

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adopting Shoreline's Federal Legislative Agenda		
DEPARTMENT:	City Manager's Office		
PRESENTED BY:	Debbie Tarry, City Manager		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

On April 26 the Mayor and City Manager will have several appointments with Federal Legislators to discuss issues and policy that are important to the City. In preparation for those meetings staff is presenting a list of Federal Legislative Priorities for Council's consideration. The priorities will guide the April discussion with the Federal Legislators.

The Legislative Agenda includes priorities for policy, infrastructure funding, tax policy, and identifying policy and initiative positions that align with Council's adopted policies. Tonight Jake Johnston, the City's Federal Lobbyist, will also be in attendance to discuss and present the proposed legislative agenda.

On March 21, 2018, Congress approved a federal spending plan, and on Friday, March 22, President Trump signed the spending plan. Within the spending plan, Congress provided funding that will help cities provide services and address significant transportation infrastructure. Some of this was somewhat unexpected, but very welcome. Highlights include increased funding for the Community Development Block Grant Program, increased funding in the TIGER Grant Program, and the inclusion of \$2.6 billion in funding for the Federal Transit Administration's Capital Investment Grant Program, which is a critical funding sources for Sound Transit in completing the Lynnwood Link Extension (LLE).

RESOURCES/FINANCIAL IMPACT:

This item has no direct financial impact.

RECOMMENDATION

No action is required tonight. Council should discuss the recommended Legislative Agenda and provide feedback. Council is scheduled to adopt the Federal Legislative Agenda on April 16.

Approved By: City Manager **DT** City Attorney **MK**

DISCUSSION

The City's Federal Lobbyist, Jake Johnston, is in the process of setting appointments with a wide-variety of Federal Legislators who are responsible for policy and budget issues that are important to the City. The following is a list of those that we hope to have appointments with on April 26.

- Senator Patty Murray
- Senator Maria Cantwell
- Representative Pramila Jayapal
- Representative Rick Larsen
- Director of the Washington, D.C. Office of Governor Jay Inslee
- Federal Transit Agency at the U.S. Department of Transportation
- Representative Suzan DelBene
- Representative Derek Kilmer

Shoreline's Top Priorities

- 1. Support the federal funding commitment for Lynnwood Link Light Rail expansion:** Sound Transit is seeking \$1.17 billion (38% federal share) Full Funding Grant Agreement from the Federal Transit Administration's (FTA) Capital Investment Grant (CIG) program for the Lynnwood Link Extension. The Trump Administration proposed to eliminate the federal funding commitment for the Lynnwood Light Rail extension, although the federal spending plan recently approved by Congress restores the funding for the Capital Investment Grant program. Congress included \$2.6 billion in funding for the FTA's CIG program, including \$400 million for projects that are expected to enter into full funding agreements this year, precisely where the Sound Transit LLE project will be.
- 2. Create a new federal program to fund infrastructure for medium sized cities:** As federal support for infrastructure diminishes, large projects are getting the lion's share of investments. Cities like Shoreline face the same growth and infrastructure needs as larger cities but lack access to federal funding programs to achieve their goals. The city supports the creation of a new competitive federal program for cities under 100,000 in population size that face significant growth or transit investments.
 - The City has an adopted six-year Parks, Recreation and Open Space Plan with \$91.5 million of unfunded projects and a six-year Transportation Improvement Plan with \$60 million of unfunded projects. This does not include any projected design or construction costs related to future projects such as the 175th and 185th Street corridors.
- 3. Request funding for 145th in any federal infrastructure bill:** The Trump Administration and congressional leadership in both parties have endorsed the need for a federal infrastructure bill. The City will lobby the delegation to make sure that any bill has funding options for the City of Shoreline.
 - 145th from SR-522 to the I-5 Intersection is part of the voter approved ST3 package for Bus Rapid Transit. The City's preferred conceptual design estimated improvement costs at \$82 million. Sound Transit is in the design

process for this section of the 145th Corridor. The City anticipates that there may be gaps between the City's preferred design and the ST3 Bus Rapid Transit final design.

- The current cost estimate to improve the 145th/I-5 Interchange is \$27.7 million and improvements from I-5 to Corliss (east of SR-99) is estimated at \$24.7 million.

- 4. Support a permanent authorization of the TIGER Program:** The TIGER (Transportation Investment Generating Economic Recovery) discretionary grant program is an important federal infrastructure funding program and a key priority of Senator Patty Murray. In the recently adopted federal spending plan, Congress tripled the size of the TIGER Grant Program and added \$1 billion in funding

The City would like to see the TIGER Program amended so that there is a portion set-aside to fund projects for small and medium sized cities. The TIGER program is the key federal funding program for local infrastructure investments. Yet, all cities compete within the same funding pool, putting small and medium sized cities at a competitive disadvantage for funding even as the transit and commuter challenges are similar to those of larger communities. There are efforts in Congress to create funding tiers so that cities of similar size have better access to federal funds.

Given the additional funding provided in the spending bill, this should be an opportunity for cities to compete for critical transportation infrastructure projects such as development of complete streets and walkable communities, transportation infrastructure such as corridor improvements for transit investments, and access to transit improvements. We will be looking to see how this program could be utilized for the City.

- 5. Support the 2018 Internet Sales Tax bills:** The Marketplace Fairness Act (S 976 in the Senate) and Remote Transactions Parity Act (HR 21983 in the House). These bills would create a level playing field for sales tax collection and allow cities to collect existing sales tax. Although the Washington State Legislature has taken steps to address this issue on a state level, the issue should be addressed by the federal government. Currently the City of Shoreline is not collecting the full portion of sales tax it is due on sales that take place online. Congress has the opportunity to act on this issue this year, following the passage of the Municipal Tax Fairness bill through the Senate in 2016 with bipartisan support. In Washington State, the estimate for uncollected sales tax revenue is \$650 million in local sales tax and almost \$1.3 billion over the next five years. The estimated net local sales tax gain for the City of Shoreline is nearly \$1.8 million from 2018 through 2023.

- 6. Continued Support for Community Development Block Grant (CDBG) Funding:** The City of Shoreline utilizes CDBG funding to support a variety of local initiatives that benefit the City's vulnerable population. Although the CDBG account was proposed for elimination by the Trump Administration, Congress increased funding for the CDBG Program for the first time since 2010, adding an additional \$300 million – roughly a 30% increase over the previous level. As a direct recipient of these funds, we'll want to follow the allocation carefully to insure that funding comes

to support Shoreline recipients. We will also want to thank our delegation for their support in increasing the CDBG funding level. The City received \$280,000 in CDBG funding in 2017.

Other Legislative Issues Important to the City

- 1. Preserve tax-exempt municipal bonding authority:** This funding mechanism has been severely diminished as a part of the tax cut passed in late 2017. Shoreline should support H.R. 5003 which would reinstate advance refunding bonds
- 2. Restore the state and local income tax deduction:** This funding mechanism has been severely diminished as a part of the tax cut passed in late 2017. This tax deduction is critical for communities in states like Washington without an income tax. There are expected to be efforts in 2018 to restore this critical provision that was eliminated in the 2017 tax package signed into law by President Trump.
- 3. Support a refundable tax credit for Green Stormwater infrastructure:** In the past, Washington State Representatives Derek Kilmer and Denny Heck introduced legislation that would provide a federal tax credit to organizations and private citizens to recoup the costs of installing and maintaining green stormwater management systems. While this legislation is not currently introduced in Congress, if passed it would incentivize water quality treatment in Shoreline for private property owners.
- 4. Oppose any effort to deny federal funding to “sanctuary” cities:** The City of Shoreline has stood up to affirm its status as a welcoming city where all of its citizens can be safe. Currently, many State Attorney Generals have sued the Trump Administration over the proposed policy to reduce federal grant funding for ‘sanctuary’ cities. The city should support this effort and urge its delegation to support welcoming communities.
- 5. Support the Affordable Housing Credit Improvement Program:** Senator Maria Cantwell is leading a bipartisan effort in Congress to expand the Low-Income Housing Tax Credit by 50 percent, while making the program more flexible for local jurisdictions. Our community faces a tremendous housing crisis and affordable housing remains a significant concern for residents.

The Housing Credit is a proven solution to address this growing problem by increasing the supply of quality, affordable rental housing. For 30 years, it has been a model public-private partnership program, bringing to bear private sector resources, market forces, and state-level administration in order to give low-income families, seniors, veterans, and people with disabilities access to homes they can afford.

RESOURCES/FINANCIAL IMPACT

This item has no direct financial impact.

RECOMMENDATION

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ATTACHMENTS

Attachment A: Draft 2018 Federal Legislative Priorities



DRAFT 2018 Shoreline Federal Legislative Priorities

- 1. Support the federal funding commitment for Lynnwood Link Light Rail expansion:**
 - Sound Transit is seeking \$1.17 billion (38% federal share) Full Funding Grant Agreement from the Federal Transit Administration's Capital Investment Grant program for the Lynnwood Link Extension.
- 2. Create a new federal program to fund infrastructure for medium sized cities.**
 - Create a new competitive federal program for cities under 100,000 in population size that face significant growth or mass transit investments.
- 3. Support a permanent authorization of the Transportation Investment Generating Economic Recovery (TIGER) grant program.**
 - Request a set aside of a portion of TIGER funding for small and medium sized cities.
- 4. Funding for the 145th Corridor from SR-522 to SR-99.**
- 5. Support the 2018 Internet Sales Tax bill which is the Marketplace Fairness Act (S 976 in the Senate) and the Remote Transactions Parity Act (HR 2193 in the House).**
- 6. Continued Support of Community Development Block Grant (CDBG) Funding.**

Other Legislative Issues Important to the City

1. Preserve tax-exempt municipal bonding authority. Support HR 5003 which would reinstate advance refunding bonds.
2. Restore the state and local income tax deduction.
3. Support Green Stormwater Infrastructure initiatives
4. Oppose any effort to deny federal funding to "Sanctuary" cities.
5. Support the Affordable Housing Credit Improvement program.