

ACCELERATOR FOR AMERICA ACTION

COMMUNITY SERVING INFRASTRUCTURE:

A PLAYBOOK FOR A NEW INFRASTRUCTURE PARTNERSHIP, POST-ELECTION UPDATE



NPI PLAYBOOK TABLE OF CONTENTS

NEW PARTNERSHIP ON INFRASTRUCTURE: FORWARD

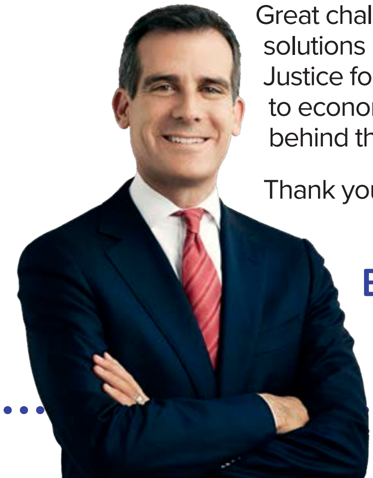
Nearly a year into the COVID-19 pandemic, our communities face unprecedented levels of infection, a hospital system pushed to the breaking point, and a tragic, heart-wrenching surge in deaths. If this were the lone crisis confronting us today, it would be more than enough to overwhelm our cities and demand the full energies of leaders across the country. But this public health emergency has laid bare deep inequities rooted in the heart of our society — all while our nation stands face-to-face with an economy hitting working families hardest, a reckoning with racial injustice, and the devastating impacts of climate change.

Mayors see this up-close. We stand on the front lines of the fight to save lives and preserve livelihoods. We understand what our neighbors and neighborhoods need to not only respond in this moment, but to reimagine a fairer, stronger, more sustainable future — to rebuild communities that are more just and that offer more opportunity than before the pandemic. And as the federal government looks to confront systemic inequality and promote a resilient recovery, this Playbook recognizes that America's physical infrastructure is more than relevant to this work. It's absolutely essential.

The **New Partnership on Infrastructure** seeks to advance national policies driven by local innovation, with cities serving as testing grounds for experimentation and transferable solutions. This document is a blueprint for how to activate that idea, comprising local practices and insights from across the United States, from cities large and small, red and blue, rural and urban, coastal and inland.

The core of the Playbook was drawn from mayors themselves and supported by national and local policy experts who recognize that infrastructure investment can and should play a leading role in our recovery from the current crises and in building a future that is far better than the pre-COVID status quo. Over the past few months, we have revised our approach and strategy to reflect the changing needs of our communities and adapt to the tectonic shifts occurring in communities across the country.

The facts remain clear: each $1 billion dedicated to infrastructure creates more than 22,000 jobs that can provide long-term careers for those who have been most impacted by our nation's ongoing crises. To maximize the benefits to families, workers, and businesses, we must realign our infrastructure systems and incentivize equitable, locally driven, and federally supported investments. By empowering city and county governments — which are most attuned to needs and priorities on the ground and often bring funding to the table— with more autonomy, locally-driven infrastructure investments can help pull our communities out of these crises.



Great challenges lie ahead in 2021, and a pathway to dynamic solutions runs through our mayors, our cities, our communities. Justice for all is only possible when every American has access to economic security, and that concept is the bedrock principle behind this Playbook.

Thank you for your partnership and leadership.

Eric Garcetti, Mayor of Los Angeles, CA

Mayor Steve Adler
Austin, TX

Mayor Stephen Benjamin
Columbia, SC

Mayor Andy Berke
Chattanooga, TN

Fmr. Mayor, Sec. Henry Cisneros
San Antonio, TX

Mayor Paige Cognetti
Scranton, PA

Mayor Kate Gallego
Phoenix, AZ

Mayor Quentin Hart
Waterloo, IA

Mayor David Holt
Oklahoma City, OK

Mayor Tim Keller
Albuquerque, NM

Mayor Debbie Kling
Nampa, ID

Mayor Lauren McLean
Boise, ID

Mayor Jeff Williams
Arlington, TX

Mayor Andy Schor
Lansing, MI

Mayor Quinton Lucas
Kansas City, MO

Clerk Anna Valencia
Chicago, IL

Mayor Lucy Vinis
Eugene, OR

Mayor Nan Whaley
Dayton, OH

POST-ELECTION UPDATE:
PROVIDING RELIEF, SUPPORTING RECOVERY, REIMAGINING OUR FUTURE

During the depths of the Great Depression, Franklin D. Roosevelt spoke of "Relief, Recover, Reform". To emerge out of the COVID-19 crisis, we need to follow a similar playbook adapted for the 21st Century.

The New Playbook on Infrastructure consists of recommendations that realign the local-federal partnership to fit federal structures to local needs. The first iteration of the Playbook was released in June and based on conversations held with local elected officials nationwide in March and April, identifying the most pressing challenges within the current infrastructure system.

There have been many changes since then. Not only have our communities been further impacted by the COVID-19 pandemic, the country has elected new presidential leadership. In order to ensure that the Playbook reflects the most recent concerns and ideas from local elected officials, the Partnership has continued to hold discussions with new mayors from diverse jurisdictions and have stayed engaged with the mayors we heard from in March and April. Through these continued conversations, new challenges have emerged and new innovations have come to light. The NPI Playbook: Post-Election Update incorporates these new ideas and perspectives, revising and tailoring the policy recommendations to meet the present times.

MARCH-APRIL	JUNE	JULY-JANUARY	FEBRUARY
Initial problem-finding conversations with local elected officials	NPI Playbook (version 1) released	Continue to engage with mayors Brief and hold problem-finding discussions with new mayors	Release Version 2 of the Playbook to inform a future economic recovery package and 2021 infrastructure legislation

Since March, the COVID-19 crisis has compounded. Without federal action outside of CARES Act funding, communities are now in need of economic relief, support for recovery, and programs that will help them meet their long-term infrastructure goals so they can reimagine the future of their cities. Mayors have raised these key themes that must be reflected in a future economic recovery package as well as future federal infrastructure legislation:

ADVANCE SOCIAL EQUITY	The COVID-19 crisis has shed light on the long-standing inequities in our communities and across the country. In order to build back a more fair and just society federal infrastructure policies need to intentionally bolster underserved communities.
ACCELERATE LOCAL INNOVATION	The "laboratories of democracy" in the 21st century are hosted in cities across the country. We need an infrastructure system that acknowledges this, accelerates local successes, and scales local solutions.
BUILD PUBLIC SECTOR CAPACITY	To deliver infrastructure projects and and a better quality of life for residents across the country, we need effective institutions with capital, capacity, and community standing.
ALIGN THE INTERGOVERNMENTAL SYSTEM	Federalism in infrastructure needs a fundamental reshake. With conflicting needs, accountability, and fiscal capacity, we need to build a more cooperative federalism for infrastructure delivery.

The policy recommendations in the Playbook update reflect these themes and advocate for federal policies and programs that work for local communities and address the following nine key subject areas.

» Maximize effectiveness of recovery funding
» Support municipal bond markets and project finance
» Accelerate community-driven climate action
» Reinvent the right-of-way
» Align the intergovernmental system
» Better utilize publicly owned assets
» Invest in local and small business and workforce innovation
» Improve water, wastewater, and stormwater infrastructure
» Reduce project pre-development barriers

The way we address this crisis as a nation and rebuild more equal, just, healthy, sustainable, and resilient communities, must be shaped by local communities—those that are most attuned to our everyday challenges. In this, America's mayors will lead. This Playbook provides a much-needed step toward reimagining our shared future.

The way we address this crisis as a nation and rebuild more equal, just, healthy, sustainable, and resilient communities, must be shaped by local communities.

ACCELERATOR FOR AMERICA ACTION

MAXIMIZE EFFECTIVENESS OF RECOVERY FUNDING

Cities across the country are hurting financially and need federal action to remedy the effects that the COVID-19 crisis has brought to their communities. Mayors informed the Partnership that they need more reliability and transparency in federal infrastructure funding programs so that they can not only recover, but also meet their long-term infrastructure goals.

This is particularly true of smaller cities as well as innovative infrastructure projects that may not fit the criteria for currently available funding streams. The recommendations in this section describe revamped and revised federal infrastructure programs that elevate the needs of cities across the country. They may provide local elected officials with the funding they need to deliver community-serving infrastructure today and in the future.

"We have to keep investing now, both for the future, and because so much of our economy is counting on local government to make these investments."

Mayor Kate Gallego
Phoenix, AZ

POLICY RECOMMENDATIONS

RECOMMENDATION 1: RECOVER DISCRETIONARY GRANT

PROBLEM:

We are simultaneously facing several crises: healthcare, economic, climate, and racial equity. Local governments across the country have developed comprehensive plans to rebuild and emerge stronger and more resilient. Without direct federal funding that can match the diversity of needs at the local level, an uneven recovery will arise within localities as well as between regions across the country.

RECOMMENDATION:

Building on the scope of the Better Utilizing Investment to Leverage Development (BUILD) discretionary grant program, a Revitalizing Economies and Communities: Opportunity, Vitality, Equity, and Resilience (RECOVER) Grant would enable and empower bottom-up strategic plans that then get matched with federal investment. A smart local plan would leverage federal, state, local, and Tribal government investments to maximize the recoveries of communities. Success will only occur if the private and civic sectors – and the broader community – are deeply engaged in ways that translate into the focus on our four overlapping crises: healthcare, climate, racial equity, and the economy.

The current BUILD discretionary grant program comes with several key challenges. The BUILD grant is: 1) Not reliable enough for localities to plan for, 2) Lacks funding flexibility, and 3) Fails to account for smaller cities with less capacity. Because of this, the RECOVER Grant funding should: 1) be increased five or six-fold, 2) be fully eligible for planning as well as innovative uses of right-of-way (e.g broadband deployment), and 3) should be tiered by size of city (with federal technical support for the application process for first time or less resourced applicants).

Many cities have already begun to lay the groundwork for stronger, more resilient, and more equitable communities to emerge from the COVID-19 pandemic. Pittsburgh and the cities of the Ohio River Valley have been a leader through their Marshall Plan for Middle America (MP4MA). Ensuring these investments simultaneously address our current crises and provide a platform for long term transformation will require a level of multi-sector planning at the local and metropolitan scale, backed by federal support.

It is essential that RECOVER Grants offer more flexible scoring criteria so localities can propose funding their priority projects, not force-fit into strict federal criteria. Broadly within the four crises, flexible scoring could include criteria for transportation projects focused on cleaner air (healthcare), removing or right-sizing highways built through communities of color (racial equity), electric vehicle infrastructure (climate), and projects utilizing local and targeted hire (economic and job growth). Each proposal would be reviewed by DOT with consultation from HUD, EPA, and DOE to ensure a holistic project approach.

POLICY RECOMMENDATIONS

RECOMMENDATION 2: LOCAL LEADERS INFRASTRUCTURE MATCH

PROBLEM:

Recognizing that the complex needs of the built environment often do not align with the heavily siloed nature of federal programs, cities require greater flexibility to fund projects that cross sectors and governmental agencies. Additionally, eligibility of federal grant programs can be improved to allow these funding sources to serve as a tool to address racial inequality in communities across the country.

RECOMMENDATION:

Decisions on necessary infrastructure are best made at the local level, and localities across the country are stepping up. Localities across the country have passed ballot measures for local infrastructure improvement including Los Angeles' Measure M and Seattle's Sound Transit 3, raising nearly $200B for local infrastructure over 40 years. These efforts continue through the COVID-driven economic contraction, with Austin going to voters for Project Connect, to raise over $7B for transit expansion. In Oklahoma City, Mayor Holt led the passage of MAPS 4 in 2019, a temporary penny sales tax that is estimated to raise almost a billion dollars to support community-serving social infrastructure projects including senior wellness centers, mental health and addiction centers, parks, and a civil rights center. The success of these projects, as tracked by the Eno Center, prove how important it is to inform voters that projects will be designed to meet local needs.

Congress created discretionary programs like the BUILD and Infrastructure for Rebuilding America (INFRA) to provide flexibility and invest in infrastructure across modes of transportation and areas of development. However, these programs still have specific criteria and individual requirements that make it difficult to fund cross jurisdictional and innovative infrastructure projects without changing their scope or delivering a not quite right project for communities in need. As a result, federal restrictions may prevent communities from using federal dollars on the infrastructure projects that offer the greatest benefits.

To build on the success of local investments, and encourage more transformative local ballot measures, Congress should enact a Local Infrastructure Leaders match program, that automatically matches up to 30% of local and regional funding programs (if passed) to further encourage local action on infrastructure. This match program would be eligible for new funding sources rather than new financing. However, a school bond, for example, if accompanied by a revenue source (tax) used to repay the bonds would be eligible.

This funding would come from an annual appropriation of funding for ballot measures; if a 30% match on all local ballot measures surpassed the total amount appropriated, the percent match would be reduced evenly across all ballot measures. To build on the trust engendered by local governments, this type of funding approach would encourage local innovation and create a flexible and dependable funding source for infrastructure across the country.

POLICY RECOMMENDATIONS

RECOMMENDATION 3: MUNICIPAL ASSET MAPPING

PROBLEM:

With generations of aging infrastructure that has reached the end of its useful life and budgets under tight review for the coming years due to reduced sales tax, municipalities need to be able to continue to strengthen their fiscal future with the assets that they own. Without knowing the scope, scale, condition, cost of ownership, market valuation, and state of their assets, cities will face a tougher uphill battle to recovery. Inventorying and maximizing the value of these assets will set up cities to be in stronger fiscal standing and support stabilization of the municipal bond market in the process.

RECOMMENDATION:

In the years after recovery of the Great Recession, Federal Transit Administration (FTA) implemented a rule to ensure each transit agency across the country had in place a Transit Asset Management Plan (TAM Plan). These TAM Plans ensured transit agencies could make clearer decisions regarding system investments and effective management. The District of Columbia has taken this concept a step further and developed the Capital Asset Replacement Scheduling System (CARSS), which provides real-time tracking and assessment of 100 of the District's infrastructure assets. DC's innovative approach to asset management has contributed to greater planning and funding for sorely-needed deferred maintenance improvements, a robust joint development program that has facilitated private construction of new libraries and fire stations, and upgrades to its General Obligation bond ratings. These bond ratings were made by each of the three credit rating agencies, including Aaa by Moody's Investors Service and AA+ by both Standard & Poor's and Fitch Ratings.

The federal government should make an open-source asset management system available to state and local governments so they can monitor and manage assets to improve state of good repair, enhance fiscal picture, and establish performance measures for comprehensive asset management. Since it can be daunting to begin such an effort, the Treasury should direct funding toward localities to build and maintain an asset management system for a discrete subset of their assets—ideally at an agency with already advanced data collection—as a proof of concept that can be built upon. With those early successes, cities can consolidate their infrastructure data across asset classes, acting as a one-stop shop for a centralized database. Other federal agencies can further incentivize this practice by taking asset management systems into consideration when awarding discretionary grants to localities.

These infrastructure asset management inventories should assess infrastructure of all types, including real estate assets the city owns. In Boston, Pittsburgh, and Salt Lake City, similar analysis has proven that municipally owned assets are worth three times more than the current assessed value. This updated asset mapping will also allow municipal governments to receive the most value from their assets and put the city on a more level playing field when negotiating with the private sector for potential developments.

SUPPORT MUNICIPAL BOND MARKETS AND PROJECT FINANCE

Amidst the current economic downturn, local jurisdictions are struggling to meet their community's needs and maintain existing operations. The behavioral and economic impacts of the COVID-19 crisis have drastically reduced traditional tax revenues that cities depend on. Further, market uncertainty has made it more challenging for cities to issue municipal bonds. The federal government can support cities through new and existing programs that make it easier and affordable to issue debt.

POLICY RECOMMENDATIONS

RECOMMENDATION 4: AIR BONDS

PROBLEM:

The COVID-19 crisis has created uncertainty in capital markets, including securities such as municipal bonds. Municipal bonds, often considered to be one of the most low-risk investments, have become more difficult to issue.

RECOMMENDATION:

For municipalities to continue raising capital and make progress on essential infrastructure projects, federal support for local debt will be crucial. Access to emergency liquidity support mechanisms is critically important. To drive long-term economic recovery, however, a new class of securities, based on known best practices and experience, is necessary.

The Federal Reserve's Municipal Liquidity Facility, while supportive in the immediate crisis of emergency financing, has been underutilized because of the short-term nature of the notes and more attractive market prices for all but the lowest-rated issuers. Building on the success of Build America Bonds, AIR bonds would eliminate the need for issuers to pay any interest in the near term and provide an emergency two-year window for refinancing by issuers.

American Infrastructure and Recovery Bonds, or AIR Bonds, are a new taxable bond that may reduce the cost of borrowing for all governmental purpose debt, tax-exempt and taxable. They can save issuers money and allow them to have reduced or no net debt service payment obligations until their project is generating benefits. This would encourage new capital investments because it eliminates the need to pay interest during the early stages of the infrastructure while offering historically low, long-term interest rates. This new class of securities already has bi-partisan support from Senators Michael Bennet and Roger Wicker.

POLICY RECOMMENDATIONS

RECOMMENDATION 5: FEDERAL CREDIT PROGRAM REFINANCING

PROBLEM:

As a result of limited tax revenues, the economic downturn caused by the COVID-19 pandemic has led to budget shortfalls for cities. Cities need capital and financing to continue to operate their key functions, including transportation and infrastructure.

RECOMMENDATION:

Cities and local infrastructure agencies rely on capital and financing opportunities to sustain operations and build for the future following the current crisis. Repurposing federal credit programs presents an opportunity for local agencies to refinance existing debt obligations at lower interest rates, allowing for effective redeployment of infrastructure dollars to meet changing needs. The US Department of Transportation (USDOT) Transportation Infrastructure Finance and Innovation Act (TIFIA) lending program finances up to one-third of project costs at low federal interest rates. TIFIA, which has traditionally been used to secure funding for new projects under development, can also be used to refinance existing debt at a low interest rate, currently under 2%, as long as the additional funding capacity is reinvested in the transportation system by supporting the completion, enhancement, or expansion of an eligible project.

To ensure localities across the country are able to take advantage of this program in an effective manner, we recommend USDOT designate a portion of TIFIA lending capacity by formula to each state for project refinancings. Then, the state should dedicate a portion to municipalities/municipal planning organizations (MPOs), transit agencies and tolling authorities based on need. The basic creditworthiness requirement of an investment grade rating would apply. Delegating this authority to a more local level would allow communities holding project debt to do what millions of homeowners have done—refinance at a lower rate and reinvest in improvements.

POLICY RECOMMENDATIONS

RECOMMENDATION 6: US LOCAL GOVERNMENT FUNDING AGENCY

PROBLEM:

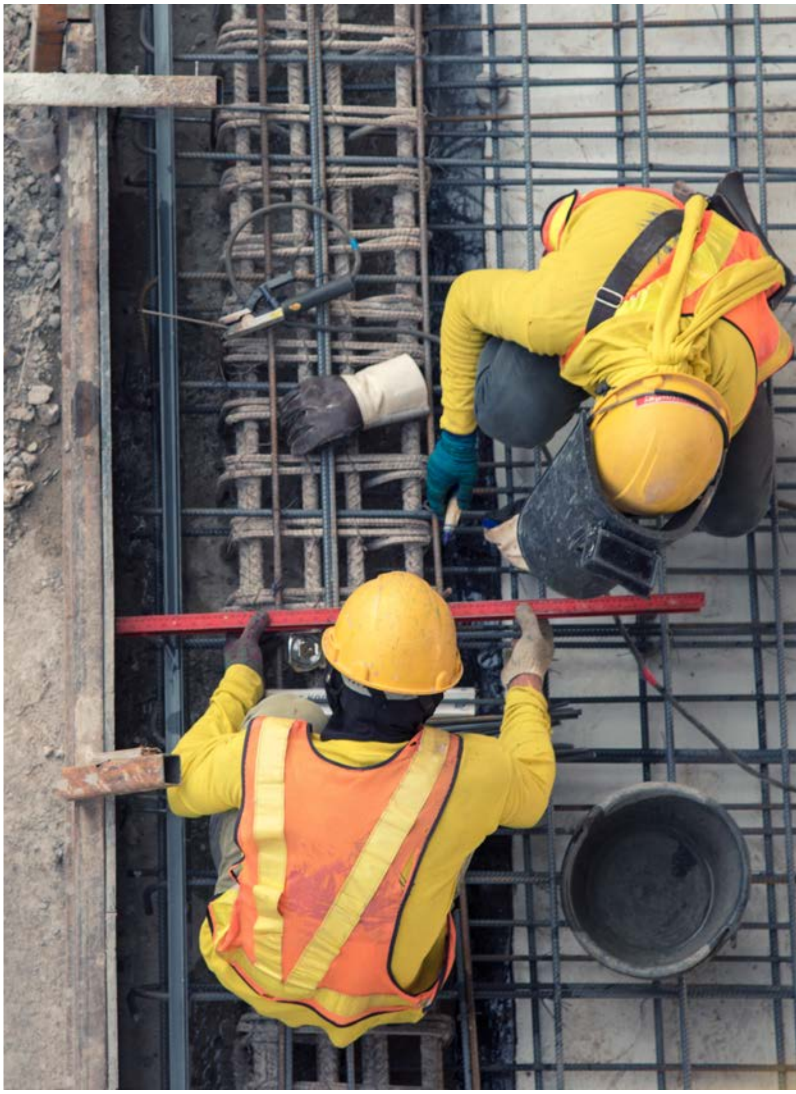
With declining tax revenues, even cities with strong bond ratings are facing difficulty placing bonds for infrastructure projects. While Build America Bonds from ARRA provided a short-term solution for stabilization, they did not implement institutional capacity for long-term investment. Couple this risky fiscal picture with cities needing to make big investments to tackle climate challenges and solutions, and the country is left with a significant challenge ahead.

RECOMMENDATION:

The problems of today stem from the absence of independent institutions of scale, such as a Local Government Funding Agency (LGFA) that can balance the needs of cities and institutional investors. LGFAs pool the financial borrowing needs of its members and can achieve loans at a lower cost than would be attainable by each individual member. The development of a US Local Government Funding Agency or seed funding for their state equivalents will provide institutional capacity for long term bond market stabilization and set US cities on an accelerated path to climate solutions and other emerging infrastructure solutions.

These new intermediaries would build, in part, on the successful LGFA models in Maine, Sweden, and New Zealand. It would, for example, advise cities on the design, financing and delivery of major sustainable projects, bringing evidence, norms and routines to the marketplace. It would also aggregate the market power of cities to enable more balanced negotiations with leading institutions and asset managers and the creation of more impactful financial instruments and mechanisms. This is particularly critical for small and rural communities that may have limited resources and infrequent bond issuances for major infrastructure projects, thus benefiting from bundled costs for expertise and overhead.

In the U.S., the Maine Municipal Bond Bank (an LGFA) was created in 1973 to issue bonds, enabling it to lend to counties, municipalities, school districts, utility districts and other government organizations within the state of Maine. The sale of tax-exempt bonds with the bank's high credit rating allows these capital project loans to be issued at lower interest rates than would otherwise be available. A national LGFA would be developed in close alignment with federal policy development efforts underway at the federal and state level, so that new financing structures can be put to task as soon as possible in 2021 and beyond.



ACCELERATE COMMUNITY-DRIVEN CLIMATE ACTION

Infrastructure is integral to achieving the necessary reduction in greenhouse gas emission over the next several decades and to improving our country's resilience to the impacts of climate change. Federal climate policy should 1) Seek to motivate community-driven climate action to ensure that climate solutions are tailored to the needs of each unique community, and 2) Promote climate justice through programs that prioritize investments in low income and minority communities. The following recommendations empower local jurisdictions to tailor climate action to their needs and align it with their social and economic goals while elevating the needs of the most vulnerable populations.

POLICY RECOMMENDATIONS

RECOMMENDATION 7: BETTERMENTS

PROBLEM:

Local governments are not uniformly able to build back better following a natural disaster. Rather, current federal requirements restrict localities to building back in-kind. This practice continues to make infrastructure susceptible to the impacts of new and future climatic conditions.

RECOMMENDATION:

Cities are faced with growing financial constraints that reduce their current capacity to resiliently rebuild damaged infrastructure. Local officials also acknowledge the increasing risks of climate change, which are evidenced by an emerging pattern of costly damaged infrastructure. When infrastructure is damaged, many repair funding vehicles only allow infrastructure to be built back to how it was, creating a cycle of continued damage and repair, along with cascading impacts across the community during loss of service, which are disproportionately felt by low income and minority communities.[1] "Betterments" are repairs that improve infrastructure resilience, such as increasing culvert sizes to withstand future flooding events or implementing sustainable design principles.

Following severe flooding events in 2013, the Colorado Department of Transportation received emergency relief (ER) funds from the Federal Highway Administration (FHWA) and, for the first time, was able to apply these funds to not only repair to prior conditions, but to also implement cost-effective betterments to improve the resilience of highway infrastructure to withstand future flooding events. The ability for local and state governments to pay for cost-effective resilience-related betterments for all types of infrastructure projects should be expanded to all federal emergency relief dollars administered by agencies like USDOT and the Federal Emergency Management Agency (FEMA).

This would provide necessary funding for climate resilience efforts. It would also allow for the prioritization of infrastructure in frontline communities to mitigate future direct impacts and consequences to these communities. Developing resilient transportation, communication, water and energy infrastructure is first and foremost cost-effective and limits the need for repeat maintenance and repair. Further, resilient infrastructure reduces the consequences of infrastructure loss that impact communities and thereby provides a reliable network that can effectively support our communities, economies, and future generations.

[1]Morello-Frosch, et al. The Climate Gap. USC Dornsife, May 2009, https://dornsife.usc.edu/assets/sites/242/docs/ClimateGapReport_full_report_web.pdf

POLICY RECOMMENDATIONS

RECOMMENDATION 8: SOCIAL EQUITY AND RESILIENCE FUNDING

PROBLEM:

Minority and low-income communities are disproportionately impacted by the effects of climate change. Currently, federal infrastructure climate resilience funding programs administered through the Federal Emergency Management Agency (FEMA) largely rely on cost-effectiveness as the driving measure to inform investments. FEMA should revise the evaluation criteria for resilience funding programs to ensure that the most impacted communities are benefiting from federal resilience investments.

RECOMMENDATION:

As we've seen from the wildfires in the American west and the countless hurricanes that have hit the Gulf Coast, climate change is a real and present threat to our communities as it presents physical risk and subsequent emotional and financial hardship. Frontline communities are disproportionately susceptible to the impacts of climate change and currently grappling with the health and economic fallout from the COVID-19 crisis. The impacts of climate change, much like the COVID-19 crisis, will continue to exacerbate inequality in the U.S. As a result, federal infrastructure resilience programs administered through FEMA should seek to address this inequality by elevating social equity in grant merit criteria.

Local governments have already begun to adopt an equity-centered approach to guide resilience investments in their communities. In 2018, following Hurricane Harvey, Harris County in Texas passed a $2.5 billion flooding bond called "Harris Thrives", which adopted a "worst first" policy framework to inform flood control and resilience investments. The "worst first" approach is driven by a series of criteria that are used to prioritize flood risk reduction projects. The top three criteria are flood risk reduction, existing drainage level of service, and social vulnerability. While the decision-making framework does include cost-effectiveness, it is not the driving metric. A community oversight committee is also involved in the process of identifying projects to fund. This committee is meant to ensure that the flood mitigation dollars are invested equitably and support vulnerable communities.

FEMA's newest program, the Building Resilient Infrastructure and Communities (BRIC) grant, is beginning to steer federal programs toward supporting community-wide resilience. FEMA should continue the trend in this direction and center social equity by 1) Elevating social vulnerability in their evaluation criteria by adopting similar scoring criteria to Harris County to select and fund resilience projects and 2) Including a criterion requesting applicants to demonstrate community outreach and participation in the project development process.

POLICY RECOMMENDATIONS

RECOMMENDATION 9: COMMUNITY CHOICE AGGREGATION

PROBLEM:

In order to meet scientifically agreed upon greenhouse gas emission targets to reduce the impacts of climate change, the U.S. must rapidly transition to renewable energy sources. Leveraging and bolstering the use of Community Choice Aggregation (CCA) is a viable way to make this transition and a way to empower communities to lead this transition.

RECOMMENDATION:

CCAs enable local and regional jurisdictions to procure clean and affordable power for their communities while still relying on transmission and distribution through the existing utility provider. Since they are such powerful buyers in the energy market, CCAs can accelerate the transition to renewable energy sources like wind and solar and help change and scale the demand for renewables.

Local jurisdictions in California have taken advantage of the legislation-enabled CCA structure to create their own local agencies to promote the use of clean energy and invest in their communities. East Bay Community Energy (EBCE)—a public power agency managed by a joint powers agreement amongst fifteen cities and Alameda County—provides clean and renewable energy to East Bay residents at competitive, and in some cases lower, rates than PG&E and reinvests any revenue into the communities it serves. EBCE serves 560,000 customers and in the 2019 fiscal year purchased over $370 million worth of electricity for the region. Further, EBCE invests in new renewable energy generation and energy storage projects. As of fall 2020, EBCE has invested in nine renewable energy projects that would generate 550 megawatts of power and over 150 megawatts of battery storage.

While existing CCAs have shown their impact on the energy sector, there are challenges to establishing CCAs, which the federal government can help states and local jurisdictions navigate. To aid more states in establishing a successful network of CCAs, the federal government should provide direct technical guidance through the Department of Energy, including best practices and insights about how to legislate CCAs at the state level. Further, DOE should establish a CCA grant program to 1) Provide start-up capital to newly formed CCAs and 2) Increase the purchasing capacity of existing CCAs, particularly to support these public agencies to invest in the development of new renewable energy projects in their communities.

ACCELERATOR FOR AMERICA ACTION

REINVENT THE RIGHT-OF-WAY

Local elected officials have experience maximizing the right-of-way for their communities, leveraging it not only to improve mobility for their residents but as a tool for economic development, social equity, sustainability, and resilience. Federal programs should both help scale these innovations and also implement policies that allow cities to innovate in order to better serve their communities.

"Instead of trying to build back exactly what we had, how do we build back a fairer place, one that has more opportunities for more people?"

Mayor Andy Berke
Chattanooga, Tennessee

POLICY RECOMMENDATIONS

RECOMMENDATION 10: ESTABLISH AND FUND COMMUNITY-SERVING QUICK BUILD STREET DESIGN

PROBLEM:

The COVID-19 crisis has restricted mobility across the country. Additionally, the absence of regular commutes and movement around urban and rural areas has drawn further attention to the ways we design and use roadways in our communities, who these assets serve, their overall purpose, and particularly, the disparity in the state of these assets in traditionally under-invested communities.

RECOMMENDATION:

In effect, the crisis has presented an opportunity to reinvent the right-of-way to better serve communities and residents. Local officials have traditionally been at the forefront of reimagining how right-of-way space is used to accommodate cars, buses, pedestrians, cyclists, individuals with different mobility needs, and emerging mobility users, and how the right-of-way can be used to meet the city's social and economic goals. Many communities and transportation agencies have adopted programs that focus street redesigns on the principles of "complete streets," or streets designed to balance a variety of modes and uses that go beyond the traditional focus of the automobile.

The radical shift in demand of the street has brought new action on how communities can redesign their street tactically in order to provide mobility to the widest array of users. The recent Transportation Research Board study, Fast-Tracked: A Tactical Transit Study, highlights the benefits of low-cost, high impact, "quick build" changes to street infrastructure—creating complete streets with non-permanent structures. Benefits have proven to include the reduction of collisions and increase of transit ridership, with seventy-seven percent of local officials making the quick build changes permanent. Due to budget costs that stem from tax loss, cities have turned to quick build principles to create safer and more locally oriented transportation with less cost. Many cities have adopted "Slow Streets" and other approaches for creating more space for pedestrian activity while socially distancing.

Cities who have started building complete streets have also been pioneers in utilizing quick build methods. The City of South Bend's Smarter Streets Ahead Program transformed downtown by turning one-way roads into two-way thoroughfares, narrowing roadways to slow the speed of traffic, widening sidewalks, and introducing roundabouts to transform the economic and social landscape of the city, attracting more than $90 million in economic investment. The city has built on this success by implementing changes through quick build design principles, with the assistance of the Safe Streets Academy.

The federal government should coalesce the knowledge that local officials have gained in implementing these innovative quick build programs and create design principles that incorporate public participation, racial equity, and future climatic conditions to support the short-term need of social distancing and the long-term needs of a healthier and more sustainable transportation system. With a dedicated funding stream towards implementing active transportation in all communities, the federal government should consider supporting communities whose redesign projects consider equity in its services, improve safety for vulnerable road users, and integrates these new facilities with existing public transportation services. It is important that cities equally apply these innovations to often-overlooked minority and low-income communities, who have historically been hurt by transportation decisions. It is also important that the federal government prioritize projects that are working to connect destinations relevant to the community, focused on developing active transportation networks as opposed to disconnected street redesigns.

Disseminating and funding community-serving complete streets projects through quick build design principles will support nationwide knowledge sharing, best practices, and support local officials to make streets safer, friendlier, and ultimately healthier cities.

POLICY RECOMMENDATIONS

RECOMMENDATION 11: ZERO EMISSION VEHICLE CHARGING INFRASTRUCTURE AND TECHNOLOGY

PROBLEM:

The U.S. needs to rapidly decarbonize the transportation sector to meet scientifically agreed upon greenhouse gas emission reduction targets to curb the impacts of climate change. Federal regulatory reform and knowledge sharing can help to expedite this transition.

RECOMMENDATION:

Cities like Los Angeles have made it clear they want to and will electrify their transportation network to improve the quality of life and health of their residents by reducing localized air pollution and improving environmental quality more broadly. LA has committed to transforming their infrastructure to reduce greenhouse gas emissions by 25% by 2028 via electrification of the transportation sector. The federal government should enable local innovation and inform local officials and consumers that there is a prosperous national future for ZEVs by 1) eliminating the prohibition on commercialization for ZEV charging infrastructure, 2) creating a national repository of information on ZEV technologies and lessons learned from pilots and implementation across the country, and 3) increasing capitalization of the Diesel Emission Reduction Act (DERA) grant program.

FHWA rules prohibit economic activity at rest stops on the NHS, which has been interpreted to include selling electricity via EV and ZEV charging stations.[1] The rules hamper the ability of states and cities to install charging infrastructure along stretches of the NHS in their communities. Further, the prohibition has contributed to consumer range-anxiety, and seeded doubt that the EV and ZEV charging network will grow to be robust enough to support wide-scale national deployment of EVs, in many ways stalling the deployment of EVs and alternative fuel vehicles. Allowing charging infrastructure to be installed on the NHS would open the door for the broad electrification of the transportation network and may serve as a big stepping stone toward refining the technology for and deploying electric freight vehicles.

Deploying additional technologies such as high voltage direct current transmission, or HVDC, should be a priority alongside charging stations to electrify the transportation network. The federal government should coordinate with municipal planning organizations to identify locations for charging infrastructure and prioritize installation of charging infrastructure in low-income and minority communities to correct for historic environmental justice concerns for the populations most affected by traffic-based pollution.[2]

The federal government can also support local and state governments to decarbonize their transportation networks by creating a national repository of information on EV and ZEV technologies, including zero emission buses, and increasing capitalization of the DERA grant program. The repository should coalesce information on available technologies, procurement approaches, and performance. A report by the Electric Power Research Institute indicates that at least 150 transit programs in the U.S. have piloted battery electric buses.[3] The federal government should collect and share information and lessons learned from these pilots in one location, in order to build capacity and knowledge of EVs, ZEVs, and BEBs in local agencies across the country. Additionally, increasing funding for DERA will help to expand accessibility of zero emission truck technologies for companies nationwide.

[1]Ferris, David. "EV Charters at Rest Stops? Not so Fast, Say the Feds." E&E News, November 2019, https://www.eenews.net/stories/1061656653

[2]"Residential Proximity to Major Highways – United States, 2010." Centers for Disease Control and Prevention, November 2013, https://www.cdc.gov/mmwr/preview/mmwrhtml/su6203a8.htm

[3]EPRI. 2019. "Overview of Electric Transit Bus Pilots in the United States." https://www.epri.com/research/products/000000003002017140

POLICY RECOMMENDATIONS

RECOMMENDATION 12: REGULATORY SUPPORT FOR CITIES TO INSTALL FIBER

PROBLEM:

With millions of people relying on telemedicine and working and studying remotely, the response to COVID-19 has heightened the already great need for fast, reliable broadband. The United States ranks 20th in the world for internet speeds, and the digital divide is felt most heavily by minority families, 30% of whom don't have access to computers and broadband in their homes.

RECOMMENDATION:

Building out America's fiber network presents a unique opportunity to create jobs that will sustain our next generation economy. Therefore, cities and towns should be granted the chance to build fiber networks as they are undertaking other work in public rights-of-way. Currently, more than 50 cities are offering fiber-to-the-home connections. Nineteen states have banned such connections. The Federal Communications Commission has a range of programs to expand broadband connectivity.

While the FCC supported Chattanooga's efforts, recent action has hindered local progress. the FCC's Third Report and Order in its Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Television Consumer Protection and Competition Act of 1992 proceeding, will cost local governments millions of dollars in reduced franchise and other right-of-way fees as well as place new obligations on local governments and further constrain their ability to review applications to enlarge or modify wireless facilities. Overturning this would preserve the respect for municipal authority found in the Telecommunications Act of 1996.

Congress can facilitate even greater expansion by preempting state laws that block local governments from building out their own networks. At a minimum, the federal government can promote broadband deployments at the local level by disseminating model regulations for states to adopt voluntarily, particularly if paired with funding incentives. Whether through publicly-owned broadband or P3 solutions, cities need regulatory flexibility to address this important challenge.

Local Innovation: Chattanooga, Tennessee

In a city of 180,000, Mayor Andy Berke has been able to leverage one of the most robust municipally-owned fiber networks in the country, which offers every resident and business access to ten-gigabit per second broadband internet service for $70 per month (including TV service). The network is owned and operated by Chattanooga's power utility, the Electric Power Board, and was first built in 2010 to attract a new, high-tech auto plant. In the process, it created 2,800 to 5,200 new jobs and $1 billion in economic activity, despite significant push back from the state legislature and lawsuits from private competitors.

ACCELERATOR FOR AMERICA ACTION

ALIGN THE INTERGOVERNMENTAL SYSTEM

Greater coordination and collaboration are required to advance federal infrastructure policies and programs that help meet local needs. Existing agency silos at the federal level can benefit from centralized federal coordinating bodies to support action on key interdisciplinary issues like climate change. Further, greater transparency and coordination across levels of government can serve to better align federal programs with state and local infrastructure priorities.

POLICY RECOMMENDATIONS

RECOMMENDATION 13: EMERGENCY FEDERALIST FISCAL WORKING GROUP

PROBLEM:

The U.S. has preached intergovernmental cooperation while practicing every-government-for-itself. Months of selective misinformation on the fiscal health and needs of disparate states and localities has hindered progress for fiscal relief. The national constituency organizations representing cities, counties and states have partially filled the information vacuum with timely and objective analysis.

RECOMMENDATION:

The nation needs an integrated scorecard of the fiscal needs at the federal, state and local levels and an objective assessment of what's at stake — in terms of lost or degraded services as well as broader economic repercussions — if Congress does not act to shore up the fiscal health of its subnational partners. We suggest the President convenes an Emergency Federalist Fiscal Working Group. Each of the major national constituency organizations (the "Big 7") would nominate 2 elected officials, one Democrat and Republican, to serve on the task force. The leadership of the U.S. House of Representatives and Senate would also nominate members, two from each chamber, with partisan parity. The Treasury Secretary would also serve as the Co-Chair of the Task Force, with the Chair of the Federal Reserve.

The Task Force would report to Congress (for two consecutive years), on a monthly basis on the fiscal conditions of states, counties, cities, and Tribes and assess the implementation of each of the federal government's policy initiatives concerning the revitalization of local economies. We propose this includes the ongoing impacts on sales tax, property tax, and income tax, as well as changes in intergovernmental aid and local fee revenues.

Alongside those base numbers, the Task Force should report the number and types of public services impacted and data on furloughs and layoffs in state and local government. This assessment should also detail the costs and effectiveness of federal response and infrastructure stimulus, as well as provide a roadmap to all state and local governments for the implementation of policy initiatives post COVID-19. Subsequently, the Task Force should make recommendations for further policy initiatives based on the evidence gathered.

Failure to understand the state and local fiscal picture will prevent action to maintain essential services during the COVID crisis and will prolong an already deep economic contraction.

POLICY RECOMMENDATIONS

RECOMMENDATION 14: CLIMATE CABINET

PROBLEM:

The climate crisis demands a response that is able to coordinate and respond in a substantive manner. The siloed nature of the federal government, however, does not match the complexity of the task at hand. Each agency's decisions impact the others, not to mention the states, cities and residents they serve. Congress's own oversight and responsibilities are similarly divided by sector.

RECOMMENDATION:

There are numerous federal agencies, regulations, and funding programs designed to improve the country's infrastructure. A Presidential "Climate Cabinet" that makes central addressing climate change within the Cabinet's work plan, would help ensure agencies make smart decisions on new policies, regulations, and funding programs in close collaboration to ensure holistic climate action. Mayor Lauren McLean of Boise, ID is leading the way in government coordination for climate action with the creation of Boise's Climate Action Division, exemplary of what could be done federally. This new division models the importance of an integrated approach to tackling climate and resilience; the division incorporates energy, transportation, waste systems, water, green space, and food systems. Each element is directly linked to the city's economic opportunity work.

Although this type of coordination currently occurs informally at the federal level, it would be more effective with a formal venue and process for collaboration. The work program would focus on federal agencies that typically focus on education, job training, small business creation, and labor to help ensure any resulting infrastructure projects also lift up historically under invested in populations. Inter-agency peers can learn from each other and borrow best practices that translate well across the sectors, such as leveraging P3 delivery tools through the TIFIA, RRIF, and WIFIA financing programs for climate action. While there is currently limited coordination across these agencies or even among different programs, within a single agency, this could ultimately result in a centrally coordinated infrastructure and climate program that spans all sectors to achieve better outcomes and economies of scale. A Climate Cabinet at the federal level should, more than a "whole of government" approach, take a "whole of government(s)" approach, plural, to recognize to tackle climate change will take more than coordination between federal siloes, but collective action between our intergovernmental system and with local leaders who are often first movers.

POLICY RECOMMENDATIONS

RECOMMENDATION 15: RENEWED INTERGOVERNMENTAL COUNCIL

PROBLEM:

The COVID-19 crisis, above all, has laid bare our lack of institutional structure to coordinate responses between layers of government, much less the private or civic sectors. We must reimagine the necessary coordination and connections that need to be made between the different layers of government and private and civic sectors to more tightly bind federalism and localism. A Fiscal Federalist Working Group provides immediate information but must be followed by a long-term institutional change.

RECOMMENDATION:

The United States once had an Advisory Commission on Intergovernmental Relations (ACIR), which lasted from 1959 until 1996, and informed the Federal government on issues to do with federalism and how to ensure the institution remained effective. A renewed ACIR needs to move from an exclusive advisory role to a more activist problem solving role, given the magnitude of the challenges before us. Federalism works best when it has well-oiled feedback loops, where decisions at all levels and at all times (not just periods of crisis) can be informed by knowledge and expertise.

To ensure that a long-term economic recovery built on infrastructure can effectively serve communities across the country, states and localities need formal mechanisms to shape cooperative decision-making processes. In past decades, the federal government relied on the ACIR to build alignment between our multiple layers of government. Many states followed suit and created state-level institutions including the Tennessee Advisory Council of Intergovernmental Relations (TACIR), which provides annual information regarding Tennessee's infrastructure inventory and local fiscal capacity, provides a formal place for intergovernmental discussion, and informs state-level legislation.

Going forward, we should resurrect some version of the ACIR, with concrete roles and responsibilities. The Restore the Partnership Act, legislation drafted by Jerry Connelly (D-VA) and Rob Bishop (R-UT) is a good start and deserves serious consideration.

BETTER UTILIZE PUBLICLY OWNED ASSETS

Reimagining the federal-state-local partnership can help local jurisdictions maximize the value of the infrastructure assets found in their communities. This is important to spur recovery from the COVID-19 pandemic and support practices to help cities take full advantage of the value of these assets. It can help cities meet their social and economic goals through infrastructure.

POLICY RECOMMENDATIONS

RECOMMENDATION 16: VOLUNTARY STATE-LOCAL ROAD TRANSFER PROGRAMS

PROBLEM:

State-managed roadways that fall within local boundaries can lack maintenance and limit the ability of localities to leverage the roadway so they can achieve economic and social goals. In order to improve the state of good repair of the roadway and maximize its value to the community the federal government should empower local governments to take control over their transportation assets through technical guidance and special funding for "orphan highways."

RECOMMENDATION:

The United States has over 4.1 million miles of public roads that account for more than 80% of all personal travel and freight. Historically, road networks were built and maintained for interstate trade. However, as cities have grown, those same roads have become an increasingly important part of local transportation networks. Therefore, mayors seek control to create complete streets that facilitate modern multi-modal systems and better serve their residents. While state governments control about 19% of the roads in their borders nationally, this figure can exceed 60% in some states.

State-controlled "orphan highways" often fall within local boundaries and lack proper maintenance. Additionally, they do not reflect the right balance of local versus state use of the right-of-way. These roads should address modern transportation, safety and economic development needs through investments such as dedicated transit lanes, active transportation alternatives, and fiber installation. This can be a complicated process, particularly where questions of funding and applicable standards are concerned.

Best practices, however, do exist and include the development of a clear process and "readiness scan" for identifying roads eligible for transfer. State funds for ongoing maintenance must be included with the transfer coupled with local funds and clear guidelines on how much flexibility the city has to change designs and other regulations related to speed, capacity, dedicated transit routes, and other factors. The federal government can incentivize this through technical guidance on the potential terms, special funding, and the opportunity for cities to buy back their roads from the federal government in exchange for greater control over their use and design. When done properly, state-to-local transfers can improve road networks more efficiently and rebalance the right-of-way to meet today's needs.

POLICY RECOMMENDATIONS

RECOMMENDATION 17: UNDERUTILIZED FEDERAL PROPERTY FOR AFFORDABLE HOUSING

PROBLEM:

The largest cost driver for affordable housing—particularly in dense, high-opportunity communities—is the cost of the property where housing will be built.[4] In some cases, land acquisition can range from 15% to 35% of total development costs.[5] Given that that the cost per acre of land for existing single-family homes has increased by 27% from 2012 to 2017, it's even more expensive to acquire property to build new affordable units. The challenge of affordable housing is also inextricably linked to transportation needs as 4 million commuters (over 2.8%) who need affordable housing are forced to live more than 90 minutes from where they work. This not only decreases quality of life and community cohesiveness, but also creates significant environmental impacts.

RECOMMENDATION:

As of 2015, 23 federal agencies reported more than 7,000 excess or underutilized properties across the country.[6] It can take as much as 10 years for federal surplus properties to be transferred to more productive uses and in the case of McKinney-Vento Act prioritization for housing, just 81 of 40,000 eligible properties were used for that purpose as of 2014.[7] Given changes in technology and the ability for remote working, which will only be increased with the lessons from COVID-19, General Services Administration (GSA) and the government as a whole should be able to further reduce federal footprint. This should make more land available for affordable housing and transportation improvements. This process can begin by GSA conducting updated asset mapping of their real estate portfolio to reform space usage policies in light of recent trends, maintain better data, and streamline their surplus screening process.

Communities with the greatest housing needs should be prioritized, with an emphasis on those properties that are best suited to housing based on location, conditions, and access to transportation. There should be close coordination with the local jurisdictions to ensure alignment with other housing, land use policies, and transportation planning. It can also be paired with transportation grants to encourage greater planning of TOD and integration with housing. Other excess properties not suited to TOD can be recycled to derive maximum value that can be reinvested into other federal properties and/or housing goals.

[4]HUD. "Using Public Land to Defray the Cost of Affordable Housing." https://www.huduser.gov/portal/pdredge/pdr_edge_trending_091415.html

[5]Shoyer, Aaron. 2019. "How Using Public Land Can Help Address Housing Shortages." https://housingmatters.urban.org/articles/how-using-public-land-can-help-address-housing-shortages

[6]Somers, Meredith. 2017. "GSA Releases Expansive Federal Real Property Inventory." https://federalnewsnetwork.com/management/2017/12/gsa-releases-expansive-federal-real-property-inventory/

[7]GAO. 2016. "Federal Real Property." https://www.gao.gov/assets/690/680008.pdf

POLICY RECOMMENDATIONS

RECOMMENDATION 18: STRATEGIC ACQUISITIONS AND MANAGEMENT FOR AFFORDABLE HOUSING

PROBLEM:

The COVID-19 pandemic has caused real estate prices, both residential and commercial, to drop, as well as increased property vacancies across the country. The increase in remote working will further have a lasting impact to the real estate market. Rent prices have dropped in many of the most expensive cities[8] and landlords have expressed concern about the financial viability of owning and maintaining their buildings. This presents a unique chance to acquire existing units and preserve their affordability for decades to come in "high-opportunity neighborhoods" where access to quality, jobs, school and transportation are available.

RECOMMENDATION:

After the Great Recession, land banks were public stewards of property then disposed of by private actors. This expansion of land banks led to a variety of local government real estate holding entities, with various capacities, across the country. It also inspired federal legislation (Rep. Kildee's National Land Bank Network Act) around the need for better coordinated and more effective local practices. With our current crises causing similar real estate and business challenges in local communities, we need a plan to move ahead. We envision the federal government encouraging local governments to establish a more effective land bank management and consolidate the ownership of their real estate assets into local institutions which are funded, in part, by the public but operate largely independently.

To implement this strategy effectively, it requires experienced real estate professionals who know how to operate and maintain affordable housing. These institutions can help re-fill vacant buildings, act as a master tenant within business districts, and assist in access to capital for individuals, following what has been noted by Drexel University's Nowak Metro Finance Lab's "Main Street Regenerators". These institutions can work with landlords to fill spaces that have been emptied by failed businesses, ensure that key nodes of commercial real estate are maintained at a high standard of quality, and work closely with traditional financial institutions, alternative lenders, investors and local relief funds to be ready sources of fit-to-purpose products, debt as well as equity instruments.

Federal support, in addition to technical assistance, could come in the form of increases to existing federal housing program like the Neighborhood Stabilization Program (NSP) that was used in the previous housing crisis and the Housing Trust Fund, as well as added flexibility to the U.S. Department of Housing and Urban Developer's (HUD) Moving to Work (MTW) program so it can use Housing Choice Vouchers and other programs to acquire multifamily buildings, particularly in low-poverty neighborhoods.

[8]Lerner, Michele. 2020. "D.C. Rents Decline During Pandemic." The Washington Post. https://www.washingtonpost.com/business/2020/09/17/dc-area-rents-declining-during-pandemic/

ACCELERATOR FOR AMERICA ACTION

INVEST IN LOCAL AND SMALL BUSINESS AND INNOVATION

Local decision-makers across the U.S. have expressed the need to immediately and sustainably address rising unemployment and expanding social, economic, and racial inequality in their communities. By enabling the use of local and targeted hire, scaling workforce development and apprenticeship programs, and improving the mechanisms for small and medium sized businesses to grow, the federal government can foster economic recovery from the pandemic and strengthen local economies overall.

"Recovery must include everyone. We need to make sure opportunities and access are available to all."

Mayor Quentin Hart
Waterloo, Iowa

POLICY RECOMMENDATIONS

RECOMMENDATION 19: SMALL AND MEDIUM SIZED BUSINESS SUPPORT

PROBLEM:

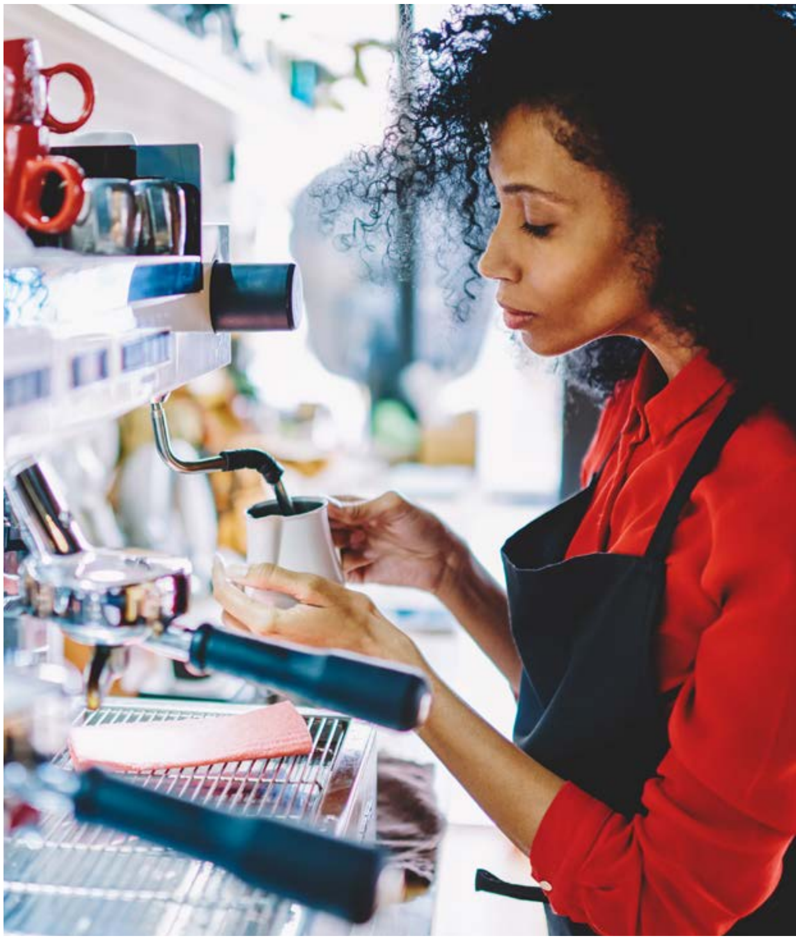
Small and minority-owned businesses have been hit the hardest as a result of the economic fallout from the COVID-19 pandemic. Simultaneously, existing federal programs incentivize these businesses to remain small rather than to grow and become competitive as prime contractors.

RECOMMENDATION:

Small and minority-owned businesses need support to grow and remain competitive, especially in today's present times. Current federal regulations require that agencies receiving federal funds have a disadvantaged business enterprise (DBE) program, which can incentivize small businesses that meet Small Business Administration (SBA) standards to stay small rather than mature into medium-sized businesses. In response to these concerns, LA Metro established two local innovations, a Medium-Sized Business Program and a Small Business Prime Program, to support small businesses with tools to "get certified and grow". Additionally, the Chicago Department of Aviation (CDA) has developed a successful procurement model based on company size based on NAICs codes, which allowed the agency to increase opportunity for small, minority, and women owned businesses to win work on large contracts.

The federal government can support the advancement of small and minority-owned businesses by first renaming DBEs. The term "disadvantaged" perpetuates the systemic marginalization of these businesses, which we recommend should be renamed to "historically underutilized" business. Also, the federal government can help scale local innovations, like the LA Metro and CDA programs, by 1) Creating a national Medium Business Size Standard to compliment the Small Business Size Standard, 2) Establishing tiered Small and Medium Size Standards by city size based on NAICs codes, and 3) Using stimulus dollars to provide start-up capital to stand up 15 (to start) similar local small business prime/on-call contracts and medium-sized business programs in agencies across the country in localities most impacted by COVID-19.

Directly funding such business programs presents an effective opportunity to confront systemic racial inequality and provide the administrative infrastructure to meet and expand national historically underutilized business targets, which are currently not met by all agencies. As the country needs and will continue to need a dramatic increase in historically underutilized and small business activity and growth, this is a robust and equitable way to do so.



POLICY RECOMMENDATIONS

RECOMMENDATION 20: LOCAL AND TARGETED HIRE

PROBLEM:

Existing federal competition rules restrict the use of local and targeted hire practices, which in the context of recovery, limits local economic growth particularly for the communities most impacted by COVID-19.

RECOMMENDATION:

Local officials have voiced the need to simultaneously improve local infrastructure and create good jobs for their residents. The federal government must enable local decision-makers to achieve local social and economic goals by clarifying the federal government's current competition rules to explicitly encourage adoption of the USEP for manufactured goods and services and local and targeted hire incentives for construction projects when using federal funds. Transit projects have used targeted hiring preferences in procurements by leveraging USEP, a program approved by the U.S. Department of Transportation (USDOT) for procurements of heavy equipment like rolling stock.

The adoption of USEP and innovation displayed by agencies like Amtrak has demonstrated that 1) Further federal leadership is necessary, 2) Procurement approaches can simultaneously foster competition, create good community jobs, and target social, economic, and racial inequality. By declaring that federal competition rules do not prohibit innovative construction job creation incentives for all transportation modes, as well as water infrastructure and energy projects, the federal government can squeeze the most out of every recovery dollar spent by creating good jobs. Further, these practices may be tailored to spur job creation for populations that have been under invested in, such as veterans, Black and brown communities, individuals with disabilities, and women. To expedite economic recovery in the most impacted localities and expand the benefits that infrastructure projects can have to the surrounding community, the federal government could encourage local agencies to 1) Use local and targeted hire practices and set a national goal that a minimum of 20% of project hours on new contracts be performed by individuals recently unemployed due to the current economic crisis, 2) Adopt community benefits agreements and 3) Embrace buy local practices.

Local Innovation: Amtrak

In 2014, Amtrak used USEP for a $2 billion procurement for a new set of high-speed trains. The awarded contractor created 400 new jobs in upstate New York at a facility to manufacture the rail cars. Further, the contractor used U.S. manufactured parts from more than 30 states to build the trains, creating an additional 1,000 jobs across the country.

POLICY RECOMMENDATIONS

RECOMMENDATION 21: LOCAL WORKFORCE DEVELOPMENT AND APPRENTICESHIP PROGRAMS

PROBLEM:

Effective training and apprenticeship programs are an important and needed tool to advance economic recovery nationwide. Local workforce development programs have yet to be successfully scaled nationwide.

RECOMMENDATION:

Effective workforce development and apprenticeship programs are paramount to preparing individuals for stable, well-paying jobs and supporting economic recovery. Cities and local transportation and infrastructure agencies across the country have developed and deployed innovative and successful workforce development and apprenticeship programs for their communities. For example, Valley Transit Authority's (VTA) bus operator apprenticeship program, has proven that good training offers a high return on investment. VTA partnered experienced operators with new drivers to provide insights and advice at the start of their careers, resulting in nearly 100% of program participants still driving for VTA 18 months later.

To date, federal workforce development programs have been unable to successfully meet local needs. For example, the Federal Transit Administration (FTA) Innovative Workforce Development (IWD) grant is under-funded, issued at irregular intervals, and lacks a clear set of goals. Federal training funds should be used to launch a national training center, comprised of joint labor management organizations, that sets national standards as prescribed by GAO and works closely to codify and scale local workforce innovations in communities across the country, including efforts such as LA Metro's Transportation School, through both funding and technical assistance. The federal training center should engage with the labor community, particularly to collaborate on the frontier of new technologies, which will reshape the future of work in transportation. Through this investment, the federal government should strategically support programs that will provide minority and low-income communities, as well as veterans, women, and individuals with disabilities with quality education and training to excel in emerging low-carbon industries, like the electric transportation sector, where access to training and education for charging infrastructure engineering, battery manufacturing, and electric vehicle maintenance is limited.

> "If we're really trying to do something on a big scale, we would stand up centers of learning all over the country and put real monies into infrastructure for it."
>
> **Phil Washington, CEO, LA Metro**

IMPROVE WATER, WASTEWATER, AND STORMWATER INFRASTRUCTURE

Access to clean water is a human right and the need for clean water and improved water infrastructure has been underscored by the COVID-19 crisis. Water quality and stormwater management are inherently local and regional issues. As a result, federal water infrastructure programs and regulations ought to be reimagined to enable local jurisdictions to effectively manage water in their communities.

POLICY RECOMMENDATIONS

RECOMMENDATION 22: OUTCOME-BASED PERMITTING

PROBLEM:

The existing National Pollutant Discharge Elimination System (NPDES) permitting process limits local innovation and as a result limits the ability for local actors to creatively and collaboratively improve water quality in their communities.

RECOMMENDATION:

Water management is a priority for cities and local governments. Water quality standards are regularly updated, requiring cities to continue investing in water systems to achieve full compliance and maintain necessary permits. Such compliance is possible through a range of measures, such as advanced treatment processes and collaborative and comprehensive watershed management strategies similar to the adaptive management regulatory approach adopted by the Madison Metropolitan Sewerage District (MMSD) in Madison, Wisconsin. The regulatory approach adopted by MMSD allowed the agency to use a non-traditional and innovative watershed strategy in 2012 to reduce phosphorus pollution in the Yahara River Watershed by targeting nonpoint pollution sources. MMSD's strategy—the Yahara Watershed Improvement Network—successfully fostered collaboration among multiple local and regional partners and focused water quality improvement efforts on in-stream water quality rather than end of pipe measurements.

The Network implemented a mix of low-cost phosphorus reducing practices across the watershed through 24 municipal separate sewer systems (MS4s), three county conservation departments, three wastewater treatment plants, more than 300 participating farmers, and several agencies and environmental organizations. The result was more than 29,000 pounds of phosphorus kept from surface waters in 2016 alone.[9] Fresh water continues to become an ever more important natural resource and in every different region, its management inherently requires a diverse set of stakeholders across the watershed.

Therefore, the NPDES permitting processes must support local innovation and look beyond end-of-pipe water quality measurements. The federal government should establish an adaptive management regulatory approach similar to the MMSD to provide flexibility to local utilities and enable "outcomes-based permitting" practices, which in turn can make water management practices more inclusive by providing agency to vulnerable populations. Adjusting how NPDES permits are evaluated and attained will improve water quality and encourage adoption of local innovative, collaborative, and cost-effective water management solutions.

[9] Yahara WINS, https://www.madsewer.org/programs-initiatives/yahara-wins

POLICY RECOMMENDATIONS

RECOMMENDATION 23: PRE-APPROVED FEDERAL VARIANCES

PROBLEM:

Lead abatement is necessary in cities across the country to improve the quality of drinking water, especially in minority communities. Further, lead abatement needs to happen quickly to limit the public health implications of drinking water from lead pipes. Existing federal requirements slow down the process for cities to eliminate lead pipes in their communities.

RECOMMENDATION:

The abundance of lead service pipelines that carry drinking water to households persist as a major threat to public health in the U.S. and contribute to systemic racial inequality in the country. As of 2019, 9.3 million homes in the U.S. are still equipped with lead service lines,[10] and the vast majority of the child population with blood samples that exceed lead toxicity levels are from Hispanic or African-American origins.[11] Despite the increasing public awareness of the severity of the matter and the Drinking Water State Revolving Fund (DWSRF) program that was founded in 1996, the requirement that cities apply for regulatory variances—approvals to deviate from state or federal rules—is a major roadblock to achieving countrywide lead abatement in a timely manner.

Denver Water in Colorado has started to implement a plan to replace all lead service lines over an accelerated 15-year period, changing their approach from a previous plan that would have taken over 50 years to complete. The program will be financed by customer rates, bonds, and sales of new connections to the system. However, it took Denver Water 14 months to apply for and receive the state and federal variances needed to continue the lead abatement project. As demonstrated by this example, cities are committed to replacing lead pipes to improve public health in their communities but facing regulatory hurdles that delay lead abatement projects.

The federal government should help local decision-makers meet their goals to provide safe and affordable public drinking water to their residents by 1) Establishing a list of pre-approved variance activities, and 2) Expanding the applicability of previously approved variances. Much like the list of activities that are pre-determined to warrant a Categorical Exclusion in National Environmental Policy Act (NEPA) compliance process, the Environmental Protection Agency (EPA) should develop a list of activities that are pre-approved for cities and states to adopt to pursue lead abatement activities. This can eliminate the need to apply for a variance and thus minimize the regulatory burden. Additionally, once a variance is approved by the EPA, in states and cities where applicable, the same variance should be available to the local governments who can utilize it in order to accelerate water system improvements. These regulatory adjustments will help local officials improve water infrastructure at a faster rate and provide safe drinking water to their communities.

[10] "Economic Analysis for the Proposed Lead and Copper Rule Revisions." Environmental Protection Agency, October 2019, https://www.regulations.gov/document?D=EPA-HQ-OW-2017-0300-0003

[11] "The Racial Ecology of Lead Poisoning, Toxic Inequality in Chicago Neighborhoods, 1995-2013", Harvard University, 2016, https://scholar.harvard.edu/files/alixwinter/files/sampson_winter_2016.pdf

POLICY RECOMMENDATIONS

RECOMMENDATION 24: WIFIA CAPACITY BUILDING

PROBLEM:

WIFIA's current financial and administrative capacity cannot meet the nationwide needs to improve drinking water infrastructure and improve stormwater management.

RECOMMENDATION:

Access to clean water is a human right and is particularly important to abate the risk of transmission of COVID-19. Simultaneously, the importance of effective stormwater management has been center stage during the unprecedented 2020 hurricane season. However, funding and financing U.S. water infrastructure improvements remains a high priority challenge. The EPA estimates $744 billion in capital costs are required over 20-years to meet Clean Water Act (CWA) and Safe Drinking Water Act (SDWA)[12] requirements. EPA administers the WIFIA financing program, which provides direct low-cost loans to municipalities to partially fund eligible projects with the objective of attracting private capital. However, WIFIA is not staffed or capitalized to meet the current need for water infrastructure repairs across the country.

In 2019, the EPA received interest on the WIFIA from 62 project sponsors, ultimately only inviting 39 of them to apply for WIFIA financing. The federal government needs to increase both administrative and financial capacities of the program to alleviate the outstanding backlog of repair and improvement projects in the U.S. water infrastructure sector. In addition, the federal government should raise program capabilities, where both potential and rejected WIFIA applicants are given guidance and assistance toward developing financeable projects in order to increase the invitation rate of the projects that submit letters of interest.

This would significantly improve project readiness and following a ramp-up period, create industry benchmarks that will increase overall structure and readiness of new projects interested in WIFIA financing. Through increased resources in both administrative and financing capacities, the EPA can significantly accelerate the improvement of water infrastructure across the country, resulting in improved public health and environmental outcomes.

[12] "WIFIA Program: Background and Recent Developments." Congressional Research Service, April 2019, https://crsreports.congress.gov/product/pdf/IF/IF11193

ACCELERATOR FOR AMERICA ACTION

REDUCE PROJECT PRE-DEVELOPMENT BARRIERS

The sharp contraction in economic output as a result of the COVID-19 crisis necessitates an equally sharp stimulus response to accelerate recovery efforts. While there is broad bipartisan agreement that economic stimulus is required to accelerate recovery, regulatory improvements must accompany stimulus funding for cities. This way local governments can quickly invest these dollars and get their communities back to work.

"We need a federal grant and regulatory system that prioritizes action over compliance when it comes to building and maintaining our infrastructure."

Mayor Nan Whaley
Dayton, OH

POLICY RECOMMENDATIONS

RECOMMENDATION 25: PROCUREMENT EFFICIENCIES

PROBLEM:

Local pre-development procurement schedules and processes may slow project delivery, and as a result delay the process of getting Americans returning to good well-paying jobs. Further, procurement practices can further be re-engineered to be more inclusive to focus spending on low income, minority, historically disinvested communities.

RECOMMENDATION:

Public works construction provides local governments with a tool to promote jobs and economic activity, particularly in the context of the current economic downturn. Further, procurements present an opportunity to provide jobs to small, minority, and women-owned businesses most impacted by the COVID-19 crisis. However, procurement processes can often slow project delivery, posing a barrier to getting Americans, and the most financially impacted communities, back to work quickly. This is a moment to scale innovative and inclusive procurement practices.

Local innovations, like the emergency order advanced by Mayor Keller in the City of Albuquerque, offer examples of ways that local governments can expedite funding. Other local innovations include the Climate Mayors Electric Vehicle Purchasing Collaborative, which enable local and state governments to bid together on the purchase of electric vehicles in large quantities, thereby reducing the cost and removing friction from the purchasing process. Cities are also searching for ways to invest in traditionally underserved communities by adopting inclusive procurement practices to rebuild more equal communities.

To scale these innovations and others, the federal government should provide technical guidance and capacity building to local governments who are recipients of stimulus dollars. For example, the Build America Bureau at USDOT could establish a task force to develop guidance documents and strategically offer support to stimulus funding recipients. This would support a swift and inclusive recovery via infrastructure funding and spending. Simplifying and accelerating local procurement processes while still ensuring transparency and competitiveness will enable essential community-serving projects to move from the development phase to construction delivery faster.

Local Innovation: Albuquerque, New Mexico

Mayor Tim Keller significantly advanced municipal project delivery schedules by revising city rules and regulations in the wake of the COVID-19 crisis. Through an emergency order, Albuquerque:

- Raised the dollar threshold of on-call contractors to double the capacity available to the city;
- Reduced bid timelines by 50%; and
- Accelerated the City Council Review process by requiring the body veto rather than approve projects.

These innovative changes effectively reduced project pre-construction schedules by three to nine months.

POLICY RECOMMENDATIONS

RECOMMENDATION 26: ENVIRONMENTAL REVIEWS

PROBLEM:

Key to a successful economic recovery is getting people back to work quickly. There are opportunities to speed up the environmental review process for local jurisdictions, while upholding environmental stewardship and community participation.

RECOMMENDATION:

A critical component of recovery is that local decision-makers have opportunities to get people back to work quickly. One opportunity to improve and accelerate project delivery is to make adjustments to the environmental review process for routine projects with minimal environmental impacts. The federal government can do this by 1) authorizing cities and municipalities to enter into programmatic agreements with federal agencies to administer the review and approval of a defined set of project types, and 2) issuing guidance via USDOT to encourage the use of desktop reviews for low-impact projects.

Building off existing authority to implement programmatic agreements with state departments of transportation, cities, and municipalities who receive federal funding could similarly take ownership of reviewing the environmental effects of routine projects within their jurisdictions. There are many existing programmatic agreements for categorical exclusions, which include federal oversight and safeguards. The federal government can extend the authority to enter into such programmatic agreements to cities, empowering the communities that plan, design, and build these projects to prioritize their resources to advance the most critical projects without navigating unnecessary bureaucratic layers. As they do for states, these programmatic agreements would define the conditions under which a locality could make the necessary approvals under NEPA, providing for periodic audits or reviews to ensure appropriate implementation. Further, these programmatic agreements should explicitly state the need for cities to prioritize positive outcomes for and engagement with environmental justice communities.

With respect to transportation projects, the Secretary of Transportation may issue guidance to allow states, and by extension, local authorities, to innovate through abbreviated environmental reviews of minor environmental impacts through desktop surveys and a simple checklist for certain transportation projects. While issuing guidance to encourage the use of desktop surveys for low-impact transportation projects would accelerate existing approval procedures for routine projects, empower states and local authorities to prioritize and accelerate critical infrastructure projects, and more quickly break ground to create jobs, it should not be misconstrued as an abdication of environmental compliance and responsibility. Further, this recommendation does not exempt project sponsors from the foundational principles of NEPA, including meaningful community participation, particularly participation by low-income and minority communities, in the project development process to adequately consider the impacts of the project on communities and the environment.

POLICY RECOMMENDATIONS

RECOMMENDATION 27: PRE-DEVELOPMENT FUNDS

PROBLEM:

The project development process requires upfront costs to advance projects to the shovel-ready sage. This required human and financial capital can often be a burden for smaller cities to advance infrastructure projects that can help to advance social and economic goals.

RECOMMENDATION:

Municipalities of all sizes often face the challenge of progressing important "shovel-worthy" projects to the construction stage, which is particularly challenging under current economic circumstances. Municipalities must develop a project design and conduct intensive studies, which can easily cost millions of dollars, before a project can be considered ready for construction. A lack of both human and financial capital impedes smaller jurisdictions from developing the key infrastructure projects necessary to benefit their communities. Additionally, these capacity constraints paired with the resource-intensive process of applying for federal grants pose a significant barrier to entry for smaller jurisdictions to access federal funds. The current crisis will make smaller jurisdictions further resource constrained without the capacity to apply for federal funding.

To encourage and support municipalities to develop and execute infrastructure projects, the federal government should 1) Create a pre-development fund targeted toward small and medium-sized cities to provide needed capital for the planning phase, and 2) Provide technical assistance and access to consultants and advisor support to small- and medium-sized jurisdictions. The pre-development fund will help advance shovel-worthy projects that have been identified by local decision-makers as being able to provide a needed community benefit, such as electric vehicle (EV) charging and other climate and sustainability projects. Such projects help municipalities recover and build back even stronger from this crisis through future-proof infrastructure that will improve public health and create jobs in decades to come. Further, providing technical assistance and access to consultants and advisor support on the completion of applications and federal requirements would help level the playing field to make funding available to projects in cities of all sizes.

> "Although TIGER was great for bigger cities, it wasn't so much for mid-sized cities because we simply couldn't compete."
>
> **Mayor Nan Whaley, Dayton, OH**



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This document is not a summary nor consensus statement of NPI's proceedings. The discussions with local elected and appointed leaders were exploratory and wide-ranging, and this document identifies common issues and areas of concern, as well as broad themes and specific proposals that emerged.