

The 2011 Metro Agenda for America

Saving and Creating Jobs!

The Community Development Block Grant

The Energy Efficiency and Conservation Block Grant

Sustainable Transportation Investments to Reduce Traffic

Reducing Unfunded Federal Mandates and Preemptions

Maintaining Other Key Federal Investments

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The number one priority of the American people, and America's mayors, is saving and creating jobs in our country.

With unemployment remaining well above nine percent nationally, and much higher in many of our cities and metro areas, every level of government - federal, state and local - will continue to face dire fiscal and social strains until we find a way to create sustainable jobs in our nation.

America and its cities have always been strong and resilient, ready to respond to any challenge. We must seize the opportunity to remold and reform the federal government to be more responsive to the needs of Main Street America.

Legally, we are a nation of states within a federal system. But economically, we function as a conglomeration of metro economies - crossing city, county, and state boundaries - that are powerhouses not just within the United States, but in the global marketplace as well:

- Over 86 percent of all jobs, and 90 percent of the nation's labor income and gross domestic product are generated in 362 metropolitan areas.
- 94 percent of the nation's economic growth over the next 20 years will occur in metro areas.
- Of the world's largest 100 economies, 37 are U.S. metropolitan areas.

Through our Metro Agenda for America, we are advocating for policies that would create jobs in our metro areas. Our priorities would result in private-sector jobs that are much more likely to be done in the United States than exported overseas.

Mayors balance their budgets every year, and fully understand that our nation must address the growing national debt. The federal government must balance this need with the priority to invest in our metropolitan economies and help spur job creation.

Mayors are working with private-sector leaders to promote an agenda of smart, sustainable investments that leverage private capital and promote public-private partnerships. We must fully fund programs that work and direct resources to the local level. Washington must also reduce unfunded federal mandates and preemptions that limit the ability of local leaders to prioritize investments and meet local needs.

This does not need to be a debate about providing new money. As was learned from the American Recovery and Reinvestment Act, so much more could be done if we simply get funding away from the states and provide resources directly to America's cities.

We urge the Administration and Congress to support The 2011 Metro Agenda for America, through which we can put people back to work now, and our nation can emerge from this recession stronger and with an economy that will lead the world for decades to come.

1.

The Community Development Block Grant (CDBG)

CDBG must be fully funded at no less than \$4 billion in FY 2012. Because of the failure to adjust for inflation over the last 28 years, the steady erosion of CDBG funding has short-changed low and moderate income communities in their efforts to revitalize neighborhoods. Anything other than level funding in CDBG funding would severely slow down or eliminate thousands of local and state projects and programs that are directly contributing to local and regional recovery.

Now in its 36th year, CDBG is arguably the Federal Government's most successful domestic program. The CDBG program's success stems from its utility i.e., providing cities (both urban and suburban), counties and states with flexibility to address their unique affordable housing and neighborhood revitalization needs.

Based on data that grantees have reported to the Department of Housing and Urban Development over the past six years the CDBG Program has:

- Assisted an estimated 869,541 low- and moderate-income households through single-family and multifamily residential rehabilitation, homeownership assistance, energy efficient improvements and lead-based paint abatement;

- Created or retained 258,692 jobs for low- and moderate-income persons through a variety of economic development activities;
- Benefitted an estimated 21,975,132 low- and moderate-income households through such public improvements as development of senior centers, youth centers, centers for the disabled and handicapped, health and child care centers and parks and recreation facilities; and
- Benefitted an estimated 14,281,720 low- and moderate-income households through such public services as employment and training, youth services, crime awareness/prevention, fair housing activities, mental health services, and services for abused and neglected children.

CDBG is used by cities for public-private partnerships through Section 108 loan guarantees for large-scale development. Such partnerships produce jobs in local communities.

In this current economic climate the need to create and maintain jobs, as well as provide economic opportunities and services to the less fortunate, is crucial. Maintaining CDBG formula funding at its FY 2010 level of \$4 billion would go a long way toward maintaining our commitment to these households.

2.

The Energy Efficiency and Conservation Block Grant

More than 1,000 USA cities have committed to increasing the nation's energy independence and reducing energy use and associated carbon emissions by signing The U.S. Conference of Mayors Climate Protection Agreement.

We call upon President Obama and the Congress to provide sustained annual funding for the Energy Efficiency and Conservation Block Grant (EECBG). No additional funds have been provided or requested for this Conference priority since resources were allocated as part of the ARRA law.

The EECBG program, first authorized in 2007, was funded at \$3.2 billion in 2009 under ARRA. Individual projects and strategies initiated with these funds are now producing energy savings, stimulating new energy business development and generating employment opportunities - notably new green jobs.

There is broad consensus that tremendous economic and job opportunities exist if we nurture emerging green technologies and promote greater energy efficiency. The U.S. Conference of Mayors own green jobs study found that:

- One in ten new jobs generated through 2038 will be in the “green” sector.
- Green jobs will be the single, largest source of new employment during this period.
- All areas within the U.S., both metro and non-metro, will have the opportunity to capture a growing share of these green jobs.

Mayors and other local officials continue to lead the way in the United States and across the world on how to use energy more efficiently and generate cleaner energy supplies, helping to achieve greater energy security. But cities cannot do all this alone. For these and other reasons, mayors are calling for a stronger partnership with the Federal Government - built with sustained annual funding for the EECBG program - to support locally developed solutions that have been shown to improve energy efficiency and develop new energy supplies. Finally, mayors believe the EECBG program framework is a key component to a successful national energy strategy.

3.

Sustainable Transportation Investments to Reduce Traffic

Our nation’s surface transportation system is broken. Because the nation has failed to invest in transportation infrastructure in metropolitan areas, families spend too much time in traffic and businesses cannot efficiently move their products to market. Rebuilding transportation infrastructure is a priority for mayors. It will create jobs and will ensure that metropolitan economies emerge from the recession, and, in turn, the nation’s economy.

Transportation consumes two-thirds of the nation’s oil supply and is responsible for a third of carbon dioxide emissions. This is why mayors urge President Obama and the Congress to redeploy existing resources and commit new resources to making tomorrow’s transportation infrastructure more energy efficient, more sustainable and less reliant on foreign oil.

Direct Federal Partnership with Metropolitan Areas

The transportation reauthorization should establish a mode-neutral Metropolitan Congestion Program to ensure increased commitments are made to transportation projects that reduce congestion in metropolitan areas. The federal government should leverage local and private investments in transportation infrastructure, and accelerate the benefits of those investments to metropolitan areas. The TIGER program should be continued in the reauthorization with increased funding to reflect its overwhelming demand.

Transit Access and High-Speed Intercity Passenger Rail

Federal investments in transit bus and rail operations and systems should increase in order to meet growing demand and mitigate decades of underinvestment. There should be dedicated funding for high-speed intercity passenger rail - equal to the investment made a half-century ago building the Interstate Highway System.

Rebuilding Metropolitan Transportation Infrastructure

The federal government should establish a state-of-good repair program to preserve, rehabilitate, and replace transportation infrastructure in metropolitan areas.

Integrated Planning

Transportation must make a positive contribution to livability, public health, and economic viability of metropolitan areas by integrating transportation, housing, environmental, and economic development while reducing traffic and carbon dioxide emissions.

4.

Reducing Unfunded Federal Mandates and Preemptions

Despite passage of the Unfunded Mandates Reform Act of 1995, which was intended to make Congress more aware of imposing costly unfunded mandates on state and local governments, new unfunded mandates and preemption of local authority continue to be proposed both Congress and the federal agencies.

Mayors call for new legislation to strengthen the federal-local partnership and further restrict the ability of Congress and the Administration to impose unfunded federal mandates. We also ask Congress and the Administration to determine the cost of current unfunded mandates and to provide a coordinated and national strategy regarding the prioritization and implementation of those mandates given the monetary constraints of local government.

Following are examples of pending mandates and preemptions of great concern to mayors:

Combined Sewer and Sanitary Sewer Overflows (CSO and SSO)

There are approximately 800 communities throughout the United States that have CSO or SSOs. These systems, during wet weather, have occasional overflows into a water body. EPA has established guidance for those communities to meet the Clean Water Act goals. The cost can run from the millions to billions of dollars for each of these communities, with unrealistic compliance schedules and inflexible solutions mandated.

Stormwater Regulations

EPA is seeking new approaches to stormwater management that will potentially focus more on reducing the overall volume of water that goes into stormwater pipes by having communities manage rainwater where it lands by increasing permeability to decrease runoff. This could also mean regulatory expansion of the Municipal Separate Storm Sewer System (MS4s). EPA is seeking preliminary input now and will be proposing new regulations in September of this year with a final proposal set for November of 2012. Cost estimates have yet to be provided.

Brownfields Redevelopment/Dioxin

EPA has sent to the Office of Management and Budget its Draft Recommended Interim Preliminary Remediation Goals for dioxin in soils at CERCLA and RCRA sites, which will impact brownfield redevelopment. EPA is proposing to lower the standards from 1000 parts per trillion (ppt) to an alternative of 72 ppt or as low as 3.7 ppt. Background levels of dioxin found in urban soil is approximately 12-14 ppt. This could drastically increase the cost of redeveloping brownfield sites, and stop job-creating development in metro areas.

Clean Air

Boiler MACT: EPA is currently deliberating on a new set of clean air standards for new and existing commercial and institutional boilers used to heat buildings. EPA's estimated cost for local government is \$2.5 billion with an annual cost of \$1 billion. The cost for the private sector could be as high as \$50 billion.

Utility MACT: EPA will be proposing a new clean air rule for utilities that utilize coal or oil. EPA has not yet done a cost estimate of this rule that will be proposed in March.

National Broadband Plan

As the Federal Communications Commission (FCC) and the Congress implement recommendations of the National Broadband Plan (NBP), and consider action on a major rewrite the federal communications law, The U.S. Conference of Mayors urges that the FCC and Congress not take the following steps that would negatively impact the rights-of-way authority and budgets of cities:

- Do not establish, or recommend establishing, a rule or an interpretation that prevents cities from obtaining fair market value for use of rights-of-way by communications companies.
- Do not make unlawful the current gross revenue-based, per-line or per foot-based, or other market-based rights-of-way fees that many cities charge.
- Do not require local rights-of-way fees to be cost-based or subject to any FCC-imposed cost model.

The NBP also calls for auctioning off the so-called D Block of the 700 MHz for commercial purposes. Mayors know that this portion of the spectrum is critical to meeting public safety communications needs - both to undertake day-to-day operations and to be able to achieve interoperable communications among responders and agencies when emergencies occur. Mayors urge Congress to reallocate the D Block to public safety and to use the proceeds of the auction of other portions of the spectrum to finance the build out and maintenance of a nationwide public safety interoperable broadband network.

State and Local Hotel Taxes

Online Travel Companies (OTCs) are pushing for federal legislation to preempt the ability of state and local governments to force OTCs to remit taxes for rooms booked online in the same manner as hotels on Main Street. Main Street hotels collect and remit such taxes based on the amount the customer pays for the room. We urge Congress to reject any legislation that would restrict the ability of state and local governments to fully collect hotel occupancy taxes due on rooms booked online.

5.

Maintaining Other Key Federal Investments

Key Investments

As the Fiscal Year 2011 continuing resolution and Fiscal Year 2012 budget move forward, full funding must be provided for the HOME program, homeless assistance, public housing funds, COPS hiring grants, Edward Byrne Memorial Justice Assistance Grants, homeland security grants, Summer Youth, workforce investment funding, homeland and transportation security, Section 8 housing assistance, the Low-Income Home Energy Assistance Program (LIHEAP), the Supplemental Nutrition Assistance Program (SNAP), water and wastewater infrastructure, the National Endowment for the Arts, tourism, and other productive initiatives.

Build America Bonds

We urge Congress to take immediate action to make the Build America Bonds (BABs) program permanent. Unlike traditional tax-exempt bonds, BABs are taxable bonds that appeal to a broader group of investors, including pension funds and foreign investors. The program has proven to be very effective in creating hundreds of thousands of jobs in local communities across the nation since it serves as a huge incentive for local investment in large-scale infrastructure projects such as the construction and renovation of schools, hospitals, libraries, water and sewage systems, and transportation projects. Since its inception in April 2009, over \$179 billion in BABs have been issued and local governments have saved well over \$12 billion when compared with traditional tax-exempt financing.

Workforce Investment Act Reauthorization

The recession has produced something not seen in a generation - double-digit unemployment rates throughout the country that have devastated families, neighborhoods and cities. At a time when putting Americans back to work has become of paramount importance, reauthorization of the Workforce Investment Act (WIA) has become a key priority for mayors in order to successfully prepare and train new workers, and retrain existing workers, for jobs that exist in high growth industries. Mayors are currently able to leverage workforce investment policy in concert with their economic development agenda - enriching their human capital infrastructure and thereby strengthening their cities. This ability must be maintained in WIA reauthorization, with a continued and strong local/regional business-led workforce investment system through the appointment of local boards by local elected officials. Reauthorization of WIA should be a top priority for the 112th Congress.



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