

Federal Update

March 2024

Holland & Knight

### **Agenda**

- Washington, D.C. Update
- Appropriations Update
- Federal Funding
  - Bipartisan Infrastructure Law
  - Inflation Reduction Act
  - Earmarks
- Federal Goals
- Federal Engagement
- Political Landscape
- Questions

### Washington, D.C. Update

- **Speaker Update** Since taking over as Speaker, Rep. Mike Johnson has struggled to pass significant legislation largely due to the razor-thin majority he presides over.
- Government Funding Members continue work on FY 2024 appropriations but have made limited progress due to policy differences.
- Border Deal In February, the Senate voted down a \$118 billion spending package providing funding for Ukraine, Israel, and Taiwan while making changes to U.S. immigration and border policy. Instead, the Senate advanced a \$95 million stand-alone supplemental funding package with aid for Ukraine and Israel.
- Reauthorizations Congress continues work on the Farm Bill and Federal Aviation
   Administration (FAA) reauthorizations. While progress has been made, members have
   required multiple extensions to provide them with additional runway. The FAA
   reauthorization was extended this week through May 10th.

### **Appropriations Update**

- On February 27, President Biden met with leadership to discuss government funding. All sides agreed that they would work to avoid a shutdown despite differences that have prevented progress on appropriations.
- Following that meeting, the House and Senate passed another Continuing Resolution on February 29th, extending the shutdown deadline until **March 8** for the Agriculture-FDA, Energy and Water, MilCon-VA, Transportation-HUD, Interior-Environment, and Commerce-Justice-Science spending bills. It is expected that these bills will be approved next week.
- Funding for the remaining six bills expires on March 22.
- If Congress fails to reach an agreement by April 30, a 1% across-the-board cut is slated to take effect per the 2023 debt ceiling deal.

### **Appropriations Update**

- Included in the pending appropriations bills are several Community Project Funding/ Congressionally Directed Spending requests for the City of Seattle:
  - \$3 million South Park Drainage Improvements (Interior) Murray/Cantwell
  - \$1.95 million Civilian Assisted Response & Engagement (CARE) Department (CJS) Jayapal/Smith
  - \$1.3 million Seattle Public Library University Branch Seismic Structural Upgrade (DHS-FEMA)
     Jayapal
  - \$1 million South Park Passive House Multifamily Development (THUD) Jayapal
- Congress must pass a budget for the City to receive funding for the projects included in the bills.
- In anticipation of FY 2025 bills, members have already begun soliciting Community Project Funding/Congressionally Directed Spending requests.

### **Federal Funding**

- Bipartisan Infrastructure Law and Inflation Reduction Act:
  - Awards since May 2022: ~\$95,000,000 (several awards spread over multiple years)
  - Total # awards: 21 awards
- Earmarks (Congressionally Directed Spending / Community Project Funding)
  - FY23 awards: \$5,058,000
  - FY24 applications: ~\$7,200,000

# Bipartisan Infrastructure Law & Inflation Reduction Act Implementation

- Bipartisan Infrastructure Law (also known as Infrastructure Investment & Jobs Act)
  - Signed into law on November 15, 2021.
  - Provides \$1.2 trillion over 5 years in infrastructure spending, including \$550 billion in new spending.

#### Inflation Reduction Act

- Signed into law on August 16, 2022.
- Authorizes \$400 billion in spending on climate investments, while also lowering health care and energy costs.
- Expands preexisting clean energy tax credits so local governments are now eligible.
  - Credits cover solar, wind, and batteries.

Lead Department	Partner Departments	Grant Name	Project Description	Amount of Award	Date Awarded
SDOT	NA	Bridge Formula Program (2022)	The grants will help revive three bridges: S Spokane Street Viaduct, Jose Rizal Bridge, and 15th Ave NW and Leary Way NW Bridge.	\$15,000,000	7/19/22
SDOT	NA	Bridge Investment Program Planning Grant	Plan for 4th/Argo Railyard crossing replacement	\$2,400,000	10/12/22
SDOT	NA	Safe Streets for All	Ped/bike safety improvements	\$25,600,000	1/30/23
SDOT	NA	SMART	We submitted an application for an automated curb space management system, while Sound Transit submitted an application that includes pass-through funds for safety-oriented video analytics on our light rail corridors.	\$1,996,000	3/20/23
SDOT	NA	Transportation Alternatives Program (TAP)	Strengthen areaways on 1st Ave to support Culture Connector (award is for design)	\$2,450,000	5/23
SDOT	NA	Congestion Mitigation/Air Quality	Improve signals on N 80th & 85th St (award is for design – construction is still on a contingency list	\$4,225,000	5/23



Lead Department	Partner Departments	Grant Name	Project Description	Amount of Award	Date Awarded
SDOT	NA	Surface Transportation Block Grant	Denny Way Overlay	\$1,450,000	11/10/22
SDOT	NA	Surface Transportation Block Grant	Harrison St Transit Corridor	\$4,200,000	11/10/22
SDOT	NA	Surface Transportation Block Grant	Georgetown to Downtown Bike Lane	\$1,090,000	11/10/22
SDOT	NA	Surface Transportation Block Crant	Peacen Ave Pike Lane	\$2,270,000	11/10/22
וטעצ	NA	Surface Transportation Block Grant	Beacon Ave Bike Lane	\$2,370,000	11/10/22
SDOT	NA	Congestion Mitigation/Air Quality	130th St Transit Corridor	\$5,480,000	11/10/22
		Affordable Connectivity Program -	Grant will pay for a partial FTE, ACP enrollment clinics, and a small amount for		
ITD	NA	Outreach Grants	marketing.	\$400,000	4/4/23



Lead Department	Partner Departments	Grant Name	Project Description	Amount of Award	Date Awarded
ОН	NA	Weatherization Assistance Program	Funding for energy efficiency improvements for low-income homeowners and apartments with low-income tenants	\$417,000 (first tier)	
CEN	SDOT	All Stations Accessibility Program		\$15,000,000	12/22/22
OPCD	SDOT	Reconnecting Communities Grant	The Reconnect South Park project is focused on a 1.5 mile stretch of highway with only one crossing point that cuts through a majority BIPOC area	\$1,600,000	2/1/23
SDOT	OSE	Local and Regional Project Assistance Grants (RAISE)	Planning grant for low-pollution neighborhood transportation projects		6/28/23
SDOT	NA	Railroad Crossing Elimination	Plan for Holgate St closure, safety upgrades, or alternative crossings	\$2,000,000	6/16/23
SCL	OED	Regional Clean Hydrogen Hub	USDOE will identify 6-10 H2Hubs for a combined total of \$6-7B in federal funding	N/A	



Lead Department	Partner Departments	Grant Name	Project Description	Amount of Award	Date Awarded
OEM	SCL, OPCD, SDOT, Historic Seattle	Building Resilient Infrastructure and Communities (2021)	Scoping; and Historic Seattle Good Shepherd	OPCD: \$400,000; Historic Seattle \$483,000	Pending due to FEMA funding pause
SPU		Solid Waste Infrastructure for Recycling (SWIFR)	This federal grant will support Seattle's circular wood economy by developing a new salvaged wood warehouse to process, store, organize, and distribute salvaged wood, aligning with	\$4,000,000	11/16/23
OSE/Parks/ SDOT		Urban and Community Forestry Program	Funding for community-driven urban forestry and job training, and to enhance the Delridge Native Forest Garden	\$12,900,000	9/14/23

### **Earmarks**

- Earmarks are federal funding for a governmental entity or nonprofit to carry out a specific community project.
- Earmarks are requested by members of Congress.
- After a decade-long ban, earmarks were reinstated back in 2021 with new restrictions under these new names:
  - In the Senate: Congressionally Directed Spending
  - In the House: Community Project Funding
- We are in the process of developing our FY 2025 earmark proposals.
  - The City has the opportunity to uplift earmark projects from other organizations as well.

### **Earmarks**

Potential Earmarks for Fiscal Year 2024				
CARE Department Pilot Program (\$1.95M)	Rep. Adam Smith, Rep. Pramila Jayapal			
South Park Drainage Improvements (\$3M)	Sen. Patty Murray, Sen. Maria Cantwell			
South Park Passive House Multifamily Development (\$1M)	Rep. Pramila Jayapal			
University Branch Library Seismic Upgrades (\$1.3M)	Rep. Pramila Jayapal			

Note: These earmarks are not final, since Congress has not yet passed the FY24 appropriations package.



### 2024 Federal Goals

- The 2024 Federal Goals were developed near the end of 2023 with input from city departments, Councilmembers, and the Mayor's Office.
- We will begin the process of updating the Federal Goals for 2025 in fall and will seek your feedback.



The City of Seattle is committed to being a safe, thriving, affordable, and equitable city for all. We lead with compassion and work with our local, regional, state, federal, and tribal partners to solve the City's challenges and fulfill our vision of being One Seattle.

The City supports the following federal priorities:

- Maximize federal funding for all City departments
- Promote inclusive and safe communities for all
- Intensify efforts to end homelessness and invest in affordable housing
- o Pursue equitable economic opportunities
- o Build resilient communities and safeguard the environment
- o Promote safe, reliable, and efficient transportation and infrastructure

#### Maximize Federal Funding for All City Departments

- Secure funding to support the City's priorities regarding public safety, homelessness and affordable housing, economic recovery, behavioral health, climate and seismic resilience, clean water, and transportation
- Pursue funding opportunities through a racial equity and social justice lens to ensure funding is equitably distributed to all communities

#### Promote Inclusive and Safe Communities for All

- Invest in alternative public safety response models, increase police accountability and transparency, and build a police department that protects all people and neighborhoods without bias
- Address the fentanyl and synthetic opioid crisis by expanding access to comprehensive substance use treatment and rehabilitation centers, as well as combatting the illegal trafficking of fentanyl and other drugs
- Advocate for comprehensive immigration reform reflecting progressive and inclusive immigration policies, as well as federal funding for cities to support migrants
- Strengthen federal nutrition programs to address food insecurity and inequity
- Promote digital equity for all residents and support the City's efforts to strengthen cybersecurity infrastructure
- o Advocate for universal health care for all, including behavioral health treatment
- Strengthen gun control and safety measures



### 2024 Federal Goals, p. 2

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#### Intensify Efforts to End Homelessness and Invest in Affordable Housing

- Increase federal funding to accelerate the growth of and access to affordable housing, including support for the long-term sustainability of service providers
- Invest in cost-effective strategies to prevent housing-insecure families from becoming homeless in the first place
- Increase federal funding for shelter to address the immediate needs of those experiencing homelessness
- Provide individualized, culturally competent, restorative support, including behavioral health and substance use treatment, to people experiencing homelessness

#### Pursue Equitable Economic Opportunities

- Invest in workforce development, including apprenticeship and retraining opportunities, as well as youth development and mentorship
- o Promote BIPOC and women-owned small business growth and development
- Support working parents, including paid parental leave, child tax credit, and universal childcare
- Expand economic assistance for all individuals and families, regardless of citizenship status, and reduce barriers to accessing benefit programs
- Promote and expand labor standards that improve conditions for working people, particularly BIPOC, immigrant, and refugee workers, as well as contract workers

#### Build a Resilient Community and Safeguard the Environment

- Advocate for environmental justice and protection, including reducing carbon pollution, increasing urban tree canopies, mitigating rising sea levels, and restoring salmon populations
- Increase funding to address emergency preparedness, seismic resilience, and response capabilities to recover from natural disasters, extreme heat, wildfires, and other climate events
- o Invest in a clean energy economy and workforce
- o Fund and promote building and transportation electrification

#### Promote Safe, Reliable, and Efficient Transportation and Infrastructure

- Secure funding to strengthen the City's infrastructure, including its bridges, sidewalks, transit systems, roads, water, and electrical facilities
- Increase street safety for all road users, including pedestrians and cyclists
- o Promote access to safe streets, parks, schools, and other public gathering spaces

City of Seattle Office of Intergovernmental Relations
Contact: Michelle Nance, Federal Affairs Director, michelle.nance@seattle.gov, (206) 492-9961



### **2023 Federal Snapshot**

 The 2023 Federal Snapshot provides a selection of 2023 highlights for the City at the federal level.



The City of Seattle is grateful to the Biden-Harris Administration, Senator Patty Murray, Senator Maria Cantwell, Congressman Adam Smith, and Congresswoman Pramila Jayapal for their continued support. Below is a selection of 2023 federal highlights for the City.

#### Maximize Federal Funding for All City Departments

In total, the City of Seattle received nearly \$215 million from the federal government.
 While some of these funds came from the state government and other local governing bodies, the majority came directly from the federal government.

Source	Amount
Direct Federal Funding	\$157,536,345.74
Federal via Local Government	\$4,449,185.00
Federal via State Government	\$52,922,577.74

#### Promote Inclusive and Safe Communities for All

- In October, the City launched the Dual Dispatch Pilot, an alternative response
  program for Seattle's newest public safety department, the Community Assisted
  Response and Engagement (CARE) Department. This launch was supported by a
  grant award from the U.S. Department of Justice's Bureau of Justice Assistance.
- The U.S. Department of Agriculture announced a rule change to the Community Eligibility Provision (CEP) that the City publicly supported. This rule change will expand universal school meals to up to ten additional schools in Seattle.
- Seattle IT has enrolled 34,095 households into the Federal Communications Commission's Affordable Connectivity Program, which provides discounts on broadband service for low-income households.
- The Seattle Human Services Department allocated Community Development Block
  Grant funding from the U.S. Department of Housing and Urban Development (HUD) to
  fund the construction of a post-overdose stabilization and outpatient treatment
  facility in Seattle. The City is currently working to identify a site for the facility.
- In September, U.S. District Judge James Robart ruled the Seattle Police Department had complied with most provisions of a consent decree, ending much of the court's oversight of police reforms.

#### Intensify Efforts to End Homelessness and Invest in Affordable Housing

 The Seattle Office of Housing supported the opening of three new affordable housing developments in 2023 - Ethiopian Village, John Fox Place, and Mt. Zion Senior Housing - which each received HOME funding from HUD.



### 2023 Federal Snapshot, p. 2

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- The City is seeking to update the Fort Lawton Redevelopment Plan to build up to 500 homeless and affordable housing units in Magnolia, compared to 237 as originally contemplated. The City is working with HUD on this proposal.
- Six Seattle affordable housing projects were awarded tax-exempt bonds, totaling nearly \$70 million, through the federal Low-Income Housing Tax Credit.

#### **Pursue Equitable Economic Opportunities**

- Senator Patty Murray and Senator Maria Cantwell advanced and secured \$1.5 million
  in earmark funding for El Barrio, a building in South Park that stabilizes multiple
  small businesses and cultural anchors at risk of displacement. Funding will go
  towards ADA and safety upgrades and creating a hub for entrepreneurship support.
- The Seattle Office of Economic Development expanded its Seattle Restored program, which reinvigorates our city and supports local artists and entrepreneurs by activating empty storefronts. This program receives federal funding.

#### Build a Resilient Community and Safeguard the Environment

- Senator Patty Murray, Senator Maria Cantwell, and Congresswoman Pramila Jayapal secured \$3.5 million in earmark funding for the Seattle Center Shelter Facilities to replace existing diesel generators with new renewable distributed energy resources.
- The City's Office of Sustainability and Environment, Parks Department, and
  Department of Transportation were jointly awarded a \$12.9 million Urban and
  Community Forestry Program grant funded by the Inflation Reduction Act to support
  urban forestry and job training, as well as improve the Delridge Native Forest Garden.
- The City's Office of Sustainability and Environment joined and received technical
  assistance from the White House's National Building Performance Standard Coalition,
  helping lead to the City's passage of the Building Emissions Performance Standard.

#### Promote Safe, Reliable, and Efficient Transportation and Infrastructure

- Since May 2022, the City has received 20 awards funded through the Bipartisan Infrastructure Law, totaling \$83 million.
- The Seattle Department of Transportation is building traffic safety projects in underserved neighborhoods, aided in part by a \$25.6 million award from the U.S. Department of Transportation's (USDOT) Safe Streets and Roads for All program.
- The Seattle Center received \$15 million from USDOT's All Stations Accessibility Program to renovate the Seattle Center Monorail Station by adding ADA upgrades.

#### **Engage National Groups to Strengthen Local Communities**

- Mayor Harrell was appointed as the first Chair of the U.S. Conference of Mayors' newly created Technology & Innovation Committee.
- Mayor Harrell also engaged with the following national organizations: African
  American Mayors Association, Climate Mayors, Everytown for Gun Safety, Mayors
  Alliance to End Childhood Hunger, Mayors and CEOs for U.S. Housing Investment, and
  Mayors for Parks.

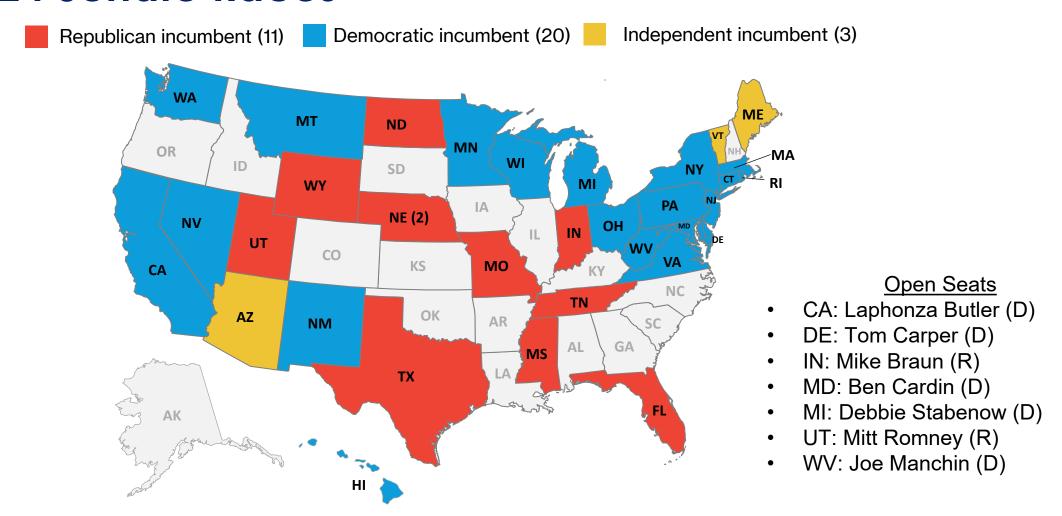
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# Recent Federal Engagement in Seattle

Tours/Briefings	Department
Beacon Hill Small Business Tour	OED
CARE Pilot Program	CARE
CiviForm Briefing	IT
DESC Hobson Place	ОН
Lander Street Bridge	SDOT
Post Overdose Response Team	SFD
Recovery Place at Beacon Hill	HSD
Seattle Restored	OED
University Bridge	SDOT
Unreinforced Masonry Briefing	SDCI
Waterfront	Waterfront/SDOT

### 2024 Senate Races



Note: Nebraska will have two races in 2024, including a special election triggered by the resignation of Ben Sasse (R). Source: Bloomberg Government, <u>Tracking Departures in the 118th US Congress</u>



### **Senate Forecast**

- Senate Democrats, aligned independents have a 51-49 majority in the 118th Congress.
  - They face a tough map in 2024 after gaining a seat in the 2022 midterms.
- Of the 34 Senate elections presently scheduled for 2024, Democrats and allied independents are the defending party in 23 contests and the Republicans in just 11.
- Eight seats rated competitively by Cook Political Report with Amy Walter.
  - Seats held by Kyrsten Sinema (I-AZ), Sherrod Brown (D-OH), and Joe Manchin (D-WV) rated as "tossup."
  - Democrats' seats in Michigan, Montana, Nevada, Pennsylvania, Wisconsin rated "lean Democratic."
    - Candidate recruitment, GOP primary results could make "lean" seats more competitive for Republicans.
  - Only two GOP seats, Rick Scott (FL) and Ted Cruz (TX), are outside "solid" group, rated "likely."
  - New Jersey moved to Likely Democratic from Safe Democratic after Bob Menendez (D) indicted.

### **House Forecast**

- Republicans will be looking to defend, broaden their narrow House majority in 2024.
- House races share the ballot with presidential campaign, Senate contests in key states.
- Keys to victory: 2022 close races, seats won in 2020 by other party's presidential candidate.
  - Five Democrats hold seats won by Donald Trump in the last election.
  - 18 districts Republicans won in 2022 voted for Biden.
  - Retirements in competitive districts.
- State map changes could affect this year's election.
  - New York's highest court ordered new map for 2024 election in win for Democrats.
  - Federal judges adopted new Alabama lines boosting Black voting power and Democrats.
  - North Carolina Republican legislature implemented new map that could net GOP three to four seats and erase Democratic gains elsewhere.

# **Questions?**