
**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: October 31, 2022

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations
Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst Council File No.: 22-0002-S121
Assignment No.: 22-10-0616

SUBJECT: H.R. 3339 (Davis) National Infrastructure Bank Act

CLA RECOMMENDATION: Adopt Resolution (Krekorian – O’Farrell) to include in the City’s 2021-2022 Federal Legislative Program SUPPORT for H.R. 3339 (Davis) which would establish a National Infrastructure Bank to provide funding for infrastructure projects throughout the country.

SUMMARY

H.R. 3339 (David) would establish a National Infrastructure Bank to provide financing for local, state, and national infrastructure and community development projects. Community Development Infrastructure Projects may include affordable housing, schools, public parks and recreation centers, libraries, and job centers. Infrastructure projects that would be eligible to receive loans from the bank would include energy, environmental remediation, clean water, transportation, and telecommunication projects.

According to Resolution (Krekorian – O’Farrell), introduced on September 16, 2022, the National Infrastructure Bank Act could create jobs, increase wages, and support the repair of existing and failing infrastructure, construction of new large-scale infrastructure projects, and development of affordable housing units. The Resolution seeks an official position of the City to support H.R. 3339 to create a National Infrastructure Bank to address infrastructure funding needs locally and nationally.

BACKGROUND

H.R. 3339 would establish a National Infrastructure Bank tasked with raising capital in order to fund loans for the financing, development, and operation of infrastructure projects around the country. Direct loans from the Bank would charge a fixed-rate-interest and may take into account whether borrowing entities are disadvantaged communities. The Bank would be authorized to issue loans of up to \$5 trillion. Projects that receive loans from the National Infrastructure Bank would be required to pay workers local prevailing wages and use only U.S.-produced construction materials.

The bill would also establish Regional Economic Accelerator Planning Groups to identify infrastructure needs in various regions of the country to help identify projects for investment by the National Infrastructure Bank.

Projects eligible for funding under the bill must have a public sponsor and a local, regional, or national significance. In determining criteria for funding, the National Infrastructure Bank's Board may take into account whether a project will create jobs, promote economic growth, be located in areas of high unemployment or historically disadvantaged communities, and provide environmental and public health benefits, in addition to the feasibility and return on investment of potential projects.

The National Infrastructure Bank would be authorized to fund the following project categories:

- Community Development Infrastructure Project: Projects that develop affordable housing, schools, public parks and recreation centers, libraries, and any public facility that provides job skill and worker training.
- Energy Infrastructure Project: Projects for energy transmission and distribution, energy generation, energy efficiency improvements for buildings, and energy storage.
- Environmental Infrastructure Project: Projects that improve drinking water and wastewater treatment facilities, storm water management systems, flood gates, dams, levees, dredging, wetland restoration, open space conservation, infill development, solid waste and hazardous waste disposal facilities, industrial site cleanup work, and environmental remediation.
- Telecommunications Infrastructure Project: Projects that provide communication services by wire, fiber optic cable, satellite, radio, or broadband, and any projects that enhance the security of such systems.
- Transportation Infrastructure Project: Projects that construct, maintain, or enhance highways, roads, bridges, transit and intermodal systems, inland waterways, commercial ports, airports, and rail track systems including high speed rail.

BILL STATUS

05/19/21	Introduced in House.
05/19/21	Referred to the House Committees on Energy and Commerce, Ways and Means, Transportation and Infrastructure, Financial Services, Education and Labor, Natural Resources, and Budget.



Matthew Shade
Analyst

Attachments: 1. Resolution

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the American Society of Civil Engineers (ASCE) reported in the 2021 “Failure to Act: Economic Impacts of Status Quo Investment Across Infrastructure Systems” that the total investment gap between projected needs and likely investment in critical American infrastructure is more than \$2.6 trillion in 2029; and,

WHEREAS, the City of Los Angeles needs 455,000 new units of affordable housing and 185,000 units for lower-income residents; and,

WHEREAS, ASCE rated California roads “D” and driving on deficient roads costs Californians \$61 billion annually; and,

WHEREAS, the Los Angeles Department of Water and Power reports that approximately 27% of the city’s 6,795 miles of mainline pipes were installed before 1938 and estimates the cost needed for the entire water system capital improvement program at \$14.7 billion over the next 10 years; and,

WHEREAS, the Los Angeles Department of Water and Power’s Strategic Long Term Resource Plan and LA100 initiative to achieve 100% clean energy by 2035 is projected to cost approximately \$80 billion; and

WHEREAS, H.R. 3339 would establish a new National Infrastructure Bank authorized to invest \$5 trillion in infrastructure projects, would require no new federal spending or new federal taxes, and would be capitalized by repurposing existing United States Treasury debt; and


WHEREAS, infrastructure projects funded by the National Infrastructure Bank would create 25 million new jobs, pay wages subject to the Davis-Bacon Act, include Buy America provisions, mandate large-scale hiring of a diverse workforce, and prioritize financing of infrastructure projects located in low-income communities; and

WHEREAS, the National Infrastructure Bank would finance seven million units of new affordable housing, large-scale water projects, transportation projects, expanded broadband access and more; and,

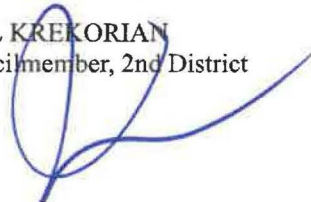
WHEREAS, California State Assemblymember Adrin Nazarian’s AJR 32 in support of the National Infrastructure Bank Act passed unanimously in the State Assembly; and,

WHEREAS, many other state and local legislative bodies have endorsed the National Infrastructure Bank Act, including: Nevada, Maine, New Jersey, Chicago, Philadelphia, Cleveland, and Pittsburgh;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2021-2022 Federal Legislative Program SUPPORT for H.R. 3339 (Davis), the National Infrastructure Bank Act of 2021, to create a National Infrastructure Bank and address the infrastructure needs of Los Angeles and the nation.

PRESENTED BY: 

Seconded by: 

PAUL KERKORIAN
Councilmember, 2nd District


SEP 16 2022

ORIGINAL