

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Action on the 2023 Federal Legislative Priorities		
DEPARTMENT:	City Manager's Office		
PRESENTED BY:	Jim Hammond, Intergovernmental Program Manager		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input checked="" type="checkbox"/> Motion
	<input type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

This staff report discusses the City's proposed 2023 Federal Legislative Priorities ("Priorities"; Attachment A). For 2023, staff proposes a focus on federal funding for capital projects while laying the groundwork for longer-term transportation policy changes that would likely come to fruition in the next Transportation Authorization bill, which is estimated to move through Congress in the 2026 session. In pursuing both long- and short-term goals, the City has consistently prioritized the success of light rail station area improvements to fully leverage the value of Lynnwood Link, which is scheduled to open in 2024.

These identified federal priorities are complementary with state and regional priorities, ensuring that the City's key messages are clear and consistent across all audiences. In addition, the proposed priorities encourage Congress to tackle pressing federal challenges that line up with Shoreline's values, such as sustainability, addressing climate change, racial and gender equality, the enhancement of community and economic development, and other important social goals.

Tonight, Council is scheduled to discuss and take potential action on the proposed 2023 Federal Legislative Priorities. As per Council Rule of Procedure 6.1.B, as the proposed 2023 Federal Legislative Priorities is an action item before the City Council for the first time and is not part of the Consent Calendar, public comment will follow the staff presentation of this item but precede Council discussion and potential action.

RESOURCES/FINANCIAL IMPACT:

This item has no direct financial impact.

RECOMMENDATION

Staff recommends that the City Council both discuss and move to adopt the 2023 Federal Legislative Priorities.

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

BACKGROUND

This staff report discusses the City's proposed 2023 Federal Legislative Priorities. For 2023, staff proposes continued advocacy for transportation funding policies that support station area investments that connect to light rail, including non-motorized access projects and the 145th Street Corridor. The City has long prioritized the success of light rail station area improvements to fully leverage the value of Sound Transit's Lynnwood Link Extension Light Rail Project, which is scheduled to open in 2024.

These identified federal priorities are complementary with state and regional priorities, ensuring that the City's key messages are clear and consistent across all audiences. In addition, the proposed priorities encourage Congress to tackle pressing federal challenges that line up with Shoreline's values, such as sustainability, addressing climate change, equity and social justice issues, the enhancement of community and economic development, and other important social goals.

This staff report outlines a proposed strategy for the City to pursue in 2023 that addresses the identified priorities and builds the relationships necessary for success. The Mayor, City Manager, Intergovernmental Program Manager, and the City's federal lobbyist will be advocating with the City's Federal Legislative Delegation in March 2023, to promote these priorities.

DISCUSSION

Staff proposes the attached draft 2023 Federal Legislative Priorities ("Priorities"; Attachment A) for Council for review and potential approval. While these issues constitute the defined recommended federal agenda for the City of Shoreline, staff and consultants will respond to any opportunities as they arise from Congress.

Additionally, staff follow the work being done by partner agencies and organizations and will levy support when and where appropriate. Some of these organizations include neighboring cities, the Association of Washington Cities, Sound Cities Association, the Puget Sound Regional Council, and King County, among others.

The items listed below generally track the summarized Priorities and provide additional information and context:

2023 Proposed Priorities

This proposed scope of work builds on the City's recent work and continues to build support in 2023 and for longer-term initiatives in the years ahead. These items are listed in priority order.

1. Bringing Federal Funding to the City's Top Infrastructure Priorities

As Members of Congress restored earmarking authority last year, the City has ample opportunity to position its priority projects for federal support. In 2022, the City secured House support for \$4 million for the 148th Street Pedestrian Bridge project.

In 2023, the City is poised to work with the federal delegation regarding the City's capital projects and position them for federal support and a possible earmark in 2024. We will make a decision about which projects to put forward for funding and ensure that the City has numerous projects in play to be considered for federal funding support.

2. Pursuing a RAISE Grant for the Pedestrian Connections to the 148th Street Light Rail Station

Since the RAISE grant was created in 2009 until 2022, first as TIGER and then as BUILD, no city in Washington State below 100,000 in population size had been awarded funds. The City of Shoreline has been participating in the effort to designate a portion of RAISE grant funding for medium-sized cities between 10,000 and 75,000 in population. In 2021, as a part of the Bipartisan Infrastructure Law, the RAISE grant criteria was changed so that half the funds were designated for cities below 200,000 in population size. As a result, in 2022, two medium-sized cities in Washington State (Lynnwood and Bothell) were awarded RAISE grants.

Given this change, the City of Shoreline is planning to submit a RAISE grant in 2023 in the amount of \$25 million to complete work in the 145th Street Corridor, as well as the westside pedestrian connections to the 148th Street Light Rail Station.

3. Transportation, Climate and Infrastructure Programs and Funding

Congress and President Biden enacted the Bipartisan Infrastructure Law in December 2021 and the Inflation Reduction Act in August 2022. These two bills will provide dozens of grants and program funding opportunities for the City of Shoreline. As the funding programs are created and implemented, the City will evaluate these programs to determine if they are viable funding sources for the City's needs and priorities. As with other programs, the City has substantial concerns that these national grant programs also disadvantage medium-sized cities, absent a specific set aside so that cities of similar size compete on equal ground.

Several proposals in both measures have new programs identified for competitive grant funding (see below for a selected list). Influencing how these programs are developed by the agencies and ensuring they are set up in ways that make Shoreline's projects accessible and competitive will be a top priority. Each of these new programs provide an opportunity for the City to position projects and compete for funding. The City will work to modify the Infrastructure grant programs to create a medium-sized city set aside and to ensure that program criteria meet the needs of the City of Shoreline.

For the climate infrastructure programs recently enacted, the City will work to establish similar criteria in new programs that will be implemented in 2023. Many grant program descriptions are currently under development by the Biden Administration and will be more descriptive once public. Some of the anticipated programs include:

- Clean Heavy-Duty Vehicles
- Climate Pollution Reduction Grants
- Environmental and Climate Justice Block Grants
- Neighborhood Access and Equity Grant Program
- Latest and Zero Building Energy Code Adoption

The City will continue to monitor the following new and expanded programs funded by the Bipartisan Infrastructure Law for additional funding opportunities:

- Safe Streets and Roads for All Program
- Reconnecting Communities Pilot Grant Program
- Culvert Removal, Replacement and Restoration Program
- Broadband Development and Deployment
- Charging and Fueling Infrastructure
- Bridge Investment Program
- Carbon Reduction Program
- Local and Regional Project Assistance Grant

Note: Rationale for Emphasis on Medium-Sized City Set Aside

Most federal infrastructure spending has a rural set aside which is critical for smaller communities to be able to access federal dollars. There is no comparable medium-sized city set aside. Instead, medium-sized cities compete against large cities like Seattle, Portland and Los Angeles for limited resources. Medium-sized cities need a defined pool to compete within so as to make federal funds available in a way that simply aren't in their current status.

For example, the RAISE program is the key federal funding program for local infrastructure investments. Yet, nearly all cities compete within the same funding pool, putting smaller 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 can compete for federal funds. As noted above, Shoreline has supported efforts to designate a portion of federal transportation spending for cities between 10,000 and 75,000 in population size. In 2020, the RAISE grant criteria was changed so that half of all funding in the program went to cities below 200,000 in population size. This represents real progress. However, while staff appreciates and supports this action, it puts all but three cities in Washington State in the same competitive pool and is not a true medium-sized city set aside.

The issue applies beyond the RAISE program as well. With dozens of new and augmented federal grant programs for cities funded in the Infrastructure and Climate bills, ensuring these funds are accessible to medium-sized cities is a top priority.

The City will continue to lobby for a portion of federal infrastructure dollars be set aside for medium-sized cities between 10,000 and 75,000 in population size. This policy position is consistent with the work that other Washington State cities have been doing for years and is supported broadly by similar sized cities throughout the

state. As for proof as to why this set aside is needed, since the RAISE program (formerly known as the BUILD or TIGER program) was created in 2009 through 2021, not a single award was made to a city in Washington State between 10,000 and 75,000 in population size.

In 2022, there are signs that this legislative effort is seeing results. Of the six RAISE grant awards made in Washington State, two awards went to medium-sized cities. This progress is a result of the work done by many Washington State cities and sets a good precedent for us to continue to refine population tiers for grant funding.

In 2023, the City will continue to partner with other Northwest cities to increase the set asides in additional transportation programs and climate infrastructure funding opportunities so that Shoreline has competitive access moving forward.

4. Environment and Climate Policy

- ***Culvert Replacement Program.*** Senator Cantwell and Congressman Kilmer led an effort to create a new Culvert Removal, Replacement and Restoration Grant program in the infrastructure bill enacted in December 2021. This new program is authorized for \$1 billion and creates a new grant program administered by the U.S. Department of Transportation to enable the recovery of salmon passage and habitats. This is the first competitive grant program for culvert replacements that is available to cities and Shoreline is perfectly poised to compete for funds.
- ***Army Corps of Engineers Section 206 Funding.*** The Army Corps of Engineers has relatively new authority to partner with cities to complete projects that fit within the Corps' authority but are smaller projects that are better managed by local governmental partners. Habitat restoration projects for critically endangered or threatened species fits this definition under the Corps' Section 206 Habitat Conservation program authority. Section 206 funding for the Corps has been able to meet between a third and half of the grants that have been submitted to it and increasing the overall budget for this account allows the Corps to further partner on additional projects that fall within this authority.

Importantly, in 2022, Representative Pramila Jayapal secured funding for the Army Corps of Engineers to study Ballinger Creek for potential capital improvements and habitat restoration. This project will commence in 2023 and lead to a set of capital projects. The City should support increasing funding for the Corps' Section 206 Authority so that future stream restoration, culvert removal and habitat restoration projects have access to increased resources.

- ***Tax Credits for Stormwater Retrofits and New Development.*** Congressman Derek Kilmer (Washington's 6th Congressional District) has put forward a proposal that would create a tax credit program for stormwater retrofits and new development. If enacted, this program would provide a 50% tax credit for individuals and developers that incorporate stormwater projects such as rain

gardens, bioswales and similar projects. The City will support this proposal in 2023.

5. Community and Economic Development Programs

- **Continuation of Earmark Authority.** Congress reinstated earmarking authority in 2021 and we want to support the continued use of this kind of Congressionally-directed spending in 2023 and beyond.
- **Community Development Block Grants (CDBG) / Home Investment Partnership Program (HOME).** The City of Shoreline may use CDBG and HOME funding to support local initiatives that benefit the City's vulnerable population. Funding in the CDBG program increased by 30% in 2018 after falling to a decade low in 2017 and has been holding steady at that rate since then. The City should support the CDBG and HOME programs at the federal level and lobby for increased funding that could be put to use in Shoreline immediately.

The CDBG program was used by Congress extensively as a distribution mechanism for federal relief funding for the COVID pandemic. However, those program increases in the CDBG budget are temporary and responsive to the pandemic – not permanent increases in the program.

- **Support Municipal Tax Policy.** Congress has adjusted various tax policies that have a direct impact on the City of Shoreline, including the New Markets Tax Credit, the Affordable Housing Tax Credit and the State and Local Sales Tax Deduction. These policies, in addition to policies that would negatively value municipal bonding authority, remain under debate in Congress in 2022 and are expected to continue in 2023. The City should advocate for strong municipal authority and tax credits that facilitate economic development and meet our region's critical housing needs.

City Support for Other Key Policy Challenges

The City of Shoreline has a deep interest in an array of other federal policy issue areas that are in alignment with the City's core values. Key priority policy areas include:

- **Climate change.** Shoreline supports immediate action to reduce the impact of climate change, including legislation that moves our country to a carbon-neutral future.
- **Funding for salmon recovery and watershed restoration.** Policy ideas being examined include federal funding for culvert replacement, adding green stormwater treatment as a criterion for federal transportation funding, and federal tax credits for private property owners who undertake stormwater management. Staff continue to build partnerships with local federal representatives, including the US Army Corps of Engineers.
- **Support for marginalized communities.** Shoreline values all members of its community and works to prevent discrimination against anyone.

- **Gun safety.** Shoreline supports passage of universal background checks and other measures to enhance the safety of our community.

RESOURCES/FINANCIAL IMPACT

This item has no direct financial impact.

RECOMMENDATION

Staff recommends that the City Council both discuss and move to adopt the 2023 Federal Legislative Priorities.

ATTACHMENTS

Attachment A: Draft 2023 Federal Legislative Priorities



2023 Shoreline Federal Legislative Priorities

Shoreline-specific local needs:

Federal Funding for Capital Projects

- Advocate for Congressionally directed spending request for the City's primary capital budget priorities including:
 - 148th Street Non-Motorized Bridge Project,
 - 145th Corridor Project between the Interurban Trail and the Light Rail Station, and
 - The Trail along the Rail.
- Pursue funding from Infrastructure Programs funded through the Bipartisan Infrastructure Law.
- Seek funding in partnership with the City of Lake Forest Park through US Army Corps of Engineers for the Ballinger Creek Project under the Water Resources Development Act (WRDA).
- Monitor utilization of local funding provided through the American Rescue Plan Act.
- Develop congressional support for an anticipated \$25 million RAISE grant application for the infrastructure connections to the 148th Street Light Rail Station.

Prepare the groundwork for the next Transportation Authorization Bill (est. 2026 timeframe)

- Monitor implementation of current transportation authorization (Bipartisan Infrastructure) bill and identify opportunities for improvement; advocate for regulations and guidelines that are fair to cities like Shoreline.
- Continue efforts to expand upon and improve competitiveness of medium-sized cities in federal grant programs (as well as in federal grant programs outside of transportation).
- Prioritize transit and non-motorized transportation funding.

The City of Shoreline also urges Congress to tackle the pressing policy challenges that are aligned with the City's values, including the following:

- Passage of a new Budget Reconciliation Act that can tackle key policy issues, such as:
 - Climate change investments, including clean energy requirements.
 - Increased access to Medicare, with expanded coverage for dental health and prescription medicine.
 - Tax code changes to incentivize small business, housing, and climate-friendly infrastructure.
 - Childcare support and tax cuts for families with children.
 - Infrastructure investments not included in the Bipartisan Infrastructure Law.

- Funding for salmon recovery and watershed restoration.
- Increased funding for Community Development Block Grants and the Home Investment Partnership Program.
- Restoration of full federal income tax deduction for state and local taxes.
- Preservation of municipal authority over tax authority and local public revenue streams.
- Passage of the EQUALITY Act to protect LGBTQ+ citizens in all communities from discrimination.
- Passage of legislation that preserves reproductive health freedom including the right to abortion services in the wake of the Supreme Court's *Dobbs* decision.
- Opposing any policies that would prevent our community from being a safe, inviting and equitable community for everyone without regard to immigration status.
- Passage of significant gun control legislation to enhance the safety of our community, including universal background checks and Red Flag laws.

DRAFT