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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director

Legislative Policy Division Staff

DATE: February 3, 2023

RE: RESOLUTION IN SUPPORT OF THE NATIONAL INFRASTRUCTURE BANK

ACT OF 2021

Councilmember Latisha Johnson requested that the Legislative Policy Division (LPD) draft a RESOLUTION IN SUPPORT OF THE NATIONAL INFRASTRUCTURE BANK ACT OF 2021

Please contact us if we can be of any further assistance.

BY COUNCILMEMBER LATISHA JOHNSON

RESOLUTION IN SUPPORT OF THE NATIONAL INFRASTRUCTURE BANK ACT OF 2021

- WHEREAS, The American Society of Civil Engineers (ASCE) stated in its 2021 report card that the United States received a grade of C- regarding the current state of infrastructure and that six trillion dollars would be needed to restore the nation's infrastructure to a state of good repair. Over two and a half trillion dollars is currently not funded, and the remainder is inadequately funded. New, 21st Century projects such affordable nationwide broadband and a high-speed rail network as are also unfunded; and
- WHEREAS, Congress introduced HR 3339, The National Infrastructure Bank Act, to create a new National Infrastructure Bank (NIB). This legislation creates a \$5 trillion bank, authorized to invest in infrastructure projects only, including affordable housing, funds to repair water systems, high-speed rail nationwide, upgrades to the power grid, nationwide broadband, transportation and transportation repair, and large-scale water projects. It would require no new federal spending and no new federal taxes; it would be capitalized by existing Treasury debt, as was done previously in U.S. history; and
- WHEREAS, The Detroit public schools are in poor condition and will cost at least \$1-2 billion to upgrade and repair. Capital needs exist in at least 100 schools. As of September 2018, elevated levels of copper and lead were confirmed in the water supply of 57 of 86 schools tested; and
- WHEREAS, The Detroit Water and Sewerage Department (DWSD) estimates there are roughly 80,000 lead service lines delivering water to homes in Detroit, many of which are occupied by families with highly vulnerable school-age children; and
- WHEREAS, Many of Michigan's roads require urgent repair. Governor Whitmer testified in the US Senate that 40% of Michigan's major roads are in poor or mediocre condition, and that poor road conditions are costing each Michigan motorist more than \$600 per year on average. According to the Wayne County 2019 Asset Management Plan, 58% of Wayne County's roads and 31% of its bridges are in poor condition; and
- WHEREAS, In a 2022 survey from the University of Michigan's Detroit Metro Area Communities Study, one in five Detroit residents (22%) said they spend between one-third and one-half of their income on housing, while one in eight (13%) said their housing costs exceed half of their monthly income. For renters specifically, one in three (33%) reported spending between one-third and one-half of their income on housing, while one in four (24%) reported spending more than half of their monthly income on housing; and
- WHEREAS, Currently, there is nowhere near enough affordable housing to meet the needs of Detroit residents. According to the 2019 Gap Report from the National Low Income Housing Coalition (NLIHC), for extremely low-income renters in the Detroit Metro area, meaning households that make less than 30% of the Area Median Income, there are only thirty-two affordable units for every hundred households; and
- **WHEREAS,** Michigan needs roughly 200,000 units for these low-income households. Metro Detroit alone needs 100,000 units according to the NLIHC; and
- WHEREAS, The NIB is modeled on previous banks which helped build much the nation's infrastructure under Presidents George Washington, James Madison, Abraham Lincoln, and Franklin D. Roosevelt. The last such bank, The Reconstruction Finance Corp (RFC) helped to bring the United States out of the Great Depression, and established Michigan as the "Arsenal of Democracy" during WWII; and

- WHEREAS, The new NIB will create an estimated twenty-five million new jobs, pay Davis-Bacon wages, and include Buy American provisions. Disadvantaged business enterprises will receive significant allocations, and the bill mandates large-scale minority hiring. The economic activity generated by NIB infrastructure projects is expected to provide a significant boost to the national economy as it did during the RFC, when economic growth averaged 5.5% per year from 1933 to 1957; and
- WHEREAS, A new NIB will help finance all of the infrastructure needs of Detroit. The NIB is mandated to build infrastructure and create jobs in rural and urban communities and all communities of color, to remedy systemic poverty and unemployment. It will be used to fix bridges, roads, schools, drinking water systems, build all needed affordable housing units, and install broadband everywhere. It will lead to the hiring and training of unemployed and underemployed workers; and
- WHEREAS, The NIB will allow local governments like Detroit to retain and manage their infrastructure without having to resort to privatization; and
- WHEREAS, Twenty-one state legislatures, including the Michigan Senate (SR 77), have introduced or passed resolutions of support, as have county and city councils. City council endorsements include Dearborn Hts., Highland Park, Inkster, Hamtramck, Romulus, Redford Township. Other city council endorsements include Los Angeles, San Francisco, Cleveland, Pittsburgh, Chicago, Providence RI, Philadelphia, Toledo, Akron, and many more. National endorsements include The National Black Caucus of State Legislators, National Asian-Pacific Caucus of State Legislators, the National Association of Counties, National Association of Development Organizations, the US High Speed Rail Association, the National Latino Farmers and Ranchers, The American Sustainable Business Council, the National Association of Minority Contractors, the United Association of Plumbers and Steamfitters International Union, and more organizations; NOW THEREFORE BE IT
- **RESOLVED,** That the Detroit City Council hereby calls upon the United States Congress to pass H.R. 3339 to create a National Infrastructure Bank to finance urgently needed infrastructure projects; and be it further; **BE IT FINALLY**
- **RESOLVED,** The Detroit City Clerk is directed to send this resolution to the Michigan delegation to Congress, the Governor, and to the President of the United States.