



2022 Federal Legislative Agenda Office of Government Relations

Guiding Principles

The City of Phoenix's Legislative Agenda serves as the framework for the City's advocacy positions on federal legislative, administrative, and budget issues.

The City supports legislation, policies and regulatory actions that recognize the important role of local government and equip the City with the resources and flexibility needed to serve our community. The City opposes legislation, policies and regulatory actions that diminish local decision making, preempt local authority, or impose unfunded mandates.

The following policy areas are deemed to be the priority policy goals of the Mayor and City Council and provide a means to advance and protect the City's interests on issues at the federal level.

Proposed 2022 Federal Agenda

This report contains the proposed 2022 Federal Agenda, which is broken into five issue areas: Public Safety; Transportation; Water, Environment, Parks and Sustainability; Community Development and COVID-19.

RECOMMENDATION

Staff recommends the following items for inclusion in the 2022 Federal Agenda. These items are described below:

PUBLIC SAFETY

Police:

1. Office of Justice Programs Grants
2. Urban Area Security Initiative

Fire:

3. Federal Emergency Management Agency Grant Programs

Prosecutor:

4. Specialty courts

TRANSPORTATION

Aviation:

1. Airport Business and Federal Funding
2. Unfunded Mandates/Government Leases
3. Cybersecurity and Airport Security Requirements
4. TSA/Customs
5. Comprehensive Asset Management Plan (CAMP) Implementation
6. Airspace Management
7. Sustainability
8. Advance Air Mobility

Public Transit:

9. High-Capacity Transit
10. Alternative Fuel Tax Credit
11. Public Transit Buses

Streets:

12. Local Surface Transportation Funding Priorities

WATER, ENVIRONMENT, PARKS AND SUSTAINABILITY

Water:

1. System Conservation
2. Intentionally Created Surplus
3. Modified Bartlett Dam
4. WaterSMART
5. Forest Restoration

Parks and Recreation:

6. Rio Salado/Rio Salado Oeste
7. Tres Rios

Environmental Programs:

8. Brownfields

9. Food Systems
10. Groundwater Contamination and Cleanup (PFAS and PFOA)
11. Waters of the U.S. (WOTUS)

Heat Response & Mitigation:

12. Urban Tree Canopy
13. Urban Heat

Sustainability:

14. Electric Vehicle Infrastructure
15. Renewable Energy
16. Energy Efficiency Upgrades for City Facilities

Public Works

17. Flood Mitigation and Stormwater Infrastructure

COMMUNITY DEVELOPMENT

Community & Economic Development:

1. Supporting the Semiconductor Industry
2. Workforce Innovation and Opportunity Act (WIOA)
3. Broadband Funding

Housing:

4. Choice Neighborhoods Program
5. HOME Investment Partnerships Program
6. Section 8/Housing Choice Voucher
7. Rental Assistance Demonstration
8. Low Income Housing Tax Credit (LIHTC) Program
9. Public Housing Capital Fund Program

Neighborhood Services:

10. Community Development Block Grant Fair Share
11. Lead-Based Paint Hazard Control Grant Program and Healthy Homes
12. Weatherization Assistance Program

Human Services:

13. Homelessness

14. Low-Income Home Energy Assistance Program
15. Community Services Block Grant
16. Older Americans Act
17. Victim of Crime Act (VOCA) Funding
18. Head Start/Early Head Start

Arts and Culture:

19. National Endowment for the Arts
20. National Endowment for the Humanities

COVID-19

City Manager's Office:

1. COVID-19 Response & Recovery
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PUBLIC SAFETY

Police:

1. Office of Justice Programs Grants

The Office of Justice Program (OJP) provides federal grants, training, technical assistance and other resources to improve the nation's capacity to prevent and reduce crime, assist victims and enhance the rule of law by strengthening the criminal and juvenile justice systems. Over the past seven years, the Police Department has been awarded more than \$20 million through OJP grant programs and initiatives. This funding has enabled the Department to expand its capacity to prevent crime, improve public safety technology and increase overall levels of public safety services that otherwise would not have been possible.

Some of the grant Programs offered through the OJP that have been awarded to the City include:

- *DNA Capacity Enhancement and Backlog Reduction Program*
- *Paul Coverdell Forensic Science Improvement Program.*
- *Enhanced Collaborative Model to Combat Human Trafficking Program.*
- *Internet Crimes Against Children Task Forces Continuation Program.*

- *Body-Worn Camera Program*
- *Justice of Mental Health Collaboration*

STAFF RECOMMENDS THE CITY CONTINUE TO ADVOCATE FOR PUBLIC SAFETY GRANTS AND PROGRAMS OFFERED THROUGH THE OJP THAT PROVIDE DIRECT SUPPORT AND RESOURCES THAT CONTRIBUTE TO CRIME PREVENTION AND SUPPRESSION EFFORTS, TECHNOLOGY ENHANCEMENTS AND PUBLIC SAFETY SERVICE IMPROVEMENTS.

2. Urban Area Security Initiative

The City of Phoenix receives grant funds each year from the Urban Area Security Initiative (UASI) and State Homeland Security Grant Program (SHSGP). These grant funds are used to fund homeland security programs and projects within the Police and Fire Departments. Since the inception of the grant programs, the City of Phoenix and its regional partners have developed a robust terrorism prevention, natural disaster and emergency response system to address the needs of the region. A risk formula is used to allocate homeland security grants for states and regions across the country. Phoenix receives a portion of SHSGP funds from the State each year, but UASI funds are nationally competitive based on annual risk analysis from the Department of Homeland Security.

The continued support of elected officials and legislative members is crucial to ensure the City of Phoenix and the region receive continued homeland security funding. This funding is critical to maintaining existing first responder operational response capabilities and for exercising these capabilities to maintain proficiency. The loss of this funding will significantly impact the City's homeland security response and prevention capabilities. Therefore, staff wishes to maintain or increase funding for the UASI and SHSGP grant programs to meet the growing needs of the City of Phoenix and the region.

Homeland Security remains the primary focus of public safety nationwide and continues to serve as the core responsibility for first responder personnel. The City of Phoenix has remained diligent in its commitment unify 15 regional public safety departments following the tragic events of 9/11. This partnership has enhanced preparation for the City to better respond to natural and human-caused incidents and disasters while focusing on enhancing prevention, response and recovery capabilities.

STAFF RECOMMENDS SEEKING CONTINUED LEGISLATIVE SUPPORT TO ENSURE THE REGION'S HOMELAND SECURITY FUNDING REMAINS INTACT. CONTINUATION OF THIS FUNDING WILL ENABLE THE CITY TO SUSTAIN EXISTING CAPABILITIES SUPPORTING THE HOMELAND SECURITY MISSION AND BETTER PROTECT ITS CITIZENS, CRITICAL INFRASTRUCTURE AND KEY RESOURCES.

Fire:

3. Federal Emergency Management Agency Grant Programs

Funding through annual Federal Emergency Management Agency (FEMA) grants helps support the City's ability to delivery emergency service to the residents and businesses within the City of Phoenix. Some grants offered through FEMA, which the City has been a recipient of, are:

- Staffing for Adequate Fire and Emergency Response (SAFER)
- Assistance to Firefighters Grant (AFG)
- Fire Prevention & Safety (FP&S)
- Urban Search and Rescue (US&R) Programs
- Urban Area Security Initiative Grant (UASI)

The Staffing for Adequate Fire and Emergency Response (SAFER) grant program and the Assistance to Firefighters Grant (AFG) program provide funding directly from FEMA to local fire departments. The SAFER grant program provides assistance to increase the number of frontline firefighters in local communities and the AFG program provides needed firefighting equipment in local communities.

The Urban Search and Rescue (US&R) program provides trained emergency responders from all over the nation for natural and manmade disasters. Maintaining and/or increasing grant funding is critical to providing the current level of fire, emergency and disaster service delivery. Phoenix is a member of the US&R Arizona Task Force One group and has deployed to disasters such as 9/11 and Hurricanes Rita, Katrina and Florence.

Over the past eight years, the Fire Department has been fortunate to receive over \$69 million in funding from these grant programs. The majority of these monies have gone towards the hiring of new firefighters, while other portions have funded the purchase of equipment and apparatus and conducting training programs. These enhancements would otherwise not be possible due to operational budget constraints.

The Urban Areas Security Initiative (UASI) Program assists high-threat, high-density Urban Areas in efforts to build and sustain the capabilities necessary to prevent, protect against, mitigate, respond to, and recover from acts of terrorism. The UASI program provides financial assistance to address the unique multi-discipline planning, organization, equipment, training, and exercise needs of high-threat, high-density Urban Areas like Phoenix. This funding plays an important role for Phoenix and our regional partners by funding specialized programs that would otherwise go unfunded.

The grants received from FEMA play a critical role in meeting the Fire Department's mission and strategic needs. The loss of these annual funding streams would have

a devastating impact on the Fire Department's ability to maintain sufficient staffing and provide timely emergency response.

STAFF REQUESTS ADVOCATING FOR FEMA GRANTS TO BE FULLY FUNDED OR EXPANDED TO MAINTAIN THE CURRENT LEVEL OF FIRE AND EMERGENCY SERVICE DELIVERY.

Prosecutor:

4. Specialty Courts

The City of Phoenix Municipal Court currently maintains specialty courts, including Veterans Court and Behavioral Health Court. These courts target special populations of justice-involved individuals, with a focus on restoring the individual to a fully functioning and contributing member of society while maintaining focus on public safety and community needs.

Through collaboration, the City's Municipal Court, Prosecutor's Office, and Court Appointed Attorney's office, would use additional funding to continue addressing the needs of victims, offenders, veterans and their families and those justice-involved individuals affected by behavioral health issues.

STAFF RECOMMENDS PURSUING FEDERAL GRANTS AND ASSISTANCE TO FURTHER DEVELOP AND EXPAND THE CITY'S SPECIALTY COURTS.

TRANSPORTATION

Aviation:

1. Airport Business and Federal Funding

The City of Phoenix Aviation Department has more than \$5 billion in unmet infrastructure needs. Approximately \$800 million of construction projects were deferred in 2020/2021 due to the COVID-19 pandemic. Sky Harbor is in immediate need of additional passenger gates, airfield improvements including new north/south taxiways on the west side of the Airport, and the relocation of cargo operations to the north of the Union Pacific Railroad, which will require the trenching of the railroad tracks. The City of Phoenix will need to continue to advocate for federal funding for these critical infrastructure projects.

The Federal Aviation Administration (FAA) regulates nearly every aspect of Phoenix Sky Harbor International Airport and its two general aviation airports, Phoenix Deer Valley and Phoenix Goodyear, including airport financing, safety, environmental, construction, and planning. City airports' capital programs rely heavily on Congressional authorizations and appropriations, including the Passenger Facility Charge (PFC) and Airport Improvement Program (AIP) dollars. The airports also benefit from other federal grant funding.

In 2018, Congress passed a five-year FAA reauthorization, which expires on Sept. 30, 2022. The next FAA reauthorization will present new opportunities, as it will extend FAA's funding and authorities. The current FAA reauthorization fails to provide adequate resources to repair aging facilities and prepare for future demand. The following issues were not fully addressed in the current FAA reauthorization, but could be remedied in the upcoming round. These items are of major importance to the City of Phoenix:

- Increasing the PFC from \$4.50 to \$8.50, with future indexing for inflation for large-hub airports, in lieu of AIP entitlement funding.
- Aligning PFC eligibility with eligible uses in current law for airport revenue, thus allowing PFCs to be used on any capital project.
- Increasing AIP authorization level and ensure stable predictable funding through a multi-year reauthorization bill.
- Extending authorization in current law for supplemental AIP funding above baseline levels and allowing FAA to use supplemental funds for a broader range of projects, including terminals and environmental projects.
- Protecting airports' right to regulate airport landside users such as transportation network companies, Peer to Peer rentals, shuttle services, and other ground transportation providers, to protect service, manage capacity, and contribute to paying a fair share of infrastructure and operation costs.
- Providing relief for communities impacted by flight path changes and preventing future changes without input and proper community notification.
- Permanently exempting airport private activity bonds from the Alternative Minimum Tax (AMT). Exemption from the AMT would decrease the financing costs for all three City airports, but particularly Sky Harbor.
- Maintaining or increasing funding for the FAA Contract Tower program, which supports the control tower at Goodyear Airport.
- Monitoring issues related to Flags of Convenience, especially when they affect airlines that will potentially operate at Sky Harbor.

STAFF RECOMMENDS PURSUING FEDERAL INFRASTRUCTURE FUNDING FOR AIRPORTS, AND LEGISLATION THAT INCLUDES THE FAA REAUTHORIZATION PRIORITIES DESCRIBED ABOVE.

2. Unfunded Mandates/Government Leases

The Phoenix Aviation Department must pay for any federal mandates related to the operation of its three airports. If forced to assume the cost of an unfunded federal mandate, the Aviation Department must decide between increasing revenue through an

alternative method, such as increasing rates and charges to airlines, or decreasing services to the public. The following are examples of potential unfunded mandates:

- Security exit lane staffing: The Transportation Security Administration (TSA) has proposed in the past that airports assume responsibility for staffing security exit lanes. Staff estimates that it would cost more than \$1 million annually to staff the five, passenger screening checkpoint exits at Sky Harbor.
- Law Enforcement Officer (LEO) Reimbursement Program funding: Airports are required to provide law enforcement at or near security checkpoints to respond to threats that may be discovered during the TSA screening process. Front line TSA officers are not armed and cannot arrest individuals. Any cut to the TSA's law Enforcement Officer (LEO) reimbursement program would create an unfunded burden on airports.
- Moving and installing new TSA screening equipment: When airports modernize, the TSA does not pay to move or install their equipment, or to make improvements to their screening areas, thus shifting the expense to the Airport.
- 100 percent security screening of employees: In the past, some members of Congress have proposed the idea of 100% physical security screening for all employees working at airports. This would be in addition to current background checks and other TSA security measures already in place. This initiative would cost millions of dollars to implement, result in significant operational delays, and according to the TSA Aviation Security Advisory Committee, "not appreciably increase the overall level of system-wide protection." If airports had to assume the cost of 100% employee screening, the increased costs would likely have to be passed to airlines and other airport tenants.
- Biometric exit screening at airports: Implementing biometric exit screening of non-citizens departing the U.S. would represent a significant change from the current entry process administered by Customs and Border Protection (CBP), whereby all foreign and domestic passengers are screened as they enter the country. The cost of biometric exit has not yet been determined, but initial estimates are in the millions of dollars at each airport. The Airport has concerns about being mandated to fund infrastructure improvements, especially technological infrastructure, to implement the biometric exit system without close coordination and federally sponsored program funding.
- Health screenings/temperature checks: Since the beginning of the COVID-19 pandemic, there have been suggestions that airports should conduct health screenings or temperature checks. This would be cost prohibitive for airports. These screenings and checks would be more practical and cost-effective if conducted at TSA checkpoints, by airlines, or by private vendors operating at airports.

In addition, some government agencies and entities do not currently pay fair market value for the use of airport property. Examples include Air National Guard and Customs and Border Protection (CBP).

STAFF RECOMMENDS OPPOSING ALL UNFUNDED FEDERAL MANDATES AND ADVOCATING THAT ALL GOVERNMENTAL USES OF AN AIRPORT SHALL PAY FAIR MARKET VALUE FOR THOSE USES.

3. Cybersecurity and Airport Security Requirements

Concerns about data privacy and cybersecurity have increased dramatically in recent years, not only for airports but for businesses worldwide. The federal government is currently in the process of finalizing a national amendment which will require airports to report all cybersecurity incidents that impact airport operations to two separate Department of Homeland Security agencies. In addition, airports may be held accountable for incidents involving systems that they do not operate (tenants, vendors, leaseholders). The City should monitor any new regulations and requirements for airports and associated impacts related to data privacy and/or cybersecurity, and the additional staff time that would be required in order to comply with the new mandates.

The City should also monitor any new regulations and requirements for airports and associated impacts related to background checks for airport employees. This would include requirements for full background checks of employees at every badge renewal and/or ongoing random checks. Airports are in the process of migrating to perpetual vetting, so a mandate to conduct additional checks at every renewal would be redundant and inefficient.

Broadband infrastructure must also be improved at U.S. airports. Addressing broadband infrastructure gaps at airports is essential for operational needs such as enhanced perimeter security.

STAFF RECOMMENDS MONITORING FOR NEW DATA PRIVACY, CYBER SECURITY AND EMPLOYEE BACKGROUND CHECK REQUIREMENTS AND OPPOSING MEASURES THAT REQUIRE ADDITIONAL STAFF TIME DUE TO REDUNDANCIES. STAFF ALSO RECOMMENDS SUPPORT OF IMPROVED BROADBAND INFRASTRUCTURE AT AIRPORTS.

4. TSA/Customs

Phoenix Sky Harbor closely monitors TSA wait times to ensure that they remain at acceptable levels. It is important that the TSA remain accountable, and that the City watch closely for any revisions under consideration by the TSA to change the program that allows airports to opt out of TSA-run checkpoints and replace the TSA with private screeners, as well as monitor innovative passenger security pilot programs for testing at Sky Harbor.

A three-year pilot program, the One-Stop Security Pilot Act, has been proposed at a limited number of airports. It would allow inbound international travelers and their carry-on baggage not to be re-screened upon arrival in the United States when connecting

domestically, if the last point of departure has a commensurate level of screening to the U.S.

The lengthy process of conducting required background checks on employees is making it difficult for airports to hire in a competitive job market. TSA will need to provide airports with additional flexibility with risk-based resources in order to streamline the credentialing and onboarding process and reduce the time from job offer to working in a position.

STAFF RECOMMENDS MONITORING TSA ISSUES, SUCH AS STAFFING LEVELS, FOR IMPACTS TO SKY HARBOR, SUPPORTING THE ONE-STOP SECURITY PILOT ACT, AND ADVOCATING FOR A STREAMLINED EMPLOYEE CREDENTIALING AND HIRING PROCESS.

5. Comprehensive Asset Management Plan (CAMP) Implementation

In 2019, the City Council approved a 20-year growth plan for PHX referred to as the Comprehensive Asset Management Plan or “CAMP”. CAMP layout plans were approved by FAA in early 2020 and subsequently the U.S. Department of Transportation (DOT) awarded a \$24M “BUILD” grant to further support implementation of CAMP. Implementation activities key to the plan include near-term trenching of the Union Pacific Railroad line so airport cargo and maintenance facilities can be relocated north of the airport.

STAFF RECOMMENDS PURSUING FEDERAL GRANTS AND SUPPORTING LEGISLATION THAT PROVIDES FUNDING, FAST-TRACKING OR EXPANDED PARTNERSHIPS FOR STRATEGIC MULTI-MODAL PROGRAMS THAT PROVIDE FOR REGIONAL TRANSPORTATION AND COMMUNITY REDEVELOPMENT.

6. Airspace Management

The FAA is responsible for developing policies, regulating and maintaining the national airspace. This responsibility includes critical Phoenix issues like NextGen flightpath changes, drone (UAS) safety and regulation, aircraft noise and environmental analysis requirements. For several years, Phoenix contested flight path changes detrimental to the community and ultimately prevailed in court, forcing the FAA to restore the compatible flight path corridors.

In addition, the Federal government is now considering whether to require all unidentified drone (UAS) incidents to be reported to the TSA, even though the TSA does not necessarily have jurisdiction over this area. The FAA and local law enforcement currently have jurisdiction. Adding a TSA reporting requirement would require increased staff time with no clear benefit or reason for doing so.

STAFF RECOMMENDS MONITORING NEXTGEN, DRONE, NOISE COMPATIBILITY AND FLIGHTPATH LEGISLATION AND SUPPORT LEGISLATION THAT IMPROVES OR EXPANDS COMMUNITY OUTREACH AND AWARENESS OF AIRSPACE MATTERS. OPPOSE ANY NEW REQUIREMENTS FOR AIRPORTS TO REPORT INCIDENTS TO THE TSA WHERE THE TSA HAS LIMITED OR NO JURISDICTION.

7. Sustainability

The City of Phoenix Aviation Department is charting a roadmap to net carbon zero. Supporting programs that promote clean energy, while opposing any attempts to block access to clean energy will be essential in achieving our sustainability goals.

STAFF RECOMMENDS OPPOSING ANY ATTEMPT TO RESTRICT OPPORTUNITIES FOR COMPETITION IN THE SUPPLY OF RENEWABLE ENERGY, AND SUPPORT FUNDING FOR ZERO EMISSION VEHICLES, INSTALLATION OF ELECTRIC CHARGING STATIONS AT AIRPORTS, INFRASTRUCTURE TO SUPPORT AIRCRAFT ELECTRIFICATION, CARBON SEQUESTRATION, AND CARBON NEGATIVE PAVEMENT.

8. Advanced Air Mobility

The City recognizes the emergence of transformative airborne technology to transport people and goods in new, sustainable, and cost-effective aircraft. Advanced Air Mobility (AAM) has the potential to benefit cities and provide a new mode of transportation that potentially provides congestion relief. However, efforts must be made to ensure that AAM is integrated into the city's transportation system in an equitable way that is sensitive to the needs of the city's communities.

STAFF RECOMMENDS SUPPORTING EFFORTS TO PROVIDE FUNDING TO CITIES TO PLAN FOR ADVANCED AAM AND TO ENSURE THAT AAM IS INTEGRATED INTO THE CITY'S TRANSPORTATION SYSTEM.

Public Transit:

9. High-Capacity Transit

The high-capacity transit system in the Valley currently includes 28 miles of light rail. A number of high-capacity extensions are in development, consistent with the Regional Transportation Plan to expand the regional high-capacity transit system.

In 2022, the City and its partner, Valley Metro, will continue to make progress on light rail extensions in the Regional Transportation Plan. With the passage of Transportation 2050, the largest transportation initiative in the City's history, corridors have been accelerated and the federal participation process needs to be continued to attain the federal share of funding. The City will continue the process of pursuing federal funding for extensions to the light rail system.

STAFF RECOMMENDS:

- **CONTINUE EFFORTS TO INCLUDE PHOENIX'S LIGHT RAIL PROJECTS CURRENTLY IN, OR BEING CONSIDERED FOR, THE FEDERAL CAPITAL INVESTMENT GRANT (CIG) PROGRAM IN THE PRESIDENT'S ANNUAL BUDGETS AND/OR ANNUAL APPROPRIATIONS LEGISLATION.**

- **PURSUE ALL AVAILABLE FEDERAL RESOURCES TO SUPPORT LOCAL HIGH-CAPACITY TRANSIT, INCLUDING NEW STARTS/SMALL STARTS, PUBLIC-PRIVATE PARTNERSHIPS (P3'S), AND COMPETITIVE GRANTS.**

10. Alternative Fuel Tax Credit

The Alternative Fuel Tax Credit is an incentive for alternative fuels sold for use or used as a fuel to operate a motor vehicle. State and local governments (among others) that dispense qualified fuel from an on-site fueling station for use in vehicles qualified for the tax credit in the amount of \$0.50 per gallon for compressed natural gas (based on 121 cubic feet), liquefied natural gas, liquefied petroleum gas, P-Series fuel, liquid fuel derived from coal through the Fischer-Tropsch process, and compressed or liquefied gas derived from biomass.

The Alternative Fuel Tax Credit provides \$3.2 million per year for the City's bus operations. Due to the upcoming expiration of the tax credit on Dec. 31, 2021, the City of Phoenix will have to use other funding sources for bus operations, or potentially reduce service in case this credit is not maintained. Phoenix residents and visitors would see impacts from the reduction in funding available for transit service and passenger amenities.

STAFF RECOMMENDS THAT CONGRESS EXTEND THE ALTERNATIVE FUEL TAX CREDIT AND MAINTAIN IT ANNUALLY THEREAFTER.

11. Public Transit Buses

The City of Phoenix is the largest member city of the Valley Metro regional transit system and the largest fixed route bus operator. As the fifth-largest city in the United States, the City of Phoenix connects a growing population in the region through its transit services of local, RAPID commuter bus service, neighborhood circulators, paratransit services, and METRO light rail. As part of the regional system, Phoenix operates 57 Valley Metro routes and serves 34 million annual passenger boardings.

The City needs additional federal funding to replace its aging fleet and to deploy the region's first electric bus fleet. Electric buses will help address the region's non-attainment of federal air quality standards.

STAFF RECOMMENDS PURSUING FEDERAL FORMULA AND GRANTS TO FUND THE CITY'S BUS SYSTEM

Street Transportation:

12. Local Surface Transportation Funding Priorities

Street Transportation staff recommends pursuing federal funding in order to advance the following large surface transportation/capital projects:

- Design and construct the 67th Avenue Salt River Crossing between Southern Avenue and Broadway Road.
- Design and construct dry crossings (bridges) for all major arterials in the northeast region of the Phoenix metropolitan area.
- Design and construct Avenida Rio Salado/Broadway Road, located between 67th Avenue and 51st Avenue.
- Design and construct bridge crossings for all major arterials in the northwest region of the Phoenix metropolitan area.
- Design and construction of bikeway infrastructure to support the City's bicycle master plan and complete streets policy.
- Construct additional general-purpose lanes, provide for High Occupancy Vehicle (HOV) lanes, and extend the existing HOV lane system on the segment of I-17 from I-10 East to Loop 101 (Agua Fria/Pima).

STAFF RECOMMENDS ADVOCATING FOR FEDERAL FUNDING FOR THE CITY'S LOCAL SURFACE TRANSPORTATION/CAPITAL PROJECTS.

WATER, ENVIRONMENT, PARKS AND SUSTAINABILITY

Water Services:

1. System Conservation

System Conservation is a water resource management tool that has been used in the Colorado River Basin where water is intentionally left in Lake Mead in order to slow declines in reservoir volume. In recent years the Lower Basin States (California, Nevada and Arizona) and Mexico contributed significant portions of their respective Colorado River allocations through System Conservation to help stabilize lake elevations in order to curtail a Secretarial declaration of shortage.

Arizona's junior priority status on the Colorado River makes it particularly vulnerable to a shortage declaration. Renewed funding to a basin-wide System Conservation Program could stabilize Lake Mead and Lake Powell provide some certainty for the delivery of Arizona's Colorado River supplies.

STAFF RECOMMENDS SUPPORTING DEDICATED FUNDING FOR A COLORADO RIVER SYSTEM CONSERVATION PROGRAM.

2. Intentionally Created Surplus

Intentionally Created Surplus (ICS) is a mechanism to encourage conservation of water supplies in Lake Mead. ICS provides Lower Basin states the ability to save and store their allocated water in the lake and access it in the future. Currently, Arizona is allowed a certain volume of ICS storage and the subsequent savings in the lake. After the maximum ICS storage is reached, no more water can be stored on Arizona's behalf.

Additional ICS storage space and funding could contribute to stabilizing Lake Mead and provide some certainty for the delivery of Arizona's Colorado River supplies.

Currently, only the CAWCD can contribute to ICS. Bureau of Reclamation contractors, including tribal interests, have been allowed to create and/or contribute to additional ICS space as part of the Lower Basin Drought Contingency Plan. Expanding the pool of contributions to include in-state subcontractors could help bolster Lake Mead surface elevations. The ability for more and different entities to store additional water as ICS is crucial going forward.

Creating additional ICS space is a tangible solution to protect Lake Mead storage levels. It is important for Arizona's water future to increase volumes of ICS capacity from new contractors and CAWCD and allow subcontractors, like the City, to contribute.

STAFF RECOMMENDS SUPPORTING EFFORTS TO CREATE OR CONTRIBUTE TO ADDITIONAL ICS SPACE IN LAKE MEAD.

3. Modified Bartlett Dam

Sedimentation in Horseshoe Reservoir on the Verde River is adversely impacting the storage capacity in the reservoir, reducing the amount of water available to Salt River Project customers. Phoenix is particularly impacted because it has additional separate water storage rights behind Horseshoe Dam. A recent appraisal study by the U.S. Bureau of Reclamation (BOR) determined that the appropriate response to the loss of storage capacity is a modification of the existing Bartlett Dam downstream of Horseshoe to create a larger reservoir in Bartlett Lake. The larger reservoir would restore the lost storage capacity of Horseshoe Reservoir for SRP customers and the City of Phoenix and would add storage capacity making additional water resources available, alleviating reliance on Colorado River supplies and reducing the risk of increased groundwater pumping in Central Arizona.

The BOR will conduct a feasibility study to determine the size of a modified Bartlett Dam, the cost, the need for additional water resources in the area, local interest in a modified dam, and the environmental impact. Phoenix and other interested parties have expressed an interest in contributing to the non-federal share of the costs of the feasibility study. Federal participation and funding will be necessary to further explore this opportunity for new infrastructure on the Verde River.

STAFF RECOMMENDS SUPPORTING A FEASIBILITY STUDY LED BY THE BUREAU OF RECLAMATION TO STUDY THE IMPACTS OF CONSTRUCTING A MODIFIED BARTLETT DAM ON THE VERDE RIVER IN ORDER TO INCREASE WATER SECURITY IN CENTRAL ARIZONA.

4. WaterSMART

Through the U.S. Department of the Interior's WaterSMART (Sustain and Manage America's Resources for Tomorrow) program, the BOR provides leadership and technical assistance focusing on water conservation and helping water and resource managers make wise decisions about water use. In the Lower Basin, BOR funds metering programs, residential indoor and outdoor conservation, commercial, industrial and institutional conservation and water reuse. The potential for project funding through WaterSMART could be an enormous help for the City's infrastructure investment plans.

Investments in regional water projects are beneficial to the City's water supplies. The availability of federal funding to aid in the construction of infrastructure to improve resiliency on the Colorado River is especially important. WaterSMART could provide cost-sharing opportunities for the City's infrastructure investment plans.

STAFF RECOMMENDS SUPPORTING FUNDING WATERSMART FOR ITS ABILITY TO CONTRIBUTE TO ARIZONA'S RESILIENCY AND COST-SHARING OPPORTUNITIES FOR THE CITY'S INFRASTRUCTURE INVESTMENT PLANS.

5. Forest Restoration

Climate variability, catastrophic wildfires and diminishing river flows are legitimate threats to Southwestern water supplies. Catastrophic wildfires result in significant retrofit to water treatment facilities and threaten upstream reservoirs. Phoenix understands the need to protect and restore the forested headwaters of its source water supplies. One way to address these issues is through the investment in forest restoration projects within Arizona's five National Forests. Forest restoration activities provide source water quality protection for the Salt and Verde River watersheds.

Existing federal forest restoration programs within the Salt River and Verde River watersheds are often available before scheduled and approved National Environmental Policy Act (NEPA) forest treatments. One reason is the time, length and planning resources required by the NEPA review process. To complete large scale forest restoration projects across large swaths of Arizona National Forest lands, significant funding and expedited turnaround on NEPA decisions are needed.

There are a number of existing U.S. Forest Service (USFS) programs and joint public-private partnerships underway within Arizona. Examples of existing forest restoration include USFS healthy forests programs, such as the Four Forest Restoration Initiative (4FRI), and non-USFS programs such as the Northern Arizona

Forest Fund (NAFF) and the Salt-Verde Valley Water Fund. However, recent developments in cancelling the proposed request for proposals with the Forest Service have moved efforts in the wrong direction. Congressional support is necessary to get forest restoration efforts back on track.

STAFF RECOMMENDS FUNDING FOR FOREST RESTORATION ACTIVITIES AND EASING OF ENVIRONMENTAL RESTRICTIONS FOR SHOVEL-READY FOREST RESTORATION PROJECTS.

Parks and Recreation:

6. Rio Salado/Rio Salado Oeste

In 1993, the City was successful in a request for a restoration study of the Salt River. After review by the U. S. Army Corps of Engineers (USACE), it was determined that there was federal interest and USACE partnered with the City on the Rio Salado Habitat Restoration Project (Rio Salado). In 1999, Congress authorized matching federal construction funding for Rio Salado in the Water Resources Development Act (WRDA). Completion of the \$100 million Rio Salado, from 28th Street to 19th Avenue, was an important accomplishment for the City in collaboration with USACE. Today, Rio Salado provides a needed habitat for Arizona wildlife, regional trails and economic development benefits beyond the banks of the riverbed.

The Rio Salado Oeste Habitat Restoration Project (Rio Salado Oeste), which is located within and along the Salt River from 19th Avenue to 83rd Avenue, is the next segment of the plan. Rio Salado Oeste will restore approximately seven miles of the Salt River, providing a connection to the desert riparian habitat corridor created by Rio Salado and the Tres Rios Ecosystem Restoration Project (Tres Rios). By connecting the seven-mile gap between Rio Salado on the east and Tres Rios on the west, Rio Salado Oeste will link the desert riparian habitat corridor, multiplying the benefits of the existing habitat restoration projects and increasing wildlife movement corridors while improving flood risk management. In 2021, the City renewed its commitment to Rio Salado Oeste with a letter of intent to the USACE confirming our willingness to be the local sponsor and supporting a new start study for this project.

In 2018, regional partners, including the City, committed to a Statement of Intent to establish and form a united working group to fuel the Rio Salado Project as a whole. The Rio Reimagined Project is now envisioned to extend over approximately 45 miles along the river's corridor and up to a mile wide, spanning the cities of Phoenix, Buckeye, Goodyear, Avondale, Tempe and Mesa and the Gila River Indian Community and Salt River Pima-Maricopa Indian Community. These parties believe that the Rio Reimagined project has the potential to be a grand vision for civic identity and an iconic landmark for the Valley, which fosters the significant economic, ecological, recreational and regional water management value of the Rio Salado.

STAFF RECOMMENDS PURSUING USACE FUNDING FROM THE PRESIDENT'S BUDGET REQUEST, ANNUAL APPROPRIATIONS BILLS AND USACE WORK PLANS. STAFF ALSO RECOMMENDS CONTINUING TO ENGAGE WITH THE ARIZONA CONGRESSIONAL DELEGATION, USACE, AN OTHERS FOR THE RIO REIMGINED EFFORTS

7. Tres Rios

Tres Rios is a USACE flood control and ecosystem restoration project in the Salt and Gila rivers from 83rd Ave to the confluence with the Agua Fria River. Tres Rios is a strong community amenity, drawing visitors from all over the state, the country, and the world.

Completing Tres Rios would improve the low flow channel for flow conveyance and to support native riparian habitat, remove aggressive invasive species (e.g., salt cedar), improve native biodiversity and wildlife habitat, provide for safe, passive recreation in the area by creating trailheads, increase local community access to a natural space, and increase the opportunities to use Tres Rios as an educational resource. These benefits will accrue to the land and residents of the Phoenix Metro area and will help provide impetus to the Rio Reimagined project which seeks to improve the Salt and Gila rivers and their banks for over 50 miles with the involvement and direction of multiple jurisdictions including municipalities and tribal communities.

The project needs additional USACE funding to complete preconstruction Engineering and Design and construction management.

STAFF RECOMMENDS PURSUING USACE FUNDING FROM THE PRESIDENT'S BUDGET REQUEST, ANNUAL APPROPRIATIONS BILLS, AND USACE WORK PLANS.

Environmental Programs:

8. Brownfields

Brownfields are properties that are overlooked for development because of the presence of hazardous substances and petroleum products. Examples include former gas stations, closed landfills and former manufacturing facilities. These properties are often abandoned, vacant, blighted and pose potential health concerns. The cleanup and redevelopment of brownfields brings many economic development benefits to the City. Redevelopment creates jobs, increases property values, reduces potential health risks, revitalizes neighborhoods and improves community health.

Since 1998, more than \$329 million in private investment has restored approximately 310 acres of previously contaminated land and created or maintained over 3,300 jobs in the City. In addition, 30 sites have been redeveloped for public uses, such as

parks, food assets, and commercial and residential development. This work was accomplished through a number of funding sources, including from the U.S. Environmental Protection Agency (EPA). Brownfields grants are the foundation of EPA's Brownfields Program. Phoenix has used EPA brownfields assessment, revolving loan fund, job training and area-wide planning grants to transform brownfields into thriving assets for the community. It is critical that funding from this federal resource continues.

STAFF RECOMMENDS SUPPORT FOR INCREASED FEDERAL FUNDING FOR ENVIRONMENTAL ASSESSMENT, CLEAN-UP AND REDEVELOPMENT OF BROWNFIELDS.

9. Food Systems

A healthy, sustainable, equitable, and thriving local food system is critical to the long-term health and well-being of all residents in Phoenix. Phoenix has experienced rapid growth, which has resulted in an inefficient food system that fails to meet the needs of many constituencies. Nearly half the population in Phoenix (42.5%) lives in a food desert, which is defined by the U.S. Department of Agriculture (USDA) as an area without ready access to fresh, healthy, and affordable food.

Phoenix is addressing issues around food security, food access, local food production, education, food loss and waste, and responsible stewardship of natural resources. Creating a resilient food system that can adequately respond to shocks such as the Coronavirus pandemic is necessary for the future.

STAFF RECOMMENDS SUPPORT FOR LEGISLATION, INCLUDING THE FARM BILL, THAT WOULD PROVIDE FEDERAL FUNDING FOR ALL AREAS OF THE LOCAL FOOD SYSTEM.

10. Groundwater Contamination and Cleanup (PFAS and PFOA)

Perfluorooctane sulfonic acid (PFOS) and Perfluorooctanoic acid (PFOA) are a group of chemicals that have been named by EPA the “forever chemical”. This name is given because to date the chemicals do not appear to be degrading. These chemicals are found in almost every type of manmade chemical product. Firefighting foam and Teflon pans are the items most associated with these chemicals. However, these chemicals can also be found in makeup, deodorant, dental floss, water repellent clothes and gloves, among other.

Because these chemicals have been used in so many products they are often found in groundwater, surface water, and landfills. Municipalities cannot take on the cost of remediation for all these areas without assistance from the chemical manufacturer and the federal government.

STAFF RECOMMENDS MONITORING REGULATIONS RELATED TO PFOS AND PFOA.

11. Waters of the U.S.(WOTUS)

Over the last decade, multiple definitions of WOTUS have been finalized by agency rule under different federal administrations, with each definition resulting in a dramatic swing in opposing directions. This has created uncertainty and difficulty in planning long-term for programs and projects across the board, not just for the city but for all who implement projects and programs on the ground. Court rulings have resulted in additional sudden changes to the definition of WOTUS, resulting in the need to immediately adapt to a different definition. EPA has started yet another new process to adopt a new definition of WOTUS, with the goal of creating a balanced definition that would stand long-term. The city supports this effort to create a long-term definition.

Construction projects and maintenance activities are affected by defining which waterbodies/channels are protected under the Clean Water Act as WOTUS. Discharge to or activities within WOTUS conducted by the City or other agencies or private parties generally require Clean Water Act permits from either Arizona Department of Environmental Quality (ADEQ) or the USACE. This definition has changed frequently, resulting in significant change in how many waters are defined as WOTUS. Any new definition should consider the important role connected ephemeral washes play in the southwest in water quality, drinking water headwaters, and conveyance of pollutants.

Numerous changes in the definition result in costs to develop policy changes. In certain instances, there are permit fees and consultant fees to prepare documentation, as well as costs associated with staff time to implement associated programs. The level of this fiscal impact varies based on proposed projects and the expansiveness of the definition of WOTUS. Alternatively, some city costs could be avoided when waterbodies/channels are defined as WOTUS because it provides stronger water quality protections and regulatory agency authority.

STAFF RECOMMENDS ADVOCATING FOR NEW RULES OR CONGRESSIONAL ACTION ON THE DEFINITION OF WOTUS TO STRIKE A BALANCED, MODERATE STANCE THAT WILL NOT BE SUBJECT TO DRAMATIC CHANGES IN THE DEFINITION.

Heat Response & Mitigation:

12. Urban Tree Canopy

The urban tree canopy is a critical component of the City's living infrastructure. It benefits and attracts residents and tourists alike to live, work, shop and play in the City. Phoenix's urban forest is a diverse ecosystem of soils, vegetation, trees, associated organisms, air, water, wildlife and people. The urban forest is found not

only in parks, mountain preserves and native desert areas, but also in neighborhoods, commercial corridors, industrial parks and along streets. The urban forest is made up of a rich mosaic of private and public property that surrounds the City and provides many environmental, economic and social benefits.

The urban forest is a keystone to creating a sustainable city because it addresses multiple problems with a single solution. By investing in trees and the urban forest, the City can reduce its carbon footprint, decrease energy costs, reduce stormwater runoff, increase biodiversity, address the urban heat island effect, clean the air and increase property values. In addition, trees can help to create walkable streets and vibrant pedestrian places.

Reduction of urban heat island is a priority for many U.S. cities. Trees provide numerous societal and financial benefits, and a focus is needed at the national scale. The lack of canopy is most prominent in areas with vulnerable populations—those in need of shade in Phoenix’s hot climate.

STAFF RECOMMENDS PURSUING FEDERAL GRANTS AND ASSISTANCE FOR TREE PLANTING, PARTICULARLY IN LOW-INCOME AREAS OF THE CITY WHERE THE CANOPY HAS BEEN SIGNIFICANTLY AFFECTED.

13. Urban Heat

In recent years, increasing temperatures have adversely affected vulnerable populations with annual heat deaths tripling from 2014-2020 and annual heat-related hospital visits numbering in the thousands resulting in significant cost to the economy in 911 calls, medical costs and lost work time. Yet there are numerous solutions to mitigate and adapt to heat from cool pavements, cooling centers, heat programs and low-income home weatherization.

STAFF RECOMMENDS PURSUING FEDERAL GRANTS AND ASSISTANCE FOR HEAT MITIGATION AND ADAPTATION FOR THE CITY TO BECOME HEAT-READY

Sustainability:

14. Electric Vehicle Infrastructure

The City is working to increase adoption of electric vehicles (EVs). Adoption of EVs, which create zero emissions would benefit air quality in the region. One way to increase market adoption of EVs is to increase the deployment of EV charging infrastructure, which the City needs federal grant funds to accomplish.

Although EVs are expected to be abundant on the roads a decade from now, to date there has been limited capacity to install EV charging infrastructure throughout the region and country. Many of the benefits are in the future as EVs come online. There

is a lost opportunity from not building the charging infrastructure upfront when costs are lowest.

Most U.S. cities have adopted goals to improve air quality and reduce the use of fossil fuels in transportation over time—for reasons of air quality, reduced operating cost, fuel security, emission reductions and futureproofing against potential future shortages and escalating fuel costs.

STAFF RECOMMENDS PURSUING FEDERAL GRANTS AND ASSISTANCE TO ASSIST WITH EXPANSION OF EV CHARGING INFRASTRUCTURE IN PHOENIX.

15. Renewable Energy

A renewable energy mix is an important component of a robust energy system, as renewables decarbonize the energy supply and produce local energy in the case of major grid failure. The latter is highly important in Phoenix, because grid failures have the highest likelihood of occurring during extreme temperatures. Additionally, increased use of renewables can also improve air quality.

A robust distributed energy system can be leveraged to reduce overall costs. Utility scale and building scale solar result in an overall reduction in costs for consumers. There are also good synergies with increased use of electric vehicles supplied by daytime solar to dramatically reduce carbon intensity of transportation.

Federal policy and programs have been intermittent in regard to encouraging renewable energy and have historically been separate and distinct from policies related to subsidies for oil and gas exploration and energy security. Renewable energy, most notably solar, has become a cost-effective component of the energy mix. In addition, over 80 cities, including Phoenix, have adopted long term goals of carbon neutrality and renewable energy will be a necessary component to achieve these objectives.

STAFF RECOMMENDS PURSUING FEDERAL GRANTS AND ASSISTANCE TO ENCOURAGE RENEWABLE ENERGY PROJECTS AND POLICIES FOR CONTINUOUS AND INCREASED RENEWABLE ENERGY.

16. Energy Efficiency Upgrades for City Facilities

The City currently spends approximately \$65M each year on energy use in City facilities. However, through deep energy retrofits, the City could immediately lower its annual energy use by more than 30%, realize tens of millions of dollar savings on utility bills, lower maintenance costs, and implement a technological foundation for smart city solutions.

Yet with completing priorities for capital, specific support from federal agencies for energy efficiency is needed to accelerate implementation and realize the significant and immediate savings opportunity.

STAFF RECOMMENDS PURSUING FEDERAL GRANTS AND ASSISTANCE FOR ENERGY EFFICIENCY UPGRADES FOR CITY FACILITIES TO LOWER ONGOING ENERGY AND MAINTENANCE COSTS

Public Works:

17. Flood Mitigation and Stormwater Infrastructure

In 2014, unprecedented storm events resulted in significant flooding in South Phoenix. The South Mountain and Laveen areas were hit particularly hard. The result was nearly \$17.5 million in damage to both private property (\$10 million) and public infrastructure (\$7.5 million). Citywide, there is an ongoing need for funding to design and construct flood mitigation and drainage facilities, including storm drains, detention/retention basins, channels and outfalls. The City has identified nearly \$1.75 billion in stormwater infrastructure needs citywide, including \$702 million in trunk line projects, \$565 million in major projects and \$479 million in small-scale drainage projects.

For nearly 40 years, the City has collaborated with regional partner agencies, including the Flood Control District of Maricopa County (FCDMC), to identify, fund and complete flood mitigation projects. To date, more than \$212 million in projects have been completed. However, many key elements of the City's planned storm sewer and drainage basin systems have not been realized due to ongoing decreases in longstanding revenue sources. The City's annual budget to address these needs is approximately \$2 million. This lack of local funding prevents the opportunity to leverage more funding from regional partners.

The City needs assistance from regional, state and federal partners to be able to design and construct storm drainage facilities citywide. These partners include FCDMC, the Arizona Department of Emergency and Military Affairs (DEMA), the U.S. Army Corps of Engineers (USACE) and Federal Emergency Management Agency (FEMA). The ability to collaborate and work efficiently with these partners to design and construct flood control mitigation projects will be critical to addressing the unmet needs in the community and prepare the City for future extreme storm events.

STAFF RECOMMENDS PURSUING FEDERAL GRANTS AND ASSISTANCE TO ASSIST WITH FLOOD MITIGATION AND STORMWATER INFRASTRUCTURE NEEDS IN THE CITY.

COMMUNITY DEVELOPMENT

Community & Economic Development:

1. Supporting the Semiconductor Industry

The semiconductor industry is vital to Phoenix, attracting high wage jobs and capital to the City. Semiconductors are also essential to America's economic prosperity and national security. Recognizing this industry's significance, Congress authorized The Creating Helpful Incentives for the Production of Semiconductors (CHIPS) for America Act as part of the FY 2021 National Defense Authorization Act (NDAA). This legislation would provide \$52 billion to fund semiconductor manufacturing, design, and research. However, the funding has never been appropriated.

To address this, in June 2021, the U.S. Senate advanced the U.S. Innovation and Competition Act, which contained \$52 billion in funding to expand domestic semiconductor capacity. In addition, several tax incentives are currently under consideration which would also help strengthen and support semiconductor manufacturing in the U.S.

STAFF URGES CONGRESS TO FULLY FUND THE CHIPS ACT AND TO ADOPT TAX INCENTIVES TO HELP STRENGTHEN AND SUPPORT SEMICONDUCTOR MANUFACTURING IN THE U.S.

2. Workforce Innovation and Opportunity Act

ARIZONA@WORK City of Phoenix Workforce Innovation and Opportunity Act (WIOA) funding supports services and resources to adults, laid-off workers and at-risk youth through service delivery via comprehensive and affiliate job centers and community-based organization sites. These services provide access to and for individuals to learn, train and grow skills necessary to compete and attain employment in a competitive labor market. These funds are used to leverage resources and services across other City departments to further provide enhanced and comprehensive services to the residents of Phoenix.

In addition, the City is strongly supportive of efforts to increase funding for apprenticeship programs and summer youth jobs.

STAFF RECOMMENDS:

- **CONTINUED SUPPORT FOR INCREASED FUNDING LEVELS THAT ALLOW SUBSTANTIAL INVESTMENTS FOR ADMINISTERING, CONVENING AND DELIVERING "JOB-DRIVEN" SERVICES FOR THE LOCALLY ADMINISTERED FEDERAL JOB TRAINING PROGRAM.**
- **ADVOCATING FOR STRONG LOCAL FLEXIBILITY FOR CITIES AND LOCAL WORKFORCE DEVELOPMENT BOARDS TO ENSURE LOCAL AND REGIONAL EMPLOYER NEEDS ARE MET.**
- **URGE CONGRESS TO PROVIDE INCREASED FUNDING FOR APPRENTICESHIP PROGRAMS AND SUMMER YOUTH JOBS**

3. Broadband Funding

The COVID-19 pandemic has made it clear that broadband connectivity is an absolute necessity for full participation in modern life. The federal government must fully address connectivity needs, through investment in infrastructure and measurement, affordability, and skills training. We need to ensure that Phoenix can access and direct broadband spending, to fully close the digital divide and ensure that our City is economically competitive in the future.

STAFF RECOMMENDS PURSUING FEDERAL FUNDING TO EXPAND BROADBAND ACCESS IN PHOENIX AND TO PROMOTE DIGITAL EQUITY.

Housing:

4. Choice Neighborhoods Program

The Choice Neighborhoods Program is intended to be a successor to the U.S. Housing and Urban Development (HUD) Department HOPE VI program and provides competitive grants centered on the revitalization of severely distressed public housing communities and surrounding neighborhoods. Choice Neighborhoods helps advance the Housing Department's overall mission by providing resources for comprehensive initiatives that address the multifaceted problems that face struggling neighborhoods with distressed public housing.

Choice Neighborhoods is focused on three core goals: housing, people and neighborhoods. To achieve these core goals, communities must develop a comprehensive neighborhood revitalization strategy, or Transformation Plan. Local leaders, residents and stakeholders such as public housing authorities, cities, schools, police, business owners, nonprofit partners and private developers come together to create and implement the Transformation Plan that transforms distressed public housing and addresses challenges in the surrounding neighborhood. The program is designed to catalyze critical improvements in neighborhood assets, including vacant property, housing, services and schools. Choice Neighborhoods is part of a broader movement to think holistically and comprehensively about affordable housing and concentrated poverty. Each year, HUD awards separate Choice Neighborhoods Planning and Action Grants, and Implementation Grants. Planning and Action Grants are used to develop Transformation Plans and build local capacity, while Implementation Grants help communities realize a thoroughly developed vision for comprehensive neighborhood revitalization

In June 2016, Phoenix received a \$1.5 million Choice Neighborhoods Planning and Action Grant. This grant focuses on the Edison-Eastlake Community public housing communities and surrounding neighborhood and provides funding to create a comprehensive transformation plan to turn outdated public housing into mixed-income communities with access to quality education, transportation and other vital community services. In July 2018, the Housing Department was awarded a \$30 million Choice Neighborhoods Implementation Grant to revitalize and redevelop the

Edison-Eastlake Community into a vibrant mixed-income neighborhood. This comprehensive redevelopment is currently underway.

STAFF RECOMMENDS SUPPORT FOR CONTINUED FUNDING OF THE CHOICE NEIGHBORHOODS PROGRAM SO THAT CITY MAY HAVE THE OPPORTUNITY IN THE FUTURE TO OBTAIN ANOTHER CHOICE NEIGHBORHOODS GRANT TO REDEVELOP THE MARCOS DE NIZA COMMUNITY.

5. HOME Investment Partnerships Program

HOME Investment Partnerships Program (HOME) funds are used to leverage creation or rehabilitation of a significant number of affordable housing units through the City. HOME funds are used in Phoenix to create affordable housing units for low-income households and to provide homeownership assistance for families at 80 percent or below of the Area Median Income (AMI). There continues to be a need in the Phoenix community for affordable rental and homeownership opportunities for low-income residents. The HOME program provides those opportunities

The Housing Department, through development loans with HOME funds, partners with non-profit and for-profit affordable housing developers alike to create new affordable rental units. These units typically remain affordable for 30 or more years. Some funds are reserved to assist first-time homebuyers with down payment and closing costs, to provide housing rehabilitation programs to low-income homeowners and to provide tenant based rental assistance to low-income renters. HOME funds leverage low-income housing tax credit (LIHTC) transactions and help families achieve the dream of homeownership. Without the HOME Program, there would be limited to no funding to provide low-cost gap financing to leverage LIHTC development in Phoenix, especially for those developments that serve homeless and special needs populations. The City's current allocation of HOME funds is approximately \$5.8 million.

STAFF RECOMMENDS SUPPORTING FUNDING FOR THE HOME PROGRAM. STAFF ALSO RECOMMENDS SUPPORTING A POLICY CHANGE TO PERMANENTLY ELIMINATE THE HOME PROGRAM'S 24-MONTH COMMITMENT REQUIREMENT.

6. Section 8/Housing Choice Voucher

The Section 8 Housing Choice Voucher (HCV) Program is the nation's largest rental assistance program. It provides funding that enables extremely low-income families, seniors and disabled residents to secure safe and affordable housing of their choice in the private rental market. The City's HCV Program does not receive any general funds and must support itself with the HCV administrative funding it receives. These funds are used to support staff and operations of the HCV. In the past several years, the administrative funding has experienced significant cuts by the federal government. The City received administrative funding prorated at 77 percent for FY 2017, 81 percent for FYs 2018 and 2019, 80 percent for FY 2020, and is currently

prorated at 82 percent.

The reduction in administrative fees is not sustainable. Over the past few years, the City had been able to use reserves from prior years to maintain service levels. However, Section 8 administrative resources are now depleted.

STAFF RECOMMENDS:

- **INCREASING THE SECTION 8 PRORATION TO 100 PERCENT.**
- **REQUEST ADMINISTRATIVE RELIEF TO ALLOW PUBLIC HOUSING AUTHORITIES MORE AUTONOMY TO USE FUNDING IN WHOLE (BY COMBINING HOUSING ASSISTANCE PAYMENT AND ADMINISTRATIVE FUNDING) TO ENSURE MORE EFFICIENT AND EFFECTIVE ADMINISTRATION OF THIS PROGRAM.**

7. Rental Assistance Demonstration

The Rental Assistance Demonstration (RAD) Program was introduced by HUD in 2012 to give Public Housing Authorities a powerful tool to preserve and improve public housing properties and address the \$26 billion nationwide backlog of deferred maintenance.

The Housing Department intends to convert over 1,100 units of aged, public housing to Section 8 rental assistance through the RAD Program. Participation in RAD enables the City to:

- Increase the self-sufficiency of public housing operations;
- Provide more stable funding to address capital needs; and
- Allow for the use of low-income housing tax credits as well as private sources of funding to make capital improvements.

By the end of calendar year 2021, the Housing Department will have converted almost 500 units.

STAFF RECOMMENDS SUPPORT OF CONTINUATION OF THE RAD PROGRAM.

8. Low Income Housing Tax Credit (LIHTC) Program

The demand for affordable housing continues to increase. The LIHTC program is critical as it allows for the development, redevelopment and/or rehabilitation of affordable housing units for Phoenix low-income individuals and families. There is already a shortage of affordable units in Phoenix. Without this tool, Phoenix would struggle even more to address the shortage of low-income housing, which could

potentially result in a higher homeless population.

Having a variety of affordable housing options is critical for meeting the demands of Phoenix citizens, especially for those most vulnerable. LIHTC is one of the few funding sources for development of affordable housing, which is why it is vital to the Phoenix Housing Department, and the City as a whole. It allows for the acquisition, rehabilitation, or new construction of low-income housing including redevelopment of the City's public and affordable housing communities. The Housing Department is committed to providing quality, safe, low-income housing and revitalizing distressed communities. Without this tool, it would be very difficult, if not impossible, for the Housing Department to redevelop its public and affordable housing sites, as well as private developers who help add to the stock of affordable units, which would ultimately have a negative impact on our community's lowest income residents.

STAFF RECOMMENDS SUPPORT FOR THE CONTINUATION AND EXPANSION OF THE LIHTC PROGRAM TO ENSURE IT IS AVAILABLE FOR HIGH PRIORITY PUBLIC HOUSING REDEVELOPMENT AND TO SUPPORT PERMANENTLY FIXING THE 4 PERCENT LIHTC.

9. Public Housing Capital Fund Program

Over the past several years, Public Housing Capital Fund Program (CFP) funding has fallen significantly behind the cost to maintain and modernize aging public housing stock. Continuous federal funding cuts and reductions in the CFP have had a significant impact on the condition of the City's public housing. Inadequate capital investment means that facilities are maintained for longer than their designed life, further leading to systems failures, tenant displacement, utility inefficiency and very high operating costs. Capital needs within the Housing Department's public housing portfolio surpass the current annual CFP allocation and increase every year due to aged infrastructure and deferred maintenance.

The CFP is a comprehensive, formula-driven program that serves as the primary source of financing for public housing rehabilitation and development. The CFP supports the Housing Department's mission by awarding funds annually for development, financing, rehabilitation and preservation of public housing. Failing to maintain the viability of public housing through capital investment may result in the loss of public housing units. Continued capital investment is needed because the demand for affordable housing has surged. A better-funded CFP is necessary, given that it is the only federal program that deals directly with the preservation and rehabilitation of public housing.

STAFF RECOMMENDS SEEKING AN INCREASE IN THE CFP ANNUAL ALLOCATION FORMULA TO A LEVEL THAT CAN SUPPORT THE MAINTENANCE OF AGING PUBLIC HOUSING STOCK.

Neighborhood Services:

10. Community Development Block Grant Fair Share

Community Development Block Grant (CDBG) funds are the premier tool for the City to achieve widespread and sustainable revitalization of neighborhoods. Decreases in funding over the last ten years, paired with a funding formula that does not benefit fast-growing cities like Phoenix, has been detrimental. Diminishing funds result in fewer improvements to low- and moderate-income areas of Phoenix and fewer services for the City's most vulnerable populations.

The CDBG allocation formula is based largely on population and poverty factors included in the Housing and Community Development Act. However, in 1978, HUD introduced an optional second formula that provided increased funding if a grantee lost population and lessened the weight of the poverty factor. A HUD 2015 report concluded that this causes significant inequity in funding throughout the country based on need. For example, Phoenix, which is the fifth largest city in the country, is thirteenth in CDBG funding and receives less funding per capita than many other cities. The outdated CDBG distribution formula must be reformed to reduce the funding disparity between older communities and fast-growing cities like Phoenix.

STAFF RECOMMENDS SEEKING FEDERAL ACTION TO REFORM THE OUTDATED CDBG DISTRIBUTION FORMULA TO REDUCE THE FUNDING DISPARITY BETWEEN OLDER COMMUNITIES AND FAST-GROWING CITIES LIKE PHOENIX, EITHER THROUGH THE ADMINISTRATION'S HUD BUDGET, LEGISLATIVE PROPOSALS, OR ADMINISTRATIVE PROVISIONS.

11. Lead-Based Paint Hazard Control Grant Program and Healthy Homes Program

Lead poisoning remains one of the top childhood environmental health problems in the nation. Many homes built before 1978 have lead-based paint that could affect the health of families, especially young children. Lead is a toxic metal used in a variety of products and materials. When absorbed into the body, it can cause damage to the brain and other vital organs like the kidneys, nerves, and blood. Behavioral and learning problems, slowed growth, hearing problems and aggressive patterns of behavior may all be due to lead poisoning.

Since 1995, the City has received ten Lead-Based Paint Hazard Control (LBPHC) grants funded by HUD to address lead hazards in privately-owned housing. The program has not only remediated lead hazards in low-income homes, but it has also provided significant community education and lead awareness information for neighborhoods across the City, and trained City of Phoenix staff, and its partners, in lead-safe work practices. The LBPHC Program is committed to protecting children and families from the dangers of lead-based paint and other health and safety hazards in the home. Increasing funds for the program will result in assisting more low- and moderate-income homeowners for Phoenix's most vulnerable populations. In August 2021, the City was awarded a \$4 million LBPHC grant to protect families from lead-based paint hazards, and an additional \$700,000 in Healthy Homes funding to perform healthy homes assessments.

While it is difficult to calculate the financial impact unsafe and unhealthy housing conditions have on the City of Phoenix, researchers agree that health-care costs related to poor housing have a negative impact on the quantity, capability, and productivity of residents in any geographic area across the country.

STAFF RECOMMENDS SEEKING FEDERAL ACTION TO INCREASE FUNDING FOR THE LEAD BASED PAINT AND HAZARD CONTROL GRANT AND HEALTHY HOMES PROGRAMS.

12. Weatherization Assistance Program

As the population of the City of Phoenix grows from year to year, its existing housing stock continues to age and becomes less affordable. For low- and moderate-income residents, the challenge of securing and maintaining a safe and healthy household is more difficult to do without help or assistance. As extreme heat becomes more typical across the Valley each year, Weatherization Assistance Program funding plays an increasing and pivotal role in ensuring the most vulnerable residents in every community have access to the resources that protect their family's health and safety.

The Weatherization Assistance Program helps low- and moderate-income households reduce their utility costs by performing energy efficient improvement projects including the installation of insulation, duct sealing, and the repair or replacement of HVAC systems. The City assists approximately 150 households annually through a combination of weatherization programs that include funding from the Department of Energy (DOE).

While it is difficult to account for all of the health and safety impacts that occur on the personal, household, or community level when homes are not properly weatherized or utility bills are not affordable, these circumstances can have serious social and economic consequences including injury, illness, and death.

STAFF RECOMMENDS SEEKING FEDERAL ACTION TO INCREASE FUNDING FOR THE WEATHERIZATION ASSISTANCE PROGRAM.

Human Services:

13. Homelessness

Across the country and in the City of Phoenix, the number of unsheltered individuals and families experiencing homelessness has increased significantly with the COVID-19 pandemic exacerbating the plight of those experiencing homelessness. The Emergency Solutions Grant (ESG), allocated through a formula by the U.S. Department of Health and Human Services, is one of the City's primary sources of funding dedicated to individuals and families experiencing homelessness. ESG

funds support the following types of services for youth, veterans, individuals, and families experiencing homelessness:

- Street Outreach. Outreach workers connect individuals/families to coordinated entry, emergency services, and shelter.
- Diversion and prevention. Prevention assistance aids households in preserving their current housing situation while diversion prevents homelessness by helping individuals/families identify immediate alternate housing arrangements.
- Emergency shelter. Individuals/families experiencing a housing crisis or fleeing an unsafe situation need to find a place to stay, quickly. Emergency shelter and interim housing can fill this role.
- Permanent supportive housing. Permanent supportive housing provides long term housing subsidies coupled with supportive (wrap around) services for those who are chronically homeless.
- Rapid re-housing. Rapid rehousing works with landlords to assist individuals/families locate appropriate housing, provide short-term financial support, and helps ensure individuals/families remain housed through supportive services, largely focused on employment.

STAFF RECOMMENDS ADVOCATING TO CONTINUE AND INCREASE FUNDING FOR ESG. A REDUCTION IN ESG WOULD RESULT IN A DECREASE OF HOMELESS SERVICES AT A TIME WHEN THE NEED CONTINUES TO INCREASE TO PROVIDE RESOURCES TO END HOMELESSNESS.

14. Low-Income Home Energy Assistance Program

Arizona and other warm weather states continue to receive less than a fair share of Low-Income Home Energy Assistance Program (LIHEAP) funding. LIHEAP funding helps keep families safe and healthy through initiatives that assist with energy costs.

For FY21, the City of Phoenix received approximately \$6.7 million in LIHEAP funds via the allocation provided to the State of Arizona from the U.S. Department of Health and Human Services. More than 500,000 Phoenix households qualify for assistance, but the funding only supports 3 to 4 percent of the eligible households, far below the 30 to 40 percent levels many cold weather states receive. On average, Phoenix experiences 110 days with temperatures at or exceeding 100 degrees. Overnight lows do not drop below 80 degrees an average of 67 days each year. Temperatures this high are life-threatening for those who cannot afford to cool their homes.

STAFF RECOMMENDS SUPPORTING FULL FUNDING NATIONALLY FOR LIHEAP AND ENSURE ARIZONA RECEIVES ITS FAIR SHARE OF LIHEAP FUNDING WHICH ALLOWS INCREASED ALLOCATED FUNDS TO THE CITY.

15. Community Services Block Grant

The Community Services Block Grant (CSBG) leverages local, state, and federal funding to develop and implement strategies to address poverty and social welfare within the community and supports employment, food, housing, health and emergency assistance to low-income families and individuals (including those without children who do not qualify for other types of assistance such as Medicaid), those experiencing homelessness and the elderly.

For FY22, the City of Phoenix received approximately \$1.5 million of CSBG. Reductions to CSBG would significantly impair the City's capacity to address local needs which has been exacerbated by the COVID-19 pandemic. Every dollar in CSBG funds received by the City leverages \$41 in matching dollars from federal, state, and local sources. Because of this leveraging, any reduction in CSBG would have a far more consequential impact than the actual reduction.

STAFF RECOMMENDS SUPPORTING CONTINUED AUTHORIZATION OF CSBG AND MAINTAIN FULL FUNDING AND FORMULA-BASED ALLOCATIONS TO SUPPORT LOCAL COMMUNITY ACTION PROGRAMS.

16. Older Americans Act

The Older Americans Act (OAA) provides funds for Meals on Wheels (home delivered meals), congregate meals, senior center services, transportation, support for family caregivers, home and community services, health promotion and disease prevention, civic engagement, and community service employment for low-income older workers. The Administration on Aging in the U.S. Department of Health and Human Services distributes these funds to states. The State of Arizona, in turn, distributes the funds to eight regional Area Agencies on Aging (AAA), which allocate to local funding providers that compete for the funds in specific service areas.

For FY22, the City of Phoenix received approximately \$2.1 million in OAA funding through the Area Agency on Aging Region One. In FY21, the City provided approximately 361,000 nutritious home-delivered meals to approximately 1,300 unique seniors and disabled adults through the program.

STAFF RECOMMENDS SUPPORTING INCREASED FUNDING FOR THE HOME DELIVERED NUTRITION SERVICES PROGRAM FOR HOMEBOUND ADULTS.

17. Victim of Crime Act (VOCA) Funding

The Victims of Crime Act (VOCA) grant supports comprehensive responses to the needs of victims of violent crimes, such as domestic and sexual violence. Funding is critical to meeting the rising demand for crime victim services, which have increased significantly due to the COVID-19 pandemic. The City of Phoenix Family Advocacy

Center (FAC) provides advocacy, crisis intervention, case management, forensic exams, and counseling services to victims of violent interpersonal crimes.

STAFF RECOMMENDS SUPPORTING CONTINUED AND INCREASED FUNDING FOR VOCA.

18. Head Start/Early Head Start

The City of Phoenix Head Start Birth to Five Program enables income eligible families to access quality services that support school readiness efforts through a comprehensive service methodology. The cost to provide high-quality Head Start programs is increasing. This increase, together with level funding, may result in a need to reduce slots. The Early Head Start-Child Care Partnership grant allows parents to return to the workforce or increase their work hours, knowing their children are safe and, in an environment specifically designed to address development and school readiness. Research shows that preschool participation is a significant predictor of school success, especially for children from at-risk backgrounds. Nationally, the City of Phoenix receives one of the lowest dollar amounts per child. The City is able to serve only 24 percent of the eligible preschoolers and only 2 percent of eligible infants and toddlers. With additional federal funding, the City would be more prepared to meet the needs of the community.

The City of Phoenix, like most other grantees, is facing challenges in reaching and maintaining full enrollment due to multiple factors. Some of these factors include the increased minimum wage and kinship care. The National Head Start Association recommends changes to eligibility in the Head Start Act, aligning with current trends in communities. These changes would increase enrollment and provide high-quality services to children and families who do not meet the current criteria for eligibility.

STAFF RECOMMENDS SUPPORTING:

- **CONTINUED AND INCREASED FUNDING FOR HEAD START.**
- **REAUTHORIZATION OF THE HEAD START ACT TO INCLUDE CHANGES TO THE ELIGIBILITY CRITERIA.**
- **CONTINUED FUNDING OF THE EARLY HEAD START-CHILD CARE PARTNERSHIP AND PRESCHOOL DEVELOPMENT GRANTS.**
- **ADDITIONAL FUNDING FOR THE CITY OF PHOENIX TO BETTER MEET THE NEEDS OF THE COMMUNITY.**

Arts and Culture:

19. National Endowment for the Arts

The National Endowment for the Arts (NEA) is an independent agency of the federal

government that offers support and funding for local arts projects. The Our Town Grant Program, which helps to transform communities into lively, beautiful, and resilient places with the arts at their core, requires creative partnerships between arts organizations and local government. These grants range from \$25,000 to \$200,000. The Grants for Arts Project and Challenge America programs focus on projects in communities and neighborhoods and grants range from \$10,000 to \$100,000. In addition, the NEA had direct relief funding to arts and culture organizations with Coronavirus Aid, Relief and Economic Security Act (CARES) funding, and has a similar program launched through American Rescue Plan Act (ARPA) funding.

The City has received Our Town grants for the “Choice Neighborhoods” project and the most recent sunBLOCK project that awarded the City \$125,000 to work with the community and City departments to enhance pedestrian and transit shade and connectivity. The enhancements will be coordinated with City efforts to reduce the impact of urban heat and improve mobility citywide. The City also receives an annual grant for the Neighborhood Arts program, which regrants funds to organizations for projects that promote health and well-being of neighborhoods through the arts. Finally, the City received \$299,000 in direct CARES Act funding to regrant to nonprofit arts organization for job preservation. NEA grants awarded to the City and to local arts and culture organizations help to expand the availability of cultural activities to Phoenix residents.

STAFF RECOMMENDS CONTINUING TO ADVOCATE FOR FEDERAL GRANT FUNDING OPPORTUNITIES TO EXPAND THE AVAILABILITY OF ARTS AND CULTURE ACTIVITIES THROUGHOUT THE CITY.

20. National Endowment for the Humanities

The National Endowment for the Humanities (NEH) is an independent grant-making agency of the federal government and is one of the largest funders of humanities programs in the U.S. Among other grants, the NEH awards Preservation Assistance grants to smaller institutions. In addition, the NEH had direct relief funding to arts and culture organizations with CARES Act funding, and has a similar program launched through ARPA funding.

The City received a Preservation Assistance grant to use a consultant to assess the City’s municipal art collection and make recommendations about how to better conserve it. NEH grants to cultural institutions, such as museums, archives, libraries, colleges, universities, public television, and radio stations, and to individual scholars to preserve and provide access to cultural and educational resources and strengthen the institutional base of the humanities.

STAFF RECOMMENDS CONTINUING TO ADVOCATE FOR FEDERAL GRANT FUNDING OPPORTUNITIES TO EXPAND THE AVAILABILITY OF ARTS AND CULTURE ACTIVITIES THROUGHOUT THE CITY.

COVID-19

City Manager's Office:

1. COVID-19 Response & Recovery

The City's highest priority is to recover as quickly as possible from the COVID-19 emergency in a healthy, equitable, and economically sustainable way.

STAFF RECOMMENDS:

OPPOSE ANY EFFORT TO REPEAL OR REPROGRAM ANY FISCAL RELIEF PROVIDED FOR LOCAL GOVERNMENTS THROUGH THE AMERICAN RESCUE PLAN ACT (ARPA) AND CARES ACT.

SUPPORT ONGOING FLEXIBILITY IN THE USE OF ARPA FUNDING TO CONTINUE TO AID THE CITY'S PUBLIC HEALTH RESPONSE AND STRONG ECONOMIC RECOVERY.