



City of Phoenix

To: Mayor and Council
Executive Team

Date: November 6, 2008

From: Karen Peters
Government Relations Director

Subject: FEDERAL UPDATE: OCTOBER 31 – NOVEMBER 6, 2008

This memorandum provides an update of the past week's federal activities – Congressional action, lobbying and national meetings. Please let me or Tom Remes know if you have any questions or need further information on specific legislation or issues.

OCTOBER 31 – NOVEMBER 6, 2008

Election Update

On November 4, 2008, Sen. Barack Obama was elected the 44th president of the United States. He will take the helm of government in turbulent economic times. The Presidential Inauguration will take place on January 20, 2009. The 111th Congress will be sworn in on January 6, 2009. The latest election results show the Democrats with greater control of both the House and Senate. As of this time, the Senate will have 55 Democrats, 40 Republicans and 2 Independents who caucus with the Democrats. The races in Minnesota and Alaska have yet to be called and there will be a runoff in Georgia. On the House side, the balance between Democrats and Republicans is currently 254 to 174 with 5 races yet to be called. The Arizona delegation will continue to have two Republican senators, but the balance in the House delegation has shifted from 4-4 to 5 Democrats and 3 Republicans.

Latest on the Economic Stimulus Package

House Speaker Nancy Pelosi (D-CA) announced yesterday that there now may be two stimulus bills, one in the lame duck session that will be acceptable to President Bush, and another, larger one next year. She talked about reviving the House's September stimulus bill (H.R. 7110). That bill provided \$61 billion, including \$31 billion for infrastructure. Of that infrastructure money, \$4.6 billion was for transit grants through the Section 5307 formula program. Both Speaker Pelosi and Senate Majority Leader Harry Reid (D-NV) have mentioned \$150 billion as a potential second stimulus price tag – a nearly threefold increase over the \$61 billion included in H.R. 7110.

NAHRO Calls for New Stimulus Funding

On November 3, the National Association of Housing and Redevelopment Officials (NAHRO) sent Congressional and Appropriations Committee leaders a new economic stimulus request letter, stating that stimulus funding for housing and community development activities would provide an infusion of capital to support job creation and

infrastructure preservation that will strengthen our state and local economies. “The funding recommended in this request will help our families, our infrastructure, and our economy at this critical juncture,” said NAHRO Executive Director Saul Ramirez in the letter. NAHRO requested the following:

- Stimulate the economy while addressing the more than \$30 billion backlog in public housing capital repair needs by providing \$5 billion in Public Housing Capital Funds.
- Maintain public housing services to vulnerable families while stimulating local economies by providing at least an additional \$500 million for the Public Housing Operating Fund.
- Help state and local governments provide job creation, infrastructure, and economic development activities with emergency CDBG funding.
- Create greater housing opportunities for veterans, children in foster care, persons with disabilities and other low-income families with \$143 million in administrative funding for the Section 8 Housing Choice Voucher program.

Homeland Security Grants

The Department of Homeland Security (DHS) Federal Emergency Management Agency announced plans to provide \$3 billion in homeland security grants to state and local governments. They are releasing the FY 2009 funds much faster than in the past and are providing the funds with far fewer strings attached. For example, grant recipients will be able to spend up to 50 percent of their grants on personnel expenses, up from 25 percent. DHS is also lifting the 25 percent local match requirement for rail and transit security grants. The announcement also provided grant guidance for 14 grant programs including the Urban Area Security Initiative (UASI) program. Departing from previous practice, DHS announced targeted UASI grant allocations up front, enabling grantees to write investment justifications based on the resources available. The Phoenix region UASI program received \$11 million in FY 09 funding and \$1.3 million in Metropolitan Medical Response System (MMRS) funding.