CCM-101

City of Cambridge

4.

IN CITY COUNCIL

December 21, 1992

COUNCILLOR DUEHAY
COUNCILLOR WOLF

WHEREAS: The National League of Cities recommended an Economic Recovery Plan at is recent meeting in New Orleans; and

WHEREAS: National League of Cities President Don Fraser, Mayor of Minneapolis, has written each City asking for further details concerning how each city would respond to these federal economic initiatives, if enacted; now therefore be it

RESOLVED: That the City Manager be and hereby is requested to develop detailed responses concerning how Cambridge responds to the following elements of the National League of Cities' program:

NLC Economic Recovery Program

1. A supplemental appropriation of $2.5 billion to ensure full funding of the nation's new highway and public transportation laws this fiscal year. An immediate announcement will enable states and local governments to designate the most critical projects, so they will be ready for construction immediately upon enactment, and so that any funds not obligated within six months would revert to the federal Treasury.

Would your city have eligible, ready-to-go projects if the new administration and Congress acted on this proposal immediately? What kinds of eligible projects could provide the quickest new employment: construction or maintenance, for instance? How would any examples you have really provide long term economic benefits? Or are environmental challenges and the federal regulatory requirements under the surface transportation law so cumbersome that, as the Wall Street Journal estimates, it would take over a year before your could actually spend any of this additional money in your community on meaningful, eligible transportation projects?

2. A streamlined version of the vetoed urban aid tax bill that will provide immediate assistance to the nation's cities and towns. Key components of the legislation should be: permanently reauthorizing the expired municipal tax programs, creating the distressed cities flexible block grant and national public-private block grant programs; creating urban and rural enterprise zones; providing all distressed communities with authority to issue municipal economic development bonds; offering incentives to leverage bank investments in communities; and simplifying the costly restrictions on municipal bond authority.

Does your city have either tax-exempt mortgage revenue or small issue industrial development bonds ready to go to market that have been put on hold since municipal authority to issue expired last June? If so, how quickly could those bonds be issued, how many jobs would they create in a short time frame, and what kind of long term benefits would they bring to your community? If either the existing arbitrage restrictions or disincentives for local banks to purchase your traditional public purpose bonds were eased, how would you use the savings to benefit your local economy? Were there other changes in the vetoed tax bill that would have meant immediate and positive opportunities for your city?

3. $3 billion in one-time supplemental funding for the Community Development Block Grant (CDBG) program to be obligated by September 30, 1993, with $1 billion targeted to children under the age of six. This family intervention block grant should be the first step in the creation of a new children's human investment trust. It could be used to complement a fully-funded Head Start program.

If the amount of CDBG funding you received in 1992 were doubled and you could spend two-thirds of the new and additional funding for any eligible CDBG purpose and one-third for any purpose directly related to helping children under the age of six, what kinds of projects could you implement the most quickly? Are there priority housing or infrastructure projects on the shelf in your city just held up for lack of funding? Would regulatory or legal changes be required in order to be able to move rapidly ahead?

4. $1 billion in supplemental funding for the 1993 summer youth employment program so that every community has a partnership program with local businesses in place well before the school year ends.

If your community received the same amount of supplemental summer youth unemployment funds as last summer, but well in advance of the day your schools let out this time, how many jobs would that create? What kind of jobs would that create? Would there jobs provide training or fill needs in your community that would translate into long term benefits? Can you project what precent or how many of those eligible in your city can be employed at the current funding level?

5. $500 million in supplemental funding to provide incentives for community development banks and bank-run community development corporations to make community reinvestment loans for job creating private investment in all distressed communities.

The new federal banking law authorizes a so-called "green-lining" provision which provides an economic incentive to encourage banks to make loans in low income or minority neighborhoods by permitting a credit against its required federal deposit insurance premium, but Congress has not funded this provision. If it were funded, do you think your local bank would make currently unavailable commercial or mortgage loans in those neighborhoods in your city? What kinds of loans would in low income or minority neighborhoods in your city would have the earliest, positive impact.

6. Enactment of the Local Partnership Act, providing $3 billion in emergency funds to the nations's cities and towns to initiate ready-to-go capital projects, especially for unfunded federal mandates, such as those required by the federal Clean Water Act. This initiative should require that any funds not obligated by September 30, 1993, revert to a federal infrastructure revolving loan fund.

This proposal, passed last year by the House Government Operations Committee, but never acted on by the full House, would provide flexible funding directly to nearly every city and town just like the old General Revenue Sharing program. What projects, especially public works type projects or projects to comply with unfunded federal mandates, would your city be ready to begin work on most rapidly? How many new jobs - both for construction and long term - would those examples mean to your community?

In City Council December 21, 1992.
Adopted by the affirmative vote of nine members.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:- D. Margaret Drury

D. Margaret Drury
City Clerk

City of Cambridge

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NON-CONSENT ORDER #4

Wolf / Duehay F549

Councillor ~~Wolf~~ re: Responses to elements of the National League of Cities economic recovery program.

NC

In City Council,

December 21, 1992

Order adopted