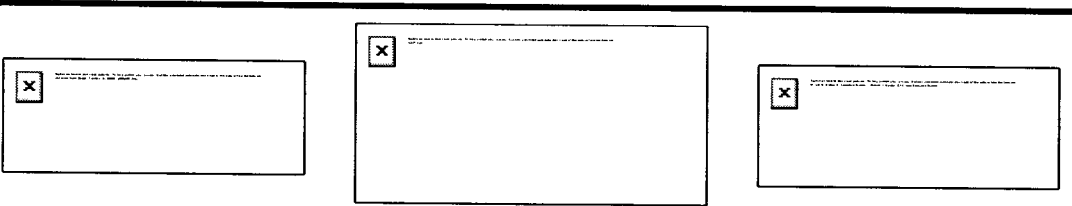


Lashway, Lisa

From: NJLM - Municipal Clerks [njlm-clerks@cityconnections.com]  
Sent: Monday, July 21, 2008 4:18 PM  
To: Lashway, Lisa  
Subject: Municipal Clerks from NJLM



**LEAGUE ALERT**

Municipal Clerk: Please forward to Mayor and Governing Body.

7-21-2008

Re: **Federal Update For Period Ending  
July 18, 2008**

Dear Mayor:

Here is the latest bi-weekly update on activity in our Nation's Capital from the federal relations staff of the National League of Cities (NLC). And remember, NLC will be hosting a number of events at the Republican and Democratic National Conventions this summer. If you are planning to attend either of the Conventions and would like to get information regarding NLC activities, please contact Brenda Ramirez at [ramirez@nlc.org](mailto:ramirez@nlc.org) or 202.626.3020 to make sure you are on their mailing list.

**NLC Board Approves Transportation Resolution**

In anticipation of the upcoming expiration of the federal transportation program, *Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users* (SAFETEA-LU), and the emerging debate to develop its successor, NLC's Board of Directors unanimously adopted a resolution offering a new vision for the future of the program at the group's annual summer board meeting. The current federal transportation program, which expires on September 30, 2009, and authorized \$244.1 billion in funding for highways, highway safety, and public transportation, represents the largest surface transportation investment in our nation's history. However, with the program's primary financing vehicle, the Highway Trust Fund, expected to be in the red in 2009 and with the nation's transportation system assets aging at a rate that requires increasing investment to maintain its current condition, the status quo is not sustainable. As the owners and operators of 77 percent of the roadways, half of the nation's bridges, and 94 percent of the nation's transit

systems, local governments are important stakeholders in the upcoming debate, which is expected to be a priority for a new Administration and Congress. Among other recommendations, the resolution calls for a national surface transportation program that encourages a strong federal role in collaboration with state and local governments; incorporates the principles of sustainability, innovative technology, regional decision making, and performance measures; and promotes investment in outcome-oriented solutions rather than mode-designated grants. The NLC Transportation and Infrastructure Services Committee developed the resolution in consultation with several NLC policy steering committees and member councils. The Committee forwarded the resolution to the Board for mid-year action since the debate over a new surface transportation program is getting underway now.

## CONGRESS

### **Final Push on Federal Housing Bill Near**

Negotiations between Congressional leaders and the White House on a landmark measure to stabilize the housing market, which NLC supports, intensified this week as more bad news sparked renewed calls for Congress to send the bill to the President before the month long August recess. Although leaders in both parties have indicated H.R. 3221, the Housing and Economic Recovery Act of 2008, will likely pass, differences on a handful of provisions important to municipalities remain between House and Senate leaders and the President. Among other provisions, the bill would provide additional relief to homeowners at risk of foreclosure and funds for the communities hardest hit by foreclosure to buy foreclosed properties that they can renovate and resell as a way of preventing neighborhood decay. NLC has been working closely with congressional leadership to ensure the bill's adoption. Negotiations on the bill took a new turn after the Senate amended the House version of the bill earlier this month. *The Senate added a provision to the House bill that would make a one-time allocation of nearly \$4 billion in additional Community Development Block Grant (CDBG) funds to municipalities and states to help stabilize neighborhoods distressed by rising rates of vacant housing caused by foreclosure.* These funds, which would be targeted to communities with very high foreclosure rates, would be in addition to the funding provided for CDBG formula grants under the normal appropriations process. Earlier this month, the President threatened to veto H.R. 3221, in part due to the additional CDBG funding in the bill. Despite that threat, the Senate overwhelmingly passed the bill with enough support to indicate that it could override a veto in the future. It isn't clear, however, if the amended bill, which the House is now considering, has the support necessary to override a veto. In light of this, House leaders, principally House Financial Services Chairman Barney Frank (D-MA), are negotiating final amendments to the bill with the White House, U.S. Treasury Secretary Henry Paulson, and the Senate. At one point, it appeared likely the House would remove the CDBG funding from the bill to overcome the President's veto threat. But, that was before the Administration asked Congress to increase the government's line of credit for the struggling government sponsored mortgage finance companies, Fannie Mae and Freddie Mac – which finance about half of all U.S. home mortgages – and to give Treasury the

authority to buy an equity stake in the companies to keep them financially sound. Chairman Frank said it would be difficult to include help for Fannie and Freddie in the package and not include funds for municipalities. Other provisions in the bill include new authority for the Federal Housing Administration to refinance up to \$300 billion in distressed mortgage loans; billions in new tax-exempt bond authority to help state housing finance agencies refinance distressed loans; the creation of an National Affordable Housing Trust Fund to help municipalities, states, and other organizations build new affordable housing; new authority for the Federal Home Loan Banks to guarantee tax-exempt municipal bonds as an alternative to traditional bond insurance; and additional funding for homebuyer and foreclosure counseling programs. The House is expected to vote on H.R. 3221 on Wednesday, July 23, with the Senate acting the following week. Supporters of the bill have told NLC that public support for the bill will be critical in the coming days, and NLC is calling on members to contact their Representatives and Senators to urge them to support this important legislation.

#### **Senate Appropriators Fail to Fund Energy Block Grant Program**

In a unanimous vote last week, the Senate Appropriations Committee took a pass on supporting funding for the Energy Efficiency and Conservation Block Grant program, a top legislative priority for America's cities and towns. Instead of funding the block grant program, the Committee set aside \$50 million for a one-time competitive grant program for renewable energy demonstration projects. The Senate Appropriations Subcommittee on Energy and Water Development, chaired by Sen. Byron Dorgan (DND), made the initial decision to block funding for the block grant program, which was authorized at \$2 billion annually. In action last month, the House appropriators included an initial commitment of \$295 million for the startup of the Energy Efficiency and Conservation Block Grant program.

#### **Experts Tell Congress: "Public Pensions Getting Retirement Right"**

On July 10, a panel of pension experts testified before the U.S. Joint Economic Committee (JEC) of the U.S. Congress. They indicated that state and local pensions are getting retirement right and no new federal requirements are needed. The Committee heard testimony that pensions are fundamental to ensuring retirement security for American workers. But, less understood is the critical role pension funds play in stimulating the U.S economy and providing long-term investment capital for businesses, technology, and medical advancements. The National League of Cities – along with 19 other national organizations representing state and local governments and officials, public employee unions, public retirement systems, and more than 20 million state and local government employees, retirees, and their beneficiaries – submitted a letter for the record to the JEC. The letter provided key facts on the benefits and strengths of the nation's state and local retirement systems.

#### **Byrne JAG Reauthorization Bill Headed to the President's Desk**

On July 22, Congress sent legislation to the President that reauthorizes the Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG). The bill, S. 231, authorizes \$1.1 billion annually through fiscal year 2012 for the

popular public safety program. The House approved the legislation, which NLC supports, earlier this year. State and local governments use Byrne JAG funding for various crime prevention, intervention and law enforcement activities, including gang prevention programs, prisoner reentry services, and police anti-drug task forces. The White House repeatedly has called for consolidation or elimination of the program, leaving questions as to whether the President will sign the bill into law.

**House Approves Sewage Monitoring Bill**

Last month the House approved by voice vote legislation that would require sewage treatment plants to monitor for and report hazardous sewage releases to the public within 24 hours. The Sewage Overflow Community Right-to-Know Act (H.R. 2452) would amend the Clean Water Act to provide a uniform, national standard for public notification for both combined sewage overflows and sanitary sewage overflows. Currently, public notification of sewer overflows is governed by a variety of federal regulations, state laws and local initiatives aimed at limiting human exposure to discharges. The House bill allows states that have a "substantially equivalent" monitoring and public notification program, as determined by EPA, to continue with that program. Our own Senator Frank R. Lautenberg is sponsoring a similar bill (S 2080) in the Senate with action expected before the end of July. The White House has expressed support for the legislation, although U.S. EPA is opposing the use of the Clean Water State Revolving Fund to pay for the monitoring. NLC is reviewing the bill for its potential impact on municipalities.

If you have any questions about any of these issues, or our federal relations work in general, please call Jon Moran at 609-695-3481, ext. 121.

Very truly yours,

William G. Dressel, Jr.  
Executive Director