



WRITTEN STATEMENT FOR THE RECORD

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IN COLLABORATION WITH THE

NATIONAL ASSOCIATION OF COUNTIES

HEARING TITLED, "CONNECTING AMERICANS TO PROSPERITY: HOW INFRASTRUCTURE CAN BOLSTER INCLUSIVE ECONOMIC GROWTH" BEFORE THE SELECT COMMITTEE ON ECONOMIC DISPARITY & FAIRNESS IN GROWTH UNITED STATES HOUSE OF REPRESENTATIVES

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#### INTRODUCTION

Chair Himes, Ranking Member Steil and distinguished members of the Committee, thank you for the opportunity to testify today on the importance of physical infrastructure in creating long-term economic prosperity.

My name is Eileen Higgins, and I serve as the District 5 Commissioner in Miami-Dade County, Florida, Chair of the County's Transportation, Mobility, and Planning Committee, and Vice-Chair for the Transportation Steering Committee of the National Association of Counties.

#### ABOUT MIAMI-DADE COUNTY

Miami-Dade County (County) is home to roughly 2.7 million residents to whom we provide critical services, including road and bridge operation and maintenance, transit and bus systems, public safety and emergency services, public housing, health and human services, water and sewer services, and more. We predominantly rely on local property taxes to ensure our many infrastructure responsibilities are met; however, we also value a strong intergovernmental partnership and believe that working with our state and federal partners is key to meeting the challenges of today and seizing the opportunities of the future.

At roughly 2,400 square miles, Miami-Dade County is larger than the states of Rhode Island and Delaware. According to the 2020 Census, it is the seventh most populous in the nation and among the most diverse in the country, where our residents speak 128 different languages.

By a standard measure of economic inequality (Gini coefficient), Miami-Dade has the second-largest gap in the nation between the haves and the have-nots. This is abundantly evident in the District I serve, which includes portions of the cities of Miami and Miami Beach. In its annual look at America's richest ZIP codes, Bloomberg, Inc. found that Fisher Island in Miami Beach is home to the country's wealthiest residents, with an average annual income of \$2.2 million. Juxtapose that with Little Havana in Miami, which has a high concentration of poverty, where families are dependent on public transportation and struggle to make ends meet. In Miami-Dade's outermost cities, which are furthest away from urban job centers, poverty is also very prominent. In Florida City, the county's southernmost municipality 40 miles south of downtown Miami, the poverty level exceeds 40%.

Tourism serves as a top driver of Miami-Dade's economy. According to the United Way's 2018 Asset Limited, Income Constrained, Employed, or ALICE Report, nearly half of Miami-Dade's workers labor in service jobs in tourism, retail and food service, taking home an average of just \$26,532 per year, which is approximately 15% below the living wage determined by the County.

Miami-Dade County had an affordable housing crisis pre-pandemic that has been severely exacerbated by the global health crisis. This month, the Miami Herald reported that "monthly home rents are rising sharply across South Florida, with some communities seeing as much as a 34% annual increase in December compared with a year ago." Post-pandemic, average home prices have jumped to over a half a million dollars. According to the Miami-Dade Realtors Association, in the past 30 days alone, over 500 two-bedroom apartment rentals have closed with a median price of \$3,200. As an example of need, the County's public housing department recently opened a new low income affordable housing building with 65 units. 25,000 people applied.

These economic challenges cannot be solved by local governments alone. Now more than ever, counties across the country need to partner with the federal government to bring solutions forward. Infrastructure investments – especially in public transit, housing, and broadband – directly benefit residents struggling to make ends meet, commute to jobs, and adapt to the post-pandemic services that are occurring online with more frequency.

#### THE COUNTY ROLE IN INFRASTRUCTURE

While Miami-Dade County has its own unique opportunities and challenges, each of America's 3,069 counties are unique and vary immensely in geography and natural resources, social and political systems, cultural, economic and structural circumstances, public health and environmental responsibilities.

I know that I speak for my fellow county commissioners from across the country when I tell you how grateful we are for the influx of resources that both the American Rescue Plan (ARPA) and Bipartisan Infrastructure Law (BIL) brought – and will bring – to our communities. These **federal funds have been absolutely critical in bringing American communities back from the economic brink** while also allowing them to begin addressing long-term, systemic shortcomings that have hindered economic prosperity and economic growth.

County leaders appreciate the structure of ARPA funds, which delivers federal resources directly to counties and municipalities, as well as the considerable new competitive funding opportunities provided for local governments in the BIL. In doing so, you have recognized that local governments know how to deliver projects quickly and effectively because they are eyewitnesses to the needs of residents and small businesses. As counties, we worked quickly to create ARPA programs tailored to our communities and we look forward to collaborating with you in achieving the infrastructure goals outlined in the BIL.

A unifying characteristic of counties: we own, operate, and maintain a vast amount of the nation's infrastructure. Collectively owning and operating nearly half of all public road miles and four out of every 10 bridges, county governments are leaders in the nation's transportation system. In addition to providing safe and efficient options for passenger vehicles and heavy trucks moving people and goods along our nation's roadways, counties also directly support 78% of public transit systems and 34% of public airports that keep our residents connected in every corner of the country.

At the county level, however, our infrastructure duties extend far beyond transportation. Counties annually invest \$134 billion in the construction of infrastructure and the maintenance and operation of public works that includes essential community infrastructure, such as affordable housing, schools, hospitals, jails, courthouses, parks, broadband networks, and water purification and sewage systems.

Congress passed a historic level of investment in our nation's infrastructure when it enacted the BIL. Now, it is time to turn to implementing it effectively and equitably. Across the country, the potential for infrastructure is great. Now is the moment to innovatively use infrastructure investments to start bridging equity gaps and bring access to opportunity for many areas and people that have long lingered in poverty.

#### POINTS FOR CONSIDERATION

My testimony will provide you with ideas on how these investments can increase prosperity when thoughtfully conceived and implemented, demonstrate how counties can be excellent stewards of these projects, and provide points for consideration on how we can work together to deliver projects by cutting bureaucratic red tape, and enhancing federal government efficiency.

In collaboration with the National Association of Counties (NACo), to ensure our nation's infrastructure is benefitting all residents, connecting communities, and enriching local economies, I offer the following points for your consideration:

- Infrastructure investment that facilitates the development of affordable housing near public transit is key to spurring economic prosperity and boosting future growth.
- Federal policymakers must remove barriers to project approval and funding decisions that prevent local governments from building the infrastructure America's communities need to increase the economic prosperity of residents.
- County officials are effective stewards of federal investments, and a strong intergovernmental partnership is needed to meet the entirety of our public sector responsibilities.

## Infrastructure investment that facilitates the development of affordable housing near public transit is key to spurring economic prosperity and boosting future growth.

America's housing crisis is real and examples can be found all around the country. In Miami-Dade County, half of <u>households spend over 30% of their income on housing</u>. Data indicates that <u>children with access to</u> <u>stable housing are more likely to succeed</u>, both personally and professionally, when compared to children who lack that stability. Lower income communities and communities of color are disproportionately affected by housing challenges, constraining personal wealth creation for generations to come. To catalyze future economic prosperity, we must begin from the ground up, and that starts with every child in a safe, affordable home.

Higher housing costs means less residential wealth, a factor that contributes directly to the socioeconomic outcomes of a community. Like many counties around the country, we believe that – for far too long – our housing shortage and transportation challenges have been perceived as parallel and that now is the time to examine both issues through the same lens. **Increasing, enhancing and improving the interconnectedness of transportation and affordable housing is a fundamental element of boosting economic prosperity** and a first step toward addressing the growing wealth gap.

<u>Transit-oriented development (TOD)</u> is a development design concept that aims to create compact, pedestrian-oriented, mixed-use communities centered around high-quality transit systems. Miami-Dade County is committed to TOD because we know that **affordable housing is more affordable when it is located near reliable transit because residents do not require a vehicle.** 

An example of TOD is Miami-Dade County's Strategic Miami Area Rapid Transit (SMART) Plan, which aims to address regional traffic congestion and provide alternative transportation choices to South Floridians by connecting residents to economic opportunity and affordable housing through mass transit. The plan, which would not be possible without federal dollars to match our local and state funding sources, proposes six new rapid transit corridors that have been zoned for dense development and seamlessly integrated with the County's existing Metrorail system.

# Federal policymakers must remove barriers to project approval and funding decisions that prevent local governments from building the infrastructure America's communities need to increase the economic prosperity of residents.

With the passage of ARPA and the BIL, your message as lawmakers is clear. You believe that America's infrastructure needs investment, both to **repair what we have and build what we need**. As local governments, we agree. Each American county might recommend something different. In speaking with my colleagues from NACo or the Florida Association of Counties (FAC), like those who serve with me on the FAC Presidential Select Committee on Broadband, some counties are prioritizing the deployment of broadband to every rural household while others need to repair aging bridges or improve drainage to protect against storm surge. Others need to invest in affordable housing or the construction of public transit lines that move residents quickly and reliably towards economic opportunity and jobs.

Each of you, as Congressional Representatives, know the pressing infrastructure needs of your district. You also know you need us, your county officials, to implement these projects. We are your boots on the ground. We need each other to create America's infrastructure transformation. As counties, we know that this federal funding commitment is meant to jump start local infrastructure improvements, but we can only make that happen quickly if **barriers to federal approvals are streamlined or eliminated**.

The most profound example of federal bureaucracy county officials are faced with stems from the review process required for infrastructure projects by the National Environmental Policy Act (NEPA). According to the National Association of County Engineers, the average cost of a road project has doubled since 2000, due largely in part to the NEPA process significantly delaying project delivery. Yet, as excellent stewards of our communities, county officials are perplexed by antiquated NEPA requirements that create significant project delays and increased costs.

I appreciate that BIL provides regulatory relief and permit streamlining through NEPA reforms and a revised "One Federal Decision" permitting process, but I must emphasize that the success of the BIL *depends* upon this streamlining. If profound reforms aren't implemented, federal government processes will continue to add years of delays to advancing transit and infrastructure projects.

Federal agencies must improve project timelines whenever possible. While Categorical Exclusions exist in policy, in practice they may not be allowed, forcing projects that have been deemed to have little to no impact on the environment to go through the burdensome, duplicative, and expensive NEPA process.

Miami-Dade County is not alone in having projects that we believe could have been reviewed more quickly. One Bus Rapid Transit (BRT) project uses a right-of-way near an existing, NEPA-approved, eight-lane highway. Discussions around a potential environmental assessment related to a BRT stop and its impact on historic structures took months to resolve - even though the project is not located near historic structures. **Reaching decisions sooner would provide a clear path to action and advance a project that will connect**  **thousands of income-restrained residents** to Florida International University, the university that graduates more Hispanics than any other in the United States.

Improved intergovernmental coordination and performance tracking on NEPA review times are methods to help create efficiencies within the process. If the United States government intends to maximize the federal investment in infrastructure projects, accelerating the review process for NEPA will allow local governments to sustain confidence in project cost estimates and associated funding commitments.

I encourage lawmakers to make meaningful reforms to NEPA criteria to empower local governments to deliver critical infrastructure and transit projects for residents more quickly. The process must adapt from one of distrust in the intentions of local governments to one that presumes we are proposing infrastructure projects because we want to improve our communities, not destroy them. **Striking a balance between common sense reforms to NEPA and continued excellent stewardship of the environment will be critical to ensuring investments made by the BIL are implemented quickly and cost effectively.** 

In addition to NEPA, other barriers exist for counties pursuing economic development and true community change for underserved and disadvantaged areas. Affordable housing near public transit is more affordable than affordable housing located anywhere else. Yet, the structure of federal grant programs does not always account for this, resulting in critical projects going unfunded.

For example, award criteria under the FTA Capital Investment Grants Program (CIG) considers the average population density of a transit corridor and subsequently issues a rating ranging from low to high, where a rating of low or medium harms the chance of a successful CIG award. CIG ratings also take into account the proportion of affordable housing along a project corridor in comparison to proportions in other counties through which the project travels.

While this may seem reasonable on its face, the federal government is foregoing major economic opportunities by failing to take into consideration future development along a proposed corridor. Just as Congress employs the tool of "dynamic scoring" to offset spending and make future projections on the outcomes of legislation, so too should that perspective be applied to the potential for new economic development, as evidenced by county land use policies adjacent to transit lines and stations that pave the way for private sector investment upon the announcement of a federal/local transit project.

The 2020 announcement of FTA funding for the 20-mile **Miami-Dade South Corridor has shown that federal investment in transportation is the catalyst that spurs economic development and private sector investment in low-income areas**. The BRT system is under construction, but so are many new affordable housing developments, mid-rise apartments and condominiums, and commercial centers along the transitway and at future station locations. The \$100 million federal investment in transit is spurring billions in returns for our residents and creating jobs in a part of the County where tens of thousands of residents have long lingered in poverty due to their municipalities' great distance from economic hubs.

Examples like Miami-Dade's South Corridor show that, **if the federal government works quickly to streamline or eliminate barriers to federal approvals, counties stand ready to start today** to build the public transportation, bridges, and roads that connect residents to economic opportunity.

## County officials are effective stewards of federal investments, and a strong intergovernmental partnership is needed to meet the entirety of our public sector responsibilities.

In Miami-Dade County, like so many counties, we are actively addressing the needs of our residents and making decisions daily to drive economic prosperity. While we are doing our part at the local level, <u>45</u> states limit the ability of counties to raise revenue in various ways, making **intergovernmental partnerships vital** to meeting our public sector responsibilities. Miami-Dade County has worked closely with our federal partners in Congress and the White House to successfully implement infrastructure projects in the past. In these projects, when possible, **we always seek to find private sector partners to help stretch these public dollars further** (see attached case studies).

The progress made in Miami-Dade County when it comes to enhancing quality of life for our residents is only possible because of our partnership with the federal government. Communities like Miami-Dade continue to navigate in an increasingly competitive global economy. With the BIL, the federal government can and must lead a coordinated national investment in our nation's infrastructure to ensure we are a nation that is prepared for the future and that this future offers opportunity and prosperity to all Americans.

While state and local governments must work to build and maintain infrastructure, the simple reality is that we do not, alone, have the resources to wholly fund the bold investments needed to keep cities and counties competitive in the 21st century and beyond. The local projects I have discussed today are only possible because of the federal government's partnership with Miami-Dade County.

I would also like to note that local governments do not expect the federal government to do the hard work of implementing our infrastructure for us. Because we are closest to the individuals we represent, it is our responsibility to lead when it comes to deploying the resources. **Counties are ready, willing, and eager to work together to once again make American infrastructure the envy of the world**. Moving forward, it is our sincere hope that the federal government will continue playing a proactive role in our national economic recovery by providing communities like mine with the resources needed to ensure a sustainable, robust, and inclusive economy.

In large urban counties like Miami-Dade, when we talk about inclusive growth we mean giving all of our residents access to economic opportunity and the American dream. I believe these transformational infrastructure investments will dramatically improve the daily lives of Miami-Dade's vulnerable residents and I thank Congress for that. But I recognize that not all counties are as large as Miami-Dade. Inclusive growth must not exclude smaller, rural counties, and we have many, many rural counties in Florida. It's imperative that federal agencies provide technical assistance to smaller counties as they seek to obtain funding and approvals to implement the needed infrastructure projects their communities need.

#### CONCLUSION

Chair Himes, Ranking Member Steil and members of the Committee, thank you again for inviting me to testify here today to give a perspective on how local governments can help you implement the Bipartisan Infrastructure Law. America's counties appreciate your work across the aisle on this important issue.

The objective of my testimony today has been to highlight how infrastructure investment can enhance physical and social mobility through the development of affordable housing near public transit,

recommend areas where the federal government can accelerate implementation by removing bureaucratic barriers, and showcase the effectiveness of counties in leveraging federal resources.

I am hopeful that these federal investments will build the critical infrastructure we need to remain competitive in the 21st century. I am also hopeful the infrastructure we build connects more people with opportunities to achieve the American dream. Counties across America look forward to working together with you to strengthen our communities and enhance our economies.

#### SUPPLEMENTAL CASE STUDIES FROM MIAMI-DADE COUNTY

#### **SMART PLAN'S NORTH CORRIDOR**

#### Affordable Housing and Transit are Intrinsically Linked in Enabling Economic Prosperity

In a county that is geographically larger than two states, commutes are particularly arduous for communities of color and low-income residents, who often do not live in close proximity to existing economic hubs. The SMART Plan seeks to address this issue by providing residents throughout Miami-Dade with affordable, accessible, and reliable transportation options, while also reducing dependence on single-rider vehicles. For example, the SMART Plan's North Corridor will connect the City of Miami Gardens – Florida's largest African-American municipality – to the rest of the Metrorail system, making it significantly easier for residents to compete for jobs outside of their neighborhoods.

Miami-Dade County is actively working to reverse historic inequities through inclusive and strategic policies. We have made significant investments to redress these legacies through TOD, improved transportation, targeted economic development and affordable housing. Building the SMART Plan corridors are key to enabling economic prosperity. Along the North Corridor, though, the existing housing inventory and economic activity may not be significant enough to receive a high rating to secure federal funding for rail through the FTA Capital Investments Grant (CIG) program.

This is why the County officially encouraged the FTA to adapt its CIG evaluation process to prioritize areas of historic underinvestment and racial inequity. Equity adjustments in its criteria could accelerate federal investment in public transportation infrastructure in historically disadvantaged neighborhoods. This investment is a long overdue catalyst that would spur business investment and the construction of mixed-income housing, while also reducing commute times for some of the County's lowest income residents.

Building the North Corridor is especially important to Miami-Dade County. Miami-Dade is a community with a legacy of inequity, especially in black neighborhoods like Miami Gardens. Communities of color still lack equal access to jobs close to their homes, economic investment in their neighborhoods, and access to reliable and efficient public transportation. Many of these areas also suffer the lingering effects from road projects that divided and destroyed thriving neighborhoods, such as I-95 which split a historic Black community in two, plunging Overtown into enduring economic distress. Transportation infrastructure investments, like Miami-Dade County's North Corridor, should be prioritized because they will catalyze inclusive growth in areas where it is most needed.

### RIVER PARC REDEVELOPMENT

#### Federal Partnership Spurs Affordability and Access to Jobs

River Parc is a partnership with local, state, federal, and private sector investment that is **building a resilient neighborhood centered on affordability and access to jobs**. We have leveraged public funding, including dollars from the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program, to attract private sector investment to transform nearly 30 acres of County-owned land in Little Havana by tripling the number of affordable units to nearly 2,400.

Unlike affordable housing developments of the past, the River Parc project is designed with quality of life and resiliency in mind. Once completed, River Parc will include a linear park, a riverwalk, and native landscaping for residents of all ages to enjoy. A grocery store and community center will be located on campus. Every unit will have hurricane impact windows and the entire site will also be protected by a new seawall, which will elevate the project above ground level and protect this infrastructure against flooding and other extreme weather events that happen so often in Florida.

The site is located less than 20 minutes by bus from jobs in downtown Miami. Recognizing that **affordable housing is even more affordable when it is located near reliable transit**, the County is deploying more frequent bus service to the growing resident population.

HUD's investment in Miami-Dade County has accelerated the construction of affordable housing in low income neighborhoods located near job centers across the County. By implementing the River Parc project as a public-private partnership, **the County has leveraged the federal investment of approximately \$20 million by a factor of 10 for a total of \$200 million dollars** of local and private sector funding to date.

The River Parc redevelopment demonstrates how counties can work creatively to ensure that critical housing infrastructure co-funded by the federal government can and does make a significant difference in the ability of counties across our nation to improve quality of life for our residents and prepare ourselves for the future.

#### SOUTH CORRIDOR RAPID TRANSIT

#### Federal Transit Investment Created Momentum for Economic Development

As part of the County's SMART plan for expanded regional transportation, the FTA-funded South Corridors BRT service will provide affordable, accessible, and reliable transportation to the county's poorest and most southern municipality, Florida City, where the poverty level exceeds 40%. Currently, a Florida City resident can spend over an hour to simply connect to the Metrorail system. Once completed, the BRT service will reduce commute times by over 50%. In addition to enhancing mobility of our residents, this project has also already facilitated additional private sector investments along the corridor.

Federal infrastructure investment created the momentum needed to bring economic opportunity to some of the poorest municipalities in the County. It has allowed us to forge new partnerships with the private sector to ensure that a sizable portion of the housing units constructed along these transit corridors are reserved for workforce and affordable units, which will help reverse the trend of workers being priced-out of the neighborhoods they contribute to.

In a public-private partnership scheduled to break ground in a few months, a developer will build the first 200 units of a future 1,000-unit affordable and workforce priced mid-rise community adjacent to a new rapid transit station. The construction of these units come at a time when rental prices in our community and countless others like it are rising astronomically.

Market rate housing located at transit hubs also helps with affordability because it allows families to opt-out of hundreds of dollars in monthly car and insurance payments by using mass transit. Last month, another developer announced the plan for 350 market rate units located within walking distance of another station.

The 2020 Small Starts Grant announcement for the South Corridor BRT spurred a change in how developers are thinking about what can be built in the area. Once thought of as land only suitable for car-centric, single family housing, property plans are now including commercial and retail components. One developer is creating a plan for hotel, retail, and medical office space on a large parcel.

By dramatically reducing commute times, the new BRT will increase access to economic opportunities for South Dade residents outside of their immediate neighborhood. It will also allow for commercial development that will bring jobs to where they live.