Make Government Work for Small Communities

About 76% of the approximately 19,500 incorporated places had fewer than 5,000 people, and about 63% of the America’s 328.2 million residents live inside these small communities. Small cities and towns are invested stakeholders in national challenges and continue to increase their capacity to create local opportunities with federal programs from the bipartisan infrastructure law and the COVID State and Local Fiscal Recovery Fund grant program. Small cities and towns must continue to be eligible for federal grant assistance at scale so that the benefits of federal programs and policies reach into all of America’s communities.

Key Actions:

- Support legislation that ensures all communities, and particularly small communities, rural and disadvantaged communities, can access and take advantage of opportunities for investments provided from federal legislation including the American Rescue Plan Act, Infrastructure Investment and Jobs Act, CHIPS and Science Act of 2022 and Inflation Reduction Act.
- Support bipartisan efforts to push for legislation that would ease the federal compliance burden related to federal grants management and compliance for cities, towns and villages.
- Support legislation to increase the Low Income Housing Tax Credit (LIHTC) percentage to help finance construction and preservation of affordable homes nationwide.

Support A Local Workforce Pipeline

With the once-in-a-generation federal investments in infrastructure, clean energy and advanced manufacturing through the Infrastructure Investment and Jobs Act, Inflation Reduction Act and the CHIPS and Science Act of 2022, Congress should support an at-scale investment in workforce development, training and apprenticeship programs to ensure America’s communities have the skilled labor to complete these priority projects.

Key Actions:

- Support funding for the RECOMPETE Pilot Program, which will provide funding to persistently distressed communities to develop and implement 10-year economic development strategies and create jobs.
- Support and invest in sector partnerships to connect local workers to careers in local industries that have significant hiring needs and expected growth.
- Support investments in direct workforce funding, including the reauthorization of the Workforce Innovation and Opportunity Act (WIOA) and National Apprenticeship Act.
Build Safe and Healthy Communities

As local leaders continue to serve on the front lines addressing our nation’s public health and safety, having a strong federal partner in this work is essential. From the pandemic response to mental health and substance use services to community violence, the health and safety of our cities, towns and villages requires direct and flexible funding to ensure effective strategies. Additionally, the Infrastructure Investment and Jobs Act and the Inflation Reduction Act provided significant investments for addressing climate change, supporting clean energy and making communities more resilient in the face of extreme weather events and natural disasters. NLC will continue to advocate for policies and programs that support local climate action and a federal partner to address this critical issue.

Key Actions:
- Support programs that provide direct, flexible funding to cities for substance use, mental health and community violence strategies.
- Support the long-term reauthorization of the National Flood Insurance Program.
- Support reauthorization and full annual funding of the Energy Efficiency and Conservation Block Grant.

Prevent Federal Overreach of Local Governments

Federal preemption of core local authorities threatens the ability of local leaders to balance budgets, maintain key services, and ensure the safety and usability of public streets. In recent years, limitations on the ability of local governments to negotiate fair communications franchises, govern the placement of telecommunications equipment on city streets and poles, and to own and operate broadband infrastructure and services have encroached on local efforts to close the digital divide. NLC will continue to advocate for a restoration of local authority and for full municipal access to federal infrastructure programs.

Key Actions:
- Engage in the rule making process with the SEC to ensure that a law that will impose an unfunded mandate on cities, towns and villages has the best possible outcome for municipalities.
- Combat limitations on municipal broadband, local land use and communications franchises for cable and broadband through implementation of the IIJA and passage of the Protecting Community Television Act.
- Maintain stability of government operations to minimize disruptions in local governance by preserving local funding from the American Rescue Plan Act, Bipartisan Infrastructure Law, Inflation Reduction Act.
Increase Housing Supply and Stability
Housing stability is a prerequisite for economic mobility, job security, and health and well-being. However, elected officials at every level of government are hearing from constituents that housing is a major problem where they live. In many places, housing instability and homelessness are outpacing the capacity of all sectors, including local governments, housing developers and financial institutions, to provide equitable housing opportunities for all residents. The affordable housing crisis and its consequences is harming every community. At the same time, local governments are pushing the boundaries of what’s possible with limited authority and resources. Cities are experimenting with zoning and code reforms and, lacking other alternatives, some are building housing on their own. Annual federal funds for housing and homeless assistance programs are deeply appreciated but insufficient to meet the demand. Local governments are filling gaps by utilizing one-time funds through the American Rescue Plan Act and the Infrastructure Investment and Job Act to finance the production and preservation of housing. NLC is urging Congress to help localities do more with their housing dollars and maintain efforts even after these one-time programs wind down.

Key Actions:
- Support direct funding for local governments to accelerate housing development including CDBG, HOME, and the Housing Trust Fund.
- Support housing stability programs for residents in distress including Housing Choice Vouchers, Emergency Solutions Grants Program, Rural Housing Programs; and enact the Eviction Crisis Act.
- Make cities and towns of all sizes eligible for capacity building, technical assistance, and pre-development programs like the Thriving Communities initiative and the "Yes In My Backyard" competitive grant program.
- Support grants and tax-credits for affordable and public housing improvements including cost-saving energy-efficiency improvements and expanded access to broadband.

Support Local Economic Growth and Opportunity
Economic development is achieved by investment in the economic, human, and physical infrastructure in an economic region, and should improve the capacities of local economies to thrive and support municipal services. NLC will continue to advocate for federal investments that catalyze local economic growth.

Key Actions:
- Support local priorities for Federal Aviation reauthorization including: bolster compatible airport development programs, make airport improvement funding sustainable, embracing regional aviation innovation, and keep up essential airport connections.
- Support extension of the Affordable Connectivity Program to ensure residents can maintain access to affordable broadband services.
- Support local priorities in the Farm Bill reauthorization, including for rural development, local foods and nutrition, and conservation programs.
- Support reauthorization of the Economic Development Administration, including funds for pre-development grants.