



CITY OF JANESVILLE

Wisconsin's Park Place

March 18, 2021

Mr. Robert S. Fairweather
Acting Director
Office of Management and Budget
1650 Pennsylvania Ave NW
Washington, DC 20504

Mr. Dominic J. Mancini
Deputy Administrator
Office of Information and Regulatory Affairs
725 17th Street NW
Washington, DC 20503

RE: Proposed Metropolitan and Micropolitan Statistical Area Changes [Docket ID No. OMB-2021-0001]

Dear Director Fairweather and Administrator Mancini:

I am communicating on behalf of the City of Janesville to express our concern with the Metropolitan and Micropolitan Statistical Area Standards Review Committee's recommendation that the minimum urban area population to qualify as a Metropolitan Statistical Area (MSA) should be increased from 50,000 to 100,000. The Committee has stated that: *"OMB establishes and maintains these areas solely for statistical purposes... (and) these areas are not designed to serve as a general-purpose geographic framework applicable for nonstatistical activities or for use in program funding formulas."* However, the OMB's definition of MSA directly correlates with many program funding formulas. As a City with an urbanized area of 70,032, these changes – while statistical in nature – could have a profound and detrimental impact on community development, housing, economic development, and transportation investment in the Janesville area during a time of historic economic recession.

The City of Janesville is concerned about the potential unintended consequences of the MSA downgrade to a Micropolitan Statistical Area. These concerns are categorized below by topic area.

- A) **Housing & Community Development:** Federally-backed housing and community development programs are critical to assist Janesville's citizens and to support the local economy. These programs are essential in countless communities across the country, including Janesville. These programs help revitalize neighborhoods, encourage home ownership, improve housing quality, promote fair housing opportunities, enhance employment opportunities, and provide low and moderate-

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income residents with decent, safe, and affordable housing.

In 2021, the City will receive \$493,038 in CDBG funding, and Rock County will receive a HOME Investment Partnership Program allocation of \$673,828. Additional COVID-19 relief was also allocated to Janesville based on the City's eligibility for CDBG funds. It is very common for State and Federal Grant applications to require statistical information based upon MSA figures, so it is very possible that this change could have the unintended consequence of negatively impacting our community's ability to receive critical state and federal funding.

- B) **Economic Development:** As an MSA, the City of Janesville benefits from the additional statistical information that is derived from Census Data. This data is used extensively to demonstrate analytical measures such as housing demand, labor/workforce needs and commuting patterns. As a specific example, the targeted data provides Janesville with Metro to Metro commuting patterns to evaluate the City's geographic positioning between the Rockford, Madison and Milwaukee metro areas. Data derived by the Census Bureau for an MSA is key to illustrating to prospective companies that labor is available for their businesses to locate within our community. Elimination of the current MSA threshold of 50,000 people will have a significant impact on Janesville's ability to strategically market itself.
- C) **Transportation:** The City of Janesville appreciates the Committee's clarification to the Association of Metropolitan Planning Organizations (AMPO) that the proposed change to the minimum population threshold for MSAs does not change the population threshold for "urbanized areas," the geography which determines MPO designation. The City recognizes and acknowledges that the authority for any change to Urbanized Area (UZA) boundaries and thresholds rests with the U.S. Census Bureau.

Nevertheless, the change in MSA population threshold presents a significant threat to the MPO designation of smaller urbanized areas during a year in which a major federal highway reauthorization bill is expected. Should the Census Bureau reclassify the population thresholds for urbanized areas, the Janesville Area may lose eligibility for formula-obligated Surface Transportation Program Funding (\$586,773 annual) and obligated transportation planning funds (\$210,000 annual).

The more direct impact of the MSA re-designation on transportation can be seen in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, in which urban transit systems were the beneficiary of federal operating assistance. The emphasis on the population threshold of 50,000 vs. 100,000 for urbanized designations is also apparent in the *American Rescue Plan Act*, where municipalities of over 50,000 in population received a considerably larger amount of federal assistance. Janesville may well have

been at a significant disadvantage in receiving much needed federal stimulus aid without the MSA designation.

The City of Janesville urges the OMB to reject the Committee's recommendation to increase the minimum urban area population. This change could result in the loss of considerable federal program funding the City relies upon to address the overall economic health and well-being of the community.

Thank you for the opportunity to comment on this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Freitag". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark A. Freitag
City Manager

CF: John Beckord, President, Forward Janesville, Inc.
Jennifer Hall, City of Beloit Economic Development Director
James Otterstein, Rock County Economic Development Manager