

CITY OF LAKEWOOD

FEDERAL PRIORITIES 2023



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COUNCILMEMBER

LINDA FARMER
COUNCILMEMBER

MICHAEL BRANDSTETTER
COUNCILMEMBER

Introduction

The City of Lakewood has established a productive and trusted relationship with its congressional delegation over the past many years. The result is a delegation that actively partners with the City in support of shared goals, whether they be funding for critical infrastructure and economic development, or offering legislative language to modify Department of Defense policies. The City thanks the congressional delegation for securing improvements for the Lakewood community over the years.

2022 Accomplishments: The City had several major accomplishments in 2022. The City put forward another earmark request for the South Tacoma Way roadway improvement project. This project was once again selected by Congresswoman Strickland for funding and \$2.5 million has been included in the Appropriations bill that passed the U.S. House of Representatives on July 20, 2022. The process is currently in the U.S. Senate and a final resolution on the funding for South Tacoma Way is expected before the end of the year. The project has support from both Senator Murray and Senator Cantwell. The City also proposed and won inclusion of language into the National Defense Authorization Act that streamlines the purchasing of private land for compliance with military safety buffer zones. The language will help the City's continued efforts in resolving the issue of North Clear Zone encroachment.

Policy Opportunities: The City has identified a number of infrastructure and housing needs to prioritize in 2023 that would benefit the community. Congress and the Biden Administration are providing numerous funding opportunities for the City to pursue these important projects. The South Tacoma Way roadway improvement project continues to be a priority, with another earmark request submitted and accepted by Congresswoman Strickland. The City will submit the "Green Loop" street portion of the Downtown Subarea Plan project to the RAISE program. The City will also submit a federal earmark request in support of LASA's 25-unit low income housing project. The City will continue efforts to change the Defense Community Infrastructure Program (DCIP) project eligibility to prioritize transportation projects, as several transportation projects around the City that improve military preparedness would benefit from DCIP funding access.

Congressional Delegation Opportunities: Lakewood's Congressional Delegation is extraordinarily well positioned to help the City in terms of their committee assignments and seniority. Congresswoman Strickland serves on the Transportation Committee and the Armed Services Committee with jurisdiction over JBLM and whose Chair, Adam Smith, is also from Washington State. Senator Murray is a senior member of the Senate Appropriations Committee and serves on the Defense Appropriations Subcommittee. Senator Cantwell is the Chair of the Senate Commerce Committee with jurisdiction over a majority of transportation policy. From a statewide perspective, Washington State has four members on the Appropriations Committee and three on the Armed Services Committee.

City Council Vision

Our vision for Lakewood is a thriving, urban, South Puget Sound City, possessing the core values of family, community, education, and economic prosperity.



We will advance these values by recognizing our past, taking action in the present, and pursuing a dynamic future.

Strategy: Lakewood's congressional delegation knows the Lakewood community's needs, as well as the City's funding and policy priorities. The City's legislative effort in 2023 will be to continue to drive major policy changes within the Department of Defense and the Department of Transportation and bring federal funding to City needs. The City's objective will be a sustained partnership with the federal government to bring federal funding into the City to support economic, infrastructure, housing, and environmental priorities.

The 2023 scope of work builds on the City's latest legislative efforts and continues to build support in 2023 and for longer-term initiatives in the years ahead. Additionally, the City will follow the work being done by partner agencies and organizations and will levy support when and where appropriate. Some of these organizations include the Association of Washington Cities, the Association of Defense Communities, the Puget Sound Regional Council and Pierce County, among others.

POLICY PRIORITIES

Bringing federal funding to the City's top infrastructure and housing priorities

Background: As Members of Congress restored earmarking authority last year, the City has ample opportunity to position its priority projects for federal support. In 2021, the City secured House support for \$2.4 million to complete the South Tacoma Way project but that effort was ultimately unsuccessful. The City resubmitted the request and seems to be in line to receive \$2.5 million in 2022 to complete the project.

Action: The City's work in 2023 will be to use the new earmark rules and regulations to revisit the City's capital projects and position them for federal support. The City will make a decision about which projects to put forward from the transportation, economic development, watershed infrastructure and community development areas. With two years of earmarks to review and the successful positioning of the South Tacoma Way Project for funding, the City of Lakewood can continue to put needed projects forward for federal funding with a keen understanding of which projects compete well for congressional consideration. In 2023, the City will submit a \$2.5 million federal earmark request for a 25-unit low income LASA housing project. This project is critical for increasing the City's affordable housing stock as well as incentivizing further economic development in the area. The City's secondary priority will be to continue to seek federal funding support for other City priorities. This may be through earmark requests or other funding opportunities that come together (see Transportation and Infrastructure Program and Funding below). The City also plans to submit a RAISE grant in 2023 in the amount of \$25 million for the Green Loop project and the City will seek congressional support for its grant submittal.

Supporting the Ongoing Efforts in the North Clear Zone

Background: The South Sound Military and Community Partnership (SSMCP) has been the driving leader in supporting the Air Force and Army funding the acquisition of property in the JBLM North Clear Zone. The City has requested legislative language from its congressional delegation to clarify the appropriate use of federal dollars. In 2022 the City successfully added legislative language to the National Defense Authorization Act (NDAA) with the support of Rep. Strickland and Chair Smith to help process future North Clear Zone transactions.

Action: The City will continue to lobby for funding and policy support for this effort. The House and Senate Armed Services Committees are both watching the work being done at the North Clear Zone at

JBLM and the City has a strategy ready to enact should the contemporary work being done on the ground prove stuck. We will also monitor the implementation of the language that we successfully added to the 2022 NDAA to ensure it meets local needs.

Defense Community Infrastructure Program (DCIP)

Background: In 2018, Congress included the creation of the Defense Community Infrastructure Program (DCIP) in the Defense Authorization bill with an initial authorization of \$100 million for the program. This program was the result of a multiple-year effort led by the City of Lakewood and pushed by former Congressman Denny Heck with the support of Congressman Derek Kilmer and Congressman Adam Smith. This new federal initiative created a new funding program for the Department of Defense to help cities construct infrastructure that serves military installation.

Congress failed to fund the program in 2018 but we were able to get \$50 million appropriated in 2019 to establish the program and support the first round of grants. As 2020 unfolded, the Office of Local Defense Community Cooperation (OLDCC, formerly known as the Office of Economic Assessment) established the DCIP with an emphasis on projects that enhanced military quality of life and de-emphasized infrastructure.

In 2021, Lakewood successfully lobbied for an increase in the amount of funding available to \$60 million and successfully re-prioritized infrastructure in the grant award criteria. This is key to the City's strategy of using the DCIP to fund the infrastructure improvements needed to connect JBLM North with the main base.

In 2022 the DCIP funding has grown to \$90 million but regrettably, projects funded through the DCIP are not transportation infrastructure focused, and few transportation infrastructure projects to date have been funded.

Action: In 2023, the City's top priority is increasing the funding available to the DCIP up to its authorized amount of \$100 million and ensuring that the program adequately prioritizes the types of projects needed in Lakewood, as well as lobbying for DCIP project eligibility that incorporates transportation infrastructure projects.

Transportation, Climate, and Infrastructure Program and Funding

Background: Congress and President Biden enacted the Bipartisan Infrastructure Bill in December 2021 and the Inflation Reduction Act of 2022 in August 2022. These two bills provide dozens of grant and program funding opportunities for the City of Lakewood. 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. The City has substantial concern that national grant programs disadvantage medium sized cities without a specific set aside so that cities of similar size compete on equal ground.

Action: Several proposals in both House and Senate bills 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 Lakewood'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 Lakewood. For the climate infrastructure programs recently enacted, the City will work to establish similar criteria in new programs that will be implemented in 2023. 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 December 2021 Infrastructure Bill 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

Medium Sized City Set Aside

Background: 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.

The RAISE program is the key federal funding program for local infrastructure investments. Yet, 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. The City has supported efforts to designate a portion of federal transportation spending for cities between 10,000 and 75,000 in population size.

Action: The City will continue to lobby for a portion of federal infrastructure dollars be set aside for medium sized cities. This policy position is consistent with the work the City has 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, 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 the City's legislative efforts are 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 City's multi-year, multijurisdictional legislative effort.

The City will analyze the 2023 RAISE program and apply for the "Green Loop" street portion of the City's award-winning Downtown Subarea Plan. The City will continue to support a dedicated medium

sized city set aside within the RAISE program as well.

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

Defense Policies

Base Realignment and Closure (BRAC)

Background: A BRAC round is the best way to direct military construction and infrastructure funding to the bases and locations that need the most investments. While the prospects of a BRAC round over the next few years are unlikely, the DOD and the City's congressional delegation are supportive, including most importantly, Congressman Adam Smith who is the Chair of the House Armed Services Committee with jurisdiction over this issue.

Action: The City will continue to support a BRAC round to focus limited federal funding on critical military infrastructure needs. The City urges Congress to invest in the Office of Local Community Cooperation with any BRAC round. Moreover, for bases that see an increase in missions or personnel following a BRAC, Congress should consider creating a new funding support to address deficiencies on those installations.

Office of Local Defense Community Cooperation (OLDCC)

Background: As Congress moves forward with annual Defense Authorization bills, preserving funding for the Office of Local Defense Community Cooperation (OLDCC) – formerly known as the Office of Economic Adjustment (OEA) – at the Pentagon is a key priority for the City. OLDCC funds economic studies and planning for cities that experience reductions or growth in their military installations.

Action: OLDCC is expected to continue to be a critical partner to the City for many shared initiatives in support of JBLM. Funding for OLDCC has been under recent threat and the City should lobby for stable funding for OLDCC in recognition of its strong role in the economic growth in the region.

Association of Defense Communities Engagement

Background: The Association of Defense Communities (ADC) has the potential to become a key ally for the City. The ADC's support for the Defense Community Infrastructure Program was key to enactment in 2018. Additionally, its steadfast support for the Office of Local Defense Community Cooperation (OLDCC) has been critically important for the viability of that agency.

Action: The City should look for ways to deepen its relationship with ADC and consider participating in ADC conferences with the eventual goal of seeking committee and board positions with ADC.

Support for Military Construction Projects at JBLM

Background: Congress restored limited earmarking authority to its appropriations bills. In 2021, Military Construction projects were not eligible for earmarking but there were 28 projects selected for earmarked funding in 2022.

Action: The City will support JBLM by lobbying for projects that the base has identified as priorities for the Military Construction accounts within the congressional spending bills.

CITY OF LAKEWOOD, WASHINGTON

Community and Economic Development Programs

Continuation of Earmark Authority

Action: Congress reinstated its earmarking authority in 2021 and the City should continue to support the use of congressionally-directed spending in 2023 and beyond with full transparency and conflict of interest checks.

Community Development Block Grants (CDBG) and the Home Investment Partnership (HOME)

Background: The City of Lakewood uses Community Development Block Grant (CDBG) and Home Investment Partnership Program (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 2016 and has been holding steady at that rate since then.

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.

Action: The City will continue to support the CDBG and HOME program at the federal level and lobby for increased funding that could be put to use in Lakewood immediately.

Support Municipal Tax Policy

Background: Congress has adjusted various tax policies that have a direct impact on the City of Lakewood, 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.

Action: The City will advocate for strong municipal authority and tax credits that facilitate economic development and meet the region's critical housing needs.