

New Cities Project – June 1, 2006 – Notes Taken by Pegeen Hanrahan, Mayor of Gainesville, Florida

Introduction by Mayor Dave Cieslewicz – Madison, Wisconsin

This is the fourth meeting of the New Cities Project. Our goal is to get mayors together in an informal setting to have serious policy discussions about issues impacting cities. We don't lobby, we don't have a heavy infrastructure. We're not here to compete with other organizations.

We want to share ideas with national experts and one another. We have 30-40 cities that have been involved with us.

Our next meeting will be January 26, 27 in Washington DC.

Some of the cities represented today include:

Chapel Hill
Athens
Des Moines
Boise
Boston
Milwaukee
Madison
Portland
Salt Lake City
Lexington
Los Angeles
Eugene
Sacramento
Euliss, Texas
Gainesville, Florida
Santa Barbara
Cleveland
Fayetteville

Demystifying Economic Development Programs

New Market Tax Credits – Used in Madison, Berkeley, Salt Lake City... tens or hundreds of millions in incentives provided to date. Must be in a low income census tract area but can qualify for up to 39% of the capital cost of construction in dollar for dollar tax credits (like having someone pay your federal taxes). The credits can be transferred, bought and sold. Usually sell for around 90-95% of face value.

Speaker: Robert Wasserman – US Bancorp Community Development Corporation,
Western Regional Manager
(213) 615-6647 robert.wasserman@usbank.com

Covers 26 states

USBank is the 6th largest financial institution in the US. - \$400 million in credit in 2005.

They are the largest investment organization investing directly in states. Mostly work with national community development organizations.

Functions They Perform:

Low Income housing tax credits

Historic Tax Credits

New Markets

State Tax Credit Clearinghouse

Tax credits provide a reduction/method of paying federal and/or state income tax liabilities. Tax Credits are not just a reduction of taxable income. This is an incentive for private companies to go into communities to invest. USBank Corp (USBC) is on the hook for the financial success of the projects they get involved with. A tax credit is a dollar for dollar reduction of federal income tax liability.

Real estate projects or community development entities are awarded tax credits. USBC invests in the project because developers need cash equity (not tax credits). Large corporate tax payers acquire the tax credits.

LIHTC – Low income housing tax credits. Federal program started in 1986. This is a ten year credit for rental units for those who are at 30-60% of area median income. Unit rental rate including utilities cannot exceed 30% of the income limitation. This is good for new construction or rehab. Must be RENTAL housing.

LIHTC are obtained through a competitive process. Tax credits are issued annually by the state housing agency. Developments are awarded tax credits based on total cost of the project and how the development meets each separate state's criteria.

The amount of credits available is based on the population of the state. \$1.75 per resident for 2002, and indexed for inflation.

The deal has to "work." There needs to be a reasonable expectation of covering the debt. Elderly, disabled, at-risk, homeless, etc. are the categories that can qualify. Most banks are paying close to the actual value of the tax credits (for \$10 million of tax credits you can get about \$9.5 million for the tax credits).

Cities typically cover the "gap," provide gap financing. The city's funds are considered equity, usually from HOME funds. The funds may be paid back, but only at a very low interest rate and over a long timeframe.

USBC also purchases brownfield tax credits.

Highland Park Milwaukee Wisconsin – Example of the Low Income Housing Tax Credit

Housing Authority of the City of Milwaukee.

Total Development Cost \$14.6 million

USB TE Equity - \$7.3 million (Low Income Housing Tax Credit Equity)

USB Loan - \$1.79 million

Federal Hope VI Funds \$5.5 million

114 units

Tenants: Low income seniors and disabled

Unique features: Green roof covering the building made from special type of living plants. Captures Stormwater runoff and provides insulation to the building, reducing heating and cooling.

First floor of project includes 15k sq ft community space.

Historic Tax Credits

20% federal credit for historic rehab. This is calculated on the amount of historic rehabilitation. 100% of the federal tax credit is earned in the year the building is completed and placed in service. There is a minimum 5 year holding period. This program is administered by the National Park Service

10th Street Lofts in Des Moines, Iowa. Total development cost: \$10.3 million USB TE: \$1.7 million in historic tax credit equity.

New Markets Tax Credits – "New Kid on the Block." Not as rich as the low income tax credit. The idea is to get private institutions to invest in lower income areas. This program cannot be used to do apartments solely, but does allow building mixed use buildings. The amount of NMT the builder can obtain is based on 39% of qualified investment in a specific authorized government entity. This ends up being approx. \$3 million for every \$10 million invested (USBC pays \$3 mil for \$3.9 mil of tax credits). The program uses both real estate and business lending and investments in certain specified qualified census tracts.

Allocation credits – Tax credits are allocated to CDE's that determine which projects to allocate tax credits.

What can the credits do? Increase equity.

Qualified active low income community businesses.

Example: 33 East Main in Madison, Wisconsin.
Armory Theatre in Portland Oregon.
City Center in Salt Lake City

Total Development Cost: \$8 million
US Bank New Market Tax Credit Equity \$1.9 mil
US Bank Federal Historic Tax Credit Equity \$1.2 mil
US Bank Debt \$2.7 mil
Developer Equity \$650,000

Tax allocation districts (same as tax increment districts) – The city can create more money to do more in their TIF districts if they use these tax credit programs and encourage private investors to do the same in the areas the city can't qualify directly.

Robert Davenport – President of the National Development Council

Projects in Abilene, Tx, Casper, Wy, Seattle. They have used HUD 108 loans and New Markets Tax Credits for a homeless project in Seattle.

Tax Credits and HUD 108 are the primary vehicles. HUD 108 has been around 30 years and has been underutilized. New Markets TC are more scarce. 108 are loans... not free equity, like NMTC.

Artspace in Salt Lake - \$6.17 total cost. \$3.4 million in tax credits as equity into the project: \$2.4 million in New Markets TC, \$1.13 in Historic Tax Credits, \$354 in state historic tax credits. There was also \$2.757 million in debt. USBank does about 25% of the deals around because as a bank they understand these community projects.

The city controls the HUD 108 funds. You can make almost any NMTC deal work – banks with CRA responsibilities will buy NMTC because HUD 108 reduces much of the risk. The bank then doesn't have to get nervous about making the debt portion of the project work. HUD 108 is supposed to be compatible with the NMTC.

A \$10 million investment can get \$3 million in New Market Tax Credits. You do need the \$7 million in loans... HUD 108 can fill this gap.

How do you get a HUD 108 loan? Must be repaid, but not by the city directly, and is not on your balance sheet. The city needs a trained and professional staff person who can do deals and understands financing. Must be able to complete thoughtful analysis and wise investing. You are NOT putting CDBG funds at risk and this is not well understood, which is one reason the program is underutilized. HUD is inviting your cities to participate in understanding this program (St. Louis and Philadelphia training upcoming).

CDE = Community development entity.

\$480 million in financing avail through HUD 108 in 2005. A CDBG community can use 5 times its annual CDBG funding. You can do almost anything except new housing with a HUD 108 load. This allows you to spread the capital cost over time. You can pay interest only for 7 years, and can obtain up to 100 percent financing. HUD 108 loans can be used to

finance high impact projects. If you do your homework and submit a good application the HUD 108 will be approved. At first these were used only for property acquisition. The term of the payback period is for up to 20 years.

Steps

The community identifies a project

The community qualifies the project

The community structures the 108 loan

The city is the borrower, lends to a private project., HUD guarantees the loan.

Public Housing Authorities can be involved.

Repayment sources: The city can pledge repayment from a third party borrower. The city can take other collateral or other guarantees. The city can dedicate TIF as a repayment source. The CDBG funds act as a backstop pledge. If you have a \$1 million deal that fails, it costs the city \$65,000 per year in CDBG funds to amortize repaying the loan over 20 years.

There is an interim rate and a permanent rate for the 108 loans. LIBOR plus 20 basis points will be the interim rate. This is not a tax exempt financing rate. You can keep this as an interim rate indefinitely, it's a very attractive rate.

Examples: Compass Center in Seattle Washington – Services to Homeless men in Pioneer Square. Completed as a historic rehabilitation as a new 42,000 sq ft building. There are 78 rooms.

Use of funds: \$15 million total project

Section 108: \$1.3 million

LIHTC: \$2.3 million

Historic Tax Credits: \$1.0 million

Health center in Abilene, TX

There must be a nexus to low income populations – you cannot do new housing, only renovation of existing housing. Should be in a low income census tract. Must meet Davis-Bacon requirements and must create jobs.

The cities that make these programs work have a staff person with a technical background. It is very difficult from the city's side to make these work if you don't have someone who knows what they're doing.. The subsidy is only good for so much. You want local private investors to do the major work. A mayor should ask... where can we spark this development? This should trigger other development in an area.

Under GASB you have to show a contingent liability as a note in the financial statements.

Will HUD garnish the CDBG allocation if the project fails? They have the right to do so but they haven't ever done it. A few billion in funds are allocated each year. CDFI Fund in the Department of Treasury makes the decision as to who gets the credits.

Bank of America has \$145 million in NMTC. 400 applicants submit for the funds including cities, non-profits. One in ten projects are funded. A lot of work goes into the application. 2007 is the last year... unless people ask for extension. There is an effort underway to do so. This was part of the Clinton administration. The highest level treasury officials in the Bush Administration speak well of the program.

You have 5 years to allocate the tax credits.

To get the funds the city probably needs to be connected to a bank, etc. Larger financial institutions do the NMTC deals. Eligible CDE's are listed at CDFI.gov. The presentations will be on the New Cities website. Project areas, what they are looking for will be included.

In rural areas there is always a problem having skills among the staff. Coalitions of Governments are common, and sometimes can compensate. Smaller communities look to consultancy work to do this, like the National Development Council.

New Energy Tax Credits are also available.

Is there a source of information about the range of tax credits available? There is an Appendix of available tax credit programs at omb.gov. Go to the "analytical outlook on the federal budget." Offices of innovate finance within states are sometimes available. Virginia, California, New York.... These groups act as entrepreneurial brokers.

There are 30 or 40 other tax credit programs available overall. The New Cities Project will put a document together regarding the top ones that cities can take advantage of.

NMTC primary requirement is to be in a low income community. You can use them for educational programs for kids at risk – StreetSquash in Harlem.

Not every project is going to help a specific population.

New Cities Institute – Lexington Kentucky

Work on accountability measures, public participation, etc. Work with community colleges, universities (FSU) and communities. Also focus on media relations... letting people know what is being done. Available for community conversations, visioning. Moscow Idaho.

Homelessness and Affordable Housing

Salt Lake City – The Mayor got all the homeless service providers to stand together to centralize services to keep people within one service area.

Sacramento has 800-900 Single Room Occupancy. Using redevelopment money to rehab old hotels, bringing in supportive services. They just allocated \$15 million.

Nan Roman – National Alliance to End Homelessness

Example of of homeless man named Charles in living in Washington, DC
His care in supportive housing requires \$20,000 per year for case workers
He spent 6 months at shelter for \$9k
\$11k was spent for 2 hospitalizations
Thus the city was spending \$44,400 per year in public funds to take care of him

Incarceration would have cost \$65,000

Supportive housing and services is \$20k per year.

Between 6-10% of poor population and 1% of total population becomes homeless each year.

Housing affordability is a driver in homelessness.

There is a lot of money being spent on this problem.

2.5-3.5 million people are homeless per year. 80% are homeless for a relatively short timeframe. These folks are not different from other poor people. They have a housing crisis. They stay homeless until they find new housing.

20% are long term homeless. They do suffer more from mental illness, substance abuse, and are mostly single adults.

For the 80% who are homeless for a short time: Lots of shelter, too little focus on permanent housing.

For the 20% we give fewer services and some shelter. They need more service assistance.

Ten Year Plans that are making progress have some things in common.

- (1). There is some entity in charge of implementing the plans or strategies. They have the resources and the will and the breadth of responsibility. Usually that person is housed in the city.
- (2). The effort must go beyond the homeless assistance system. Corrections, mental health, child welfare etc. must be involved.
- (3). Key strategies focus on the housing problems. These "go to scale" on solutions.

Implementation

There are so many players and they need to be coordinated and brought into the implementation plan. The entity with the most resources usually pulls together the coalition in a systems approach. In New York City the mayor has stood behind the person (Rob

Hess) who is to aggressively make binding partnerships with other entities that are feeders for homelessness and resources to address it. Data is very important.

Columbus, Ohio has a different model, driven by a non-profit. The community shelter board uses data to drive the system and the resources.

Homelessness is a housing-driven problem. The vast majority of homeless people could be stably housed with a housing subsidy, but we don't have such a subsidy (like Section 8) available.

Prevention and diversion using funds from TANF, housing trust funds, etc. are one option... keep people from entering the shelter system because it is a destabilizing experience. Housing first or rapid rehousing are effective practices.

Services work better if you get families into permanent housing and THEN address education and job needs. Housing then services, not services then housing is the order of taking action. If you say "you need to get your life together and then we'll give you housing" then people will stay on the street. It is too hard to get your life together while on the street and so that is a big barrier.

Clearing tenant issues is one way to get people back into housing – paying for first and last month rent, rent subsidies, landlord negotiations, etc. is important.

Supportive housing for people with chronic disabilities is important. The issue is about how to target the most intensive housing services and investments toward those with the most intensive needs.

Examples: Hennepin County, MN (home of Minneapolis) – They do an immediate housing needs assessment for rent, legal issues, debt issues, etc. Some money from the Housing Finance Agency goes into this. Everyone gets into housing. Most people get short term rent subsidies. The cost per family is \$700. Recidivism has been reduced to 15% from 35%. They are both spending less, and seeing more success. Family homelessness has been reduced 43% between 2000 and 2004 in Hennepin County. And the number of shelter beds is reduced 70%.

Westchester County, NY

Columbus, OH – Have reduced # of homeless families by 43% and created 700 units of supportive housing.

New York City – They are targeting eviction assistance by geographical analysis. Experimenting with time limited rent subsidies that decline over time.

Scale

Examples – Chronic Homelessness Initiative

Not just tinkering or doing program modifications.

Portland Central City Concern has built 2000 units of SRO housing for people with substance abuse issues.

Philadelphia Street Outreach. Trying to get the number of people on the street down to zero.

A lot of places are showing results. You must have a coordinated entity that can move and target resources to make a difference.

Challenges – There are few federal resources, limited state resources, and it can be a challenge to undertake transformation of the system from one that does shelter to one that does housing; this is extremely tough. Sometimes an investment up front is required. It can be done.

Question from Eugene, Oregon – They have a large number of youth on the street. These kids are too young to be in housing on their own. Numbers seem to be growing. The foster care system is also part of the problem, both among kids and adults. There needs to be planning for children leaving the foster care system. Kids don't stay put the same way. Kids exiting juvenile justice system are also an issue.

Trent Rhorer – Director of San Francisco's Human Services Department

City Controller's issued a report "City Lacks Commonly accepted goals and an effective plan for its homeless services" - 8-12,000 homeless in the city

Mayor Brown said "Homelessness is not solvable, only manageable." There was a lot of negative media attention on homelessness issues, destitution on the street.

This bred a lack of public confidence around homelessness.

Care not Cash and anti-panhandling legislation passed by voters (60/40)

The Gavin Newsome Mayoral campaign said homelessness is the #1, #2 and #3 issue.

Newsome came in during 2004. By voter referendum he had to implement care not cash – Moving from cash assistance programs to supportive housing. He met with Phil Mangano in the first week, formed a "homeless cabinet" and designated a lead agency on homelessness.

San Fran also focused on the chronically homeless. This is 25-33% of the homeless population, but consumes 2/3 of the resources, both direct and indirect (emergency services, etc.).

They immediately launched a 10 year plan. They included a high profile chair with credibility on the issue. Mayoral leadership is a given, must be there. Mayor Villarigosa in LA has done the same thing.

What are the core strategies?

#1 – Client engagement. How do you engage people so remote from the mainstream?

#2 – Supportive housing

#3 – Prevention to keep more people from entering the system: "turn off the spigot" of new people becoming homeless, and keeping more people from coming in from other places

Past experiences with street outreach was a failure. It was not coordinated. There was less than a 1% uptake rate. There were no set-aside units of housing, few services.

They launched homeless outreach teams in a different way. Two clinicians were assigned to give neighborhood beats. The city developed dedicated slots for treatment, detox, shelter and/or housing. The clinicians are now able to actually offer specific resources. "I can call a van and we will take you there now."

You must have multiple client engagements before you will be successful.

The program is partnership with police – "operation outreach" is their homelessness detail. They know who to call. They are partnering with paramedics. Targeting these individuals.

Positive results: Get 50 individuals off the street each month, and 200 permanently since the program started 15 months ago.

Project Homeless Connect – Volunteer based engagement effort to get people into the one stop center. The One Stop has medical (physical, vision), legal, housing/shelter, public benefits, other services, to simplify service access for clients and to begin the longer-term engagement process. This is to build understanding.

Supportive housing is the cornerstone strategy. This is long term affordable housing linked with flexible social and health services.

This is a humane, effective and efficient intervention for homeless individuals suffering from serious problems. This can be done at the same cost as keeping a person homeless and stuck in a revolving door of high cost crisis care and emergency shelter.

Canon Kip/Lyric Study – This work showed a reduction in emergency room care, hospitalization, and residential treatment use and incarceration. Improved employment outcomes were attained, along with a 95% housing retention rate.

92% were engaged in substance abuse

87% had mental illness of some sort

53% reduction in emergency room visits

Reduced ER visits from 11 to 3 for the worst quartile.

44% reduction in hospital inpatient days
89% reduction in residential drug and alcohol treatment days
44% reduction in days incarceration

Significant improvement in employment – 71% found and retained jobs, up from 27% prior to the supportive housing being implemented.
Supportive housing is the way to go.

"Turning off the spigot" – The Care Not Cash program converted the \$400 in cash per month into a housing-based system. "Homeward Bound" program is a family reunification program – the city pays for people to go back to family elsewhere if family will take them back. This was not designed as a prevention strategy. Over half of the people served by this program were in the city for 3 months or more. This out-of-region reunification program is used a lot by youth. 1260 persons served so far. They also do a lot of social security (SSI) Advocacy – getting mentally disabled onto benefits.

Addressing needs among emancipating foster youth is a big issue. 59% of kids coming out of foster care end up homeless. Clearly this is a gateway into homelessness. You need to engage kids at a young age and have transitional housing programs. Need to focus with state TANF programs. You can use TANF funds for domestic abuse sufferers.

There is a new policy that homeless individuals and families will not be discharged to the street from a hospital, etc. They will get a clinical screening.

Federal McKinney Funds – Shifting to housing for the continuum of care dollars. Focus other programs into TANF and other programs.

Use savings from decreased use of hospitals, ER's, etc.

SSI – Recoup funds for med services

Food Stamp Employment Training Program (FSET) – 50% uncapped federal match for supportive housing services. This is for the population of people on foodstamps. The city enrolls people onto foodstamps for this program. This is an underutilized federal program.

Partner with affordable housing developers to get set-aside units for the chronically homeless.

SSI Advocacy – another underused federal program. Every dollar invested into SSI advocacy returned \$5 back in federal reimbursements.

SSI and Medicaid can be retroactively obtained for the past 12 months. The city spent \$650k to get SSI for just over 227 people and got more than \$3 million back.

Between 2002 and 2005 the street count has gone from 4535 to 2655. The total number of homeless is down by 28%, from 8,640 to 6,248.

Demographics? Average is late 30's, early 40's, about 60% African American. Eastern Europeans and Asians tend to rely on extended family. Large day labor population, latinos with no family connection.

John O'Brien – U.S. Interagency Council on Homelessness

This is a federal agency within the Bush administration. They are committed to developing and implementing innovation. They are already working with most of the cities here.

Their goal is to coordinate the federal response to homelessness and to create a national partnership to reduce and prevent homelessness. There are 53 State Interagency Councils on Homelessness reporting to the Governors. The goal is to support CEO's in the plans. There are more than 260 cities and counties that have adopted ten year plans. There is momentum on the issue of ending homelessness. Chronic homelessness is giving way due to growing political will and use of best practices and cost benefit analysis research. Newspapers are reporting great success. Dallas – 26% decrease, Miami – 30% decrease of homeless on the streets.

"Good to Great" Author talking about success of Ten Year Plans. Like New Cities Project, the Interagency Council folks are non-partisan and focused on achieving high road goals.

Elements of Great plans – Disciplined people

1. Political Will – Need visible public leadership of the mayor, announcing the planning process and appointing committee members, appointing community champions, owning the plan, "own" the plan
2. Partnerships – Need leadership from those you wouldn't expect to be involved: Banks, civic leaders, United Way, Chamber of Commerce, Hospitals and Healthcare organizations, librarians, academia, law enforcement, veterans organizations, consumers, transportation agencies, etc.
3. Consumer-centric solutions – Focus on the real need of those getting the services

Disciplined thought

4. Great plans are business oriented, performance based and results oriented. The plan needs baselines to identify the extent of the problem and baseline the progress. Include the budget and the budget implications. You must benchmark success.
5. There needs to be a use of best practices and innovation based on research and data, not on traditional beliefs. Adapt to local needs, use the best ideas from elsewhere.

6. Use proven technologies – Permanent supportive housing, housing first, Project Homeless Connect, Reunification, Zero tolerance for discharge to homelessness. Identify key goals of the plan and a public report card on the website. Have a PR and media strategy, and have a way to talk about these issues to get buy-in and support.

7. Use local cost/benefit research to demonstrate the cost effectiveness of the plan. San Diego study followed 227 people over 18 months used \$6.1 million in health care, \$5 million uncompensated.

Boston study – 119 people had over 18,000 ER visits and 871 hospitalizations.

King County, Washington – 2003, and 2003 studies showed cost to be about \$53,000 per person per year for chronic homeless individuals.

Disciplined action

8. Align and re-align resources to reallocate funds to be more effective. Fund the priorities that are in your plan. Move toward investing in outcomes.

9. Focus on veterans, and recognize the importance of using VA resources. The VA has more homeless dollars than any other federal agency.

10. Regionalize your plans – to address the concern about people moving around from one area to another.

11. Recognize your Ten Year Plan as a living documents – it is important to keep the momentum going and have a regular schedule to monitor, review and update the strategy on a regular basis. Schedule events to address visible progress and celebrate success.

Hospitalizations and mental health usage have gone way down in cities following their Ten Year Plans. Police calls have gone way down.

The plan should be in a looseleaf notebook – take out what doesn't work and put in what does.

NIMBY issues are typical – but if the services are appropriately provided then the neighbors shouldn't even know about it.

The federal budget has \$4 billion in targeted homeless resources which is growing.

The VA is working in Washington w/ the Dept of Veterans Affairs and King County for veterans coming out of the county jail. Normal recidivism is 55%, now down to 17%. The VA provides a whole range of services. Per diem program, employment program, etc. Need to bring them into the planning process. VA's have regional homeless coordinators. See USICH.org.

Columbus OH and Atlanta both use private non-profits as the central group focusing on their Ten Year Plans.

"Destination Home" as part of the United Way program. \$500 million in rent subsidies in McKinney for supportive housing in extremely low income categories.

Housing dispersal program in Eugene (a fair share or inclusive housing ordinance for affordable housing) – They have had a program for a long time, has been successful, but now a push back because of property values.

ICH focus is on targeted homeless dollars. Not so much focused on CDBG, HOME and so on. The idea is for the city to drive policy. We are supposed to have state Interagency groups. The Federal Government doesn't have its own 10 year plan, which it should.

SSI, HHS, Dept of Labor, etc. are federal agencies that have new dollars for homelessness.

LA County has 88,000 homeless. There has been a paradigm shift from managing homelessness to ending it.

Race and Community Relations

William A. Johnson, Former Mayor of Rochester NY

"Neighbors Building Neighborhoods"

As mayor he found that he was often having to react to problems. He wanted to have at least one person who was monitoring trends and trying to look forward to anticipate problems. No urban mayor can sit down and be ignorant of population movements in the city. He started to focus on smart growth. The Urban League was often approached to be an intermediary to advocate on behalf of citizens who felt powerless. They executed this in an efficient way, but wanted to get people to ultimately advocate for themselves. Why advocate for grandparents and then grandchildren two generations later?

Rochester had been selected in 1986 to be part of an Annie E. Casey Foundation to develop ways to serve at risk children and families. Casey was looking for a collaborative strategy to bring together disparate elements that didn't normally interact together. "Neighbors Building Neighborhoods" focused on finding priorities that would turn around respective communities. Two elements emerged: they divided the community into ten sectors. Previously the community was focused on wards or election districts. The dynamics were changed by bringing two sets of turf guarders from different perspectives into the same sector. The city encouraged them to begin the dialog. In the process they were asked to identify what their assets were. The idea was to force them to think about what the assets were, so that even in the most depressed areas they found things to be proud of. The poorest area had a public market that attracted people each week in great numbers (20,000 plus). This was a unique place with a unique opportunity. People realized they had a treasure in their community. They worked to protect and enhance it. The city invested \$3.5 million to upgrade the facility. It soon became a festival site and great gathering place.

When people feel empowered and can talk across class, cultural and racial lines it changed attitudes.

The Biracial Partnership – The Campaign to End Racial Polarization. They asked people to sign a pledge card. Wherever folks found racism they were pledged to work to eliminate it.

The Commission on Race – seemingly innocuous plan to match people with different racial backgrounds to get to know each other on a personal basis and on focus groups to discuss issues of race. This has been going on for four years. After 9/11, set up an Islamic Partnership program. People learned a lot about social and religious mores.

Greensborough NC has been doing this for more than a year too. The City of Milwaukee has raised enough money to implement this as well. This is a very easy program to do.

This was done in two high schools in Rochester. The city has a lot of concentrated poverty. In the NW part of the city was the wealthier, whiter part of the community. The County Dept of Social Services started putting people into that area. Very quickly there was a conversion of the neighborhood. A biracial partnership btw a public, black high school and a white Catholic high school. Forty students met voluntarily throughout the year. The kids are to work to include peers and continue working as volunteers.

The current issues around immigration are not confined to border cities. The mayor's office needs to intervene in issues before they get out of hand.

Mayor Johnson faced unique issues as an African American mayor in a majority white city.

Bob Knight – Former Mayor of Wichita KS, Past President of the National League of Cities While he was president of NLC he led a nationwide effort on "Undoing Racism."

From age 15 he lived on his own, in a poor area, in a run down hotel with prostitution, drugs, etc. in a hotel. He worked washing dishes for \$10 a week and got room and board for that. He had several black bellmen who took him under their wing and taught him. He learned boxing from one down at the YMCA. Learned about loyalty, helping others, made sure he had a class ring, had no family at graduation but three bellmen and their families were there for him. They may have bootlegged whiskey and procured women for judges and businessmen, but they didn't allow Bob to be jaded or be a skeptic. You have to play the hand you're dealt, and they had bad hands, but they played them very well. Learned a lot about life, justice and righteousness. First elected in 1979 and spent more than 25 years in public service. Considers it a very high calling, esp. in local government. Cities are real laboratories of democracy (Brandeis). The folks in Washington are a "professional class." In local government, you see the very best and the very worst of human conduct. Walked away with a strong sense of idealism, not a cynic. Left feeling good about government. Wanted to be a vessel of change.

Bob Knight is a white republican from Wichita KS. Not too tied to labels... not crazy about being a Republican right now, nor a Democrat. More of an independent. Lacks lots of guile. Not interested in winking when something is wrong. You should expose wrongdoing. Became committed to the issue of social justice while 15. Knows what it is like to be on the bottom. People who say they care about this issue have to stop leaving it to people of color to solve.

People of color are totally fatigued with the whole issue of race. They keep fighting, thank god. When Bob was the president of NLC, got to set a topic. People on all sides thought he lacked credibility. As a white man he has known privilege. But a lot of friends and neighbors sense an "otherness." Don't quite fit in.

Had 50 neighborhood meetings in one year, and had senior staff go along. Regardless of the issue you get the same participants and they crowd others out. Went out to the neighborhoods and discovered that almost every one felt detached, and felt politically and economically and socially left out.

Spent a lot of time on the budget. He knew more because he worked hard at it. Can look at a city's budget and see what the city's priorities are. He knew what was going into different areas. Wanted to be part of a community that knew what to stand for and what to oppose.

Believes in community policing. A lot of communities talk about it but most don't actually do it because it takes a lot of money. If you put together a task force, asks them for their best thinking, you should support it. The Task Force found that their PD was understaffed and technology was not up to date. He agreed to make a change right away. Wanted police substations. Population of 360K and increased the PD by about 25%.

Regardless of how hard the problem is, if you are truly committed then there are solutions. There is no silver bullet to ending discrimination and racism. If you attack subjects like public safety then people will get behind them.

Took this commitment across America. It takes people observing. Nationally and globally we are like ancient volcanoes... dormant, but someday it will erupt. We're like a well toned athlete who is dying of an incurable cancer not yet detected. We have manifestations of division and distrust. The smallest spark can tear things apart. A sense of community and a sense of buying-in pulls people together. We need to reconcile our country and our communities. Things can collapse with a disconcerting swiftness. This has happened in numerous previous civilizations. People locally can address this.

Clarence Edwards – Past President of the National Organization of Black Law Enforcement Executives, Former Police Chief in Montgomery County, MD

We need sincerity to keep this country the way we want it to be.

Today's subject: racial profiling. We need to seek further info on this topic. 'Visible' minorities. Voltaire: "Common sense is not so common." This accurately describes how we've treated the issue of race in America. The rules may be colorblind but people are not.

Problems are not just perpetuated by white people, but on all sides. Paul Dunbar "We wear the mask that grins and lies." Instead we need to recognize that there are problems. We need to understand the past to address the present.

In most instances if you are black the police are going to treat you differently. There are hundreds of stories about this...NYC, Miami, Boston, Washington, everywhere it is the same.

What are the origins of racial profiling? It goes back to slavery. Patrollers were hired by planters in the South to patrol at night to seize any slave out on the road at night without a pass. They couldn't kill the person but could beat them within an inch of their life. When cities formed police departments, they went to the patrollers. Today many PD's still have this type of mentality. In Maryland – a law professor from Harvard had his car searched on a public highway. Then said "you're free to go." He didn't sue for compensation, but that a record be kept of who was stopped and why.

Head of the NAACP called on behalf of a surgeon who was black. Had been stopped three times coming from the hospital at 3 am in his Mercedes. The officer held him 10-15 minutes, didn't issue a citation. The captain found no problem with the stops. The chief said if it happens again the officer would be transferred.

The PD needs to know that the city does not support the activity.

Does your Department have a policy on racial profiling? Is there a set of characteristics on race that makes someone worthy of investigation or arrest? Officers will deny that this is the case. They will say there is a reason to stop the persons.

What is legitimate profiling? Use of any descriptive characteristics obtained from a witness or victim of a crime used to ID a specific suspect in a specific crime and only when used in a manner like other characteristics (ht, hair color, etc). Would your PD stop all white men if a white man committed a crime?

No agent or government has the right to conduct racial profiling. The leaders need to stop it, and must have the political will to do so.

"From the front seat of a police cruiser, racial profiling is not racism, but a tool, and cops have no intention of giving it up." NY Times Magazine.

Black and Hispanic officers do racial profiling as well, and cave in and go along with things that are incorrect. Mayors need to publicly state their opposition to racial profiling. It needs to be said in conjunction with the business community.

Where to go from here: Race based policing and racial profiling are realities.
Changing the attitudes of law enforcement toward visible minorities should occur.

Elected officials must set the tone.

Elected officials must question police chiefs about their efforts to address it.

Excessive force is related.

Steps to follow:

Employ recruitment strategies and testing instruments that can detect evidence of past and existing bigotry.

Have ongoing training programs with PDs stressing the negative impact that discriminatory behavior will lead to.

Have clear policies.

Insist on careful reviews of complaints alleging racial profiling.

Require police chiefs and other top police officials to closely monitor subordinate activities.

Ensure prompt and thorough investigations when complaints of racial profiling are alleged and swift disciplinary action where warranted.

Establish measurable performance indicators for police chiefs to decrease allegations of racial profiling and to increase minority representation and retention.

Adopt a holistic community-government approach in attempting to solve racial profiling allegations and minority community marginalization.

Encourage private sector involvement in all police-community initiatives to eliminate the problem of police racial profiling.

Publicly speak out against racial profiling.

"A community is democratic only when the humblest and weakest..." A. Philip Randolph

"Injustice anywhere is a threat to justice everywhere." MLK

"Emotionally disturbed persons task force," used to address circumstances where people are in a disturbed situation.

Tasers are used in Rochester, with a chip that records when it is used and a report must be filed.

Salt Lake City just put in a taser policy. Mayor Anderson was persuaded that they could save lives relative to other options. Strict criteria must be met every single time it is used, including in subsequent uses in the same incident. False claims of profiling detract from legitimate claims. A record must be made of every single stop and the officer's perception of the race of the individual must be kept. This helps the officer also ask him/herself why they are making the stop.

Salt Lake City Mayor Anderson recommends a truly independent police review board with a truly independent investigator. In Salt Lake City they use a retired police officer, and the members of the board go through intense training. When only the police police themselves there are problems. There will be fewer incidents of problems when there is an independent board.

People with mental illness were often being shot... now that there is more training and awareness far fewer incidents are occurring.

The sergeant or the first line supervisor is the most important person to implement change. Go to promotion ceremonies for sergeants and the criticality of them doing their job, and they are no longer a patrol officer and "one of the boys" or "one of the girls." You need to have contacts in the minority communities BEFORE there are problems. People need to know they can trust the police chief and the mayor. "Suicide by cop" is a real issue that officers need to understand.

Maryland has a very strong police officers' bill of rights and don't have to talk to investigators for seven days.

The paramount issue is how we have structured our policies around structural racism. And much of it has been around black/white. Immigration policy and terrorism both have racial implications. Need to look at zoning and education policies, housing and employment, etc.

The way we look at budgetary issues is important and reflects what our priorities are. Portland has restructured their budget: diversity, tolerance, access are important values. This is not just about racism but also about classism. Housing policies and community governance around affordable housing are related. You can create "projects," and need to integrate more thoughtfully and need to force more inclusionary housing.

Vision PDX Project; Where do we want to go in 20 years. You have to work with a group you are completely uncomfortable with. If you spend time with others not like themselves then they become not "homeless" or "rich" but a person.

Sacramento – Office of Public Safety Accountability. A contractor reviews statistics to determine if the police are on target or off target. They review police officer issues, and gives an independent report. They report to the city manager. Sacramento is very diverse but is also very integrated. Much of the integration happened organically.

Renewable Energy

Susan Innis – Green Power Marketing Director, Western Resource Advocates

Non-profit law and policy organization established in 1991.

Ran a two month campaign with the City of Boulder to get 500 new customers for wind power in Boulder. This would increase the number of partners by 10%. Three national windpower companies all started in Boulder... they sell "green tags" or renewable energy credits. The EPA Greenpower Partnership is a recognition program.

Boulder has had a long history of supporting wind and other green energy. There's focus on meeting the city's Kyoto protocol goals. There is assistance to consumers; customers can buy various different products in Boulder. They handed out windmills to kids at the farmer's markets, and had CFL giveaways at supermarkets.

The program helped also reduce water use since there is a lot of water used in the conventional power generation. www.cogreenpower.org is where people go to sign up for wind power in Boulder.

The EPA Green Power Partnership (Mayor of Moab Utah urged EPA to start this program). This is a challenge to communities to buy green power in an amount that collectively meets the EPA Green Power Partnership's benchmarks. This is to motivate a collective action. Corvallis, Oregon and Boulder, Colorado also meet this.

The City must purchase renewables for city building energy use, must initiate and support a green power program, and must track energy usage. The community must use 2% renewables if community uses over 100,000 MWhrs. It goes up to 6% if the usage is less than 10,000 MWhrs.

The wind challenge got 1150 new customers, and sold 16 million KWh or about 6 MW of wind power. EXCEL energy cut the price of their wind energy to the point that it became LESS expensive than the conventional sources.

Businesses that signed up got free advertising.

Lessons Learned:

Set reasonable but ambitious goals.

Figure out data collection up front.

Figure out funding issues (who pays for what)

The short campaign time was manageable and successful, and Boulder plans to repeat it periodically.

Figure out which renewable energy suppliers to work with (Green-e certification? Local Utility?)

Find champions who can dedicate time to the campaign.

Lead by example with energy efficiency, green buildings, and renewable energy purchases
Partner with others in the community
Take an inventory of greenhouse gas emissions
Develop and implement an action plan to reduce emissions

PACE is a pollution prevention program in Boulder that includes meeting with businesses not only about their hazardous materials issues but also about energy efficiency and reducing energy use in the small businesses they visit.

Jim Parks – Sacramento Municipal Utility District (SMUD) – Focus on Demand Side Management and transportation.

SMUD converted a Prius to a plug-in mode. Paid \$24,000 for the car and \$30,000 for the conversion and voided the warranty. Will pay off in the future. Have 7 fuel cell hydrogen vehicles, both from Ford and Daimler-Chrysler. They got 75 mpg on the freeway. And they are not best used on the freeway. Designed for a 20-25 mile range. Many people could do 80% of their driving in such a vehicle. Goes about 28 mph.

SMUD had 2,000 employees, covers 900 sq. miles. Have a seven member elected board.

LEEDERS – Leadership in Energy Efficiency, Demand and Environmental Resource Solutions. SMUD's renewable portfolio standard is to have 20% renewable energy by 2011. "Greenergy" is their green energy program, 100% green for a \$6 adder, 50% for a \$2 adder.

LEEDERS added a full time person with the county and the cities in their service territory to promote energy efficiency, renewables and environmental stewardship through General Plans, Development Agreements and other avenues.

There are opportunities in transmission and distribution that are often overlooked.

American residences account for 21% of U.S. greenhouse gas emissions in 2003.

400 MW is the critical peak of SMUD that is only used for about 40 hours a year. If the utility can shave the peakload then they reduce the need for powerplant capacity. In Sacramento that tends to be in the 12-15 hottest days of the year.

Wind, photovoltaics, biomass, hydroelectric, etc. Night ventilation is an automated whole house fan.

Sacramento – The Energy Freedom Challenge – race to be the first to achieve 50% energy use through renewables. Signed U.S. Climate Protection Agreement, Staff assigned to create and implement a sustainability agenda.

Chicago is planting 30,000 new trees annually. They also provide developers with faster permits if they construct green buildings. They set a goal of 20% of the city's electricity to

come from clean and renewable sources. They also have the largest green roof in the world (a park on top of a parking lot).

Palm Desert – Adopted a goal for 30% less energy use citywide in 5 yrs.

City of Roseville – Blueprint for Energy Efficiency and Solar Technology; goal for 4,000 solar homes in 10 years. 8 MW of PV solar power.

Alameda County – Green Building guidelines. Give priority to builders doing green buildings.

Pleasanton – Expedited review of applications.

There is a wide range of permit fees for solar systems (\$192 to \$823), review period from 1 day to 20 days. One community put the fee at zero and committed to an on-site inspection within a day.

Housing element – Every time a home changes hands they require meeting a minimum energy efficiency goal upon the sale or leads of residential property. They offer incentives such as density bonus points and expedited permitting for energy efficiency.

Help promote energy efficient mortgages.

Estimating \$18,000 in increased cost for a high performance home in the Sacramento area. Demand for solar is outstripping supply.

Voters in Sacramento shut down their nuclear plant in 1989. They really ramped up their efficiency programs.

Colorado has a solar access law that prevents municipalities and homeowners groups from blocking use of solar panels.

Salt Lake City had a problem with a historic code preventing solar panels in historic areas. There are issues with windows as well.

Now there are small wind turbines available for homes.

Municipalities can negotiate franchise agreements with utilities. In Denver they negotiated over a low income energy efficiency program.

Portland is including renewable energy investments in their portfolio (City Commissioner Dan Saltzman has been the leader on this). Also using corn crops for biodiesel and ethanol.

In Missouri the winds are the least in the summer, when there is the peak demand.

Chapel Hill has a 15% affordable housing requirement that every neighborhood that is built they are required to have 15% of the units be affordable, but in a lower income community they allow that money to go into energy efficiency instead.