

Bond Case Briefs

Municipal Finance Law Since 1971

Congress Will Rethink Investing in Cities.

Congressman Dan Kildee (D-MI 5th District) announced today that he is starting a new congressional forum to rethink how national policymakers invest in cities.

“My hometown of Flint has captured many newspaper headlines in recent years,” he said in a recent release. “But even before the water crisis, Flint faced unique challenges as an older, industrial city: population loss, the outsourcing of jobs and rampant blight. Flint isn’t an anomaly; a whole subset of America’s cities and towns face similar challenges. There are places in every region of the country, like my hometown, that face similar stressors.”

Kildee’s new initiative, titled “The Future of America’s Cities and Towns,” will include policy discussions with local, state and federal elected officials to focus on the challenges facing older, industrial communities like Flint. The first roundtable, “The Current State of America’s Cities and Towns,” is planned for Wednesday and will feature Financial Services Committee Ranking Member Maxine Waters (D-CA 43rd District), and Karen Freeman-Wilson, mayor of Gary, Indiana, as well as representatives from The Brookings Institution, National League of Cities, and Center for Community Progress.

Federal and state investment in municipalities is a topic of central importance to Kildee.

“Having a municipal finance system that is not so completely dependent on only locally generated tax revenue is really important,” he told Gordon Young in a Next City interview last year.

He added:

My research over the years has pointed to a system of municipal finance that doesn’t in the aggregate cost us all anymore than the current system. It probably costs less. It’s sort of a German system where the federal government has a certain responsibility for funding municipal government; the state or regional governments have a certain responsibility; and the local tax base also has a certain responsibility.

It’s far more sustainable, and it allows us all to ride out the ebb and flow of the economy in ways that don’t increase the cost of public services by having concentrated poverty and the loss of public services — all the things we see in a place like Flint.

There was an element of this in place in the United States just a few decades ago. There was federal revenue sharing for cities and, of course, there was state revenue sharing for cities. So it’s based on a concept that I remember from my time serving in local government. It was eliminated as part of what was once called “New Federalism” and is now a brand of the federalism that we have. Local municipalities are just out there on their own.

BY RACHEL DOVEY | JULY 11, 2017

Rachel Dovey is an award-winning freelance writer and former USC Annenberg fellow living at the northern tip of California's Bay Area. She writes about infrastructure, water and climate change and has been published by Bust, Wired, Paste, SF Weekly, the East Bay Express and the North Bay Bohemian.

Copyright © 2025 Bond Case Briefs | bondcasebriefs.com