

MAINE STATE LEGISLATURE

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"EFFECTING CHANGE"

PROPOSAL FOR A STATE DEPARTMENT OF HOUSING, ECONOMIC AND
COMMUNITY DEVELOPMENT

IF WE EVER NEEDED OUR MAINE STATE CHARACTERISTIC OF
"RESOURCEFULNESS" WE NEED IT NOW. THAT'S FOR CERTAIN.

TALKING ABOUT RESOURCEFULNESS REMINDS ME OF A STORY ABOUT
SOME MAINE COAST TOWNSPEOPLE SPYING A BODY COMING IN WITH THE
TIDE -- ALMOST UNRECOGNIZABLE BECAUSE IT WAS ALL COVERED WITH
CRABS AND LOBSTER AND STARFISH. THEY THOUGHT IT LOOKED LIKE
MAUDE PERKINS SO THE TOWNSPEOPLE RAN TO GET CHARLES PERKINS. "IS
THAT YOUR WIFE MAUDE?" THEY ASKED. CHARLES SAID "YEP, IT LOOKS
LIKE MAUDE." WELL, WHAT DO YOU WANT US TO DO WITH HER, CHARLIE?"
THEY ASKED. "WELL, SHE'S BROUGHT SUCH A GOOD CATCH -- I THINK
I'D JUST CLEAN HER OFF AND SET HER AGAIN." NOW, THAT'S MAINE
RESOURCEFULNESS.

THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROPOSES TO OPERATE ITS PROGRAMS WITH A NEW BUDGET
AUTHORITY REQUEST OF \$684 MILLION FOR FISCAL YEAR 1983. THAT'S
\$684 MILLION FOR 1983 -- COMPARED TO \$13.0 BILLION FOR FY 1982 --
AND \$33.4 BILLION FOR FY 1981. FROM OVER A \$33 BILLION BUDGET
AUTHORIZATION REQUEST TO A \$.7 BILLION REQUEST. AND THAT EXTREME
CHANGE TO 2% OF THE 1981 FIGURE IS SCHEDULED TO TAKE PLACE IN A
TWO YEAR PERIOD -- AND JUST IN HUD.

THERE IS NO QUESTION BUT THAT WE MUST ADAPT TO EXTREMELY CHANGED CIRCUMSTANCES. NOW WE LIKE TO THINK OF THE STATE OF MAINE AS INDEPENDENT FROM THE FEDERAL GOVERNMENT AND THOSE OF US WHO HAVE A VOICE OR A VOTE AT THE STATE LEVEL IN POLICYMAKING TAKE GREAT PRIDE IN PUSHING FOR "LOCAL CONTROL" OF DECISIONMAKING. IN FACT, MAINE IS RANKED 2ND OUT OF THE 50 STATE IN THE DEGREE OF LOCAL DISCRETIONARY AUTHORITIES GRANTED TO ITS MUNICIPALITIES WHILE MAINE'S COUNTIES RANK 20TH WITHIN THE 50 STATES.

THE STAE LEVEL HAS MADE THE DECISION TO ALLOW A MAXIMUM DEGREE OF LOCAL AUTONOMY. WE HAVE MADE THIS DECISION CONSCIOUSLY, INTENTIONALLY AND OUT OF STRENGTH.

AS JEANNE AND DAVID WALKER POINT OUT: "THE ACID TEST OF THE STATES' REAL STRENGTH LIES IN THE RELATIONSHIP WITH THEIR OWN LOCALITIES. THE STATES, AFTER ALL, ARE THE CHIEF ARCHITECTS, BY CONSCIOUS OR UNCONSCIOUS ACTION OR INACTION, OF THE WELTER OF SERVICING, FINANCIAL AND INSTITUTIONAL ARRANGEMENTS THAT FORM THE SUBSTATE GOVERNANCE SYSTEM OF THIS NATION."

WE HAVE GIVEN OUR COMMUNITIES A SUBSTANTIAL DEGREE OF CONTROL OVER THEIR OWN FUTURES. BUT IN SO DOING, HAVE WE DESIGNED THE BEST STRUCTURES AT THE STATE LEVEL -- STRUCTURES THAT REDUCE TO A MINIMUM -- INTERGOVERNMENTAL CONFUSION -- AND ALLOW OUR TOWNS TO MANAGE THEIR OWN AFFAIRS -- AS WELL AS CORRECT DEFICIENCIES AND PROVIDE OPPORTUNIITES FOR BETTR JOBS AND IMPROVED HOUSING?

AS WAS SUGGESTED YESTERDAY, PERHAPS A STRONGER PARTNERSHIP BETWEEN THE STATE AND THE MUNICIPALITIES IS NOW IN ORDER, BUT WITH A CONTINUED ROLE FOR THE FEDERAL GOVERNMENT.

THE FEDERAL GOVERNMENT IS GOING TO HAVE TO CONTINUE TO ASSUME THE BASIC RESPONSIBILITY FOR ECONOMIC POLICY SINCE IT CONTINUES TO EXERT CONTROL OVER INTERNATIONAL TRADE POLICY, INTEREST RATES, CREDIT AVAILABILITY, FULL EMPLOYMENT. THEREFORE, IT WOULD SEEM APPROPRIATE TO ASK FOR CONTINUED FUNDING OF SOCIAL WELFARE PROGRAMS AT THE FEDERAL LEVEL (SINCE THE NUMBR ON WELFARE IS MOSTLY DETERMINED BY THE FEDERAL ECONOMIC POLICY. AND IT WOULD ALSO SEEM APPROPRIATE TO CONTINUE FUNDING TO DISTRESSED AREAS OF THE COUNTRY FROM THE FEDERAL LEVEL FOR HOUSING, ECONOMIC AND COMMUNITY DEVELOPMENT TO HELP STABILIZE THE ECONOMY.

A NEW OR MORE STRONGLY FORGED STATE-LOCAL PARTNERSHIP COULD THEN ASSUME RESPONSIBILITY FOR FUNDING OF EDUCATION, NON-INTER-STATE HIGHWAYS, LAW ENFORCEMENT AND FIRE PROTECTION. THIS NEW STATE-LOCAL PARTNERSHIP COULD ALSO FUND SOME STATE PROGRAMS FOR HOUSING, ECONOMIC AND COMMUNITY DEVELOPMENT IN ADDITION TO SUCH SERVICES FUNDED BY THE FEDERAL LEVEL IN PARTICULARLY "DISTRESSED" AREAS.

BUT THE U.S. ECONOMIC DEVELOPMENT ADMINISTRATION IS THREATENED WITH EXTINCTION AND HOUSING MONIES HAVE BEEN EFFECTIVELY ELIMINATED AND EVEN IF ALL OF THESE DRASTIC SUDDEN CHANGES -- IF THIS CRISIS SIT WERE NOT TAKING PALCE -- OUR TOWNS WOULD STILL HAVE TO LOOK MORE TO THE STATE FOR NEW REVENUE SOURCES (SUCH AS THE "MENARIO" SALES TAX).

BECAUSE THE OLD RELIABLE DISCRIMINATORY PROPERTY TAX HAS REACHED ITS LIMIT, THE OLD, SOMEWHAT ADVERSARIAL RELATIONSHIP BETWEEN THE STATE AND THE TOWNS IS NO LONGER APPROPRIATE. FOR

THE MOST EFFECTIVE RELATIONSHIP, IT IS CRITICALLY IMPORTANT THAT WE CLEARLY DEFINE THE SPECIFIC STATE/LOCAL RESPONSIBILITIES. I WOULD SUGGEST THAT RESPONSIBILITIES OF THE STATE SHOULD BE (1) TO MAKE CERTAIN THE TOWNS HAVE THE TOOLS TO DO A BETTER JOB, (2) TO ASSIST COMMUNITIES IN RESOLVING THEIR MOST SERIOUS PROBLEMS, (3) TO FORMALIZE AN ADEQUATE ROLE FOR LOCALITIES IN STATE DECISIONMAKING (4) TO REACH OUT AND HELP COMMUNITIES ADAPT TO CHANGING CONDITIONS.

IN ADAPTING TO THE CHANGING FEDERAL ROLE AND TO A STRONGER STATE/LOCAL PARTNERSHIP ARE THERE CHANGES THAT NEED TO BE MADE AT THE STATE LEVEL? CAN WE UPDATE AND MODERNIZE OUR ORGANIZATION OR SIMPLIFY IT TO MAKE THE STRUCTURE MORE WORKABLE? CAN WE IMPROVE UPON THE TECHNICAL ASSISTANCE AND INFORMATION AVAILABLE TO COMMUNITIES? CAN WE FACILITATE THE DECISION-MAKING PROCESS? CAN WE SIMPLIFY THE ORGANIZATION?

LET US LOOK AT MAINE STATE GOVERNMENT TODAY AND ITS DELIVERY AND FORMULATION OF POLICY FOR HOUSING, ECONOMIC AND COMMUNITY DEVELOPMENT.

FIRST OF ALL USING HOUSING AS AN EXAMPLE: HOUSING SERVICES ARE INCLUDED MAINE STATE HOUSING AUTHORITY, COMMUNITY SERVICES ADMINISTRATION, OFFICE OF ENERGY RESOURCES, P.U.C., BUREAU OF MAINE'S ELDERLY, LOCAL HOUSING AUTHORITIES, AND THE STATE PLANNING OFFICE.

AND IN ECONOMIC DEVELOPMENT PARTICULARLY THE LIST OF SERVICE PROVIDERS SEEMS ENDLESS.

So -- ONE SUGGESTION AS A POINT OF DEPARTURE FOR IMPROVING THE ORGANIZATION MIGHT BE: TO CREATE A DEPARTMENT OF HOUSING, ECONOMIC, AND COMMUNITY DEVELOPMENT -- FROM THE LARGE NUMBER OF AGENCIES WHICH NOW HAVE PROGRAMS IN THESE AREAS -- SO THAT THE COMMUNITIES OF MAINE CAN HAVE A DEPARTMENT WHICH TRULY FOCUSSES ON THEIR NEEDS AND THEIR RELATIONSHIP WITH THE STATE.

LOCATION OF EXISTING & NEW PROGRAMS IN NEW DEPARTMENT BUREAUS

EXISTING PROGRAMS

MAINE GUARANTEE AUTHORITY WITH ITS--

1. MORTGAGE INSURANCE PROGRAM
2. MUNICIPAL REVENUE BOND PROGRAM
4. COMMUNITY INDUSTRIAL BUILDINGS PROGRAM

MAINE STATE HOUSING AUTHORITY

STATE DEVELOPMENT OFFICE

1. INDUSTRIAL DEVELOPMENT
2. BUSINESS ASSISTANCE AND RETENTION
3. COMMUNITY DEVELOPMENT
4. WORLD TRADE
5. TOURISM PROGRAMS

PORTIONS OF THE STATE PLANNING OFFICE INCLUDING:

1. TECHNICAL ASSISTANCE TO REGIONAL AND MUNICIPAL GOVERNMENTS
2. ADMINISTRATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANTS

DIVISION OF COMMUNITY SERVICES BY EXECUTIVE ORDER ONLY EXISTS TO ADMINISTER FEDERAL PROGRAMS

1. POVERTY PROGRAMS
2. WINTERIZATION PROGRAM
3. OMBUDSMAN AGAINST STATE OFFICIALS
4. ENERGY ASSISTANCE PROGRAM

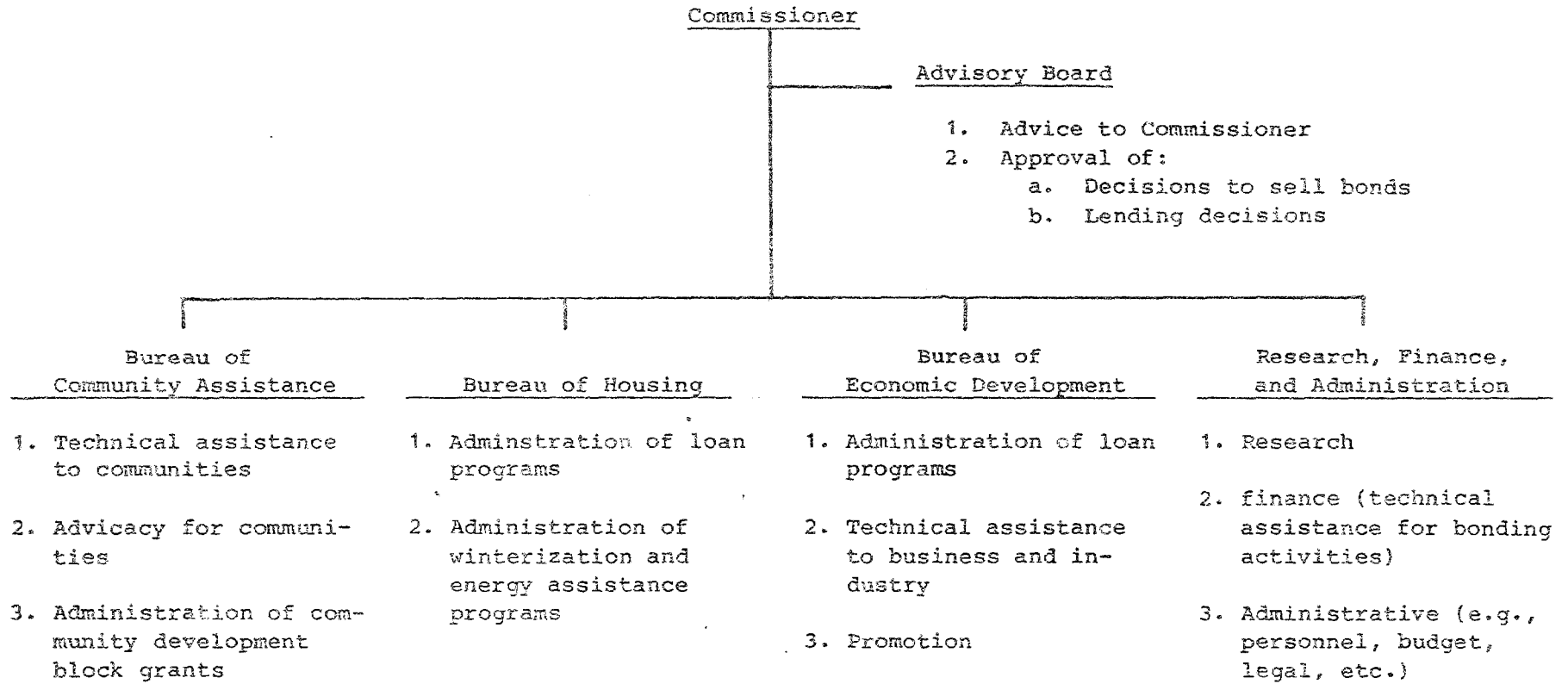
SMALL BUSINESS LOAN AUTHORITY BOARD

VETERAN'S SMALL BUSINESS LOAN AUTHORITY BOARD

NEW PROGRAMS

1. EXPANDED TECHNICAL ASSISTANCE TO COMMUNITIES
2. ADVOCACY FOR COMMUNITIES IN DEALING WITH EXECUTIVE AGENCIES

The organization of a Department of Housing, Economic & Community Development



I WOULD EXPECT THE GOVERNOR TO WORK VERY CLOSELY WITH THIS DEPARTMENT AND TO CONTINUE DIRECT INVOLVEMENT IN ECONOMIC DEVELOPMENT.

THE NEW DEPARTMENT WOULD BE AN APPROPRIATE ADMINISTRATOR OF THE COMMUNITY DEVELOPMENT BLOCK GRANTS. THESE HOUSING, ECONOMIC DEVELOPMENT AND REVITALIZATION DOLLARS JUST NOW ADMINISTERED BY OUR STATE PLANNING OFFICE INCLUDE ONLY OUR SMALLER MUNICIPALITIES, BUT OUR LARGEST CITIES (PORTLAND, BANGOR, LEWISTON AND AUBURN) CAN EXPECT TO BECOME PART OF THE COMPETITION IN THE FUTURE. IN MY OPINION, THE S.P.O. SHOULD REMAIN SEPARATE AND DISTINCT FROM THE NEW ADMINISTRATIVE UMBRELLA DEPARTMENT -- SO THAT IT CAN LOOK AT STATE GOVERNMENT AS A WHOLE -- AND THEREFORE THE S.P.O. WOULD BE INAPPROPRIATE IN THE LONG RUN TO CONTINUE AS THE ADMINISTRATOR OF THE COMMUNITY DEVELOPMENT BLOCK GRANT COMPETITION.

(WOULD YOU AGREE THAT (1) THE COMMUNITY DEVELOPMENT BLOCK GRANTS ARE PROBABLY HERE TO STAY FOR SOME TIME AND (2) THAT THE S.P.O. IS MOST APPROPRIATELY AN INTERIM ADMINISTRATOR?)

SOME OF THE OTHER ROLES FOR SUCH A DEPARTMENT THAT COME QUICKLY TO MIND ARE: TO COORDINATE WITH OTHER STATE DEPARTMENTS -- MOST OF WHICH ARE EXTREMELY IMPORTANT TO THE COMMUNITIES: DEPT. OF LABOR, DEPT. OF TRANSPORTATION, DEPT. OF EDUCATION, DEPT. OF ENVIRONMENTAL PROTECTION.

TO COORDINATE WITH THE FEDERAL GOVERNMENT FARMERS HOME, U.S. DOL, DEPT. OF COMMERCE, E.P.A.

A THIRD ROLE IS THE ESSENTIAL ONE OF ADVOCACY.

A FOURTH IMPORTANT ROLE IS TO ALERT THE TOWNS TO NEW LAWS: SUCH AS RECENT CHANGES IN THE M.G.A. LAW CONCERNING MUNICIPAL REVENUE BONDS, THE BRAND NEW CHANGES IN THE HOUSING LAWS WHICH ALLOW LOCAL HOUSING AUTHORITIES NOW TO ISSUE REVENUE BONDS WITH THE APPROVAL OF THE MUNICIPAL GOVERNING BODY, AND RECENT CHANGES IN THE MAINE STATE HOUSING AUTHORITY LAW.

OBVIOUSLY, THE SUGGESTED NEW DEPARTMENT OF HOUSING, ECONOMIC & COMMUNITY DEVELOPMENT COULD BE IMPROVED UPON BUT IT IS A START IN LOOKING FOR A BETTER STATE/LOCAL RELATIONSHIP IN HOUSING & ECONOMIC DEVELOPMENT -- AND IN PROVIDING FOR A FOCUS FOR THE COMMUNITITES.

I BELIEVE WE NEED TO FOCUS MORE ON OUR STATE/LOCAL RELATIONSHIP -- OUR DESTINIES ARE INSEPARABLE. THERE MUST BE ALSO A CONTINUING FEDERAL ROLE IN HOUSING, ECONOMIC AND COMMUNITY DEVELOPMENT SINCE THEIR ADEQUACY IS SO CLOSELY LINKED TO NATIONAL ECONOMIC POLICY. IT IS CLEAR THOUGH -- THAT THE FEDERAL ROLE IS CHANGING -- AND CHANGING DRAMATICALLY, WHETHER WE LIKE THE CHANGES TAKING PLACE OR NOT. WE ARE IN A FUNDING CRISIS SITUATION (PARTICULARLY IN HOUSING & ECONOMIC DEVELOPMENT AND IN THE GENERAL IMPACT ON THE COMMUNITIES RESULTING FROM THE LOWERED FEDERAL FUNDS AND LACK OF OTHER REVENUE SOURCES (AT LEAST UNTIL THE "MENNARIO TAX" GETS LEVIED). THIS IS THE TIME TO EFFECT POSITIVE CHANGE AT THE STATE LEVEL -- FOR THE LONG RUN -- AND AT THE SAME TIME PROVIDE FOR SURVIVAL THROUGH THE PRESENT FUNDING CRISIS!