2}$, and 1 mile of the property. The Sec-
23 retary shall consult with the Secretary of Transpor-
24 tation on ways to better incorporate the frequency of

1 bus, transit and other public transportation options
2 into the index.

3 (2) If available, the average daily vehicle miles
4 traveled for the census block group in which the
5 property is located.

6 (3) The availability within, and accessibility to,
7 services within ½ mile of the property, including
8 grocery stores, parks, bicycle lanes or paths or other
9 bicycle facilities, community centers, restaurants,
10 coffee shops, medical facilities, laundry/cleaners, li-
11 braries, schools, plazas/town squares, banks, and day
12 care facilities, and other services.

13 (4) Proximity of the property to local and re-
14 gional employment centers.

15 (5) Net residential density, as measured by
16 households per residential acre.

17 (6) Any other factor that the Secretary deter-
18 mines would help improve the availability of infor-
19 mation about transportation costs of housing

20 (d) AVAILABILITY.—Upon development of the trans-
21 portation affordability index under this section, the Sec-
22 retary shall make the index—

23 (1) publicly available through the Internet;

1 (2) available to Multiple Listing Services for
2 real estate in a format that provides for incorpora-
3 tion into such Services;

4 (3) available to regional and metropolitan plan-
5 ning organizations for use in regional transportation
6 plans and models;

7 (4) available to local housing and planning
8 agencies for possible use in developing Consolidated
9 Plans for formula grant programs of the Depart-
10 ment of Housing and Urban Development;

11 (5) available to States, local governments, non-
12 profit organizations, and other entities that provide
13 financial literacy counseling to households; and

14 (6) available to transportation management
15 agencies and other entities that engage in transpor-
16 tation demand management programs.

17 (e) REPORT TO CONGRESS; WORKSHOPS; PILOT
18 PROJECTS.—The Secretary shall—

19 (1) provide a report to the Congress, not later
20 than 120 days of the date of the enactment of this
21 Act, that identifies in detail—

22 (A) the opportunities for, and the barriers
23 to, the development of the transportation af-
24 fordability index and related housing afford-
25 ability measures;

1 (B) the means and methods the Secretary
2 intends to adopt for overcoming such barriers;

3 (C) an implementation plan for developing,
4 piloting, and adopting alternative housing af-
5 fordability measures; and

6 (D) the potential uses of the index estab-
7 lished pursuant to section 3 to guide housing
8 programs;

9 (2) convene public workshops or other suitable
10 events to solicit input into the process from the pub-
11 lic and stakeholders;

12 (3) conduct one or more pilot projects as may
13 be necessary to test the feasibility of incorporating
14 transportation costs into current definitions of af-
15 fordability; and

16 (4) collect and publicly disseminate information
17 about which public housing projects and other
18 HUD-assisted housing projects are located within $\frac{1}{2}$
19 mile of bus, rail, light rail, street car, or ferry serv-
20 ice.

21 (f) PERIODIC UPDATES.—The Secretary shall update
22 the transportation affordability index under this section
23 at least once every five years, or more frequently if fea-
24 sible.

1 **SEC. 4. INCORPORATION INTO AFFORDABILITY MEASURES**
2 **AND STATE AND LOCAL PLANS.**

3 To the maximum extent practicable and in a manner
4 consistent with current research, the Secretary of Housing
5 and Urban Development shall, in consultation with the
6 Secretary of Transportation, carry out the following:

7 (1) **FEDERAL HOUSING PROGRAMS.**—The Sec-
8 retary shall incorporate transportation costs associ-
9 ated with the location of housing into affordability
10 measures and standards in connection with housing
11 programs administered by the Secretary, where fea-
12 sible and consistent with the intent of such pro-
13 grams. This paragraph shall not be construed to in-
14 crease the rent burden of any tenant assisted by any
15 housing program or override any specific definition
16 of a housing affordability measure or standard re-
17 quired by or provided under Federal law.

18 (2) **STATE HOUSING PLANS.**—The Secretary
19 shall provide information and resources to States to
20 assist and encourage States to incorporate transpor-
21 tation costs into their housing and land use plans,
22 including encouraging State housing agencies to use
23 the index in administering the allocation of Federal
24 low-income housing tax credits and to provide the in-
25 formation to recipients of vouchers for housing as-
26 sistance.

1 (3) REGIONAL AND LOCAL PLANS.—The Sec-
2 retary shall work with regional and local government
3 entities to integrate housing, transportation and, to
4 the extent feasible, other costs associated with loca-
5 tion into long-range transportation, land use, hous-
6 ing and community development, or investment
7 plans.

8 (4) OTHER ORGANIZATIONS.—The Secretary
9 shall consult with organizations that use, or may
10 wish to use, affordability indexes to incorporate
11 transportation costs into the housing affordability
12 indexes of the organizations.

13 (5) FEDERAL AGENCIES.—The Secretary shall
14 work with the Administrator of the Environmental
15 Protection Agency, the Secretary of Transportation,
16 the Secretary of Agriculture, the Secretary of the
17 Treasury, and other Federal agencies to, where
18 practicable, incorporate the transportation afford-
19 ability index established pursuant to section 3 into
20 their programs.

21 **SEC. 5. EVALUATION.**

22 To the extent amounts are made available for car-
23 rying out this section, the Secretary of Housing and
24 Urban Development shall, not later than 3 years after the
25 date of the enactment of this Act, conduct a study to

1 evaluate the effectiveness of the transportation afford-
2 ability index established pursuant to section 3 in achieving
3 the purposes of this Act, including field evaluations of its
4 use. Such evaluation shall be updated annually and shall
5 be made publicly available.

6 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

7 (a) DEVELOPMENT OF INDEX.—There is authorized
8 to be appropriated \$3,000,000 for fiscal year 2011, to re-
9 main available until expended, for costs of developing the
10 transportation affordability index required under section
11 3.

12 (b) MAINTENANCE AND IMPROVEMENT OF INDEX
13 AND ACTIVITIES TO INCORPORATE INDEX.—There is au-
14 thorized to be appropriated \$2,000,000 for each of fiscal
15 years 2012 through 2020 for—

16 (1) costs of maintaining and improving the ef-
17 fectiveness and use of the transportation afford-
18 ability index established pursuant to section 3;

19 (2) costs of the Secretary of Housing and
20 Urban Development of complying with section 4;
21 and

22 (3) costs associated with annual updates to the
23 evaluation required by section 5.

24 Of any amounts appropriated pursuant to this subsection
25 for any fiscal year, 30 percent shall be available for out-

1 reach to Multiple Listing Service programs and regional
2 and local entities described in section 3(d) to promote the
3 use of the transportation affordability index.

4 (c) INITIAL EVALUATION.—There is authorized to be
5 appropriated \$1,000,000 for fiscal year 2013 for costs of
6 conducting the initial evaluation under section 5.

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