

ACCELERATOR FOR AMERICA

COMMUNITY SERVING INFRASTRUCTURE:

A PLAYBOOK FOR A NEW INFRASTRUCTURE PARTNERSHIP



ACCELERATOR FOR AMERICA

NPI PLAYBOOK TOC

FORWARD

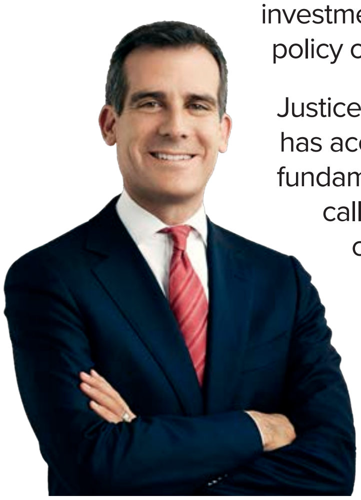
Our country is hurting. Systemic racial inequality is now, rightfully, at the forefront of our collective attention. This is in addition to COVID-19, which has caused a dual public health and economic crisis that disproportionately impacts the Black community. America's mayors see this up-close. As the government looks to make long-term investments and changes to confront systemic inequality and promote sustainable economic recovery, this effort recognizes that our nation's physical infrastructure is not only relevant, but essential.

Great challenges lie ahead of us. Nearly 40 million Americans are out of work. Recovery, which will be slow and painful, is made more difficult because of the unequal recovery from the Great Recession. We also have an obligation to build a better America in which each of us belongs, not just a return to the way of life pre-crisis. A bright spot and pathway to that future is found within our nation's local leaders.

The **New Partnership on Infrastructure** seeks to advance national policies driven by local innovation, with cities serving as testbeds for experimentation and transferable solutions. This document champions that idea. It is a summation of local practices and insights from across the country; cities large and small, red and blue, coastal and inland, that aggregate into America's New Playbook for Infrastructure. These practices and insights were provided by mayors and supported by national and local policy experts, who recognize the role infrastructure investment can and should play in not only recovering from the current crises but building that future that is far better than the pre-COVID status quo. Due to the fact that our interviews with mayors have all occurred since March, this Playbook is uniquely informed and relevant.

Each $1 billion of investment in infrastructure creates more than 22,000 jobs that can provide long-lasting careers for those who have been most impacted by our nation's concurrent crises. To maximize the benefits to families and communities, we must realign our infrastructure systems and move toward a system that incentivizes an equitable, locally driven, and federally supported investment. By empowering local governments — which are most attuned to local needs and priorities and often bring local funding to the table— with more autonomy, infrastructure investments can be developed alongside national policy objectives.

Justice for all is only possible when every American has access to economic security. This concept is the fundamental principle behind this Playbook and its call for infrastructure investment as an essential component of our nation's recovery policy.



Eric Garcetti
Mayor of Los Angeles, CA

Mayor Steve Adler
Austin, TX

Mayor David Holt
Oklahoma City, OK

Mayor Andy Berke
Chattanooga, TN

Mayor Tim Keller
Albuquerque, NM

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

Mayor Debbie Kling
Nampa, ID

Mayor Paige Cognetti
Scranton, PA

Mayor Quinton Lucas
Kansas City, MO

Mayor Kate Gallego
Phoenix, AZ

Clerk Anna Valencia
Chicago, IL

Mayor Quentin Hart
Waterloo, IA

Mayor Nan Whaley
Dayton, OH

WHAT IS OUR OPPORTUNITY?
TO REIMAGINE OUR SHARED FUTURE

The New Playbook on Infrastructure consists of recommendations that realign the local-federal partnership to fit federal structures to local needs. It aims to shape a conversation around federalism in infrastructure and prompt a new future of local-federal partnership to achieve meaningful investments in our nation's infrastructure that improve people's economic security and communities' quality of life.

The New Partnership on Infrastructure began with "problem-finding." By listening to local elected and appointed officials across the country, the Partnership identified the most pressing challenges within the current infrastructure system. In short, this process started with empathy. During the pandemic, the Partnership heard stories of inclusive workforce development and innovative hiring practices as well as the need for increased funding for social infrastructure, and a call for transformational investment in broadband and high-speed internet. With conversations ranging from Phoenix to Waterloo and Oklahoma City to Scranton, the Partnership found commonalities across geography and across party—challenges that are practical, not ideological, and solutions that are made for the "front lines," rather than the headlines.

From distinctly local challenges, challenges that hit our communities hardest, and challenges that impact Americans everywhere, the Partnership crafted thoughtful, granular, and highly operational policy recommendations fit for purpose in our current environment. This isn't a general ask for funding, and it isn't policy written by the beltway, for the beltway. Rather, it's policy written by, and for, local communities across the country. These are the infrastructure solutions America's local leaders are asking for most. This Playbook elevates local challenges and local innovation to the federal level to ensure more equitable, climate friendly, and sustained economy recovery and growth.

We need to recognize and build on the **community-serving infrastructure** decisions made at the local level.

In some ways, this gets us back to basics. Historically, choices were made at the local level, and these local choices were supported by the federal government. Our national highway system initially connected city pairs, which then aggregated into the national system. In other ways, this blazes a path forward. This Playbook was "drawn up" within the context of our current environment, amidst economic impacts of the coronavirus and a heightened attention to systemic racial inequality, with a clear need for a new way forward.

Our current system increases federal requirements that distort local priorities and limit local choices, holding back our communities from achieving needed progress. This erosion of local decision-making is happening at the same time local governments are shouldering an increasing share of the infrastructure funding burden. Accelerator for America, through its New Partnership on Infrastructure, has highlighted this shift in infrastructure decision-making and the profound effect it has had on the efforts of cities to shape their individual futures and recommend policy alternatives.

We know our current crises cut deep and will lead to lasting change. This change must be shaped by local communities-those 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.

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MAXIMIZE INVESTMENT FOR JOB & SMALL BUSINESS GROWTH

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MAXIMIZE INVESTMENT FOR JOB & SMALL BUSINESS GROWTH

SUMMARY

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. To accelerate the economic recovery, the New Partnership on Infrastructure (NPI) recommends that Congress: **1) Establish a national training center for workforce development and apprenticeship programs for infrastructure. 2) Declare in economic stimulus bills that federal competition rules do not prohibit innovative job creation incentives such as the U.S. Employment Plan (USEP) and local hire in procurements for all infrastructure projects. 3) Incentivize state and local agencies to hire growing small and medium sized businesses. 4) Create and expand federal grant incentives that drive innovation and put people to work.** These policy recommendations, will enable local innovation to thrive, and if adopted will:

- »Foster economic recovery from the pandemic and strengthen local economies overall.
- »Prepare America's workforce for the future through training and skills development programs.
- »Create good infrastructure jobs in communities across the country.
- »Advance the growth of small and minority-owned businesses historically underserved and that have been battered by the current economic crisis.
- »Reduce social, economic, racial, and gender inequality.

THE PROBLEM

Local officials across the country are contending with how to build a sustained recovery that includes the entire community, including how to get residents back to work into well-paying jobs. Mayors and local infrastructure sector leaders have expressed the need to 1) Create good jobs. 2) Prepare their workforce for future job opportunities by providing them with needed training for skills development. 3) Support the advancement of local small, and minority- and women-owned businesses in their communities.

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

Mayor Quentin Hart
Waterloo, Iowa

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POLICY RECOMMENDATIONS

RECOMMENDATION #1:

Establish a national training center for workforce development and apprenticeship programs for infrastructure.

Outcome(s): Cultivate a skilled labor force, develop a labor pipeline for infrastructure projects.

"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

Cities need federal leadership and meaningful funding for workforce development and apprenticeship programs to prepare workers for stable, well-paying jobs. 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 program is under-funded, issued at irregular intervals, and lacks a clear set of goals. Limited federal training funds should be used to create a national training center for infrastructure, like the National Transit Institute, to set clear national objectives and establish a comprehensive strategy by providing resources, thought leadership, and training standards. Further, a national training center for infrastructure should support programs that will provide minority and low-income communities with quality education and training to excel in emerging industries, like the electric transportation sector, where access to training and education for charging infrastructure engineering, battery manufacturing, and electric vehicle maintenance is limited. Innovative local training models, like Valley Transit Authority's (VTA) bus operator apprenticeship program, have 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.

POLICY RECOMMENDATIONS

RECOMMENDATION #2:

Declare in economic stimulus bills that federal competition rules do not prohibit innovative job creation incentives such as USEP and local hire in procurements for all infrastructure projects.

Outcome(s): Strengthen recovery, create good U.S. jobs, address social, economic, and racial inequality.

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.

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 needed. 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 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. To expedite economic recovery in the most impacted localities, the federal government could encourage local agencies to use local and targeted hire practices and set a national goal that a minimum of 40% of project hours on new contracts be performed by individuals recently unemployed due to the current economic crisis.

POLICY RECOMMENDATIONS

RECOMMENDATION #3:

Incentivize state and local agencies to hire growing small and medium sized businesses.

Outcome(s): Advance the growth of small and minority-owned businesses.

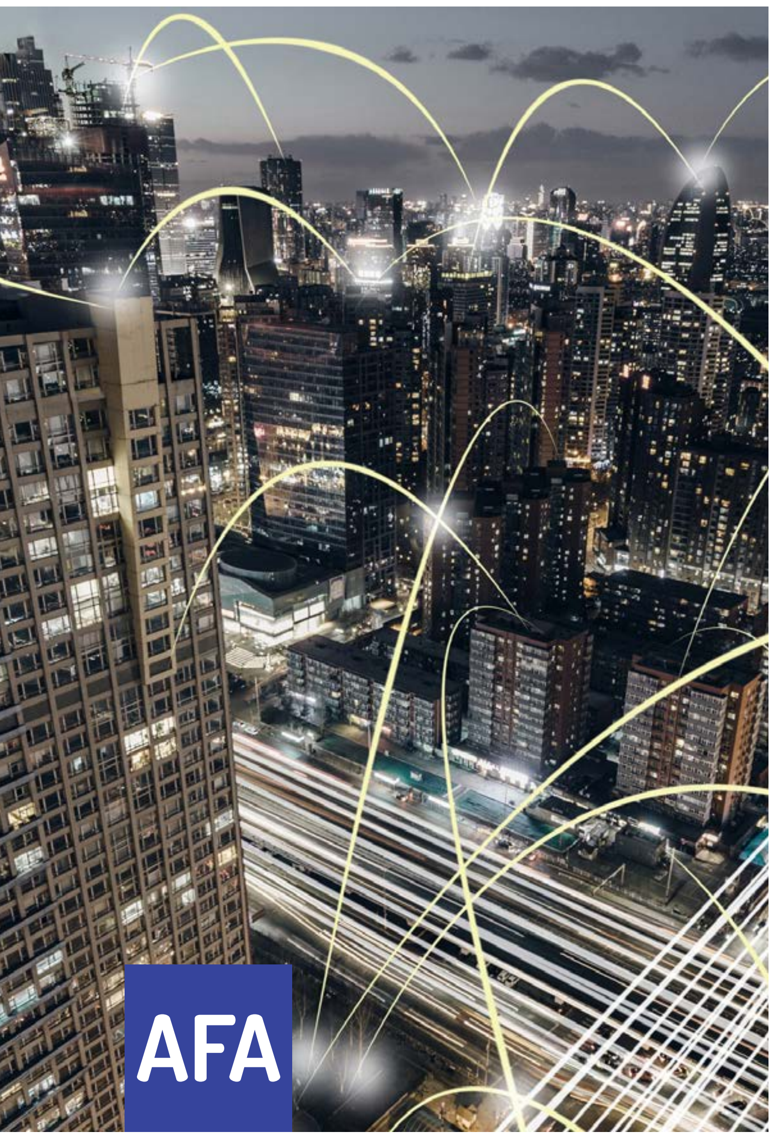
Small and minority-owned businesses need support to grow and remain competitive, especially after the pandemic. Current federal regulations require that agencies receiving federal funds have a disadvantaged business enterprise (DBE) program, which can incentivize small businesses that meet Small Business 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". 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 programs, by 1) Creating a national Medium Business Size Standard to compliment the Small Business Size Standard. 2) 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 #4:

Create and expand federal grant incentives that drive innovation and put people to work.

Outcome(s): Research hubs in cities across the country that drive economic development and help us build back better, create jobs, workforce development and skills training.



Innovation in the United States has a long history of being driven by federal investment in research and development. Cutting-edge technology and scientific advancements that have revolutionized our lives, like the internet, GPS, vaccines and microwaves, are all the result of strategic investments by the government to prepare for the future. A recent study showed that nearly one third of patents in the United States are the result of federal research funding.[1] In recent years, federal funding for research and development has decreased, leading to the decline in the incentives for long term research in areas that are needed for our economic competitiveness. As we recover from this crisis and work to rebuild our communities better and more equitable than they were before, it is critical that we make investments in new technologies and our communities simultaneously. Creating regional research hubs that do cutting-edge work and also include training for workers in developing fields and deployment strategies for how these advancements will work for everyone could have a major impact on local economies across the country. Further, the federal government can and should strategically partner with Historically Black Colleges and Universities and Hispanic-Serving Institutions to develop these training hubs. For example, as we work to electrify the transport sector and struggle with ensuring technologies meet local needs, it would make sense for the Department of Energy to create local research hubs where cities could test various technologies. Local testing of technologies such as batteries and charging stations to determine what performs well in extreme heat and cold would result in major cost reductions in these technologies. Encouraging regional experts to test this technology builds momentum for the technology with local buy in. As the technology advances, these hubs can train workers in this field and catalyze adaptive economic growth in the region.

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EMPOWER LOCALITIES WITH EFFECTIVE TOOLS & PROCESSES

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EMPOWER LOCALITIES WITH EFFECTIVE TOOLS & PROCESSES

SUMMARY

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 they can quickly invest these dollars and get their communities back to work. The NPI recommends that Congress: **1) Require federal stimulus grant applicants to identify project procurement efficiencies and direct executive branch agencies to partner with recipients in re-engineering processes to achieve these efficiencies. 2) Reduce the burden of environmental review processes without compromising environmental stewardship. 3) Provide a federal fast-track process for public-private partnerships. (P3s) and expand the use of subsidized debt. 4) Incentivize voluntary state-local road transfer programs. 5) Clear regulatory hurdles that restrict the ability of cities to install fiber. 6) Empower local jurisdictions to access federal funds for betterments. 7) Establish an outcome-based National Pollutant Discharge Elimination System (NPDES) permitting process by adopting an adaptive management regulatory approach.** These policy recommendations will accelerate project delivery and stimulate local economies. If adopted, they will:

- Reduce project pre-development schedules to advance projects to construction faster.
- Accelerate the environmental approval process for the majority of surface transportation projects.
- Allow local decision-makers to prioritize environmental review of critical projects.
- Support local investments in resilient infrastructure.
- Enable local decision-makers to adopt innovative water quality management practices.
- Provide local government with tools and processes to expedite project delivery, ultimately allowing local, state, and federal dollars to be maximized.

THE PROBLEM

The economic recovery will require large scale public investments to help businesses restart and get Americans back to work. Infrastructure and public works projects can provide the foundation for recovery. While cities and states have an established pipeline of infrastructure projects, local decision-makers nationwide named regulatory requirements as a principal barrier to faster project delivery. Expedited project delivery and environmental protection are not mutually exclusive. In fact, they can be symbiotic. Economic recovery will necessitate the acceleration of infrastructure projects to get Americans back to work and addressing regulatory and procurement inefficiencies will be key to this effort.

"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

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POLICY RECOMMENDATIONS

RECOMMENDATION #5:

Require federal stimulus grant applicants to identify project procurement efficiencies and direct executive branch agencies to partner with recipients in re-engineering processes to achieve these efficiencies.

Outcome(s): Reduce pre-development procurement schedules and accelerate project delivery.

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:

1. Raised the dollar threshold of on-call contractors to double the capacity available to the city;
2. Reduced bid timelines by 50%; and
3. 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.

Public works construction provides local governments with a tool to promote jobs and economic activity, particularly in the context of the current economic downturn. Simplifying and accelerating federal, state, and 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. To promote the adoption of accelerated local procurement processes, NPI recommends that federal agencies like USDOT, which may be dispersing stimulus funding through emergency response grants, require grant applicants to identify ways to make procurement processes more efficient for their respective projects. Simultaneously, they must direct executive branch agencies to provide grant recipients with the technical support necessary to make these local ideas and new processes a reality.

While funded projects shall still be subject to the requirements of U.S. Code,[1] mandating competitive procurements and selection processes will help to encourage procurement innovation. In addition, while varied procurement efficiencies may be identified, NPI strongly urges continued adherence to existing goals and requirements with respect to engagement with historically underutilized businesses. To support local capacity, federal agencies will partner with grant recipients to collaboratively re-engineer procurement processes based on best-practices. Local officials like Mayor Keller in Albuquerque have already begun to lay the groundwork for such innovations and the federal government should encourage similar innovations in cities across the U.S. to quickly get public works projects to construction and Americans back to work.

In addition to encouraging Albuquerque-like local procurement innovation, NPI recognizes local governments are eager to procure large fleets of battery electric buses (BEBs) but lack the tools to do so confidently and meet emission mandates. We recommend that the federal government support and scale cooperative procurement solutions such as the Climate Mayors Electric Vehicle Purchasing Collaborative, to 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.

POLICY RECOMMENDATIONS

RECOMMENDATION #6:

Reduce the burden of environmental review processes without compromising environmental stewardship.

Outcome(s): Accelerate the environmental review process, reduce the pre-development timeline to start construction sooner, and uphold environmental stewardship.

A critical component of recovery is that local decision-makers have opportunities to accelerate regulatory reviews and approvals for infrastructure projects to expedite delivery and get Americans back to work. The federal government should further reduce the burden of environmental analysis for low-impact projects and empower states to conduct accelerated environmental review processes through existing regulatory frameworks, while still upholding essential stewardship responsibilities. USDOT should expand the use of Special Experimental Project Number 15 (SEP-15) for projects funded by stimulus dollars. By leveraging SEP-15, the Secretary of Transportation may 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.[2] While expanding the application of SEP-15 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 deviate from the foundational principles of the National Environmental Policy Act (NEPA), which requires significant community participation in the project development process to adequately consider the impacts of the project on communities and the environment.

POLICY RECOMMENDATIONS

RECOMMENDATION #7:

Provide technical assistance to project sponsors, a federal fast-track process for P3s, and expand the use of subsidized debt.

Outcome(s): Reduced political risk, faster delivery, and higher assurance of completion of P3 projects.

By leveraging private capital, P3 projects present a unique financing opportunity for municipalities to creatively deliver community-serving infrastructure and create local jobs amidst the current economic crisis. However, when pursuing P3 projects, local officials face hurdles that include capacity constraints and uncertainty, political risk and the absence of a standardized process for P3 projects. The federal government can help local officials overcome these challenges by 1) Providing a bench of on-call technical support secured by the Build America Bureau for small under-resourced project sponsors, and 2) Creating an elective fast-track program for local project sponsors using federal financing programs, like the Transportation Infrastructure Finance and Innovation Act (TIFIA), the Railroad Rehabilitation and Improvement Financing (RRIF), and the Water Infrastructure Finance and Innovation Act (WIFIA) credit assistance programs. By providing a bench of on-call technical support, the Build America Bureau would effectively eliminate the procurement process for small and medium-sized cities to access needed technical assistance and target assistance to the project sponsors that require the most capacity support. Local project sponsors who participate in the fast-track program would follow a standardized process and meet certain eligibility criteria. Interested project sponsors would need to demonstrate that the project will provide access to jobs and services in their communities and not adversely impact minority communities. While remaining somewhat flexible to accommodate state-by-state regulatory variances, this federal fast-track program would provide project sponsors with a clear template for the P3 project process, including clearly defined expectations for public input, political approval and involvement, and a guaranteed project timeline. Importantly, this template would include milestones for public input and political approval , shielding the project from political turnover and safeguarding its completion. This elective federal program would ultimately help local projects clear public and political challenges and capacity constraints of P3 infrastructure development to deliver a benefit to the community.

POLICY RECOMMENDATIONS

RECOMMENDATION #8:

Incentivize voluntary state-local road transfer programs.

Outcome(s): Empower local governments to take control over their transportation assets through technical guidance and special funding for "orphan highways."

"Cities and states have to ask themselves who is best positioned to manage a road to make it resilient, sustainable, and function effectively for residents. A readiness scan and criteria for making that coordinated decision is critical."

Lynn Peterson, President
Oregon Metro

The United States has over 4.1 million miles of public roads that account for more than 80% of all personal travel and freight.[3] 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. State governments control about 19% of the roads in their borders nationally, though it can exceed 60% in some states.[4]

Very often, these state-controlled "orphan highways" 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, etc..[5] 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 #9:

Clear regulatory hurdles that restrict the ability of cities to install fiber.

Outcome(s): Increase availability and quality of broadband internet in communities across the U.S.

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.[6] 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.[7]

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,[8] 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.[9,10] Since building out America's fiber network presents a unique opportunity to create jobs that will sustain our next generation economy, 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.[11] The Federal Communications Commission, which supported Chattanooga's efforts, has a range of programs to expand broadband connectivity. 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.

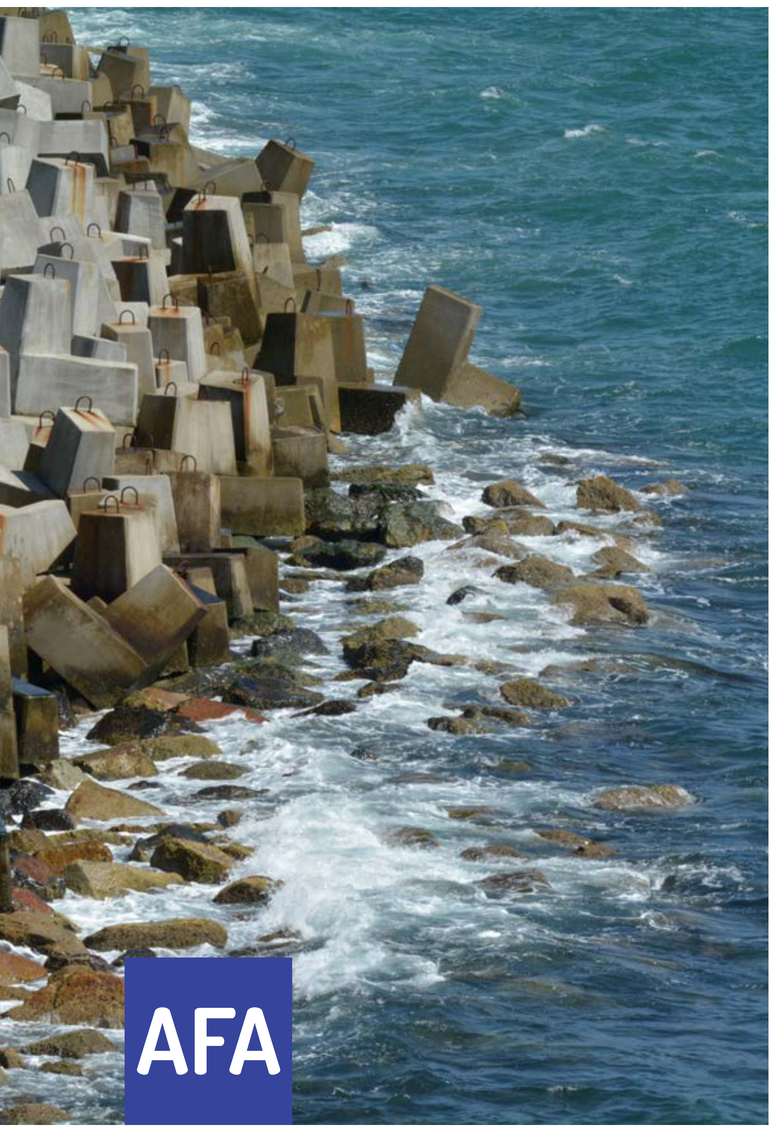
AFA

POLICY RECOMMENDATIONS

RECOMMENDATION #10:

Empower local jurisdictions to access federal emergency relief funds for betterments.

Outcome(s): Fortify communities with resilient reliable infrastructure and reduce future costs by strengthening infrastructure and using federal funds efficiently.



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.[12] "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, and investments should prioritize infrastructure in minority and low-income communities, when relevant. 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.

POLICY RECOMMENDATIONS

RECOMMENDATION #11:

Establish an outcome-based NPDES permitting process by adopting an adaptive management regulatory approach.

Outcome(s): Provide flexibility to water utilities to comply with permits, encourage cost-effective and collaborate water management solutions.

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 through24 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.[13]
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 National Pollutant Discharge Elimination System (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. 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.

FUNDING AND FINANCING FOR COMMUNITY-SERVING INFRASTRUCTURE

ACCELERATOR FOR AMERICA

FUNDING AND FINANCING FOR COMMUNITY-SERVING INFRASTRUCTURE

SUMMARY

Amidst the current economic crisis caused by the COVID-19 pandemic, cities are contending with significant budget shortfalls due to sharp losses in tax revenue. The continuously evolving extent of the fiscal challenge is being updated regularly by the U.S. Conference of Mayors on the Mayors COVID-19 Fiscal Pain Tracker. This is an unprecedented time, requiring innovative policy solutions for infrastructure planning, funding, construction, and operation. Aligning funding and financing mechanisms to meet local needs for essential infrastructure is critical to kickstart economic recovery.

In order to improve delivery of community serving infrastructure to facilitate economic recovery, the NPI recommends that Congress: 1) Supply long-term operational funding support. 2) Focus recovery dollars first on the State of Good Repair. 3) Provide pre-development funds and technical assistance to support "shovel-worthy" projects. 4) Offer catalytic federal support for state and local bond issuance and re-financings. 5) Increase utilization of federal credit programs through refinancing, 6) Expand the scope of federal discretionary grant programs. 7) Increase direct regional funding. These policy recommendations will enable communities to develop essential infrastructure, and if adopted will:

» Support economic growth both locally and nationally.
» Increase federal funding to underserved jurisdictions.
» Provide much needed support for municipalities to recover from the current crisis.

THE PROBLEM

Increasingly, rigid federal requirements have created the need to "bend" local priorities to fit available federal funding buckets, and other federal strictures have distorted local priorities and limited local choices. This is acutely felt in crises, when state and local authorities have immediate infrastructure needs that they cannot meet due to constricted budgets and lack of resources. Communities are in need, having to meet an unprecedented funding gap to sustain current operations and prepare their communities for 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

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POLICY RECOMMENDATIONS

RECOMMENDATION #12:

Provide long-term operational funding support through stimulus dollars and by reintroducing a federal revenue-sharing program.

Outcome(s): Preserve essential local services and maintain an infrastructure backbone that keeps cities moving, support and sustain mobility for essential front-line service workers.

After the 2008/2009 economic crisis, local government agencies across the country were forced to make deep cuts in operational funding and services. Some agencies are just now back on their feet. In response to the last financial crisis, MARTA cut almost half of its bus service and spent nearly a decade returning operations to full service.[1] This crisis could prompt similar cuts and impacts, leading to poorer services and communities less well served at their time of greatest need, with mobility especially threatened for essential front-line service workers who rely on transit. Infrastructure-focused stimulus funding is a clear opportunity to address this crisis in transportation. Amidst sharp reductions in consumer spending because of the pandemic, local and state governments are experiencing major declines in sales tax revenue, resulting in heavily constricted budgets. Providing one-time stimulus dollars to local authorities is not a long-term sustainable solution to support localities through this crisis. In response to the current funding gap and continued funding uncertainty among cities, the federal government should reintroduce a revenue-sharing program, which previously existed from 1972 to 1986. This would allow local governments to receive a portion of federal tax revenues to use for operational purposes. The previous revenue-sharing program provided direct federal aid to cities and towns, enabling local officials and communities via public hearings to determine how best to spend those dollars. Implementing such a program today would provide local authorities with a portion of the financial foundation required to support their infrastructure on an ongoing basis. As a result, cities would be able to provide mobility services for the populations that rely on transit in a more sustainable way. Supplying these services for our communities cannot be contingent on collection of fare revenue. While the one-time operational funding passed in the recent CARES Act has provided a needed short-term infusion of operational funding for transit systems and airports, additional funding is needed, and ongoing investment through a revenue-sharing program is necessary to support systems that will face years of declining operational revenues.

POLICY RECOMMENDATIONS

RECOMMENDATION #13:

Focus recovery dollars first on the State of Good Repair.

Outcome(s): Preserve and rehabilitate community infrastructure to a state of good repair, improve infrastructure in traditionally under-invested communities.

> "Especially during this time, rehabilitation projects are expensive. It's awful to always feel like you're scraping by. Federal support would help us from draining our own resources so we could focus on actually getting the projects done."
>
> **Mayor Paige Cognetti**
> Scranton, PA

Increased capital funding should be allocated to rehabilitating or maintaining current infrastructure in a state of good repair. Rehabilitating and maintaining existing assets in a state of good repair is sound fiscal policy, a more affordable and speedier approach to positively impact communities, and a necessary precursor for new infrastructure investments. This will allow for the greatest positive impact for communities in the shortest amount of time, while reducing the maintenance backlog burden for local governments. Additionally, while authorities receive federal funding to deliver new infrastructure projects, they often lack the sufficient funds to manage the maintenance of the assets, leading to large maintenance backlogs and poor asset management practices. Further, state of good repair dollars should be targeted toward communities that have been underinvested in and where infrastructure is most in need of maintenance. For the long-term health of our infrastructure system and the prosperity of our communities, we should devote the first dollars to the state of good repair.

AFA

POLICY RECOMMENDATIONS

RECOMMENDATION #14:

Provide pre-development funds and technical assistance to support "shovel-worthy" projects.

Outcome(s): Enable municipalities to progress and execute essential projects, more funds and technical capacity to support delivery of essential infrastructure projects in small and medium sized cities.

"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

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. 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.

POLICY RECOMMENDATIONS

RECOMMENDATION #15:

Provide catalytic federal support for state and local bond issuance and re-financings.

Outcome(s): Allow municipalities to raise capital for infrastructure projects amidst market uncertainty.

The COVID-19 crisis has created great 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 within the past few months, despite the fact that the market is improving. 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, especially for smaller and medium-sized communities who lack sophisticated financing capacity. At the same time, to drive long-term economic recovery, a new class of securities, based on known best practices and experience, is necessary to provide support for municipalities to raise much needed capital to advance their projects, and increase stability in the securities market and promote economic growth.

AFA

POLICY RECOMMENDATIONS

RECOMMENDATION #16:

Increase utilization of federal credit programs through refinancing.

Outcome(s): Quickly generate billions of dollars of low-interest loans for infrastructure.

Cities and local infrastructure agencies need 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. USDOT's 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 credit worthiness 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 #17:

Expand the scope of and refine federal discretionary grant programs.

Outcome(s): Federal funds will be allocated to a variety of infrastructure projects based on local need, allowing municipalities the flexibility to deliver projects that will provide the greatest benefit to their community.

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. Congress created programs like the Better Utilizing Investments to Leverage Development (BUILD), Infrastructure for Rebuilding America (INFRA), and the Community Development Block Grant (CDBG) 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, many communities must rely on local innovative funding sources to support important community infrastructure investments. Mayor Holt of Oklahoma City led the passage of MAPS 4, 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. These types of projects serve as essential social infrastructure for communities but are often only possible for cities that have the resources and tax base to pay for them with local dollars. Particularly in times of crises, these community-serving projects could further benefit from federal leadership to ensure that all cities have the needed support and resources to successfully develop and execute innovative programs or projects. Along with expanding eligibility for infrastructure projects, the federal government can include racial inequality as an optional merit criterion, requesting that applicants demonstrate how the project will support Black and Brown communities. A refining by federal grant agencies of their funding eligibility criteria for major grants and providing monetary support to local government programs and essential social infrastructure would allow agencies to deliver the exact projects that would best serve their communities.

POLICY RECOMMENDATIONS

RECOMMENDATION #18:

Increase direct regional funding.

Outcome(s): More efficient delivery of funds and increased local decision-making results in projects that make sense for the communities served.

"Finding the money for ongoing flood control and emergency management is the real challenge. Project-based funding is tremendously helpful, but cities need to be able to maintain the infrastructure and services."

Mayor Paige Cognetti
Scranton, PA

Providing more infrastructure funding directly to regions via MPOs ensures investments are vetted in a way that reflects local priorities but also allows for strategic investments that serve communities as a whole. The Surface Transportation Block Grant Program uses this approach as federal funds are provided to MPOs and distributed on a regional basis after local officials evaluate a variety of factors, including local benefits, quality of life, economic development, and return on investment. Increasing funding for this program and creating similar infrastructure programs with broader eligibility criteria could have lasting regional benefits. When smaller and midsize cities look to make capital improvements, the projects benefit from a coordinated approach. For example, water pipes that do not end at the city limits and bridges frequently connect two or more communities. Understanding this reality and distributing funds directly to regions who can help prioritize and oversee this coordination aligns with expanding the Local Empowerment for Acceleration Project (LEAP) pilot program that tested providing local governments with direct federal funding in order to distribute federal funding more efficiently.

MAKE TRANSFORMATIVE INVESTMENTS FOR A MORE RESILIENT FUTURE

ACCELERATOR FOR AMERICA

MAKE TRANSFORMATIVE INVESTMENTS FOR A MORE RESILIENT FUTURE

SUMMARY

Local decision-makers across the U.S. have expressed the need to ensure that the COVID-19 crisis does not sideline their progress toward improvements to the quality of life of their residents through community-serving infrastructure. In fact, the current crisis presents an opportunity to build back better and underscores the need to invest in resilience across all types of infrastructure, to advance technologies and programs that will improve social equality, public health, and environmental quality, and to make institutional reforms that improve the local-state-federal alignment.

To sustain progress toward local officials' visions of the future, the NPI recommends that Congress: **1) Establish an infrastructure planning council at the federal level to coordinate the many agency policies, regulations, and funding programs. 2) Increase funding and eligibility for already successful federal broadband programs. 3) Support the proactive development of resilient and sustainable infrastructure projects with accelerated depreciation. 4) Expand federal tax incentives and funding for electric vehicle purchases. 5) Establish a list of pre-approved federal variance activities and expand applicability of previously approved variances. 6) Increase the WIFIA financing program's administrative and financial capacity. 7) Establish national complete streets design principles. 8) Expand installation of electric vehicle charging infrastructure.** These policy recommendations will establish a foundation for a more equal and more innovative future, and if adopted will:

- Provide widespread access to necessary infrastructure, like broadband.
- Provide tools to develop climate-resilient infrastructure.
- Improve public health and environmental quality by electrifying our transportation infrastructure.
- Create clean jobs.
- Improve access to safe drinking water.
- Create safer streets for pedestrians and cyclists.
- Create more equitable cities by investing in underserved communities.

THE PROBLEM

Resilience is defined as a community or infrastructure asset's ability to withstand and rebound from an event, setback, or challenge. Resilience has emerged as a key priority for local decision-makers across the country amidst the pandemics. Local decision-makers have expressed concern for their communities to rebound from this crisis, but also the need to ensure that they are well prepared for and are able to limit the health, economic, and social impacts of future challenges. Further, local officials must continue to advance and improve the quality of life of their residents through modernized community-serving infrastructure.

"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

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POLICY RECOMMENDATIONS

Improve Coordination Across Infrastructure Types

RECOMMENDATION #19:

Establish an infrastructure planning council at the federal level to coordinate the many agency policies, regulations, and funding programs.

Outcome(s): De-silo infrastructure policy to make smarter investments in the diverse, but equally vital range of needs imposed by state and local governments.

As other parts of the Playbook have demonstrated, there are numerous federal agencies, regulations, and funding programs designed to improve the country's infrastructure. On broadband alone, there are at least 57 federal programs across 14 federal agencies that spend billions of dollars every year. Other critical transportation, energy, water, and social infrastructure receive support from one or more federal agencies. 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. There is currently limited coordination across these agencies or even among different programs, within a single agency. For example, to launch a successful autonomous electric vehicle pilot program in one city requires not only investments in the road network, but broadband connectivity, power facilities, and perhaps even long-term land use and housing decisions that facilitate sufficient density and access. A federal coordinating body on infrastructure policy, at a sufficiently high level to command authority either in the White House or as a presidential sub-cabinet on infrastructure, would help ensure agencies make smart decisions on new policies, regulations, and funding programs in close collaboration to ensure a holistic functioning system. 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. Although this type of coordination currently happens informally, it would be more effective with a formal venue and process for collaboration. It should also include 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 disadvantaged populations. This could ultimately result in centrally-coordinated infrastructure programs that span all sectors to achieve better outcomes and economies of scale.

RECOMMENDATION #20:

Increase funding and eligibility for already successful federal broadband programs.

Outcome(s): Accelerate deployment of broadband networks in those areas to continue vital education, health, and economic development functions.

Between the millions of people relying on telemedicine and working and studying remotely, the response to COVID-19 has heightened the already significant need for increased access to fast, reliable broadband internet. The United States ranks 20th in the world for internet speeds and 14% of the households where K-12 students are learning remotely during the pandemic lack access to wired-broadband. This is felt particularly by minority populations, a third of which do not have access to computers or broadband in their homes.[1] To help close the already significant "Digital Divide", the federal government should quickly boost its most successful programs to expand internet connectivity. The E-Rate program is managed by the Universal Service Administrative Company (USAC) on behalf of the Federal Communications Commission (FCC) to support fiber deployment to community anchor institutions like schools and libraries. E-Rate, which currently limits eligible projects to wired connections and WiFi equipment, should be expanded to allow funding for mobile hotspots so students at all levels can work from home. Similarly, the Lifeline program, which provides phone and internet service to low-income households during times of need and disaster, must also update its guidelines to benefit this particularly challenging time. For example, individuals usually confirm eligibility for Lifeline via their registration through SNAP nutrition and other federal programs. These eligibility certifications should be simplified, especially as millions of Americans become unemployed and lose eligibility for other programs tied to Lifeline. In addition, the Lifeline program hasn't been updated to allow qualified households to obtain fixed broadband and mobile service, both of which are vital to function effectively in modern life. These are quick improvements to existing, successful programs that will expand Americans' access in the short-term so they can apply for jobs and unemployment benefits, work and study remotely, and receive virtual medical care. To prepare for the next crisis and the next generation economy, however, this must be paired with long-term investments in a more robust broadband network through a range of delivery models and technologies.

RECOMMENDATION #21:

Support the proactive development of resilient and sustainable infrastructure projects with accelerated depreciation.

Outcome(s): Financial feasibility for resilient and sustainable infrastructure projects, long-term community and environmental benefits.

One challenge of financing resilient and sustainable infrastructure is that projects like green stormwater innovations to reduce flood risk or renewable energy installations such as micro-grids, solar installations, and wind farms, require hefty up-front capital costs. Over time, however, these projects generate cost-savings and provide societal and environmental benefits, such as reduced energy and resource use, improved environmental quality, and diminished greenhouse gas emissions to curb the impacts of climate change. For example, the Metropolitan Water Reclamation District of Greater Chicago has begun work on the McCook Reservoir, which will have a storage capacity of 10 billion gallons of water and is estimated to provide $114 million annually in flood reduction benefits to Chicago residents.[2] To support local proactive development and delivery of these projects to provide longer-term benefits to local communities, the federal government can reduce the financial burden of these investments by allowing accelerated depreciation for resilient and sustainable infrastructure projects. Typically, an owner of a physical asset can offset some of the tax burden of that investment by accounting for the depreciation of that asset over the course of its expected life. Accelerated depreciation allows developers to account for more of this depreciation expense earlier in the asset's life, making it more financially feasible and attractive and encouraging the use of public-private partnerships where appropriate. In the long-term, scaling resilient and sustainable infrastructure projects can directly decrease operating costs while reducing the financial burden of an increasingly greater amount of costly disasters exacerbated by climate change. Resilient and sustainable investments will also help offset the costs of environmental degradation, which is estimated to cost the U.S. economy roughly $240 billion per year.[3] Particularly under the financial constraints of the moment, accelerated depreciation would incentivize these investments and make them more attractive to private investors to help cities build back smarter, cleaner, and more resilient. Further, when compared with traditional energy sector spending, investing in clean energy technologies can generate considerably more jobs due to its labor-intensive nature.[4]

POLICY RECOMMENDATIONS

Accelerate the Development of Resilient and Sustainable Infrastructure

RECOMMENDATION #22:

Expand federal tax incentives and funding for electric vehicle purchases.

Outcome(s): Continue to incentivize production and purchasing of EVs, support sales of U.S.-based vehicle manufacturers, support local transitions to zero emission fleets.

To reduce localized air pollution and greenhouse gas emissions, cities across the U.S. must support and create an entire ecosystem for electrification of transportation, including private vehicles, buses, and trucks. To continue incentivizing the purchase of electric vehicles, the federal government should increase the value of and extend existing EV tax credits and create new incentives for car owners to trade in their standard combustion-engine cars for EVs. The federal government should increase the current individual EV tax credit to $10,000[5] for vehicles priced at $60,000 or less and allow it to extend through 2023, as opposed to the existing cap of the first 200,000 vehicles sold per manufacturer. Further, the federal government should introduce a new monetary incentive for drivers by offering a $10,000 rebate to car owners who trade in gas-powered cars for EVs.

Simultaneously, transportation agencies and school districts need financial support to continue to meet their long-term goals to electrify bus fleets and reduce the burden of poor air quality on low-income and minority communities. LA Metro has committed to fully transitioning its bus fleet to zero emission technologies by 2030. Increasing available federal funding through the Low-No program for transit agencies and school systems will alleviate the burden of the upfront capital costs of these purchases in the current economic context. Further, directing funding through DERA to phase-out diesel trucking fleets can drastically accelerate the transition to electric freight and reduce particulate air pollution in communities that are proximate to highway freight corridors. These investments would serve to, and should specifically be directed to, improve air quality in underinvested minority communities that are disproportionately impacted by poor air quality.

RECOMMENDATION #23:

Establish a list of pre-approved federal variance activities and expand applicability of previously approved variances.

Outcome(s): Accelerate lead abatement in potable water distribution systems and achieve nationwide access to safe drinking water.

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,[6] and the vast majority of the child population with blood samples that exceed lead toxicity levels are from Hispanic or African-American[7] origins. 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 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 EPA should develop a list of activities that are in effect pre-approved for cities and states to adopt to pursue lead abatement activities, eliminating the need to apply for a variance and thus minimizing 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 to improve water infrastructure at a faster rate and provide safe drinking water to their communities.

POLICY RECOMMENDATIONS

Improve Water, Wastewater, and Stormwater Infrastructure

RECOMMENDATION #24:

Increase WIFIA's administrative and financial capacity.

Outcome(s): Accelerated U.S. water infrastructure repair and improvement.

Funding and financing U.S. water infrastructure improvements remains a high priority challenge. The Environmental Protection Agency (EPA) estimates $744 billion in capital costs are required over 20-years to meet Clean Water Act (CWA) and Safe Drinking Water Act (SDWA)[8] 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 interesting 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 increase 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 would 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.

RECOMMENDATION #25:

Establish national complete streets design principles.

Outcome(s): More access for pedestrians, cyclists, and emerging mobility users, increased pedestrian safety.

The COVID-19 crisis has restricted mobility across the country and the absence of regular commutes and movement around urban and rural areas alike has drawn 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 in communities. 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, and emerging mobility users, and how the right-of-way can be used to meet the city's social and economic goals. The City of South Bend's Smarter Streets Ahead Program transformed the city's downtown by turning one-way roads into two-way thoroughfares, narrowing roadways to slow the speed of traffic, widening sidewalks, and introducing roundabouts. The program helped to transform both the experience for users—drivers, cyclists, pedestrians—and the economic and social landscape of the city, which in turn attracted more than $90 million in economic investment.[9] The federal government should coalesce the vast knowledge that local officials have in implementing innovative complete street programs and create a set of complete streets design principles that incorporate elements that address racial equity and future climatic conditions, like the urban heat island effect and stronger storms. It is important that cities adopt forward-looking design standards and it is especially crucial that these standards are applied in minority and low-income communities where residents are often disproportionately impacted by climate-related impacts. A set of complete street design principles, which will not be made obligatory for cities to follow, will support nationwide knowledge sharing, best practices, and support local officials to make streets safer, friendlier, and ultimately bolster economic revitalization and alleviate racial inequality.[10]

RECOMMENDATION #26:

Expand installation of electric vehicle charging infrastructure.

Outcome(s): Improved availability of charging infrastructure across state lines.

Stemming from the 1956 law creating the interstate national highway system (NHS), FHWA rules prohibit economic activity at rest stops on the NHS, which has been interpreted to include the selling of electricity via EV charging stations.[11] The rules have hampered the ability of states and cities to install charging infrastructure along stretches of the NHS in their communities, contributed to consumer range-anxiety, and seeded doubt that the EV 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. Cities like Los Angeles have made it clear that 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 signal to local officials and consumers that there is a prosperous national future for EVs by eliminating the prohibition on commercialization, allowing cities and states to install static and dynamic charging infrastructure on the NHS. This will open the door for the broad electrification of the transportation network and may be a big stepping stone toward refining the technology for and deploying electric freight vehicles to both decarbonize the nation's transportation system and correct for historic environmental justice concerns in economically disadvantaged and minority communities that often live in areas most affected by traffic-based pollution.[12]

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**This brief 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 brief identifies common issues and areas of concern, as well as broad themes and specific proposals that emerged. Partners and sponsoring organizations do not necessarily formally endorse each recommendation; however, support the broad themes of which this Playbook ascribes to.*



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