METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

One Region Moving Forward

District of Columbia
Bladensburg*
Bowie
College Park
Frederick
Frederick County
Gaithersburg
Greenbelt
Montgomery County
Prince George's County
Rockville
Takoma Park
Alexandria
Arlington County
Fairfax
Fairfax County
Falls Church
Loudoun County
Manassas
Manassas Park
Prince William County

*Adjunct Member

COG BOARD OF DIRECTORS MEETING

DATE: October 12, 2011
TIME: 12:00 Noon
PLACE: COG Board Room

PLEASE NOTE: Chairman Harrison will begin the meeting promptly at Noon. Lunch for members and alternates will be available at 11:30 a.m.

AGENDA

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
(12:00 Noon)

Chairman Andrea Harrison
Councilmember, Prince George's County

2. ANNOUNCEMENTS
(12:00 – 12:05 p.m.)

Chairman Harrison

a) COG Annual Meeting and Awards Luncheon, December 14
b) NARC Board of Directors outcomes

3. EXECUTIVE DIRECTOR'S REPORT
(12:05 – 12:10 p.m.)

a) Outreach
b) Legislative and Regulatory Update
c) Information and Follow-up
d) Letters Sent/Received
e) General Counsel Report

4. AMENDMENTS TO AGENDA
(12:10 – 12:15 p.m.)

5. APPROVAL OF MINUTES OF SEPTEMBER 14, 2011
(12:15 – 12:20 p.m.)

CONSENT AGENDA

6. ADOPTION OF CONSENT AGENDA ITEMS (12:20 – 12:25 p.m.)

A. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH TAPIT TO SUPPORT IMPLEMENTATION OF A REGIONAL WATER AND WASTEWATER OUTREACH CAMPAIGN

The COG Board will be asked to adopt Resolution R47-2011 to authorize the Executive Director, or his designee, to enter into a contract with TapIt, in an amount not to exceed $45,000, to develop and implement a tap water promotion program targeting local businesses in support of COG's Community Engagement Campaign water and wastewater utility partners. The duration of the contract is twelve months from the date of execution, and no COG matching funds will be required.

RECOMMENDED ACTION: Adopt Resolution R47-2011.

B. APPOINTMENT OF 2012 NOMINATING COMMITTEE

The Board Chairman shall appoint several COG members to serve on the 2012 Nominating Committee. The Committee will recommend: 1) a slate of corporate officers for action by the General Membership, at its Annual Meeting December 14, 2011; and 2) a slate of Board of Directors officers for action by the Board at its January 11, 2012 meeting.

RECOMMENDED ACTION: Adopt Resolution R48-2011.

C. RESOLUTION APPROVING THE SECOND ROUND OF FORECLOSURE COUNSELING GRANT FUNDS FROM THE CAPITOL AREA FORECLOSURE NETWORK (CAFN)

The COG Board will be asked to adopt Resolution R49-2011 authorizing the Executive Director, or his designee to accept a $175,000.00 grant from the Fannie Mae, Freddie Mac, NeighborWorks America, and the United Way of the National Capital Area, for the Capital Area Foreclosure Network (CAFN). CAFN is an innovative partnership between COG, the Nonprofit Roundtable of Greater Washington and the Urban Institute that builds the capacity of local housing counseling, legal service and direct service organizations working to address housing foreclosure challenge. This $175,000.00 grant will be used to seek proposals for and award grants of up to $25,000 to local housing counseling agencies, to be selected by CAFN's member-led Grant Awards Selection Team. No matching funds are required.

RECOMMENDED ACTION: Adopt Resolution R49-2011.

D. RESOLUTION AUTHORIZING COG TO APPLY FOR AND ADMINISTER FUNDING FOR A PROJECT TO IMPLEMENT PEDESTRIAN AND BICYCLE ACCESS IMPROVMENTS IN RAIL STATION AREAS IN THE REGION FROM THE FY 2011 TRANSPORTATION INVESTMENTS GENERATING ECONOMIC RECOVERY (TIGER) COMPETITIVE GRANT PROGRAM OF THE US DEPARTMENT OF TRANSPORTATION (USDOT)

The COG Board will be asked to adopt Resolution R50-2011 authorizing the Executive Director, or his designee, to apply for and administer grant funding from USDOT's FY 2011 TIGER Competitive Grant Program for a project to Implement Pedestrian and Bicycle Access Improvements in Rail Station Areas in an amount no less than $10,000,000 and not to exceed $30,000,000 in accordance with provisions of the grant program. No COG matching funds are required.

RECOMMENDED ACTION: Adopt Resolution R50-2011.

SPECIAL BRIEFING

7. PROPOSED METROPOLITAN WASHINGTON AIRPORTS AUTHORITY RESTRUCTURING (12:25-1:00 p.m.)

Charles D. Snelling, Chairman
Board of Directors
Metropolitan Washington Airports Authority

Chairman Harrison received a letter dated September 28 from the Metropolitan Washington Airports Authority (MWAA) concerning pending congressional legislation that would restructure the WMAA Board of Directors by adding additional representatives from Virginia and amending other provisions affecting the WMAA Board. MWAA opposes this legislation and requested that the COG Board express its concern to the National Capital Region congressional delegation. Mr. Snelling will make a brief presentation, followed by discussion.

RECOMMENDED ACTION: Receive presentation.

ACTION ITEMS

8. COG BOARD OF DIRECTORS TELECONFERENCE PILOT (1:00-1:10 p.m.)

David Robertson
Executive Director

Sharon Pandak
General Counsel

The COG Board of Directors endorsed the outcomes from the COG 2011 leadership retreat at its September 14 meeting and asked staff to develop a recommendation for a teleconfence participation pilot program for the COG Board. The COG Board will be briefed on proposed pilot goals, policies, implementation steps and outcome measures.

RECOMMENDED ACTION: Receive presentation.

9. METROPOLITAN BUSINESS PLAN FOR THE NATIONAL CAPITAL REGION (1:10 – 1:25 p.m.)

David Robertson
Executive Director

Public officials participating in the COG 2011 leadership retreat expressed interest the launch of a Metropolitan Business Plan in the National Capital Region. Brookings helped to organize Metropolitan Business Plans in the Cleveland, Minneapolis-St. Paul and Seattle regions with promising results to date. A similar effort in the National Capital Region may help strengthen the economic competitiveness of the Washington area, anticipate and respond to future changes in the region's economy and boost job retention and creation. There are many issues to consider prior to launching a Metropolitan Business Plan in the National Capital Region, including scope, goals and objectives, partners, funding and outcomes. As a first step to assess these and other elements, the COG Board will establish an ad hoc committee to assess the feasibility of COG's role in this effort and identify and meet with other possible partners and stakeholders. The committee will report to the COG Board in January 2012 on its recommendations for further action or next steps by COG.

RECOMMENDED ACTION: Adopt Resolution R51-2011.

10. FEDERAL FUNDING SUPPORT FOR THE URBAN AREAS SECURITY INITIATIVE (UASI) GRANT PROGRAM
(1:25 – 1:40)

David Robertson
Executive Director

The federal Urban Areas Security Initiative (UASI) program, administered by the U.S. Department of Homeland Security is the principal grant dedicated to furthering preparedness and security of the nation's urban areas against threats and acts of terrorism and other major hazards. UASI was created in 2003 and provides grant support to the National Capital Region and several other urban areas. The UASI Association, comprised of representatives of several UASI regions, recently released a report on the national effectiveness of the UASI program. COG staff will summarize the report findings, UASI benefits to the National Capital Region and the status of federal funding for FY 2012. The COG Board will be asked to communicate its support for the UASI program to the National Capital Region congressional delegation.

RECOMMENDED ACTION: Approve letter to National Capital Region congressional delegation.

11. OTHER BUSINESS
(1:40 p.m. - 2:00 p.m.)

12. ADJOURN- NEXT MEETING NOVEMBER 9, 2011
(12:00 p.m.)

Reasonable accommodations are provided for persons with disabilities. Please allow 7 business days to process requests. Phone: 202.962.3300 or 202-962.3213 (TDD). Email: accommodations@mwcog.org. For details: www.mwcog.org

2. ANNOUNCEMENTS

The Metropolitan Washington Council of Governments

Cordially invites you to attend the
Graduation of the Ninth Cohort of the
COG Institute for Regional Excellence
Regional Executive Development Program

Friday, October 14, 2011
6:00 p.m.
Metropolitan Washington Council of Governments
Walter Scheiber Board Room
777 North Capitol Street, N.E.
Washington, DC 20002

Reception immediately following

RSVP to 202.962.3316 or ire@mwcog.org by
Friday, September 30, 2011

COG

annual membership
and awards luncheon
marriott metro center
washington, d.c.

2011 annual meeting

join local, state and federal officials and business, civic and nonprofit leaders to celebrate achievements in the region over the past year.

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please save the date
december 14

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Metropolitan Washington
Council of Governments
777 North Capitol St. NE
Suite 300
Washington, D.C. 20002

2011 annual meeting

Annual Membership and Awards Luncheon

save the date december 14

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save the date december 14

3. EXECUTIVE DIRECTOR’S REPORT

COG outreach report

October 12, 2011

executive director David Robertson

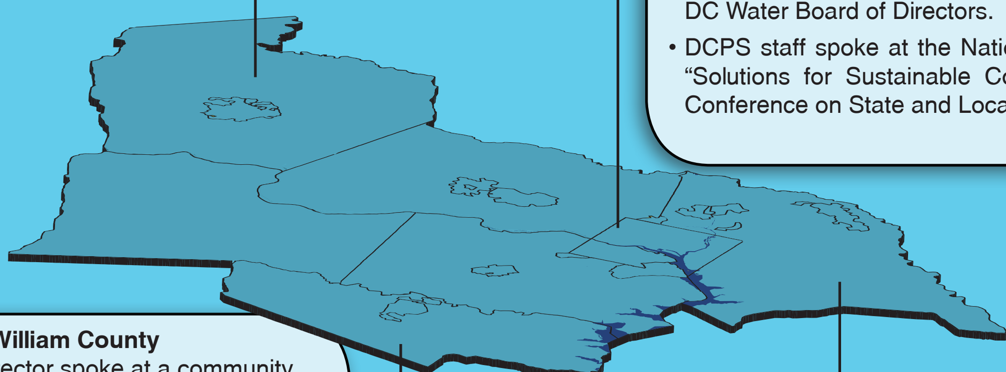
- ***911 Service.*** Met with Verizon officials on the service and its reliability.
- ***Give to the Max Day.*** Attended press conference to begin promoting the one-day, regional fundraising event on November 9, 2011. COG is a co-sponsor.
- ***Infrastructure Bank.*** Met with Richard Suisman of Our Nation's Capital to discuss a regional conference.
- ***Homeland Security.*** Met with Arlington County Manager Barbara Donnellan to discuss activities.
- ***Regional Land Use Leadership Institute.*** Spoke at the kickoff session of the Urban Land Institute's new program at Nationals Park. DCPS staff worked with ULI to develop the program.
- ***Foreign Delegations.*** Met with public officials and planners from Croatia and Switzerland.
- ***NARC.*** Attended its Executive Directors Conference in Jacksonville, FL.

cog in the region highlights

Frederick County
COG Director briefed the Board of Commissioners on COG policies and programs.

District of Columbia

- COG/DEP hosted a series of four climate adaptation workshops with support from a U.S. Environmental Protection Agency "Smart Growth Implementation Assistance" grant.
- DEP Director met with DC Water General Manager to discuss Blue Plains IMA renegotiations and a briefing for the DC Water Board of Directors.
- DCPS staff spoke at the National Housing Conference's "Solutions for Sustainable Communities 2011 Learning Conference on State and Local Housing Policy."



Prince William County
COG Director spoke at a community forum on transit organized by U.S. Representative Gerry Connolly.

Prince George's County

- DEP Director and staff briefed Prince George's County's CAO, Counsel, Environmental Resources Director and staff regarding the Blue Plains IMA renegotiations.
- DEP Director and staff met with Dr. Steve Halperin and colleagues at the University of Maryland Earth System Science Interdisciplinary Center to discuss collaboration on environmental (climate) change and local government decision-making, as well as a possible joint workshop.

Various Locations

- Commuter Connections sponsored and promoted the regional Car Free Day and staff participated in a Commuter Transportation Fair in Falls Church.
- COG Purchasing Manager met with the Town of Leesburg Purchasing Director to discuss using video conferencing to enhance participation in the COG Purchasing Committee among outer suburban members.

COG media report

October 12, 2011

COG Executive Director Pens *Capital Business* Op-Ed

COG's David Robertson authored an Op-Ed in the Washington Post's *Capital Business* in September in which he urged the region's leaders to not become complacent given metropolitan Washington's relatively strong economy, but rather to focus on continuing to diversify it. Robertson recommended Brookings' Metropolitan Business Planning as a potential model. A link to the Op-Ed is on the COG homepage at www.mwcog.org.

Transportation Planning Director Participates in *National Journal* Debate

In September, *National Journal* brought together a group of political leaders and experts at Union Station to discuss the need to improve America's aging infrastructure during a time of massive deficits and demands for fiscal restraint. COG Transportation Planning Director Ron Kirby was one of the featured speakers. Other participants included Grover Norquist, President of Americans for Tax Reform and Ed Rendell, former Governor of Pennsylvania. A link to the video recap of the debate is posted at www.mwcog.org.

Car Free Day Breaks Participation Record

Nearly 12,000 people participated in this year's Car Free Day event in metropolitan Washington, a 70% increase over the previous record. The event was covered by a number of media outlets, including *The Washington Post,* NewsChannel 8, WAMU, the *Washington Examiner*, NBC 4, the *Washington Informer*, the *Frederick News Post*, Inside NoVa, as well as several Patch web sites.

Emergency Preparedness & Response Issues Generate Attention

The recent flooding, earthquake, and hurricane refocused attention on emergency preparedness and response. At its September meeting, the COG Board discussed the topic. The discussion was covered by *The Washington Post*, WAMU, and the *Washington Examiner*. COG's David Robertson and Fairfax County's Merni Fitzgerald discussed the topic during an appearance on NewsChannel 8's NewsTalk program on September 16.

SOCIAL MEDIA UPDATE

Julia Koster, NCPC's Director of Intergovernmental Affairs, recently authored a blog entry at *Region Forward* on the Transportation/Land-Use Connections (TLC) program.

In September, the Region Forward blog also covered a series of workshops held by COG and the EPA aimed at creating a climate change adaptation plan for metropolitan Washington. Check out these and other blog entries at **www.RegionForward.org**.

Reply.
Friend.
Tweet.
Like.
Comment.
Retweet.

2011 | September Media Counts — **TV: 08 Radio: 07 Print: 30**

COG Events Calendar

October - November 2011

Updated: October 5, 2011

October 2011	
Oct 6	Solar PV Workshop 09:00 AM - 04:30 PM COG Board Room Contact: Jeff King - jking@mwcog.org
Oct 12	COG Board of Directors 12:00 PM - 02:00 PM COG Board Room Contact: Diane Humke - dhumke@mwcog.org
Oct 14	Stormwater Challenges in Metropolitan Washington (Webinar) 10:30 AM - 12:30 PM Webinar Contact: Heidi Bonnaffon - hbonnaffon@mwcog.org
Oct 15	Financial Planning Day in the National Capital Region 10:30 AM - 04:00 PM Bell Multi-Cultural Campus Contact: Jeanne Saddler - jsaddler@mwcog.org

October

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						1
2	**3**	**4**	5	**6**	7	8
9	10	11	**12**	13	**14**	**15**
16	**17**	**18**	**19**	20	**21**	22
23	24	**25**	**26**	**27**	28	29
30	31					

November

S	M	T	W	T	F	S
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6	7	8	**9**	**10**	**11**	**12**
13	**14**	**15**	**16**	17	**18**	19
20	21	22	23	24	25	26
27	28	29	30			

COG Events Calendar

Oct 16-19	RailVolution Conference Marriott Wardman Park Contact: Marti Reinfeld - railvolution@dc.gov
Oct 19	Transportation Planning Board 12:00 PM - 02:00 PM COG Board Room Contact: Ron Kirby - rkirby@mwcog.org
Oct 19	Potomac Watershed Trash Summit 2011 08:30 AM - 04:30 PM George Mason University - Founders Hall Contact: Alice Ferguson Staff - 202-973-8203 or trashsummit@fergusonfoundation.org
Oct 21	Human Services & Public Safety Policy Committee Meeting 12:00 PM - 02:00 PM COG Board Room Contact: Renee Frost - 202-962-3343 or rfrost@mwcog.org
Oct 25	Housing the Region's Future Workforce 08:00 AM - 12:00 PM George Mason University School of Public Policy Contact: Paul DesJardin - pdesjardin@mwcog.org
Oct 26	MWAQC 12:00 PM - 02:00 PM COG Board Room Contact: Joan Rohlfs - jrohlfs@mwcog.org
Oct 27	Green Business Conference 08:00 AM - 03:30 PM TBD Contact: Greater Washington Board of Trade - info@bot.org

COG Events Calendar

November 2011	
Nov 9	COG Board of Directors 12:00 PM - 02:00 PM COG Board Room Contact: Diane Humke - dhumke@mwcog.org
Nov 9-12	National League of Cities Annual Congress of Cities Phoenix Contact: Michelle Lynch - lynch@nlc.org
Nov 10	2011 Potomac Conference: Public-Private Partnership Opportunities for Greater Washington 08:00 AM - 05:00 PM TBD Contact: Greater Washington Board of Trade - info@bot.org
Nov 13-15	2011 VACo Annual Conference Homestead Hotel Contact: Carol Cameron - ccameron@vaco.org
Nov 16	Transportation Planning Board 12:00 PM - 02:00 PM COG Board Room Contact: Ron Kirby - rkirby@mwcog.org
Nov 16	Climate, Energy & Environment Policy Committee 09:30 AM - 11:30 AM COG Board Room Contact: Joan Rohlfs/Stuart Freudberg - jrohlfs@mwcog.org
Nov 18	Chesapeake Bay & Water Resources Policy Committee 10:00 AM - 12:00 PM COG Board Room Contact: Karl Berger - kberger@mwcog.org

Housing the Region's Future Workforce

Policy Challenges for Local Jurisdictions

A conference co-sponsored by the George Mason University Center for Regional Analysis and the Metropolitan Washington Council of Governments

Tuesday, October 25th 8:00 am—12:00 pm
George Mason University School of Public Policy
Arlington Campus

Over the next 20 years, the Greater Washington region will add over a million net new jobs. Another 1.8 million of the region's current workers will retire and new workers will be needed to fill those jobs.

Where will the region's future workers live? What types of housing will they need? Where does that housing need to be located to prevent traffic congestion from worsening?

Having a sufficient amount of housing—in the right price and rent ranges and in the right places—is critical to the economic performance of our region. Without an adequate supply of housing, our region will face increasing traffic congestion and a slowdown in economic growth.

The purpose of the conference is to highlight housing as a constraint and opportunity for the region's economic development and to examine the impacts local housing policies have on housing in the region.

Findings from the Center's research on the future demand for housing will be presented and a roundtable of regional stakeholders will discuss various perspectives on the need for housing in the region. The conference will conclude with questions and audience discussion on the challenges and opportunities for housing in the Greater Washington area. The conference will provide a spring-board for further discussion and action.

The conference is free and open to the public, local government staff and officials, non-profit organizations, business groups, and anyone interested in the future of the Washington DC region.

For more information or to register, visit cra.gmu.edu and click on News & Events.

George Mason University · School of Public Policy · Center for Regional Analysis
3351 Fairfax Drive Arlington, Virginia 22201
cra.gmu.edu

Conference Agenda

8:00-8:45 Registration and Breakfast

8:45-9:00 Opening Remarks

David Robertson, Executive Director, Metropolitan Washington Council of Governments

9:00-9:15 Future Employment Trends in the Greater Washington Area

Stephen S. Fuller, PhD, George Mason University Center for Regional Analysis

9:15-9:45 Forecasts of Housing Need to Support Regional Economic Growth

Lisa A. Sturtevant, PhD, George Mason University Center for Regional Analysis

9:45-10:00 Audience Q&A

10:00-10:15 Break

10:15-11:00 Housing Policy Roundtable

Moderated by Conrad Egan, Past-President & CEO, National Housing Conference

Thomas S. Bozzuto, Chairman & CEO, The Bozzuto Group

Valerie Ervin, President, Montgomery County Council

Thomas Flynn, Director, Loudoun County Department of Economic Development

Douglas Koelemay, Vice President for Community Relations, SAIC

Jair Lynch, President & CEO, JAIR LYNCH Development Partners

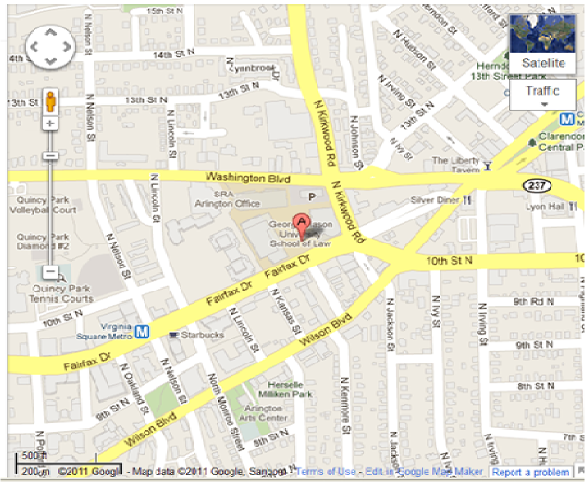
11:00-11:45 Audience Discussion

11:45-12:00 Closing Remarks and Next Steps

The Housing the Region's Future Workforce conference will be held in Founders Hall at the Arlington campus of George Mason University. Founders Hall is located three blocks from the Virginia Square Metro station on the Orange Line.

Free parking under the building is also available. The parking garage is accessible from North Kirkwood Street.

Visit cra.gmu.edu for more information.



George Mason University · School of Public Policy · Center for Regional Analysis
3351 Fairfax Drive Arlington, Virginia 22201
cra.gmu.edu

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

One Region Moving Forward

September 29, 2011

The Honorable Blaine Young
President, Frederick County Board of Commissioners
Winchester Hall
12 E. Church Street
Frederick, MD 21701

Dear President Young:

I would like to thank you for setting aside time on the Board of Commissioners' agenda recently to learn a bit more about COG and the important role Frederick County plays in the National Capital Region. The discussion left me with a greater understanding of the County's views on various issues which will better enable me to infuse that perspective into COG activities. I hope you and your colleagues found the presentation informative and that it provided you with greater clarity about our work and the benefits of membership in COG.

There were several comments made and questions asked by various Commissioners that I felt warranted further detail and explanation. I have enclosed additional information and provided the names of staff members who will be more than happy to further address the issues with you and your colleagues.

Again, I thank you for time and interest in COG's work on behalf of the region and I look forward to Frederick's continued participation in COG. If you have any questions or have suggestions on how we can better serve the County please do not hesitate to contact me at 202-962-3260, drobertson@mwcog.org or COG's Government Relations representative Nicole Hange 202-962-3231 or nhange@mwcog.org.

Sincerely,

David J. Robertson
Executive Director

Cc Frederick County Board of Commissioners

Transportation Projects in the Queue (Smith)

The following are projects currently in the CLRP that are partially or wholly in Frederick County and the City of Frederick. These however, have not been submitted by the County but by the Maryland Department of Transportation. There are no studies currently shown on our Major Studies list in Frederick County.

- The I-270/US 15 Corridor, HOV/HOT project from Shady Grove to Biggs Ford Road – 2030
- Widening of I-70 from Mt. Phillip Road to MD 144 – 2020
- Widening of MD 85 from English Muffin Way to north of Grove Road – 2020
- Three interchange projects: I-70 at Meadow Rd., US 15 at Monocacy Blvd., and US 29 at Musgrove/Fairland Rd.

Most of the projects that Frederick County has submitted for the TIP are funded with local and state funding, except for their County Capital Improvement Program for Bridges, which show roughly $6.9 million in federal Bridge Rehabilitation and Replacement funds.

I encourage active participation in the meetings of the Transportation Planning Board which will enhance the County's ability to shape the project selection process. Below, you will find a detailed description of the project selection process.

Background: The Constrained Long-Range Plan (CLRP) includes over 750 regionally-significant projects and is updated annually to include new projects and programs. Projects range in size, dollar amount, and mode and include highway, transit, High-Occupancy Vehicle (HOV), bicycle and pedestrian, and studies. TPB updates the CLRP annually to include new projects and programs.

Approximate CLRP schedule: TPB releases a call for projects in December of each year, and is briefed on project submissions from member jurisdictions in February. A draft plan is released for public comment in September, and a final plan is typically adopted in October.

Transportation Improvement Program (TIP) – spans a 6-year time horizon, is updated annually, and must conform to federal requirements such as financial constraint, air-quality conformity, and public participation.

For additional information contact: Ron Kirby, Transportation Director, 202-962-3310 or rkirby@mwcog.org

Hotel Per Diem Rates (Shreve)

Rates are determined by the General Services Administration based upon contractor provided data of local lodging properties. The current rate for the District of Columbia (which includes Montgomery and Prince George's Counties) is between $181 and $211 based upon the month. Frederick County's rate is $92 for each of the twelve months.

The County may wish to ask the GSA for a special review of its rate given its proximity to the District of Columbia and role in the National Capital Region as a member of COG. You must submit a formal letter requesting review and include the following information:

A. The geographical areas you want us to study, especially ZIP codes.

B. The property names (including addresses, ZIP codes, and rates) where your federal travelers stay while on temporary duty travel and those properties (including addresses, ZIP codes, and rates) that will not honor the federal lodging per diem rate.

C. The number of times actual expenses were used and/or federal travelers had to use another lodging facility to stay within the maximum allowable lodging per diem rate, which resulted in additional transportation expenses (rental car, taxi) being incurred.

All valid requests postmarked no later than 12/31 will be eligible for this review. All valid requests received after 12/31, but before 4/1 will be evaluated during the following fiscal year's annual review cycle. After all the requirements are submitted, GSA will obtain updated data from our contractor to determine whether a per diem rate should be increased, decreased or remain unchanged. We will conduct no more than one "special" review for a particular NSA annually. Letters should be sent to: Per Diem Team Leader, Travel Management Policy (MTT), General Services Administration, 1275 First Street, NE, Washington, DC 20417. You can also email your request (a signed letter on agency letterhead must be attached) to jill.denning@gsa.gov.

For additional information contact: Nicole Hange, Government Relations, at 202-962-3231 or nhange@mwcog.org

Foreclosure Prevention (Shreve)

Staff will be in contact with the County's Housing Director to provide information and resources related to the impact of foreclosures on moderately priced dwelling units. Concurrently, you should be aware of the Capital Area Foreclosure Network (CAFN) a program COG and the Nonprofit Roundtable of Greater Washington administer on behalf of the region.

CAFN brings together key stakeholders to combat the region's foreclosure crisis. CAFN provides comprehensive support to front-line organizations and local coalitions working with at-risk residents, conducts regional marketing and outreach campaigns urging residents to get help and warning them of the dangers of foreclosure rescue scams, researches and analyzes regional foreclosure data and trends to better target resources and identify service delivery gaps.

For additional information contact: Alicia Lewis, Housing and Planning, 202-962-3346 or llewis@mwcog.org.

PlanMaryland (Shreve)

In adopting *Region Forward,* COG and its 21 member governments have pledged to use it as a framework to guide regional growth and development. It is not a one-size-fits-all vision and accepts the differences among our cities and counties, but also embraces something that residents of the District of Columbia, suburban Maryland, and Northern Virginia understand. Our futures are interconnected.

Region Forward encourages leaders to think regionally when acting locally and strongly supports local autonomy in making those decisions. If that sentiment is ultimately reflected in PlanMaryland COG would be supportive.

We have been in contact with the Maryland Association of Counties and the Maryland Municipal League which are both actively engaged in the Plan's development. MACO has expressed its cautious support for PlanMaryland as an "important tool to foster communication and collaboration of state and local governments." MACO has also stated that such support would be retracted if Plan Maryland "seeks to supplant local land use authority and micromanage growth." I encourage the County, if it is not already doing so, to reach out to MACO's Legislative Director Les Knapp for additional information on the plan and its implications for local governments.

COG will continue to monitor the Plan's progress and the need for a formal position as appropriate. Additionally, COG has requested a briefing from the Maryland Department of Planning.

For additional information contact: Paul DesJardin, Director Community Planning and Services, 202-962-3293 and pdesjardin@mwcog.org.

Chesapeake Bay and Total Maximum Daily Load (TMDL) (Shreve)

COG's Chesapeake Bay and Water Resources Policy Committee will meet later this fall to discuss cost estimates for local jurisdictions to meet EPA's TMDL requirements. It is very likely that the Committee will advance a policy position for action by the COG Board of Directors in January 2012 ahead of the state and federal legislative sessions. COG's current position is that the federal government "should support policies and tools that provide local governments with greater flexibility in meeting EPA's TMDL requirements for the Chesapeake Bay."

Additionally, COG has urged the states to provide "funding support to local governments for programs and projects mandated by EPA and state governments to restore and protect the Chesapeake Bay and its tributaries to meet Clean Water Act Requirements. The most critical need is funding for mandated stormwater retrofit projects in already developed areas, which are particularly costly. Policies should provide flexibility for local governments through appropriate alternative programs and support efforts to ensure that non-regulated sources of pollution, especially agricultural sources, meet pollution reduction targets through increased funding, greater regulation, and stricter enforcement."

COG staff is working with Shannon Moore; the County's acting manager of sustainability and environmental resources in the Phase II development of Frederick's TMDL Watershed Improvement Plan. Staff will continue to serve as a resource and provide support as necessary.

For additional information contact: Karl Berger 202-962-3350 or kberger@mwcog.org center for nonprofit advancement

The Community Foundation for the National Capital Region

Greater Washington Board of Trade

Leadership Greater Washington
The power to lead. The power to change.

Metropolitan Washington Council of Governments

The Nonprofit Roundtable of Greater Washington

United Way
United Way of the National Capital Area

Washington Regional Association of Grantmakers

A Letter to the Community from 8 Neighbors
October 2011

The Future We Need

On Sunday, September 6, 2008, Fannie Mae and Freddie Mac were both placed into conservatorship to ensure the financial soundness of these two companies. For over three years, our country has wondered about the consequences for the housing finance market - the principal reason both organizations were created by Congress.

In the National Capital Region, however, an immediate additional concern arose: how would this change impact the multiple human services programs that benefit so many throughout this region we call home?

Today, in the fall of 2011, we are just beginning to assess the looming impact of Freddie Mac winding down its local philanthropic investments and Fannie Mae adjusting the breadth of its local impact. The loss of the top two charitable giving organizations in the National Capital Region represents a blow to families and neighbors who depend on nonprofits for assistance for food, temporary housing, or job training. Our region is already balancing in a fragile funding environment and replacing these revenue sources will be difficult, certainly in the short-term.

The George Mason University's Center for Regional Analysis presents us with some sobering facts. We are being told that we should prepare for a future in which Fannie Mae and Freddie Mac are no longer the philanthropic giants upon which this region has come to rely. Understood. Diversified funding is always the goal to which all organizations strive. But, the future that we *need* includes the active philanthropic engagement of Freddie Mac and Fannie Mae, not just through the traditional financial role, but in the larger and more important role of visionary leader. And this role doesn't only benefit the needy in our region; it benefits us all, including Freddie Mac and Fannie Mae.

Philanthropy can often seem as a one-off strategy that demonstrates the social sensitivity of a corporation. It is even usually referred to as CSR or corporate social responsibility. To those of us in the community, we knew that philanthropy was always more than that for Freddie and Fannie. It was strategic. It was outcome-driven. It was a part of their core mission. For Freddie Mac and Fannie Mae, philanthropy went well beyond dollars.

The impact of Fannie Mae's *Help the Homeless Walkathon* cannot be measured solely in the dollars that it garnered for homeless programs around the region and across the country. The astute observer will look at the multiplier effect that it brought by partnering with local nonprofits, and the effective public policies that developed because the walk was held here in the political heart of our country, as well as the annual re-kindling of attention on the dire problem of homelessness among all who still believe that having a home is the hallmark of the American Dream.

Freddie Mac chose a different path. *Wednesday's Child*, a multi-media effort to showcase the need for adoptive families, was one of its signature efforts. *Wednesday's Child* didn't only generate homes for thousands of children hoping for a mom and dad, it became part of Freddie's corporate culture. Being a part of this signature program was a source of pride and engagement for hundreds, if not thousands, of employees. And our community, schools, and homes were made stronger because we know that a forever family is fundamental for lifelong success.

Fannie Mae and Freddie Mac are so much more than check book charitable givers. They are shining examples of what it means to be an effective, engaged and valued corporate citizen. We urge other companies to continue the philanthropic model Fannie Mae and Freddie Mac developed. Our neighbors need you in our region. And we need your leadership for our country.

8 Neighbors is a coalition of eight organizations representing the nonprofit,philanthropic, government and business sectors in the Greater Washington Region.

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Center for Regional Analysis - George Mason University

Fannie Mae and Freddie Mac: What Does Their Future Mean for the Washington Region's Nonprofit Community?

Prepared for 8 Neighbors:

Center for Nonprofit Advancement

The Community Foundation for the National Capital Region

The Greater Washington Board of Trade

Leadership Greater Washington

Metropolitan Washington Council of Governments

The Nonprofit Roundtable of Greater Washington

United Way of the National Capital Area

Washington Regional Association of Grantmakers

By

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Center for Regional Analysis, School of Public Policy

George Mason University

October 2011

Executive Summary

- Fannie Mae and Freddie Mac have been extremely important contributors to the Washington region's non-profit community and have helped address many and varied needs throughout the regional community. Over just the past four years, the two entities have made contributions of almost $100 million to 500 non-profit organizations working to meet needs in the metropolitan Washington region. Their contribution has not only been funding dollars, but they have made substantial contributions to the region's nonprofit infrastructure and leveraging with other resources to meet the region's needs. No other corporations gave more in philanthropy in 2010 than the Freddie Mac Foundation or Fannie Mae, even with the reduced amounts post-conservatorship.

- Fannie Mae and Freddie Mac have been central to providing financing for home mortgages in the U.S. and to the American dream of home ownership. Unfortunately the housing financial systems crisis of the past few years has resulted in proposals for significant changes to the system that will change the roles of both entities going forward. It would appear from the discussions through fall of 2011 that they will continue to exist and provide resources for home financing for a considerable period of time if not ongoing, but their attention and roles will be focused on that corporate role. In the case of the Freddie Mac Foundation, it was announced by their President and CEO in mid-September that the Foundation has been directed by its regulator to implement a 3-year wind down plan. The President's letter said that they will actively fund non-profit programs at higher spending levels through CY 2014, and in early 2015 would distribute any remaining Foundation assets. There is no announced wind-down of corporate philanthropy by Fannie Mae, but it is reasonable to assume that their support for nonprofits will decline as well.

- The region's nonprofits are generally aware of the situation with Fannie Mae and Freddie Mac and some are anticipating and planning for reduction of funding from them, and the funding challenges faced by different nonprofits varies. The size of the nonprofit, the proportion of funding coming from the two entities, the proportion of expenses supported by the funds, and the kind of programs the nonprofit is operating are and will be key factors in the impact.

- The giving by Fannie Mae and Freddie Mac over the past four-year period of 2007-2010 declined significantly with the onset of conservatorship in 2008, but is now declining very gradually. Both entities, however, are aligning their contributions with their business – housing. The Freddie Mac Foundation has announced its wind-down schedule and spending focus for the remainder of its

- assets. In the statement from Ralph Boyd, the Foundation will continue to invest in programs focused on vulnerable children and families, and that in spending the assets down have a "goal to help high performing nonprofits leverage our existing resources to sustain essential programs, services, and funding streams well into the future…" Fannie Mae's spending focus since the initiation of conservatorship has also been focused on housing, and that trend will likely continue and accelerate as its corporate support of non-profits declines.

- While there are no exact comparable models elsewhere as all regions and situations are different, it is useful to draw on the case of the Detroit region, which experienced significant declines in corporate philanthropy this decade. The Washington region could expect some of what Detroit experienced: less funding for programs in areas like the arts with more focus on critical human needs, and a challenge to achieve a level of regional collaboration to set funding priorities to meet regional objectives rather than funder objectives.

- Given the analysis and findings of this research, it is recommended that the 8 Neighbors

    - Communicate with the region's nonprofits (especially non-housing) to develop new business plans and whatever is needed to be able to continue operations and plan future programs assuming gradually less funding and support from the two entities.
    - Maintain close working relationships with Fannie Mae and the Freddie Mac Foundation in order to inform the region's non-profits as the changes will continue to occur over the next few years, and in the case of the Freddie Mac Foundation, seek to collaborate with them to help set priorities and explore structural options for extending the life of their assets beyond its announced three-year wind down.
    - Consider using this research and its findings to initiate informed discussions of the region's leadership directed to finding new corporate funding and to formulating new programs and initiatives to support sustainable, long-term funding of the regional community's needs.

Purpose of Report

The purpose of this research is to examine the current situation of the philanthropic roles and contributions by Fannie Mae and Freddie Mac in the Washington metropolitan area, and how their roles and funding of the region's nonprofit community may change in the near future. The two corporations have been major contributors to and supporters of the community over the years. Potential changes to their functions and structure caused by the housing and financial crisis has already had effects on nonprofit funding levels in the region, and the research is to assess what may happen in the year(s) ahead regarding their support for regional nonprofits.

Fannie Mae-Freddie Mac History

Fannie Mae was founded in 1938 during the Great Depression as part of the New Deal, and was set up as a government-sponsored enterprise (GSE), and in 1968 was converted to a publicly traded company. Its purpose was to provide local banks with federal money to finance home mortgages in order to raise levels of home ownership and increase the availability of affordable housing. Freddie Mac was created in 1970 to expand the secondary market for mortgages and as an additional effort to increase the supply of money available for mortgage lending and therefore money available for home purchases.

Both entities have been very important in increasing the level of home ownership in the U.S. since their inception such that approximately 2/3 of households are homeowners. The two corporations plus the Federal Housing Administration (FHA) together now guarantee approximately ninety percent of new mortgages. Unfortunately, both corporations relaxed underwriting standards to compete with other segments of the private financing market with the run-up of the housing bubble in the mid-2000s. When housing prices started falling in 2006-2008, both corporations began losing money. By August 2008 shares of both corporations had dropped more than ninety percent from their value in 2007. In September of 2008 the corporations were taken over by the U.S. government in order to prevent further financial crisis, and the corporations were placed into conservatorship.

Fannie Mae-Freddie Mac: The Current Situation

Since going into conservatorship, the two entities have continued to carry out their mortgage underwriting role using money from the Federal government, and through the first quarter of 2011 the amount of Federal support is estimated at

$135 billion. The outfall of this situation is that proposals have been put forward to change the role of government in the housing market. The Obama administration released a white paper in February of 2011, *Reforming America's Housing Finance Market*, that outlined three options for changing government's role. All three options would likely affect the future of Fannie Mae and Freddie Mac very significantly. House Republicans have put forward responses and other proposals. Given these developments, it is reasonable to assume that both entities may well cease to exist, certainly in their current forms and roles. As of fall 2011, however, it does seem likely given the continuing economic troubles and housing financing issues, that the two corporations will be in existence for a considerable period as the country tries to recover and to resolve the problems of the home finance industry.

The national stage on which all of this gets played out will be of great importance to the Washington region's non-profit community. Fannie and Freddie have been strong supporters and partners with many non-profits in the region in meeting the needs for education, human services, homelessness, health care, housing, community development and others. Given the depth of the crisis and the clear consensus that the two entities' roles will be greatly changed if not eliminated, it is reasonable to assume that over the next few years their contributions to the region's non-profits will recede and cease to exist.

The nature of giving from the two entities, however, is very different in how their local contributions could cease. Funding to regional non-profits from Freddie Mac is primarily from the Freddie Mac Foundation, which has separation from the corporation. The Foundation has significant assets and funding has been generated from the earnings on those assets. Funding declined after conservatorship, and in mid-September the Foundation was directed by its regulator (Federal Housing Finance Agency) to implement a three-year wind down plan beginning in 2012. The Foundation has indicated that its community investing would substantially exceed the CY 2010 levels through 2014, and then distribute any remaining assets in early 2015.

On the other hand, Fannie Mae eliminated its foundation several years ago, and since conservatorship has been providing funding in the form of traditional corporate giving. This giving has become much more aligned (than in pre-conservatorship) with its corporate mission of housing finance, and giving to non-housing needs has diminished significantly. But more importantly for the region's non-profits, what happens to change or eliminate Fannie Mae by the national forces at play would fairly immediately change giving to local non-profits. Also, given the directive from FHFA to the Freddie Mac Foundation, it is reasonable to assume that the regulator will also be directing changes to Fannie Mae's philanthropy spending in the very near future.

The Region’s NonProfits in 2011

A sample of non-profit organizations that are recipients of funds from Fannie Mae and Freddie Mac were interviewed to assess how they might be impacted by changes in the giving patterns of the two entities. Some of the nonprofits interviewed have already experienced some reductions from one or both, others have continued to receive their historical level of funding but are aware and sensitive to the possibilities of significant changes and reductions. Common themes and significant points from the interviews:

- A common theme was a recognition that the outlook is generally that funding from the two entities will likely lessen significantly if not go away entirely. Some of those responding with this view indicated that they were revising their business plans and otherwise making preparations for dealing with the situation.
- A few had begun identifying potential replacement sources and/or how they would reduce the cost of operations in order to continue their programs without current funding from Fannie or Freddie. One suggestion was that a program is needed in the region to encourage citizens and corporations to take more responsibility for social needs, perhaps some kind of regional awareness effort to encourage more giving period.
- There was a clear worry expressed about some programs – notably those for children, foster care, and families. This sentiment recognized that the situation with both organizations at the national level would likely mean that both organizations would be pressured to allocate available funds to the housing areas and away from anything that was not housing.
- Another worry expressed was that operational capacity would be at risk going forward, especially for those getting a significant portion of their funding from either of the entities. It was noted that some organizations might not appear to be severely threatened as they may only get 5 percent of funding from one of the two, but that 5 percent of total funding might mean 25 percent of non-restrictive funding and such loss would be severe. A suggestion from one interviewee was that an option for some nonprofits would be to consolidate some programs.
- Some wondered if the major funding cuts have already happened, and if there will be fewer/less likely reductions in the future. A majority did not give this view, but is a somewhat troubling sentiment given the potential for significant reductions.

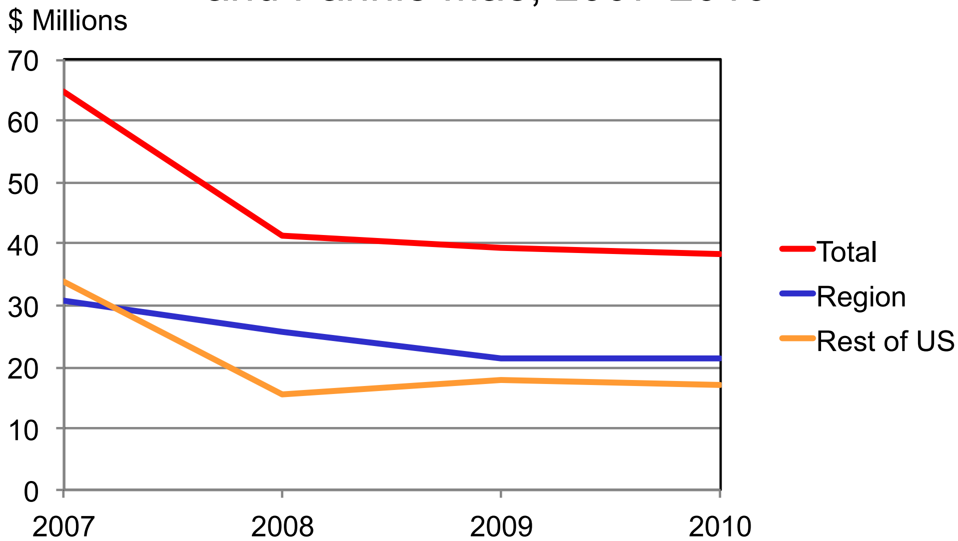
Trends in Giving, 2007 – 2010

The combined contributions of Fannie Mae and Freddie Mac to the greater Washington community have been substantial and very important to meeting many of the needs of the non-profit services community. For the four-year period of 2007-2010, the two companies contributed $99.3 million to over 500 non-profit organizations in the region. The impact of the two companies going into conservatorship has clearly affected the philanthropic contributions of both organizations. In 2007 the combined contributions of Fannie Mae and the Freddie Mac Foundation were $64.7 million nationally. Contributions declined to $41.3 million in 2008 with the advent of conservatorship and contributions further declined but more modestly the past two years, and 2010 total contributions were $38.3 million, a four-year decline nationally of 40.8 percent.

Data for each year for the period 2007-2010 were analyzed to provide a picture of changes in giving patterns for a year and a half before conservatorship and then two and a half years afterwards.

The drop in contributions was not as severe for the Washington area recipient organizations, as total contributions from both companies was $30.8 million in 2007 and $21.3 million in 2010, a decline of 30.8% compared to the national decline of 40.8 percent. The share that Washington organizations received from the two companies increased from 47.5 percent in 2007 to 55.6 percent in 2010, indicating that a higher priority was placed on the local community as each of the organizations were reducing contributions.

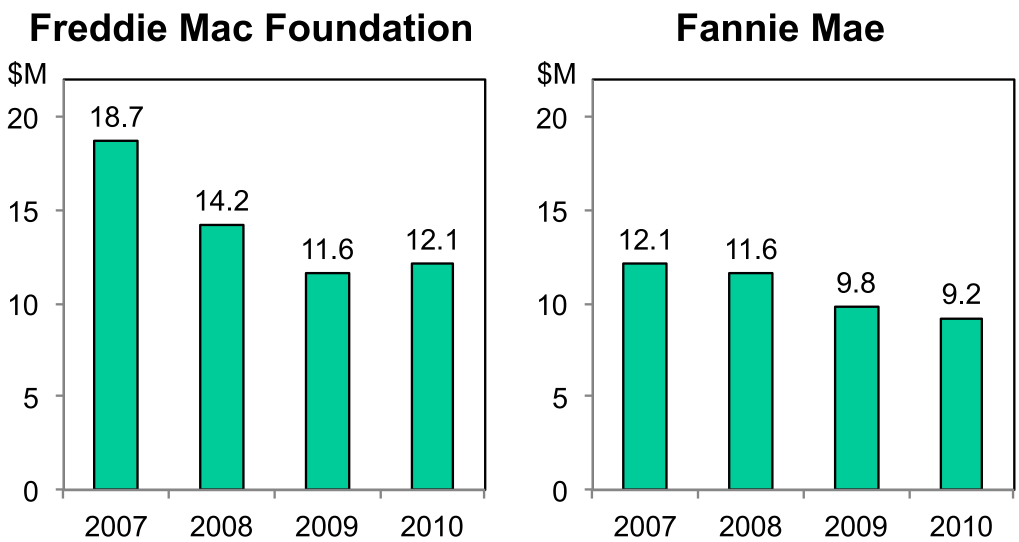
Figure 1
Total Contributions by Freddie Mac Foundation and Fannie Mae, 2007-2010



For contributions to regional organizations, Freddie Mac's contributions dropped the largest amount from 2007-2008, and then more gradually since 2008 and 2010 contributions were slightly higher than 2009. Contributions in 2010 were 35.3 percent less than in 2007. The increase in Freddie Mac Foundation contributions from 2009-10 reflect better equity market conditions and therefore better earnings for the Foundation's assets. Overall, Freddie Mac's contribution patterns have been primarily focused on the Washington region since its inception, and the share of total contributions going to Washington organizations was 89.9 percent in 2007 and increased to 97.6 percent in 2010.

Fannie Mae's contributions to local organizations did not have a sharp decline over the analysis period, as 2007 contributions were $12.1 million and have declined each succeeding year and in 2010 were $9.2 million. That represents a decline of 24.0 percent, much lower than the decline in contributions to the rest of the U.S. of 47.5 percent, and also a smaller decline in dollar contributions as well as percentage than the Freddie Mac Foundation contribution declines.

Figure 2
2007-2010 Contributions to
Washington Area Organizations



For the year 2010, compared to other corporate philanthropy in the Washington region as compiled and reported by the Washington Business Journal, no other corporations gave more in philanthropy in 2010 than the Freddie Mac Foundation or Fannie Mae, even with its reduced amounts post-conservatorship. Comparing the local giving per local employee for corporations, Fannie Mae and Freddie Mac were both in the top ten in corporate philanthropy of the fifty top local corporate givers in 2010.

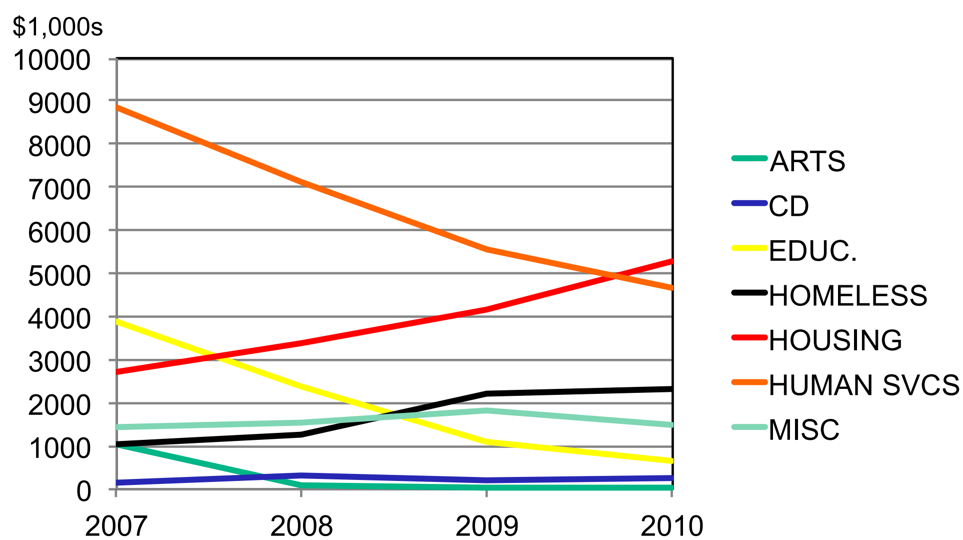
Trends in Contributions by Type

Contributions to the top 200 recipient organizations were grouped into general categories to further analyze changes in contribution trends of the two organizations. There are no standard definitions of categories, and many non-profit organizations have diverse programs, so the analysis of trends by category recognizes that conclusions are fairly general.
Contributions by the two organizations were grouped into the following categories:

Arts
Community Development
Education
Homelessness
Housing
Human Services
Miscellaneous (all other)

Given in Table 1 is a summary of contributions by Fannie Mae and the Freddie Mac Foundation for each year 2007-2010, and Figure 3 summarizes contributions (combined) by category for each of the years.

Figure 3
Trends In Contributions By Category, 2007-2010
Freddie Mac Foundation and Fannie Mae
To Washington Area Organizations



Top 200 Recipient Organizations

Table 1

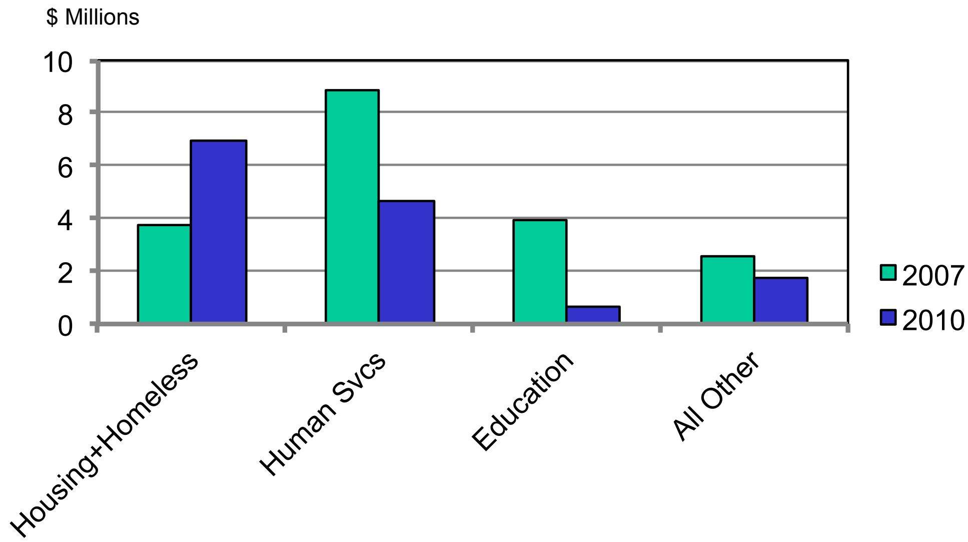
Top 200 Washington Area Recipients - Contributions by Category ($1000s)

	Freddie Mac Foundation				
	2007	2008	2009	2010	Total
Arts-	-	-	-	-	-
Community Development	140	140	40	140	460
Education	2,602	1,904	596	696	5,798
Homelessness	981	1,149	1,875	1,941	5,946
Housing	1,267	1,095	1,600	2,140	6,102
Human Services	8,137	6,108	4,519	4,028	22,792
Misc.	1,015	360	235	352	1,962
Total	14,142	10,756	8,865	9,297	43,060

	Fannie Mae				
	2007	2008	2009	2010	Total
Arts	835	50	25	-	910
Community Development	5	200	190	100	495
Education	1,536	521	526	-	2,583
Homelessness	51	103	353	375	882
Housing	1,435	2,301	2,562	3,145	9,443
Human Services	695	3,507	1,070	625	5,897
Misc.	4,212	1,170	1,615	1,152	8,149
Total	8,769	7,852	6,341	5,397	28,359

	Total Freddie Mac Foundation and Fannie Mae				
	2007	2008	2009	2010	Total
Arts	835	50	25	-	910
Community Development	145	340	230	240	955
Education	4,138	2,425	1,122	696	8,029
Homelessness	1,032	1,252	2,228	2,316	6,828
Housing	2,702	3,396	4,162	5,285	15,545
Human Services	8,832	9,615	5,589	4,653	28,689
Misc.	5,227	1,530	1,850	1,504	10,111
Total	22,911	18,608	15,206	14,694	71,419

Figure 4
Aggregate Categories
Freddie Mac Foundation and Fannie Mae
Contributions to Washington Area Organizations



Contributions have declined for the arts, community development, education, and human services. They have increased for housing as well as homelessness (which is one area of housing). This is an indication that both organizations are aligning their contributions with their business, which is housing.

Collapsing the seven categories into four shows this conclusion even more clearly in Figure 4 comparing 2007 (pre-conservatorship) with 2010 (post-conservatorship). Comparing 2007 and 2010, the share of contributions in the Housing and Homeless categories from Freddie Mac increased from 15.9% in 2007 to 43.9%, and for Fannie Mae increased from 16.9% to 65.2%. The difference between the two reflects that contributions from Fannie Mae are corporate while those from Freddie Mac are from its foundation, which has the ability to transition more gradually.

Human services and education programs have incurred the most significant declines, and the trends from 2007-2010 plus the likely internal corporate pressure and external political pressures will mean that future giving will continue in this direction; i.e., a greater share of contributions to what is their business – housing related programs – and fewer funds going to all other programs.

Overview of Potential "At Risk" Recipients

To examine if there are organizations that rely heavily on the Freddie Mac Foundation or Fannie Mae of both for their programs, data from each organization's 990 return was reviewed for the top 100 Washington area recipients for the year 2008 (most recent year with complete data). Two sorts and tabulations were made: one of the share of total contributions were from Fannie Mae and Freddie Mac contributions, and the other of the proportion of total Contributions from Freddie Mac and Fannie Mae was of their 2008 expenses. A summary is shown in Table 2.

Table 2
Top 100 Recipients - 2008 990 Returns

Freddie Mac Foundation and Fannie Mae Contributions as Share of Total Contributions	Number of Recipients	Freddie Mac Foundation and Fannie Mae Contributions as Share of Total Expenses	Number of Recipients
More than 10%	9	More than 10%	5
4.0% to 9.9%	7	4.0% to 9.9%	7
1.0% to 3.9%	13	1.0% to 3.9%	14
Less than 1.0%	71	Less than 1.0%	74

This suggests that there are several organizations that will need to find other funds to replace potentially at-risk Fannie/Freddie funds, but also shows that the region's organizations are not totally dependent on the FM2 funds for their programs. It certainly means a lot to them, but most of funding is from a diverse portfolio.

The Detroit Experience

Research was conducted to see if there are other models in the U.S that might provide some intelligence about the challenges being faced. While there appeared to be no exact analogies, the experiences of the Detroit region offer some insight to the current situation. We interviewed Doug Rothwell, President and CEO, Business Leaders for Michigan. The organization is statewide, but focused on the greater Detroit area. Rothwell indicated that the Detroit non-profit community faced similar challenges over the past few years with the economic decline that was particularly acute in that region and especially affected their large corporations and philanthropy. He indicated that this happened fairly abruptly and without any strategy or preparation.

Some key quotes:

"*Detroit has gone through SUBSTANTIAL downsizing of corporate philanthropy and will never be back where we were a decade ago. I think the same is true nationally. Corporations cut back to a level of giving that can be sustained and will not beg difficult questions from shareholders or regulators… funding for critical human services and, to a lesser degree, education, became the top priorities. Funding for the arts, culture and events took the biggest hits.*

General-purpose organizations, like chambers, took bigger hits than special purpose ones that address human services and education needs. We have seen a greater interest in regional collaboration than we have in the past, but I have not seen any coordinated effort by the community writ large or the corporate community in particular to sit at a table and develop a shared set of giving priorities. I don't think it works that way in most places, as each "funder" wants to be able to give in a way that reflects their own priorities and needs. My sense is that the community would be better off trying to identify its priorities for the funders, but I think they'd have the same problem trying to prioritize

When asked about creating efforts or a regional group to meet the challenge of cuts in corporate philanthropy, Rothwell replied, "*We "did" have such a group in metro Detroit called OneD. But it fell apart after several years largely because the groups were willing to collaborate, but not cede their ability to unilaterally set priorities…The funders of these organizations want them to "work together" and avoid duplication, but are unwilling to set unified priorities if that means saying one group or issue is more important than another!"*

Conclusions

Fannie Mae and Freddie Mac have been important and major resources for supporting the missions of many nonprofit organizations in the Washington region for many years. The national financial and housing market crisis of the past few years resulted in the two organizations being placed in conservatorship. This led to declines in philanthropic giving since 2007, and while the declines have been more gradual since conservatorship occurred in 2008, it is reasonable to assume given the dynamics of the situation at the national level, that their philanthropic giving will further decline. And in the case of the Freddie Mac Foundation, the wind down plan has been announced and that it will expend all of its assets by early 2015.

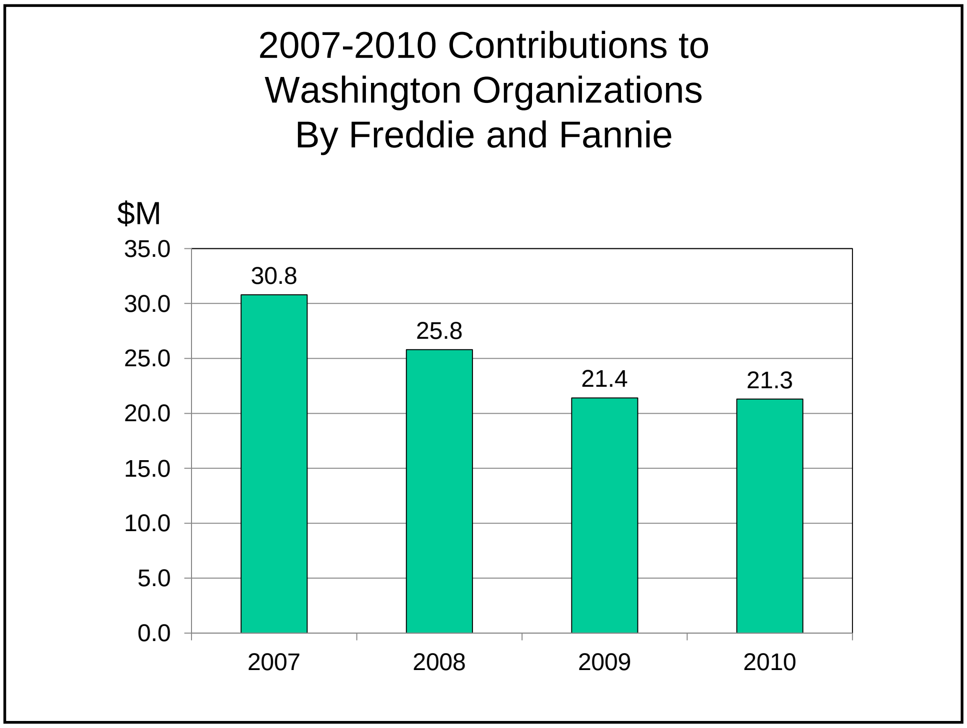
The giving patterns of the two organizations have adjusted to place more priority on programs related to housing, and these trends will continue as both organizations' philanthropy diminishes in total. Nonprofits in the region are generally aware of the threat to some of their funding. Some have begun developing alternative plans and others know of the threat but are just beginning to plan for adjustments. In seeking other potential models elsewhere that may provide guidance; there were no exact models. Detroit has experienced declines in general corporate philanthropy, and efforts to prioritize reductions were difficult to organize.

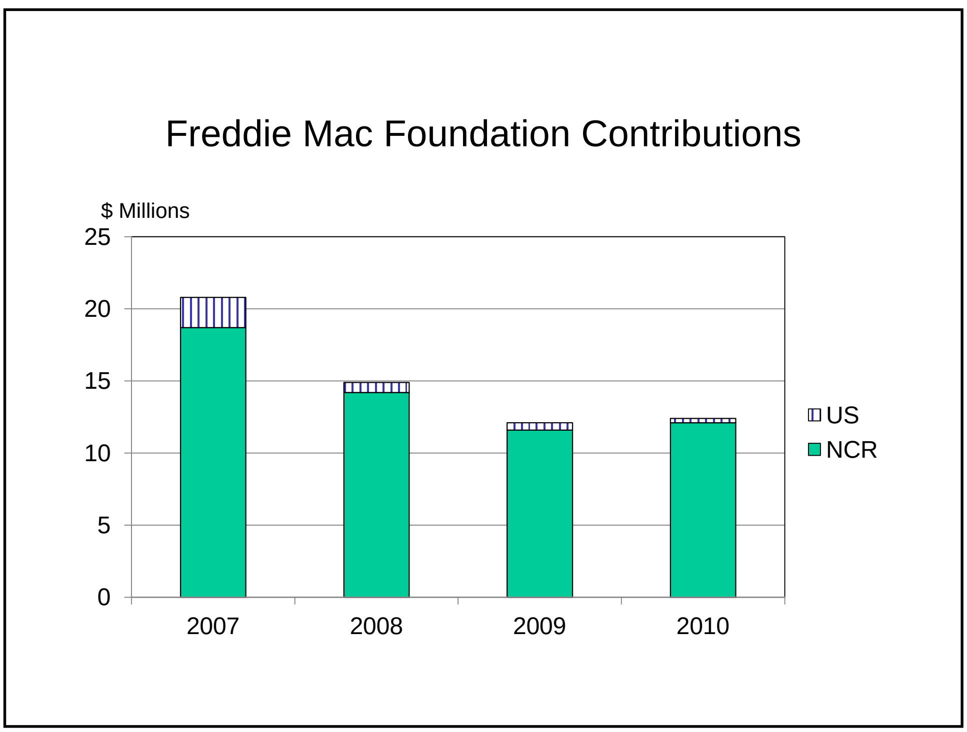
Given the announced wind down plan by the Freddie Mac Foundation directed by its regulator the Federal Home Finance Agency, it is now known that the Foundation's assets will be distributed by early 2015. FHFA's directive to the Foundation likely means that Fannie Mae will also receive directives to curb if not eliminate its non-profit funding as well. Organizations should develop plans for replacing this funding and reducing expenses or combining programs.

The decline and likely end of philanthropic giving by Fannie Mae and Freddie Mac – the two largest corporate givers in the region – provide opportunities, and a real need for other corporations in the region to step up and fill the funding gaps that will soon be faced by the region's nonprofit community. While this research has focused on Fannie and Freddie and the nonprofits they support, the real impact will be measured in human costs: fewer homes for foster care kids, fewer beds for the homeless, and the many other bottom-line human needs that are being served.

APPENDIX 1

Additional Giving Trends Charts


2007-2010 Contributions to
Washington Organizations
By Freddie and Fannie
$M
35.0
30.0
25.0
20.0
15.0
10.0
5.0
0.0
30.8
25.8
21.4
21.3
2007
2008
2009
2010


Freddie Mac Foundation Contributions
$ Millions
25
20
15
10
5
0
2007
2008
2009
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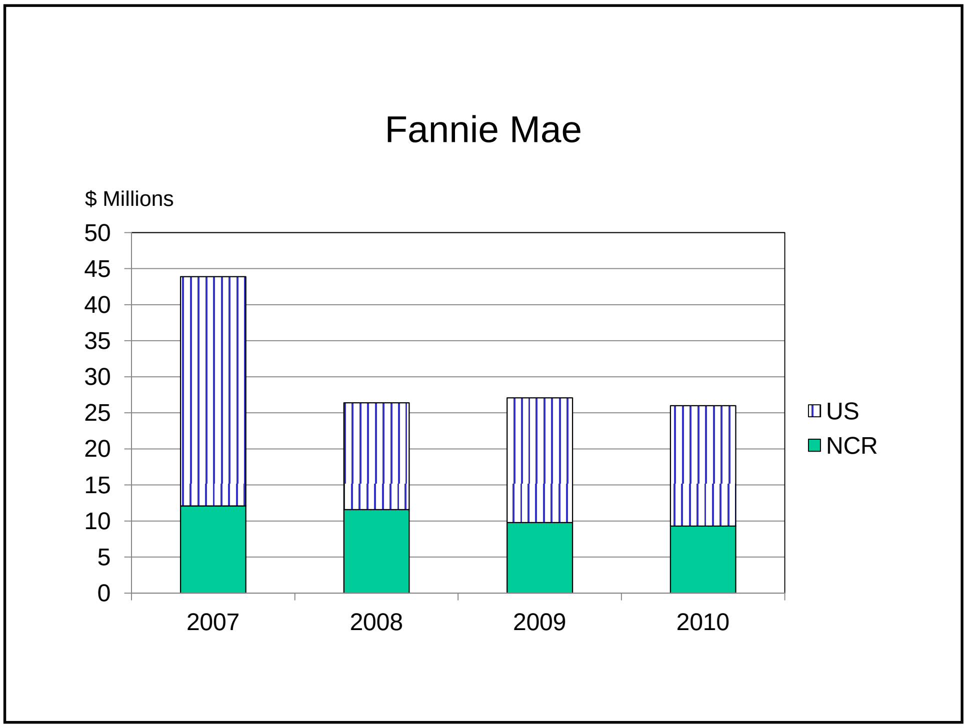
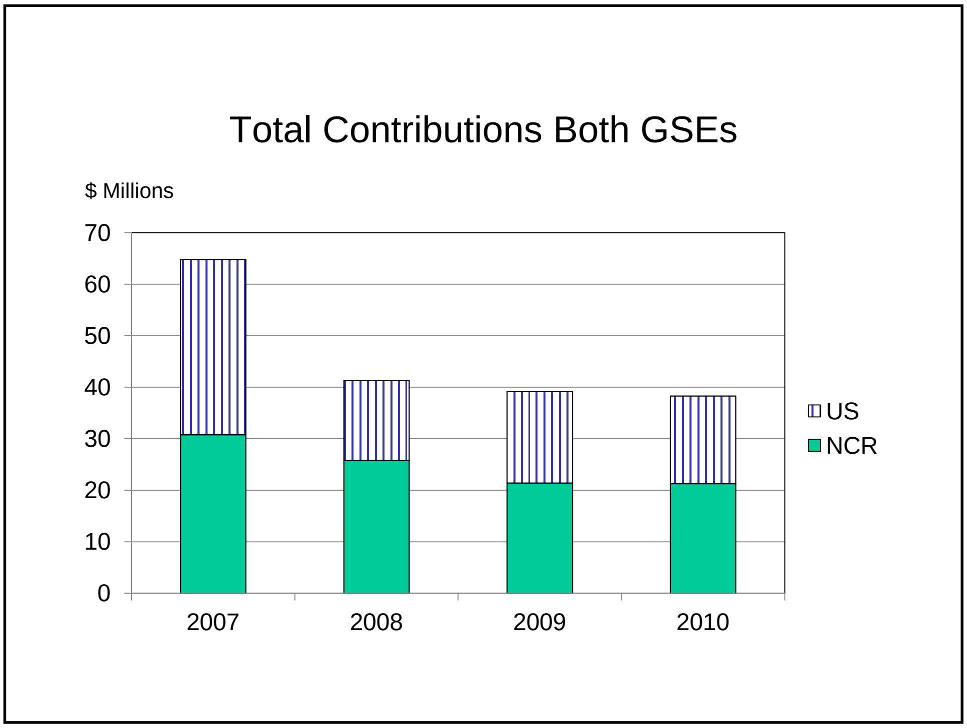
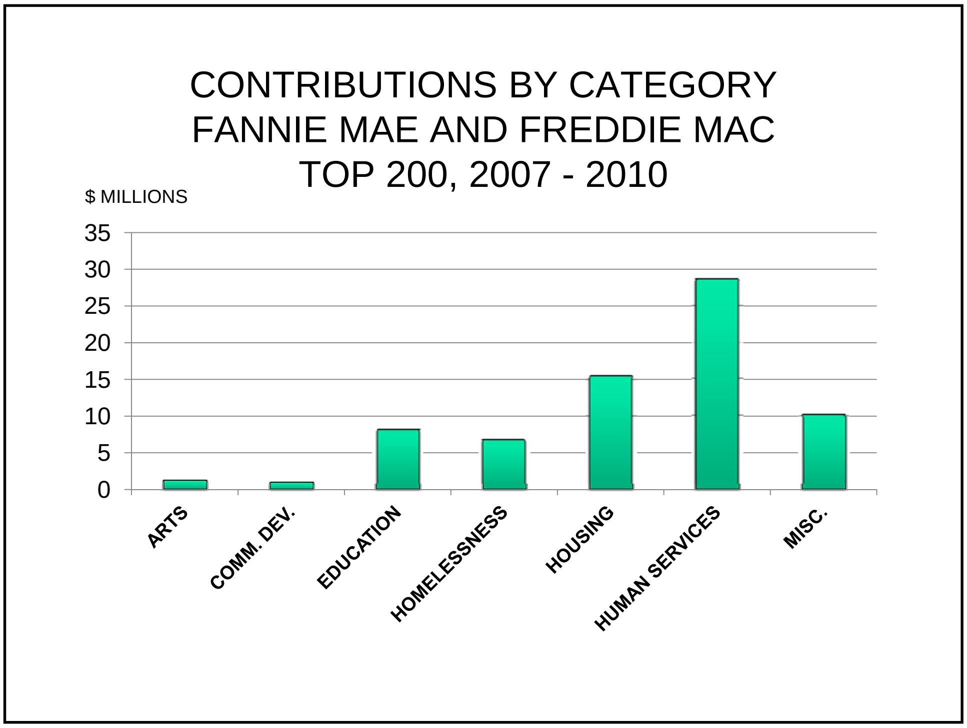
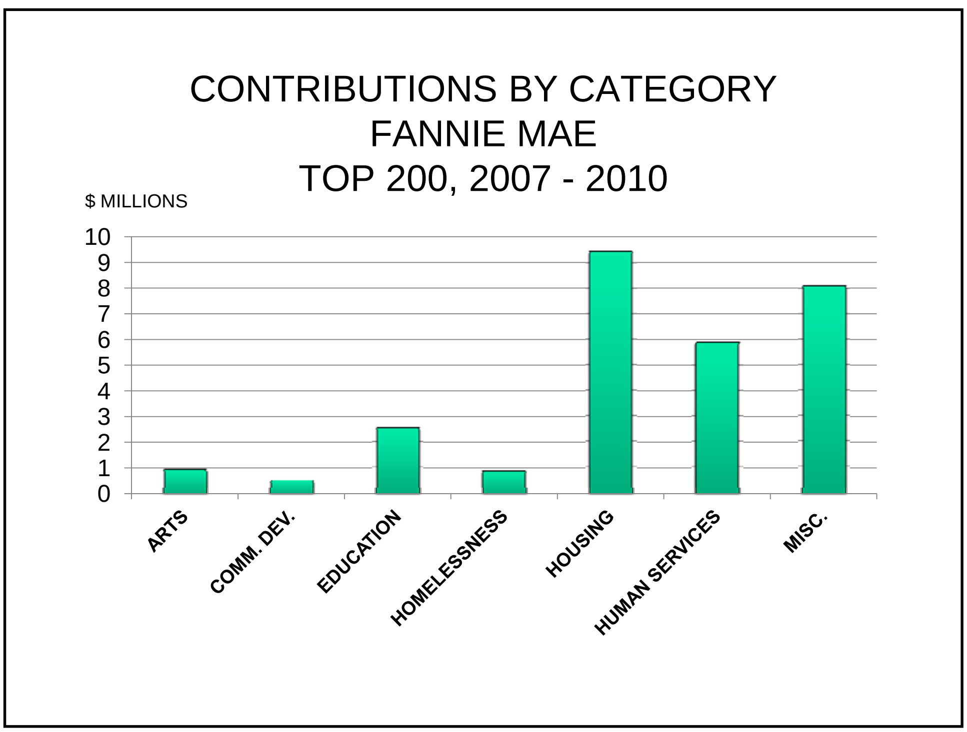
US
NCR


Fannie Mae
$ Millions
50
45
40
35
30
25
20
15
10
5
0
2007
2008
2009
2010
US
NCR


Total Contributions Both GSEs
$ Millions
70
60
50
40
30
20
10
0
2007
2008
2009
2010
US
NCR


CONTRIBUTIONS BY CATEGORY
FANNIE MAE AND FREDDIE MAC
TOP 200, 2007 - 2010
$ MILLIONS
35
30
25
20
15
10
5
0
ARTS
COMM. DEV.
EDUCATION
HOMELESSNESS
HOUSING
HUMAN SERVICES
MISC.


CONTRIBUTIONS BY CATEGORY
FANNIE MAE
TOP 200, 2007 - 2010
$ MILLIONS
10
9
8
7
6
5
4
3
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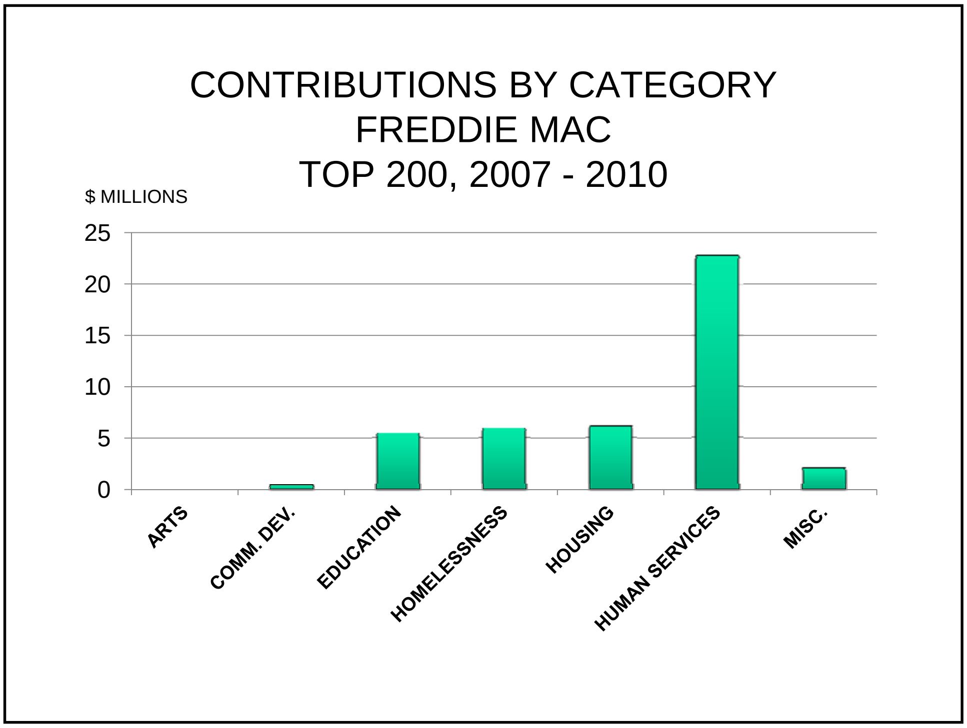
1
0
ARTS
COMM. DEV.
EDUCATION
HOMELESSNESS
HOUSING
HUMAN SERVICES
MISC.


CONTRIBUTIONS BY CATEGORY
FREDDIE MAC
TOP 200, 2007 - 2010
$ MILLIONS
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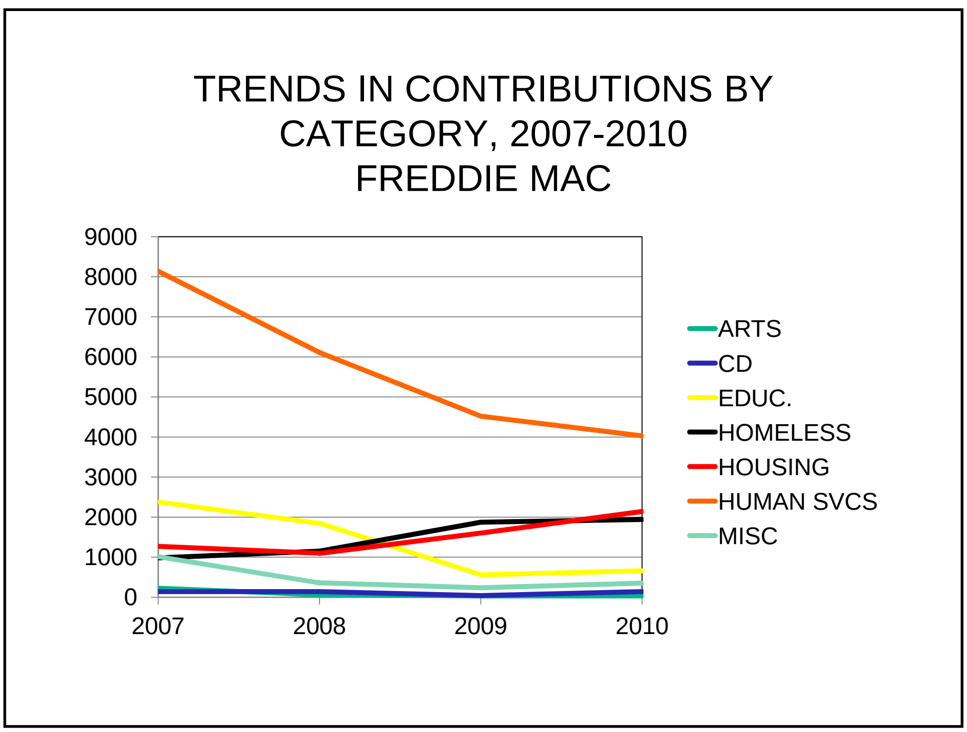
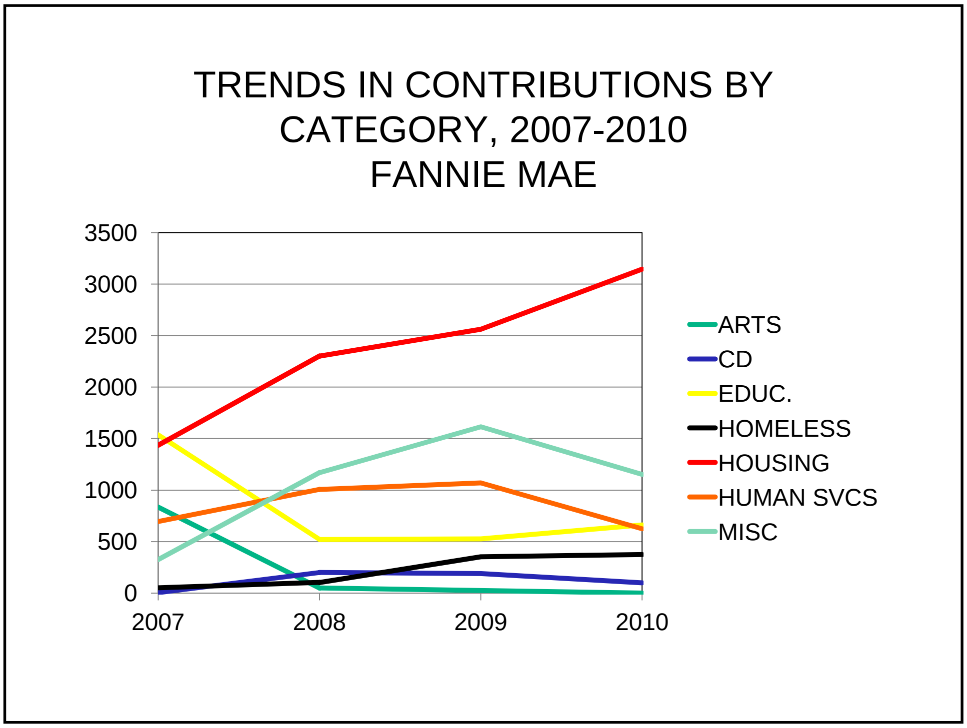
ARTS
COMM. DEV.
EDUCATION
HOMELESSNESS
HOUSING
HUMAN SERVICES
MISC.


TRENDS IN CONTRIBUTIONS BY CATEGORY, 2007-2010
FREDDIE MAC
9000
8000
7000
6000
5000
4000
3000
2000
1000
0
2007
2008
2009
2010
ARTS
CD
EDUC.
HOMELESS
HOUSING
HUMAN SVCS
MISC


TRENDS IN CONTRIBUTIONS BY
CATEGORY, 2007-2010
FANNIE MAE
3500
3000
2500
2000
1500
1000
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0
2007
2008
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2010
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HUMAN SVCS
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APPENDIX 2

Recipient Alpha List

	2007-2010 Funding		
Non-Profit Organizations	Freddie Mac Foundation	Fannie Mae	Total
100 Black Men of Greater Washington DC Inc	$0	$500	$500
Action in the Community Through Service	$95,000		$95,000
Adoption Exchange Association	$2,000		$2,000
Adoptions Together, Inc.	$800,127		$800,127
Advocates for Children and Youth	$383,670		$383,670
Advocates for Homeless Families, Inc.	$45,000		$45,000
Affordable Housing Conference of Montgomery County	$0	$105,000	$105,000
African American Adoptions, Inc.	$50,000		$50,000
African American Nonprofit Network	$75,000		$75,000
AHC Inc.	$650,000		$650,000
Alexandria Neighborhood Health Services, inc.	$52,500		$52,500
Alexandria Seaport Foundation	$160,000	$5,000	$165,000
Alliance For Housing Solutions	$0	$2,500	$2,500
Alternative House: Abused and Homeless Children's Refuge	$85,000		$85,000
Alvin Ailey Dance Foundation Inc	$0	$15,000	$15,000
Alzeimer's Disease and Related Disorders Assocation - National Capital Area	$0	$5,000	$5,000
American Lung Association of the District of Columbia	$0	$10,000	$10,000
American Red Cross	$5,000	$10,000	$15,000
American Red Cross - Prince William	$5,000		$5,000
Archdiocese of Washington Chancery	$0	$430,000	$430,000
Arlington Home Ownership Made Easier	$0	$145,000	$145,000
Arlington Partnership for Affordable Housing	$50,000		$50,000
Arlington-Alexandria Coalition for the Homeless	$30,000		$30,000
Arthritis Foundation - Metropolitan Washington Chapter	$0	$1,500	$1,500
Asian American LEAD	$142,500		$142,500
Asian Pacific American Legal Resource Center	$30,000		$30,000
Aunt Hattie's Place, Inc.	$10,000		$10,000
Autism Speaks	$0	$35,000	$35,000
Avalon Theatre Porject Inc	$0	$1,000	$1,000
Ayuda	$72,500		$72,500
Beacon House Community Ministry, Inc.	$120,000		$120,000
BEST Kids, Inc.	$25,000		$25,000
Bethany House of Northern Virginia, Inc.	$125,000		$125,000
Bethel House Inc.	$0	$50,000	$50,000
Bethesda Cultural Alliance Sorelle Group	$0	$5,000	$5,000
Black Student Fund	$95,000	$55,000	$150,000
Boat People SOS, Inc	$70,000		$70,000
Booker T Washington Public Charter School	$0	$10,000	$10,000
Boys and Girls Clubs of Greater Washington	$2,110,000	$250,000	$2,360,000
Boys Town Washington, DC Inc.	$0	$25,000	$25,000
Brain Tumor Society	$0	$500	$500
Bread for the City, Inc.	$30,000		$30,000
Bright Beginnings, Inc.	$826,000		$826,000
BU-GATA	$145,000		$145,000
Building Bridges Across the River	$0	$1,025,000	$1,025,000
Business Civic Leadership Center	$0	$15,000	$15,000
Capital Hill Group Ministry, Inc.	$20,000		$20,000

	2007-2010 Funding		
Non-Profit Organizations	**Freddie Mac Foundation**	**Fannie Mae**	**Total**
Capital Partners for Education	$125,000		$125,000
Capital Pride	$0	$5,000	$5,000
Capital Rowing Club	$0	$2,500	$2,500
Carnegie Institute of Washington	$0	$170,000	$170,000
Carpenter's Shelter	$705,000		$705,000
CASA for the Children of the District of Columbia	$125,000		$125,000
CASA of Greater Prince William	$80,000		$80,000
CASA of Montgomery County, MD	$65,000		$65,000
Casey Journalism Center on Children and Families	$25,000		$25,000
Catalogue for Philanthropy Inc Greater Washington	$3,000	$5,000	$8,000
Catholic Charities Foundation	$0	$100,000	$100,000
Catholic Charities of the Archdiocese of Washington	$5,000	$300,000	$305,000
Catholic Chartities of the Dioces of Arlington, Inc.	$110,000		$110,000
Center City Public Chapter Schools, Inc.	$200,000		$200,000
Center for Adoption Support and Education, Inc.	$654,000		$654,000
Center for Alexandria's Children	$65,000		$65,000
Center For Inspired Teaching	$0	$100,000	$100,000
Center on Budget and Policy Priorities	$40,000		$40,000
CentroNia	$770,000	$2,000	$772,000
Cesar Chavez Public Charter Schools for Public Policy	$207,000		$207,000
CharityWorks	$125,000		$125,000
Child Trends, Inc.	$50,000		$50,000
Child Welfare League of America	$130,000		$130,000
Childhelp, Inc.	$75,000		$75,000
Children's Charities Foundation, Inc	$10,000		$10,000
Children's Defense Fund	$751,000		$751,000
Children's Defense Fund Action Council	$0	$50,000	$50,000
Children's Hospital Foundation	$302,500	$5,000	$307,500
Children's Law Center	$345,000	$5,000	$350,000
Children's National Medical Center	$0	$10,000	$10,000
Choral Arts Society of Washington	$0	$50,000	$50,000
Christmas in April - Calvert County	$10,000	$6,000	$16,000
Christmas in April - Charles County	$0	$4,000	$4,000
Christmas in April - Prince George's County	$0	$50,000	$50,000
Christmas in April - St. Mary's County	$0	$8,000	$8,000
City First Enterprises	$0	$1,150,000	$1,150,000
Coalition For Nonprofit Housing and Economic Development	$105,000	$460,000	$565,000
Coalition for the Homeless Inc.	$50,000	$25,000	$75,000
Coalition Homes, Inc.	$50,000		$50,000
Coalition of Adoption Programs, Inc.	$9,000		$9,000
College Bound, Inc.	$145,000		$145,000
College Summit, Inc.	$180,000		$180,000
Collegiate Directions, Inc.	$20,000		$20,000
Columbia Child and Family Services Agency	$20,000		$20,000
Columbia Lighthouse for the Blind	$2,500		$2,500
Common Ground Community Housing Development Fund Corporation	$0	$175,000	$175,000
Community and Recreation Services	$1,000		$1,000

	2007-2010 Funding		
Non-Profit Organizations	**Freddie Mac Foundation**	**Fannie Mae**	**Total**
Community Bridges	$137,500		$137,500
Community Builders	$0	$350,000	$350,000
Community Council for the Homeless at Friendship Place	$0	$100,000	$100,000
Community Family Life Services Inc.	$150,000	$500	$150,500
Community Foundation For the National Capital Region	$122,500	$7,762,457	$7,884,957
Community Foundation Prince George's	$0	$5,000	$5,000
Community Lodgings, Inc.	$195,000		$195,000
Community of Hope	$1,375,000	$175,000	$1,550,000
Community Preservation and Development Corporation	$260,000	$400,000	$660,000
Community Vision Inc	$0	$5,000	$5,000
Congressional Black Caucus Foundation Inc.	$9,000		$9,000
Congressional Coalition on Adoption Institute	$620,000		$620,000
Cornerstone Inc.	$0	$375,000	$375,000
Corporation for Enterprise Development	$100,000		$100,000
Corporation For Supportive Housing	$0	$300,000	$300,000
Council for Court Excellence	$0	$5,000	$5,000
Court Appointed Special Advocate (CASA)/Prince George's County, Inc	$80,000		$80,000
Covenant House Washington DC	$600,000	$501,000	$1,101,000
Crossway Community	$210,000		$210,000
Cystic Fibrosis Foundation	$0	$1,750	$1,750
Dance Institute of Washington, Inc.	$10,000		$10,000
DanceMakers, Inc.	$40,000		$40,000
DC Action for Children	$275,000		$275,000
DC Black Church Initiative	$0	$25,000	$25,000
DC Central Kitchen, Inc.	$25,000		$25,000
DC Chamber of Commerce	$0	$150,000	$150,000
DC Chamber of Commerce Foundaiton	$0	$25,000	$25,000
DC Child and Family Services Agency	$209,000		$209,000
DC Children & Youth Investment Trust Corporation	$35,000	$1,057,000	$1,092,000
DC Children's Advocacy Center	$132,500		$132,500
DC College Access Program	$25,000	$250,000	$275,000
DC College Success Foundation	$0	$45,000	$45,000
DC Education Compact	$0	$94,000	$94,000
DC High School Basketball Clasic	$0	$2,500	$2,500
DC Jewish Community Center	$0	$10,000	$10,000
DC Learns	$0	$46,265	$46,265
DC Metro, National Association of Social Worker	$5,000		$5,000
DC Preparatory Academy	$0	$15,000	$15,000
DC Scores	$45,000		$45,000
DC Voice	$0	$1,500	$1,500
Delta Research & Education Foundation	$0	$3,000	$3,000
Delta Sigma Theta Sorority Foundation	$0	$1,000	$1,000
District Alliance for Safe Housing, Inc.	$140,000		$140,000
District of Columbia Bar Pro Bono Program	$0	$2,500	$2,500
District of Columbia Chamber of Commerce	$0	$117,600	$117,600
District of Columbia Chamber of Commerce Foundation	$0	$25,000	$25,000
District of Columbia College Access Program	$0	$125,000	$125,000

	2007-2010 Funding		
Non-Profit Organizations	**Freddie Mac Foundation**	**Fannie Mae**	**Total**
District of Columbia Education Compact	$0	$1,730,540	$1,730,540
District of Columbia Sports and Entertainment Commission	$0	$3,907,000	$3,907,000
Doorways for Women and Families	$1,210,000		$1,210,000
Down Syndrome Association of Northern Virginia	$0	$1,000	$1,000
Dress For Success	$0	$1,000	$1,000
Dwelling Place, Inc.	$50,000		$50,000
E.L. Haynes Public Chapter School	$25,000		$25,000
East of the River Clergy policy Community Partnership	$20,000		$20,000
East of the River Community Development Corporation	$0	$250,000	$250,000
Easter Seals Greater Washington-Baltimore Region, Inc.	$130,000		$130,000
Ellington Fund	$0	$2,500	$2,500
End Time Harvest Ministries, Inc.	$80,000		$80,000
Enterprise Community Partners Inc	$1,055,000	$575,000	$1,630,000
Eritrean Development Foundation	$0	$2,500	$2,500
Euphemia L. Haynes Public Chapter School, Inc.	$95,000		$95,000
Excel Institute	$45,000		$45,000
Ezra Nehemiah Solomon, Inc.	$37,500		$37,500
FACES OF Virginia Families: Foster, Adoption, and Kinship Association	$80,000		$80,000
FACETS	$100,000		$100,000
Fairfax Area Community Emergency and Transitional Services, Inc.	$250,000		$250,000
Fairfax County Department of Community and Recreation Services	$40,000		$40,000
Fairfax County Government	$100,000		$100,000
Fairfax County Park Foundation	$20,000		$20,000
Fairfax Court Appointed Special Advocates, Inc.	$210,000		$210,000
Fairfax Futures	$250,000		$250,000
Falls Church - McLean Children's Center	$93,000		$93,000
Family Services Agency, Inc.	$275,000		$275,000
Federal City Performing Arts Association Inc	$0	$15,000	$15,000
Fenty 2006 Mayoral Inaugural Committee	$0	$25,000	$25,000
Festival DC, LTD	$0	$10,000	$10,000
Fight for Children	$122,500	$75,000	$197,500
Fihankra Akoma Ntoaso	$55,000		$55,000
Financial Literacy Education Foundation	$0	$175,000	$175,000
Fishing School Inc.	$0	$1,500	$1,500
Flicker of Hope Foundation	$5,000		$5,000
Food & Friends	$0	$50,000	$50,000
For Love of Children	$80,000		$80,000
For Regional Collaboration Inc	$5,000		$5,000
Foster and Adoptive Parent Advocacy Center	$375,500		$375,500
Foster Care Children of America, Inc.	$40,000		$40,000
Foundation Center	$10,000	$5,000	$15,000
Foundation/F/B/O/Medical Care for Children Partnership	$1,600		$1,600
Four Walls Development Inc	$0	$175,000	$175,000
Fractured Atlas Productions Inc (DC Asian Pacific American FilmFestiva)	$0	$1,000	$1,000
Frederick Alliance for Youth	$25,000		$25,000
Friends of Guest House, Inc.	$50,000		$50,000
George Mason University Foundation, Inc	$55,000	$2,500	$57,500

	2007-2010 Funding		
Non-Profit Organizations	**Freddie Mac Foundation**	**Fannie Mae**	**Total**
George Washington University	$60,000		$60,000
Girl Scout Council of the National Capital Area	$85,000	$80,000	$165,000
Girls Incorporated of the Washington DC Metropolitan Area	$75,000	$100,000	$175,000
Good Shepherd Alliance, Inc.	$25,000		$25,000
Good Shepherd Corp.	$10,000		$10,000
Good Shepherd Housing and Family Services Inc.	$360,000	$50,000	$410,000
Goodwill of Greater Washington	$0	$28,500	$28,500
Government of the District of Columbia Child and Family Services Agency	$115,000		$115,000
Great Dads	$10,000		$10,000
Greater DC Cares	$0	$444,500	$444,500
Greater Washington Board of Trade	$0	$47,500	$47,500
Greater Washington Hispanic Chamber of Commerce Foundation	$0	$24,000	$24,000
Greater Washington Urban League	$0	$300,000	$300,000
Greenbrier Learning Center	$30,000		$30,000
H Street Community Development Corporation	$0	$150,000	$150,000
Habitat for Humanity - Frederick County, MD	$0	$30,000	$30,000
Habitat for Humanity - Montgomery County, MD	$0	$120,000	$120,000
Habitat for Humanity - Northern VA	$0	$50,000	$50,000
Habitat For Humanity DC	$0	$190,000	$190,000
Habitat For Humanity Inc	$0	$5,000	$5,000
Hands on DC	$0	$500	$500
Hannah House, Inc.	$15,000		$15,000
Heads Up: A University Neighborhood Initiative	$100,000		$100,000
Healthy Babies Project, Inc.	$45,000		$45,000
Healthy Teen Network	$200,000		$200,000
Heartly House, inc.	$500,000		$500,000
Higher Achievement Program	$1,280,000	$5,000	$1,285,000
Hispanic College Fund	$5,000	$15,000	$20,000
Hispanic Committee of Virginia	$45,000		$45,000
Hispanics in Philanthropy	$0	$50,000	$50,000
Holy Trinity School - Georgetown	$7,500	$5,000	$12,500
Home Builders care Foundation	$25,000		$25,000
HomeAid Northern Virginia	$60,000		$60,000
Homefree USA	$0	$400,000	$400,000
Homestretch	$425,000	$12,500	$437,500
Hoop Dreams Scholarship Fund	$280,000	$5,000	$285,000
Hope and a Home, Inc.	$400,000		$400,000
Hopkins House - A Center for Children and Families	$5,000		$5,000
Horton's Kids Inc	$175,000		$175,000
House of Ruth	$400,000		$400,000
Housing and Community Services of Northern Virginia, Inc.	$75,000		$75,000
Housing Counseling Services	$200,000	$400,000	$600,000
Housing Initiative Partnership	$0	$225,000	$225,000
Housing Options and Planning Enterprises Inc.	$0	$25,000	$25,000
Housing Trust Fund of Northern Virginia, Inc.	$135,000		$135,000
Howard County General hospital	$75,000		$75,000
Howard University	$0	$20,000	$20,000

	2007-2010 Funding		
Non-Profit Organizations	Freddie Mac Foundation	Fannie Mae	Total
Howard University General Hospital	$100,000		$100,000
Human Rights Campaign Foundation	$25,000		$25,000
Human Services Coalition of Prince George's County	$5,000		$5,000
Humanities Council of Washington, DC	$0	$25,000	$25,000
Imagination Stage Inc.	$176,490		$176,490
INMED Partnership for Children	$780,000		$780,000
Institute for Responsible Citizenship	$85,000		$85,000
Interfaith Conference of Metropolitan Washington	$0	$5,000	$5,000
Interfaith Works	$15,000		$15,000
Iona Senior ServiCes	$0	$4,500	$4,500
J. C. Nalle Elementary School	$150,000		$150,000
Jack and Jill of America Foundation Inc	$0	$1,000	$1,000
JHP, Inc.	$50,000		$50,000
John F Kennedy Center for the Performing Arts	$0	$750,000	$750,000
Johns Hopkins University	$30,000		$30,000
Joint Center for Political and Economic Studies	$0	$20,000	$20,000
Jubilee Housing	$90,000	$401,000	$491,000
Jubilee Jumpstart, Inc.	$50,000		$50,000
Junior Achievement of the National Capital Area	$0	$31,500	$31,500
Kairos Development Corporation	$0	$200,000	$200,000
Kappa Scholarship Endowment Fund inC	$0	$10,000	$10,000
Keys for the Homeless Foundation	$0	$5,000	$5,000
KidSafe	$15,000		$15,000
KidSave International	$40,000		$40,000
KIPP DC	$100,000		$100,000
Korean American Family Counseling Center	$60,000		$60,000
Korean Community Service Center of Greater Washington	$125,000		$125,000
LA Clinica del Pueblo	$37,500		$37,500
Latin American Youth Center	$802,000	$330,000	$1,132,000
Latin Economic Development Corporation	$25,000	$402,000	$427,000
Latino Student Fund	$60,000	$75,000	$135,000
Leadership Arlington, Inc.	$10,000		$10,000
Leadership Fairfax Inc.	$0	$10,000	$10,000
Leadership Greater Washington	$255,570	$101,500	$357,070
Leadership Prince George's	$0	$75,000	$75,000
Leadership Washington	$0	$25,000	$25,000
Legal Services of Northern Virginia	$37,500	$25,000	$62,500
Levine School of Music	$0	$35,000	$35,000
Little Lights Urban Ministries	$20,000		$20,000
Local Initiatives Support Corporation	$75,000	$350,000	$425,000
Loudoun Aftercare Program	$20,000	$5,000	$25,000
Loudoun Citizens for Social Justice, Inc.	$10,000		$10,000
Lutheran Social Services of the National Capital Area	$115,000		$115,000
Lydia's House	$0	$175,000	$175,000
Main Street Child Development Center	$145,000		$145,000
Make Piece/Peace, Inc.	$40,000		$40,000
Make-A-Wish Foundation of the Mid-Atlantic, Inc.	$27,500		$27,500

	2007-2010 Funding		
Non-Profit Organizations	Freddie Mac Foundation	Fannie Mae	Total
Manassas Performing Arts, Inc.	$7,000		$7,000
Manna Community Development Corporation - One DC	$0	$200,000	$200,000
Manna Inc	$0	$450,000	$450,000
Maret School	$0	$10,000	$10,000
Marie H Reed Community Learning Center	$0	$14,500	$14,500
Marshall Heights Community Development Organization	$0	$140,000	$140,000
Martha's Table, Inc.	$217,500		$217,500
Maru Montero Dance Center	$74,500		$74,500
Mary's Center for Maternal and Child Care Inc	$250,000	$5,000	$255,000
Maryland CASA Association	$145,000		$145,000
Maryland Vietnamese Mutual Assocation, Inc.	$30,000		$30,000
Maryland/District of Columbia Minority Supplier Development Council	$0	$5,500	$5,500
Marymount University	$0	$7,500	$7,500
Mentors, Inc.	$40,000	$2,500	$42,500
Metropolitan DC Foster and Adoptive Parent Association	$30,000		$30,000
Metropolitan Washington Council of Governments	$616,300	$250,000	$866,300
Mi Casa My House Inc	$0	$200,000	$200,000
Mission of Love Charities Inc	$0	$1,000	$1,000
Montgomery County Coalition for the Homeless	$1,735,000	$55,000	$1,790,000
MPT Foundation, Inc.	$50,000		$50,000
Multi Media Training Institute, Inc.	$55,000		$55,000
Multicultural Career Intern Program	$30,000	$10,000	$40,000
My Sister's Place, Inc. (MSP)	$145,000		$145,000
Myrtilla Miner Elementary School	$0	$5,000	$5,000
NAACP Legal Defense and Educational Fund	$0	$5,000	$5,000
NAACP of Washington, DC	$0	$5,000	$5,000
NAHMA Education Foundation	$20,000		$20,000
National Adoption Center	$806,492		$806,492
National Association of Black Accountants Inc Metropolitan Washington, DC	$0	$2,000	$2,000
National Black Child Development Institute	$5,000		$5,000
National Black Church Initiative	$0	$30,000	$30,000
National Building Museum	$50,000	$110,000	$160,000
National Center for Black Philanthropy, Inc.	$4,500		$4,500
National Center for Children and Families	$2,347,500		$2,347,500
National Center for Children and Families - Montgomery County, MD	$525,000		$525,000
National Center for Children and Families -DC	$1,618,000		$1,618,000
National Center for Housing and Child Welfare	$75,000		$75,000
National Council of Negro Women Inc	$25,000	$5,000	$30,000
National Court Appointed Special Advocates Association	$50,000		$50,000
National Fair Housing Alliance	$0	$10,000	$10,000
National Foster Care Coalition	$39,000		$39,000
National Foundation for Teaching Entrepreneurship to Handicapped and Dis	$310,000		$310,000
National Gay and Lesbian Task Force	$0	$5,000	$5,000
National Guard Youth Foundation	$150,000		$150,000
National Housing Conference	$10,000		$10,000
National Housing Trust Enterprise Preservation Corporation	$140,000	$700,000	$840,000
National Kidney Foundation of The National Capital Area	$0	$10,000	$10,000

	2007-2010 Funding		
Non-Profit Organizations	Freddie Mac Foundation	Fannie Mae	Total
National Law Center on Homelessness & Poverty	$180,000		$180,000
National MS Society	$4,500		$4,500
National Organization of Concerned Black Men	$85,000	$20,000	$105,000
National Partnership For Women and Families	$0	$12,500	$12,500
National Urban League (Greater Washington Urban League)	$0	$15,000	$15,000
National Visionary Leadership Project	$30,000		$30,000
Neediest Kids, Inc.	$10,000		$10,000
Neighborhood Reinvestment Corporation	$200,000		$200,000
Network for Teaching Entrepreneurship	$60,000		$60,000
New Endeavors by Women	$60,000		$60,000
New Hope Housing, Inc.	$155,000		$155,000
New Leaders For New Schools	$100,000	$250,000	$350,000
NHP Foundation	$186,816		$186,816
NIH Recreation and Welfare Foundation	$0	$1,000	$1,000
Non-profit Finance Fund	$0	$375,000	$375,000
Non-profit Roundtable of Greater Washington	$355,000	$200,000	$555,000
Northern Virginia AIDS Ministry	$92,500		$92,500
Northern Virginia Family Service	$810,000	$250,000	$1,060,000
Northern Virginia Family Service - Alexandria	$75,000		$75,000
Northern Virginia Family Service - Arlington	$75,000		$75,000
Northern Virginia Family Service - Fairfax County	$150,000		$150,000
Northern Virginia Family Service - Prince William	$350,000		$350,000
Northern Virginia Urban League	$77,500		$77,500
NOVACO Inc.	$170,000	$25,000	$195,000
Npower Greater DC Region Inc.	$20,000	$25,000	$45,000
Office to Prevent and End Homelessness	$150,000		$150,000
One DC	$0	$50,000	$50,000
One Economy	$0	$250,000	$250,000
One Ministries Inc	$20,000		$20,000
Opendoor Housing Fund	$0	$500,000	$500,000
Operation Hope	$0	$50,000	$50,000
Operation Understanding DC	$0	$5,000	$5,000
Organizing Neighborhood Equity	$0	$50,000	$50,000
Orphan Foundation of America	$25,000		$25,000
Parent Educational Advocacy Training Center	$2,500		$2,500
Parents Families and Friends of Lesbians and Gays of The Metro DC Area	$0	$10,000	$10,000
Pathways to Housing	$0	$450,000	$450,000
Penny Lane Centers	$5,000		$5,000
Perry School Community Services	$45,000	$1,000	$46,000
Phillips Programs for Children and Families	$50,000		$50,000
Potomac Ridge Behavioral Health Foundation	$5,000		$5,000
Prince George's Child Resource Center, Inc.	$165,000		$165,000
Prince George's Community Foundation	$170,000		$170,000
Project Giveback Community Service Organization	$0	$5,000	$5,000
Project Northstart	$40,000		$40,000
Providence Hospital	$30,000		$30,000
Ramona's Way	$125,000		$125,000

	2007-2010 Funding		
Non-Profit Organizations	Freddie Mac Foundation	Fannie Mae	Total
Reach for College! Inc.	$45,000		$45,000
Reaching Inside For Self Esteem Inc	$0	$1,000	$1,000
Ready at Five Partnership	$129,000		$129,000
Rebuilding Together Anne Arundel County	$0	$2,000	$2,000
Rebuilding together of Washington, DC	$0	$5,025	$5,025
Recreation Wish List Committee of Washington DC	$195,000	$65,000	$260,000
Reginald S. Lourie Center for Infants and Young Children	$65,000		$65,000
Reston Interfaith	$680,050	$100,000	$780,050
Robert and Mary Church Terrell House and Ledroit Park Museum and Cultur	$0	$100,000	$100,000
Sarah's Circle	$0	$55,000	$55,000
Sasha Bruce Youthwork Inc.	$95,000	$75,000	$170,000
Second Chance Employment Services	$0	$35,000	$35,000
Second Change Wildlife Center Inc	$0	$1,000	$1,000
See Forever Foundation and the Maya Angelou Public Chapter School	$320,000		$320,000
SERVE, Inc.	$140,000		$140,000
Sexual Minority Youth Assistance League	$35,000		$35,000
Shelter House, Inc.	$350,000		$350,000
Sidwell Friends School	$0	$45,000	$45,000
Smithsonian Institution	$0	$60,000	$60,000
So Others Might Eat (SOME), Inc.	$1,390,000		$1,390,000
Southeastern University	$25,000	$150,000	$175,000
Southern Maryland Tri-County Community Action Committee Inc.	$0	$100,000	$100,000
Sowing Empowerment and Economic Development	$0	$175,000	$175,000
Spanish Catholic Center ArchDiocese of Washington	$0	$3,000	$3,000
Spanish Education Development Center	$0	$50,000	$50,000
St. Ann's Infant & Maternity House	$110,000		$110,000
St. Coletta of Greater Washington, Inc.	$30,000		$30,000
St. Stephens Economic Development Corporation	$25,000		$25,000
Stop Child Abuse Now (SCAN) of Northern Virginia	$127,000		$127,000
Street Sense	$0	$3,000	$3,000
Studio Theatre Inc	$0	$7,500	$7,500
Super Leaders	$10,000	$2,000	$12,000
Susan G. Komen Breast Cancer Foundation Inc	$2,500	$20,000	$22,500
Tahirih Justice Center	$2,500		$2,500
Tapfund, Inc.	$48,000		$48,000
Teach For America	$0	$275,000	$275,000
The Barker Foundation	$316,000		$316,000
The Child and Family Network Centers	$1,050,000		$1,050,000
The Community Partnership for the Prevention of Homelessness	$75,000		$75,000
The Family Tree, Inc.	$75,000		$75,000
The Fishing School, Inc.	$95,000		$95,000
The Good Samaritan Foundation	$45,000		$45,000
The Maryland Mentoring Partnership	$45,000		$45,000
The National Alliance to End Homelessness	$825,000		$825,000
The NHP Foundation	$750,000		$750,000
The Reading Connection	$280,000		$280,000
The Ronald McDonald House Charities of Greater Washington	$100,000		$100,000

	2007-2010 Funding		
Non-Profit Organizations	Freddie Mac Foundation	Fannie Mae	Total
The SEED Public Charter School of Washington, D.C.	$175,000		$175,000
The Selma M. Levine School of Music	$125,000		$125,000
The Wellness Community - Greater Washington, DC	$5,000		$5,000
The Youth Booth, Inc.	$50,000		$50,000
Thurgood Marshall Academy Public Charter High School	$165,000		$165,000
Thurgood Marshall Center Trust	$0	$1,500	$1,500
Tiger Woods Foundation	$100,000	$2,500,000	$2,600,000
Training Source	$0	$75,000	$75,000
Transgender Health Empowerment Inc.	$0	$50,000	$50,000
Transitional Housing BARN, Inc.	$155,000		$155,000
Transitional Housing Corporation	$1,170,000	$300,000	$1,470,000
Trust for the National Mall	$0	$5,000	$5,000
U.S. Dream Academy	$100,000		$100,000
United Black Fund Inc of Greater Washington DC	$0	$7,500	$7,500
United Communities Against Poverty	$140,000	$150,000	$290,000
United Community Ministries	$415,000		$415,000
United Planning Organization	$0	$700	$700
United Way of the National Capital Area	$0	$100,000	$100,000
Unity Economic Development Corporatoin	$0	$190,000	$190,000
University Legal Services	$0	$350,000	$350,000
University of Maryland College Park Foundation, Inc.	$20,000		$20,000
University of the District of Columbia	$0	$200,000	$200,000
Urban Alliance Foundation Inc	$75,000	$25,300	$100,300
Urban Institute	$0	$800,000	$800,000
Urban Nation, Inc.	$175,000		$175,000
Vienna Optimist Club Foundation, Inc	$0	$3,000	$3,000
Virginia Coalition to End Homelessness	$110,000	$50,000	$160,000
Virginia Early Childhood Foundation	$100,000		$100,000
Virginia Foundation for Community College Education	$59,000		$59,000
Virginia Mentoring Partnership	$90,000		$90,000
Virginia Poverty Law Center, Inc.	$25,000		$25,000
Voice for Adoption	$40,000		$40,000
Voices for America's Children	$15,000		$15,000
Voices for Virginia's Children	$870,750		$870,750
Voices for Virginia's Children - Northern Virginia	$100,000		$100,000
Volunteer Emergency Families for Children	$90,000		$90,000
Volunteers for Abused and Neglected Children	$35,000		$35,000
Ward Seven Education Council Inc	$0	$5,000	$5,000
Washington Area Community Investment Fund	$0	$51,000	$51,000
Washington Area Women's Foundation	$100,000	$650,000	$750,000
Washington Ballet	$0	$55,000	$55,000
Washington Hospital Center Foundation	$0	$5,000	$5,000
Washington Interfaith Network	$0	$400,000	$400,000
Washington Jesuit Academy	$40,000	$5,000	$45,000
Washington Lawyers' Committee For Civil Rights & Urban Affairs	$32,500	$10,200	$42,700
Washington Literacy Council	$0	$21,000	$21,000
Washington Metropolitan Scholars	$150,000		$150,000

	2007-2010 Funding		
Non-Profit Organizations	Freddie Mac Foundation	Fannie Mae	Total
Washington Mystics Foundaiton	$15,000		$15,000
Washington Parks and People	$0	$6,000	$6,000
Washington Redskins Charitable Foundation	$210,000		$210,000
Washington Regional Association of Grantmakers	$625,000	$764,350	$1,389,350
Washington Tennis & Education Foundation	$272,000	$3,500	$275,500
Wesley Housing Development Corporation of Northern Virginia	$50,000	$175,000	$225,000
Whitman Walker Clinic	$0	$25,000	$25,000
Wholistic Family Agape Ministries Institute	$22,500		$22,500
Wider Opportunities for Women	$160,000		$160,000
William Wendt Center for Loss and Healing	$75,000		$75,000
Wolf Trap Foundation For The Performing Arts	$37,500	$25,000	$62,500
Women , Inc., Mitchelliville/Bowie Section	$1,000		$1,000
Women and Girls in Technology Education Foundation	$3,000		$3,000
Women Empowered Against Violence, Inc.	$30,000		$30,000
Women's Bar Association Foundation	$0	$3,000	$3,000
Women's Center	$50,000		$50,000
Women's Funding Network	$0	$15,000	$15,000
Women's Institute for a Secure Retirement	$0	$1,000	$1,000
Woodrow Wilson Senior High School Crew	$0	$250	$250
Yachad Inc	$0	$3,500	$3,500
YMCA of Metropolitan Washington	$5,000		$5,000
Young Playwrights' Theater	$0	$45,000	$45,000
Young Women's Project	$150,000		$150,000
Youth Business Initiative, Inc.	$2,000		$2,000
Youth for Tomorrow - New Life Center, Inc.	$25,000		$25,000
Source: Web Sites of Fannie Mae and Freddie Mac Foundation			

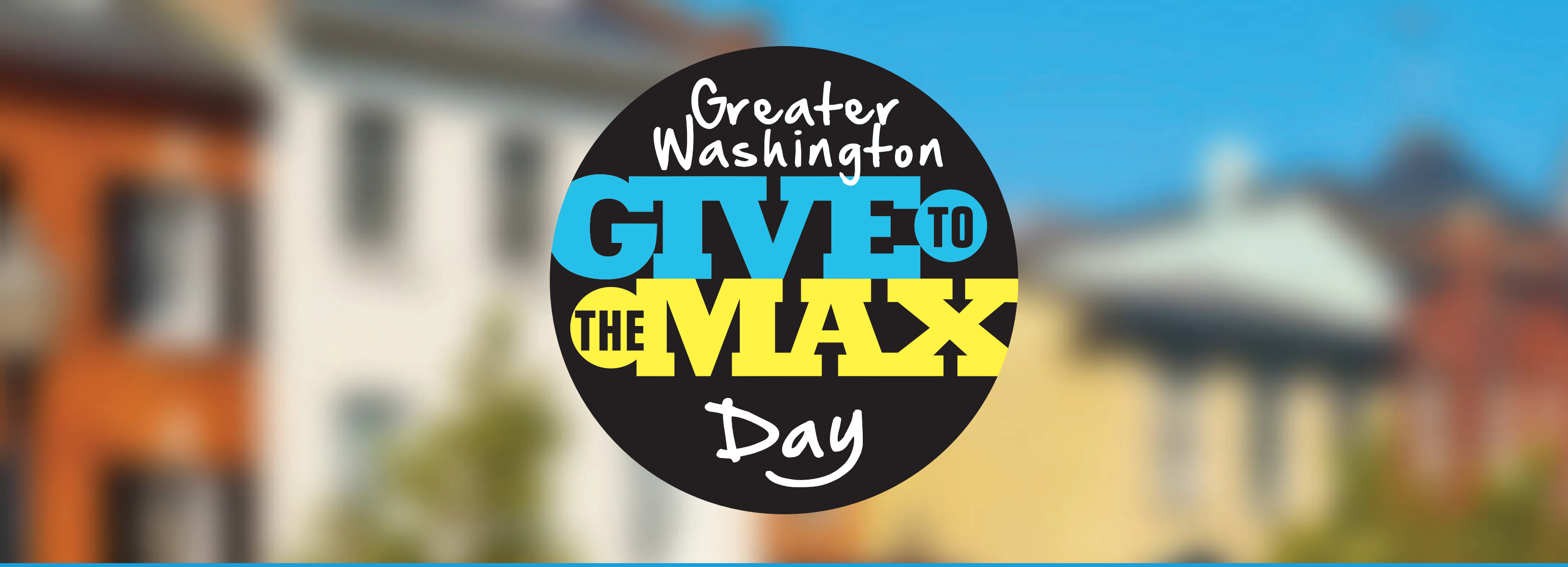
APPENDIX 3

Recipient List of $100K for Each Year by Donor

					Recipients, 2007-2010, of $100,000+						
		Freddie Mac Foundation						Fannie Mae			Total from FrMac and Fmae
Non-Profit Organizations	**2007**	**2008**	**2009**	**2010**	**Total**	**2007**	**2008**	**2009**	**2010**	**Total**	
Adoptions Together, Inc.	$231,500	$186,500	$184,140	$197,987	$800,127	$0	$0	$0		$0	$800,127
Advocates for Children and Youth	$158,670	$115,000	$50,000	$60,000	$383,670	$0	$0	$0		$0	$383,670
Alexandria Seaport Foundation	$40,000	$40,000	$40,000	$40,000	$160,000	$5,000	$0	$0		$5,000	$165,000
Archdiocese of Washington Chancery	$0	$0	$0	$0	$0	$0	$180,000	$250,000		$430,000	$430,000
Arlington Home Ownership Made Easier	$0	$0	$0	$0	$0	$0	$50,000	$50,000	$45,000	$145,000	$145,000
Asian American LEAD	$95,000	$47,500	$0	$0	$142,500	$0	$0	$0		$0	$142,500
Beacon House Community Ministry, Inc.	$30,000	$30,000	$30,000	$30,000	$120,000	$0	$0	$0		$0	$120,000
Bethany House of Northern Virginia, Inc.	$20,000	$0	$60,000	$45,000	$125,000	$0	$0	$0		$0	$125,000
Black Student Fund	$35,000	$0	$45,000	$15,000	$95,000	$50,000	$5,000	$0		$55,000	$150,000
Boys and Girls Clubs of Greater Washington	$1,360,000	$400,000	$175,000	$175,000	$2,110,000	$100,000	$100,000	$50,000		$250,000	$2,360,000
Bright Beginnings, Inc.	$301,000	$0	$250,000	$275,000	$826,000	$0	$0	$0		$0	$826,000
BU-GATA	$25,000	$40,000	$40,000	$40,000	$145,000	$0	$0	$0		$0	$145,000
Building Bridges Across the River	$0	$0	$0	$0	$0	$875,000	$100,000	$50,000		$1,025,000	$1,025,000
Capital Partners for Education	$30,000	$30,000	$30,000	$35,000	$125,000	$0	$0	$0		$0	$125,000
Carnegie Institute of Washington	$0	$0	$0	$0	$0	$60,000	$60,000	$50,000		$170,000	$170,000
Carpenter's Shelter	$100,000	$105,000	$225,000	$275,000	$705,000	$0	$0	$0		$0	$705,000
Center City Public Chapter Schools, Inc.	$0	$200,000	$0	$0	$200,000	$0	$0	$0		$0	$200,000
Center for Adoption Support and Education, Inc.	$212,000	$192,000	$100,000	$150,000	$654,000	$0	$0	$0		$0	$654,000
Center For Inspired Teaching	$0	$0	$0	$0	$0	$100,000	$0	$0		$100,000	$100,000
CentroNia	$310,000	$300,000	$50,000	$110,000	$770,000	$1,000	$1,000	$0		$2,000	$772,000
Cesar Chavez Public Charter Schools for Public Policy	$90,000	$15,000	$51,000	$51,000	$207,000	$0	$0	$0		$0	$207,000
CharityWorks	$75,000	$50,000	$0	$0	$125,000	$0	$0	$0		$0	$125,000
Child Welfare League of America	$95,000	$0	$15,000	$20,000	$130,000	$0	$0	$0		$0	$130,000
Children's Defense Fund	$351,000	$350,000	$25,000	$25,000	$751,000	$0	$0	$0		$0	$751,000
Children's Hospital Foundation	$102,500	$100,000	$50,000	$50,000	$302,500	$5,000	$0	$0		$5,000	$307,500
Children's Law Center	$90,000	$115,000	$70,000	$70,000	$345,000	$2,500	$2,500	$0		$5,000	$350,000
City First Enterprises	$0	$0	$0	$0	$0	$100,000	$500,000	$250,000	$300,000	$1,150,000	$1,150,000
Coalition For Nonprofit Housing and Economic Development	$0	$0	$30,000	$75,000	$105,000	$185,000	$100,000	$100,000	$75,000	$460,000	$565,000
College Bound, Inc.	$70,000	$45,000	$0	$30,000	$145,000	$0	$0	$0		$0	$145,000
College Summit, Inc.	$50,000	$50,000	$40,000	$40,000	$180,000	$0	$0	$0		$0	$180,000
Common Ground Community Housing Development Fund Corporati	$0	$0	$0	$0	$0	$0	$50,000	$125,000		$175,000	$175,000
Community Bridges	$125,000	$12,500	$0	$0	$137,500	$0	$0	$0		$0	$137,500
Community Builders	$0	$0	$0	$0	$0	$100,000	$50,000	$50,000	$150,000	$350,000	$350,000
Community Council for the Homeless at Friendship Place	$0	$0	$0	$0	$0	$0	$0	$50,000	$50,000	$100,000	$100,000
Community Family Life Services Inc.	$0	$50,000	$50,000	$50,000	$150,000	$0	$0	$500		$500	$150,500
Community Foundation For the National Capital Region	$25,000	$87,500	$0	$10,000	$122,500	$270,000	$2,687,652	$2,180,634	$2,624,171	$7,762,457	$7,884,957
Community Lodgings, Inc.	$35,000	$40,000	$60,000	$60,000	$195,000	$0	$0	$0		$0	$195,000
Community of Hope	$250,000	$375,000	$375,000	$375,000	$1,375,000	$0	$0	$75,000	$100,000	$175,000	$1,550,000
Community Preservation and Development Corporation	$60,000	$0	$100,000	$100,000	$260,000	$0	$100,000	$100,000	$200,000	$400,000	$660,000
Congressional Coalition on Adoption Institute	$310,000	$100,000	$100,000	$110,000	$620,000	$0	$0	$0		$0	$620,000
Cornerstone Inc.	$0	$0	$0	$0	$0	$0	$0	$225,000	$150,000	$375,000	$375,000
Corporation for Enterprise Development	$0	$0	$0	$100,000	$100,000	$0	$0	$0		$0	$100,000
Corporation For Supportive Housing	$0	$0	$0	$0	$0	$300,000	$0	$0		$300,000	$300,000
Covenant House Washington DC	$0	$0	$400,000	$200,000	$600,000	$51,000	$100,000	$200,000	$150,000	$501,000	$1,101,000
Crossway Community	$50,000	$50,000	$50,000	$60,000	$210,000	$0	$0	$0		$0	$210,000
DC Action for Children	$150,000	$125,000	$0	$0	$275,000	$0	$0	$0		$0	$275,000
DC Children & Youth Investment Trust Corporation	$35,000	$0	$0	$0	$35,000	$407,000	$400,000	$250,000		$1,057,000	$1,092,000
DC Children's Advocacy Center	$37,500	$35,000	$30,000	$30,000	$132,500	$0	$0	$0		$0	$132,500
District Alliance for Safe Housing, Inc.	$20,000	$20,000	$50,000	$50,000	$140,000	$0	$0	$0		$0	$140,000
District of Columbia Sports and Entertainment Commission	$0	$0	$0	$0	$0	$3,907,000	$0	$0		$3,907,000	$3,907,000
Doorways for Women and Families	$300,000	$310,000	$300,000	$300,000	$1,210,000	$0	$0	$0		$0	$1,210,000
East of the River Community Development Corporation	$0	$0	$0	$0	$0	$150,000	$100,000	$0		$250,000	$250,000
Easter Seals Greater Washington-Baltimore Region, Inc.	$50,000	$25,000	$20,000	$35,000	$130,000	$0	$0	$0		$0	$130,000
Enterprise Community Partners Inc	$400,000	$280,000	$150,000	$225,000	$1,055,000	$100,000	$75,000	$400,000		$575,000	$1,630,000
Fairfax County Government	$100,000	$0	$0	$0	$100,000	$0	$0	$0		$0	$100,000
Fairfax Futures	$200,000	$50,000	$0	$0	$250,000	$0	$0	$0		$0	$250,000
Family Services Agency, Inc.	$100,000	$25,000	$150,000	$0	$275,000	$0	$0	$0		$0	$275,000
Fight for Children	$0	$100,000	$7,500	$15,000	$122,500	$0	$50,000	$25,000		$75,000	$197,500
Financial Literacy Education Foundation	$0	$0	$0	$0	$0	$75,000	$50,000	$50,000		$175,000	$175,000
Foster and Adoptive Parent Advocacy Center	$105,000	$0	$180,000	$90,500	$375,500	$0	$0	$0		$0	$375,500

	Recipients, 2007-2010, of $100,000+										
	Freddie Mac Foundation					Fannie Mae					Total from FrMac and Fmae
Non-Profit Organizations	2007	2008	2009	2010	Total	2007	2008	2009	2010	Total	
Four Walls Development Inc	$0	$0	$0	$0	$0	$0	$25,000	$75,000	$75,000	$175,000	$175,000
Girl Scout Council of the National Capital Area	$85,000	$0	$0	$0	$85,000	$25,000	$30,000	$25,000		$80,000	$165,000
Girls Incorporated of the Washington DC Metropolitan Area	$50,000	$25,000	$0	$0	$75,000	$25,000	$25,000	$50,000		$100,000	$175,000
Good Shepherd Housing and Family Services Inc.	$75,000	$75,000	$100,000	$110,000	$360,000	$0	$0	$0	$50,000	$50,000	$410,000
Greater DC Cares	$0	$0	$0	$0	$0	$109,500	$185,000	$50,000	$100,000	$444,500	$444,500
Greater Washington Urban League	$0	$0	$0	$0	$0	$0	$100,000	$100,000	$100,000	$300,000	$300,000
H Street Community Development Corporation	$0	$0	$0	$0	$0	$0	$50,000	$50,000	$50,000	$150,000	$150,000
Heads Up: A University Neighborhood Initiative	$40,000	$0	$30,000	$30,000	$100,000	$0	$0	$0		$0	$100,000
Healthy Teen Network	$100,000	$100,000	$0	$0	$200,000	$0	$0	$0		$0	$200,000
Heartly House, inc.	$150,000	$150,000	$100,000	$100,000	$500,000	$0	$0	$0		$0	$500,000
Higher Achievement Program	$600,000	$250,000	$210,000	$220,000	$1,280,000	$0	$5,000	$0		$5,000	$1,285,000
Homefree USA	$0	$0	$0	$0	$0	$0	$50,000	$150,000	$200,000	$400,000	$400,000
Homestretch	$100,000	$100,000	$115,000	$110,000	$425,000	$0	$0	$12,500		$12,500	$437,500
Hoop Dreams Scholarship Fund	$200,000	$80,000	$0	$0	$280,000	$0	$5,000	$0		$5,000	$285,000
Hope and a Home, Inc.	$100,000	$100,000	$100,000	$100,000	$400,000	$0	$0	$0		$0	$400,000
Horton's Kids Inc	$45,000	$50,000	$40,000	$40,000	$175,000	$0	$0	$0		$0	$175,000
House of Ruth	$100,000	$100,000	$100,000	$100,000	$400,000	$0	$0	$0		$0	$400,000
Housing Counseling Services	$0	$0	$100,000	$100,000	$200,000	$50,000	$100,000	$125,000	$125,000	$400,000	$600,000
Housing Initiative Partnership	$0	$0	$0	$0	$0	$0	$25,000	$75,000	$125,000	$225,000	$225,000
Housing Trust Fund of Northern Virginia, Inc.	$0	$25,000	$50,000	$60,000	$135,000	$0	$0	$0		$0	$135,000
Howard University General Hospital	$100,000	$0	$0	$0	$100,000	$0	$0	$0		$0	$100,000
Imagination Stage Inc.	$71,490	$35,000	$35,000	$35,000	$176,490	$0	$0	$0		$0	$176,490
INMED Partnership for Children	$150,000	$175,000	$250,000	$205,000	$780,000	$0	$0	$0		$0	$780,000
J. C. Nalle Elementary School	$25,000	$75,000	$25,000	$25,000	$150,000	$0	$0	$0		$0	$150,000
John F Kennedy Center for the Performing Arts	$0	$0	$0	$0	$0	$750,000	$0	$0		$750,000	$750,000
Jubilee Housing	$0	$0	$50,000	$40,000	$90,000	$0	$101,000	$150,000	$150,000	$401,000	$491,000
Kairos Development Corporation	$0	$0	$0	$0	$0	$0	$50,000	$0	$150,000	$200,000	$200,000
KIPP DC	$0	$0	$0	$100,000	$100,000	$0	$0	$0		$0	$100,000
Korean Community Service Center of Greater Washington	$70,000	$45,000	$5,000	$5,000	$125,000	$0	$0	$0		$0	$125,000
Latin American Youth Center	$306,000	$266,000	$130,000	$100,000	$802,000	$30,000	$50,000	$100,000	$150,000	$330,000	$1,132,000
Latin Economic Development Corporation	$0	$25,000	$0	$0	$25,000	$0	$77,000	$225,000	$100,000	$402,000	$427,000
Latino Student Fund	$15,000	$15,000	$15,000	$15,000	$60,000	$25,000	$25,000	$25,000		$75,000	$135,000
Leadership Washington or Leadership Greater Washington	$145,570	$30,000	$0	$80,000	$255,570	$50,000	$25,000	$25,000	$26,500	$126,500	$382,070
Local Initiatives Support Corporation	$75,000	$0	$0	$0	$75,000	$200,000	$150,000	$0		$350,000	$425,000
Lutheran Social Services of the National Capital Area	$25,000	$30,000	$30,000	$30,000	$115,000	$0	$0	$0		$0	$115,000
Lydia's House	$0	$0	$0	$0	$0	$0	$50,000	$50,000	$75,000	$175,000	$175,000
Main Street Child Development Center	$40,000	$35,000	$35,000	$35,000	$145,000	$0	$0	$0		$0	$145,000
Manna, Inc	$0	$0	$0	$0	$0	$50,000	$100,000	$0	$300,000	$450,000	$450,000
Marshall Heights Community Development Organization	$0	$0	$0	$0	$0	$0	$50,000	$90,000		$140,000	$140,000
Martha's Table, Inc.	$50,000	$125,000	$22,500	$20,000	$217,500	$0	$0	$0		$0	$217,500
Mary's Center for Maternal and Child Care Inc	$115,000	$100,000	$30,000	$5,000	$250,000	$0	$5,000	$0		$5,000	$255,000
Metropolitan Washington Council of Governments	$256,000	$157,500	$75,000	$127,800	$616,300	$0	$50,000	$100,000	$100,000	$250,000	$866,300
Mi Casa My House Inc	$0	$0	$0	$0	$0	$0	$50,000	$50,000	$100,000	$200,000	$200,000
Montgomery County Coalition for the Homeless	$350,000	$455,000	$455,000	$475,000	$1,735,000	$0	$2,500	$2,500	$50,000	$55,000	$1,790,000
My Sister's Place, Inc. (MSP)	$95,000	$50,000	$0	$0	$145,000	$0	$0	$0		$0	$145,000
National Adoption Center	$199,465	$232,245	$186,377	$188,405	$806,492	$0	$0	$0		$0	$806,492
National Building Museum	$25,000	$25,000	$0	$0	$50,000	$60,000	$50,000	$0		$110,000	$160,000
National Foundation for Teaching Entrepreneurship to Handicapped	$200,000	$110,000	$0	$0	$310,000	$0	$0	$0		$0	$310,000
National Guard Youth Foundation	$50,000	$100,000	$0	$0	$150,000	$0	$0	$0		$0	$150,000
National Housing Trust Enterprise Preservation Corporation	$50,000	$0	$40,000	$50,000	$140,000	$150,000	$150,000	$150,000	$250,000	$700,000	$840,000
National Law Center on Homelessness & Poverty	$50,000	$50,000	$55,000	$25,000	$180,000	$0	$0	$0		$0	$180,000
National Organization of Concerned Black Men	$25,000	$20,000	$20,000	$20,000	$85,000	$20,000	$0	$0		$20,000	$105,000
Neighborhood Reinvestment Corporation	$100,000	$100,000	$0	$0	$200,000	$0	$0	$0		$0	$200,000
New Hope Housing, Inc.	$45,000	$30,000	$30,000	$50,000	$155,000	$0	$0	$0		$0	$155,000
New Leaders For New Schools	$0	$100,000	$0	$0	$100,000	$100,000	$75,000	$75,000		$250,000	$350,000
NHP Foundation	$186,816	$0	$0	$0	$186,816	$0	$0	$0		$0	$186,816
Non-profit Finance Fund	$0	$0	$0	$0	$0	$0	$100,000	$125,000	$150,000	$375,000	$375,000
Non-profit Roundtable of Greater Washington	$160,000	$100,000	$25,000	$70,000	$355,000	$50,000	$50,000	$50,000	$50,000	$200,000	$555,000
NOVACO Inc.	$20,000	$40,000	$50,000	$60,000	$170,000	$0	$0	$0	$25,000	$25,000	$195,000
Office to Prevent and End Homelessness	$0	$0	$0	$150,000	$150,000	$0	$0	$0		$0	$150,000

					Recipients, 2007-2010, of $100,000+						
	Freddie Mac Foundation					Fannie Mae					Total from FrMac and Fmae
Non-Profit Organizations	**2007**	**2008**	**2009**	**2010**	**Total**	**2007**	**2008**	**2009**	**2010**	**Total**	
One Economy	$0	$0	$0	$0	$0	$0	$150,000	$100,000		$250,000	$250,000
Opendoor Housing Fund	$0	$0	$0	$0	$0	$0	$150,000	$150,000	$200,000	$500,000	$500,000
Pathways to Housing	$0	$0	$0	$0	$0	$50,000	$100,000	$150,000	$150,000	$450,000	$450,000
Prince George's Child Resource Center, Inc.	$15,000	$100,000	$50,000	$0	$165,000	$0	$0	$0		$0	$165,000
Prince George's Community Foundation	$0	$135,000	$35,000	$0	$170,000	$0	$0	$0		$0	$170,000
Ramona's Way	$50,000	$25,000	$50,000	$0	$125,000	$0	$0	$0		$0	$125,000
Ready at Five Partnership	$50,000	$79,000	$0	$0	$129,000	$0	$0	$0		$0	$129,000
Recreation Wish List Committee of Washington DC	$125,000	$30,000	$20,000	$20,000	$195,000	$25,000	$20,000	$20,000		$65,000	$260,000
Reston Interfaith	$177,421	$261,459	$45,000	$196,170	$680,050	$0	$0	$50,000	$50,000	$100,000	$780,050
Robert and Mary Church Terrell House and Ledroit Park Museum an	$0	$0	$0	$0	$0	$0	$100,000	$0		$100,000	$100,000
Sasha Bruce Youthwork Inc.	$0	$35,000	$30,000	$30,000	$95,000	$0	$0	$75,000		$75,000	$170,000
See Forever Foundation and the Maya Angelou Public Chapter Scho	$160,000	$60,000	$50,000	$50,000	$320,000	$0	$0	$0		$0	$320,000
SERVE, Inc.	$90,000	$50,000	$0	$0	$140,000	$0	$0	$0		$0	$140,000
Shelter House, Inc.	$120,000	$100,000	$20,000	$110,000	$350,000	$0	$0	$0		$0	$350,000
So Others Might Eat (SOME), Inc.	$265,000	$400,000	$400,000	$325,000	$1,390,000	$0	$0	$0		$0	$1,390,000
Southeastern University	$25,000	$0	$0	$0	$25,000	$150,000	$0	$0		$150,000	$175,000
Southern Maryland Tri-County Community Action Committee Inc.	$0	$0	$0	$0	$0	$0	$0	$50,000	$50,000	$100,000	$100,000
Sowing Empowerment and Economic Development	$0	$0	$0	$0	$0	$0	$0	$75,000	$100,000	$175,000	$175,000
St. Ann's Infant & Maternity House	$40,000	$35,000	$35,000	$0	$110,000	$0	$0	$0		$0	$110,000
Stop Child Abuse Now (SCAN) of Northern Virginia	$62,000	$25,000	$20,000	$20,000	$127,000	$0	$0	$0		$0	$127,000
Teach For America	$0	$0	$0	$0	$0	$100,000	$100,000	$75,000		$275,000	$275,000
The Barker Foundation	$121,000	$70,000	$60,000	$65,000	$316,000	$0	$0	$0		$0	$316,000
The Child and Family Network Centers	$275,000	$25,000	$550,000	$200,000	$1,050,000	$0	$0	$0		$0	$1,050,000
The National Alliance to End Homelessness	$25,000	$274,400	$289,470	$236,130	$825,000	$0	$0	$0		$0	$825,000
The NHP Foundation	$0	$0	$225,000	$525,000	$750,000	$0	$0	$0		$0	$750,000
The Reading Connection	$80,000	$100,000	$50,000	$50,000	$280,000	$0	$0	$0		$0	$280,000
The Ronald McDonald House Charities of Greater Washington	$100,000	$0	$0	$0	$100,000	$0	$0	$0		$0	$100,000
The SEED Public Charter School of Washington, D.C.	$50,000	$50,000	$40,000	$35,000	$175,000	$0	$0	$0		$0	$175,000
The Selma M. Levine School of Music	$125,000	$0	$0	$0	$125,000	$0	$0	$0		$0	$125,000
Thurgood Marshall Academy Public Charter High School	$40,000	$50,000	$40,000	$35,000	$165,000	$0	$0	$0		$0	$165,000
Tiger Woods Foundation	$0	$100,000	$0	$0	$100,000	$0	$2,500,000	$0		$2,500,000	$2,600,000
Transitional Housing BARN, Inc.	$0	$50,000	$50,000	$55,000	$155,000	$0	$0	$0		$0	$155,000
Transitional Housing Corporation	$70,000	$375,000	$350,000	$375,000	$1,170,000	$0	$50,000	$125,000	$125,000	$300,000	$1,470,000
U.S. Dream Academy	$100,000	$0	$0	$0	$100,000	$0	$0	$0		$0	$100,000
United Communities Against Poverty	$15,000	$25,000	$50,000	$50,000	$140,000	$0	$0	$75,000	$75,000	$150,000	$290,000
United Community Ministries	$50,000	$70,000	$145,000	$150,000	$415,000	$0	$0	$0		$0	$415,000
United Way of the National Capital Area	$0	$0	$0	$0	$0	$0	$100,000	$0		$100,000	$100,000
Unity Economic Development Corporation	$0	$0	$0	$0	$0	$0	$0	$90,000	$100,000	$190,000	$190,000
University Legal Services	$0	$0	$0	$0	$0	$0	$75,000	$100,000	$175,000	$350,000	$350,000
University of the District of Columbia	$0	$0	$0	$0	$0	$0	$0	$200,000		$200,000	$200,000
Urban Alliance Foundation Inc	$25,000	$0	$20,000	$30,000	$75,000	$25,300	$0	$0		$25,300	$100,300
Urban Institute	$0	$0	$0	$0	$0	$0	$300,000	$300,000	$200,000	$800,000	$800,000
Urban Nation, Inc.	$100,000	$75,000	$0	$0	$175,000	$0	$0	$0		$0	$175,000
Virginia Coalition to End Homelessness	$0	$50,000	$30,000	$30,000	$110,000	$0	$0	$25,000	$25,000	$50,000	$160,000
Virginia Early Childhood Foundation	$100,000	$0	$0	$0	$100,000	$0	$0	$0		$0	$100,000
Voices for Virginia's Children	$368,750	$236,000	$133,000	$133,000	$870,750	$0	$0	$0		$0	$870,750
Voices for Virginia's Children - Northern Virginia	$0	$100,000	$0	$0	$100,000	$0	$0	$0		$0	$100,000
Washington Area Women's Foundation	$87,500	$12,500	$0	$0	$100,000	$75,000	$225,000	$200,000	$150,000	$650,000	$750,000
Washington Interfaith Network	$0	$0	$0	$0	$0	$50,000	$100,000	$100,000	$150,000	$400,000	$400,000
Washington Metropolitan Scholars	$150,000	$0	$0	$0	$150,000	$0	$0	$0		$0	$150,000
Washington Redskins Charitable Foundation	$100,000	$110,000	$0	$0	$210,000	$0	$0	$0		$0	$210,000
Washington Regional Association of Grantmakers	$280,000	$180,000	$100,000	$65,000	$625,000	$189,350	$200,000	$200,000	$175,000	$764,350	$1,389,350
Washington Tennis & Education Foundation	$75,000	$60,000	$50,000	$87,000	$272,000	$0	$3,000	$500		$3,500	$275,500
Wesley Housing Development Corporation of Northern Virginia	$0	$0	$0	$50,000	$50,000	$0	$0	$75,000	$100,000	$175,000	$225,000
Wider Opportunities for Women	$100,000	$35,000	$25,000	$0	$160,000	$0	$0	$0		$0	$160,000
Young Women's Project	$50,000	$0	$70,000	$30,000	$150,000	$0	$0	$0		$0	$150,000
Sources: Fannie Mae and Freddie Mac Foundation											



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Metropolitan Washington Council of Governments

The Nonprofit Roundtable of Greater Washington

Washington Regional Association of Grantmakers

5. September 14, 2011 MINUTES

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002-4290

MINUTES
Board of Directors' Meeting
COG Board Room

September 14, 2011

BOARD MEMBERS, ALTERNATES AND PARTICIPANTS PRESENT AND NOT PRESENT

***SEE ATTACHED CHART FOR ATTENDANCE**

STAFF

David J. Robertson, Executive Director
Sharon Pandak, General Counsel
Diane Humke, Clerk to the Board

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1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Vice Chairman Principi called the meeting to order at 12:15 p.m.

2. CHAIRMAN'S ANNOUNCEMENTS

Vice Chairman Principi asked members to mark their calendar for COG's Annual Meeting on December 14, 2011 at the Marriott at Metro Center.

3. EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented to the Board a letter from Congressmen Frank Wolf and Steny Hoyer asking COG to undertake an effort to conduct a meeting on emergency preparedness.

The Executive Director presented the Commercial Construction and Census Reports to the board as well as a flyer for Rail-volution a conference regarding building communities with transportation to be held October 16-19.

Mr. Robertson briefed the Frederick Board of Aldermen and the Manassas City Council on COG programs and activities.

COG Purchasing Manager met with the City of Rockville's Purchasing Director to discuss cooperative purchasing. In Fairfax County, DEP staff participated on a committee to help the county choose a consultant for the Fairfax County Residential Energy Education Project.

Mr. Robertson met with Governor O'Malley's staff on improving participation at COG by senior state officials. Discussed the COG Incident Response Committee with Virginia's Homeland Security Advisor. Spoke with Virginia Delegate Jim Scott about telework issues. Met with officials from the National Center on Family Homelessness on opportunities for regional collaboration.

Commuter Connections staff participated in transportation events in DC, Arlington County, Fairfax County, and Rockville. DCPS Child Welfare staff hosted a Wednesday's Child Lunch and Learn for the Montgomery County Department of Social Services and a Wednesday's Child Match Party Preparation Meeting and Back to School giveaway in DC.

4. AMENDMENTS TO THE AGENDA

There were no amendments to the agenda.

5. APPROVAL OF JULY 13, 2011 MINUTES

The minutes of the July 13, 2011 meeting were approved and adopted.

6. CONSENT AGENDA
Supplemental Documents: Resolutions R41-2011 thru R44-2011

A. RESOLUTION AUTHORIZING COG TO ISSUE A CONTRACT TO DEVELOP AND CONDUCT A SERIES OF THREE REGIONAL TRANSIT SEMINARS FOR WMATA.

The Board adopted Resolution R41-2011, authorizing the COG Executive Director, or his designee to receive and expend up to $110,000 to conduct a series of three regional transit seminars each focused on strengthening coordination between transit agencies, roadway departments, and first responders in the National Capital Region. Funding for this effort will be provided from the U.S. Department of Homeland Security through a subgrant from the DC Homeland Security and Emergency Management Agency, acting as the State Administrative Agent for the Urban Areas Security Initiative grant. No COG matching funds are required.

B. RESOLUTION IN SUPPORT OF AUTHORIZING COG TO ENTER INTO A GRANT AGREEMENT WITH THE U.S. FOREST SERVICE THROUGH THE DISTRICT OF COLUMBIA TO CONDUCT AN URBAN FOREST CANOPY ANALYSIS WITHIN THE METROPOLITAN WASHINGTON REGION.

The Board adopted Resolution R42-2011, authorizing the Executive Director, or his designee to approve the receipt of grant funds from the U.S. Forest Service through the State Forester of the District of Columbia to conduct a two-year study of urban tree canopy in the District of Columbia, Anacostia Watershed in Maryland, Arlington County and the City of Alexandria. Data collected and analyzed will be added to COG's existing regional GIS database and supplied to the named participating jurisdictions. COG will also work with its grant partners to discuss how this data will aid in developing a sub-regional tree canopy management plan for the named community grant partners. Funding for this project is provided by the U.S. Forest Service through the District of Columbia Urban Forestry Administration and is not to exceed a total of $165,000. A $15,000 COG match is required. ($7,500 in FY 2012 from the current fiscal year work program budget and $7,500 in the proposed FY 2013 work program budget).

C. CO-SPONSORSHIP OF "GIVE TO THE MAX DAY" CAMPAIGN IN THE NATIONAL CAPITAL REGION.

The Board adopted Resolution R43-2011 authorizing The Metropolitan Washington Council of Governments along with the United Way of the National Capital Area and the Community Foundation of the National Capital Region to co-sponsor the "Give to the Max Day" campaign in the Washington area. This effort is modeled on a program in Minneapolis that used social media, web-donations, and other online giving tools to raise $14 million for Minnesota non-profits in one 24-hour period. Give to the Max Day will be announced on September 15 and Give to the Max day is scheduled for November 9. The program is intended to engage donors who may not participate in workplace giving or more traditional campaigns. COG will be responsible for helping to promote this effort with area local governments. No funding support from COG will be required.

D. RESOLUTION TO SUBMIT GRANT APPLICATION TO THE WALMART FOUNDATION TO SUPPORT A REGIONAL SUSTAINABILITY INTERNSHIP PROGRAM.

The COG Board adopted Resolution R44-2011, authorizing the Executive Director or his designee, to apply for grant funding from the Walmart Foundation for a sustainability internship program in an amount not to exceed $150,000. COG will collaborate with MobilizeGreen and ICLEI to identify, recruit, and train ten student interns/graduates from area colleges, universities, and community colleges for 3-month paid internships with local government members to work on projects that advance COG's Region Forward and sustainability goals, including greenhouse gas inventories, climate action planning, and green purchasing policy projects. COG seeks funding for program development, intern stipends, and project evaluation. No COG match is required.

ACTION: Upon motion made, and seconded, Resolutions R41-2011 through R44-2011 were unanimously approved and adopted.

7. HIGHLIGHTS OF AUGUST MULTI-STATE EMERGENCY RESPONSE EVENTS
Supplemental Documents: PowerPoint Presentations

The Mid-Atlantic and National Capital Region experienced two multi-state events in August, an unprecedented earthquake on August 23 and Hurricane Irene during the weekend of August 26-28. The COG Board was briefed on regional preparation, messaging to the public and response to these two events and how after-action studies and feedback will be incorporated into ongoing work and future plans.

Merni Fitzgerald, Director, Public Affairs Fairfax County, Chair, RESF-15, External Affairs presented to the Board the various different modes of communication that were used during both the earthquake which was unexpected and Hurricane Irene which was expected. Many public officials used websites such as Facebook and Twitter to get emergency messages out. Public officials are more easily able to get information out to the public by using blogs, and social media along with mobile apps for smart phones and text alerts to reach a broader range of the public to communicate information during times of emergency.

Tony Alexiou, Deputy Director, Homeland Security and Emergency Management, Montgomery County Chair, Emergency Managers Committee, briefed the board on lessons learned from both the earthquake and Hurricane Irene stating that we should expect the unexpected, inform the public of what to do to stay safe, train first responders on what to do during an earthquake, and include earthquakes in hazard mitigation plans.

City of College Park Mayor, Andrew Fellows highlighted that if the public is not getting information then the job of communicating is not getting done. Ms. Fitzgerald stated that every mode of communication was used to communicate so if someone didn't get an alert they weren't paying attention.

Vice Chairman Principi, stated that flyers were handed out warning residents of flooding and road closures. Ms. Fitzgerald said that that was an effective mode of communication.

City of Falls Church Councilmember, David Snyder stated that the issue is not getting the information out but that there is no central agency that puts the messages out so messages can be different depending on where you are and what mode of communication is used indicating that there is a structural problem.

Arlington County Board Member, Walter Tejada, asked about ways to communicate to those in the community that may not have access to social media or can't use their electronic devices due to loss of power and also asked if there was a way to get communication out to those who do not speak English. Ms. Fitzgerald stated that many social medial sites are multi-lingual and many different forms of communication are used to get the message out to those without power or who do not have computers, e-mail, or cell phones.

ACTION: Receive Presentation.

8. COG SPONSORSHIP OF FINANCIAL PLANNING DAY
Supplemental Documents: Financial Planning Day Flyer, Resolution R45-2011

Dan Drummond, City of Fairfax, presented to the Board a request that COG co-sponsor Financial Planning Day. Financial Planning Day will be held at the Bell Multi-Cultural High School in DC on October 15, 2011.

Financial Planning Day is part of a nationwide program aimed at helping families manage their personal finances. The national recession has had a significant impact on the ability of individuals and families to not only afford essentials but plan for their future and improving financial education and planning skills of residents in the National Capital Region is key to helping emerge from the economic downturn.

ACTION: Upon motion made, and seconded, Resolution R45-2011 was unanimously approved and adopted.

9. COG RETREAT OUTCOMES
Supplemental Documents: Retreat Summary Presentation

COG held its thirteenth annual retreat July 23-24, which was attended by 31 COG members. The primary focus of this year's retreat was examining the steps COG and its member local governments should consider in order to achieve the goals outlined in the *Region Forward* planning guide and revitalize economies still suffering from the effects of the recession. The retreat featured sessions that described the region's changing demographic make-up, the need for community energy plans and a metropolitan business plan.

Dave Robertson briefed the Board on the retreat outcomes and the next steps focusing primarily on member retention and the beginning of a pilot teleconferencing program, recruitment of new member jurisdictions, Laurel, Leesburg, and Charles County, and building a Metropolitan Business Plan along with an ad hoc committee.

The opening dinner and keynote address focused directly on how the National Capital Region can continue to thrive given the federal government's changing fiscal priorities. Jared Bernstein, a senior fellow with the Center on Budget and Policy Priorities, discussed the ways local officials are trying to stimulate economic activity and suggested a focus on business sectors that are expanding such as health care and green energy.

The Saturday morning session provided a detailed look at the region's changing demographic picture and how those changes will influence the region's workforce, economy and public services. Paul DesJardin, COG's Director of Planning and Community Services, outlined the changes that were evident in the 2010 Census as well as in the American Community Survey (ACS) a new census survey that has replaced the old long form census document.

Saturday's mid-morning session on Community Energy Planning discussed strategies local communities can adopt to reduce energy costs, control emissions and increase reliability. Peter Garforth, detailed major uncertainties such as the shift in weather patterns and the increasing cost and declining reliability of energy sources prove the need for community energy planning.

Saturday's luncheon focused on metropolitan business planning and whether the concept would work for the region. Amy Liu, the deputy director of the Metropolitan Policy Program at the Brookings Institute, discussed the economy as a main reason for developing such a plan and focused on several points that are the key to developing a metropolitan business plan.

Other topics that were discussed were pursuing opportunities to recruit new member governments, using new technologies such as video teleconferencing to enhance public and member participation and the TIGER grant program.

Supervisor Fairfax County, Penelope Gross, asked if the Metropolitan Business Plan would include the input from business planners in each jurisdiction. Mr. Robertson said they would be included along with economic development directors. She also expressed her wish to participate on a task force that will review the plan's feasibility.

City of Frederick Councilmember Karen Young, supported the teleconference pilot program stating that teleconferencing should be secondary to face to face but makes it easier for members to participate.

ACTION: Receive Presentaion.

10. 2010 REGIONAL CRIME REPORT
Supplemental Documents: Crime Report

The Police Chiefs Committee, in conjunction with its Police Planners Subcommittee, annually collects and analyzes selected crime statistics for the Washington metropolitan area; this information has aided in the development of local/regional crime-fighting strategies. The report also details the crime statistics of each local jurisdiction as well as crimes reported by state and federal officers. Local police departments, sheriff's offices, and state and federal police services supply COG with the data for this report.

Metropolitan Washington Airports Authority Police Deputy Chief Jeff Delinski and Vice Chair, COG Police Chiefs Committee highlighted the results of the 2010 Report on Crime and Crime Control. The report found a 5.3 percent reduction in Part 1 crimes which include homicide, rape, robbery, aggravated assault, larceny, burglary and motor vehicle thefts. Crime rates have been falling nationally, though the drop was sharper in the metropolitan Washington region.

Decreases were seen in all Part I categories except for Burglary with 275 more burglaries in 2010 than in 2009. Deputy Chief Delinski stated that these decreases can be attributed additional focus and crime prevention initiatives by local law enforcement units.

Deputy Chief Delinski stated that continued cooperation and communication among agencies throughout the NCR will further enable jurisdictions to work toward continued reductions in major crimes. The use of innovative technologies, including License Plate Readers, and computers and GPS in police cars, as well as other enhanced data sharing technologies available to officers, such as LInX, has enabled the NCR to improve its crime reduction efforts during this period of economic downturn.

COG Police Chiefs Committee recommends that we continue to educate the public and reduce opportunities for crimes; encourage cooperation between communities, business leaders and law enforcement; and expand the use of innovative technologies.

In order to continue making the metropolitan area a safe and livable community for residents and visitors, collaboration and coordination between law enforcement agencies on a regional level will be critical to continued reductions in major crimes.
Roger Berliner, Montgomery County, asked how to deal with the ever growing problem of flash mobs and the impact of imposing curfews. Deputy Chief Delinski stated that flash mobs are hard to predict and understand and police departments rely on word of mouth and social media to try and stop them.

Chairman Harrison stated that curfews are hard for police to enforce because they are busy with many other more serious crimes.

Vice Chairman Phil Mendelson, stated that in his jurisdiction earlier curfews were rejected and had mixed reviews because if they are too strictly enforced, police/public relations are strained.

Further review on flash mobs and other crime trends is to be researched and presented to the Board at a future date.

ACTION: Receive Presentation.

11. EXECUTIVE SESSION ON THE EXECUTIVE DIRECTOR'S PERFORMANCE EVALUATION AND LEGAL MATTER

The Board convened in Executive Session to discuss the results of the performance evaluation process conducted by the Employee Compensation and Benefits Review Committee (ECBR) and other Board members and to discuss a legal matter.

12. RECONVENE PUBLIC SESSION

Upon returning to public session the Board of Directors voted on the recommendations made by the ECBR.

ACTION: Upon motion made and seconded, the R46-2011 was unanimously approved and adopted.

13. OTHER BUSINESS

14. ADJOURN- NEXT MEETING WILL BE ON WEDNESDAY, OCTOBER 12, 2011.

BOARD OF DIRECTORS/ALTERNATES 2011

ATTENDANCE: 9/14/2011

Jurisdiction	Member	Y/N	Alternate	Y/N
District of Columbia				
Executive	Hon. Vincent Gray	N		
	Mr. Allen Lew	Y		
Council	Hon. Phil Mendelson	Y		
	Hon. Michael Brown	N		
Maryland				
Bowie	Hon. G. Frederick Robinson		Hon. Dennis Brady	N
City of Frederick	Hon. Randall McClement		Hon. Karen Young	Y
College Park	Hon. Andrews Fellows	Y	Hon. Robert Catlin	
Frederick County	Hon. David Gray	N	Hon. Jan Gardner	
Gaithersburg	Hon. Sidney Katz		Hon. Cathy Drzyzgula	Y
Greenbelt	Hon. Judith "J" F. Davis	Y	Hon. Emmett Jordan	
Montgomery County				
Executive	Hon. Isiah Leggett	N	Mr. Tim Firestine	
Council	Hon. Roger Berliner	Y		
	Hon. Valerie Ervin	N		
Prince George's County				
Executive	Hon. Rushern Baker	N	Mr. P. Michael Errico	N
Council	Hon. Karen Toles	Y		
	Hon. Andrea Harrison (Chair)	Y		
Rockville	Hon. John Britton	N		
Takoma Park	Hon. Bruce Williams	Y	Hon. Terry Seamens	
Maryland General Assembly	Hon. Galen Clagett	N		
Virginia				
Alexandria	Hon. William Euille	Y	Hon. Redella Pepper	
Arlington County	Hon. Walter Tejada	Y	Hon. Jay Fisette	
City of Fairfax	Hon. Dan Drummond	Y	Hon. Jeffrey Greenfield	
Fairfax County	Hon. Sharon Bulova	N	Hon. Catherine Hudgins	
	Hon. Penelope A. Gross	Y	Hon. Patrick Herrity	
	Hon. John Foust	Y	Hon. Michael Frey	
Falls Church	Hon. Nader Baroukh		Hon. David Snyder	Y
Loudoun County	Hon. Andrea McGimsey	Y	Hon. Scott York (Alt)	
Manassas	Hon. Sheryl Bass	N		
Manassas Park	Hon. Suhas Naddoni	N	Hon. Frank Jones	
Prince William County	Hon. Frank Principi	Y		
	Hon. Wally Covington	Y		
Virginia General Assembly	Hon. James M. Scott	Y		

6. CONSENT AGENDA

Resolution R47-2011
ADOPTED October 12, 2011

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 NORTH CAPITOL STREET, N.E. adopted
WASHINGTON, D.C. 20002

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH TAPIT TO SUPPORT IMPLEMENTATION OF A REGIONAL WATER AND WASTEWATER OUTREACH CAMPAIGN

WHEREAS, since 2003, the Metropolitan Washington Council of Governments (COG) has implemented a successful regional Water, Use it Wisely outreach campaign to educate and encourage citizens in the National Capital Region to use their drinking water wisely; and

WHEREAS, COG in partnership with area water and wastewater utilities has created a public outreach and education campaign known as the Community Engagement Campaign that includes as a core message that tap water is safe to drink; and

WHEREAS, tap water is less expensive, safer and more sustainable than bottled water; and

WHEREAS, promoting the water produced by our region's water utilities is not only beneficial to the region's economy but to the environment; and

WHEREAS, TapIt , founded in 2008, builds a comprehensive network of regional eateries and cafes that make clean tap water accessible to the public on the go. Café owners sign up as 'partners' to provide tap water to those who carry a reusable bottle, creating community and empowering citizens to make conscious decisions for a sustainable future; and

WHEREAS, the members of COG's Community Engagement Campaign have selected TapIt it for a regional tap water promotion campaign, based on the success DC Water has had working with TapIt;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

The Executive Director, or his designee, is authorized to enter into a contract with TapIt, in an amount not to exceed $45,000, to develop and implement a tap water promotion program targeting local businesses. The duration of the contract is twelve months from the date of execution. No COG matching funds will be required.

COPY TESTE:

Diane Humke, Board Clerk

Resolution R48-2011
ADOPTED October 12, 2011

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 NORTH CAPITOL STREET, NE
WASHINGTON, DC 20002

RESOLUTION APPROVING RECOMMENDATIONS FOR THE 2012 NOMINATING COMMITTEE

WHEREAS, the bylaws of the Metropolitan Washington Council of Governments (COG) require the annual election of three officers to the Board of Directors and four corporate officers of the organization; and

WHEREAS, the election of these positions requires the convention of a Nominating Committee; and

WHEREAS, the Nominating Committee is comprised of 7 members, balanced geographically among the District of Columbia, the State of Maryland, and the Commonwealth of Virginia; and

WHEREAS, it is the responsibility of the Board Chairman to recommend members to serve on the Nominating Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

Upon recommendation by the Board Chair, the Board of Directors hereby approves the following recommended persons to serve on the Nominating Committee: Chairman Andrea Harrison, Prince George's County; Andrea McGimsey, Loudoun County; Muriel Bowser, District of Columbia; Allen Lew, District of Columbia; Roger Berliner, Montgomery County; Walter Tejada, Arlington; Karen Young, Frederick.

COPY TESTE:

Diane Humke, Board Clerk

Resolution R49-2011
ADOPTED October 12, 2011

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 N. CAPITOL ST., N.E.
WASHINGTON, DC 20002

RESOLUTION APPROVING THE SECOND ROUND OF FORECLOSURE COUNSELING GRANT FUNDS FROM THE CAPITOL AREA FORECLOSURE NETWORK (CAFN)

WHEREAS, the Metropolitan Washington Council of Governments (COG) has long supported affordable housing programs and policies throughout the region; and

WHEREAS, in 2008 COG hosted the first regional summit to address housing foreclosures in metropolitan Washington; and

WHEREAS, addressing the region's housing needs, including slowing the pace of foreclosure rates, was identified as a priority task in COG's FY 2012 Work Program and Budget and in COG's 2011 Policy Focus and Priorities; and

WHEREAS, the Urban Institute's Housing in the Nation's Capitol 2009 report recommended the establishment of a formal regional housing counseling network to address ongoing foreclosure issues, specifically suggesting that the effort be led by COG; and

WHEREAS, in 2010, the COG Board adopted Resolution R24-10 establishing the Capital Area Foreclosure Network (CAFN), an innovative partnership between COG, the Nonprofit Roundtable of Greater Washington and the Urban Institute that builds the capacity of local housing counseling, legal service and direct service organizations by raising awareness of the role of direct services through marketing and outreach, coordinating trainings around the region, and developing sustainable fundraising strategies; and

WHEREAS, in CY2011, CAFN has applied for and received funding from Fannie Mae, Freddie Mac, NeighborWorks America, and the United Way totaling $175,000 to seek proposals for and award grants up to $25,000 to support local housing counseling agencies, as selected by CAFN's member Grant Awards Selection Team.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

The COG Board approves the release of RFP 12-005 to seek applications for competitively-awarded grants to housing counseling agencies that are working to address ongoing foreclosure problems in the region. No matching funds are required.

COPY TESTE:

Diane Humke, Board Clerk

Resolution R50-2011
ADOPTED October 12, 2011

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 NORTH CAPITOL STREET, N.E.
WASHINGTON, D.C. 20002

RESOLUTION AUTHORIZING COG TO APPLY FOR AND ADMINISTER FUNDING FOR A PROJECT TO IMPLEMENT PEDESTRIAN AND BICYCLE ACCESS IMPROVMENTS IN RAIL STATION AREAS IN THE REGION FROM THE FY 2011 TRANSPORTATION INVESTMENTS GENERATING ECONOMIC RECOVERY (TIGER) COMPETITIVE GRANT PROGRAM OF THE US DEPARTMENT OF TRANSPORTATION (USDOT)

WHEREAS, On July 1, 2011, USDOT released an interim notice of funding availability for the FY 2011 TIGER discretionary grant program, and a final notice of funding availability on August 12, 2011; and

WHEREAS, the FY 2011 TIGER program is a competitive discretionary grant program administered through the USDOT Office of the Secretary funded with $527 million appropriated through the FY 2011 Appropriations Act, $387 million of which is available for capital projects in urban areas; and

WHEREAS, the National Capital Region Transportation Planning Board (TPB), as the metropolitan planning organization (MPO) for the Washington Region, has the responsibility under the provisions of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) of 2005 for developing and carrying out a continuing, cooperative and comprehensive transportation planning process for the Washington Metropolitan Area; and

WHEREAS, metropolitan planning organizations like the TPB are eligible applicants under the expressed FY 2011 TIGER grant funding guidelines; and

WHEREAS, the TPB adopted the attached Resolution, TPB R3-2012, on September 21, 2011, approving the submission of a pre-application for a project to Implement Pedestrian and Bicycle Access Improvements in Rail Station Areas in the National Capital Region for funding under the FY 2011 TIGER competitive grant program; and

WHEREAS, the TPB will be the lead applicant in the grant application and COG/TPB will be the direct recipient of up to $30 million for a regional pedestrian and bicycle access improvements to rail stations project, and other state, regional and local agencies will be joint applicants and sub-recipients of FY 2011 TIGER grant funding included in the application; and

WHEREAS, COG is the administrative agent of the TPB, and the COG Board authorizes the executive director to apply for and administer grant funding on behalf of the TPB; and

WHEREAS, applying for an FY 2011 TIGER grant represents a significant regional funding opportunity.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

The Executive Director, or his designee, is authorized to apply for and administer grant funding from USDOT's FY 2011 TIGER Competitive Grant Program for a project to Implement Pedestrian and Bicycle Access Improvements in Rail Station Areas in an amount no less than $10,000,000 and not to exceed $30,000,000 in accordance with provisions of the grant program. No COG matching funds are required.

COPY TESTE:

Diane Humke, Board Clerk

7. PROPOSED METROPOLITAN WASHINGTON AIRPORTS AUTHORITY RESTRUCTURING

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

September 28, 2011

The Honorable Andrea Harrison
Chair of the Board of Directors
Metropolitan Washington Council of Governments
Suite 300
777 North Capitol Street, NE
Washington, DC 20002

Dear Ms. Harrison:

Legislation now pending in the United States Congress would radically restructure the Board of Directors of the Metropolitan Washington Airports Authority and disrupt the balanced representation of interests that has served the National Capital Region and the nation so effectively since the Authority's creation over twenty-five years ago. I urge the Council of Governments to oppose this legislation and to encourage its congressional delegations to make every effort to prevent its adoption.

H.R. 1824 was originally introduced in May 2011 by Representative Frank Wolf of Virginia. It was promptly referred to the Subcommittee on Aviation, where it has not to date received any public review. However, on September 8, the provisions of H.R. 1824 were included, with little notice or debate, as Section 196 in the FY 2012 Transportation, Housing and Urban Development, and Associated Agencies Appropriations Act that was reported out of the House Appropriations Subcommittee.

The Authority's thirteen-member Board of Directors currently consists of five members appointed by the Governor of Virginia; three members each appointed by the President and the Mayor of the District of Columbia; and two members appointed by the Governor of Maryland. Members serve six-year terms that are staggered within each jurisdiction's appointees and can be removed only for cause. Members may serve past the expiration of their terms until their successors are duly appointed.

The provisions of H.R. 1824/Section 196 would:

1. **Expand the MWAA Board of Directors from 13 to 17 members by adding 4 additional Virginia appointments.** The Governor of Virginia's 9 appointees would constitute a majority of the new 17-member Board.

2. **Specify that all Board Members serve "at the pleasure of" the appointing executive.** Any or all of a jurisdiction's appointees could be removed at any time, without cause.

1 Aviation Circle, Washington, DC 20001-6000 • www.mwaa.com

3. **Prohibit members from continuing to serve after their terms expire.** The current continuation policy ensures continued Board balance and function regardless of any delays in the appointment or confirmation process.

4. **Set at 9 the number of votes needed to approve bond issues and the annual budget.** Voting as a bloc, Virginia's 9 members could exercise unilateral fiscal control over the Authority and its federally owned assets. Current statutes require a super-majority (8 of 13 – 61.5%) for budget and bonding decisions.

The Metropolitan Washington Airports Authority is an independent body authorized by an Act of Congress in order to achieve local control, management, operation, and development, under lease, of the federal properties of Ronald Reagan Washington National and Dulles International Airports, their access highways and other related facilities. As you and your COG colleagues are no doubt aware, the initial enabling legislation resulted from a collaborative effort to provided balanced representation in governance for the Commonwealth of Virginia, the District of Columbia, the State of Maryland, and the federal government. The original legislation authorized a Board of Directors consisting of 11 members – only one of whom was an appointee of the President – but also created a 9-member Board of Review composed of members of United States Senate and House of Representatives.

After the Board of Review was invalidated by the courts, in 1996 Congress ensured that the federal interest would continue to be adequately represented by authorizing two additional presidential appointees and the 13-member Board of Directors that exists today.

By any measure, the Authority's record of accomplishment in managing these important regional and national assets has been exemplary. Under the Authority's leadership, Reagan National Airport was transformed by construction of the badly needed landmark Terminal housing 35 B and C gates. The three-level, one million square-foot terminal's modern and efficient facilities include direct connections to Metrorail and new parking garages via enclosed pedestrian bridges.

The Authority has also continued to ensure Dulles International's prominence as a regional domestic hub and major international aviation gateway. The Authority's unprecedented infrastructure construction program called "D2" (Dulles Development), included two parking garages, a new air traffic control tower, expanded B-gates, a new fourth runway, an automated people mover system called AeroTrain, an expanded International Arrivals Building and new passenger screening facilities.

The desired expansion of Metrorail to Dulles International was viewed as an impossible fantasy until the Authority determined that its construction and management expertise could turn this dream into reality. Today, Phase One of Dulles Rail is on-time and under-budget and we are less than two years away from service to Tysons Corner and Wiehle Avenue in Reston. Phase Two, slated for completion in 2017, will extend Metrorail an additional 11 miles, providing first-ever service to Loudoun County, including the long-awaited station at Dulles International.

With 42 million combined passengers in 2010, Reagan National and Dulles International now rank #7 nationally and #4 in flight operations. The airports' economic impact is itself monumental, responsible for 312,970 jobs and $14 billion in labor income in the Metropolitan Washington MSA.

This record of progress and achievement has been accomplished under the direction of the balanced Board of Directors that Representative Wolf's proposed legislation seeks to disrupt and reconstitute to the overwhelming advantage of one of the represented jurisdictions. I cannot imagine that the Metropolitan Washington Council of Governments would agree that these drastic changes would be in the best interests of the Authority or the spirit of regional cooperation that has enabled so much progress in recent years. I urge your swift and active opposition to the Wolf legislation.

Thank you for your consideration.

Sincerely,

Charles D. Snelling
Chairman

cc: David Robertson, Executive Director
The Honorable H.R. Crawford, Immediate Past Chairman
Jack Potter, President and CEO, Metropolitan Washington Airports Authority

HR 1824 IH

112th CONGRESS

1st Session

H. R. 1824

To amend title 49, United States Code, to make modifications with respect to the board of directors of the Metropolitan Washington Airports Authority, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

May 10, 2011

Mr. WOLF introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend title 49, United States Code, to make modifications with respect to the board of directors of the Metropolitan Washington Airports Authority, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BOARD OF DIRECTORS OF METROPOLITAN WASHINGTON AIRPORTS AUTHORITY.

(a) Membership- Section 49106(c)(1) of title 49, United States Code, is amended--

(1) in the matter preceding subparagraph (A) by striking `13 members' and inserting `17 members'; and

(2) in subparagraph (A) by striking `5 members' and inserting `9 members'.

(b) Term- Section 49106(c)(3) of such title is amended by striking the second sentence and inserting the following: `A member may not serve after the expiration of the member's term.'.

(c) Removal Authority- Section 49106(c) of such title is amended--

(1) in paragraph (6) by striking subparagraph (C);

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by inserting after paragraph (6) the following:

`(7)(A) A member of the board appointed under paragraph (1)(A) shall serve at the pleasure of the Governor of Virginia.

`(B) A member of the board appointed under paragraph (1)(B) shall serve at the pleasure of the Mayor of the District of Columbia.

`(C) A member of the board appointed under paragraph (1)(C) shall serve at the pleasure of the Governor of Maryland.

`(D) A member of the board appointed under paragraph (1)(D) shall serve at the pleasure of the President.'.

(d) Approval of Bond Issues and Annual Budget- Section 49106(c)(8) (as redesignated by subsection (c)(2) of this section) is amended by striking `Eight votes' and inserting `Nine votes'.

END

8. COG BOARD OF DIRECTORS TELECONFERENCE PILOT

October 5, 2011

AGENDA - October 12, 2011

TO: **MWCOG BOARD OF DIRECTORS**

FROM: **SHARON E. PANDAK**
General Counsel

RE: **PROPOSED AMENDMENTS TO BY-LAWS AND RULES OF PROCEDURE TO PERMIT ATTENDANCE ELECTRONICALLY/REMOTELY AT COG BOARD MEETINGS**

In response to the direction of the Board of Directors at the Annual Retreat, COG staff has been adjusting the Board room technology to accommodate attendance electronically/remotely by Members at Board meetings. In order to procedurally accomplish such attendance and active participation in the meetings, changes to the By-Laws and Rules of Procedure are necessary. Currently, meeting by electronic means is only permitted "when face-to-face meetings are effectively precluded by emergency circumstances and when action by the Board is legally, financially or politically required." (Rules of Procedure 4.01 e) and 4.06 b))

Proposed changes are generally outlined below and a draft of proposed amendments is attached.

By-Laws:

The By-laws must be amended to provide that a Member attending electronically can be counted towards a quorum.

Rules of Procedure:

The Rules of Procedure should also be amended to address the procedural aspects of a Member's participation electronically. We have suggested that:

1. The remote location will not be open to the public in order to prevent distracting noise.

2. The Member must give at least three (3) days' notice to the Executive Director by email or telephone, indicating a remote location acceptable to COG staff. This advance notice allows COG IT staff to make sure that the necessary arrangements are made for the Member's participation. The Executive Director will advise the Board of Directors by email or telephone upon receipt of the Member's notice. The Chair will announce the electronic participation at the beginning of the Board meeting.

3. Members are limited to two (2) meetings per year of participation electronically, or 25% of the meetings of the Board, whichever is fewer.

4. Electronic participation is contingent upon COG staff's ability to make sure that the voice of the remote participant can be heard by all persons at the Board meeting.

5. When participating electronically, the Member shall identify that he/she is present electronically, and announce departure from the meeting, unless the meeting has adjourned.

6. The Member must verbally ask for recognition from the Chair if the Member desires to speak.

7. Votes taken during a meeting when a Member is attending electronically shall be recorded by roll call, and the remote Member shall verbally state his/her vote.

8. The Member attending electronically will not have a right to attend an executive session during a meeting. COG IT staff indicates that the system is not yet equipped to handle this and keep the meeting confidential.

9. All other Rules of Procedure shall apply.

10. The Chair may determine that no electronic attendance will be permitted at certain meetings of the Board of Directors.

The attached amendments incorporate the foregoing concepts. The Board has flexibility to modify these concepts as it deems appropriate, and we welcome the Board's guidance.

In addition to the foregoing, COG staff anticipates working with the Chair to help facilitate the meetings when a Member(s) is participating electronically.

<u>Procedure</u>:

To adopt amendments to the Bylaws – Pursuant to Section 13.02, the By-Laws may be amended at a regular meeting of the Board with notice given at the previous meeting and a three-quarters (3/4) majority of the members present and voting. Therefore, a By-Laws amendment cannot be adopted until the Board's

November, 2011 meeting at the earliest, unless the Board calls a special meeting in the interim.

To adopt amendments to the Rules of Procedure – Pursuant to Rule 2.19, a majority vote by the Board is required after seven (7) days written notice of the proposed amendments signed by the proposer.

We will be glad to answer questions at the Board meeting.

Attachment: as stated

cc: David Robertson, Executive Director
George Danilovics, Director, Office of Information Technology & Facility Management
Nicole Hange, Policy Coordinator

Amendment to By-Laws

5.05 A majority of the total members of the Board of Directors, representing participating governments as defined in Section 5.02, Subsection c, shall constitute a quorum for the transaction of business, provided that this number of Board members includes representatives of at least two participating governments from Maryland and two from participating governments from Virginia and one representative of the District of Columbia.

(a) A member who has been recognized as participating electronically counts toward the quorum as if the member was physically present.

(b) If, however, such a quorum shall not be present at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. At any resumption of the adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting originally called.

Amendment to Rules of Procedure

ADD 4.01 f) A Board Member may attend a Board of Directors meeting through electronic communication means from a remote location that is not open to the public only as follows. The Member shall give at least three (3)-days' notice to the Executive Director by either email or telephone, and indicate the remote location, acceptable to the COG staff, from which the Member will participate. Upon receipt of such notice, the Executive Director shall advise the Board of Directors by email or telephone, or the Chair shall announce electronic participation at the beginning of the Board meeting.

[1] Such participation by the Member shall be limited each calendar year to two meetings or 25 percent of the meetings of the Board, whichever is fewer;

[2] Electronic participation is contingent upon the ability of COG staff to make arrangements for the voice of the remote participant Member to be heard by all persons at the central meeting location.

[3] The following procedures shall apply when a Member is attending electronically:

- The Member shall verbally identify at the beginning of the meeting that the Member is present electronically; and announce if the Member is departing from the meeting, unless the meeting has adjourned.

- The Member attending electronically shall verbally ask for recognition from the Chair if the Member desires to speak.

- Votes taken during any meeting, when a Member is attending electronically, shall be recorded by name in roll-call fashion and included in the minutes. The Member attending electronically shall indicate his/her vote verbally when requested by the Chair or Clerk.

- The Member attending electronically shall not have a right to attend any executive session during the meeting.

- All other Rules of Procedure shall apply.

[4]   The Chair may determine that no electronic attendance is permitted at certain meetings of the Board of Directors.

9. METROPOLITAN BUSINESS PLAN FOR THE NATIONAL CAPITAL REGION

MetroMonitor

Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas

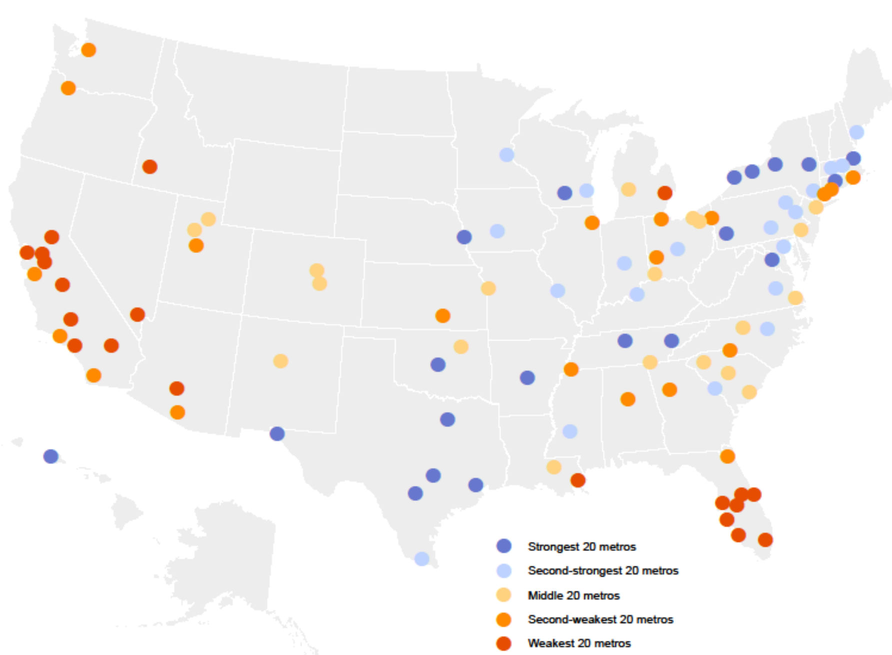
Howard Wial and Richard Shearer

September 2011

The most recent national economic data show a stalled economic recovery. The national unemployment rate in August remained at 9.1 percent for the second month in a row, while the economy added no new jobs. GDP grew at a glacial annual rate of 1 percent in the first quarter of the year. House prices remained below their levels of a year ago. Wages were lower than they were in the fall of last year. The growth of manufacturing, previously a bright spot in an otherwise gloomy economic picture, seems to have slowed. Government employment, which helps support jobs and output in the private sector, continued to fall.

Data for the nation's 100 largest metropolitan areas do not fully reflect the most recent national trends because most metropolitan economic indicators are available only through the second quarter of 2011 (ending in June). The metropolitan data through the second quarter show widespread but generally very slow growth in both jobs and economic output. Unemployment rates, although lower than at the beginning of 2010 in most large metropolitan areas, remained very high. House prices hit new lows in all large metropolitan areas even as the pace of foreclosures slowed in half of those areas. Workers' earnings, available at the metropolitan level through the first quarter of 2011, fell in slightly more than half of the nation's large metropolitan areas since the beginning of the recession. Manufacturing employment continued to rise through the second quarter of the year in most large metropolitan areas. Government employment continued to fall in most. As always, metropolitan economic performance varied greatly among the 100 largest metropolitan areas.

Overall Performance: Recession and Recovery



The 20 strongest-performing metro areas		The 20 weakest-performing metro areas	
Albany, NY	Little Rock, AR	Bakersfield, CA	New Orleans, LA
Austin, TX	Madison, WI	Boise, ID	North Port, FL
Boston, MA-NH	Nashville, TN	Cape Coral, FL	Orlando, FL
Buffalo, NY	Oklahoma City, OK	Detroit, MI	Palm Bay, FL
Dallas, TX	Omaha, NE	Fresno, CA	Phoenix, AZ
El Paso, TX	Pittsburgh, PA	Lakeland, FL	Riverside, CA
Hartford, CT	Rochester, NY	Las Vegas, NV	Sacramento, CA
Honolulu, HI	San Antonio, TX	Los Angeles, CA	San Francisco, CA
Houston, TX	Syracuse, NY	Miami, FL	Stockton, CA
Knoxville, TN	Washington, DC-VA-MD	Modesto, CA	Tampa, FL

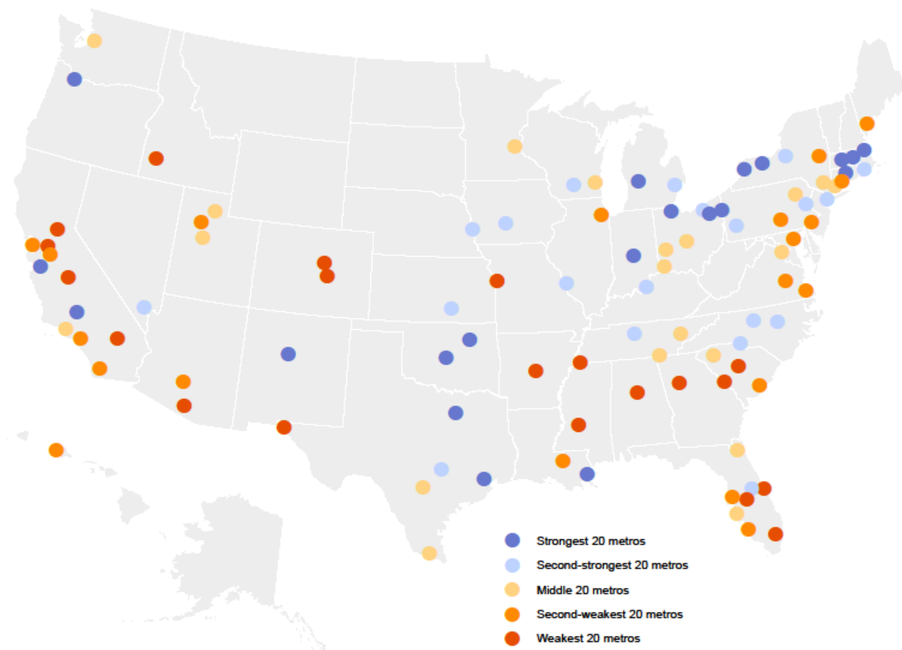
Nearly all the metropolitan areas whose economies suffered the least since the start of the Great Recession rely substantially on government, education, or energy production and had increases in government employment since the start of the recession. Washington and several state capitals were among the 20 strongest performers since the start of the recession, as were such educational centers as Boston and Pittsburgh and the oil and gas production centers of Dallas, Houston, and Oklahoma City. Meanwhile, nearly all the metropolitan areas that suffered the most since the beginning of the recession either experienced a large house price boom and bust or (in the case of Detroit) depend heavily on auto and auto parts manufacturing.

In addition, nearly all the strongest-performing metropolitan areas had increases in government employment, while most of those that suffered the most lost government jobs. Sixteen of the 20 metropolitan areas that have had the strongest overall economic performance since the start of the recession (all except Albany, Boston, Buffalo, and Rochester) gained government jobs since their periods of peak total employment. Seventeen of the 20 that had the weakest overall performance (all except Boise, Cape Coral, and Tampa) lost government jobs since hitting their total employment peaks.

In general, the metropolitan areas of the inland Northeast and Texas and nearby states had strong economic performance since the start of the recession, as did parts of the mid-Atlantic and the less auto-specialized parts of the Great Lakes region. Performance was weakest in the Southeast, West, parts of the coastal Northeast, and the auto communities of the Great Lakes region.

The map above shows how the 100 largest metropolitan areas rank on a combination of four economic indicators: percent job change from the peak quarter to the second quarter of 2011, change in the unemployment rate from June 2008 to June 2011, percent change in economic output (gross metropolitan product) from the peak quarter to the second quarter of 2011, and percent change in an index of house prices from the peak quarter to the second quarter of 2011.

Recovery Performance[1]



The 20 strongest-performing metro areas		The 20 weakest-performing metro areas	
Akron, OH	New Orleans, LA	Atlanta, GA	Kansas City, MO-KS
Albuquerque, NM	Oklahoma City, OK	Augusta, GA-SC	Lakeland, FL
Bakersfield, CA	Portland, OR-WA	Birmingham, AL	Little Rock, AR
Boston, MA-NH	Rochester, NY	Boise, ID	Memphis, TN-MS-AR
Buffalo, NY	San Jose, CA	Colorado Springs, CO	Miami, FL
Dallas, TX	Springfield, MA	Columbia, SC	Palm Bay, FL
Grand Rapids, MI	Toledo, OH	Denver, CO	Riverside, CA
Hartford, CT	Tulsa, OK	El Paso, TX	Sacramento, CA
Houston, TX	Worcester, NA	Fresno, CA	Stockton, CA
Indianapolis, IN	Youngstown, OH-PA	Jackson, MS	Tucson, AZ

Auto-producing metropolitan areas in the Great Lakes, energy producing areas, and some high technology centers are recovering strongly. Great Lakes metropolitan areas that specialize in the production of autos, auto parts, and related durable goods are recovering strongly from the recession. Akron, Buffalo, Grand Rapids, Indianapolis, Toledo, and Youngstown are among the 20 metropolitan areas that have had the strongest economic recoveries, and other auto-producing centers of the Great Lakes are also recovering relatively rapidly. The recession hit many of these metropolitan areas very hard. Many remain far below their pre-recession levels of economic performance, as evidenced by their relatively low rankings on our overall (recession and recovery) index. Yet their economies have begun to turn around.

Another major group of strongly recovering metropolitan areas is in Texas and nearby states. These areas, including Dallas, Houston, Oklahoma City, and Tulsa, suffered far less from the recession than did auto-producing areas. Their specializations in oil and gas are contributing to their strong recoveries.

Finally, some high technology centers are recovering strongly, in part because of the current upturn in the information technology industry. These include San Jose and Portland, OR (information technology

1. House prices hit new lows in all 100 large metropolitan areas in the second quarter of 2011, which means no metro saw a measurable house price recovery during the quarter ending in June. Thus house prices do not factor into the second quarter 2011 recovery rankings in this *MetroMonitor*.

centers), Worcester (which has a specialization in biotechnology), and Boston (a center for both information technology and biotechnology). In addition, Rochester and Hartford, which specialize in technologically cutting-edge manufacturing, are among the metropolitan areas with the strongest economic recoveries.

Metropolitan areas that experienced severe house price declines are still struggling to recover, as are some other metropolitan areas in Colorado and much of the South. In contrast to auto-producing metropolitan areas, the other large group of metropolitan areas that the recession hit hardest is experiencing a weak recovery. The metropolitan areas in Florida, California, and the Intermountain West that experienced a housing price boom followed by a housing market collapse (e.g., Boise, Fresno, Miami, Palm Bay, Riverside, Sacramento, Stockton, and Tucson) are prominent on our list of the weakest recovering areas. Only one such metropolitan area (Bakersfield) is among the 20 large metropolitan areas with the strongest economic recoveries.

The remaining metropolitan areas with very weak recoveries are primarily located in the South and Colorado. No Northeastern metropolitan area appears on the list of the 20 worst performers during the recovery, and only one Midwestern metropolitan area (Kansas City) is on the list. Most of the metropolitan areas with the weakest recoveries, other than those with severe house price declines, are government (including military) centers (Atlanta, Augusta, Colorado Springs, Columbia, Denver, El Paso, Jackson, Little Rock) and/or transportation/warehousing hubs (Atlanta, Jackson, Kansas City, Little Rock, Memphis). Losses of government jobs and, to a lesser extent, transportation/warehousing jobs, accounted for much of the weakness in these metropolitan areas' recoveries.

The Recent Pace of Recovery

In the second quarter of 2011, most of the nation's 100 largest metropolitan areas continued to experience a very slow recovery of both employment and output, with the pace of employment recovery slowing since the previous quarter but the pace of output recovery accelerating.

Fifty-five of the 100 largest metropolitan areas gained both jobs and output in the second quarter. However, eight large metropolitan areas, including several Great Lakes auto- and auto parts-manufacturing centers (Cleveland, Columbus, Dayton, Detroit, and Toledo) lost both jobs and output during the quarter. Twenty-one large metropolitan areas gained output but lost jobs; there were concentrations of these in the Northeast, the coastal South, Colorado, and inland California. Sixteen lost output but gained jobs, including several metropolitan areas in the Great Lakes region and both of Arizona's major metropolitan areas.

In most of the 100 largest metropolitan areas output growth accelerated between the first and second quarters of 2011 but job growth slowed. In 32 of the nation's largest metropolitan areas, including those in upstate New York, most New England metropolitan areas, and several in the Southeast, both employment and output grew more rapidly in the second quarter than in the first quarter. In 42 metropolitan areas, including most of those in the Great Lakes region and in California, output growth accelerated but job growth slowed. Fourteen metropolitan areas, concentrated mainly in Texas and nearby states, saw accelerated employment growth but slowing output growth. Twelve metropolitan areas, including three in Florida, had slowdowns of both job growth and output growth.

Employment

Seventy-one of the 100 largest metropolitan areas had job growth in the second quarter of 2011, the same number that had job growth in the first quarter of 2011, and about the same as in the fourth quarter of 2010 (69). However, the metropolitan areas that lost jobs were a diverse set of places that changed considerably from quarter to quarter. In each quarter they included metropolitan areas in all regions of the country, areas that suffered from housing market collapses and those that did not, and areas with economic specializations as diverse as auto manufacturing and government. Only eight of the 29 metropolitan areas that lost jobs in the second quarter of 2011 also lost jobs in the first quarter.

Fifteen large metropolitan areas gained jobs in all of the last four quarters. Akron, Austin, Dallas, Grand Rapids, Hartford, Houston, Milwaukee, New Haven, Oklahoma City, Orlando, Pittsburgh, Provo, Salt Lake City, Worcester, and Youngstown gained jobs in every quarter from the third quarter of 2010 through the second quarter of 2011. Thirty-five more metropolitan areas gained jobs in both the first and second quarters of 2011. Kansas City and Palm Bay were the only large metropolitan areas to lose jobs in all of the last four quarters, while Augusta, Colorado Springs, Fresno, Modesto, Riverside, and Stockton also lost jobs in both the first and second quarters of 2011.

Seventy-four of the 100 largest metropolitan areas lost a greater share of jobs 14 quarters after the start of the Great Recession (the fourth quarter of 2007) than they did during the first 14 quarters after the start of any of the previous three national recessions. Fourteen quarters after the start of the national recession, the 100 largest metropolitan areas combined had lost 5 percent of the jobs they had at the start of the Great Recession that began in 2007, compared to 0.8 percent for the 2001 recession. However, in the first 14 quarters after the start of the 1981–1982 national recession employment in the 100 largest metropolitan areas had grown by 7 percent and in after the 1990–1991 recession it had grown by 1 percent.

Employment rebounded from its low point in 92 of the 100 largest metropolitan areas by the second quarter of 2011, but only 16 gained back more than half the jobs they lost between their employment peak and their post-recession employment low point, and only four made a complete jobs recovery. Only Austin, Boston, Dallas, El Paso, Hartford, Houston, Madison, McAllen, Oklahoma City, Omaha, Pittsburgh, Rochester, San Antonio, Springfield, Washington, and Worcester regained more than half of the jobs they had lost between their pre-recession high and their post-recession low, while 24 additional large metropolitan areas regained as much as a quarter of the jobs they lost in the recession. Only El Paso, McAllen, Austin, and San Antonio made a complete jobs recovery by the second quarter. Meanwhile, Augusta, Colorado Springs, Des Moines, Kansas City, Lakeland, Palm Bay, Richmond, and Riverside had not yet recovered any of the jobs they lost since their employment peaks.

Federal government employment fell in all but one of the 100 largest metropolitan areas in the second quarter of 2011, while state government employment fell in 58 of those metropolitan areas, local government employment fell in 72, and overall government employment fell in 89. In the 100 largest metropolitan areas combined, federal government employment fell by 3.5 percent, its largest percentage drop since the end of the 2010 Census in the third quarter of 2010. State government employment fell by 0.5 percent (its largest percentage drop in at least the last year) and local government employment fell by 0.2 percent, reflecting the impact of state and local budget cuts. In the period since total employment began to recover, government employment fell in 69 large metropolitan areas and was unchanged in eight.

Between the second quarter of 2010 and the second quarter of 2011, manufacturing employment grew in 60 of the 100 largest metropolitan areas, including most of the manufacturing-based Great Lakes metropolitan areas. Tulsa, Modesto, Detroit, Columbia, Oklahoma City, and Grand Rapids had manufacturing job growth of 5 percent or more during this 12-month period. The only Great Lakes metropolitan areas that lost manufacturing jobs since the second quarter of 2010 were Buffalo, Columbus, Dayton, Indianapolis, and Syracuse. The strong rebound of manufacturing, especially in autos, auto parts, and related durable goods, is responsible for the strong economic recoveries of many Great Lakes metropolitan areas. It propelled Akron, Grand Rapids, Toledo, and Youngstown into the ranks of the 20 best-performing metropolitan economies during the recovery. In addition, manufacturing job growth became more widespread during the second quarter of 2011; 72 large metropolitan areas gained manufacturing jobs during that quarter, compared to 60 in the first quarter.

Unemployment

The unemployment rate in June 2011 remained above 6 percent in all but three large metropolitan areas. Omaha's unemployment rate in March 2010, 5 percent, was the lowest among the 100 largest metropolitan areas. Oklahoma City and Honolulu had unemployment rates between 5.5 and 6 percent. Bakersfield, Fresno, Modesto, and Stockton had unemployment rates in excess of 15 percent and 28 other metropolitan areas had unemployment rates between 10 percent and 15 percent. State capitals and other government or military centers generally had the lowest unemployment rates, while unemployment rates were generally highest in the California, Nevada, and Florida metropolitan areas that experienced a house price boom and bust.

In June 2011, the unemployment rate was lower than it was a year ago in 72 of the 100 largest metropolitan areas. The metropolitan areas with the greatest declines in the unemployment rate over the year included Grand Rapids, Youngstown, Detroit, Akron, and some other metropolitan areas (such as Oklahoma City and Tulsa) that gained manufacturing jobs since the second quarter of last year. Some metropolitan areas that had severe house price declines (Las Vegas, Cape Coral, North Port) were also among the areas with the greatest unemployment rate reductions. Metropolitan areas throughout the South generally had higher unemployment rates in June 2011 than in June 2010. All of the 100 largest metropolitan areas had higher unemployment rates in June 2011 than in June 2008.

Output

Fifty-three of the 100 largest metropolitan areas had made a complete output recovery by the second quarter of 2011. In all but one large metropolitan area (Cape Coral), output had increased from its recent low point.

In the second quarter, only six large metropolitan areas had a rate of output growth that was consistent with sustained economic recovery. When sustained economic growth returned after each of the three recessions before the Great Recession, national GDP grew consistently at an annual rate of more than 3 percent.[2] That annual growth rate is equivalent to a quarterly output growth rate of just under 0.8 percent. In the second quarter of this year, only six large metropolitan areas (Houston, Austin, Las Vegas, McAllen, Dallas, and Baltimore) had output growth rates that high.

Housing

In the second quarter of 2011, house prices hit new lows in all of the 100 largest metropolitan areas. In all 100 metropolitan areas, house prices in the first quarter of 2011 were lower than at any time since their previous peak. Prices were less than 10 percent below peak levels in Buffalo, Pittsburgh, and Syracuse. However, they were more than 40 percent below peak levels in Detroit and 21 metropolitan areas that experienced a house price boom and bust (Bakersfield, Boise, Cape Coral, Fresno, Jacksonville, Lakeland, Las Vegas, Los Angeles, Miami, Modesto, North Port, Orlando, Oxnard, Palm Bay, Phoenix, Riverside, Sacramento, San Diego, Stockton, Tampa, and Tucson).

House prices declined in both of the last two quarters in all of the 100 largest metropolitan areas. Prices declined all of the last three quarters in all but major metropolitan areas (Cape Coral, Harrisburg, and Scranton).

2. Following the recession of 2001 annual output growth did not exceed 3 percent until 2004, though annualized quarterly rates met this level in the first quarter of 2002 and in each of the last three quarters of 2003.

The 100 largest metropolitan areas were almost evenly split between those where the number of foreclosures rose in the second quarter of 2011 and those where the number of foreclosures fell. The number of real estate-owned properties fell in 10 of the 20 large metropolitan areas with the most foreclosures (Bakersfield, Cape Coral, Fresno, Modesto, Orlando, Phoenix, Riverside, Sacramento, San Diego, and Stockton), rose in nine (Atlanta, Denver, Detroit, Grand Rapids, Las Vegas, Miami, Minneapolis, San Francisco, and Tucson), and was unchanged from the previous quarter in one (Boise). The 20 metropolitan areas with the most foreclosures were mainly areas that had experienced a house price boom and bust or auto- and auto parts-producing centers in Michigan. Minneapolis was the only one of the 20 that did not fit into either of these categories.

Earnings

Between the beginning of the Great Recession (fourth quarter of 2007) and the first quarter of 2011, inflation-adjusted average annual earnings fell in 51 of the 100 largest metropolitan areas and rose in 49. Earnings fell in Great Lakes metropolitan areas, except in Columbus, Dayton, and Indianapolis. They also fell in most of the metropolitan areas that experienced a house price boom and bust and in the very large metropolitan areas of New York, Chicago, Detroit, Boston, Dallas, Houston, and Philadelphia. Metropolitan areas in California and the Intermountain West and government (including military) centers throughout the nation generally saw earnings rise.

Methodology

The *MetroMonitor* tracks quarterly indicators of economic recession and recovery in the nation's 100 largest metropolitan areas—those with at least 500,000 residents in 2007—which collectively contain two-thirds of the nation's jobs and generate three-quarters of GDP. These indicators include:

- **Employment**: Total wage and salary jobs, seasonally adjusted. Percentage change in employment is shown from each metropolitan area's peak employment quarter to the most recent quarter, measuring the extent to which employment has returned to its pre-recession level and from each area's trough employment quarter to the most recent quarter, measuring the extent of employment recovery since the employment low point. Peaks are defined as the highest employment level attained between the first quarter of 2004 and the second quarter of 2009; in some metro areas where this peak occurred in the second quarter of 2009, the peak was defined as the highest level attained between 2004 and the most recent quarter of employment losses prior to the second quarter of 2009. Troughs are defined as lowest employment level reached since the peak. Percentage change in employment is also shown from the previous quarter to the most recent quarter, measuring the extent to which employment is moving toward or away from recovery. Source: Moody's Analytics.
- **Unemployment rate**: Percentage of the labor force that was unemployed in the last month of the quarter. The data are not seasonally adjusted. Therefore, changes in the unemployment rate are shown from the same month three years ago to the most recent month, and from the same month one year ago to the most recent month. Source: Bureau of Labor Statistics.
- **Gross metropolitan product (GMP)**: Total value of goods and services produced in a metropolitan area. Percentage change in GMP is shown from each metropolitan area's peak GMP quarter to the most recent quarter and from each area's trough GMP quarter to the most recent quarter. Peak and trough quarters are defined in the same way as peak and trough employment quarters, but using GMP rather than employment. Percentage change in GMP is also shown from the previous quarter to the most recent quarter. Source: Moody's Analytics.
- **Housing prices**: Prices of single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac. Percentage change in housing prices is shown from each metropolitan area's peak housing price quarter to the most recent quarter, and from each area's trough housing price quarter to the most recent quarter. Peaks are defined as the highest house price level attained between the first quarter of 2005 and the second quarter of 2009. Troughs are defined as the lowest house price level reached since the peak. Percentage change in housing prices is also shown from the previous quarter to the most recent quarter and year-over-year. Source: Federal Housing Finance Agency House Price Index.
- **Real estate-owned (REO) properties**: Foreclosed properties that fail to sell at auction and thus become owned by the lending institution. Shown as the share of all mortgageable properties in each metro area in the last month of the most recent quarter, and change in share from last month in previous quarter. Source: McDash Analytics.
- **Earnings**: Average annualized earnings, defined as total annualized earnings divided by the total number of jobs. Percentage change, adjusted for inflation, is shown from the last quarter of 2001 through the first quarter of 2011, the most recent quarter for which data are available. Source: Moody's Analytics.
- **Recession Comparisons:** The percent of employment recovery in each recession is measured by employment in the thirteenth quarter following the official first quarter of a national recession (as defined by the National Bureau of Economic Research) as a percentage of employment in that first quarter of the recession in question. Source: Moody's Analytics.

The *MetroMonitor*'s rankings of metropolitan economic performance combine four key indicators: (1) percent change in employment, (2) percentage point change in unemployment rate, (3) percent change in GMP, and (4) percent change in House Price Index. There are two sets of rankings:

- **Overall performance** from the beginning of the recession to the most recent quarter: Employment, GMP, and House Price Index changes are measured from peak quarter to the first quarter of 2011. If a metropolitan area had no peak quarter for a particular indicator, the national peak quarter for that indicator is used for the purpose of determining the area's overall performance ranking. Unemployment rate change is measured from June 2008 to June 2011.
- **Performance during the recovery:** Employment, GMP, and House Price Index changes are measured from trough quarter to the second quarter of 2011. Unemployment rate change is measured from June 2010 to June 2011.

For each set of rankings, metropolitan areas are classified into groups of 20 based on their rank, among the 100 largest metropolitan areas, on the average of the standardized scores for the four key indicators.

Interactive *MetroMonitor* maps, underlying indicator data, and one-page profiles of each of the 100 largest metropolitan areas are also available at www.brookings.edu/metromonitor.

About the Metropolitan Policy Program at the Brookings Institution

Created in 1996, the Brookings Institution's Metropolitan Policy Program provides decision makers with cutting-edge research and policy ideas for improving the health and prosperity of cities and metropolitan areas including their component cities, suburbs, and rural areas. To learn more visit: www.brookings.edu/metro

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METROPOLITAN BUSINESS PLANS

A NEW APPROACH TO ECONOMIC GROWTH

BROOKINGS

METROPOLITAN BUSINESS PLANS

A NEW APPROACH TO ECONOMIC GROWTH

SPRING 2011

ROBERT WEISSBOURD and MARK MURO

In the aftermath of the Great Recession, America needs to move toward a more productive next economy that will be increasingly export-oriented, lower-carbon, and innovation-driven—as well as opportunity rich. At the same time, leading U.S. metropolitan areas—which drive the national economy—are mounting increasingly strategic, locally developed, and sophisticated initiatives to move in that direction themselves. And so the nation needs to take a new approach to economic development. Federal, state, and philanthropic actors all need to approach metros not as problems requiring programmatic handouts but as compelling investment opportunities for driving national prosperity. In keeping with that, the "metropolitan business planning" concept described in this brief proposes one approach for reorienting such interactions.

Metropolitan business planning adapts the discipline of private-sector business planning to the task of revitalizing regional development. Such planning provides a framework through which regional business, civic, and government leaders can rigorously analyze the market position of their region; identify strategies by which to capitalize on their unique assets; specify catalytic products, policies, and interventions; and establish detailed operational and financial plans. These plans can then, in turn, be used to restructure federal, state, and philanthropic engagement in ways that invert the current top-down, highly siloed, and often ineffective approach to cities and metropolitan areas while bringing new efficiency to development activity.

Along these lines, the brief introduces the concept of metropolitan business planning and describes how three very different regions—Northeast Ohio, Minneapolis-Saint Paul, and Puget Sound—are currently piloting the process and thereby providing a testbed for the re-orientation of federal-state-metro relationships. Ultimately the hope is that the new approach may help the nation complement macroeconomic policy with a new "metro-economic" one.

"Aimed at reorienting typical economic development practices, metro business planning adopts many of the standard elements of private-sector business planning to boost regional, and thereby national, prosperity."

I. INTRODUCTION

The need for economic renewal is urgent in the aftermath of the Great Recession. Going forward, America needs to build a more sustainable and productive next economy that will be more export oriented, lower carbon, and innovation driven—as well as more opportunity rich.[1]

At the same time, leading U.S. metropolitan areas—which overwhelmingly concentrate the assets and dynamics that drive the national economy—are mounting increasingly strategic, locally developed, and sophisticated initiatives to transform themselves.

These metros are emulating such global city-regions as Turin, Barcelona, and Munich that have over decades designed and implemented—in partnership with their national and state governments—intentional and locally-specific campaigns to enhance or reposition drifting regional economies.

All of which suggests a compelling opportunity for federal, state, and local governments and other partners to aid and abet such "bottom-up" economic development by exploring a new sort of collaborative intergovernmental partnership to more effectively invest in regional economies to promote national prosperity.

Metropolitan business planning—a new concept in regional growth strategy being developed by the Metropolitan Policy Program at Brookings and RW Ventures—is one experiment at such design and exploration.

Aimed at reorienting typical economic development practices, metro business planning adopts many of the standard elements of private-sector business planning to boost regional, and thereby national, prosperity. In this fashion, it applies a disciplined analytic process to the development of place-specific economic strategies, proposing a new brand of "metro-economic" policy to complement national macroeconomic frameworks.

Metropolitan business planning recognizes the centrality of U.S. metropolitan areas to economic activity but also recognizes that regional economies are differentiated, meaning that one size does not fit all. At the same time, the new approach breaks with past development templates that have tended to view cities and metropolitan areas as collections of isolated problems in need of programmatic hand-outs. Instead it holds that metros are critical investment opportunities that can deliver prosperity given tailored

economic renewal

investments shaped from the ground up by local actors with a sophisticated understanding of their assets, institutions, and market dynamics.

That is why metropolitan business planning calls for regions as well as governments and other potential "investors" to collaborate in new ways.

Regions, for their part, need to develop strategies targeted to their unique opportunities in order to offer a compelling investment.

Such work entails analysis of the marketplace, and then the fashioning of strategies, products, and services to grow the regional market and increase productivity and efficiency. It is precisely this sort of market-based enterprise that private-sector business planning does well. And so, as described here, metropolitan business plans:

- **Assess and situate the market position of the regional economy**
- **Detail linked strategies to improve its performance based on its particular market opportunities**
- **Specify operational and financial plans to deliver policies, products, and interventions to implement the strategies**

Yet that is only the region's work. Once the region has completed this "bottom-up" exertion, the metropolitan business planning concept calls for governments and other investors—whether federal, state, local, or philanthropic—to respond in new ways. Most notably, the production of data-informed, market-oriented, and multi-disciplinary regional business plans proposing concrete, locally developed strategic investments challenges key stakeholders to respond and invest in ways that are similarly integrated and targeted.[2]

Metropolitan business planning thus stages an ambitious vision and set of goals. The new concept seeks to advance the state of regional development practice; demonstrate the sophistication of the best practice in regions; and generate highly specific investment "prospectuses" that can drive a reorientation of federal-state-metro relations towards a more asset-based, business-like focus on regional and national economic prosperity.

To describe this vision and methodology the following pages introduce the concept of metropolitan business planning by first reviewing some foundational propositions about economies and development policy. Subsequently, two more sections describe the mechanics of the business planning idea as envisioned by Brookings and RW Ventures and describe three ongoing pilot experiments in metropolitan business planning sited in Northeast Ohio, Minneapolis-Saint Paul, and the Puget Sound region. A final section suggests some implications of metropolitan business planning for the emergence of a new, more catalytic economic federalism.

In this fashion, the following pages stage their own proposition: that metropolitan business plans and planning represent a useful new way to focus and structure a new bottom-up impulse in American economic affairs at a time of searching for new models. ■

II. BACKGROUND: THE LOGIC OF METROPOLITAN BUSINESS PLANNING

The concept of "metropolitan business planning" arises from a series of propositions about how today's economy works and how its performance may be enhanced. This sequence of contentions asserts that:

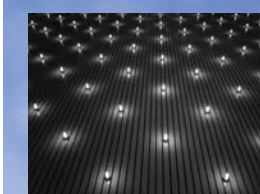
- ***Economic prosperity primarily flows from market activity.*** Or, to put it another way, market interactions—enabled and shaped by government—generate the outputs that matter most: jobs, income, gross regional product, and wealth creation[3]

- ***Major market systems are place-based and their main locus is metropolitan.*** Metropolitan areas are where the nation's assets agglomerate to disproportionately create economic value.[4] Housing, labor, and many business markets and supply chains operate and interact in the unique context of specific regions, which combine the assets, spillovers, infrastructure, transaction costs, and other inputs and characteristics that determine market productivity

- ***Regional economies are differentiated, complex, and dynamic; improving their performance entails customized and integrated strategies.*** Regional systems continually interact with and influence each other in the context of locally specific characteristics and dynamics.[5] Regions are therefore increasingly differentiated, which means that influencing outcomes requires increasingly differentiated interventions

- ***Developing comprehensive strategies for regions lends itself to the discipline of business planning.*** Analyzing markets, key assets, challenges and opportunities in order to develop specialized goals, strategies, products and implementation programs—whether for firms or regions—is exactly what the discipline of business planning does. The process can be helpful to collaboratives of local governments, regional development intermediaries, business groups, civic associations, and philanthropies that seek to engage in regional transformation

- ***Regional business plans can enable a new economic federalism.*** Tailored, place-based (bottom-up) economic policy is needed to complement macroeconomic (top-down) policy. Regionally developed business plans provide a guide and process for tailoring government investment in regional prosperity



The concept also follows from a widening dissatisfaction with many past and recent federal, state, and local development programs. In broad terms, many federal and state programs are felt to remain insensitive to the regional organization of the economy; insufficiently responsive to local variation (and so oriented to dispersed engagement rather than focus); overly oriented to alleviating regional deficiencies rather than building on regional strengths; narrowly defined and rigidly siloed, so that interacting components of the regional economy cannot be dealt with in concert; rule-driven, inflexible, and hard-to-use by increasingly entrepreneurial and business-like metropolitan actors; insufficiently oriented to the institutional and organizational context in which development occurs; and slow to embrace state-of-the-art analysis, accountability, and performance-management techniques.[6]

At the same time, local and regional economic development policy has for its part remained faddish; overly focused on firm-relocation strategies and "smokestack" or headquarters chasing; project- and infrastructure-oriented; and under-researched.[7]

In defense of the current array of legacy programs, it is hard to take any other approach in the absence of a more comprehensive alternative vision and approach, and that can only come from regions and regional actors themselves.

In any event, the facts are undeniable: More and more regional leaders are seeking a new approach to economic development—one that is much more bottom-up, flexible, entrepreneurial, and attuned to the locally varied, highly dynamic market conditions and specific needs and opportunities of individual metropolitan areas. ■

"Regional business plans can enable a new economic federalism. Tailored, place-based (bottom-up) economic policy is needed to complement macroeconomic (top-down) policy."

III. METROPOLITAN BUSINESS PLANNING: WHAT IT IS, WHY IT CAN HELP

Against this background, the concept of private-sector business planning holds out a relevant model for the development of a new approach to regional development—one that proposes a new model for federal and state investment in regions, and so for intergovernmental relations in America's federalist system.

Business planning, after all, is an established process by which enterprises undertake strategic thinking about their position in the marketplace, their key assets and challenges, and the steps that are needed to improve performance.[8] Increasingly, though, all kinds of organizations have adopted business planning processes to set strategy, shape operations, and discipline execution. Now it is proposed that regions adopt the practice as a way for consortiums of local governments, business and civic organizations, and the private and non-profit sectors to engage in coherent strategic action.

As it happens, the leading elements of business planning methodology translate surprisingly well to the context of regional economic planning.[9] At least six discrete business planning steps can be usefully deployed in the regional context:

- Develop ***vision and goals*** for the region's economy

- Conduct a ***market analysis*** to assess the dynamics and performance of the local economy and identify the region's strengths, challenges, and opportunities in the context of global trends

- Specify the ***strategies*** to deploy in achieving those goals. As for a business of similar size and complexity, these have to be developed by area and tied together. Strategies may include things like specific cluster development tied to human capital development or transit-oriented development

- Create ***products and services***—programs, policies, and other interventions—to implement each of the strategies. These might range from venture capital for firms in targeted clusters to land trusts to support affordable housing near transit

- Detail ***operational implications*** to deliver each of the products and services. What organizations and partners, leadership and staffing, programmatic development and delivery capacities and so forth are needed to implement the plan?

- Specify ***financials***—not just the costs and sources of funds, but revenues and returns on investment, including in this context "returns" such as increased federal tax revenues or reduced welfare costs based on the job and firm creation goals.

THE LEADING ELEMENTS OF TRADITIONAL BUSINESS PLANNING METHODOLOGY TRANSLATE SURPRISINGLY WELL TO REGIONAL ECONOMIC PLANNING

TRADITIONAL BUSINESS PLANNING	ECONOMIC DEVELOPMENT PLANNING
Business mission and vision	Vision for the regional economy
Market analysis	Status of economy: assets, opportunities, challenges
Analysis of strategic alternatives and risks	Goal-setting and strategy identification
Development of products and services	Identification of policies, programs, products, and interventions
Operational and management planning	Operational planning for implementation
Forecasting and financial planning	Identification of financial needs, sources, and returns
Target setting and performance tracking	Definition of outcome measures and targets

Source: RW Ventures and Brookings Institution

In this sense, business planning represents more than a "buzz word" or suggestive analogy for regional development thinking. Instead, traditional business planning conventions and processes provide a useful discipline and framework for organizing bottom-up regional planning activities and moving past some of the reactive, transactional, or lofty aspirational development activity that often passes for regional planning.

In this respect, the preparation of metropolitan business plans (MBPs) and their use in various stakeholders' "investment" decisions promises a number of advantages over current business-as-usual. Among other strengths metro business plans:

- Place regions in the middle of economic development action
- Ground strategy in rigorous economic analysis oriented to documented local conditions
- Transcend faddish, politically driven deal-making to focus on building long-term regional advantage
- Shift the focus from deficiencies and handouts to assets and markets, building on strengths, and capitalizing on investment opportunities
- Advance comprehensive and integrated strategies that reflect the interactive dynamics of local economies rather than narrow programmatic "silos"
- Engage the public, private, and civic sectors such that the plan development and implementation process itself creates new institutional capacity and consensus in the region
- Establish an ongoing process of setting goals and tracking progress, revisiting market status and opportunity, updating strategies and interventions, and managing continuous strategic economic development. Business planning is not just a protocol or one-time deal; it's an ongoing, iterative enterprise
- Provide a new basis for state and federal programming. Rather than fragmented requests to hundreds of siloed programs in dozens of agencies, comprehensive MBPs that demonstrate their "returns" can be translated into investment prospectuses to enable more flexible, performance-based funding

Finally, the new approach appears to be timely. U.S. and world regions are eager to become more deliberate and strategic as they seek to move beyond the Great Recession in the context of an increasingly competitive global economy. At the same time, governments at all levels are looking to catalyze growth, break down traditional bureaucracies, become more customer-responsive, and particularly to increase their effectiveness and efficiency.

Metropolitan business planning, in short, is a well-grounded concept with significant practical and policy appeal at a time of searching for new models of economic stewardship. ■

IV. PILOTING THE CONCEPT: METROPOLITAN BUSINESS PLANNING IN THREE REGIONS

To test the concept of regional business planning and begin translating it to practice, the Brookings Institution and RW Ventures have been working with leaders in three metropolitan regions to develop experimental metro plans.

Selected through a limited request for proposals, teams from Northeast Ohio, Minneapolis-Saint Paul, and the Puget Sound region have been laboring for nearly a year to "co-produce" sound MBPs by dint of a systematic work plan and extensive collaboration that itself builds on deep preexisting regional planning.

In each case, the goal has been for each regions' business, civic, and governmental leadership to come together to carry out a rigorous, data-oriented analytic process for ascertaining the market position of the regional economy; defining the regions' vision and goals; and identifying promising economic strategies.

In this respect, good business planning is not a single, one-time exercise but instead a continuous, iterative process of assessment, strategy, and product and operational development with implications on many fronts. Considering the scale of a regional economy, therefore, it was decided that the first iterations of the MBPs would broadly cover key aspects of the economy with respect to the market analysis, vision, and strategy development components of business planning, but that the development of in-depth products, operational plans, and financials would initially be undertaken only for one illustrative initiative. (A full business plan would advance detailed initiatives for all of the strategies that the pilot regions aspire over time to develop.)

Along these lines, then, the MBPs currently consist of two main parts.

Grounding each plan is what the project team has called *a metropolitan development baseline overview* (MBDO)—a concise trend scan that employs standard and locally developed indicators of each metro area's economic performance and market positioning to reveal regional challenges and opportunities, which then inform a broad vision for the region and a carefully designed array of mutually reinforcing economic growth strategies. Much of the market analysis and strategy development for this broad, but not-as-in-depth, part of the MBPs is organized around six key "leverage points" for affecting regional growth dynamics.[10] These leverage points include:

- ***Concentrations of industries, functions, and occupations.*** Concentrated economic activity—often embodied in regional industry clusters—benefits the production of goods and services by facilitating knowledge spillovers and exchange, enhancing innovation; enabling shared labor and other inputs; and reducing transportation costs[11]

- ***Human capital deployed for economic growth.*** Human capital is the single most important input to economic growth, but it must be *deployed*, which requires that attention be paid not just to production but to job creation, matching, and general labor market efficiency[12]

piloting the concept

- ***Innovation- and entrepreneurship-enabling resources and institutions.*** The ability to innovate has been a longstanding driver of productivity gains, and is a growing priority in economic development policy and practice[13]

- ***Spatial efficiency.*** The location of businesses, suppliers, workers, and consumers within a region—and the infrastructure connecting them—determines the transaction costs between them, and also influences the economic benefits of agglomeration, such as shared labor pools and knowledge spillovers[14]

- ***Effective public and civic institutions and culture.*** Government shapes and enables market activity, and provides critical public goods from roads to education. Along with civic, business and cross-sector institutions, it also creates the institutional environment and culture that increasingly influences regional economies[15]

- ***Information resources.*** Well-developed and deployed information tools can enhance economic performance by boosting productivity, reducing transaction costs and risks, and influencing consumer preferences—all of which can also help to expand markets to underserved urban areas[16]

Following the baseline overview and growing out of it is the second part of the MBP: the *detailed development initiative* (DDI), which identifies a lead strategy for implementing the vision and completes the business plan—including products and services, operations, financials, and performance metrics—for implementing that strategy. Embedded in their overviews, visions and linked strategies for the regional economy, the DDIs move well beyond conventional economic development proposals in both their investment framing and level of market analysis and design work.

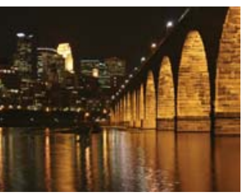
Finally, the business plans create the basis, as in the private sector, for each region to write a *metropolitan investment prospectus* that presents the regional investment opportunity (particularly the DDI) to potential government, industrial, and philanthropic partners.

THE METROPOLITAN BUSINESS PLANNING PROCESS INVOLVES THREE MAJOR STAGES

Source: RW Ventures and the Brookings Institution

Turning to the pilot plans themselves, they are varied and in each case bring detailed region-specific market analysis to bear on significant initiatives that respond in fresh ways to regional (and national) challenges and opportunities. In this respect, broad and deep teams in each of the three partner metros have produced compelling metropolitan planning documents which reveal three quite different markets and identify tailored, integrated strategies for producing growth in each.[17] Embodied in each plan is a different "growth story" and investment opportunity:

- **NORTHEAST OHIO (NEO):** In Northeast Ohio, the Fund for our Economic Future—a unique partnership of more than 50 regional philanthropies—along with the region's federally and state funded Manufacturing Extension Partnership affiliate, MAGNET, has convened an unprecedented collaboration of local governments, elected officials, businesses, civic leaders, research and education institutions, and engaged citizens to address long-standing regional economic challenges. NEO leaders realize that to usher their region into the next economy they need to connect robust assets that are a legacy of its prosperous industrial past to the development of emerging industry clusters that are supported by growing innovation assets, a revitalized entrepreneurial environment, and a culture of regional collaboration. Along these lines, the NEO business planning effort has concluded that the region's economic transformation will be accomplished through coordinated strategies which nurture emerging high-technology, knowledge-intense clusters; raise overall educational attainment levels and improve the skills of incumbent workers; strengthen public-private connections that enhance the entrepreneurial ecosystem; and increase government coordination and civic engagement across this diverse region, which includes five metropolitan areas. Manufacturing is a core strength of the region's economic past and future, and the highlighted DDI seeks to transition "old economy" manufacturing companies (many of them auto-related) and their employees into new markets by enhancing their ability to innovate new products, materials, and services demanded by customers in such high-growth sectors as global health, flexible electronics, and clean energy. The Partnership for Regional Innovation Services to Manufacturers (PRISM) will provide hands-on assistance to participating firms to update business models, provide market intelligence, upgrade incumbent worker skills, and connect companies to relevant regional innovation resources.[18] NEO presents a classic venture investment opportunity—an economy positioned to leverage its strong assets into a high-growth "restart," with a smart business plan and great management



➤ **MINNEAPOLIS-SAINT PAUL:** The Minneapolis-Saint Paul region has enormous assets—a highly educated and productive workforce; deep research and development expertise; a diverse business base, and the highest per-capita concentration of Fortune 500 corporations in the country. Combined with a history of civic engagement and regional thinking, these assets made the region an economic leader in the transition to the knowledge economy. However, the economy has recently been losing momentum, particularly with respect to entrepreneurship and the translation of innovative ideas to high-growth companies. In view of that, an impressive regional alliance led by the two major cities, the regional council of mayors, a prominent CEO group, and involving other local and state government officials and business and philanthropic leaders last year adopted the business planning approach to support and accelerate entrepreneurship in the region. Accordingly, the Minneapolis-Saint Paul MBP aims to build a flexible, adaptable, and dynamic business environment for driving innovation by leveraging the area's concentration of headquarters and related functions; better linking research institutions to private-sector actors; fostering higher rates of entrepreneurship through advocacy and improved sequencing of investment; and providing higher-quality and more timely information for private-sector decision making. Meanwhile, the DDI specifically enhances the region's entrepreneurial environment by creating an Entrepreneurial Accelerator to provide new ventures with access to appropriate capital and sophisticated entrepreneurial assistance, including business planning, mentors, and networking opportunities. The Minneapolis-Saint Paul region presents a classic value stock opportunity: Recent underperformance highlights an opportunity for the region to realign its strong assets to increase entrepreneurship and competitiveness[19]

PUGET SOUND: The metro economy in Puget Sound not only has strong assets; it is performing extraordinarily well on nearly all measures, from productivity and innovation to exporting and presence in the green economy. Nevertheless, the Puget Sound Regional Council—the region's metropolitan planning organization and regional economic development entity—wants to keep the region on the leading edge, and for that reason has convened a wide cross-section of local government, business, trade association, venture capital, utility, research, and civic leaders to engage in metropolitan business planning. Through the process, the region has sought to identify strategies for enhancing the metro's competitive edge while also pursuing new growth opportunities, and so the Puget Sound MBP identifies cross-cutting strategies that will increase human capital levels in high-demand fields; further strengthen core innovation intermediaries to turn research into commercial ventures; and robustly support its growing clusters. Drilling down further, the region's DDI then identifies the next big cluster in which the region has a shot at leading in the global economy—sophisticated technologies and systems know-how for next-generation building energy efficiency—and creates the business enterprise to get there: the Building Energy-Efficiency Testing and Integration Center and Demonstration Network (BETI). BETI will seek to help transmute the region's strong concentrations in software technologies and energy efficiency products and services into a leading export sector by providing labs and expertise to test, integrate, demonstrate, and verify new technologies as well as necessary links to business service providers and other resources to facilitate commercialization.[20] Puget Sound is clearly a growth stock

It is important to stress that the cohering pilot metro business plans are not just conventional, static one-time project-development documents. Instead, the plans are—and will always be—works-in-process, for several reasons. First, they are living documents meant not only to guide but to be informed by actions and feedback from continuous implementation and further business planning. In that sense they are meant to set strategy in a dynamic, uncertain environment but also to respond to those conditions on an iterative basis. Second, the plans are not just remote blueprints but embedded products of an ongoing, continuing process of institutional development and collaboration by which multiple actors (local governments, planning intermediaries, business and civic groups, philanthropies) in each region have engaged in extensive consensus-building, visioning, and analysis, all motivated by a settled determination to execute. Indeed, the fact that each business planning team is led by a well-regarded regional entity, experienced in planning and executing broad strategies and generating significant stakeholder buy-in, lends each plan an important degree of legitimacy.

Finally, it bears emphasizing that each of the plans proposes not just an aspiration but a true business plan for operationalizing the proposed initiative that in each case solicits the provision of specific federal, state, local, private, and philanthropic responses and "investments," whether of resources, flexibilities, rule adjustments, policy changes, or partnership. Along these lines, each DDI articulates a number of quite specific requests for engagement. Space does not permit an exhaustive itemization of the region's detailed requests but suffice it to say that the proposals entail multiple sorts of new partnerships, including dedicated cross-agency teams; pooled programs and funds; joint application procedures; regulatory coordination and flexibility; and special criteria for grant awards:

- ***Northeast Ohio:*** Northeast Ohio's business plan calls on regional business and philanthropic leaders and state policymakers to support Northeast Ohio's PRISM by expanding and better coordinating their existing efforts and initiatives to encourage regional strategy-making, boost innovation, and develop promising growth clusters. For their part, federal leaders can best engage in PRISM through formal cross-agency collaboration—both at the federal level to set policy direction and the regional-level to assist implementers—and by providing increased program flexibilities, ranging from looser matching fund requirements to more balanced program performance metrics that take into account longer-term objectives as well as short-term outputs. In particular, regional discretion to use federal funds through the Economic Development Administration, the Manufacturing Extension Program, and other agencies to provide direct support to firms receiving trial services would be hugely helpful to PRISM as it would allow for evaluation and tuning of new services during development phases before their full, unsubsidized launch[21]

- ***Minneapolis-Saint Paul:*** The Minneapolis-St. Paul business plan urges local governments, businesses, philanthropies, and other regional leaders to support the Entrepreneurial Accelerator by continuing and expanding ongoing collective efforts to fundraise for this initiative and seed its most high-return programs; better link small and big businesses, and form a single region-wide economic development entity. The state also has an important role to play by aligning workforce development to key clusters so that worker retraining and skills upgrading better support new business creation and expansion. Additionally, federal leaders can support regional endeavors like the Accelerator through robust, new, outcomes-focused, economic development federal-regional partnerships that align the multiple federal resources and programs, form on-the-ground regional teams of federal agency representatives, and provide near-term cross-agency funding subject to 1:1 matching by regional sources. Also helpful from federal leaders are policies that incent more angel and venture capital investing and the creation of a nationwide network of economic development intermediaries that can receive and coordinate multiple federal funding streams to help entrepreneurs[22]

- ***Puget Sound:*** The Puget Sound area's plan calls on regional civic and private sector leaders to support BETI by providing seed funding for initial operations and a revolving loan fund to finance real-world demonstrations. At the same time, state officials can be most helpful by appropriating funds to construct BETI's facilities and purchase needed equipment. Finally, the plan challenges federal policymakers to establish federal leads at the regional-level to serve as a "one-stop concierge panel" to assist regional implementers by identifying relevant federal funding opportunities, and ultimately introducing new multi-agency awards in the future. In particular, ongoing funding of programs like the Department of Energy's Energy Regional Innovation Cluster program, with perhaps more modest grant awards, would be very valuable. In addition, federal agencies can enter formal partnerships with BETI to allow use of their buildings and facilities in energy efficiency product demonstration and to dedicate commercialization and export assistance to newly verified technologies[23]

V. WHAT'S NEXT: IMPLICATIONS OF METRO BUSINESS PLANNING FOR ECONOMIC FEDERALISM

Metropolitan business planning offers a powerful tool for regional economic development. With its disciplined focus on market realities in individual metros, the new tool provides a rational methodology grounded in business and economics for sharpening regional economic development. Likewise, the strategy's urgent focus on execution has already proven effective and exciting in engaging and enhancing regional institutional capacity. More broadly, the pilot highlights the increasing sophistication of U.S. regional leadership in diverse U.S. metros.

But the attractions of metro business planning go beyond economic development practice in the regions. Regional business planning also has broad implications for federal and state policymaking—implications that could enable state and federal programs to more efficiently and productively engage with and invest in regions.

Currently, federal, state, and local development policy remains too-little-attuned to the metropolitan nature of the economy and its microeconomic underpinnings; over-focused on deficiencies as opposed to market strengths; siloed and narrow; top-down and rigid; and too little concerned with capacity building and data-provision.[24]

By contrast, the metropolitan business planning paradigm presages a new set of development relationships, and entails major implications for federal and state programming. In a number of ways the MBPs begin to enable the new approach and suggest some important principles and practices for a new era of federal-state-metro relations. Here are a few of the implied principles:

- ***Place-based policy is needed to complement macroeconomic policy.*** As the fields of economic geography and institutional economics are revealing, nations need more economic policies and programming tailored to supporting the complex, place-based interactions of local market and institutional systems that drive metropolitan, and so national, prosperity[25]

- ***Policy efforts should build on market strengths.*** Shifting from a programmatic, needs-based approach to investing in inclusive market development would be a much more effective use of the massive resources currently distributed through myriad, isolated programs addressing particular needs out of context and without prospect for long term solutions

- ***New programs should be created and existing programs adapted and "pooled" to support bottom-up, multi-dimensional, and more specialized regional development.*** Reflecting the logic of these metropolitan business plans, federal and state policy offerings should be at once integrated across agencies to acknowledge the complex interaction of local systems and sufficiently flexible that they can be adapted to accommodate the sharp differences between regions. Since regional economic systems are dynamic, local, and specialized, the federal response needs to be cross-program, flexible, and performance driven

- ***Existing siloed programs should be redesigned to support the "parts" of regional economies in context.*** If the success or failure of a local business, a technology venture, or a job training program depends upon interactions with other programs and other characteristics of the region, then the federal and state programs that remain in silos need to at least incent taking the regional economic context into account. This means workforce development or small business investments need to be informed by what clusters are emerging and connected to a rigorous cluster strategy.[26] Likewise, it means that affordable housing, for example, should get preferential placement in mixed income areas, or areas that are job and transit-rich. More broadly, it means that each federal program which is targeted to only one "part" of the regional system should ideally give preferences to integrated plans that weave the parts together because that's how they work best to create economic growth

Likewise, several specific practical government responses flow from the initial metro business plan experiments:

- ***Support further experimentation and pilots.*** The present three pilot plans suggest the promise of metropolitan business planning but remain a narrow set of test sites. Helping more regions test the concept by providing them modest grants to support the development of regional business plans would be a low-cost, useful way to further develop the approach

- ***Create cross-agency regional teams.*** Another simple step would be to create cross-agency teams to work with any region offering the equivalent of a metropolitan business plan. These teams could help identify, shape, and coordinate resources to more effectively invest in regional prosperity. They might even help work out a new "common application" process to allow one MBP to be considered by multiple agencies and programs

- ***Support the development of regional institutional capacity.*** Broad and continuing intergovernmental collaboration at the regional level along with private- and civic-sector engagement, planning, and implementation are needed to develop the right comprehensive strategies, policies, and programs tailored to place and to make them work. Modest investments in technical assistance, convening dollars, and operational grants for lead convening entities would do a lot to increase the capacity of metro areas to develop, update, and implement their business plans and would likely generate large returns

- ***Invest in rich information resources.*** Information fuels markets, reducing transaction costs and enhancing efficiency, and also enables strategic planning and action. The federal government is a critical source of the rich information resources needed to develop regional economic growth strategies and to make them work. These resources will also yield large returns on the investment[27]

In these ways, then, the metropolitan business planning paradigm envisions nothing short of a major reordering of federal-state-local relations in how the United States conducts regional economic development activities. Over time, the new experiment envisions the federal and state governments receiving indigenous, sophisticated, and comprehensive economic growth plans from assertive regions and investing in the best of them wholesale—on the basis of promised performance "returns" in producing firm, job and economic growth; greater domestic product and tax receipts; and lower welfare costs. Rather than thousands of fragmented local entities responding to hundreds of disparate, uncoordinated, rigid, and not-always-relevant programmatic offerings spread across scores of federal and state agencies, it creates the opportunity for a much more effective and productive use of resources, driven from the bottom-up, just like the economy, and channeled through integrated, well-designed regional initiatives. Such a reordering would not require more resources: it would simply use the billions of dollars flowing to metropolitan areas much more wisely, and produce greater national economic growth.

In sum, the present pilot attempt at metropolitan business planning is just getting underway, but the project team and its metropolitan partners are already convinced of two things. First, it's quite clear that engaging cross-sector local leadership in the market-based, business-disciplined development of comprehensive regional growth planning is creating better strategies and enhanced capacity for generating long term economic prosperity than have existed before. And second, it's evident that the development of strong regional business plans and partner collaboratives provides a prerequisite for the development of a new, more effective, bottom-up investment approach by government, which is already beginning to move in this direction at the federal level and in some states. In short, a great deal remains to be learned and invented, and the development team looks forward to the field and government broadly engaging to better invest in regional and national prosperity. ■

"The metropolitan business planning paradigm envisions nothing short of a major reordering of federal-state-local relations in how the United States conducts regional economic development."

NOTES

1. Among the major economists who have called for a new growth model is Lawrence Summers, director of the National Economic Council in the Obama administration. See Lawrence H. Summers, "Rescuing and Rebuilding the U.S. Economy: A Progress Report," address at the Peterson Institute for International Economics, July 17, 2009, available at www.iie.com/publications/papers/paper.cfm?ResearchID=1264. See also Bruce Katz, "The Next Economy: Transforming Energy and Infrastructure Investment," address at the Lazard-Brookings Conference on the Next American Economy: Palo Alto, CA, February 2010, available at www.brookings.edu/~/media/Files/events/2010/0203_next_economy/0203_nextecon_katz.pdf.
2. Approaching cities as an investment opportunity to grow the national economy will require that governments alter their longstanding tendency to approach cities as troubled supplicants needing programmatic handouts to address a laundry list of problems such as affordable housing, crime, and unemployment.
3. Paul Krugman, *Development, Geography and Economic Theory* (Cambridge, MA: MIT Press, 1997), p. 53.
4. See, for example, Alan Berube, "MetroNation: How U.S. Metropolitan Areas Fuel American Prosperity." (Washington: Brookings Institution, 2007). The place-based and metropolitan nature of market systems is no coincidence. As research in the burgeoning field of economic geography is demonstrating, the geographic proximity of key assets and actors in the economy enhances their individual and collective performance. Moreover, this appears to be truer than ever in the knowledge economy. See, generally, Gordon L. Clark, Maryann P. Feldman and Meric S. Gertler, Eds., *The Oxford Handbook of Economic Geography* (Oxford: Oxford University Press, 2000) and Edward L. Glaeser, "Are Cities Dying?" *The Journal of Economic Perspectives* 12 (2) (Spring 1998): 140.
5. J. Vernon Henderson, "The Sizes and Types of Cities," *American Economic Review* 64 (1974): 640-656. See also Robert Weissbourd and Christopher Berry, "Changing Dynamics of Urban America," (Chicago: RW Ventures for CEOs for Cities, 2003).
6. For background on governments' lack of sensitivity to the regional and varied nature of the economy, see, among others, Mark Muro and others, "MetroPolicy: Shaping A New Federal Partnership for a Metropolitan Nation" (Washington: Brookings Institution, 2008), available at www.brookings.edu/reports/2008/06_metropolicy.aspx; and Mark Drabenstott, "Rethinking Federal Policy for Regional Economic Development," Federal Reserve Bank of Kansas City *Economic Review* (1) (2006): 115–142. For a general critique of the federal government's traditionally narrow, strategy-short, and deficiency-focused approach to urban and metropolitan policy see Alan Mallach, "Facing the Urban Challenge: The Federal Government and America's Older Distressed Cities," (Washington: Urban Institute, 2010), available at www.urban.org/publications/1001392.html. Finally, for a summary discussion on the shortcomings of federal and state metro policy, see "Tea with *The Economist:* Bruce Katz on metropolitan areas," (London: The Economist), available online at http://audiovideo.economist.com/?fr_story=dddb0b6b678b929d20c51dee23691403e42f0fb7&rf=bm.
7. For a critique of conventional economic development strategies see Mark Muro and Kenan Fikri, "Leveraging Regional Innovation Clusters to Reignite Innovation, Entrepreneurship, and Job Creation" (Washington: Brookings Institution, forthcoming January 2011). For information on the faddish tendencies of local economic development policies, see Ivan Turok, "The distinctive city: pitfalls in pursuit of differential advantage," *Environment and Planning A* 41 (2009): 13–30. For background on firm relocation and smokestack-chasing strategies see Timothy Bartik, "Solving the Problem of Economic Development Incentives." In Ann Markusen, ed., *Reining in Competition for Capital* (Kalamazoo: W.E. Upjohn Institute for Employment Research, 2007); and Terry Buss, "The Case Against Targeted Industry Strategies," *Economic Development Quarterly* 13 (1999): 339–359. For discussion of the disconnected, single-project orientation of local development policy see Alan Mallach, "Facing the Urban Challenge."
8. Many, many business and how-to books have provided detailed definitions, methodologies, and even specific section-by-section templates for private-sector business planning. Among the more cogent is Graham Friend and Stafan Zehle, *Guide to Business Planning.* (London: The Economist Newspaper, Ltd., 2004). See also Linda Pinson, *Anatomy of a Business Plan: A Step-by-Step Guide to Building a Business and Securing Your Company's Future.* (Chicago: Dearborn Trade Publishing, 2001); and William Sahlman, "How to Write a Great Business Plan," *Harvard Business Review* (July-August 1997): 98–108.
9. See Friend and Zehle, *Guide to Business Planning.* In their telling the business planning process begins with a "stakeholder analysis" and discussion of "vision, mission, and objectives" before proceeding through "environmental analysis" and the generation of "strategic options." These activities undergird "market analysis and strategy" work, evaluation and selection of strategies, "examination of funding issues," "risk analysis," presentation of the plan, and implementation.
10. These leverage points are derived from extensive joint analysis of research and practice on regional economies, including with colleagues in companion projects on "Implementing Regionalism" (undertaken with the Institute for Policy Studies at George Washington University and sponsored by the Surdna Foundation) and on the Chicago Metropolitan Agency for Planning's regional plan for Chicago (sponsored by the Chicago Community Trust). The full framework will be released in the following papers from those projects: Robert Weissbourd and Gretchen Kosarko, "Go to 2040: Strengthening the Regional Economy" (Chicago: Chicago Metropolitan Agency for Planning, forthcoming) and Harold Wolman and others, "Implementing Regionalism" (New York: Surdna Foundation, forthcoming). Note that the six leverage points build from asset areas identified as the "drivers" of regional prosperity advanced by the Metropolitan Policy Program at Brookings in its *Blueprint for American Prosperity* project. The Brookings drivers entail key factors in regional success such as the local innovation capacity, a place's store of human capital, its basic infrastructure, and its quality of place along with the effectiveness of its governance structures. See Alan Berube, "MetroNation;" Mark Muro and others, "MetroPolicy;" and Robert Lang, Andrea Sarzinski, and Mark Muro, "Mountain Megas: America's Newest Metropolitan Places and a Federal Partnership to Help Them Prosper." (Washington: Brookings Institution, 2008).
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12. Christopher Berry, Riccardo Bodini, and Robert Weissbourd, *Grads and Fads: The Dynamics of Human Capital Location,* (Chicago: CEOs for Cities, August 2005). For a review of the literature, see Paul D. Gottlieb and Michael Fogarty, "Educational Attainment and Metropolitan Growth," *Economic Development Quarterly* 17(4) (2003): 325-336. See, also, Edward Denison, "Trends in American Economic Growth, 1929-82" (Washington, DC: Brookings Institution, 1985); Paul Romer, "Endogenous Technological Change," *The Journal of Political Economy* 98(5) (October 1990): S71-S102; Vijay Mathur, "Human Capital-Based Strategy for Regional Economic Development," *Economic Development Quarterly* 13(3) (1999): 203-216; Edward Glaeser and Janet Kohlhase, "Cities, Regions and the Decline of Transport Costs." Discussion Paper 2014 (Harvard Institute of Economic Research, July 2003).
13. Gene Grossman and Elhanan Helpman, *Innovation and Growth in the Global Economy* (Cambridge: MIT Press, 1991); Joseph Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper Brothers, 1947); Paul M. Romer, "Increasing Returns and Long Run Growth," *Journal of Political Economy* 94 (5) (1986): 1002-1037; Robert Atkinson and David Audretsch, "Economic Doctrines and Policy Differences: Has the Washington Policy Debate Been Asking the Wrong Questions?" (Washington: Information Technology and Innovation Foundation, 2008).
14. Andrea Sarzynski and Alice Levy, "Spatial Efficiency and Regional Prosperity: A Literature Review and Policy Discussion." Working Paper #41 (Washington, DC: George Washington Institute of Public Policy, 2010) available at www.gwu.edu/~gwipp/SpatialEfficiencyWPAug16.pdf. Also see, for example, Jackie Cutsinger, George Galster, Royce Hanson, and Doug Towns, "Verifying the Multi-Dimensional Nature of Metropolitan Land Use: Advancing the Understanding and Measurement of Sprawl," *Journal of Urban Affairs* 27 (3): 235–259; William T. Bogart, *Don't Call it Sprawl* (Cambridge: Cambridge University Press, 2006); and Keith Ihlanfeldt, "The Geography of Economic and Social Opportunity in Metropolitan Areas." In A. Altshuler, W. Morrill, H. Wolman, and F. Mitchell, eds., *Governance and Opportunity in Metropolitan America* (Washington: National Academy Press, 1999).
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17. In Northeast Ohio, the MBP team includes the Fund for Our Economic Future, the Manufacturing Advocacy and Growth Network, BioEnterprise, Jumpstart, NorTech, and the Greater Cleveland Partnership, among others. In Minneapolis-St. Paul, the team engages the Itasca Project, Jumpstart Community Advisors, the Cities of Minneapolis and St. Paul, the Regional Council of Mayors, and Target Corporation, among others. In Puget Sound, the team involves the Puget Sound Regional Council, the University of Washington, Washington State University, the Greater Seattle Chamber of Commerce, and the Seattle Foundation, among others.
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19. Itasca Project, Jumpstart Community Advisors, and others, "Minneapolis-St. Paul Business Plan." Working draft.
20. Puget Sound Regional Council and others, "Puget Sound Metropolitan Business Plan." Working draft.
21. Fund for Our Economic Future and others, "Northeast Ohio Metropolitan Business Plan."
22. Itasca Project and others. "Minneapolis-St. Paul Metropolitan Business Plan."
23. Puget Sound Regional Council and others, "Puget Sound Metropolitan Business Plan."
24. Mark Muro and others, "MetroPolicy." See also Robert Atkinson and Howard Wial, "Boosting Productivity, Innovation, and Growth Through a National Innovation Foundation" (Washington: Brookings Institution, 2008) and Karen Mills, Elisabeth Reynolds, and Andrew Reamer, "Clusters and Competitiveness: A New Federal Role for Stimulating Regional Economies" (Washington: Brookings Institution, 2008); and Muro and Katz, "The `Cluster Moment.'"
25. See, Bruce Katz, Testimony United States Senate Committee on Banking, Housing and Urban Affairs, Subcommittee on Economic Policy (December 9, 2009).
26. See Mark Muro and Bruce Katz, "The New `Cluster Moment': How Regional Innovation Clusters Can Foster the Next Economy" (Washington: Brookings Institution, 2010).
27. Andrew Reamer, "Putting America to Work: The Essential Role of Federal Labor Market Statistics" (Washington: Brookings Institution, 2010); Andrew Reamer and Pari Sabety, "Robust Tools for the Urban Investor" (Washington: Brookings Institution, 2005); Pari Sabety and Virginia Carlson, "Using Information to Drive Change: New Ways to Move Urban Markets" (Washington: Brookings Institution Urban Markets Initiative, 2004); Robert Weissbourd and Riccardo Bodini, "Using Information Resources to Enhance Urban Markets" (Washington: Brookings Institution, 2005).

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We especially appreciate the hard work and dedication of our pilot metro partners on this project, without whom we are nothing: Brad Whitehead, Chris Thompson, Beth Fitzgibbon, Dan Berry, and John Schober from Northeast Ohio; Eric Schinfeld, Sherry Ambrose, Michael Luis, Joan Chen, and Chris Endresen from the Puget Sound region; and Jon Commers and Caren Dewar from Minneapolis-Saint Paul, with special assistance from Ray Leach and Michael Mozenter. All of these are visionary regional leaders and it has been a pleasure working with and learning from them and their participating organizations and working teams.

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ABOUT THE METROPOLITAN POLICY PROGRAM AT BROOKINGS

Created in 1996, the Metropolitan Policy Program provides decisionmakers with cutting-edge research and policy ideas for improving the health and prosperity of metropolitan areas including their component cities, suburbs, and rural areas. To learn more visit www.brookings.edu/metro

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Resolution R51-2011
ADOPTED October 12, 2011

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 N. CAPITOL ST., N.E.
WASHINGTON, DC 20002

RESOLUTION TO ESTABLISH A METROPOLITAN BUSINESS PLAN TASK FORCE.

WHEREAS, the Metropolitan Washington Council of Governments (COG) strategic plan vision adopted in January 2011 calls for the National Capital Region to become a resilient economy and a pre-eminent knowledge hub; and

WHEREAS, the strategic plan vision further seeks a diversified, stable and competitive economy; and

WHEREAS, the COG Board of Directors 2011 policy focus and priorities adopted in February 2011 called for COG to focus on policies and programs that stimulate the economy, promote job growth and retention and strengthen the workforce to compete for jobs and careers of the future; and

WHEREAS, the COG annual leadership retreat in July 2011 included a presentation on the Brookings-sponsored Metropolitan Business Plan program, which to date has included three pilot regions, Cleveland, Minneapolis-St. Paul, and Seattle;

WHEREAS, COG officials concluded that possible future reductions in federal employment and spending in the National Capital Region, coupled with a period of continued economic instability at the national and regional levels warrants a more pro-active regional approach to build on the region's economic and job strengths, address areas of weakness, and identify new or emerging opportunities; and

WHEREAS, the Metropolitan Business Plan initiative seeks to highlight the emergence of metropolitan areas as the source of economic prosperity, leverage regional partners' current efforts, and establish an integrated, public-private regional agenda for job creation and enhanced innovation and entrepreneurship; and

WHEREAS, the COG Board of Directors endorsed the staff recommendation in the leadership retreat summary report in September 2011 to examine COG member and area partner organization support for launching a Metropolitan Business Plan initiative in the National Capital Region.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

1. The COG Board of Directors shall establish a Metropolitan Business Plan Task Force to identify the partnerships, roles, resources and benefits required to successful launch a Metropolitan Business Plan initiative in the National Capital Region in 2012.

2. The Task Force will review the experience to date of other Metropolitan Business Plan pilot sites, assess the interest and commitment of area local governments for what is likely to be a multi-year Metropolitan Business Plan commitment, identify likely Brookings support and involvement, identify potential business, federal, state and other sector partners, identify existing work that can support a Metropolitan Business Plan initiative and avoid competition and redundancy, and the identify the level of effort and likely funding and in-kind resources necessary for a successful Metropolitan Business Plan effort.

3. The Task Force shall be appointed by the COG Board Chairman, shall not exceed eight members (three from Maryland, three from Virginia, and two from the District of Columbia) and shall be comprised of members of the COG Board of Directors or other COG members who have an interest or expertise in economic development, job creation and retention, public-private partnerships or related policy and planning activities.

4. COG Board members who wish to volunteer for the Task Force or suggest a colleague shall notify the executive director of their interest by October 21. The COG Board Chairman shall announce appointments by October 28. The Task Force shall hold its first meeting in November and provide the COG Board with an initial report on its findings and recommendations on proposed action by COG in February 2012 as part of the COG Board's action on its policy focus and priorities for 2012.

COPY TESTE:

Diane Humke, Board Clerk

10. FEDERAL FUNDING SUPPORT FOR THE URBAN AREAS SECURITY INITIATIVE (UASI) GRANT PROGRAM

For Official Use Only

A Report on the Effectiveness of the Urban Area Security Initiative Program

August 2011

The National Urban Area Security Initiative Association

The National Urban Areas Security Initiative Association is a 501(c)(6) nonprofit composed of UASI Programs dedicated to furthering the preparedness and security of the nation's urban areas against threats and acts of terrorism and other major hazards.

Report on the Effectiveness of the Urban Area Security Initiative Program

Table of Contents

1.0 Background

Created in 2003 in the wake of the September 11, 2001 terrorist attacks against the United States by al-Qaeda, the Urban Area Security Initiative (UASI) is the **only** federal homeland security grant program that **requires** regional governance, strategic planning and investing involving all disciplines - law enforcement, fire service, public health and medical, public works, critical infrastructure owners and operators, and emergency management – in order to acquire the necessary plans, equipment, training and exercises to prevent, protect against, respond to and recover from threats and acts of terrorism and other major hazards. From FY 2003 to FY 2011, approximately $6.5 billion has been appropriated for this program.

The UASI program goes to the heart of one of the 9/11 Commission's recommendations: allocate homeland security grants based upon risk by funding high threat, high density urban areas where threats often begin and seek to materialize. The risk of terrorism against the U.S. today is more complex and diverse than it was on September 11, 2001. Since January 2009, Justice Department documents show that a case of homegrown terrorism, with links to an international group, has arisen every two to three weeks in the U.S.[i] The al-Qaeda network has become a franchise with affiliates in Yemen, Somalia, Pakistan, and elsewhere that have trained or inspired foreigners and Americans to plot and commit acts of terror in numerous locations across America as diverse as:

- Fort Hood, Texas
- Little Rock, Arkansas
- Portland, Oregon
- New York City
- Columbus, Ohio
- Bridgeport, Connecticut
- Springfield, Illinois
- Dallas, Texas
- Fort Dix, New Jersey
- Seattle, Washington
- Washington, DC
- Boston, Massachusetts
- Denver, Colorado
- Detroit, Michigan
- Minneapolis, Minnesota

2011 is the tenth anniversary of 9/11

Today, there are 64 UASI regions across the United States based on a risk analysis of the 100 largest metropolitan statistical areas by the Department of Homeland Security (DHS). These UASI regions range from New York City to Columbus to Chicago to Sacramento. However, in FY 2011, DHS cut 33 UASI regions from the UASI list for future funding purposes based, in part, on funding reductions provided by Congress that year. A list of the 2010 and 2011 UASI regions is set forth in Appendix A.

This report is the National UASI Association's first attempt to outline the effectiveness of the UASI program. The report is based on a review of multiple data sources from 2001 to 2011, including Urban Area investment justifications, bi-annual strategy implementation reports, assessments, interviews of first responders, surveys conducted of UASI member regions and other data sources. However, this report should be viewed as preliminary. It delivers an *initial* review of the effectiveness of a subset of actual UASI grant expenditures covering FY 2003 - FY2009. It is *limited* by the scope of the available data and time to review such data.

Finally, the report (1) provides an explanation for how UASI funding actually works, (2) debunks the myth that UASI funds are simply sitting idle in federal coffers, and (3) outlines the need to sustain the capability gains made under the UASI program. The National UASI Association will produce more robust reports on UASI effectiveness in the future. For now, it is critical that the American people understand the value and role the UASI program plays in keeping our communities safe and secure.

2.0 Grant Effectiveness and Preparedness Overview

The term "preparedness" refers to capabilities necessary for providing the means to prevent, protect against, respond to, and recover from major events by performing critical tasks, under specified conditions, to target levels of performance. Capabilities are developed and delivered by appropriate combinations of planning, personnel, organization, equipment, training, and exercises. For purposes of this report, unless otherwise noted, the terms “capability” or “capabilities” refer to the 37 capabilities outlined in the DHS Target Capabilities List (TCL) version 2.0 discussed in more detail below.

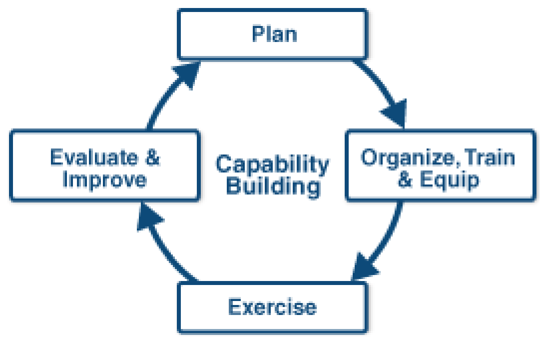
For purposes of this report, the term “effectiveness” means the expenditure of funds and other resources that increase or sustain, in a measurable way, those **capabilities** needed in order to reduce the highest **risk** terrorism and other catastrophic incidents. When measuring or analyzing the effectiveness of the UASI program one is essentially analyzing the outcomes produced by the investments made by Urban Areas with UASI funds. Ultimately, whether an investment is effective is best measured by how the capability it was designed to build, enhance or sustain performs in a real world scenario. Therefore, whenever possible, this report will utilize real world incidents to help demonstrate the effectiveness of UASI funded investments and will do so in the context of the investments’ implementing the National Homeland Security Priorities.

2.1 The Preparedness Cycle

Preparedness is a cyclical process as opposed to a linear endeavor in which there is a defined end. This explains why the term “preparedness cycle” is used by DHS and others to explain the preparedness process as set forth in Figure 1. When it comes to preparedness there is no “end state” as risks change, plans need updating, training for new personnel is required, and equipment is replaced or upgraded and so on. The need to prepare will no sooner end than the day all risks to the U.S. cease to exist and the U.S. military no longer requires new resources and state and local law enforcement, public health, emergency management and fire service agencies are no longer necessary.

FIGURE 1

The Preparedness Cycle



2.2 Measuring Grant Effectiveness versus Measuring Preparedness

Measuring the effectiveness of specific grant programs is different than measuring overall preparedness. The level of preparedness in a given Urban Area or State is influenced by numerous factors; most importantly, state and local resources. While the UASI grant and other homeland security grant programs are critical to enabling Urban Areas and States to achieve National Priorities, they represent but a small fraction of the billions of dollars spent by States and Urban Areas on public health and safety each year. Those expenditures plus grants, coupled with other available federal resources and assets, e.g., available military plans, equipment, etc. to support civilian authorities, account for the overall level of preparedness in a given Urban Area or State. In short, measuring the effectiveness of a preparedness grant program is a sub-set of understanding the overall level of preparedness in a given Urban Area or State.

Measuring effectiveness of a grant program or overall preparedness is not a scientific equation. Nor is either effectively measured by looking at the United States as a single operating entity. Rather, our nation is a vast network of independent actors - towns, villages, cities, counties, states, the private sector and federal departments and agencies - that must unify as best as possible to achieve homeland security priorities and perform critical operational tasks before, during and after an incident.

2.3 Preparedness Tools

In order for the nation to be better prepared, DHS developed a series of preparedness tools and guidance designed to assist States and Urban Areas in their use of homeland security grants and other resources. As part of an early risk assessment for the nation, in 2003, the federal government developed 15 National Planning Scenarios that describe the potential impact of plausible major terrorist attacks and natural hazards requiring coordination among various jurisdictions and levels of government. The scenarios serve as the foundation for the development of local, state and federal capability requirements in the areas of prevention, protection, response and recovery. A list of the scenarios is in Appendix B.

In 2007, DHS released the National Preparedness Guidelines, which included the National Homeland Security Priorities. These priorities represent broad goals that the Nation should strive to achieve in order to address the 15 planning scenarios and any other scenarios that States and Urban Areas may need to be prepared for based upon their own risk assessments. To help implement the National Priorities and prepare for the 15 National Planning Scenarios, DHS designed the TCL, a list of 37 capabilities needed to achieve the National Priorities and address the National Planning Scenarios. A list of the 37 Target Capabilities is in Appendix C. Within the 37 Target Capabilities are thirteen priority capabilities that link to specific National Priorities as outlined in Figure 2 below.[ii]

FIGURE 2

National Priorities and Target Capabilities

No.	National Priority	Associated Target Capabilities
1	Expand Regional Collaboration	Multiple capabilities
2	Implement the National Incident Management System and National Response Framework	Multiple capabilities
3	Implement the National Infrastructure Protection Plan (NIPP)	Multiple capabilities
4	Strengthen Information Sharing and Collaboration Capabilities	Intelligence/Information Sharing and Dissemination Counter-Terror Investigations and Law Enforcement
5	Strengthen Interoperable and Operable Communications Capabilities	Communications Emergency Public Information and Warning
6	Strengthen CBRNE Detection, Response, and Decontamination Capabilities	CBRNE Detection Explosive Device Response Operations WMD/Hazardous Materials Response and Decontamination
7	Strengthen Medical Surge and Mass Prophylaxis Capabilities	Medical Surge Mass Prophylaxis
8	Strengthen Planning and Citizen Preparedness Capabilities	Planning Citizen Evacuation and Shelter-in-Place Mass Care (Sheltering, Feeding, and Related Services) Community Preparedness and Participation

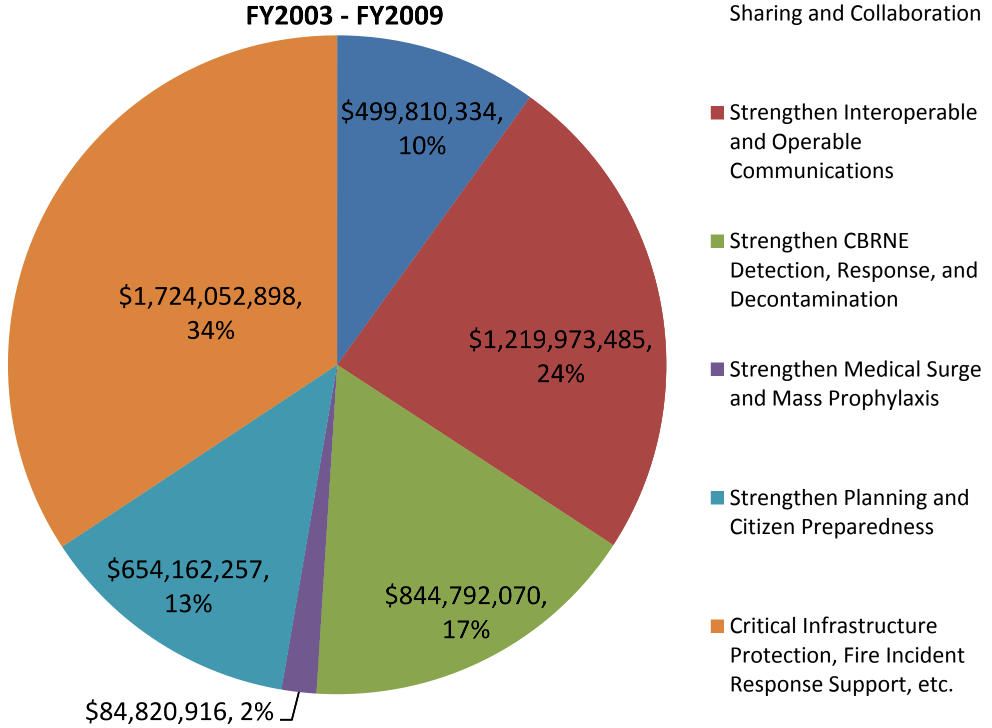
Projects implemented with UASI funds must support terrorism preparedness by building or enhancing capabilities that relate to the prevention of, protection from, response to or recovery from terrorism. However, the UASI program also acknowledges that many capabilities which support terrorism preparedness simultaneously support preparedness for other hazards. In fact, an analysis by the Government Accountability Office indicated that of the 37 capabilities included in the TCL, 30 of them were common to both terrorist attacks and natural or accidental disasters. This is particularly true for response and recovery capabilities.[iii]

3.0 Key Findings

The UASI program is implementing National Priorities. As demonstrated throughout this section, prior to the UASI program, Urban Areas either completely lacked certain capabilities or were deficient in vital capability areas necessary to mitigate the risks faced by the Urban Areas. The UASI program has provided the resources necessary for Urban Areas to act in a regional capacity to build, enhance and now sustain those capabilities across the homeland security mission areas of prevention, protection, response and recovery. This conclusion is based upon a review of investments by National Priority, Target Capabilities[1] and National Planning Scenarios to determine if the investments produced outcomes that were "effective" by building, enhancing or sustaining capabilities necessary to successfully address the scenarios as evidenced in real world events.

Figures 3 and 4 below demonstrate that 66% of all UASI funding from 2003 to 2009 has gone directly toward implementing the priority Target Capabilities attached to the National Priorities. While National Priorities 1-3 do not have specific Target Capabilities associated with them, by simply accounting for funding to support critical infrastructure protection capabilities for the Implementing the NIPP National Priority, the percentage of funds allocated toward National Priorities increases to 77% of total funding.

Figure 3
UASI National Priority Funding
FY2003 - FY2009

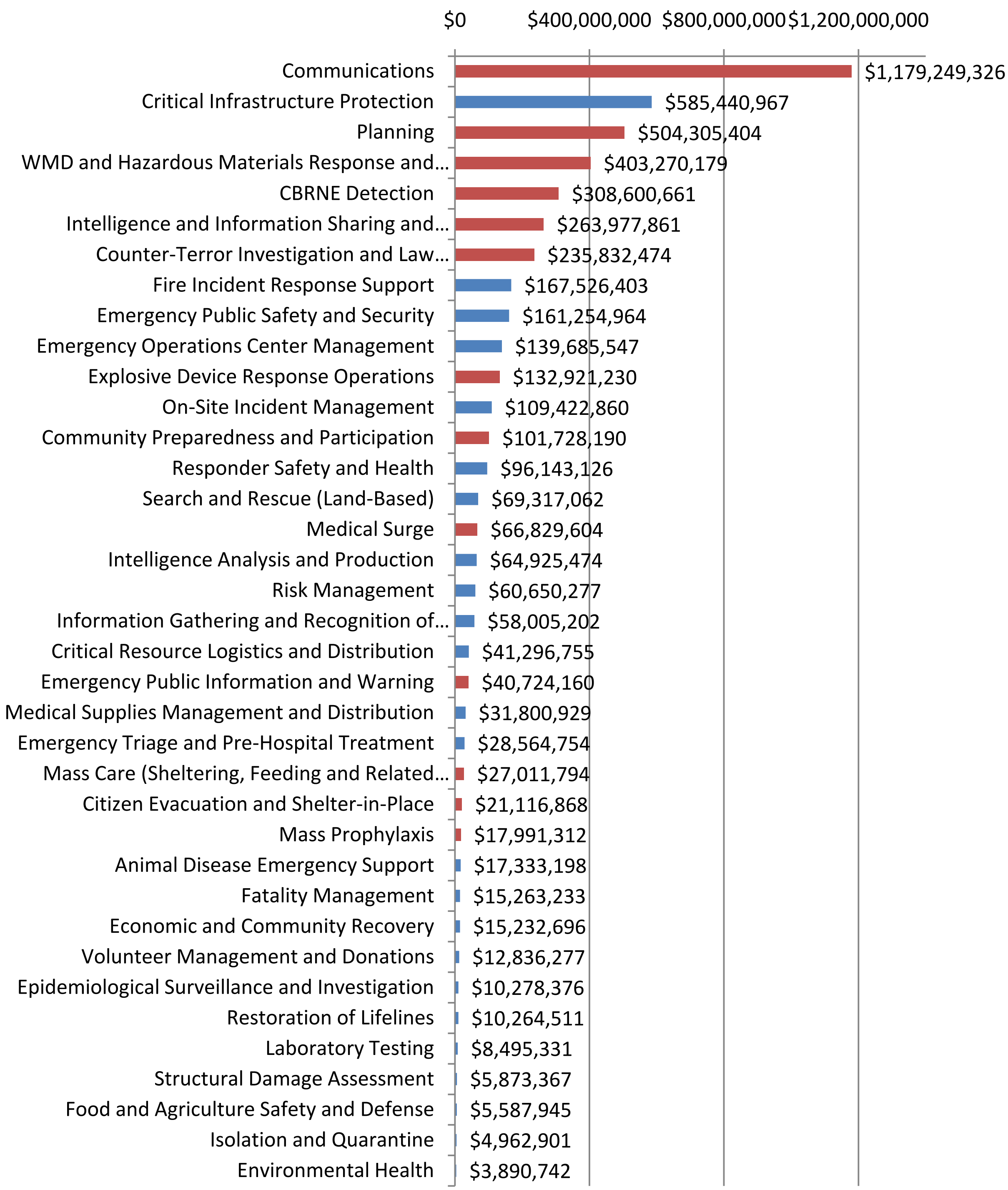


[1] Allocation of dollars among Target Capabilities is an inexact science. The available data are currently captured in different formats and reside in separate systems. Moreover, the 37 Target Capabilities are not isolated from each other. Rather, they overlap one another with elements of one capability present in another or even several others. This complicates but does not preclude a process of aggregating existing information and conducting a broader meta-analysis of grant effectiveness. Given the overlap of Target Capabilities, funded projects may enhance or impact more than one Target Capability. For example, hiring an intelligence analyst in a fusion center to monitor, link and report on suspicious activity would impact both the Intelligence Analysis and Production Target Capability and Information Gathering and Recognition of Indicators and Warnings, etc. While the results of the analysis of dollars to capabilities herein are directionally accurate, this challenge can be reduced in the future by enhancing current data collection tools so that they acquire more precise and explicit information on the alignment between projects and their expected impact on capabilities.

Figure 4

UASI Capability Funding FY2003 - FY2009

DHS Designated National Priority Capabilities are in Red



National Priority: *Expand Regional Collaboration*

Planning Scenario: *All*

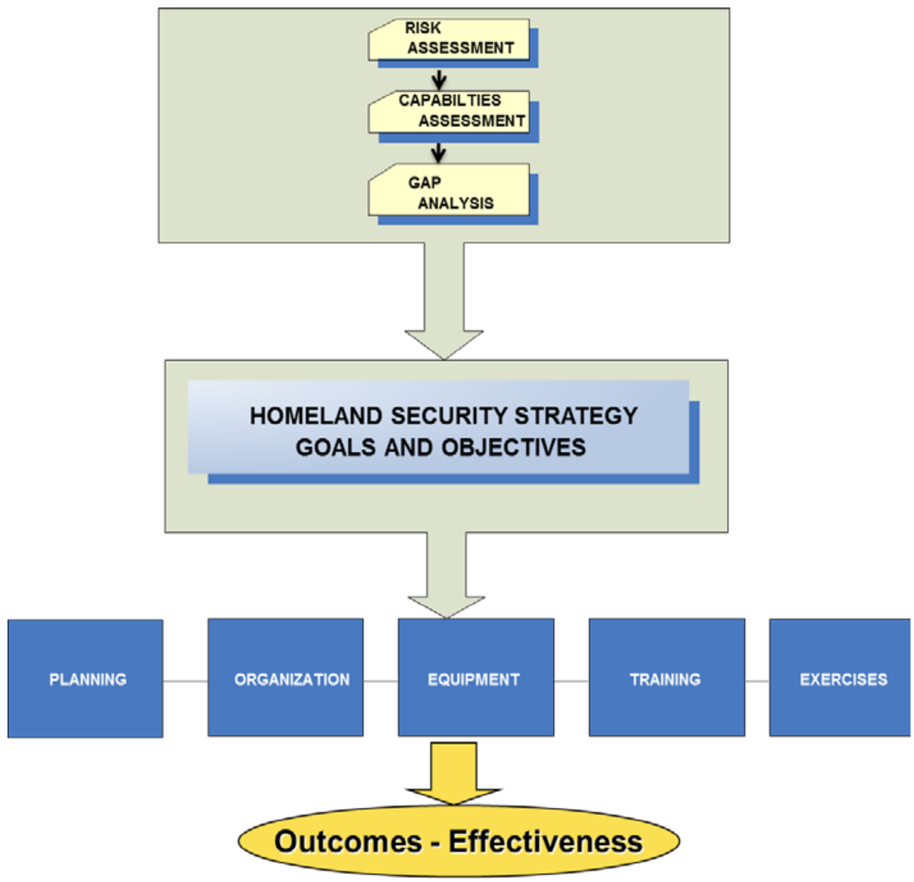
Primary Target Capabilities: *Planning*

3.1 The UASI program is enhancing regional collaboration and coordination. The expanded regional collaboration priority focuses embracing partnership across multiple jurisdictions, regions, and States in building capabilities cooperatively. Successful regional collaboration allows for a multijurisdictional and multi-disciplinary approach to building capabilities for the four homeland security mission areas of prevention, protection, response and recovery; spreading costs, and sharing risk across geographic areas.

Every UASI region must have a DHS approved regional homeland security strategy and governance structure designed around implementing National Homeland Security Priorities at the regional and local level. This mandated structure has transformed the way cities, counties, states, tribes and the private sector work together to enhance regional preparedness and security. In the past, each level of government and the public health and safety agencies within them, operated in a competitive environment when it came to acquiring funding to enhance capabilities. The UASI program has removed this stove-piped approach with a collaborative framework that saves time, money and leverages resources regionally. Urban Areas such as St. Louis and Kansas City regularly plan and share UASI funding across States lines.

FIGURE 5

UASI Regional Planning Process



The purpose of Urban Area homeland security strategies is to provide a blueprint for comprehensive, enterprise-wide planning and risk management for homeland security efforts and provide a strategic guide for the use of related Federal, State, local, and private resources within the Urban Area. These strategies serve as a foundation upon which all other homeland security efforts are built. Today, Urban Areas across the Nation are engaging in sophisticated terrorism and natural hazards risk assessments, determining which target capabilities are needed to mitigate the identified risk, understanding where the gaps are in those capabilities and using that data to drive their specific regional goals and objectives tied to the National Priorities and target capabilities. Those goals and objectives then lead to the acquired, plans, equipment, training and exercises necessary to produce the outcomes that support enhancing preparedness in the Urban Area. This process, as outlined in Figure 5 above, enhances regional collaboration and coordination to build and track regional capabilities.

3.2 The UASI program is strengthening interoperable communications capabilities.

National Priority: *Strengthen Interoperable and Operable Communications Capabilities*

Planning Scenario: *All Scenarios*

Primary Target Capabilities: *Communications and Emergency Public Information and Warning*

Strengthening operable and interoperable communications has been not only a National Priority but was a recommendation from the 9/11 Commission Report as well. The ability for public safety responders to communicate via voice, data or video is essential to operate in any public safety environment. Without this capability, operations can be slowed or even derailed resulting in the loss of lives and property. Urban Areas have made tremendous progress in this area utilizing UASI funds. From 2003 to 2009, Urban Areas spent an estimated $1.2 billion on enhancing and sustaining communications capabilities. This is the largest single expenditure rate for any of the Target Capabilities during the history of the grant program.

When New Orleans' Public Safety communications system was destroyed by Hurricane Katrina in 2005, UASI funding replaced it with a state of the art regional 700/800mHZ Interoperable Communications System that serves the entire region's emergency response community.

The National Emergency Communications Plan (NECP) Goal 1 sets the target capability level for Urban Areas: "By 2010, 90 percent of all high-risk urban areas designated within the Urban Area Security Initiative (UASI) are able to demonstrate response-level emergency communications within one hour for routine events involving multiple jurisdictions and agencies."[iv] According to the DHS Office of Emergency Communications, (OEC), which oversees the NECP and conducted assessments of 60 Urban Areas in 2010, **this goal has been met**. The UASI program has been instrumental in achieving this goal by funding, among other things, the development, implementation and testing of tactical interoperable communications plans across the country which are key to ensuring communications in a multi-jurisdictional emergency response. In addition, to achieving Goal 1, OEC has noted other communications improvements across Urban Areas[v]:

Equipment: The NECP Goal 1 results showed an increase in the number of UASI regions using Project 25 (P25) digital radio standards-based systems, which are designed to allow interoperability regardless of equipment vendor.

Training: OEC offers a communications unit leader (COML) training program that has trained more than 3,500 responders, technicians, and planners to lead communications at incidents across the nation. This program began, in part, as a response to gaps identified in the 2007 DHS Tactical Interoperable Communications Plans (TICP) Scorecard assessment. During the NECP Goal 1 events, OEC found that a large majority of the UASI regions had assigned DHS-trained COMLs to handle planning and implementing multi-system communications for the event.

Exercises: Almost all UASI regions are now holding communication-specific exercises, and approximately half of them are holding these exercises on a regular basis. This represents significant progress over similar findings from the DHS TICP report in 2007, which concluded that "almost no [UASI] region had completed a communications-focused exercise before the TICP validation exercise."

3.3 The UASI program is strengthening IED attack deterrence, prevention, and protection capabilities. Among the most common forms of terrorist attacks is the use of improvised explosive devices (IEDs). From Iraq to Afghanistan, to Portland, Oregon to Times Square in New York, this attack method is relatively inexpensive and easy to deploy. From 1999 to 2009, 76% of all terrorist plots against the U.S. involved conventional attack plans with a focus on the use of explosives.[vi]

National Priority: *Strengthen CBRNE Detection, Response and Decontamination Capabilities*

Planning Scenario: *Improvised Explosive Device*

Primary Target Capability: *Explosive Device Response Operations*

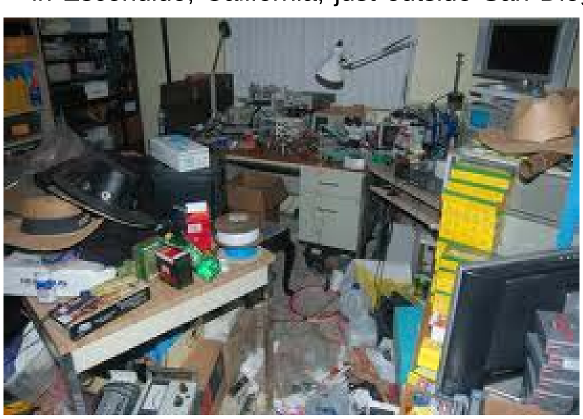
Strengthening capabilities to deter, prevent and protect against IEDs has been a key UASI program objective. From 2003 to 2009 Urban Areas spent approximately $133 million in UASI funds to enhance explosive device response operations (EDRO) capabilities impacting no less than 43 bomb squads, 41 SWAT teams and numerous hazardous materials response teams across Urban Areas. The effectiveness of these investments has been demonstrated from coast to coast.

In May 2010, Faisal Shahzad, drove into Times Square on a busy Saturday night and parked his SUV packed with explosives in order to kill hundreds. From 2006 to 2009 the New York Urban Area allocated $1.2 million to increase EDRO. The following items of grant supported equipment were deployed and utilized by New York's first responders to save hundreds of lives and render safe Shahzad's IED:

- Response vehicle (bomb truck) used by the Bomb Technicians
- Bomb Squad supervisor's response vehicle
- Remote F6A robot
- Two IED PAN Disrupters
- Bomb Suits
- Rigging Kits
- The "frag bag" (kevlar cooler-sized container utilized to remove explosive components safely).[vii]

Times Square, May 2010

In 2010, responders in the San Diego Urban Area successfully faced one of the most complex and dangerous situations involving explosives in U.S. history. In November of that year, police found a house in Escondido, California, just outside San Diego, packed with the largest stash of homemade explosives and bomb-making material ever discovered in the U.S. This included the same types of chemicals used by suicide bombers in Afghanistan and Iraq. From 2006 to 2009 the San Diego Urban Area spent $3.8 million in UASI funds to enhance or sustain EDRO. Those funds paid for, among other things, multiple bomb robots used to gather intelligence on the scene and render safe certain explosives, and a command vehicle that allowed for seamless communications between the multiple agencies on scene. The funds also paid for the interagency training that allowed for a well-coordinated response among law enforcement and fire service bomb technicians and commanders. As one local bomb squad commander said on the scene, "Thank God for the UASI program."[viii]

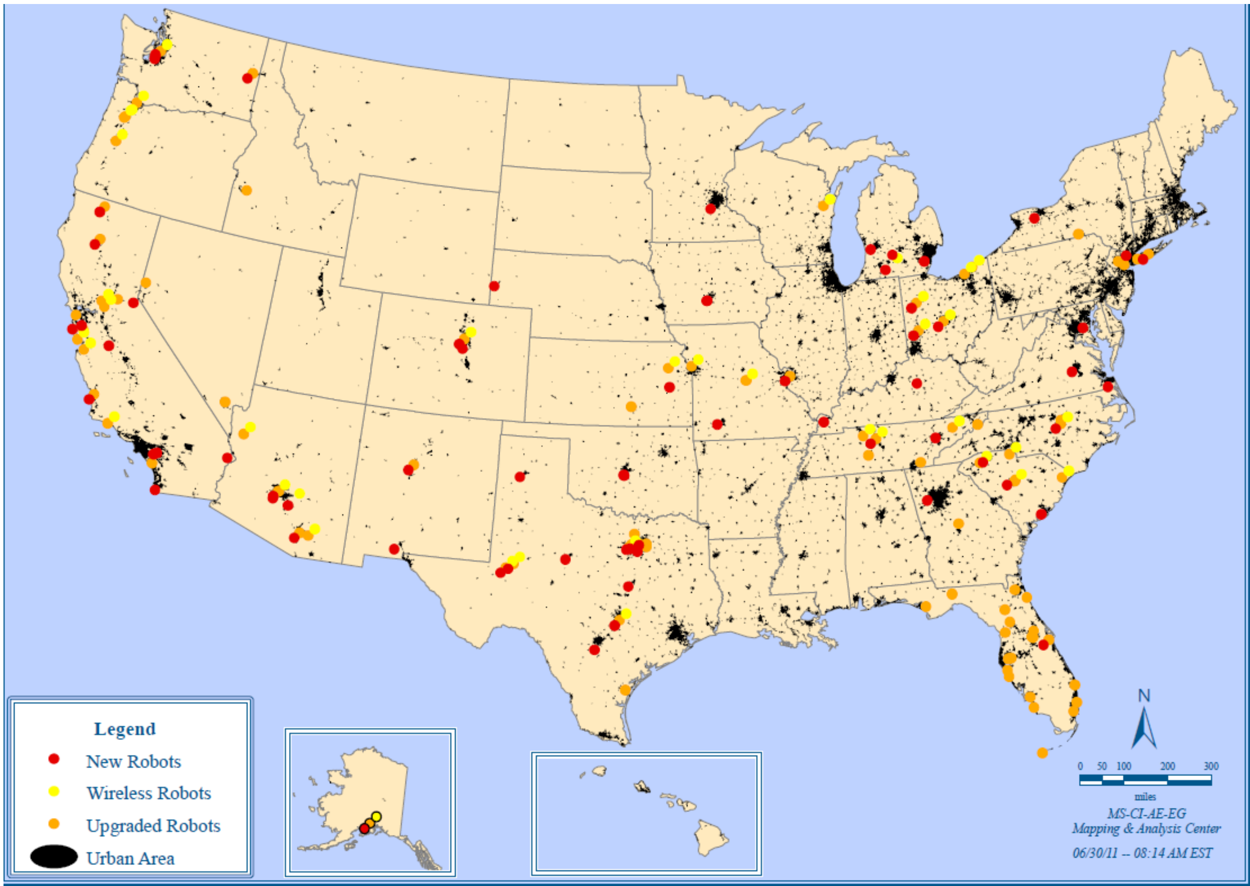


The "Escondido Bomb House"

From 2003 to 2006, 20 Urban Areas across the country used approximately $18 million in UASI funds to acquire bomb robots and attachments to enhance bomb team safety and capabilities.[ix] Figure 6[x] below highlights where these resources have been deployed across the U.S.

FIGURE 6

Federal Support for Bomb Squad Robotic Enhancements as of 2010



Despite the significant improvements made in EDRO, gaps remain and the need to sustain capabilities achieved is always a looming issue. The DHS Office for Bombing Prevention in a 2011 report, highlighted EDRO gaps across the nation. While the scope of these findings is far larger than Urban Areas, what is listed is applicable in certain cases[xi]:

- Public safety bomb squads need advanced render-safe tools and robotics, more effective communications and information sharing, as well as wider access to electronic countermeasures (ECM) capabilities.
- Explosives detection canine teams lack national standards for training and certification, as well as odor recognition of homemade explosives, including peroxide-based explosives.
- Public safety dive teams also lack national standards for training and certification and are in need of remote operated vehicles (ROV) and improved diver communication systems, including secure voice and data transfer.
- Guidelines for the employment, training, and equipping for SWAT teams and for bomb technicians supporting SWAT operations must be developed.

National Priority: *Implement the National Incident Management System and the National Response Framework*

Planning Scenario: *Multiple, including Major Earthquake and Major Hurricane*

Primary Target Capabilities: *EOC Management, On-site Incident Management, Urban Search and Rescue, Emergency Public Safety and Security, Fire Incident Response and WMD/Hazardous Materials Response and Decontamination.*

3.4 The UASI program has been essential to enhancing incident management capabilities across the country involving a wide array of hazards and emergencies.

From 2003 to 2009 just over $541 million was spent under the UASI program to enhance core incident management and response capabilities. The value and effectiveness of these investments can literally be measured in lives saved.

In 2001, Urban Areas across America had 21 Urban Search and Rescue (US&R) teams designed to conduct search and rescue operations during and after a disaster. With the help of the UASI program, the number of Urban Area US&R teams has more than doubled to 51 in 2011. Developing and enhancing search and rescue capabilities at the local level reduces the need for, and cost of, deploying federal teams and speeds up the deployment of critical assets to conduct life-saving search and rescue operations. This is highlighted in Figures 7 and 8[xii] on the following page, which outline how the geographic and population coverage of Urban Area US&R teams has grown significantly since 2001. The importance of this fact was made evident in the 2011 Joplin, Missouri tornado disaster where local search and rescue teams saved families with UASI funded equipment and training. Had the same disaster occurred in 2001, it is almost certain that federal assets would have been called upon to conduct search and rescue operations, increasing the cost to the federal government and decreasing the speed with which these life-saving resources could be utilized.

The Minneapolis/St. Paul or Twin Cities Urban Area allocated approximately $21.7 million from 2006 to 2009 for enhancing incident management capabilities including EOC Management, On-site incident Management, WMD/Hazardous Materials Response and Decontamination, Communications, Fire Incident Response Support and Emergency Public Safety and Security. Over 2,000 city employees in Minneapolis alone have received NIMS training. These investments would prove critical to responding to a catastrophic disaster.

The 35W Bridge 2007

On August 1, 2007, the 1,907 foot long Interstate 35W Mississippi River Bridge in Minneapolis collapsed killing 13 people and injuring 121 others. At the time of the collapse, there were approximately 120 vehicles, carrying 160 people on the bridge. Numerous vehicles were embedded in the river and its bank 115 feet below. Managing such a catastrophic incident is a major challenge, but as reported by the U.S. Fire Administration through its independent assessment of the response to the crisis, the use of UASI funds played a significant role in preparing the region for this major incident:

> Years of investing time and money into identifying gaps in the [Urban Area's] disaster preparedness capabilities; acquiring radios for an interagency, linked 800 MHz system; and participating in training on the National Incident Management System (NIMS) and on the organizational basis for that system (the Incident Command System (ICS) and Unified Command) paid off substantially during response and recovery operations.[xiii]

FIGURE 7
2001 Urban Area US&R Coverage – 4 Hour Drive Time

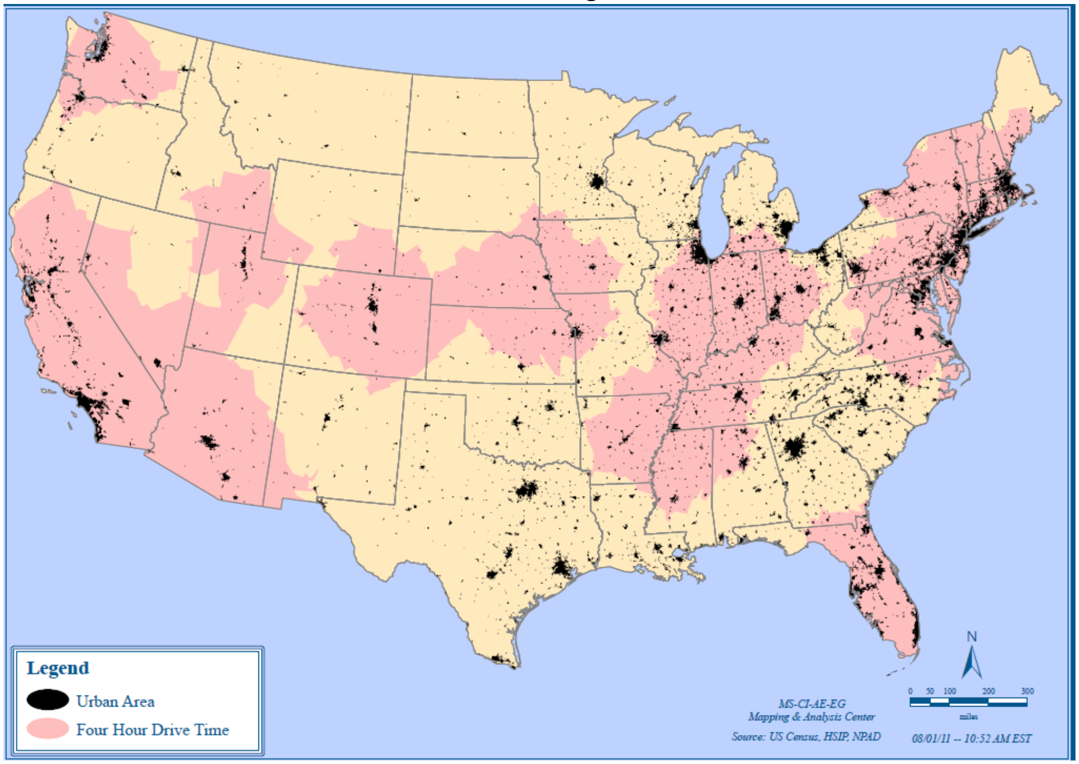
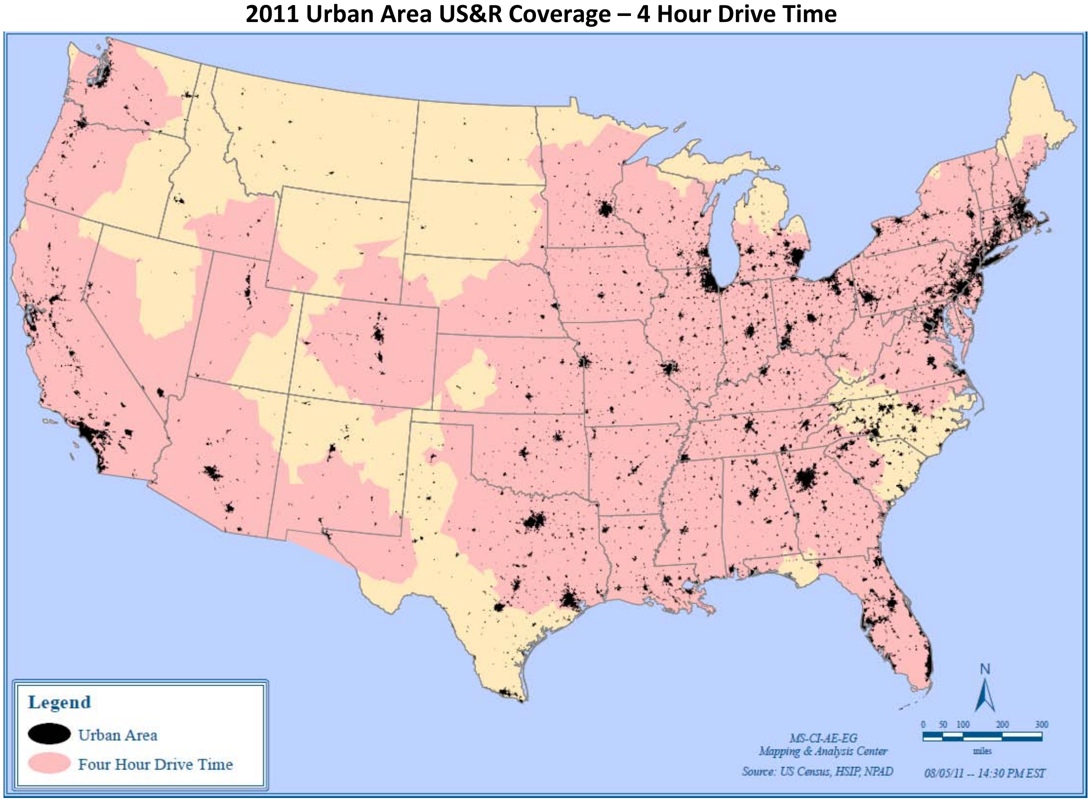


FIGURE 8
2011 Urban Area US&R Coverage – 4 Hour Drive Time



National Priority: *Strengthen Planning and Citizen Preparedness*

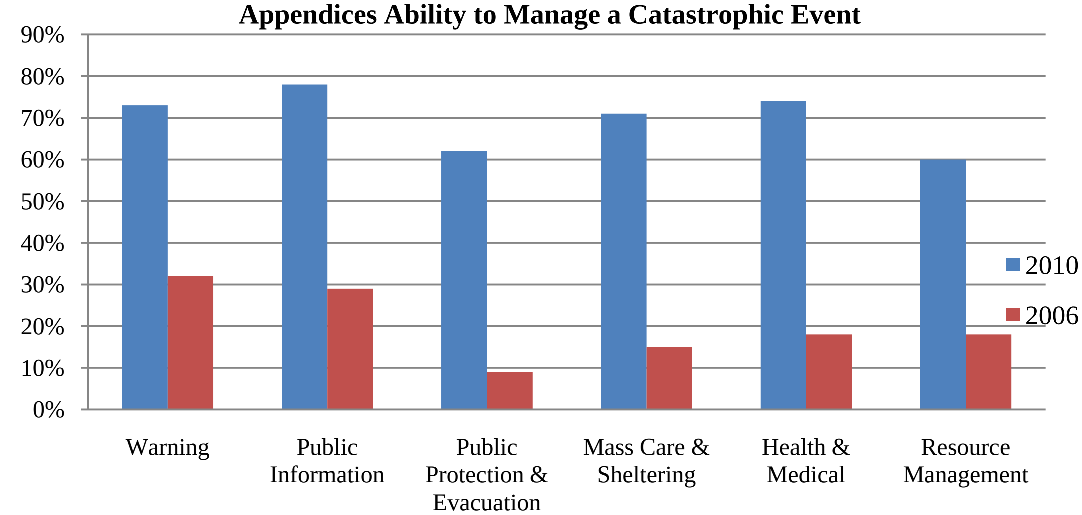
Planning Scenario: *Major Hurricane*

Primary Target Capabilities: *Community Preparedness and Participation, Medical Surge, Emergency Public Information and Warning, Mass Care, Critical Resource Logistics and Distribution, Citizen Evacuation and Shelter-in-Place*

3.5 The UASI program is strengthening emergency planning and citizen preparedness. In an effort to measure Urban Areas' progress in strengthening emergency planning after Hurricane Katrina, FEMA conducted two major planning assessments, the Nationwide Plan Reviews in 2006 and 2010. These planning assessments evaluated Urban Areas' Emergency Operation Plans (EOPs), including the Functional Appendices. During the time frame between each assessment, Urban Area's spent approximately $223 million on the core capabilities focused on as part of the review. Among the findings, the 2010 Nationwide Plan Review found that Urban Areas' confidence in their Functional Appendices' to manage a catastrophic event doubled since 2006, see Figure 9.[xiv] The assessment also found confidence in Urban Areas' Basic Plans to manage a catastrophic event more than doubled from 2006 to 2010.

FIGURE 9

Percent of Urban Areas that Indicated Confidence in the Functional Appendices Ability to Manage a Catastrophic Event



The Baton Rouge Urban Area has developed the Red Stick Ready Program for community preparedness using approximately $635,000 in UASI funds. During the recent Mississippi River Flood Event, the Red Stick Ready's network of video monitors located at sites throughout the parish where there were large public gatherings, to include emergency rooms, municipal court buildings, and other public locations, were used to provide current and accurate information throughout the entire duration of the incident. Accurate and timely information, brochures, and safety materials were also presented at business and public town meetings to keep the community informed of necessary emergency protective measures that could and would be implemented in the event of a Mississippi River Levee breach or overtopping.

Baton Rouge 2011

National Priority: *Strengthen Information Sharing and Collaboration Capabilities*

Planning Scenario: *All Terrorism Scenarios*

Primary Target Capabilities: *Intelligence and Information Sharing Dissemination, Intelligence Analysis and Production, Information Gathering and Recognition of Indicators and Warnings, and Counter-Terrorism and Law Enforcement*

3.6 The UASI program is maximizing information sharing and counter terrorism efforts via fusion centers and other mechanisms. From 2003 to 2010, Urban Areas spent approximately $623 million to support terrorism prevention capabilities. Much of this funding has focused on enhancing intelligence collection, analysis and sharing with fusion centers playing a key role in the process. According to DHS, a fusion center is a "collaborative effort of two or more agencies that provide resources, expertise and information to the center with the goal of maximizing their ability to detect, prevent, investigate, and respond to criminal and terrorist activity."[xv]

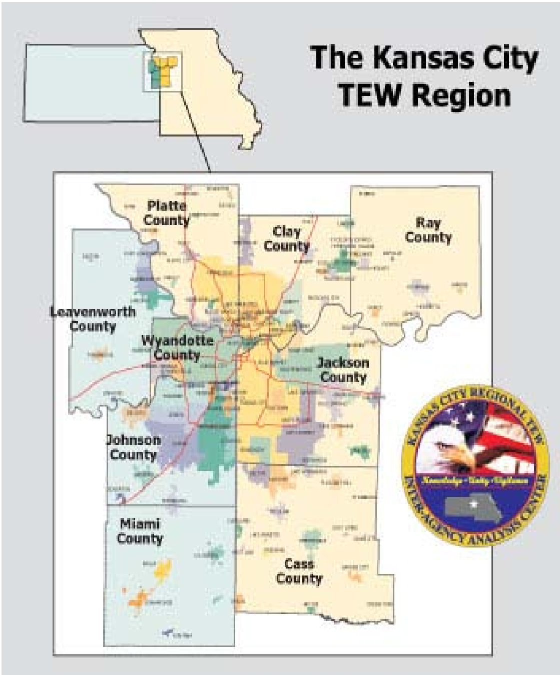
In 2001, fusion centers, terrorism liaison officers, counter terrorism divisions within state and local law enforcement agencies, national suspicious activity reporting programs, etc. simply did not exist. Terrorism was almost exclusively a federal issue. In 2011, with critical support from the UASI program, that paradigm has been transformed with state and local law enforcement, and the public, on the front lines defending the homeland from international terrorism and the growing threat of domestic radicalization.

In October 2010, the Institute for Homeland Security Solutions released a study indicating that from 1999 to 2009 of the 68 known thwarted terrorist plots, 51% were thwarted as a result of community member or local or state law enforcement finding the initial clues. The UASI program has been instrumental in building the capabilities necessary to discover, report and analyze those clues.

51% of foiled terrorist plots against the U.S. from 1999 to 2009 were the result of a community member or state or local law enforcement officer finding and reporting the initial clues.

In 2005, a series of gas station robberies occurred in the Los Angeles/Long Beach Urban Area. Upon executing a search warrant at one of the robber's apartments, local police discovered suspicious materials including what appeared to be jihadist literature and potential target lists. One of the detectives at the apartment was a trained terrorism liaison officer (TLO). TLOs work with local fusion centers to serve as a conduit for homeland security information sharing from the field to the fusion center for analysis. The TLO immediately realized the significance of the items based upon his training and a massive federal investigation ensued; revealing a terrorist cell had formed in California's prisons and that the suspects involved were robbing the gas stations to raise money in order to attack targets in southern California. In the words of former LAPD Chief, Bill Bratton, "to most detectives this 'disturbing evidence' would have appeared as inconsequential to the robbery charge."[xvi] It was the TLO training that proved indispensible to generating the initial clue and the UASI program has been instrumental in building and sustaining the TLO program in California and around the country.

Today, of the current 72 DHS recognized state and local fusion centers, 21 are in major urban areas. Most Urban Area fusion centers, such as the Kansas City Terrorism Early Warning Region, serve multiple agencies and multiple jurisdictions and foster regional coordination and collaboration. The centers utilize UASI and other grant funding to support the acquisition of vital equipment, intelligence analysts, training, and to conduct exercises. In 2010, the first nationwide Baseline Capabilities Assessment (BCA) of fusion



centers was conducted. The BCA was conducted by the Office of the Program Manager for the Information Sharing Environment, in coordination with Fusion Center Directors, DHS, the FBI, and others. The 2010 BCA focused on the four Critical Operational Capabilities (COC). In 2011, DHS launched an effort to measure the effectiveness of federal resources, such as UASI funding, provided to assist fusion centers in building capabilities. The findings[xvii] show significant progress from 2010 to 2011 across the four COCs:

1. Capability to receive classified and unclassified information from federal partners - 66.7% of fusion centers have a final approved plan, policy or standard operating procedure (SOP) for the receipt of federally generated time-sensitive threat information. This represents **a 54.8% capability increase**.

2. Capability to assess local implications of threat information through the use of a formal risk assessment process – 54.2% of fusion centers have a final, approved plan, policy or SOP to assess the local implications of time-sensitive and emerging threat information, representing **a 95% capability increase**.

3. Capability to further disseminate threat information to other state, local, tribal, territorial, and private sector entities within their jurisdiction – 65.3% of fusion centers have a final, approved plan or SOP identifying the dissemination of time sensitive and emerging threat information to all homeland security partners, including law enforcement and other disciplines. This represents **a 62.1% capability increase**.

4. Capability to gather locally generated information, aggregate it, analyze it, and share it with federal partners. 61.1% of fusion centers have a final, approved plan, policy, or SOP to gather locally-generated information based on time sensitive and emerging threats, representing **a 10% capability increase**.

COC number 4 directly supports the National Suspicious Activity Reporting Initiative (NSI). The NSI is designed to develop, evaluate, and implement common procedures and policies for gathering, documenting, processing, analyzing, and sharing information about terrorism-related suspicious activities defined as "behavior reasonably indicative of pre-operational planning related to terrorism or other criminal activity."[xviii] The Institute for Homeland Security Solutions found the link between the investigation of criminal and "suspicious activity" and stopping terrorism was significant, with nearly one in three identified terrorist plots being stopped as a result of such criminal or suspicious activity investigations.[xix]

The UASI program is a key element to supporting the National Suspicious Activity Reporting Initiative

From 2006 to 2010, the San Francisco Bay Area allocated approximately $27 million in UASI funds toward information sharing and collaboration and infrastructure protection capabilities with much of that funding supporting the Northern California Regional Intelligence Center (NCRIC). In 2010, the FBI field office in San Francisco accepted 117 of the NCRIC's Suspicious Activity Reports (SARs) as having a potential terrorism nexus worthy of investigation. Of all the SARs with a terrorism nexus submitted to the FBI field office, 74% of them were provided by the NCRIC.[xx] In 2009, the Indianapolis Police Department conducted over 50 investigations related to terrorism and the Indiana Intelligence Fusion Center in Indianapolis received 128 tips and 1,182 requests for information pertaining to terrorism.

National Priority: *Implement the National Infrastructure Protection Plan*

Planning Scenario: *All Terrorism Scenarios*

Primary Target Capabilities: *Critical Infrastructure Protection*

3.7 The UASI program has been essential to strengthening security at critical infrastructure across the Nation. Before the UASI program, CIKR protection programs did not exist in the vast majority of America's urban centers. Today, virtually every Urban Area has some form of CIKR protection program built from the National Infrastructure Protection Plan framework. This involves thousands of sites including chemical facilities, water treatment plants, transportation systems, commercial facilities, nuclear plants, etc., and includes: Identifying critical infrastructure, cataloging critical infrastructure, assessing the risk to that infrastructure, developing plans to reduce that risk, procuring the needed personnel, equipment and training to implement those plans and exercises to test implementation.

Figure 10

Top 5 Funded CIKR Protection Equipment Areas

CIKR Protection Activities	Funding Estimate	Rank
Physical Security Improvements	$141,503,537	1
Surveillance Systems	$53,189,717	2
Assessments	$29,325,352	3
Security Teams	$22,444,410	4
Credentialing and Access Controls	$20,603,000	5

From 2003 to 2009 Urban Areas spent approximately $585 million in UASI funds to enhance the protection of critical infrastructure and key resources (CIKR). 67% of Urban Areas surveyed said they currently use UASI funds to either conduct or sustain CIKR assessment programs with 65% saying they use their critical infrastructure protection programs to help with special event security planning including major sporting events and other large public gatherings that could be targeted by terrorists. Figure 10 above outlines the top 5 funded UASI equipment areas from FY 2006 to FY 2009 related to CIKR protection.

Chicago's Operation Virtual Shield

In 2004, Chicago began building a state-of-the-art unified video surveillance network known as Operation Virtual Shield (OVS). Under the OVS network, Chicago has integrated more than 1,000 miles of fiber optic, copper and wireless systems from city departments and agencies back into the city's operations center. This includes the police, fire, aviation, streets and sanitation, transportation, the Chicago Public Schools, Chicago Housing Authority, Chicago Transit Authority, and Chicago Park District. These cameras provide first responders and homeland security officials with situational awareness at critical sites throughout the city to support operations before, during and after an emergency.[xxi]

Super Bowl XLIII in Tampa

In February 2009, for Super Bowl XLIII in the Tampa Urban Area, the incident command staff at the Tampa Police Department used a common operating picture based on its UASI funded commercial software investments to understand risks to the event as part of its planning process, integrate the roughly 60 local, state and federal agencies involved in securing the Super Bowl and monitor threats to facilities during the event.

3.8 The UASI program is a vital source of funding to increase medical and health preparedness. The terrorist attack on 9/11, the subsequent anthrax attacks later that year and the influenza pandemic (H1N1) of 2009 all highlighted the critical role of public health and medical agencies during emergencies and showed strengths and weaknesses in public health and medical's ability to respond during a potential crisis.

National Priority: *Strengthen Medical Surge and Mass Prophylaxis Capabilities*

Planning Scenario: *Pandemic Influenza*

Primary Target Capabilities: *Medical Surge, Mass Prophylaxis, Isolation and Quarantine, Medical Supplies Management and Distribution, Environmental Health, Laboratory Testing, and Emergency Triage and Pre-Hospital Treatment*

While the U.S. Department of Health and Human Services provides assistance to States and Urban Areas through multiple programs, such as the Cities Readiness Initiative, (CRI), the UASI program is the only federal preparedness program that requires multi-disciplinary and multi-jurisdictional planning and investing, which directly integrates public health and medical agencies with public safety agencies in the homeland security mission. This is evidenced by the fact that from 2003 to 2009 Urban Areas spent roughly $172 million in UASI funds on enhancing or sustaining medical and health capabilities. Those Urban Areas that invested UASI funding in medical and health capabilities often used risk and capability need data to make funding determinations and bypassed the temptation to view medical and health agencies as "taken care of" by other federal grant programs. Such an approach puts resources where they are needed as opposed to where they may be expected.

The combined resources of the UASI program, and other federal grants, have helped transform medical and health preparedness across Urban Areas. For example, in 2001 at the time of the anthrax attacks, major metropolitan areas did not have the ability to provide medicine to large portions of their population in the case of a bioterrorist attack. By 2007, those same major metropolitan areas, the vast majority of which are covered under the UASI program, are working to provide medicines to 100% of their population within 48 hours through planning, training and exercises.[xxii]

The Indianapolis Urban Area has spent $1.9 million on medical surge capabilities and developed an EMS software expansion project that began as a means of pre-hospital syndromic surveillance, but has evolved into a powerful tool for research, training, quality improvement, and disaster response. The region has also developed real-time epidemiological surveillance capabilities to monitor, track and interdict the spread of diseases and a mobile mass casualty forensics lab.

The Central Virginia Urban Area has procured mass-casualty response trailers and equipment which are strategically located throughout the region to respond to emergencies and trained 572 of the region's health and human services providers and volunteers in mass care operations. These and countless other investments in medical and health preparedness across Urban Areas continue to enhance capabilities and demonstrate the effectiveness of the UASI program as a cross cutting multi-discipline, multi-jurisdictional homeland security program.

4.0 Sustaining Capabilities

The Nation must sustain the capabilities developed through the UASI program. It takes time and resources to build capabilities and ultimately to sustain them. The capabilities developed through the UASI program have clearly made a significant difference in preparedness and security across the U.S. As noted previously, however, the preparedness cycle is not linear. Therefore, as long as the preparedness cycle is turning, the need to invest in it will continue.

The responsibility to prepare our Nation's Urban Areas, like the responsibility to protect this Nation, is a shared one. Urban Areas spend tens of billions of dollars each year to build and sustain the public health and safety infrastructure for much of the United States through law enforcement, fire service, public health, emergency medical and emergency management. This includes personnel, plans, equipment, training and exercises. The capabilities developed using UASI and other grant funds supplement local expenditures and allow Urban Areas to build toward capability levels designed to support federal missions, specifically, counter terrorism and catastrophic incident response. Without such funding, most Urban Areas would not have the resources to develop such high capability levels in the first place let alone sustain them.

*The UASI program has consistently been funded **below** its authorized funding levels.*

In November 2009, FEMA made a major policy shift and explicitly allowed UASI and other grant funds to be used to sustain the capabilities developed by the grant funds. This was a wise decision and one supported by the congressionally mandated Local, State, Tribal, and Federal Preparedness Task Force in its 2010 report to Congress, which called for the removal of any limitations on sustainment funding.[xxiii] There is no doubt that Congress and the Executive branch have an equity stake in the capabilities developed across Urban Areas that have been paid for by UASI funds. As such, sustaining these capabilities is clearly in the federal interest. However, in 2011, DHS removed 33 Urban Areas from the UASI program. The Department based its decision on the fact that Congress had reduced funding for the program by $162 million (18%) compared to 2010. The FY 2012 budget is under even greater pressure for cuts. It is not in the Nation's interest to see the capabilities built by the UASI program wither and eventually evaporate over time, which they will in the absence of a sustainment plan and funding. A national dialogue on sustaining the hard fought capabilities is critical to ensuring prior investments are not wasted.

As the Nation makes difficult fiscal decisions it's important to understand how UASI has been funded thus far relative to its authorized funding levels.[2] As outlined in Figure 11 below, the UASI program has been consistently funded *below* authorized levels since its authorization legislation became law.

FIGURE 11

UASI Funding – Authorization versus Appropriations

Fiscal Year	UASI Authorized Funding Level	UASI Actual Funding Level	Amount Below
FY 2008	$850,000,000	$820,000,000	-$30,000,000
FY 2009	$950,000,000	$837,500,000	-$112,500,000
FY 2010	$1,050,000,000	$887,000,000	-$163,000,000
FY 2011	$1,150,000,000	$725,000,000	-$425,000,000
FY 2012	$1,300,000,000	To Be Determined	To Be Determined

[2] Prior to FY 2008, the UASI program did not have an independent authorizing statute from which appropriations were based.

5.0 The Grant Process and "Funding Backlog"

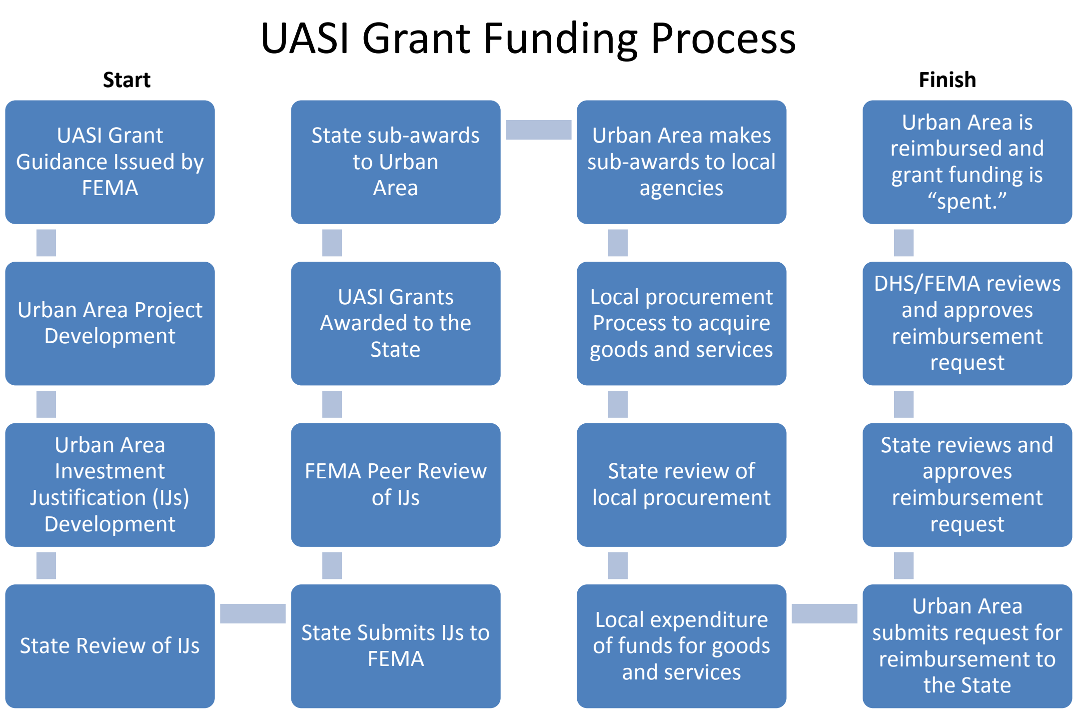
The UASI grant funds are being used in a timely and rational manner. There is no backlog or stalled funding. There is a growing misconception in certain quarters that the UASI grants are "unspent" or simply sitting idle in the Federal Treasury. Nothing could be further from the truth.

The UASI program is a reimbursement program. UASI grants are awarded annually and Urban Areas have three years to spend the money. When funding is awarded, the process is often complex, with the award going from DHS to the State in which the Urban Area resides and then to the Urban Area, etc. However, an award is not a check deposited by the State or Urban Area in the bank. More often it's simply a promise that funding is available and can be accessed once the Urban Area first spends its own money on the plans, equipment, training and exercises needed for homeland security. Once those purchases are approved and complete, the Urban Area can begin the process of seeking reimbursement. This overall process is outlined in more detail in Figure 12 below.

Even though Urban Areas are given three years by the federal government to seek reimbursement from FEMA, Urban Areas immediately obligate the funding "awarded" based upon their DHS approved regional security strategies. This means the funds are formally attached to projects through contracts and other mechanisms even if the money is not "spent," similar to any long term contract. The funds actually attached in most cases are local funds floated by the fiscal agent in the Urban Area in anticipation of being reimbursed later by the UASI grant.

Given these federal rules it should be no surprise that one year's funding cycle is still in the Treasury two years after it was awarded. Urban Areas should not and cannot pay millions of dollars for services or equipment not yet fully delivered, tested and installed. In fact, UASI dollars are spent faster than many other homeland security grant programs. When UASI funds are delayed it is often the result of federal policies, such as environmental and historic preservation regulations.

Figure 12



6.0 UASI Voices from Across America

"The UASI Program has made the difference in readiness for dozens of cities across the country, there is no question we are better prepared as a Nation because of this important program."

- Bill Anderson, Twin Cities

"UASI has fostered regional planning and collaboration to an extent that simply did not happen before the program. Planning regionally means better use of limited taxpayer resources."

- Julia Janka, Atlanta

"UASI is about giving First Responders – the police and firefighters and other emergency responders – the tools, equipment and training they need to meet the complex homeland security and public safety challenges we face in Twenty- First Century America."

- Teresa Serata, San Francisco

"The Nation is facing an unprecedented year of disasters with tornados, floods and wildfires – the tools we have received from the UASI Program are allowing us to better respond at the local level because of the skills and equipment acquired through the program."

- Captain Mike Corwin, Kansas City

"UASI is a relatively small part of the DHS and federal budget, but it has been critical to the ability of our metro areas to protect their populations, their economies and their infrastructure."

- Rocky Vaz, Dallas

"In an era when budgets at all levels are being slashed, we need to remind ourselves that keeping people and property safe is the first responsibility of local, state and federal government. "

- Robert Williams, New Orleans

Appendix A

2010 UASI Funding List (Urban Areas in red were dropped in 2011)

Albany Area	Miami/Fort Lauderdale
Anaheim/Santa Ana Area	Milwaukee Area
Atlanta Area	Nashville Area
Austin Area	National Capital Region
Bakersfield Area	New Orleans Area
Baltimore Area	New York City Area
Baton Rouge Area	Norfolk Area
Bay Area	Oklahoma City Area
Boston Area	Omaha Area
Bridgeport Area	Orlando Area
Buffalo Area	Oxnard Area
Charlotte Area	Philadelphia Area
Chicago Area	Phoenix Area
Cincinnati Area	Pittsburgh Area
Cleveland Area	Portland Area
Columbus Area	Providence Area
Dallas/Fort Worth/Arlington	Richmond Area
Denver Area	Riverside Area
Detroit Area	Rochester Area
District of Columbia (NCR)	Sacramento Area
El Paso Area	Salt Lake City Area
Hartford Area	San Antonio Area
Honolulu Area	San Diego Area
Houston Area	San Juan Area
Indianapolis Area	Seattle Area
Jacksonville Area	St. Louis Area
Jersey City/Newark Area	Syracuse Area
Kansas City Area	Tampa Area
Las Vegas Area	Toledo Area
Los Angeles/Long Beach Area	Tucson Area
Louisville Area	Tulsa Area
Memphis Area	Twin Cities

Appendix B
National Planning Scenarios

Scenario 1: Nuclear Detonation – 10-Kiloton Improvised Nuclear Device

Scenario 2: Biological Attack – Aerosol Anthrax

Scenario 3: Biological Disease Outbreak – Pandemic Influenza

Scenario 4: Biological Attack – Plague

Scenario 5: Chemical Attack – Blister Agent

Scenario 6: Chemical Attack – Toxic Industrial Chemicals

Scenario 7: Chemical Attack – Nerve Agent

Scenario 8: Chemical Attack – Chlorine Tank Explosion

Scenario 9: Natural Disaster – Major Earthquake

Scenario 10: Natural Disaster – Major Hurricane

Scenario 11: Radiological Attack – Radiological Dispersal Devices

Scenario 12: Explosives Attack – Bombing Using Improvised Explosive Device

Scenario 13: Biological Attack – Food Contamination

Scenario 14: Biological Attack – Foreign Animal Disease (Foot and Mouth Disease)

Scenario 15: Cyber Attack

Appendix C
Target Capabilities List

Common Capabilities
Planning
Communications
Community Preparedness and Participation
Risk Management
Intelligence and Information Sharing and Dissemination

Prevent Mission Capabilities
Information Gathering and Recognition of Indicators and Warning
Intelligence Analysis and Production
Counter-Terror Investigation and Law Enforcement
CBRNE Detection

Protect Mission Capabilities
Critical Infrastructure Protection
Food and Agriculture Safety and Defense
Epidemiological Surveillance and Investigation
Laboratory Testing

Respond Mission Capabilities
On-Site Incident Management
Emergency Operations Center Management

Respond Capabilities Cont.
Critical Resource Logistics and Distribution
Volunteer Management and Donations
Responder Safety and Health
Emergency Public Safety and Security
Animal Disease Emergency Support
Environmental Health
Explosive Device Response Operations
Fire Incident Response Support
WMD and Hazardous Materials Response and Decontamination
Citizen Evacuation and Shelter-in-Place
Isolation and Quarantine
Search and Rescue (Land-Based)
Emergency Public Information and Warning
Emergency Triage and Pre-Hospital Treatment
Medical Surge
Medical Supplies Management and Distribution
Mass Prophylaxis
Mass Care (Sheltering, Feeding and Related Services)
Fatality Management

Recover Mission Capabilities
Structural Damage Assessment
Restoration of Lifelines
Economic and Community Recovery

End Notes

[i] http://www.myfoxphoenix.com/dpps/news/domestic-terrorism-a-growing-threat-napolitano-warns-dpgonc-20110722-fc_14241928

[ii] U.S. Department of Homeland Security, National Preparedness Guidelines (2007), page 11.

[iii] Government Accountability Office, *Homeland Security: DHS' Efforts to Enhance First Responders' All-Hazards Capabilities Continue to Evolve*, GAO-05-652, July 2005, page 5.

[iv] U.S. Department of Homeland Security, *National Emergency Communications Plan* (July 2008), page 7.

[v] Statement for the Record of Greg Schaffer, Acting Deputy Under Secretary, National Protection and Programs Directorate, Department of Homeland Security, before the United States Senate Homeland Security and Governmental Affairs Committee (July 27, 2011), pages 6-7.

[vi] Institute for Homeland Security Solutions, *Building on Clues: Examining Successes and Failures in Detecting U.S. Terrorist Plots*, *1999-2009* (October 2010), page 6.

[vii] City of New York, Office of Emergency Management (2011).

[viii] Interview with the San Diego Office of Homeland Security (2011).

[ix] Federal Emergency Management Agency, National Preparedness Directorate, National Preparedness Assessment Division (2011).

[x] Federal Emergency Management Agency, National Preparedness Directorate, National Preparedness Assessment Division (2011).

[xi] Office for Bombing Prevention, Maritime IED Preparedness, Mine Warfare Conference (May 11, 2011), slide 6.

[xii] Federal Emergency Management Agency, National Preparedness Directorate, National Preparedness Assessment Division (2011).

[xiii] U.S. Fire Administration/Technical Report Series, *I-35W Bridge Collapse and Response, Minneapolis, Minnesota USFA-TR-166* (August 2007), pages 1, 3.

[xiv] Federal Emergency Management Agency, *Nationwide Plan Review, Fiscal Year 2010 Report to Congress* (July 15, 2010), page 10.

[xv] http://www.dhs.gov/files/programs/gc_1296484657738.shtm

[xvi] Statement of William J. Bratton, Chief of Police, Los Angeles Police Department, before the House Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment, Hearing on Radicalization, Information Sharing and Community Outreach: Protecting the Homeland from Homegrown Terror (April 5, 2007).

[xvii] U.S. Department of Homeland Security, *Short Term Critical Operational Capabilities, Gap Mitigation Strategy, Progress Report* (April 2011).

[xviii] Information Sharing Environment, Functional Standard, Suspicious Activity Reporting, Version 1.5, section 5i (May 2009).

[xix] Institute for Homeland Security Solutions, *Building on Clues: Examining Successes and Failures in Detecting U.S. Terrorist Plots*, *1999-2009* (October 2010), page 6.

[xx] Bay Area UASI, *Preliminary Report on UASI Grant Effectiveness in the Bay Area* (June 2011), page 46.

[xxi] http://www.cityofchicago.org/city/en/depts/oem/supp_info/chicago_s_cameranetwork.html

[xxii] *Public Health Preparedness: Mobilizing State By State*, A CDC Report on the Public Health Emergency Preparedness Cooperative Agreement (February 2008), page 12.

[xxiii] *Perspective on Preparedness: Taking Stock Since 9/11*, Local, State, Tribal, and Federal Preparedness Task Force (September 2010), page 46.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

One Region Moving Forward

October 12, 2011

Hon. Barbara A. Mikulski
U.S. Senate
503 Hart Senate Office Building
Washington, DC 20510

Dear Senator Mikulski:

The Metropolitan Washington Council of Governments (COG) Board of Directors asks that you carefully consider the significant benefits the Urban Area Security Initiative (UASI) provide to the National Capital Region. As you finalize FY 2012 federal appropriations, we strongly urge that Congress maintain the current funding levels of this essential program.

UASI is the principal federal grant program that helps region's prevent, protect against, respond to and recover from threats and acts of terrorism and other major hazards. In the National Capital Region, COG has been part of an unprecedented, tri-state, multi-jurisdictional and multi-sector coalition that strategically uses UASI resources to address federal and regional capability targets. We know that the UASI program has better prepared this region to respond to the broad range of hazards that have or may occur in the future.

The greatest share of investment in emergency preparedness and response comes from local and state resources. UASI, however, is the necessary catalyst to create a strong foundation for preparedness and response. An August 2011 study by the National Urban Area Security Initiative Association countered misconceptions that UASI funds have not been spent in a timely manner and outlined the need to sustain the capability gains made under the UASI program.

As you consider FY 2012 appropriations legislation, COG asks that you carefully consider the preparedness and response capacity created through the UASI program in the National Capital Region.

Please contact David Robertson, COG's executive director at 202-962-3260 or drobertson@mwcog.org if you would like additional information on the effectiveness of the UASI program or how it has strengthened regional capabilities in the National Capital Region.

Sincerely,

Andrea Harrison
Chairman, Board of Directors

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