

Key Federal Issues for Local Governments

Sustainable Strategies DC (S²) has launched a project to track and shape the transition to a Biden/Harris Administration and 117th Congress in support of community revitalization, resilience, and recovery. The S² team has worked with its clients and local government allies to create specific recommendations on federal policies, resources, and Executive and congressional actions in the four following key areas:



ECONOMIC RECOVERY – As America digs out of the COVID-induced recession in 2021, it is critical that Congress boost and improve federal programs that are building blocks for local economic revitalization:

- **Boost, broaden, and expedite the review of [EDA grants](#) (\$500 million annually):** The Economic Development Administration’s (EDA) grant programs, which are targeted to Census tracts and regions with economic distress, areas impacted by company closures, energy sector disruptions or major disasters, and federal Opportunity Zones, provide matching funding for public infrastructure, workforce development, entrepreneurship, and economic development projects to leverage private sector investment and create jobs. Between FY2012-FY2018, EDA invested over \$1.9 billion in 4,710 economic development projects, leveraging \$15 in private investment plus 1-to-1 local match for every dollar in EDA funding. A look at 11 years of investments shows that EDA-supported projects generated over 622,000 jobs and \$35 billion in wages and salaries. EDA is funded at approximately \$320 million per year, and Congress provided an additional \$1.5 billion to EDA in the CARES Act to support economic development projects to respond to the COVID downturn. These resources are highly oversubscribed, forcing the EDA to turn down many meritorious projects. As the nation seeks to rebuild from the COVID crisis and support business investment and innovation, Congress should increase annual grant funding to EDA. EDA should also consider new sectors such as tourism, outdoor recreation, and health as additional program priorities and expedite the processing of grant applications to be more reactive to critical funding needs.
- **Increase funding for [EPA Brownfields grants](#) (\$250 million annually):** The U.S. Environmental Protection Agency’s (EPA) Brownfield & Land Revitalization program has been a bipartisan success for 25+ years, created by President Bill Clinton, authorized with the signature of President George W. Bush, and improved through the BUILD Act enacted by Congress and signed by President Donald Trump in 2017. This EPA program provides grants to support environmental investigations, cleanup, reuse planning, and workforce development to revitalize closed factories, abandoned gas stations, and other contaminated sites. The program has helped create 171,000 jobs, leveraged \$34 billion in investment, cleaned up 2,114 properties, and helped make 132,000+ acres ready for reuse. EPA provides approximately \$80 million annually in brownfield grants, but many highly-ranked applications do not receive funding. Congress should fund the EPA brownfield program at its 2017 authorized level of \$250 million annually, and focus on economic recovery, resiliency, renewable energy, and greenspace.
- **Reinstate congressionally-directed earmarks:** From the birth of the American republic, earmarks have provided critical funding to cities and counties in the areas of infrastructure, economic development, environmental protection, and public safety. This process enabled Members of Congress, with unique knowledge of their districts, to provide critical federal support directly to worthy community projects. Local governments welcome the return of earmarks in the 117th Congress, directed in an open and transparent fashion.

LOCAL CLIMATE ACTION – Local governments are essential to efforts to mitigate climate impacts. Municipalities need resources for key local roles in deploying clean vehicle fleets and infrastructure, promoting green and energy efficient buildings, fostering community-scale renewables, preparing for climate and disaster impacts, and designing walkable, smart growth communities that can reduce urban sprawl. The federal government should reinvigorate and expand funding for programs including:

- **Renew the EPA Climate Showcase Communities program (\$25 million annually):** Launched by Congress and the EPA in 2010, this innovative initiative previously awarded funding to 50 localities across the United States to pilot actions in residential and commercial energy efficiency, renewable energy, waste management, sustainable transportation, and smart land use that reduced energy use and saved money. An analysis of the program determined that the \$20 million in total federal investment is helping the Climate Showcase Communities generate \$28 million in economic savings per year. Additional federal resources are critical to help cities and counties reach the next level in deployment of innovative climate solutions. A restored EPA Climate Showcase Communities program could provide grants of up to \$500,000 to model innovative, cost-effective, and replicable community-based greenhouse gas reduction projects. These resources are critical to helping local governments launch climate efforts that reduce costs, create green jobs, and leverage private capital.
- **Expand funding to the EPA Office of Community Revitalization (\$25 million annually):** EPA has provided localities with targeted technical assistance in the areas of green building, mobility, equitable development, flood resilience, food security, outdoor recreation, and other smart growth topics through its Building Blocks for Sustainable Communities program. EPA/Congress should strengthen the Building Blocks program by providing direct grants to localities of up to \$500,000 to implement specific strategies identified through the technical and planning assistance. This financial support will enable cities and counties to protect the environment, improve health, and strengthen their economies.
- **Restore and reinvigorate the DOE Energy Efficiency & Conservation Block Grant program (\$3.5 billion annually):** Introduced in 2009 to support recovery efforts following the Great Recession, the U.S. Department of Energy's (DOE) Energy Efficiency and Conservation Block Grant (EECBG) program provided funding to local governments, states, U.S. territories, and Indian tribes to support a wide variety of energy efficiency and renewable energy activities. Oak Ridge National Laboratory determined that this successful one-time national effort created 62,900 jobs, generated \$5.2 billion in lifetime energy cost savings, and avoided 25.7 million metric tons of carbon emissions – all while spurring a new generation of clean energy investments. Faced with another economic crisis, the EECBG program should be resurrected to help America rebuild again. This green stimulus spending will help cities and counties launch a range of initiatives, including energy efficiency building retrofits, financial incentives for energy efficiency, building code support, renewable energy installations, distributed energy technologies, transportation activities, recycling and waste management efforts, and other sustainable actions.

EQUITY & COMMUNITY RESILIENCE – Communities must build their capacity to respond to, withstand, and recover from shocks and stresses such as natural disasters, economic downturns, pandemics, food insecurity, and social unrest. Racial and economic disparities in wealth accumulation result in unequal employment, education, safety, and health outcomes, all of which undermine community resilience. Localities encourage the Biden/Harris Administration and Congress to support key approaches, programs, and incentives to building equity, resilience, and community wealth, including:

- **Establish a new intergovernmental agency “Build Back Planning Grant” program (\$25 million annually).** In 2020, cities and counties across the nation faced unprecedented economic instability, social unrest, public health challenges, and climate impacts, with vulnerable populations bearing the brunt. The year 2021 will mark the start of local efforts to build back. However, COVID-19 and its resulting impacts are likely to have long-term effects on how communities operate. Communities must reconsider key issues for progress such as the relationships between housing, mobility, urban space, digital infrastructure, and public health. Federal agencies must work together to help localities develop forward-looking plans that support their evolution to the “next normal.” Furthermore, planning efforts should ensure that America’s most vulnerable populations (*e.g.*, minorities, working families, low-income households) are central in local recovery strategies. [Community-wealth building](#) approaches must be implemented to produce broadly shared economic prosperity, racial equity, and environmental sustainability. An interagency task force, including the White House Office of Intergovernmental Affairs, EPA, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Transportation (DOT), the U.S. Department of Agriculture (USDA), the U.S. Department of Health and Human Service (HHS), and other federal agencies, should launch a Build Back Planning program, modeled after the successful joint HUD-EPA-DOT “Interagency Partnership for Sustainable Development” launched by the Obama-Biden Administration in 2009, and its [Sustainable Communities Challenge Initiative](#) grant program. The Build Back Planning Grants would provide at least 50 pilot grants of \$500,000 each to align federal resources behind local efforts to chart their post-COVID future and provide opportunities for low-income and minority Americans to build wealth.
- **Create a HUD “ANCHOR Institutions Initiative” (\$25 million annually):** [Anchor institutions](#), including hospitals and healthcare systems, colleges, universities, and cultural institutions, are driving economic development, job creation, and private investments in the struggling communities they serve. Over the past decade, a national ecosystem of professional associations, foundations, networks, and consultants has evolved to develop and implement anchor institution-centered approaches to produce targeted community benefits. With this national network of resources in place, federal investment could play a key role in catalyzing and supporting the power of anchor institutions to create vibrant communities. America’s cities and towns call for the creation of a new Anchoring Neighborhoods, Communities & Housing to Opportunities for Revitalization (ANCHOR) Institutions Initiative at HUD that would provide \$250,000 strategic planning grants to communities to boost economic development and revitalization in neighborhoods through collaboration with key local anchors. These HUD ANCHOR grants would support a local plan and/or pilot program that aligns shared interests and leverages partners’ respective strengths to promote improvement in key impact areas: affordable housing, educational equity, health and wellness, safe and accessible neighborhoods, healthy nutrition, and workforce development.
- **Expand the [DOJ’s Community Relations Services program](#) (\$30 million annually):** The U.S. Department of Justice’s (DOJ) Community Relations Services (CRS) office is the only federal agency dedicated to working with community groups to resolve conflict and prevent hate crimes. DOJ CRS provides facilitation, mediation, training, and consultation services to improve communities’ abilities to problem solve and build capacity. New resources are necessary to rebuild trust between local police departments and the communities they serve. CRS could launch a mini-grant program (up to \$20,000 per community) to support facilitated discussions among police departments, civic groups and institutions, and residents, seeking to foster community policing approaches and address racial injustice concerns.

SUSTAINABLE INFRASTRUCTURE INVESTMENTS – With the serious backlog on American infrastructure investment, expiration of the FAST Act transportation legislation, and the need to boost the nation’s economy and its workers, the time has come in 2021 for a major infrastructure investment providing \$1+ trillion. Among many key priorities for an infrastructure package, Congress and the White House should focus on:

- **Enact national infrastructure legislation:** A comprehensive infrastructure bill must address both transportation needs as well as broader investments in sewer/water/stormwater upgrades, clean energy, smart grids, broadband, waterfront revitalization, and brownfields cleanup. Further, federal legislation and programs should focus on sustainable and resilient infrastructure that can better withstand disasters and weather events, promote green infrastructure for stormwater pollution reductions, and expand clean transportation approaches including clean vehicles/fuels, public transit systems, complete streets, smart cities systems, and sustainable mobility. Localities also support solid and effective Buy American policies for infrastructure projects funded by U.S. taxpayers. The [\\$1.5 trillion “Moving Forward” legislative framework](#) introduced in the House of Representatives in January 2020, and the [\\$1.3 trillion investment in America’s infrastructure](#) proposed by President-elect Biden, serve as solid foundations for legislative consideration in 2021.
- **Boost DOT’s [BUILD grant program](#) (\$4 billion annually):** DOT’s Better Utilizing Investments to Leverage Development (BUILD, formerly TIGER) grant program, currently funded at around \$1 billion annually, is effective yet woefully over-subscribed. BUILD currently provides grants of up to \$25 million for transformative surface transportation infrastructure, and smaller planning grants to get these projects shovel-ready. Since 2009, the BUILD/TIGER program has provided \$9 billion across 11 rounds to 678 projects in large cities, counties, rural communities, and states/territories across the nation. Overall, DOT has received over 9,700 applications requesting more than \$175 billion for critical transportation projects – meaning only one in 20 grants is awarded. Congress should fund the BUILD program at the House-proposed level of \$4 billion to move these critical transportation projects forward.
- **Reestablish the [DOT Transportation, Community & System Preservation grant program](#) (\$1 billion annually):** Last offered in FY2012, DOT’s Transportation, Community & System Preservation (TCSP) grant program provided \$61 million in funding to plan and implement strategies to improve the efficiency of the transportation system, reduce its environmental impacts, reduce the need for costly future public infrastructure investments, ensure efficient access to jobs and services, boost smart growth development patterns, and leverage private investment. As one of the few direct sources of federal transportation funding available to local governments, the TCSP program should be reintroduced to help meet community infrastructure needs.
- **Launch an NPS “Public Square” initiative (\$100 million annually):** As the pandemic has made clear, America needs more places to safely recreate outdoors. COVID-19 helped expose the lack of open space in many places. Moreover, many minorities and low-income households across the United States only have access to smaller, overcrowded public parks. Spending time in green spaces reduces stress and improves physical and psychological well-being for adults and children. Congress and the Administration should launch a new Public Square initiative to provide \$100 million in National Park Service (NPS) grants that are leveraged by local government, philanthropic, and crowdfunding resources, to support the design and construction of public spaces such as parks, recreational areas, community centers, public waterfronts, and public squares.