Can Federal Efforts Advance Federal and Local De-Siloing?

Lessons from the HUD-EPA-DOT Partnership for Sustainable Communities

Summary

Rolf Pendall, Sandra Rosenbloom, Diane Levy, and Elizabeth Oo, Urban Institute

Gerrit Knaap and Jason Sartori, University of Maryland National Center for Smart Growth

Arnab Chakraborty, University of Illinois-Champaign Urbana

Prepared for Living Cities

April 2013

UI No. 08752-000-00

URBAN INSTITUTE

2100 M Street, NW Washington, DC 20037
Can Federal Efforts Advance Federal and Local De-Siloing?

Summary

URBAN INSTITUTE

Overview

In April 2012 Living Cities asked the Urban Institute to study the Partnership for Sustainable Communities established in 2009 by the U.S. departments of Housing and Urban Development (HUD) and of Transportation (DOT) and the Environmental Protection Agency (EPA). The Institute’s emergent learning suggests that at the federal level the Partnership was successful in de-siloing because there was:

- shared commitment to an important set of implementable policy goals;
- a high level of dedication to de-siloing from the top leadership of each agency;
- substantial concern with, and responsiveness to, the input as well as fears of some stakeholders;
- significant focus on choosing only applicants that took the program requirements seriously; and
- careful design and implementation by HUD of grant requirements.

At the regional level, the way in which HUD designed and administered the Regional Planning Grants led to significant de-siloing through:

- new resource flows to disadvantaged communities and stakeholders not previously involved in regional planning efforts;
- expansion of collaborative structures at the regional level;
- development of new problem-solving approaches; and,
- adoption of new regional policies responsive to a larger array of stakeholders and recognizing wider regional interests.

These findings suggest that federal efforts can, in fact, contribute to breaking down silos both within the federal government and at the regional level. The findings also suggest that federal leaders can take key steps to advance this work, including:

- identifying problems whose solution requires coordinated efforts through a collaborative partnership;
- committing publicly and frequently to the partnership and ensuring that its goals and principles and integrated into each agency’s ongoing programs; and
- structuring funding opportunities and regulations to encourage local, regional, and state partners to implement the goals and principles of the partnership.

De-Siloing and the Partnership for Sustainable Communities

Siloing, or the lack of cooperation and coordination between and among federal and regional institutions, is a serious impediment to the development of livable, sustainable communities. In 2009, the U.S. HUD and DOT secretaries and the EPA administrator formed a unique partnership to promote a cooperative and coordinated approach to addressing problems facing the nation’s metropolitan areas. The core of the Partnership is a set of six sustainability goals announced to the Senate Banking Committee on June 6, 2009:
Can Federal Efforts Advance Federal and Local De-Siloing?

Summary

URBAN INSTITUTE

- provide more transportation choices
- promote equitable, affordable housing
- enhance economic competitiveness
- support existing communities
- coordinate and leverage federal policies and investment
- value communities and neighborhoods

One of the Partnership’s major objectives is to de-silo, or break down the barriers that prevent federal, regional, and local agencies from achieving these six goals in a coordinated and effective way. The Partnership used HUD’s Sustainable Communities Regional Planning Grant Program, in conjunction with related HUD, DOT, and EPA programs, to de-silo both federal efforts and regional planning processes more expansively. The partners generally viewed de-siloing in terms of four actions: bringing new and different perspectives to the table; raising the profile of important substantive issues not previously considered in regional planning processes; directing new resources to cooperative planning efforts; and generating a wider geographic focus in federal programs and regional activities.¹

HUD requested authority from Congress to develop the Regional Planning Grant Program and received that authority on December 16, 2009. HUD developed and widely circulated an informal NOFA (Notice of Funding Availability) for interagency review and then broad public comment. The partners received substantial input from advocates and local practitioners, as well as critical comments from advocates for fair housing and affordable housing who feared that the program might undercut their efforts. HUD made crucial changes to the final program mandates to respond to stakeholder concerns and created detailed grant requirements to ensure that applicants met all the relevant de-siloing goals.

HUD created “Category 1” grants for applicants who had yet to develop regional plans as defined in the NOFA and “Category 2” grants to allow regions with completed regional plans to begin to implement them, setting the stage for larger infrastructure investments. Grantees were required to contribute local resources either in cash or in kind. They were also required to complete a fair housing equity assessment (FHEA) to meaningfully involve disadvantaged communities as well as other stakeholders, such as affordable housing advocates, public health professionals, and environmental advocates.

In 2010 and 2011, hundreds of consortia from regions throughout the country applied for the HUD Regional Planning Grants. HUD, DOT, and EPA cooperatively evaluated those applications. HUD ultimately awarded Regional Planning Grants to 74 communities.

How Did HUD, in Partnership with DOT and EPA, Achieve its De-Siloing Goals?

In April 2012, Living Cities asked the Urban Institute to (1) assess the extent to which and how the Partnership, and the HUD Regional Planning Grants in particular, supported de-siloing at the federal and re-

¹ These attributes parallel some described by Wilder Research (2010) in its analysis of regional planning processes in the Twin Cities.
rional levels, and (2) identify transferable lessons about how the federal government could encourage de-siloing more broadly. With Living Cities, the Urban Institute designed a strategic assessment of the Partnership and the Regional Planning Grant Program.

The assessment had two key elements. The first was in-depth interviews with 11 highly placed current or former officials in each of the three federal partner agencies. The second element was regional interviews in five case sites: Asheville, NC, a Category 1 recipient; and Denver (CO), Madison (WI), Minneapolis-St. Paul (MN), and Seattle (WA), Category 2 recipients. At least five key actors in each region were interviewed, for a total of 28 case site interviews (39 interviews in both study elements). Because our approach was largely interview-based and did not include a more exhaustive analysis of the Partnership’s efforts, we consider this study a strategic assessment rather than an evaluation of the accomplishments and challenges of de-siloing under the Regional Planning Grant Program.

**Federal Assessment**

Our strategic assessment suggests that the Partnership was able to de-silo many federal activities supporting regional planning efforts. The partners now consider one another’s perspectives in the course of their activities, address new substantive issues, commit additional resources to develop cooperative regional approaches, and have a much wider geographic focus in their regional planning activities. Partners are directing resource flows from existing programs differently than they might have otherwise while better coordinating their related and overlapping regional planning activities in support of sustainable development.

The partners were able to achieve these outcomes because

1. top agency leadership set shared, implementable policy goals, which were then carried through into agency operations;
2. key leaders within each agency were genuinely dedicated to de-siloing to build sustainable communities;
3. the partners intentionally designed the Regional Planning program, and the process that produced it, to respond to the concerns, interests, input, and fears of a wide variety of stakeholders in multiple grant programs; and
4. the partners strongly supported and effectively maintained local de-siloing requirements in the HUD Regional Planning Grant Program.

**Shared Policy Goals**

The success of the Partnership and the Regional Planning Grants depended on a shared commitment among the partners to an important set of policy objectives, as incorporated into the six sustainability principles of the Partnership. The Cabinet-level officials at HUD, DOT, and EPA were all committed to enhancing regional economic competitiveness while protecting the environment by connecting housing with good jobs, transportation, and essential services. The principles, developed by the three partner
agencies collaboratively, created both a shared sense of mission and of urgency. Moreover, the principles offered a way to structure many key decisions, from how to write NOFAs to how to evaluate grant applications.

The Partnership’s shared goals also led DOT to seek and receive Congressional approval to create parallel planning grants to support applicants applying for TIGER II grants. HUD created another new program, the Community Challenge grants, to help communities change their regulations and plans to remove barriers to affordable housing and economic development. Then DOT and HUD issued a joint NOFA for the Community Challenge and TIGER II planning grants, jointly evaluating the applicants for all three grant programs.

Dedication to De-Siloing
The dedication of the top officials of each agency to advancing national and regional de-siloing was crucial in bringing about the important institutional changes that supported the Regional Planning Grants (and related DOT, HUD, and EPA programs). It was critical to have the “right” people at each agency, people who strongly supported the goals of the Partnership. The fact that so many key actors knew one another before accepting their positions paved the way for joint support for the Partnership goals.

Responsiveness to Stakeholder Feedback
The Regional Planning Grant Program, and the process that produced it, were intentionally structured to respond to input from a variety of federal and local stakeholders. High-ranking officials in all three partner agencies toured the country together, holding listening sessions designed to gather input from officials at different levels of government and from vastly different stakeholders. In addition, HUD widely disseminated its initial NOFA for the Regional Planning Grants.

In so doing, all three partners learned about stakeholders who were leery of the Regional Planning Grants or who sought different or additional federal de-siloing approaches. As a result of this input, HUD restructured the grant requirements to explicitly ensure that regional applicants brought all concerned stakeholders and advocacy organizations to the table as active participants.

Careful Applicant Selection
HUD took the requirements they set for the Regional Planning Grants very seriously. Applicants were required to live up to the new, unique requirements requiring local and regional de-siloing. Applicants in

---

2 The Transportation Investment Generating Economic Recovery Act, or TIGER, was designed to invest in cost-effective road, rail, transit, and port projects that could jump-start job growth and economic development in communities across the nation. The first round of grant applications, or TIGER I, was received in 2009; the second round, or TIGER II, was received in 2011. The TIGER II planning grants were designed to help applicants better plan their projects and develop better applications for the actual TIGER II grants.
the second year of the HUD regional planning grants realized that regions that might be considered easy winners had not been awarded grants because they failed to meet the de-siloing requirements.

HUD’s actions sent a message to a wide variety of stakeholders, including other federal agency staff, that HUD and the other partners were serious in their insistence that all regional stakeholders be at the table with a meaningful role in regional planning. HUD’s resolve also strengthened DOT’s and EPA’s hands as they made de-siloing demands on grant applicants in their complementary grant programs.

Thoughtful Grant Design and Execution

HUD’s thoughtful design and execution of the Regional Planning Grant Program was a critical factor in its success in breaking down silos. HUD’s efforts effectively increased the appeal of de-siloing. For example, HUD designed expansive new evaluation criteria that directly shaped regional applications, criteria that were developed in part by a wide variety of national and metropolitan stakeholders who then became engaged in the Regional Planning Grant activities themselves. HUD also carefully worked with both winning and losing applicants to extend the learning process.

Today the partners continue to work together to develop joint grant application requirements for all their related grants programs as well as to ensure that their grant awards complement rather than duplicate or conflict with one another. Moreover, they actively involve up to seven other federal agencies in their cooperative activities.

Regional Assessment

We assessed the activities undertaken by Regional Planning Grant recipients in Ashville, Denver, Madison, Minneapolis-St. Paul, and Seattle. We found that they all, to greater or lesser degree, broke down silos by:

- intensifying the representation of nonprofit organizations through community engagement and requiring an equal voice for partners;
- broadening the range of substantive areas actively considered, including affordable housing, economic development, transit access, public health, and the environment;
- expanding the financial and in-kind resources devoted to collaborative regional planning processes; and
- advancing geographic de-siloing by specifying the geographic representation of the applicants and ensuring that the MPO and a standing regional planning agency were involved.

In particular, Denver, Minneapolis-St. Paul, and Seattle all made substantial progress in meeting these four de-siloing objectives. The Regional Planning Grant helped Madison consolidate or maintain its MPO and regional planning organization, previously separate entities. In Asheville the Regional Planning Grant helped participants develop a more far-ranging and diverse planning process.
The Regional Planning Grant requirements supported de-siloing in four crucial ways suggested by Stead (2008) and Stead and Meijers (2009); that is, the requirements led the recipients to (1) alter or augment resource flows, (2) structure new or substantially different collaborative structures, (3) create or implement new problem-solving approaches, and (4) cooperatively develop new policies. We also found that the community engagement requirements were very influential in fostering de-siloing in all the case sites, while philanthropic support was crucial in two sites (Denver and Minneapolis-St. Paul).

Resource Flows
The Regional Planning Grant Program, by requiring both a local match and the active involvement of new stakeholders, has resulted in more money committed overall to planning and catalytic projects. Among our five case-study areas, this amount ranges from $1 to $5 million direct and $2 to over $20 million when local match is included. While some of the local match would have been spent on the same activities, other parts of that match would have been directed to other work or perhaps (in the case of some investments by national philanthropic organizations, including Living Cities in two cases) spent in other metropolitan areas entirely.

Funds were directed to new partnerships and helped build deeper relationships with existing partners, in Denver, Seattle, and Asheville. Locally, the Regional Planning Grants were structured to make it possible to provide financial support to disadvantaged communities to become involved in data collection and key elements of the process. These financial incentives were an outgrowth of the Partnership goal that planning efforts in all funded regions involve a meaningful consortium of agencies, organizations, and stakeholders in the public, NGO, and private sectors.

The grant funds also permitted local actors to integrate new subject matter into their planning and pre-development activities, including affordable housing linked more strongly to transportation and land-use planning in Denver and Madison; a focus on the distributional consequences of planning activities, housing-transportation connections, and health in Seattle; and public health in Asheville. The grant program may also have provided momentum for a shift in the geographic distribution of resources, especially planning and catalytic activities supporting transit corridors in Minneapolis, Denver, and Madison.

Collaborative Structures
Participating in the Regional Planning Grant resulted in new collaborative structures, allowing participation of partners more equally than previously. These structures included multi-stakeholder steering and executive committees in all five case sites and working groups for corridor planning and catalytic projects in all four Category 2 case sites. There was also a definite shift toward decision-making based on consensus instead of majority rule. It is easy to underappreciate the importance of these participatory governance structures, but these meetings create new and expansive social networks which will support more resilient cooperative networks over time.
New Approaches to Problem-Solving

There was substantial evidence that the Regional Planning Grants have led participants to try approaches to problem-solving that are generally unusual in regional planning processes. These include, for example, community organizing (Minneapolis-St. Paul and Denver), direct engagement with communities to develop benefit agreements (Seattle), evaluation and monitoring activities (all four Category 2 grantees), and instant voting for preferred approaches (Madison and Asheville). The grantees have also devoted resources to development of new technology to visualize scenarios and capture public opinion, but these had generally not yet been deployed.

Policies Developed or Strengthened

We did not see the adoption of new policies or programs per se among the Category 2 recipients because they had already committed to specific major projects. But it was clear that the Regional Planning Grant funding allowed the recipients to amplify and expand on efforts to which they were already committed. The inclusion of stakeholders new to regional planning, particularly regional transportation planning, for instance, changed the face and the content of the ongoing planning efforts in ways that were de jure policy changes—for example, specifically incorporating public health goals.

The Role of Philanthropic Support

The Denver and Minneapolis-St. Paul cases suggest that philanthropic support from national organizations like Living Cities and Enterprise Community Partners also helps maintain momentum through the operating support it provides for new institutions that keep important stakeholders engaged. The respondents in the Twin Cities spoke at length of the importance of Living Cities’ early funding of regional planning efforts and studies. Moreover, the Living Cities programs, particularly the dedicated Living Cities staff working on the Corridors of Opportunity project, increased the capacity of the metro area in a number of ways, including but not limited to the ability to compete successfully for the Regional Planning Grants.

These experiences suggest that philanthropy can help provide more capacity to certain kinds of groups and elevate particular ones. The involvement of local philanthropic organizations may help build commitment to de-siloing if that involvement promises to result in funds for implementation and engagement after federal funding is exhausted.

Conclusions and Future Research

The HUD Regional Planning Grants were a key element of the Partnership for Sustainable Communities; they were designed to de-silo regional planning efforts in multiple ways. They were explicitly structured to encourage de-siloing across geographic boundaries, substantive issues, and perspectives while altering federal and regional resource flows. The Partnership sought to enhance greater communication, cooperation, and coordination between and among diverse stakeholders, including those not usually active in regional planning efforts.
Our assessment shows that these goals were all achieved to some extent at the federal level and in each of the case sites, largely through thoughtful and determined federal efforts. This outcome required substantial commitment by high-level officials in each partner to the core livability principles and to the goal of de-siloing. Three generalized lessons stand out from our research:

First, federal agencies need to identify problems whose solution requires coordinated efforts through a collaborative partnership. Agencies should identify the goals that will form the basis of that partnership and carefully delineate how bringing new perspectives, different substantive issues, new resources, and a wider geographic focus to the table will meet those goals. Agencies must remain committed through all phases of the effort, continuing to interact at both the policy and program levels.

Second, the top leadership of federal agencies must commit publicly and frequently to the partnership and ensure that its goals and principles and integrated into each agency’s ongoing programs.

Third, the federal agencies must structure their funding opportunities and regulations to encourage local, regional, and state partners to implement the goals and principles of the partnership. Federal agencies must continue to engage with these partners as implementation proceeds to ensure that federal programs improve while local, regional, and state partners carry them out their coordinated planning processes and goal-setting more effectively.

The extent of federal and local institutional change brought about by the Regional Planning Grant Program has been considerable. But more needs to be known about the long term impacts of the Partnership and the Regional Planning Grants. We suggest five important research questions:

- Have the various agencies and administrations within each partner adopted and institutionalized the objectives of the Partnership in general and the collaborative practices developed to deal with the regional planning and related grants in particular?
- What is the role of each federal partner’s state, district, and regional offices in de-siloing regional planning efforts? How have these institutions supported or constrained the objectives of the Partnership and the Regional Planning Grants?
- What will happen over time locally if additional funds are not forthcoming? Will the local de-siloing brought about by positive changes in perspectives, substantive issues, geographic coverage, and resources flows in the regional planning process become institutionalized?
- What will happen over time federally? Will new high-level partner personnel display the same positive attitude to both federal and local de-siloing? And will that matter?
- What role can state governments play in encouraging and fostering de-siloing in regional planning efforts at the local level?

Note

At HUD, we interviewed Shelley Poticha (Director, Office of Sustainable Communities and Housing), Mariia Zimmerman (then-Deputy Director, Office of Sustainable Communities and Housing), Sara Pratt
Can Federal Efforts Advance Federal and Local De-Siloing?

Summary

URBAN INSTITUTE

(Deputy Assistant Secretary for Enforcement Programs, Office of Fair Housing), and Ron Sims (former Deputy Secretary). At DOT, we interviewed Polly Trottenberg (Deputy Under Secretary), Roy Kienitz (former Deputy Secretary), Beth Osborne (Deputy Assistant Secretary for Transportation Policy), David Kim (Associate Administrator for Policy and Governmental Affairs, Federal Highway Administration), and Therese McMillan (Deputy Administrator, Federal Transit Administration). At EPA we interviewed John Frece (Director, Office of Sustainable Communities) and Nancy Stoner (Acting Assistant Administrator for Water).

References

