



**DATE:** January 30, 2018

**CATEGORY:** New Business

**DEPT.:** City Manager's Office

**TITLE:** **Federal Legislative Priorities and Issues for Fiscal Year 2018**

### **RECOMMENDATION**

Approve recommendations for Federal legislative priorities and issues for the annual Council Washington, D.C., trip to the National League of Cities Congressional City Conference (March 12 to March 14, 2018), as outlined in this report and consistent with the National League of Cities, League of California Cities priorities, and Council policy.

### **BACKGROUND**

The NLC Congressional City Conference brings together more than 1,000 elected and appointed city leaders to focus on the Federal policy issues that are important to local governments. The NLC is a bipartisan organization dedicated to helping city leaders build better communities. Throughout the year, NLC advocates for cities and towns in Washington, D.C., through full-time lobbying and grassroots campaigns. The Congressional City Conference is an opportunity for city leaders to join NLC's efforts and advocate on behalf of NLC's Federal action priorities, benefiting cities everywhere.

The conference will include sessions and learning opportunities where local government officials can gather tangible takeaways to bring back home on a variety of topics important to their communities, such as infrastructure, public safety, community resilience, and Federal regulations that make local government officials stronger advocates for their communities.

In recent years, the City's advocacy efforts have been focused on the National Aeronautics Space Administration (NASA) Ames' issues and the preservation of important local government programs such as Community Development Block Grant Funds (CDBG) and HOME Investment Partnerships Program (HOME), or Edward Byrne Justice Assistance Grant (JAG) grants. Historically, staff has prepared general background material for Council and the NLC has provided advocacy information in

Washington, D.C. In 2015, the Council requested that staff provide a Federal priorities and issues report for review and approval prior to departing.

To draft this report for 2018, staff has conferred with all departments for input. Meetings will be requested for the Council attending, based on the adopted priorities.

### **ANALYSIS**

Staff recommends Council continue to focus on the following Federal issues, which were adopted in 2017 and are consistent with the City's existing legislative and Council priorities, when in Washington:

- Preserving Federal Funding to Cities
- Supporting Affordable Housing
- Supporting Transportation and Infrastructure Funding
- Supporting NASA Programs Targeted to Ames

If the drafted priorities are adopted, staff will make requests for meetings with Congresswoman Anna Eshoo, Secretary of the U.S. Army, Secretary of the U.S. Navy, NASA, the Department of Transportation (DOT), the Federal Aviation Administration (FAA), and the Department of Housing and Urban Development (HUD), as well as applicable group meetings organized by the NLC and/or League of California Cities (LCC).

More detail on these and other issues follows below.

### **Federal Funding Opportunities**

- City staff routinely reviews grant eligibility with City administrative and policy implications and match commitments. The major areas of City interest include housing, transportation, public safety, and environmental sustainability.

- Federally funded projects in the City this fiscal year include the following. Staff recommends the Council advocate for continued/expanded funding for these and similar programs that support local priorities:

Federal Agency	Project/Program Funded or Partially Funded	FY 2017-18 Amount
HUD	CDBG Program	\$480,000
HUD	HOME Program	\$190,000
DOT	Safe Routes to School Education Program VERBS	\$500,000
MTC	Modifications to Castro Street	\$840,00
Surface Transportation Program (STP)	Resurfacing Segments of Rengstorff Avenue and Old Middlefield Road	\$1,166,00
Surface Transportation Program (STP)	El Camino Real Streetscape Plan	\$260,000
Highway Safety Improvement Program	Shoreline Boulevard/Villa Street Intersection Improvements	\$400,725
DOJ	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	\$12,485
NHTSA	Selective Traffic Enforcement Program (STEP)	\$185,000*
FEMA	Severe Winter Storms, Flooding (Steven Creek Trail)	\$494,000

## Housing

- Mountain View is in the center of Silicon Valley, which continues to have some of the highest housing costs in the nation.
- The gap between market rents and affordable rents is happening after California cities have lost one of the main tools for providing affordable housing redevelopment agencies. While new tools and programs have recently been created at the State level, more is required to address the full need for affordable housing.

- The gravity of the need is greatest in the regions for lower-income residents, with the Santa Clara County Housing Authority having an average 8- to 10-year waitlist for Section 8-funded vouchers.
- The regional and local housing crisis and increased homelessness are significant issues for Mountain View.
- Since 2011, the CDBG and HOME funding has declined by 21 percent and 51 percent, respectively. Given the cost of housing and the City's goal to maintain the quantity, diversity, and affordability of housing in our community, it is a priority to maintain and ideally expand the two largest Federal block grants received by the City – CDBG, and HOME.
- The support of agencies at all levels of government is essential to address these complex issues. Federal funding remains vital to ensuring the housing and homeless crisis does not continue to grow. Critical Federal resources include the CDBG and the HOME programs.
  - Mountain View has primarily used its CDBG and HOME funding to help develop and preserve subsidized housing for extremely low- and very low-income families. CDBG funds are used to fund public service programs that provide basic needs services for the homeless, seniors, disabled households, and other special needs populations and for infrastructure and facility improvements in lower-income areas.
  - CDBG and HOME funding is vital to sustaining affordable housing and services for Mountain View's most vulnerable residents. The City supports new and innovative programs for grants to support affordable housing in high-cost areas such as Silicon Valley.
- Section 8 Project-Based Vouchers, also funded by HUD, are a critical source of operating revenue for subsidized apartment complexes whose operating margins are slim. The project-based vouchers enable subsidized complexes to offer even deeper subsidy layers than the Low-Income Housing Tax Credits (LIHTC) and subsequently house more Extremely Low-Income individuals and households who could not otherwise afford housing.
- The LIHTC program has been the nation's most important financing tool for creating affordable housing, and it is important to maintain the efficacy and impact of the program. While the Tax Cuts and Jobs Act (H.R. 1) does not impact the LIHTC program directly, the reduction in the corporate tax rate to a flat 21

percent may reduce what investors are willing to pay for the tax credits, thereby reducing the amount of financing available for affordable housing. The City supports the continuation of the LIHTC program and efforts to keep the tax credit pricing whole due to any potential drop in pricing. If pricing does drop, the City supports efforts to create other funding sources to replace the decrease in tax credit equity.

- H.R. 1 impacts the affordability of ownership housing by limiting the mortgage interest tax deduction to the interest paid on \$750,000 of debt, down from \$1,000,000, for a home purchased after December 14, 2017. Additionally, H.R. 1 limits the deduction for state and local taxes to an aggregate amount of \$10,000 for both property taxes on homes used for personal purposes, and either state income taxes or sales taxes. In the City of Mountain View, the average price of a townhome is over \$1 million and over \$2 million for a single-family home. The reductions in tax deductions can impact the ability of households to purchase a home in high-cost areas such as Mountain View. The City supports efforts at the Federal level to make homeownership more affordable.
- The Fair Housing Act is landmark legislation that protects Americans from housing discrimination. Currently, cities that receive Federal housing and community development funds are required to produce an “Analysis of Impediments to Fair Housing” (AI) every five years. HUD modernized the AI so that cities in the next cycle will be required to produce a plan to Affirmatively Further Fair Housing (AFFH). The AFFH includes components of the AI (in particular, preventing protected classes from housing discrimination) but enhances the concept of fair housing by including analysis of disparate impact, goals towards local and regional housing equity, and creating affordable housing in areas of opportunity.

In January 2018, HUD announced that the implementation of AFFH would be delayed. There is some concern that the delay effectively suspends the AFFH. The City plans to begin development of its AFFH, originally scheduled for 2018, at the appropriate time pending updates from HUD. The California Department of Housing and Community Development have issued a statement that it will continue to implement AFFH regardless of the situation in D.C. The City encourages Congress and HUD to continue working toward inclusive communities and housing opportunities for all, regardless of race, creed, age, disability, or income source.

- The City is implementing several short-term strategies to provide for basic human needs, and building longer-term partnerships with Santa Clara County and

community-based service providers to assist homeless and unstably housed persons. Many of these efforts are distinctive for a City of our size. Federal support for these or other programs to assist low-income residents in high-cost areas would be welcome.

### **Transportation/Infrastructure**

- Mountain View, like all of Silicon Valley and most other metropolitan areas, is faced with severe traffic congestion, which could hinder the economic growth for an area that has been a major economic engine for the State and nation. Significant resources are needed for transportation management, infrastructure maintenance, and mode shift projects, including mass transit, bicycle/pedestrian mobility improvements, and “last mile” connections for users of public transit.
- The City is continuing to make its transportation system safer and more convenient for bicyclists, pedestrians, and motorists with the adoption of a Bicycle Transportation Plan in 2015 and a large number of capital improvement projects to improve and expand bicycle- and pedestrian-related infrastructure and provide residents with additional mobility options, including exploration of better regional bike connectivity.
- The City is continuing to leverage limited local funding to obtain Federal grants to meet and address important transportation needs in our community. Mountain View is seeking support for new, innovative, and transformative approaches to transportation, including the current Automated Guideway Transportation project. The current study seeks to connect the highly utilized Mountain View Transit Center and the North Bayshore employment area with an automated transit system operating on a dedicated guideway. Partnerships with Federal funding to State, County, and regional transportation agencies will be crucial for such innovative systems to succeed. The DOT Federal Transit Administration competitive discretionary grants or other grants should provide funds to advance the research and deployment of such systems (also known as Automated Transit Networks, Personal Rapid Transit, and Autonomous Transit) that show promise for the future of transportation in our region and nationally.
- The Fixing America’s Surface Transportation (FAST) Act authorized in 2016 is the first Federal law in over a decade to provide long-term funding for transportation infrastructure planning and investment and is assisting the City and other local/regional governments to move forward with major transportation projects. The FAST Act authorized \$305 billion over Fiscal Years 2016 through 2020 for highway, street, transit, safety, and technology programs. It is critical that the FAST Act be

kept intact so that the City and other Silicon Valley governments can maintain and improve the established infrastructure of the various highway- and transit-related programs we manage.

- In November 2016, Silicon Valley voters approved new transportation funding. However, we still need a reliable partner in Washington, D.C. to empower our communities to thrive by safely and efficiently moving people and goods around and help to leverage severely needed investments in transportation infrastructure and programs. Significant gaps in funding sources remain for major regional projects that benefit the region and Mountain View directly, including:
  - Rail/Road Grade Separations – The elimination of at-grade railroad crossings at major arterial roadways in our region would improve connectivity, enhance safety for all modes of transportation, and reduce traffic congestion. This will be even more important with Caltrain electrification and high-speed rail. Mountain View's road/rail crossings at the Rengstorff Avenue/Central Expressway and Castro Street/Moffett Boulevard/Central Expressway intersections are candidates for Federal funding. A conceptual design for the grade separation at Rengstorff Avenue was approved by the City Council in 2014 and a concept for grade separation at the crossing at Castro Street/Moffett Boulevard was approved by the City Council in 2017.
  - Mountain View Transit Center – A Master Plan, approved by the City Council in May 2017, identifies improvements needed to the Downtown Transit Center to serve the current (12,000 boardings per day) and future demands, including recommendations for: (1) improving safety, capacity, and multimodal circulation at and near the station; (2) grade separation and reconfiguration of the Castro Street rail crossing and/or Central Expressway with improved transit facilities for pedestrian and bicycle access; and (3) parking structure options and potential for better use of the existing surface parking lot. The Master Plan was developed in coordination with Caltrain and the Santa Clara Valley Transportation Authority (VTA) and design of Phase I improvements will start in 2018.
  - Caltrain – There are two Caltrain stations in Mountain View. The Downtown Mountain View Transit Center provides more frequent and faster service than the San Antonio Station, west of downtown. The Downtown Mountain View Transit Center has the third highest average ridership (including bicycle ridership) of all stations in the system. The Caltrain Modernization Program includes the electrification of the existing Caltrain corridor between San Francisco and San José; the installation of a Communications Based Overlay

Signal System Positive Train Control (CBOSS PTC), which is an advanced signal system that includes Federally mandated safety improvements; the replacement of Caltrain's diesel trains with high-performance electric trains called Electric Multiple Units; and increased service from five to six Caltrain trains per peak hour per direction. The \$2 billion program is funded through a combination of local, regional, and Federal funding to match \$600 million in voter-approved high-speed rail bond revenues. The Advanced Signal System was completed in December 2016 and the Peninsula Corridor Electrification Project (electrification and new electric trains) currently under way is scheduled to be complete in 2020.

- State Route 85 Transit Corridor – The City and other key stakeholders are guiding the VTA with recommendations for near- and long-term transit and congestion relief projects on State Route 85, including a new transit lane from State Route 87 in San José to Highway 101 in Mountain View. The objectives guiding the stakeholder group include: (1) increase throughput and efficiency in the corridor and reduce congestion; (2) improve quality of life by reducing noise, transportation-related greenhouse gas emissions, and balancing jobs/housing; and (3) develop a highly effective public transit system and effective “last-mile” connections.

### **Public Safety**

- The City urges full funding for the public safety grants such as the JAG Program grants, the Community Oriented Policing Services (COPS) program, and the Staffing for Adequate Fire and Emergency Response (SAFER).
- It is a priority to provide support for 9-1-1 service enhancements to improve the quality and reliability. The City is appreciative of the efforts of Congresswoman Eshoo advocating for the needs of public safety to the Federal Communications Commission.

### **NASA Ames Housing**

- NASA Ames issued a Request for Proposals (RFP) for the lease of a 46-acre property on October 18, 2017, and proposals are due February 9, 2018. The objective of this leasing initiative is to construct up to 1,930 rental housing units, with a minimum of 10 percent set aside as affordable housing, together with 100,000 square feet of ancillary commercial space. City staff expects there to be considerable interest in this lease opportunity by the development community. The RFP requires the selected developer to obtain all municipal services and



utilities from NASA Ames. The property is within the Sphere of Influence of the City, but has not been annexed. The property is currently subject to Exclusive Federal jurisdiction, which means the State and its political subdivisions cannot enforce criminal and civil matters. Additionally, under Exclusive Federal jurisdiction, any lease of the property would not be subject to a possessory interest tax (a property tax on otherwise exempt property) to help fund schools and other municipal services.

### **Army Properties**

- The City has a keen interest in two Federal properties in our Sphere of Influence.
  - Shenandoah Housing (Moffett Boulevard and West Middlefield Road)— Council approved a Gatekeeper request from the Army to develop a Precise Plan for this 17-acre property. The Precise Plan effort has been on hold while business terms are still being finalized between the Army and the development company (CRC Irwin Planned Communities, LLC) that will be coordinating Precise Plan work with the City. The Army, or its development entity, also have yet to sign City contracts to fund the Precise Plan work. The Army released the NEPA Environmental Assessment (EA) on the sale or leasing of this property for public comment on January 10 and comments are due 30 days from the release date. City staff will be reviewing the EA and commenting as appropriate. Significantly, the EA Proposed Action is to convey the property to a private developer rather than lease it.
  - Orion Park (Moffett Field)—The Department of the Army issued an RFP for the lease of this 30-acre property on June 9, 2017 and proposals were due on October 20, 2017. It is unknown if the Army received any proposals and they have not disclosed the response(s) to the RFP. Permitted uses under the RFP include “commercial office and related uses, including education or training facilities.” The Army will not consider any other uses, primarily because of a TCE plume beneath the property. The RFP requires the selected tenant/developer to obtain all services, including police, fire, and utilities from the local providers. Approximately 10 of the 30 acres are within the corporate limits of the City, while the remainder is within the City’s Sphere of Influence, but not yet annexed.

### **Other Federal Issues**

- The City urges Congress to work closely with the Federal Aviation Administration (FAA) and Peninsula cities to implement the recommendations identified by the

Select Committee on South Bay Arrivals, and addressed in the FAA's Update on Phase Two report, to mitigate airplane noise and implement proposed changes in flight path arrivals and departures into San Francisco International Airport (SFO), as part of a national overhaul for improving efficiency in congested airspaces. The City appreciates the leadership of Congresswoman Anna Eshoo to address this matter.

- The City supports the establishment of a permanent Southern Peninsula/South Bay Roundtable for Santa Clara and Santa Cruz County stakeholders to provide input on SFO arrival and departure flight paths and address airplane noise issues on an ongoing basis.
- There are also potential issues with the FAA regarding modifications to flight paths used by Norman Y. Mineta San José International Airport when it operates "south flow" flight procedures that the Ad Hoc Committee on South Flow Arrivals will address this spring. The City appreciates the FAA's efforts to engage with the Ad Hoc Committee and Santa Clara County cities to explore feasible solutions for mitigating the impacts of air traffic noise on south flow days.
- In light of immigration policy being implemented by the Trump Administration, specifically in regard to Deferred Action for Childhood Arrivals (DACA) recipients, Temporary Protected Status (TPS) designations, H-1B Visa holders, and numerous other visa and immigration restrictions or enforcement actions, there continues to be a concern and uncertainty in Mountain View and beyond regarding the rights and safety of residents in our community. The City values the diversity of the Mountain View community and supports policies that protect the rights of all residents.

### **FISCAL IMPACT**

There is no fiscal impact associated with the adoption of these Federal advocacy priorities and issues.

### **CONCLUSION**

Staff recommends approval of the issues raised in this report as Federal-level priorities for advocacy in Washington, D.C. After receiving Council direction, staff will develop a briefing binder and try to set up relevant meetings in Washington, D.C.

**ALTERNATIVES**

1. Do not approve Federal-level priorities and issues.
2. Modify the Federal-level priorities and issues.
3. Provide other direction on Federal-level priorities and issues.

**PUBLIC NOTICING** – Agenda posting.

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CG/4/CAM  
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- Attachments:
1. [NLC Federal Priorities – 2017](#)
  2. [LCC Federal Priorities – 2017](#)
  3. [Positions on Ballot Measures and Legislative Advocacy – Council Policy A-16](#)