



# City of Seattle

## Federal Affairs Update

Holland & Knight

# 2022 Federal Update

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# 2022 Legislative Highlights

- **FY 2022 Omnibus** – On March 10, the Senate passed the \$1.5 trillion Fiscal Year (FY) 2022 spending bill. Two earmarks for the City of Seattle were included:
  - \$400,000 – Renewable Energy Home Heating Conversions (Jayapal)
  - \$775,000 – Health One Expansion (Smith)
- **Bipartisan Infrastructure Law** – In late 2021, President Biden signed new legislation that allocated billions towards infrastructure, broadband, and energy projects.
- **Safer Communities Act** – Legislation closing loopholes in firearms procurement and making investments in mental health services, red flag laws, and school safety.
- **Chips and Science Act** – \$52 billion investment in semiconductor manufacturing in the United States, authorizing several science programs.
- **Inflation Reduction Act** – Landmark reconciliation package allocating billions towards clean energy, allowing Medicare to negotiate the price of prescription drugs, and changing the tax code.

# 2022 Congressional Agenda and Outlook

- **Government Funding** – Congress continues to negotiate over FY 2023 appropriations bills. To ensure the government is funded after the end of the fiscal year, members will need to pass a short-term continuing resolution.
- **National Defense Authorization** – Providing funding for the Department of Defense.
- **Same-Sex Marriage** – Legislation that would enshrine protections for same-sex marriage. Democrats have pushed to pass a law after the Supreme Court's *Dobbs* decision.
- **Electoral Count Act** – Legislation to clarify the Vice President's role in certifying presidential elections and make other revisions to the electoral count process.
- **Tax Extenders** – Annual tax extender bill, which could include expansion of the Low Income Housing Tax Credit.
- **Bipartisan Mental Health Bill** – Comprehensive bill to increase access and funding for mental health

# FY 2023 Appropriations

- Lawmakers from the House and Senate continue to negotiate over top-line spending figures for FY 2023 accounts.
- The House and Senate Appropriations Committees released their respective funding bills, outlining their vision for FY 2023 government funding.
  - Departments such as HUD, DOT, and EPA would see funding increases from the draft bills.
  - The draft House THUD bill includes language waiving the CDBG public services cap.

# FY 2023 Appropriations, cont.

- Two earmarks for the City of Seattle included in the draft House and Senate THUD and Financial Services bills:
  - \$3,558,960 - **Seattle Center Shelter Facilities Sustainable Emergency Power** (Jayapal)
  - \$1,000,000 - **El Barrio Small Business Development Building Renovations** (Murray & Cantwell)

# Infrastructure Law Implementation

- On November 15, 2021, President Biden signed the “Infrastructure Investment and Jobs Act” (also known as Bipartisan Infrastructure Law) into law to invest in the nation’s infrastructure, including funding for roads and bridges, rail, transit, airports, energy, sustainability, water, and broadband, among other priorities.
- The legislation provides \$1.2 trillion in total spending over 5 years across competitive and formula programs, including \$550 billion in *new spending*.
- Federal agencies continue to release notice of funding opportunities and are distributing billions of dollars for infrastructure, broadband, water, and sustainability.

# Existing Formula Programs

FHWA Released Apportionments on 12/15/21

Program	Funding level over 5 years
<b>Highway Safety Improvement Program (HSIP)</b>	\$15.6B (34% increase over FAST Act)
<b>Surface Transportation Block Grant (STBG) Program</b> <ul style="list-style-type: none"><li>Funds federal-aid highways, bridges and transit capital projects.</li></ul>	\$72 billion (23.6% increase over FAST Act)
<b>Transportation Alternatives Program (TAP)—suballocated from STBG</b> <ul style="list-style-type: none"><li>Funds smaller-scale transportation projects such as pedestrian and bicycle projects, recreational trails and environmental mitigation.</li></ul>	\$7.2 billion; suballocated from STBG

# Released Competitive Opportunities

Program	Funding level over 5 years	Status
<b>RAISE Grant Program</b> <ul style="list-style-type: none"> <li>Supports the development of road, rail, transit, and port projects that promise to achieve national objectives.</li> </ul>	\$7.5 billion	Awards announced
<b>INFRA Grant Program</b> <ul style="list-style-type: none"> <li>Supports highway and rail projects of regional and national economic significance.</li> </ul>	\$8 billion	Awards announced
<b>MEGA Grant Program</b> <ul style="list-style-type: none"> <li>Supports large, complex projects that will generate national or regional economic, mobility, or safety benefits.</li> </ul>	\$15 billion	Awards announced
<b>Bus and Bus Facilities</b> <ul style="list-style-type: none"> <li>Provides capital funding to replace, rehabilitate, purchase, or lease buses and bus related equipment, including facilities.</li> </ul>	\$2.34 billion	Awards announced
<b>Low-No Emission Buses</b> <ul style="list-style-type: none"> <li>Supports the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities.</li> </ul>	\$5.5 billion	Awards announced

# Released Competitive Opportunities

Program	Funding level over 5 years	Status
<b>Pilot Program for Transit Oriented Development (TOD)</b> <ul style="list-style-type: none"> <li>To integrate land use and transportation planning with a new fixed guideway or core capacity transit capital investment.</li> </ul>	\$68.9 million	Closed
<b>Safe Streets and Roads for All</b> <ul style="list-style-type: none"> <li>Supports local Vision Zero initiatives.</li> </ul>	\$5 billion	Closed
<b>Bridge Investment Program</b> <ul style="list-style-type: none"> <li>Supports bridge (and culvert) condition, safety, efficiency, and reliability.</li> </ul>	\$16 billion	Closed
<b>Reconnecting Communities Program</b> <ul style="list-style-type: none"> <li>To remove, retrofit, or mitigate highways or other transportation facilities that create barriers to community connectivity.</li> </ul>	\$500 million	Due Oct. 13
<b>Railroad Crossing Elimination Grants</b> <ul style="list-style-type: none"> <li>To fund highway-rail or pathway-rail grade crossing improvement projects that focus on improving the safety and mobility of people and goods.</li> </ul>	\$3 billion	Due Oct. 4

# Released Environment and Water Opportunities

Program	Funding level over 5 years	Status
<b>Clean Water SRF</b> <ul style="list-style-type: none"> <li>States must allocate 49% of the funds to provide subsidy with 100% forgiveness of principal or grants (or any combination).</li> </ul>	\$11.713 billion	EPA issued guidance on 3/29/22
<b>Drinking Water SRF</b> <ul style="list-style-type: none"> <li>States must allocate 49% of the funds to provide subsidy with 100% forgiveness of principal or grants (or any combination).</li> </ul>	\$11.713 billion	EPA issued guidance on 3/29/22
<b>Building Resilient Infrastructure and Communities (BRIC) Program</b> <ul style="list-style-type: none"> <li>Supports pre-disaster and hazard mitigation activities undertaken by states and local communities.</li> </ul>	\$1 billion	Due Jan. 27
<b>EPA Competitive Brownfields Grants</b> <ul style="list-style-type: none"> <li>Grants and technical assistance to assess, safely clean up, and sustainably reuse contaminated properties.</li> </ul>	\$1.2 billion	Due Nov. 22

# Upcoming Opportunities

Program	Funding level over 5 years	Status
<b>SMART Grant Program</b> <ul style="list-style-type: none"> <li>Demonstration projects for advanced smart city or community technologies to improve transportation efficiency and safety.</li> </ul>	\$500 million	Expected fall 2022
<b>PROTECT Grant Program</b> <ul style="list-style-type: none"> <li>Funding for planning, resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure.</li> </ul>	\$1.4 billion	Expected fall 2022
<b>Electric Vehicle (EV) Charging and Refueling Infrastructure Program</b> <ul style="list-style-type: none"> <li>Funding to deploy electric vehicle (EV) charging and alternative fueling infrastructure along designated alternative fuel corridors and in communities.</li> </ul>	\$2.5 billion	Expected winter 2022
<b>Energy Efficiency and Conservation Block Grant (EECBG)</b> <ul style="list-style-type: none"> <li>Provides grants to state and local governments for energy efficiency and conservation projects.</li> </ul>	\$500 million	Allocations expected at end of 2022
<b>Reduce, Reuse Recycling Education and Outreach Grants</b> <ul style="list-style-type: none"> <li>Grants to help educate households and consumers about their residential and community recycling programs</li> </ul>	Authorizes (subject to appropriations) \$75,000,000	RFI issued on 6/9/2022
<b>Culvert Removal, Replacement and Restoration Program</b> <ul style="list-style-type: none"> <li>To remove, replace, and restore culverts to address the flow of water through roads, bridges, railroad tracks, and trails.</li> </ul>	\$1 billion	TBD

# BIL Implementation Guide



## Implementation will be staggered



- Roughly 3 to 6 months to deliver funds to traditional recipients
- Examples include: federal highways, state revolving funds (water), and abandoned mine funds (energy)

- Roughly 6 to 12 months to modify rules, solicit applications, and judge them
- Examples include: RAISE (USDOT), WIFIA (EPA), and BRIC (FEMA)

- Roughly 6 months to 2 years to establish rules and then initiate programs
- Formula programs should move considerably faster
- Examples include: Bridge Investment program (USDOT), Broadband Equity program (Commerce)

# Infrastructure Law Internal City Structure

## BIL Core Team

- City Departments conduct their own strategy and prioritization.
- Facilitates coordination and resolves conflicts among departments, provides central Mayor's Office vision and direction to the City's BIL efforts, and keeps Mayor's Office and other stakeholders updated on the City's progress. Meets bi-weekly.
- Working in coordination with Central Staff.

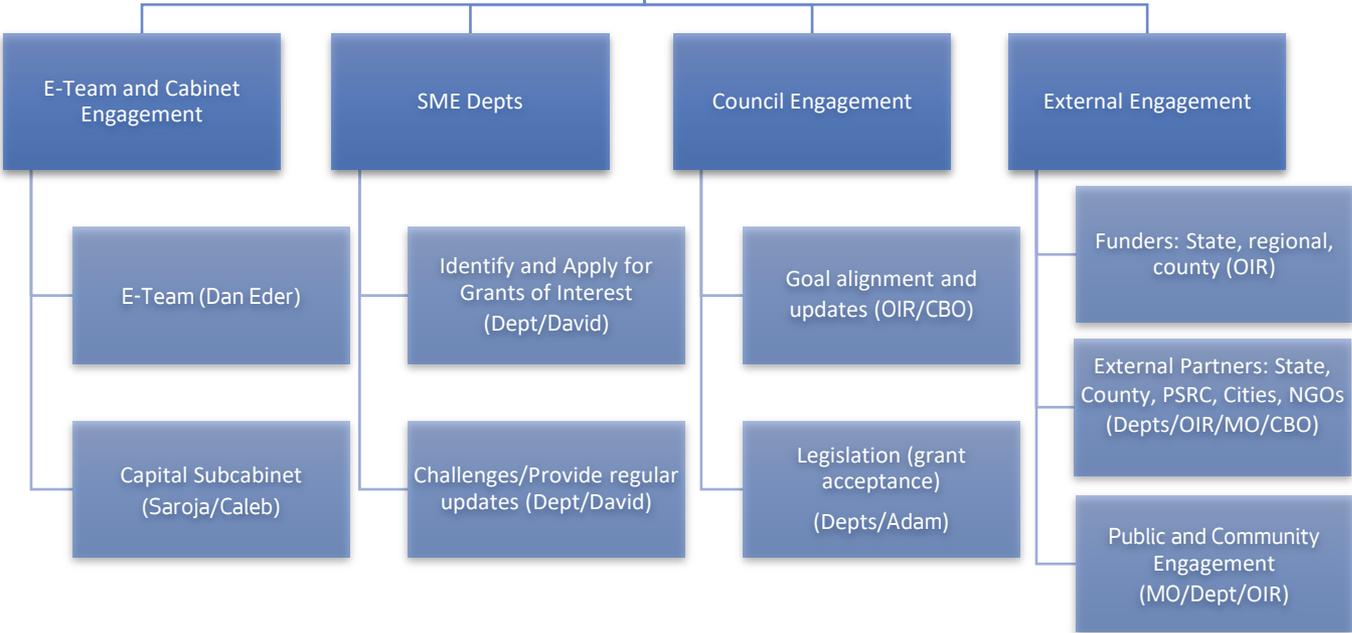
## BIL Executive Steering Committee (ESC)

- ESC meets monthly, as needed, to receive updates from Core Team and hear issues that need MO involvement to resolve.
- Current members: SDM Harrell, COO Lowe, CEO Emery, Dan Eder, Julie Dingley, Gael Tarleton, Directors of SDOT, SCL, SPU, OSE.

Executive Steering Committee (ESC): SDM Harrell, COO Lowe, CEO Emery, Dan Eder, Julie Dingley, Directors (ITD, HSD, SDOT, SCL, SPU, OH, OSE), Gael Tarleton

E-Team Sponsor: Dan Eder

Core Team: Designated Reps (ITD, HSD, SDOT, SCL, SPU, OH, OSE), Dan Eder, William Chen, Saroja Reddy, Caleb Wagenaar, David Kim, Sierra Howlett Browne, Emily Nolan, Dan Nolte, Caia Caldwell  
Optional/As Needed: Jamie Housen



# External Coordination

## Funding is disbursed to the City via:

- Governor and various state departments
- Directly to city from federal government
- Metropolitan planning organization (MPO) or regional council
- Infrastructure authorities such as transit authorities



## Partner Engagement via:

- Ongoing discussions with members of Congress, White House staff, and key federal agencies
- Regular check-ins on BIL implementation with regional partners from WA's Departments of Commerce and Transportation, King County, and the Puget Sound Regional Council



# Grants Departments Have Applied For

Lead	Grant Name	Project Descriptions	Amount Applied For	Deadline/ Application Submission Date	Upcoming Milestones
SDOT	<b>Bridge Investment Program Planning Grant</b>	Plan for 4th/Argo Railyard crossing replacement	\$2,400,000	Submitted 7/25/2022	Expect decision by Dec. 2022
SDOT	<b>Bridge Investment Program Bridge Project Grant</b>	Package our moveable bridges for update of parts	\$25,000,000	Submitted 9/8/2022	
SDOT	<b>Railway-Highway Crossing Safety</b>	Build safety improvements on rail crossings at Lucile and Corson St	\$14,000,000	Submitted 8/26/2022	
SDOT	<b>Safe Streets for All</b>	Build ped/bike safety improvements in D2	\$30,000,000	Application due 9/15/2022	

# Grants Departments Currently Working On

Lead	Partner	Grant Name	Project Descriptions	Amount	Application Submission/Upcoming Milestones Date
SDOT	SPR	<b>Railroad Crossing Elimination</b>	Plan for Holgate St closure, safety upgrades, or alternative crossings	\$2,000,000	Due Oct. 4, 2022
CEN	SDOT	<b>All Stations Accessibility Program</b>	Renovation of SC Monorail Station	\$10,000,000	Due by Oct 7, 2022
SPU	TBD	<b>Clean Water State Revolving Fund</b>	South Thornton Natural Drainage System	~\$17M	Due Oct. 12, 2022
SPU	TBD	<b>Drinking Water State Revolving Fund</b>	Options Analysis: Transmission/Distribution Rehab & Replacement OR Spokane Street Pump Station	TBD	Funding cycle opens October; due in November 2022
OEM	OSE, SCL	<b>Building Resilient Infrastructure and Communities</b>	Hazard mitigation grant. Can be used for a variety of infrastructure or planning purposes (looking at upgrading cooling capacity at community centers)	TBD	Applications due to the state on November 11th, pre-apps due to OEM Sept 12, 2022

# Grants Departments Currently Working On

Lead	Partner	Grant Name	Project Descriptions	Amount	Application Submission/Upcoming Milestones Date
OH		<b>Weatherization Assistance Program</b>	Funding for energy efficiency improvements for low-income homeowners and apartments with low-income tenants	TBD	Washington has been allocated \$47,115,447 over 5 years. Will be allocated in three tiers - 15%, 35% and then 50%. Initial contract for first 15% expected this summer. Commerce has informed us we should expect around \$400K in additional DOE WAP funds per year on top of regular grant.
OH		<b>Low Income Home Energy Assistance Program</b>	Funding for energy efficiency improvements for low-income homeowners and apartments with low-income tenants	TBD	Waiting for estimated amounts and contract from WA State Dept of Commerce (formula allocation to City, no application needed)
SDCI	OSE, SCL, OEM	<b>Building Codes Implementation for Efficiency and Resilience</b>	Building Energy Code planning, analysis; education, outreach and training; building performance standard implementation; workforce development	TBD	NOFO expected October 2022
OPCD	SDOT	<b>Reconnecting Communities Grant</b>	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.	Up to \$2 million	Due Oct. 13, 2022

# Grants Departments Currently Working On

Lead	Grant Name	Project Descriptions	Amount	Application Submission/Upcoming Milestones Date
SCL	<b>Deployment of Technologies to Enhance Grid Flexibility</b>	Reviewing RFI. Potential projects: (a) Waterfront Electrification/Colman Dock BESS, (b) Downtown Waterfront Distribution Automation Plan, (c) Duwamish Valley Distribution Automation Plan, (d) Distribution Grid Modernization, (e) Field Communication Infrastructure, (f) Building Decarbonization Acceleration/Buildings of the Future, (g) Grid Interactive Buildings	Up to \$30M	RFI due October 14
SCL	<b>Preventing Outages and Enhancing the Resilience of the Electric Grid Grants</b>	Reviewing RFI. Potential projects: (a) Accelerated Pole Replacement Program, (b) Downtown Waterfront Distribution Automation Plan, (c) Duwamish Valley Distribution Automation Plan, (d) Distribution Grid Modernization	Potentially up to \$100M	RFI due October 15
SCL	<b>US DOE Hydropower Incentives Competitive Funds</b>	Potential projects: Automation of Auxiliary Spill gates to increase efficiency, Automation of powerhouse to allow for auto start/stop seismic upgrade of spillway & gates		SCL participating in NHA workgroup - response to RFI submitted September 6, 2022. NOFO out some time in 2023
SCL	<b>US DOE Grid Modernization &amp; Resiliency WA Formula Funds</b>	Potential projects: Duwamish Substation Microgrid, Accelerated Pole Replacement, Remote facility resilience (hydro projects)	~\$3M depending on project	Met with WA Commerce consultant on 8/10/22 to discuss WA application for \$11.7M in formula funds. Presented several possible options. State applications due dated extended to March 31, 2023.

# Inflation Reduction Act

- On August 16, President Biden signed the “Inflation Reduction Act”, a \$739 billion reconciliation package that includes tax, healthcare, and climate provisions.
- The new package provides approximately \$370 billion in new climate and energy tax incentives.
- The prescription drug pricing provisions would allow Medicare to negotiate some drug prices, estimated to save the government nearly \$300 billion.
- Federal agencies have significant authority and will be responsible for the success of the IRA; implementation will include the promulgation of many new rules and decisions on how to deploy funding.

# Inflation Reduction Act Implementation

Program	Funding
<p><b>State and Private Forestry Conservation Programs</b></p> <ul style="list-style-type: none"> <li>• \$700 million for the Forest Legacy Program to provide grants to states to acquire land and interests in land. \$1.5 billion for the Urban and Community Forestry Assistance program, providing multiyear grants to state agencies, local governments, tribes or nonprofits for tree planting.</li> </ul>	\$2.2 billion
<p><b>Greenhouse Gas Reduction Fund</b></p> <ul style="list-style-type: none"> <li>• The new Greenhouse Gas (GHG) Reduction Fund will invest in nonprofit, state and local financing institutions designed to rapidly deploy low- and zero-emission technologies by leveraging investment from the private sector.</li> </ul>	\$27 billion
<p><b>Clean Heavy-Duty Vehicles</b></p> <ul style="list-style-type: none"> <li>• A program to award grants and rebates to replace Class 6 and Class 7 heavy-duty vehicles with zero-emission vehicles.</li> </ul>	\$1 billion
<p><b>Grants to Reduce Air Pollution at Ports</b></p> <ul style="list-style-type: none"> <li>• A program to award grants and rebates to states for the purchase and installation of zero-emission equipment and technology at ports, as well as the development of climate action plans at ports.</li> </ul>	\$3 billion
<p><b>NOAA – Investing in Coastal Communities and Climate Resilience</b></p> <ul style="list-style-type: none"> <li>• \$2.6 billion for NOAA for conservation, restoration and protection of coastal and marine habitats and resources, to prepare for extreme storms and climate change.</li> </ul>	\$2.6 billion

# Inflation Reduction Act Implementation

Program	Funding
<p><b>Neighborhood Access and Equity Grant Program</b></p> <ul style="list-style-type: none"> <li>Competitive grant program to reconnect communities divided by existing infrastructure barriers, mitigate negative impacts of transportation facilities or construction projects on disadvantaged or underserved communities, and support equitable transportation planning and community engagement activities.</li> </ul>	\$3 billion
<p><b>Low-Carbon Transportation Materials Grants</b></p> <ul style="list-style-type: none"> <li>A program to reimburse or provide incentives to state, local governments and metropolitan planning organizations for the use of low-embodied carbon construction materials and products in projects, and for the operations and administration FHWA.</li> </ul>	\$2 billion
<p><b>Alternative Fuel and Low-Emission Aviation Technology Program</b></p> <ul style="list-style-type: none"> <li>Competitive grant program for projects that develop, demonstrate or apply low-emission aviation technologies or produce, transport, blend or store sustainable aviation fuels (SAF).</li> </ul>	\$300 million
<p><b>Environmental Review Implementation Funds</b></p> <ul style="list-style-type: none"> <li>Program to facilitate the development and review of documents for the environmental review process for proposed projects for states, local governments and metropolitan planning organizations.</li> </ul>	\$100 million
<p><b>Improving Energy Efficiency or Water Efficiency or Climate Resilience of Affordable Housing</b></p> <ul style="list-style-type: none"> <li>A program to fund projects that will improve energy and water efficiency in affordable housing.</li> </ul>	\$1 billion

# Inflation Reduction Act Implementation

Program	Funding
<p><b>Climate Pollution Reduction Grants</b></p> <ul style="list-style-type: none"> <li>Section 137 provides \$250 million for grants for the costs of developing plans to reduce GHG air pollution, and directs the EPA to make such a grant to at least one state, air pollution control agency, municipality, or Indian tribe in each state.</li> </ul>	\$5 billion
<p><b>Low-Emissions Electricity Program</b></p> <ul style="list-style-type: none"> <li>\$17 million to educate and provide technical assistance to state, tribal and local governments on GHG emissions that result from domestic electricity generation and use.</li> </ul>	\$87 million
<p><b>Environmental and Climate Justice Block Grants</b></p> <ul style="list-style-type: none"> <li>A program to invest in community-led projects in disadvantaged communities and community capacity building centers to address disproportionate environmental and public health harms related to pollution and climate change.</li> </ul>	\$3 billion
<p><b>Assistance of Latest and Zero Building Energy Code Adoption</b></p> <ul style="list-style-type: none"> <li>Assistance to state and local governments to adopt updated building codes</li> </ul>	\$1 billion
<p><b>Grants to Facilitate the Siting of Interstate Electricity Transmission Lines</b></p> <ul style="list-style-type: none"> <li>A program to facilitate the construction and development of interstate transmission lines.</li> </ul>	\$760 million

# 2022 Midterm Election Outlook

Well into President Joe Biden's second year in office, Democrats are fighting to maintain control of their House and Senate majorities.

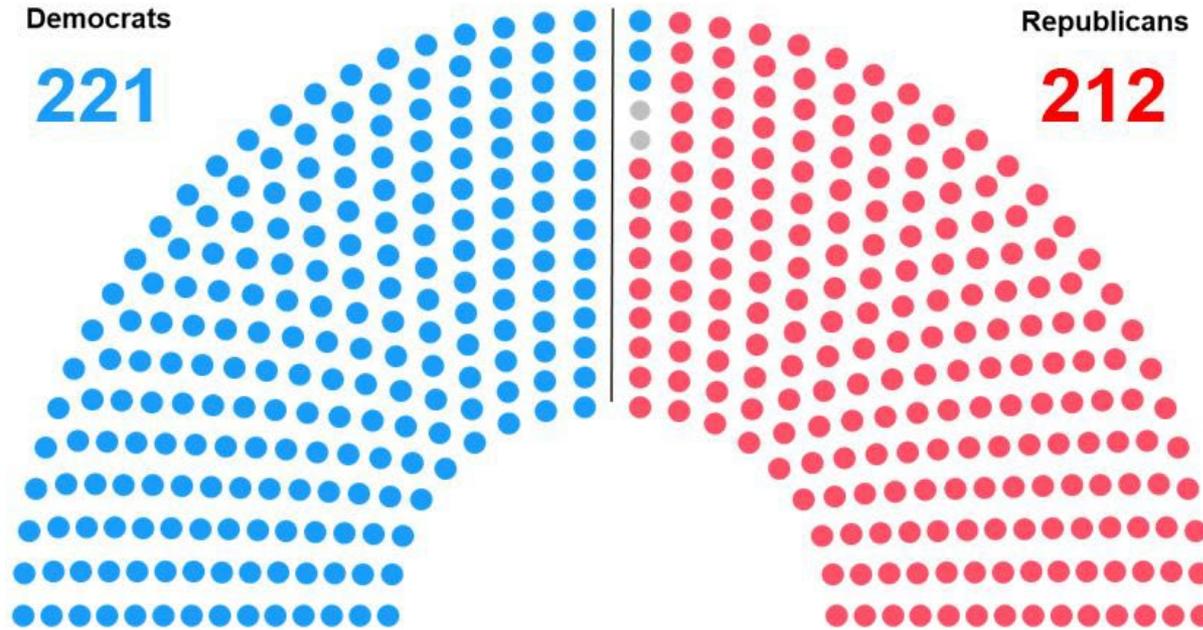
## Senate

- Democrats control the 50-50 chamber by virtue of Vice President Kamala Harris' tie-breaking vote and are defending four competitive seats.
- Republicans are defending more seats overall but only five are competitive.
- A net change of one seat in either direction alters the balance of the chamber, giving Democrats a clear majority or handing control to Republicans.

## House

- A shift of only five seats would transfer control of the chamber to Republicans.
- Redistricting is a variable, as both parties have used their respective power in the states to draw district lines and have filed lawsuits to challenge maps.
- Biden's low approval rating and inflation are likely to be anchors on Democratic incumbents.

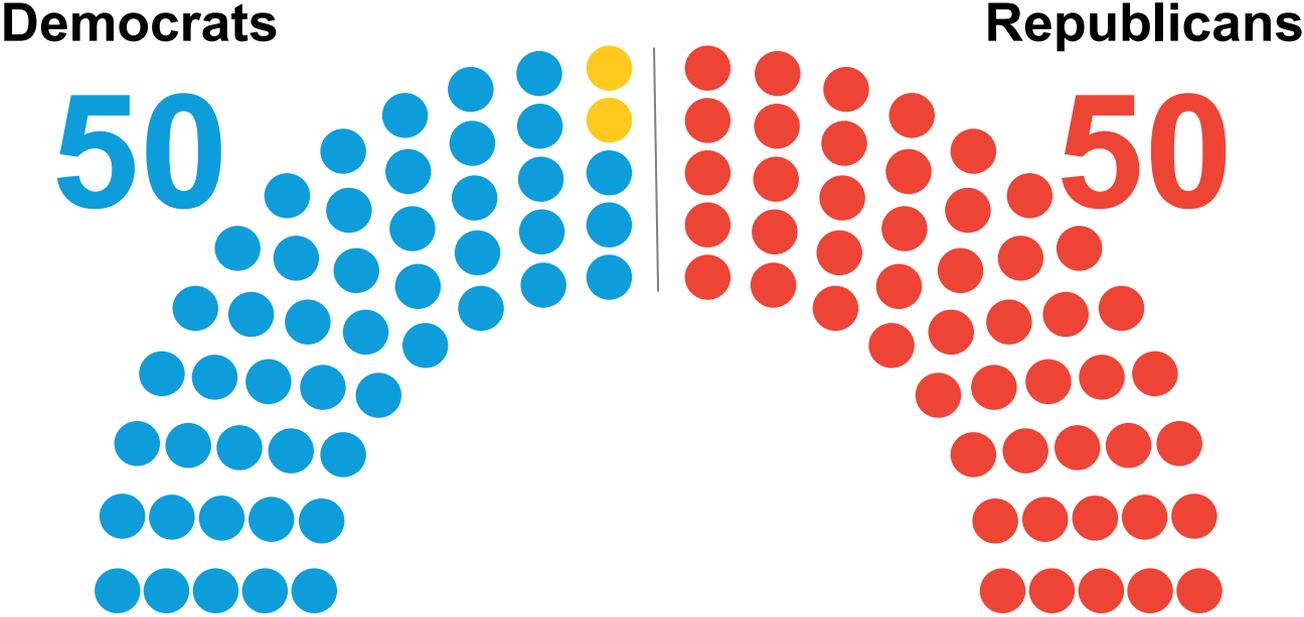
# House Balance of Power



# House Outlook

- **Republicans** need a net gain of five seats to win control of the House.
- **Democrats'** historically small margin and the tendency for the president's party to lose seats in midterms gives GOP the advantage.
- **Redistricting** plays a significant factor: new lines have altered the competitiveness of numerous districts; the number of competitive seats declined; some incumbents running for re-election in new territory; 6 incumbent vs. incumbent races.
- The Biden administration's politics, policies, and polling will shape the national atmosphere, as midterms are generally viewed as a referendum on the president.
- The *Dobbs* decision shifted the national landscape, making the Republicans' prospects of winning a 20+ seat majority unlikely.

# Senate Balance of Power



Note: Yellow indicates independents who caucus with Democrats

# Senate Outlook

- **Republican Advantages**

- Need to net only one seat to take control of 50-50 chamber.
- Biden’s approval rating remains below 50%.
- Targeting two seats that flipped to Democrats narrowly in 2020 special elections in traditionally GOP-leaning states that Biden also won.
- Campaign committee, aligned super PAC began 2022 with far more cash on hand than Democratic counterparts.

- **Democratic Advantages**

- Not defending any competitive open seats or seats in states Trump won in 2020.
- Targeting three GOP seats where the incumbent is retiring.
- Races for the Senate are less susceptible to election waves than for the House. It is possible good campaigns overcome the bad environment
- The Supreme Court overturning *Roe v. Wade* means abortion rights could drive turnout among Democratic voters.

## Departing Senators

**AL** – Richard Shelby (R)

**MO** – Roy Blunt (R)

**NC** – Richard Burr (R)

**OH** – Rob Portman (R)

**OK** – Jim Inhofe (R)

**PA** – Pat Toomey (R)

**VT** – Patrick Leahy (D)

# Federal Engagement in Seattle

Tours/Briefings	Department
Aurora Avenue Tour	Seattle Department of Transportation
Ballard Small Business Walking Tour	Office of Economic Development
Duwamish River South Park Flooding Risk Tour	Seattle Public Utilities
El Barrio Small Business Development Building	Office of Economic Development
Health One Ride-Alongs	Seattle Fire Department
Reconnecting Communities Tour in South Park	Office of Planning & Community Development
Seattle Emergency Operations Center	Office of Emergency Management
Seattle Monorail	Seattle Center
Skagit River Hydropower Tour of Diablo Lake	Seattle City Light
Yesler Terrace	Seattle Housing Authority
Upcoming	
Seattle Center Sustainable Emergency Power	Seattle Center
Seattle Rescue Plan Briefing	City Budget Office
Tolt Dam Hydropower Tour	Seattle City Light

# Questions

