The Potential for Supporting Low-Income Renters Through Transportation Spending Under the Infrastructure Investment and Jobs Act and Beyond

JANUARY 2023 | YONAH FREEMARK, RIORDAN FROST, CARLOS MARTÍN, JORGE MORALES-BURNETT, FRANCISCO MONTES
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January 2023

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The Housing Crisis Research Collaborative is supported by JPMorgan Chase & Co. and the Wells Fargo Foundation, and managed by the Urban Institute. We are grateful to them for allowing the Collaborative to advance its goals.

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Executive Summary

The 2021 Infrastructure Investment and Jobs Act (IIJA) is the largest single investment in the United States' public works in decades. Over the next five years, it will fund thousands of investments in transportation and energy among several systems nationwide. Despite the IIJA’s potential to upgrade these elements of the country’s infrastructure, the appropriations noticeably overlook housing. The Harvard Joint Center for Housing Studies and the Urban Institute convened a workshop of stakeholders and policymakers in Fall 2022 to identify the mechanisms that might leverage the law’s sizeable transportation investments for affordable housing’s preservation, development, and access.

Stakeholders explored three fundamental interventions to this end:

- **Technical assistance that integrates housing and transportation.** The US Department of Transportation (DOT) could assist state and local officials in creating long-term relationships with housing counterparts to develop Housing Coordination Plans in the context of short- and long-term metropolitan transportation plans. This step would equip DOT’s regional staff with the resources and access to expert guidance that would build local capacities for linking transportation and housing funds, for shared planning activities, and for jointly addressing land use and development barriers.

- **Rigorous housing criteria in competitive transportation grants.** DOT could mandate in its proposal requests that applications support additional housing availability, improve housing affordability, and prevent displacement. Review criteria and point schema could then reflect those priorities. DOT could also prioritize applications with explicit support from housing providers.

- **Baseline requirements that formula transportation funds do no housing harm.** DOT could consider placing a moratorium on transportation projects that disproportionately impact communities in ways that do not affirmatively further fair housing goals or preserve affordable housing stock without appropriate restitution. DOT could hold up as models the state offices and projects that use IIJA formula funds for positive and fair housing production.

Examples of innovation in applying these interventions are likely over the next half-decade. However, successful innovations will require a sober understanding of statutory constraints and implementation challenges. This paper frames opportunities for further exploration with the goal of providing ongoing guidance to policymakers and advocates seeking to integrate housing with transportation investments.
Background

There are several reasons to consider housing as part of the nation’s infrastructure.¹ Like other systems that make up the built environment, housing supports a range of social and economic activity, while influencing educational, employment, health, and other life outcomes. US housing is produced and operated under a range of regulatory frameworks and with a complex system of supports from both public and private entities. Physically, residential communities and the homes in them are also the literal distribution points for thousands of water mains, electric cables, and roads. The location, quality, and affordability of homes both shape and are shaped by these other systems.

This relationship holds especially true for the sector programmed to receive the greatest budgetary support from the IIJA: transportation. When considered as part of the same community and regional system, housing can be integrated into transportation planning and funding. Today, a wide body of scholarship documents how housing and transportation decisions connect and how investments in both simultaneously can produce multiple community benefits.² From planning the physical environments in which housing and transportation infrastructure coexist to assessing the consequences of investments in one upon equitable and affordable access to the other, the links between the two policy fields are numerous and complex.³ Policy efforts on all levels of government have supported the

² This work is synthesized in National Academies of Sciences, Engineering, and Medicine, Coordination of Public Transit Services and Investments with Affordable Housing Policies (Washington, DC: The National Academies Press, 2022), https://doi.org/10.17226/26542.
idea of simultaneously considering housing and transportation, including local zoning requirements, state laws encouraging transit-oriented development, and federal programs.

Both scholarly knowledge and the lived experiences of people in communities across the country confirm the rich, nuanced, and complicated relationships between our transportation networks and our homes. However, several gaps in this system are evident. Affordable housing is often geographically distant from accessible transit, which, in turn, challenges the financial conditions, health outcomes, and well-being of members of low-income households and those living in communities of color. The siting and construction of transportation infrastructure has often caused harm to these same communities. New roads and other transportation facilities have historically displaced residents and left these communities living in environments with physical safety hazards and toxins. Though all housing and transportation interventions should better align these systems’ community outcomes, federal and state programs do not often link the two policy areas; choices about investments in transportation too often revolve around measuring outcomes related to mobility with little consideration of consequences for housing access, while choices about investments in housing too often fail to take transportation needs of future residents into account.

Enter IIJA. The act appropriates and authorizes nearly $600 billion in programs across various transportation modes, most administered by the US Department of Transportation (DOT). The bulk of IIJA’s transportation funds are supplements to extant formula grant programs that are largely distributed to state governments for their discretionary use, though with oversight from the DOT. For example, $273 billion of the $351 billion allocated to the nation’s highways and bridges—that is, over one quarter of the entirety of IIJA funding—will support the reauthorization of formula highway grants. The majority of IIJA’s public transit funds also flow through formula to urban areas nationwide ($64.8 billion). IIJA, however, also includes a wide range of programs whose funds will be distributed through competitive allocation by the DOT in Washington. All programs—formula and competitive—supporting at least $1 billion in expenditures over five years are summarized in Appendix 1. The programs in that

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4 Such as the 2021 law in Massachusetts requiring localities to allow multifamily housing around transit stops; see Luc Schuster and Jesse Kanson-Benanav, “Getting the Details Right on Transit Oriented Development Law,” CommonWealth Magazine, April 21, 2021, https://commonwealthmagazine.org/housing/getting-the-details-right-on-transit-oriented-development-law/.
6 While highway construction in the 1950s and 1960s resulted in the most egregious displacements, highway expansions have continued displacing residents around the country. One analysis estimated that 200,000 people were displaced by federal road projects in five states from 1991–2021. See Liam Dillon and Ben Poston, “Freeways Force Out Residents in Communities of Color — Again,” Los Angeles Times, November 11, 2021, https://www.latimes.com/projects/us-freeway-highway-expansion-black-latino-communities/.
list represent 98 percent of the law’s transportation expenditures. These funds may be augmented through annual funding appropriations by Congress; the figures in the appendix are the minimum to be distributed in fiscal years 2022–2026. In part because of IIJA’s large number of programs, the White House subsequently issued guidance in January 2022 to help jurisdictions navigate them.7

Despite IIJA’s large size, the law provided no allocations designed specifically for housing. The question for us to consider is the degree to which its programs can be directed so as to increase housing availability and affordability. How can the federal government leverage its technical assistance programs to support localities interested in planning projects that make the transportation-housing link? How can the DOT ensure that it prioritizes access to affordable housing in the choices it makes about which projects to fund through competitive programs? And in what ways can Washington encourage states and localities using formula program dollars to articulate that connection?

To discuss these issues in detail, the Joint Center for Housing Studies and the Urban Institute convened a group of two dozen researchers, advocates, policymakers, and practitioners in Washington, DC in September 2022. The group included representatives of the DOT, as well as the US Department of Housing and Urban Development (HUD), the White House, several congressional offices, a variety of nonprofit organizations, and several researchers. This three-hour workshop allowed us to collect anonymous feedback from experts about how to improve the federal government’s work to link IIJA programs to housing objectives. A summary of the discussion is included in Appendix 2. This paper is designed to incorporate feedback and perspectives from workshop participants and serve as a motivator for federal action on this subject.

Our contention—and that of the workshop participants—is that we have a unique opportunity to link transportation and housing. One key area in which IIJA could best fulfill that goal is through the government’s current focus on advancing climate change response, plus social and racial equity, through federal policy. President Joe Biden signed Executive Order 14052 regarding the implementation of IIJA on the same day as the act itself, requiring that its programs be subject to Executive Order 14008 signed within days of his inauguration, which sets the nation on the course of reducing greenhouse gas emissions by 50 percent by 2030. Executive Order 14008 also stipulated compliance with the effort now known as “Justice 40,” the goal of delivering 40 percent of overall benefits to disadvantaged communities from relevant investments. To this end, several federal programs—including those

7 The White House, “A Guidebook to the Bipartisan Infrastructure Law for State, Local, Tribal, and Territorial Governments, and Other Partners,” January 31, 2022, https://www.whitehouse.gov/briefing-room/statements-releases/2022/01/31/biden-administration-releases-bipartisan-infrastructure-law-guidebook-for-state-local-tribal-and-territorial-governments/. The Reconnecting Communities Grant Program is the only identified example of how IIJA can potentially support the links between housing and transportation.
supported by IIJA and covered under Justice 40—are already adopting preliminary set-asides, scoring rubrics, and prioritizing criteria to address historic disinvestment and unjust exposure to negative environmental effects due to investment. Ultimately, the opportunities to improve the connection between transportation and housing by explicitly emphasizing it across both the formula and competitive grant programs in IIJA must be exhaustively identified and made practical for all levels of governmental stakeholders. 

The State of the IIJA

The transportation programs included in the IIJA have significant potential to induce community transformations that produce equitable outcomes, including in terms of access to more, and more affordable, housing. Indeed, much of the media coverage related to the law has emphasized its potential support for communities suffering from historical environmental injustice, reducing point pollutant sources on neighborhoods, and rectifying harms incurred by transportation construction. Among many programs in the law, the Reconnecting Communities program has been the most cited due to its explicit effort to combine transportation investments with development in the surrounding areas. The law’s financial focus, however, is disproportionately weighted toward investments in traditional automobile transportation infrastructure like roadways. The vast majority of the $567.4 billion in funding for transportation in IIJA is dedicated to highways and formula-based programs.

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11 In addition to Appendix 1, see Jim Tymon, “AASHTO Comprehensive Analysis of the Bipartisan Infrastructure Bill Infrastructure Investment and Jobs Act (IIJA),” American Association of State Highway and Transportation Officials (AASHTO),
From 2022–2026, the federal-aid highway program is allocated $351.3 billion, of which $306.5 billion is dedicated to formula programs. For that same period, transit is allocated $91.2 billion, of which $80.2 billion is dedicated to formula programs. Passenger rail is allocated $66 billion, highway safety $12 billion, and the Office of the DOT Secretary $19 billion. This allocation raises several key concerns. First, highways have historically been built disproportionately through communities of color and neighborhoods where low-income people predominate, meaning these projects could displace inhabitants. Second, highways produce air and noise pollution in the surrounding communities, threatening public health and reducing quality of life. Third, because using them requires a car, their ability to increase transportation connections for people without cars is limited. Finally, they are far less effective than other modes of transportation—like public transit, walking, or biking—at encouraging walkable, environmentally sustainable, and livable neighborhoods where housing development is desirable.

The White House produced a guidebook for state, local, tribal, and territorial governments so that communities know “what to apply for, who to contact for help, and how to get ready to rebuild.” The guidebook includes references to the funding available under IIJA and a description for each program. It further provides a dataset with program-level information including funding amount, agency in charge, and eligible uses. Other guidance published by the White House includes a letter to state governments with considerations for preparing for implementation (including a recommendation to appoint state-level Infrastructure Implementation Coordinators) and a fact sheet for local governments with program descriptions, selection criteria, and application timelines.15

Our analysis of White House guidebook data and a tracker of funding announcements called Maps of Progress shows that of the more than $565 billion appropriated for DOT under IIJA, 25 percent has been announced and tied to specific projects as of October 25, 2022 (Table 1).

### TABLE 1.

**IIJA DOT Funding Appropriated by Category of Work**

<table>
<thead>
<tr>
<th>Category</th>
<th>Appropriated Funds</th>
<th>Announced Funding</th>
<th>Percent Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airports and Federal Aviation Administration Facilities</td>
<td>$25,000,000,000</td>
<td>$3,858,521,660</td>
<td>15%</td>
</tr>
<tr>
<td>Electric Vehicles, Buses, and Ferries</td>
<td>$13,434,720,864</td>
<td>$1,503,100,000</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>$4,378,614,089</td>
<td>No data</td>
<td></td>
</tr>
<tr>
<td>Passenger and Freight Rail</td>
<td>$63,000,000,000</td>
<td>No data</td>
<td></td>
</tr>
<tr>
<td>Ports and Waterways</td>
<td>$3,587,000,000</td>
<td>$192,804,000</td>
<td></td>
</tr>
<tr>
<td>Public Transportation</td>
<td>$82,587,020,112</td>
<td>$14,869,843,649</td>
<td>18%</td>
</tr>
<tr>
<td>Resilience</td>
<td>$10,334,124,998</td>
<td>$2,833,567,682</td>
<td>27%</td>
</tr>
<tr>
<td>Roads, Bridges and Major Projects</td>
<td>$325,674,999,998</td>
<td>$111,864,220,086</td>
<td>34%</td>
</tr>
<tr>
<td>Safety</td>
<td>$37,617,599,996</td>
<td>$7,278,258,034</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$565,614,080,057</strong></td>
<td><strong>$142,400,315,111</strong></td>
<td><strong>25%</strong></td>
</tr>
</tbody>
</table>

**Source:** Appropriated Funds - The White House, guidebook data, August 2022, [https://www.whitehouse.gov/build/](https://www.whitehouse.gov/build/); Announced Funding – The White House, Maps of Progress data, October 25, 2022 [https://www.whitehouse.gov/build/maps-of-progress/]; Author calculations.

Much of this funding has been distributed through formula grant programs. But of particular interest are the funds distributed through the discretionary programs that require applications from local and state entities. So far, DOT has awarded funding for three major competitive grant programs through Notices of Funding Opportunity (NOFOs) in 2022: Rebuilding American Infrastructure with Sustainability and Equity (RAISE), Federal-State Partnerships for State of Good Repair Program (for intercity and freight railways), and the Airport Terminal Improvement Program. DOT publishes a list of NOFOs for key competitive programs in IIJA. This list is not meant to be comprehensive of all NOFOs available from IIJA, so it is difficult to track the total value of current NOFOs accepting applications, under review, or soon-to-come. However, DOT brings our attention to seventeen key programs (as of November 14, 2022) with current NOFOs, which together account for more than $17 billion in estimated program funding, and two other programs with upcoming NOFOs:

- 12 programs have closed their NOFOs, and applications are now under review:
  - Natural Gas Distribution Infrastructure Safety and Modernization
  - University Transportation Centers

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• Transit-Oriented Development Pilot
• Bridge Investment
• Electric or Low Emitting Ferry
• Ferry Service for Rural Communities
• Passenger Ferry Grant
• Safe Streets and Roads for All Grant
• Reconnecting Communities Pilot
• Railroad Crossing Elimination
• All Stations Accessibility
• Nationally Significant Federal Lands and Tribal Project

• 5 programs have open NOFOs:
  o Consolidated Rail Infrastructure & Safety Improvements, closing December 1, 2022
  o National Culvert Removal, Replacement, and Restoration, closing February 6, 2023
  o Rail Vehicle Replacement, closing January 5, 2023
  o Strengthening Mobility and Revolutionizing Transportation (SMART), closing November 18, 2022
  o Thriving Communities, closing November 29, 2022

• 2 programs have NOFOs which have appropriations each fiscal year through FY26:
  o Fiscal year 2022 Federal-state Partnership (National intercity railways)
  o Fiscal year 2022 Federal-state Partnership (Northeast Corridor intercity railways)

2022 is the first year of funding from IIJA, which will continue to be deployed each year until 2026. Because most awards from IIJA are expected to be distributed annually, there is a clear opportunity to directly inform NOFOs into the future. NOFOs can be refined annually to adjust for changing priorities and new opportunities. Nevertheless, even the formula highway elements of IIJA offer an opportunity to promote outcomes that support access to affordable housing. And the non-highway elements are even more promising.

The IIJA Potential

Due to choices made over the course of past investments, the US transportation system provides inequitable access to mobility and inaccessible, often unaffordable housing options. Overcoming past harms and envisioning communities whose transportation and housing are improved through federal
resources can be undertaken using a variety of means. There are several strategies that the federal government could employ across the cabinet agencies to foreground this vision.

For example, Department Secretaries could encourage and publicize governors and their related state secretaries who are coordinating transportation and housing investments. Coordinating better data and grant reporting across agency grantees (particularly those distributing formula funds) could ensure better post-award reporting. However, this effort would also require that federal agencies agree to (or support additional expert inquiry into) the most critical metrics for the desired outcomes from housing and transportation coordination (e.g., reduced household costs of living that include housing and transport).

Workshop participants noted past federal coordination efforts as models, including the 2009 Partnership for Sustainable Communities. Consequently, a cross-cutting government-wide agreement to the methods of monitoring and enforcing Affirmatively Furthering Fair Housing policies would be helpful for securing a housing-conscious model for spending transportation funds. Yet when it comes to the IIJA windfall, much of the burden of implementing this vision falls on the shoulders of DOT as the primary recipient of transportation funds.

There are three basic ways in which funds from the law could be oriented toward linking housing and transportation planning: technical assistance (including building the capacity of key local partners); including housing-related criteria in competitive programs for positive housing outcomes; and ensuring that, at a minimum, projects funded with formula programs do not negatively affect housing conditions. We summarize key opportunities in this section to develop better plans, prioritize selecting better projects, and reduce negative impacts on disadvantaged communities. These opportunities require engagement by the US DOT but would be substantially more likely to be realized with support from states, local governments, transportation agencies, and metropolitan planning organizations (MPOs) nationwide, which will collectively make choices about how to invest and which projects to prioritize. Approaching transportation investments from the perspective of ensuring more equitable access can involve both competitive and formula programs, though the mechanisms for intervention vary between the two. And the actions of states and localities are likely to be heavily informed by federal technical assistance.

**Building the Capacity to Link Transportation and Housing**

Funding for technical assistance is included in several transportation programs in IIJA. Given the complexity of planning for, applying for, and implementing grants, technical assistance is essential for
many potential grantees. One commonly cited concern by staff from small and rural localities is that they often lack the professional or technical knowledge to apply for and implement grants and are therefore less likely to receive their fair share of funding. Workshop participants noted that attention to capacity building is particularly needed in the cases of low-capacity regional and municipal governments and non-governmental civil society organizations at the neighborhood level, whose needs are sometimes eclipsed at the state level.

Technical assistance can help overcome these challenges, and past funding for it has provided expertise to many communities. One key need discussed at the convening was for grant applications to be simplified to lessen the burden on applicants, though attendees pointed out that this might require non-governmental partners given the limited capacity of the federal agencies creating these applications. Provisions for technical assistance are included as part of several grant programs. The Reconnecting Communities program includes $25 million for the purpose. The Thriving Communities program, meanwhile, created by the 2022 Consolidated Appropriations Act, provides funding to both DOT ($25 million) and HUD ($5 million) for capacity building for linking transportation funding with community revitalization and housing. Participants emphasized Thriving Communities as a likely model for granular technical assistance as its grants and providers evolve.

One key mechanism by which such technical assistance could theoretically be leveraged is in the Housing Coordination Plans that IIJA encourages metropolitan planning organizations (MPOs) to undertake.17 These optional plans would allow MPOs to alter their transportation planning processes to integrate housing policy and plans into their thinking related to transportation. Technical assistance could aid communities in developing this sort of planning. This type of coordinated planning could help ensure that there are ‘shovel-worthy’ projects when federal funding becomes available, which our workshop attendees distinguished from projects that are currently ‘shovel-ready’ but follow a business-as-usual approach that does not incorporate housing.

Attendees cautioned, however, that technical assistance from the US government has typically focused on planning for projects rather than building long-term capacity for implementation and for sustained capacity at the most localized of geographies. This focus can result in well-made plans that are not realized because of a lack of assistance for implementation.

Fortunately, the federal government requires and funds a series of planning programs at the state, metropolitan, and local levels. Specifically, all MPOs must annually update a Transportation

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Improvement Program (TIP), which sets out a list of upcoming transportation projects within their geographies to be funded over the course of the next four to six years. This list must include projects funded with and without federal funds. At the same time, states and MPOs must update twenty-year plans at least every ten years (Long-Range Statewide Transportation Plans and Metropolitan Transportation Plans, respectively).

Funding for state and MPO completion of these plans was re-upped in IIJA. IIJA includes new requirements for states and MPOs to devote 2.5 percent of planning funds to increase accessibility to transportation options; it provides new funding for the Transit-Oriented Development Planning program; and it encourages MPOs to develop Housing Coordination Plans that link transportation investments with housing options, as we noted above. The latter plans have significant potential in encouraging joint planning. As initially conceptualized, these plans can include projects and strategies in the Metropolitan Transportation Plan, and include the following goals, among others:

- Connecting housing and employment while mitigating commuting times
- Aligning transportation improvements with housing needs
- Aligning planning in relationship with household incomes
- Expanding housing development, including higher-density development
- Managing effects of more vehicle miles traveled
- Increasing the share of households with sufficient and affordable access to transportation

The federal government can take on a greater role of providing technical assistance to MPOs as they begin to develop these coordination plans, though the federal government has yet to develop specific related guidance, nor have any MPOs acted as far as we know. As they have primarily focused on transportation planning until now per statute, MPOs may need assistance developing models to connect their transportation projects with housing and employment, establishing clear objectives related to housing affordability, and reducing housing costs. The federal government can aid these regional entities in offering best practices and providing key tools. DOT may consider engaging HUD directly in assisting with plan preparation, and encourage MPOs to develop long-term, cooperative relationships with local affordable housing providers to ensure that regional plans line up with local needs.

The process of integrating housing planning into transportation initiatives would help MPOs, local governments, and transportation agencies identify the degree to which individual transportation

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projects are likely to support the goal of increasing access to housing, especially housing units occupied by people with low incomes and people of color, as well as any groups specifically suffering from discrimination, in accord with the goals of the 1968 Fair Housing Act. As further discussed below, the federal government could, by means of competitive grants, require MPOs to further identify mechanisms to ensure that planning related to transportation projects and accessibility is connected to elements of housing planning that fall beyond the scope of MPOs’ current activity.\textsuperscript{19} Such plans could also—if designed appropriately—explore whether projects could set off patterns of gentrification and displacement. This research, in turn, could be used by MPOs to prioritize projects for which they later use federal dollars.

Though Housing Coordination Plans are not required under IIJA, their successful implementation could set the stage for incorporating them into all Metropolitan Transportation Plans and Long-Range Statewide Transportation Plans. Such an effort would help connect all projects funded by federal dollars—whether formula-based or competitive—to local housing conditions and needs. The development of such plans could be associated, in addition, with HUD’s initiatives to advance fair housing plans, which are expected to be mandated by the agency in the coming years (they were mandated by the agency between 2016 and 2018).

**Expanding Positive Housing Access in Competitive Transportation Grants**

Workshop participants were quick to note the flexibility and criterion-based review and selection potential in the IIJA’s new and further appropriated competitive grant programs to further housing opportunity. Competitive programs have traditionally held a strong potential for connecting transportation investments with affordable housing. Perhaps the most widely discussed new program is the Reconnecting Communities Pilot Program, which was allocated $1 billion in funding over five years (far short of the $20 billion originally sought by the Biden Administration). The program offers both planning grants (up to $2 million) and capital grants (at least $5 million). This program is directly concerned with the intersection of housing and transportation. Media stories about this program’s potential that we reviewed offered up a list of communities for consideration in which community members and policymakers are promoting possible interventions.\textsuperscript{20}


\textsuperscript{20} Examples include Atlanta, Georgia; Austin and Houston, Texas; Baltimore, Maryland; Birmingham, Alabama; Cincinnati, Ohio; Chattanooga and Nashville, Tennessee; Detroit and Grandview, Michigan; Miami and Tampa, Florida; New Orleans, Louisiana; Portland, Oregon; Rochester and Syracuse, New York; and St. Paul, Minnesota.
The media coverage also suggests a variety of possible project types: highway removal, road redesigns, bus rapid transit lines, freeway caps, linear parks, commercial corridor revitalization, bike lanes, pedestrian walkways, burying highways beneath new tracts of affordable housing, rail line repurposing, and elevating freeways to build public space beneath. In many cases, potential projects showcase the possibilities of leveraging funding to enact transformative change, especially for communities harmed by infrastructure deployment. Since these are disproportionately low-income communities, this program has potential for using transportation funding to support low-income renters. Successful projects from this program could also be used as advertisements for positive transportation investments that will move the national conversation for other IIJA funds.

Other competitive grant programs are also promising. RAISE is one of the better-funded discretionary programs in the IIJA. It was allocated a total of $7.5 billion over the next five years, but it may deliver considerably more funds to communities depending on later appropriations. RAISE provides grants for surface transportation projects with significant local or regional impacts and falls under the Office of the DOT Secretary. Each grant is limited to $25 million, and projects funded must include both rural and urban areas. MEGA grants (National Infrastructure Project Assistance with $5 billion in IIJA funding) and INFRA grants (Nationally Significant Multimodal Freight and Highway Projects, with $8 billion) could provide similar support for larger projects.

The PROTECT (Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation) program includes both formula and competitive grant components. The formula portion of PROTECT will distribute more funding ($7.3 billion) than the competitive portion ($1.4 billion). This program will support community resilience projects, which could directly benefit low-income renters who are at risk from disasters. A recent JCHS analysis found that four million low-cost rental units were in high-risk areas for loss from disasters.

The Safe Streets for All program (at least $5 billion) and the Healthy Streets grant program ($500 million) are targeted toward improving neighborhood roadways. Healthy Streets is specifically targeted towards low-income and/or disadvantaged communities and aims to reduce heat islands, improve air quality, and reduce stormwater runoff through expanding tree canopies and installing cool or porous

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21 In fiscal year 2022, for example, Congress allocated an additional $775 million for the program, on top of the annual $1.5 billion authorized by IIJA. Planetizen has a list of 83 projects already funded by RAISE here: [https://www.planetizen.com/blogs/118376-how-locals-are-planning-spend-22-billion-raise-transportation-grants](https://www.planetizen.com/blogs/118376-how-locals-are-planning-spend-22-billion-raise-transportation-grants).

pavement. Given the focus of this program, these investments could directly benefit low-income renters and neighborhoods containing affordable housing.

Lastly, there were two reforms to existing competitive grant programs in the IIJA that were highlighted by our workshop attendees. Both TIFIA (Transportation Infrastructure Finance and Innovation Act) and RRIF (Railroad Rehabilitation and Improvement Financing) were modified to include transit-oriented development as eligible activities. While TIFIA funds can be used only for infrastructure near transit facilities, RRIF funds can be used for economic development near transit, including residential development. Relatively, the IIJA included $70 million for the Federal Transit Administration’s Pilot Program for Transit-Oriented Development Planning. Transit-oriented development coordinates housing and transportation, though it does not always result in affordable housing that benefits low-income renters.

Grants from each of the above-listed programs will be distributed by DOT through NOFOs each year between 2022 and 2026. This method of distribution offers considerable discretion for policymakers at DOT to encourage housing planning as a key element of transportation infrastructure. However, one key need outlined by our workshop attendees was for education about housing for both grantees and grantors, especially among those whose purview does not typically include housing. This is especially true in the case of transportation planning agencies that do not fully account for the role of housing in their cost-benefit analyses of potential projects.

In addition to encouraging better planning coordination at the metropolitan level, the federal government could encourage projects that expand access for people with low incomes and people of color by further refining the NOFOs that are distributed for each of the competitive grant programs managed by DOT. The NOFOs that have thus far been released emphasize that applicants for project funding should demonstrate how they will contribute to advancing equity and environmental sustainability. The 2022 RAISE NOFO, for example, noted a preference for projects that demonstrate how they will improve quality of life through “reduce[d] transportation and housing cost burdens, including through public and private investments to support commercial and mixed-income residential development near public transportation.” Such requirements take a step forward in linking transportation expenditures with changes to local housing and land-use patterns.

Nonetheless, applicants for federal transportation grant awards—whether local, MPO, or state—could be required to provide more detailed explanations of how their proposed transportation

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23 TOD was included as an eligible activity in RRIF and TIFIA in the FAST Act in 2015, but IIJA made this eligibility permanent.
projects are likely to support, for example, additional housing availability or better access to renters with low incomes. Applications for awards could be required to show the degree to which users of new facilities are likely to be people in certain income ranges. Or DOT could provide additional competitive advantages to projects that are being developed in direct coordination with local or regional housing agencies. Finally, DOT could direct a portion of its technical assistance programs to aid transportation agencies planning to apply for IIJA grants to develop long-term collaborations with housing agencies.

Another option could be for DOT to reserve a portion of each grant award for transportation projects that are developed in association with an affordable housing development project, such as one funded by HUD, a state housing finance agency, or a local public housing authority. This could associate IIJA's transportation grants and new affordable housing availability, even though IIJA does not fund housing investments directly. One specific option that could help meet this goal would be the further encouragement of joint development programs integrating transportation projects and new housing developments. While DOT has occasionally been successful in spurring on such joint developments, they are not mandated and, in fact, many communities leave vacant parcels or parking lots around new transit stations for years or even decades after construction is completed. DOT could prioritize providing grant funds to applicants that show they have public, private, or nonprofit assistance to finance the housing element of new transportation projects from the beginning. RRIF and TIFIA reforms in IIJA that increase allowed financing for transit-oriented development could help with this coordination—though special attention should be paid to preserving existing housing and preventing displacement in the process of redevelopment, as discussed in the next section.

While not directly connected to transportation access, local hire provisions could also be used to benefit residents of low-income neighborhoods located near transportation construction projects. The IIJA included a clause directing the Secretaries of DOT and the Department of Labor to study the potential of local hiring provisions to increase the diversity of the transportation workforce. This type of provision could help ensure that nearby residents accrue some economic benefit from federally funded transportation projects, which would be even more beneficial if the projects also improve transportation access for these residents.

**Reducing Negative Housing Outcomes in Formula Transportation Funding**

Formula programs account for the lion’s share of the funding for transportation in IIJA. However, unlike in the cases of competitive grants and technical assistance, there is far less discretion for grantors and grantees to tailor these investments with affordable housing goals. Indeed, formula grants’ allocation
amounts, the federal procedures for their disbursement, and states’ decision-making authority over the
types and locations of projects are to a large degree—though not entirely—prescribed in federal statute.
The Federal Highway Administration, for example, distributes many of its formula funds to states’
transportation departments which, in turn, identify and select highway maintenance and new
construction projects through state government and metropolitan transportation planning protocols.
The selection can be and is often subject to political consideration as well as local preference, leading
some jurisdictions to push back on guidance that might alter their entitlement decisions.25

Consequently, workshop participants suggested that the most strategic opportunity for use of
IIJA formula funds, then, would be to minimize negative impacts from resulting transportation projects
on current affordable housing inventories and on the health and wealth of neighboring communities.
Though statutory requirements and program rules may not be readily tweaked, several opportunities
hold promise, including elevating grassroots and local project options, educating stakeholders about the
fiduciary and community benefits from considering housing in transportation investments, and
aggressively overseeing the project approval process to ensure effective outcomes. According to
attendees at our workshop, state government use of formula grants has historically prioritized building
extensions to their respective highway networks instead of focusing investments on other approaches
that might better work in association with affordable and accessible housing. They pointed out that this
type of building incentivizes housing development on the metropolitan fringe, which is nominally
affordable but carries high climate, energy, and even transportation costs.

Transportation projects have historically been associated with neighborhood displacement
through two primary means: first, direct demolition of peoples’ homes to make way for new
infrastructure, and second, gentrification resulting from the accessibility benefits brought on by the
projects. To respond to the first problem, the federal government could expand its monitoring of
individual projects funded by federal formula or competitive funds to identify whether they are being
built in a manner that disproportionately affects people with low incomes and people of color. This
could mean, for example, pausing planning for projects that require displacement of a certain number of
Black-owned businesses or people of color from their homes.

Second, DOT could work to require transportation agencies to account for the potential
displacement caused by increased costs of living near new transportation projects. Research has

25 Joseph Choi, “GOP Governors Press Biden Administration for Control of Infrastructure Implementation,” The Hill, January 19,
demonstrated that new transit stations, for example, increase surrounding property values; 26 in some instances, this can mean fewer homes in which people with low incomes can live. For competitive grant awards, DOT could consider incentivizing projects that demonstrate local or state commitment to providing affordable housing options or limiting displacement. For example, Austin, Texas’s major transit funding program, supported by locally raised revenues, includes a significant share of money to be devoted to affordable housing. Such a program could be used as a match for federal dollars awarded for transportation.

DOT could also expand its examination of existing land-use regulations in the communities that have applied for a grant from one of its competitive programs. Some recent NOFOs, such as for the RAISE grant, do not mention zoning; on the other hand, applicants for programs such as the Federal Transit Administration’s capital investment program must show how zoning along the corridor impacted by a new project is intended to support public transportation. This could be a model for requirements for other federal transportation grants; applicants could be mandated to show, for instance, that the land-use rules near new projects allow for substantial new housing construction (especially of affordable housing) and provide protections for renters with low and moderate incomes.

**Summary Recommendations**

Housing—and especially low-income households, renters, residents of assisted housing, and neighborhoods composed primarily of these households—was overlooked when the US Congress passed IIJA. That oversight does not mean, however, that housing and community development cannot be made integral partners and outcomes of the legislation, especially in its targeted investments on projects to be funded by the DOT. There is an opportunity to leverage transportation infrastructure projects to repair previous damage to communities, support the physical access and safety of low-income renters; and ensure a stable or increasing stock of affordable rental units near public transportation. This can be encouraged through the construction of additional housing near transportation projects, the prevention of displacement for people living in nearby neighborhoods, or the joint planning of transportation and housing. Attendees at our workshop pointed to several key opportunities for the federal government to consider as it plans for the current and future deployment of IIJA funds:

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- **Integrating housing and transportation through expanded technical support**
  - IIJA includes significant provisions for technical assistance to states and localities through several of the programs integrated into the law. DOT could orient a significant share of this technical support toward sustainable coordination of transportation and housing.
  - One key framework the federal government could emphasize is the use of the newly authorized Housing Coordination Plans that IIJA encourages to be integrated into metropolitan short- and long-term transportation plans. DOT could use technical assistance to encourage MPOs to develop such housing plans, including through the establishment of benchmark data and measures to identify the net impacts and benefits of transportation projects on key communities.
  - To ensure that DOT can most effectively contribute to planning for transportation and housing simultaneously, workshop participants emphasized that federal officials at regional offices need to be better prepared to share best practices and opportunities for planning for housing as part of transportation investments. Since this has not traditionally been a major element of the DOT’s work, this may require considerable internal training.

- **Encouraging the submission of more effective proposals for competitive grants**
  - Because of IIJA’s inclusion of billions of dollars in funds to be distributed through competitive allocations, DOT has a unique opportunity to orient those funds in a manner that advances the goal of increasing access to housing, reducing the potential for displacement, and expanding joint investment in housing construction.
  - DOT could mandate that all applicants for competitive applications demonstrate how their proposed projects would support additional housing availability and access to housing for people of color and people with low incomes.
  - DOT could provide competitive advantages to applicants for projects that are undertaken in association with local housing providers. This could mean ensuring that stakeholders representing low-income communities are specifically involved in project planning, or that new transportation lines are associated with new housing from the start.
  - DOT could encourage the development of land-use regulations and other mechanisms to prevent displacement in the areas around new transportation investments. Applicants could be required to demonstrate how their proposals will specifically reduce potential negative impacts.

- **Improving the use of federal formula funds**
Through statute, the US Congress has imposed considerable limitations on the DOT’s ability to oversee how formula funds for transportation are used. As a result, states and localities have wide authority to invest in projects, with little potential for federal intervention in opposition.

Nevertheless, there are opportunities also inscribed in federal law to ensure that federal funds accomplish objectives in line with improving access to housing. The 1968 Fair Housing Act’s requirement that any federal agency engaged in urban affairs act in a manner that affirmatively furthers fair housing has been only modestly enforced—and only by HUD. DOT could make good on this requirement by reviewing state and local transportation projects to identify whether they fulfill this goal—and could consider placing a moratorium on projects that disproportionately negatively impact communities that have historically faced discrimination, such as projects that would require the demolition of neighborhoods inhabited by people of color.

Local and state advocates could put further pressure on governors and other state leaders to ensure that they guide the use of federal funds toward projects that maximize housing access. They could encourage local stakeholders to ensure that new projects integrate joint development programs with local housing agencies that would allow transportation investments to maximize mobility for people in their communities.
### Appendix 1. Major transportation programs funded by IIJA

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Category</th>
<th>Five-year Funds</th>
<th>Primary Recipients</th>
<th>Funding Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Highway Performance Program</td>
<td>Roads, Bridges and Major Projects</td>
<td>$148 b</td>
<td>States</td>
<td>Formula</td>
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<td>Surface Transportation Block Grant Program</td>
<td>Roads, Bridges and Major Projects</td>
<td>$72 b</td>
<td>States, MPOs, Local Governments</td>
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<td>Federal-State Partnership for Intercity Passenger Rail Grants</td>
<td>Passenger and Freight Rail</td>
<td>$36 b</td>
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<td>Competitive</td>
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<tr>
<td>Urbanized Area Formula Grants</td>
<td>Public Transportation</td>
<td>$33.39 b</td>
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<tr>
<td>Bridge Formula Program</td>
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<td>$26.68 b</td>
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<td>Formula</td>
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<td>State of Good Repair Grants</td>
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<td>Amtrak National Network Grants</td>
<td>Passenger and Freight Rail</td>
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<tr>
<td>Highway Safety Improvement Program</td>
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<td>Formula</td>
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<td>Airport Infrastructure Grants</td>
<td>Airports and Federal Aviation Administration Facilities</td>
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<td>Airport authorities</td>
<td>Formula</td>
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<td>Congestion Mitigation &amp; Air Quality Improvement Program</td>
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<td>States, MPOs, Transit Agencies</td>
<td>Formula</td>
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<td>Capital Investment Grants</td>
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<td>Transit agencies</td>
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<td>Local and Regional Project Assistance Grants (RAISE)</td>
<td>Roads, Bridges and Major Projects</td>
<td>$7.5 b</td>
<td>States, MPOs, Local governments</td>
<td>Competitive</td>
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<td>Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) - Formula</td>
<td>Resilience</td>
<td>$7.3 b</td>
<td>States</td>
<td>Formula</td>
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<td>Nationally Significant Freight &amp; Highway Projects (INFRA)</td>
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<td>$7.25 b</td>
<td>States, MPOs, Local Governments</td>
<td>Competitive</td>
</tr>
</tbody>
</table>

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27 List derived from US Department of Transportation, “Bipartisan Infrastructure Law Grant Programs,” 2022, [https://www.transportation.gov/bipartisan-infrastructure-law/bipartisan-infrastructure-law-grant-programs](https://www.transportation.gov/bipartisan-infrastructure-law/bipartisan-infrastructure-law-grant-programs). It includes only programs expected to distribute at least $1 billion over the next five years. Note that five-year funds could be augmented depending on annual congressional appropriations.
<table>
<thead>
<tr>
<th>Program Name</th>
<th>Category</th>
<th>Five-year Funds</th>
<th>Primary Recipients</th>
<th>Funding Type</th>
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<td>Carbon Reduction Program</td>
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<td>Amtrak Northeast Corridor Grants</td>
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<td>Low or No Emission (Bus) Grants (includes $375 million Bus and Bus Facilities Competitive Grants set aside)</td>
<td>Electric Vehicles, Buses, and Ferries</td>
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<tr>
<td>Airport Terminal Program</td>
<td>Airports and Federal Aviation Administration Facilities</td>
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<td>Infrastructure and Safety Improvement Grants</td>
<td>Passenger and Freight Rail</td>
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<td>States, Amtrak, Railroads</td>
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</tr>
<tr>
<td>National Electric Vehicle Infrastructure Formula Program</td>
<td>Electric Vehicles, Buses, and Ferries</td>
<td>$5 b</td>
<td>States</td>
<td>Formula</td>
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<td>National Infrastructure Project Assistance (Megaprojects)</td>
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<td>Safe Streets and Roads for All</td>
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<td>Railroad Crossing Elimination Grants</td>
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<td>Tribal Transportation Program</td>
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<td>Motor Carrier Safety Assistance Program</td>
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<td>Metropolitan Planning</td>
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<td>Port Infrastructure Development Program Grants</td>
<td>Ports and Waterways</td>
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<td>States, Port Authorities</td>
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<td>Enhanced Mobility of Seniors and Individuals with Disabilities</td>
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<td>$2.19 b</td>
<td>States, Transit Agencies</td>
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<td>Growing State Apportionments</td>
<td>Various</td>
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<td>Rural Surface Transportation Grant Program</td>
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<td>Program Name</td>
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<td>Primary Recipients</td>
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<td>Highway Safety Programs</td>
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<td><strong>Bus and Bus Facilities Competitive Grants</strong></td>
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<td>National Priority Safety Programs</td>
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<tr>
<td><strong>Federal Lands Transportation Program (Funds for National Park)</strong></td>
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<td>$1.73 b</td>
<td>Federal government</td>
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<td><strong>Rail Vehicle Replacement Grants</strong></td>
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<td><strong>Federal Lands Access Program</strong></td>
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<td>Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) - Discretionary</td>
<td>Resilience</td>
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<td><strong>Appalachian Development Highway System</strong></td>
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<td><strong>Charging &amp; Fueling Infrastructure Grants (Corridor Charging)</strong></td>
<td>Electric Vehicles, Buses, and Ferries</td>
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<td><strong>Charging and Fueling Infrastructure Grants (Community Charging)</strong></td>
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<td><strong>Ferry Service for Rural Communities</strong></td>
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<td>National Culvert Removal, Replacement, &amp; Restoration Grant</td>
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<td>Natural Gas Distribution Infrastructure Safety and Modernization Grants</td>
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<td><strong>Reconnecting Communities Pilot Program</strong></td>
<td>Roads, Bridges and Major Projects</td>
<td>$1 b</td>
<td>Local Governments</td>
<td>Competitive</td>
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Appendix 2. Summary Proceedings of the Convening

Background

Urban and JCHS moderated a 4-hour, in-person convening at the Urban Institute. The purpose of the convening was to discuss best practices for leveraging transportation infrastructure investments to locate affordable housing, preserve access to naturally occurring affordable housing, and prevent displacement. As such, Urban and JCHS invited national experts in the housing and transportation sectors to develop recommendations for leveraging current and future spending in the Infrastructure Investment and Jobs Act (IIJA).

The convening had twenty-four attendees from federal government officials at the US Department of Housing and Urban Development (HUD), the US Department of Transportation (DOT), and the White House; congressional staff; stakeholders from transportation-related non-profit organizations; stakeholders from housing-related non-profit organizations; stakeholders from other national non-profit organizations; and scholars outside of Urban and JCHS.

Prior to the convening, Urban and JCHS shared a first draft of this framing paper with attendees providing context on the housing and transportation nexus. The convening discussion was held confidentially to encourage candid conversations among attendees. The conversation was divided into three opportunities for influence: technical assistance and capacity building; competitive grant programs; and formula grant programs. Below is a summary of the key themes discussed in the convening.

Opportunity 1: Technical Assistance and Capacity Building

Participants focused on the need to establish processes for centering equity in TA provision. Among participants, there was a general sense that there is a clear opportunity to target supports to communities that have been historically excluded. A key consideration is how TA programs can be adjusted to encourage new applicants who, due to limited staffing and technical capacity, have not applied for federal programs in the past. Further, participants argued that TA supports should cover not only applications but also project implementation; the federal government should be seen as a partner with communities throughout the process.

There was some disagreement on the criteria that should be considered for applicants: some argued in favor of ensuring applicants had capacity for implementation, while others feared that such a requirement could discourage potential lower-capacity applicants.
Participants also noted that due to limited TA resources, many communities will not be reached through direct TA mechanisms. As such, the federal government should consider ways to simplify application processes and to build resources with lessons learned or templates for grant application documents. Some state DOTs were described as a key obstacle. Participants encouraged the federal government to more intentionally work against state DOTs that discourage housing-related projects from coming to fruition. Because of limited resources, there is also a need for partnerships with philanthropic and nonprofit actors to support the rightsizing of grant requirements to the capacity of communities.

**Opportunity 2: Competitive Grant Programs**

Participants recognized that there have been improvements in the NOFOs for competitive grant programs, particularly regarding clarity and higher requirements for equity and housing. But there is still a need at the local and state level for transportation planners to be better versed in housing planning, and vice versa.

A key challenge is that the institutions that support transportation and housing policy are generally different; transportation policy is commonly considered at the regional level and housing at the local level. Participants emphasized regional coordination and considered metropolitan planning organizations (MPOs) and regional councils as potential bridges for both fields. MPOs can also serve as TA providers, particularly for smaller, lower-capacity communities within their jurisdiction.

**Opportunity 3: Formula Grant Programs**

Participants highlighted that the largest funding sources are found in formula grant programs. However, federal agencies are limited in their ability to make changes without congressional action. Therefore, encouraging partnerships at the local and state level that recognize the transportation-housing connection is crucial.

Participants noted significant gaps in transparency and accountability. There is a need for better data that shows exactly the kinds of projects that are being produced and where. Currently available data for tracking transportation funds is available only at the award announcement stage; post-award data does not exist. This is important from the researcher perspective, but also for advocates who look to use the data to lobby in states where the money is not delivering.

Participants also shared the need to establish accountability mechanisms to ensure states are spending funds on projects aligned with the goals of the program. For example, conflict resolution
systems can support communities looking to challenge erroneous guidance from state DOTs. And to avoid further penetration of erroneous guidance, provider lists that communities can easily contact for assistance on how to approach federal programs should be established.

The group discussed concerns about the current system subsidizing affordable housing at the edge of cities where transportation costs are inherently higher. Given that changing formula fund programs would require action from Congress, participants discussed potential workarounds. For example, some participants suggested incorporating metrics on accessibility. Similarly, participants considered the extent to which the Affirmatively Furthering Fair Housing rule can be applied to the transportation sector, whether as a formal rule or simply as a tool for localities to push for or challenge projects.