

Guiding Principles

In order to prioritize and guide federal lobbying efforts, staff recommends that the Mayor and Council endorse two guiding principles as the City's highest priorities: to promote fiscal sustainability and to protect local authority. To promote fiscal sustainability, the City would, for example, support efforts to achieve parity in federal funding for Phoenix compared to other cities of equivalent population. Staff would also oppose federal actions imposing unfunded mandates on cities or reducing funding available for important programs or infrastructure needs. To protect local authority, staff would support federal action that empowers local communities and oppose efforts to preempt local decisions.

Proposed 2020 Federal Agenda

This report contains the proposed 2020 Federal Agenda, which is broken into four issue areas: Public Safety; Transportation; Water, Environment, Parks and Sustainability; and Community Development.

RECOMMENDATION

Staff recommends the following items for inclusion in the 2020 Federal Agenda. These items are described below:

Public Safety

Police:

1. Office of Justice Programs Grants
2. Office of Community Oriented Policing Services Grant Programs
3. Body-Worn Cameras
4. Police-Mental Health Co-Responder Teams
5. Police Technology Enhancements

Fire:

6. Federal Emergency Management Agency Grant Programs

Homeland Security and Emergency Management:

7. Homeland Security Grant Programs

Prosecutor:

8. Specialty courts

Transportation

Aviation:

1. Federal Aviation Administration (FAA) NextGen and Airspace Management (Noise)
2. Airport Firefighting Foam (PFAS)
3. Federal Funding and the Passenger Facility Charge
4. Unfunded Federal Mandates
5. Airport Security Requirements
6. Transportation Security Administration (TSA) Staffing Levels
7. Airport Planning and Environmental Policy
8. Drones/Unmanned Aircraft Systems (UAS)
9. Luke Air Force Base

Public Transit:

10. High-Capacity Transit
11. Highway Trust Fund Solvency
12. Alternative Fuel Tax Credit

Streets:

13. Federal Funding Model
14. Local Surface Transportation Funding Priorities
15. Flood Mitigation and Stormwater Infrastructure
16. Freight Transportation
17. Congestion Mitigation Air Quality
18. Buy America

Water, Environment, Parks and Sustainability

Water:

1. System Conservation
2. Intentionally Created Surplus
3. Reservoir Pilot
4. WaterSMART
5. Forest Restoration

Parks and Recreation:

7. Land and Water Conservation Fund
8. Rio Salado/Rio Salado Oeste

Environmental Program:

9. Brownfields

Sustainability:

10. Urban Tree Canopy
11. Electric Vehicle Infrastructure
12. Resiliency
13. Renewable Energy

Community Development:

Community & Economic Development:

1. Workforce Innovation and Opportunity Act (WIOA)
2. Warehouse District Parking

Housing:

3. Choice Neighborhoods Program
4. HOME Investment Partnerships Program
5. Section 8/Housing Choice Voucher
6. Rental Assistance Demonstration
7. Low Income Housing Tax Credit (LIHTC) Program
8. Public Housing Operating Subsidy
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. Domestic Violence Programs and Funding
18. Head Start/Early Head Start

Arts and Culture:

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

City Manager's Office:

21. 2020 Census

Public Safety

Police

1. Office of Justice Programs Grants

There are a number of invaluable grant programs available to local public safety agencies through various bureaus and program offices of the Office of Justice Programs (OJP). Over the past six years, the Police Department has been awarded more than \$17 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. A few examples of funding received by the Police Department through some of the OJP grant programs are highlighted below.

- National Institute of Justice - grant funding has been awarded through programs like the *DNA Capacity Enhancement and Backlog Reduction* and *Paul Coverdell Forensic Science Improvement Program*. These funds have expanded the Police Department's capacity to perform forensic analysis of DNA evidence, supported the delivery of highly specialized training to the Crime Lab's technical staff and provided for the purchase and implementation of state-of-the-art forensic instrumentation and technologies, as well as equipment and supplies that support forensic analyses.
- Bureau of Justice Assistance - grant funding has been awarded through programs and initiatives like the *Edward Byrne Memorial Justice Assistance* program, which has long supported violence prevention and education efforts, technology enhancements, and front-line equipment, supplies and services for officers; the *National Crime Gun Intelligence Center Initiative*, which supports the investigation of gun crimes; the *Intellectual Property Enforcement Program*, which supports efforts to prevent counterfeit products from entering the economy; and the *Enhanced Collaborative Model to Combat Human Trafficking*, which supports the development and enhancement of a multidisciplinary human trafficking task force that implements collaborative approaches to combat all forms of human trafficking. Collectively, these programs have supported the Police Department's data-driven, evidence-based strategies to improve community safety.
- Office of Juvenile Justice and Delinquency Prevention - grant funding has been awarded through the *Internet Crimes Against Children Task Force* program. This effort brings officers together from dozens of Arizona law enforcement agencies to combat cybercrimes involving children. The financial assistance provided by this grant supports the forensic and investigative components, training and technical assistance, and community education associated with these types of crimes.

Staff recommends the City continue to advocate for public safety grants and programs that provide direct support and resources to assist in multi-jurisdictional crime fighting and prevention efforts.

2. Office of Community Oriented Policing Services Grant Programs

The Office of Community Oriented Policing Services (COPS) offers competitive grant programs designed to advance community policing practices in state, local, territorial and tribal law enforcement agencies throughout the country. One of the signature grants offered is the COPS Hiring Program (CHP). CHP funds allow law enforcement agencies to hire full-time sworn officers to increase their community policing capacity and crime prevention efforts. The CHP grant provides up to 75 percent of approved entry-level salaries and fringe benefits for full-time officers over the 36-month grant period. There is a minimum 25 percent local cash match requirement and a maximum federal share of \$125,000 per officer position. There are also non-supplanting and retention requirements associated with CHP funds. Another grant program offered through COPS is the Community Policing Development (CPD) grant. This program serves to advance the practice of community policing in law enforcement agencies through training and technical assistance and the development of innovative community policing strategies, applied research, guidebooks and best practices that are national in scope.

The Police Department has been awarded more than \$5 million through COPS grant programs over the last six years. These funds have been used to hire 40 new police officer positions, which have supported increased levels of engagement with the community and made it possible to expand some of the department's community engagement programs. This grant funding has also supported the implementation of innovative community policing strategies designed to prevent and reduce crime.

Staff recommends the City continue to advocate for public safety grants and programs that provide direct support and resources to assist in multi-jurisdictional crime fighting and prevention efforts.

3. Body-Worn Cameras

Body-worn cameras memorialize what an officer sees and does, the environment into which they enter, statements made by involved parties and things outside of an officer's perspective that can add value to an investigation. Oftentimes, it takes a year or more for a case to reach trial and evidence recorded at the time of the event captures the feelings of the victim or the severity of the injuries in a manner far more descriptive than a police report alone. Body-worn cameras also provide value to the organization in terms of police/community relationships. The Police Department values its open and collaborative relationship with the community it serves. Use of this technology provides the community with a degree of assurance that officers will be held to the highest standards of professionalism and, when that standard is not met, there will be a means to ensure accountability and correction.

The City has made a significant investment in the Police Department's body-worn camera program. Approximately 1,800 cameras have been deployed in 2019 to patrol officers and their sergeants within each police precinct. The City is currently in the process of procuring additional cameras to outfit officers in selected specialty assignments, to include the SWAT team, and those assigned to the Transit and Transportation Bureaus. The Police Department's goal is to further the expansion of

body-worn cameras to officers in additional specialty assignments, as well as supervisor positions for even greater transparency and accountability.

Staff recommends seeking grant funding to augment the expansion of the Police Department's body-worn camera capabilities, thereby allowing for enhanced public safety through greater access to real-time evidence captured as it occurs and improved police/community relationships through increased transparency and accountability.

4. Police-Mental Health Co-Responder Teams

Police officers are often the first to encounter persons experiencing a mental health crisis or someone who may have mental health needs. Mental health-related calls for service can be some of the most complex and time-consuming to resolve. Plus, they can also be potentially dangerous for the officers and the persons in crisis. The City would benefit from federal funding or other assistance to establish co-responder teams, which would pair specially trained police officers with behavioral health clinicians. In this setting, once a mental health-related call is received, the clinician would meet the officer at the scene and they would handle the call together. Co-responder teams would have the combined experience of the police officer and the behavioral health specialist to more effectively de-escalate situations and connect the person in need to the proper services. This approach can prevent unnecessary incarceration and/or hospitalization of individuals with mental health issues while providing them with the resources they need, and free-up first responders to focus on patrol activities.

Collaborations between law enforcement and the behavioral health community have increased throughout the country as the number of calls for service involving people with mental health needs has grown. Co-responder teams can serve as an additional layer to other law enforcement response models, such as crisis intervention teams, to create a more comprehensive method of service.

Staff recommends seeking federal grant funding to establish Police-Mental Health Co-Responder Teams to more effectively respond to mental-health related calls.

5. Police Technology Enhancements

- **Smart Phones for Patrol Officers:** Immediate access to information is critical in today's law enforcement environment. With the technology currently available on smart phones, the most timely and efficient means to deliver this information to a large number of officers would be met through this technology.

The smart phones acquired would be compatible for use on the FirstNet network, which is the first nationwide broadband network developed to improve communications interoperability among public safety personnel. The FirstNet capable devices support video, audio and photographs to assist with police operations and allow for the latest public safety technology to be used for mission critical applications. The network also provides public safety personnel with

priority access and emergency preemption for high network reliability and availability that is not available with standard commercial carriers not on FirstNet. These smart phones will increase efficiency and service to the public by also allowing voice and text sessions for business-related purposes, allowing these transactions to also be captured on City devices for discovery and public records access.

The Police Department has 200 FirstNet capable smart phones deployed in Patrol and is seeking to expand this technology to all patrol officers. The Department's long-term goal is to expand this technology to the remainder of the department's sworn personnel to further increase efficiencies and enhance services.

Staff recommends seeking grant funding to equip patrol officers with this technology.

- **Precinct Wi-Fi:** As technology continues to advance, the use of department-issued mobile devices like smart phones, tablets and patrol laptops are routine in order to conduct standard police operations. To be most effective, these mobile devices need constant connectivity to networks. The Police Department can better serve its community by having Wi-Fi availability at each precinct. The Wi-Fi would supplement existing data plans and compensate for low-signal areas by providing alternate connectivity. This type of connectivity would provide internet and network resources for department-issued tablets, smart phones and laptops.

Staff recommends seeking grant funding to implement Wi-Fi at each precinct for improved connectivity of internet and network resources on department-issued technology devices.

- **Digital Evidence:** The Police Department investigates more than 12,000 criminal offenses per month. Of those, a significant number have crucial evidence to be recovered from digital storage devices such as cellphones, tablets and computers. Recovery of this evidence significantly enhances the Police Department's ability to successfully investigate crime and hold offenders accountable to the fullest extent of the law.

The value of digital evidence has been increasingly recognized in recent years as technology and criminal activity have come together on a more frequent basis. Digital evidence has been described as the next generation of DNA. With that in mind, the Police Department is actively developing its capacity to collect, analyze and store this evidence under strict guidelines and forensic best practices. Having on-site capabilities for this rapidly developing field ensures quick turnaround on critically important evidence used in the investigation of crimes. Further, this capability enables the Department to immediately leverage actionable intelligence to pursue investigations, share information with law enforcement partners and play a prominent role in ensuring the safety of the community.

Staff recommends seeking grant funding to augment the expansion of the Police Department's digital evidence investigative capabilities, thereby allowing for enhanced public safety through increased offender accountability.

Fire

6. 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 \$56 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.

These grants provide crucial funding to offset limited operating budgets that have not yet fully recovered from the 2008 recession. The Fire Department's reliance on this funding is just as important now as it was during the recession. The Fire Department remains financially constrained in trying to provide adequate emergency service to the citizens and businesses within the City of Phoenix. Regardless of some improvements in revenue collections, the City is still facing challenges with escalating personnel costs. The reduction or defunding of these programs would have a negative impact on the Fire Department's operations and the citizens of Phoenix.

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.

Homeland Security and Emergency Management

7. Homeland Security Grant Programs

Homeland Security continues to be a highly visible, core responsibility for the nation's frontline police and fire personnel. The City has worked diligently since the tragedy of 9/11 to integrate communication between 15 public safety departments by forming the Phoenix Homeland Defense Bureau. This partnership prepares the City to better respond to natural, human-caused or terrorist crises. Federal homeland security grant programs provide the primary funding stream for the sustainment of the City of Phoenix's homeland security response and prevention programs. Loss of this funding would critically affect response and prevention capabilities.

The City of Phoenix receives grant funds each year from the Urban Area Security Initiative (UASI) and State Homeland Security Grant Program (SHSGP) programs. These grants are utilized to fund homeland security programs and projects in the Fire and Police Departments. Since inception of the grant programs, 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 competitive based on risk analysis from DHS.

Constant support of elected officials and legislative members is required to ensure that the City of Phoenix and the region receive continued homeland security funding, which is critical to maintaining response capabilities and for first responders to exercise those capabilities. Loss of funding will severely 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 and reinstate funding for MMRS.

Staff recommends seeking legislative support to ensure that the region's homeland security funding will continue. This will allow the City to maintain its homeland security mission at current levels and protect its residents, critical infrastructure and key resources.

Prosecutor

8. Specialty Courts

The City of Phoenix Municipal Court currently maintains three specialty courts: Veterans Court, Behavioral Health Court and Domestic Violence Review 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 domestic violence victims and 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. Federal Aviation Administration (FAA) NextGen and Airspace Management (Noise)

On Sept. 18, 2014, the Federal Aviation Administration (FAA) implemented changes in flight paths to and from Phoenix Sky Harbor International Airport (Sky Harbor) as part of its effort to streamline departures and arrivals using NextGen satellite-based navigation. Phoenix Sky Harbor received thousands of noise complaints and questions from the community.

After attempts to negotiate with the FAA failed, the petitioners (Phoenix and a group of historic neighborhoods) filed suit. The U.S. Court of Appeals ultimately ruled in favor of the petitioners and the most impactful routes were reverted to their previous corridors in 2018, per a two-step settlement agreement.

The FAA is now implementing Step 2 of the agreement, which includes discussions with neighborhoods in other areas throughout the Phoenix area. The City will continue to closely-monitor the FAA's compliance with Step 2 of the agreement and ensure the community is fully informed.

Staff recommends:

- **Monitor all legislation involving NextGen, noise compatibility, and airports**
- **Advocate for changes to flight path decision-making to require community notification and input**
- **Monitor and advocate for implementation of a new FAA noise metric**

2. Airport Firefighting Foam (PFAS)

Commercial airports are required by the FAA to maintain certain aircraft rescue and firefighting (ARFF) vehicles and fire suppression operating systems. The FAA requires these systems to use aqueous film-forming foam (AFFF) extinguishing agents that contain per- and polyfluoroalkyl substances (PFAS). PFAS consists of two compounds, perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS), which have raised significant health and environmental concerns. The Environmental Protection Agency (EPA), along with many state and local governments, are either enacting or considering enacting new prohibitions and restrictions regarding the use of PFAS compounds, notwithstanding the FAA's mandate for airports to use the substance.

As part of the FAA Reauthorization Act of 2018, which was signed into law in October, Congress directed the FAA to allow airports to use non-fluorinated chemicals in firefighting foam within three years as long as the foam complies with National Fire Protection Association standards. While the FAA is actively researching alternatives, it is too early to give any timeline for completion of the FAA's review and selection of possible alternative firefighting foams.

Staff recommends:

- **Continuing to strongly encourage the FAA to expeditiously research and approve an effective alternative firefighting foam**
- **Oppose any legislation that would require commercial airports to violate FAA requirements.**
- **Request an exemption from liability for airports in any legislation that designates PFAS as a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).**

3. Federal Funding, and the Passenger Facility Charge

The FAA oversees the administration of the nation's aviation system. Sky Harbor and its two general aviation airports, Deer Valley and Goodyear, are part of this system and are regulated by the FAA in nearly all aspects: financial, safety, environmental, construction and planning.

The City's three airports' capital programs rely heavily on congressional appropriations, the Passenger Facility Charge (PFC) and Airport Improvement Program (AIP) dollars, all of which impact budgets, particularly funding for capital construction projects. The City's airports also benefit from other federal grant funding.

In 2018, Congress passed a five-year FAA reauthorization, which, among other things, continues to cap PFCs at \$4.50 and locks in AIP at \$3.35 billion per year

over the next five years. While long-term FAA reauthorization creates funding predictability for the nation's airports, it fails to provide adequate resources to repair aging facilities and prepare for future demand.

The following issues were not fully addressed in FAA reauthorization, but could be remedied with other legislation. These items are of major importance to the City:

- Monitor and advocate for programs and funding that directly benefit the three Phoenix-owned airports.
- Consideration of increasing the Passenger Facility Charge (PFC) from \$4.50 to \$8.50, with future indexing for inflation for large-hub airports, in lieu of Airport Improvement Program (AIP) entitlement funding. The PFC is one of the most critical financing tools available to airports and funds major construction projects such as runways and terminal buildings.
- Advocate for language that provides relief for communities impacted by flight path changes and prevention of future changes without input and proper community notification.
- Permanently exempt 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.
- Pursue federal funding from the Federal Railroad Administration/Department of Transportation for components of Sky Harbor's Comprehensive Asset Management Plan.
- Maintain or increase funding for the FAA Contract Tower (FCT) Program, which funds the control tower at Goodyear Airport. Whereas Sky Harbor's and Deer Valley's towers are staffed by FAA employees, Goodyear's tower is staffed by contract personnel.
- Oppose any attempt to restrict airline competition, including any restrictions on foreign airlines using Flags of Convenience.
- Oppose language that restricts or limits local airports from regulating its roadways and curbs as it relates to autonomous vehicles, TNCs or other ground transportation providers and commercial users at airports. Continue to advocate for all airport ground transportation regulation at the local level

Staff recommends support legislation that includes the priorities described above.

4. Unfunded Federal Mandates

The Aviation Department must pay for any unfunded federal mandates related to the operation of its three airports. If forced to assume the cost of an unfunded federal mandate, the Aviation Department would be required to decide between increasing revenue through an alternative method, such as increasing the rates charged to airlines, or decreasing services to the public. The following are examples of potential unfunded mandates.

- **Security Exit Lanes Staffing:** During the last several years, the Transportation Security Administration (TSA) has indicated that it expects airports to assume responsibility for staffing security exit lanes. Airports strongly oppose this

unfunded federal mandate, which is a task that airports have never assumed. Staff estimates it would cost approximately \$1.2 million annually to staff the six passenger screening checkpoints (lanes) at Sky Harbor. This increased cost would likely have to be passed onto airlines through Sky Harbor's rates and charges process.

- Law Enforcement Officers staffing the security checkpoints: Airports are required to have law enforcement presence 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. For example, when Phoenix Sky Harbor closes the very outdated Terminal 2 and completes the modernization of Terminal 3, the TSA has told the Phoenix Aviation Department that they will not pay to move their screening equipment to the new Terminal 3 checkpoint. The TSA is also expecting Sky Harbor to pay for added checked bag resolution stations. And when Sky Harbor adds the new eight-gate concourse to Terminal 4, we will build a completely new checked bag screening system, which will make TSA more efficient. That will also be at Sky Harbor's expense.
- 100 Percent Security Screening of Employees: In the past, some members of Congress have proposed the idea of 100 percent physical security screening for all employees working at airports. This would be in addition to current background checks and other security measures already in place by the TSA. This initiative would likely cost millions of dollars to implement, would result in significant operational delays and, according to the TSA Aviation Security Advisory Committee, would "not appreciably increase the overall level of system-wide protection, nor does it lower overall risk." As with exit lanes, increased costs would likely have to be passed onto the airlines and other airport tenants.
- Biometric Exit Screening at Airports: The implementation of the biometric exit system is another example of an unfunded federal mandate. This refers to a system, required by Congress, to track biometric data of non-citizens who are departing the country. Implementing biometric exit screening would represent a large 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. Staff is concerned about the airport being mandated to fund infrastructure improvements, especially technological infrastructure, to implement the biometric exit system without close coordination and federally-sponsored program funding.
- New Safety Management Systems (SMS): Review new unfunded mandates and changes to airport design standards and other advisory circulars focusing on enhancing aviation safety. New SMS rules apply to areas not traditionally under the review of the FAA, including apron areas.

Staff recommends opposing unfunded federal mandates, such as security exit lanes staffing and biometric exit screening at airports.

5. Airport Security Requirements

Safety and security are top priorities for the three Phoenix-owned airports. However, new federal security regulations could lead to increased cost and staffing requirements, which would impact the operation and budget of the Aviation Department.

Concerns about data privacy or cybersecurity have increased dramatically in recent years, not only for airports but for businesses worldwide. The City should monitor any new regulations and requirements for airports and associated impacts related to data privacy and/or cybersecurity.

The City also must 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.

Staff recommends monitoring for new data privacy, cyber security and employee background check requirements.

6. TSA Staffing Levels

TSA provides security screening at Sky Harbor's six security checkpoints. Between November 2015 and May 2016, TSA staffing was unacceptably low, resulting in wait times of up to one hour for customers at Sky Harbor and other major airports around the country. After public and political outcry, TSA increased its staffing levels and dramatically improved its security wait times. Since Memorial Day weekend 2016, most security wait times at Sky Harbor have been under 15 minutes and have rarely exceeded 30 minutes. TSA wait times and customer service have a direct impact on local customers at Sky Harbor and the City should support increased TSA staffing levels so that customer wait times remain at an acceptable level.

Additionally, the City should monitor 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.

Staff recommends monitoring TSA issues, such as staffing levels, for impacts to Sky Harbor.

7. Airport Planning and Environmental Policy

Sky Harbor is subject to a myriad of complex federal regulations, including planning and environmental rules and regulations, which must be monitored. The following are examples of issues that have the potential to impact Sky Harbor operations.

- **Land Use:** Land use issues, including possible changes in regulatory noise thresholds and building height limits, are important for airports and surrounding communities. The City must support review of land use compatibility policies and an update of the current rules. For example, the current 65 day-night average sound level (DNL) standard to determine noise impacted communities is antiquated. In addition, the City should monitor airport land re-use and airport sound mitigation developments and participate in discussions with stakeholders, including the FAA.
- **National Environmental Policy Act (NEPA):** Changes in NEPA might be proposed at the federal level. Any NEPA changes would directly affect airports. As a result, close monitoring is necessary.
- **Sustainability:** Sustainability issues are increasingly important to airports. The City should support federal funding and legislation to assist with expansion of electric vehicle charging infrastructure. In November 2015, Sky Harbor received a Voluntary Airport Low Emission (VALE) grant to reduce emissions at the airport by funding development of electric charging infrastructure to support replacement of diesel-powered airline ground service equipment (GSE) with electric. The City also should support federal funding and legislation to enable cities to deploy projects that increase use of renewable energy and transition to a low-carbon economy.
- **Environmental Protection Agency (EPA) and Food and Drug Administration (FDA):** Airport issues regulated by the EPA and FDA must be closely monitored. The EPA ozone standard and Arizona's ability to meet that standard could affect federal grants. The City should monitor EPA guidelines or findings on the use of aqueous film forming foam (AFFF) used by firefighters at airports. Any changes or incentives involving unleaded avgas development also must be monitored. In addition, the City should monitor any changes or updates in EPA and FDA regulations involving aircraft drinking water and servicing areas.
- **Economic Development:** The City should support prioritization toward infill, intercity, brownfields, environmental justice communities, multi-agency community development (for example, FAA/HUD/EPA airport area investment) and support FAA flexibility toward real estate preparation and marketing. The City also should support legislation that provides federal funding for environmental assessment, cleanup and redevelopment of brownfields.
- **Airport Layout Plans (ALPs):** The City must track any new rules that change the way ALPs must be submitted. The process of transitioning from paper to an electronic Airport Geographic Information Systems (AGIS) system requires time and funding efforts to achieve compliance.
- **Part 139 FAA Certification:** Any proposed changes to Part 139 FAA certification must also be monitored, since they could impact requirements for airfield maintenance.

Staff recommends that these issues be monitored for potential impacts on the operations of the three Phoenix-owned airports.

8. Drones/Unmanned Aircraft Systems

Drones, also referred to as Unmanned Aircraft Systems (UAS), are an emerging technology. Up to this point, regulatory focus has primarily been on commercial usage. Hobbyists generally have been exempted from new regulations based on the history of model airplane use in the United States. However, airports are concerned by the safety impacts of amateur drone activities, which present potential safety concerns when drones are used in close proximity to Sky Harbor.

Drone regulation was the subject of much debate in 2017. The short-term FAA extension bill signed into law in July 2016 included a number of provisions to regulate the use of drones, including civil penalties for UAS users that interfere with emergency response activities and federal funding to detect and combat the unauthorized operation of drones around airports and critical infrastructure.

Additionally, in June 2016, the FAA finalized its first operational rules for routine commercial use of small UAS (Title 14 of the Code of Federal Regulations, Part 107). This rule offers safety regulations for UAS weighing less than 55 pounds that are conducting non-hobbyist (commercial) operations. The rule's provisions are designed to minimize risks to other aircraft and people and property on the ground. The FAA considered excluding state and local governments from adopting drone regulations during the rulemaking process, but ultimately acknowledged "certain legal aspects concerning small UAS use may be best addressed at the state or local level" and directed state and local governments to consult the FAA's Fact Sheet on State and Local UAS Laws when enacting their own drone regulations. Future legislative attempts likely will be made to preempt local drone regulations. The FAA implemented a new drone registration system in January 2016 requiring All UAS weighing more than 0.55 pounds, but less than 55 pounds, to be registered with the FAA. But in May 2017 a court struck down the registration requirement for non-commercial use UAS weighing between 0.55 pounds and 55 pounds.

Staff recommends monitoring drones/UAS developments to evaluate the impact on Phoenix citizens/airspace - specifically, regarding Section 383 of the FAA Reauthorization Act requiring FAA to develop a plan for certifying or otherwise approving systems to detect and mitigate UAS threats. The FAA is also supposed to be providing airports with additional information on its partnership with DHS regarding interdiction efforts for drones that pose a threat to US airports. In addition, staff recommends advocating for the FAA to use the rulemaking process when proposing new restrictions on airports, to allow for public/community input.

9. Luke Air Force Base

Luke Air Force Base (Luke AFB) was established in 1941 on land donated to the federal government by the City. It has evolved in the decades since to become a major economic force in the Phoenix region. The City partners with West Valley cities and Maricopa County to protect and enhance Luke AFB.

Staff recommends the following goals:

- **Protect the mission of Luke AFB by ensuring property owner participation and cooperation in federally-funded acquisition of land.**

- **Advocate for follow-on and joint missions for Luke AFB.**
- **Assist with securing and safeguarding funding for Luke AFB.**
- **Support expansion of the 161st refueling wing at Sky Harbor, which is a critical resource for Luke**
- **Monitor Base Realignment and Closure (BRAC) and other Force Structure Adjustment-related issues.**

Public Transit

10. High-Capacity Transit

The high-capacity transit system in the Valley currently includes 26 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 2019, 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 light rail projects currently in, or being considered for, the federal Capital Investment Grant (CIG) program planning/engineering phase in the President's Annual Budget 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), Transportation Infrastructure Finance and Innovation Act (TIFIA) funding and competitive grants.**

11. Highway Trust Fund Solvency

The Highway Trust Fund (HTF) funds the nation's interstate highway and mass transit systems. It is the primary source of funding for state projects that improve and maintain transportation. Every time a driver purchases fuel, they pay an excise tax per gallon with each fuel source having a distinct tax rate. These taxes create the "user-supported" HTF. The HTF was set up under the Federal-Aid Highway Act of 1956 at 3 cents per gallon. It was increased to 18.4 cents per gallon in 1993, but has not been increased since that time.

Insolvency of the HTF is a very near term possibility and a long term funding solution is needed. Motor fuel taxes, which are the primary funding source for the HTF, are declining while transportation infrastructure needs are increasing. This has resulted in a greater demand for federal transportation funding than the amount of funds flowing into the HTF without periodic one-time infusions of cash. This approach is

not sustainable and Congress must implement a viable long term solution to funding transportation infrastructure needs.

If the HTF became insolvent, public transit funding for Phoenix would be drastically reduced, affecting the vital transit services provided to more than 76 million passengers annually. The City of Phoenix, as the designated recipient of Federal Transit Administration (FTA) funds for the region, receives approximately \$80 million annually from the FTA. This funding is used for critical public transit projects and services, and insolvency of the HTF would jeopardize public transit for the City and the region.

Staff recommends support for legislation that resolves the insolvency issues with the Highway Trust Fund and provides stable, long-term funding sources for transit.

12. Alternative Fuel Tax Credit

The Alternative Fuel Tax Credit was an incentive for alternative fuel sold for use or used as fuel to operate a motor vehicle. Under the Alternative Fuel Tax Credit, state and local governments, among others, that dispensed qualified fuel from an on-site fueling station for use in vehicles qualified for the tax credit of \$0.50 per gallon for certain types of alternative fuels, such as compressed natural gas and liquefied natural gas. This tax credit expired on December 31, 2018.

The Alternative Fuel Tax Credit provides approximately \$3.2 million per year for the City's bus operations. Due to the expiration of the tax credit on December 31, 2018, the City of Phoenix must utilize other funding sources for bus operations, or potentially reduce service. The City's residents are impacted because less funding is available for transit service and passenger amenities.

Staff recommends that Congress reinstate the Alternative Fuel Tax Credit retroactive to January 1, 2019.

Street Transportation

13. Federal Funding Model

Nationally, the current federal funding model has seen challenges in effectively meeting the demand to maintain and develop transportation infrastructure. As mentioned above, insolvency of the HTF is a very real possibility. At the same time, the population in the City of Phoenix is projected to double to about three million people over the next 30 years, up from the 1.4 million counted during the 2010 Census. Due to this increase, and the challenges with the federal funding model, the current and projected outlook for future federal transportation funding is not expected to meet the needs of rapidly growing large cities such as Phoenix.

The City would benefit from the following changes to the current federal funding model:

- Encourage more private sector investment in transportation through programs such as a national infrastructure bank, Build America Bonds and more PPP's, to complement the federal government's commitment to public investment in infrastructure. The TIFIA program, for example, has been instrumental in bringing many visionary projects to fruition around the U.S.
- Increase funding for the competitive Better Utilizing Investments to Leverage Development (BUILD) Grant Program. BUILD Transportation grants replace the pre-existing Transportation Investment Generating Economic Recovery (TIGER) grant program which since its inception in 2009, applications for TIGER have far exceeded the amount of available funding. By any measure, many high-quality projects have gone unfunded because the funding level has not increased since 2010. Through its highly competitive merit-based application process, TIGER funds innovative, multimodal, and highly beneficial projects in communities around the U.S., creating jobs and improving transportation networks. In seven rounds since 2009, the TIGER program has provided nearly \$4.6 billion to 381 projects in all 50 states, funding projects to improve and repair critical roads and bridges, relieve freight choke points, connect people with opportunities through public transit and create safe infrastructure for pedestrians and bicyclists. The City has received two TIGER grants, one in 2015 for \$10.3 million and one in 2014 for \$1.6 million.
- Increase funding for FTA Capital Investment Grant (CIG) Program. This is FTA's primary grant program for funding major transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. It is a discretionary grant program unlike most others in government. Instead of an annual call for applications and selection of awardees by the Federal Transit Administration (FTA), the law requires that projects seeking CIG funding complete a series of steps over several years to be eligible for funding. President Trump's initial 2018 budget proposal included severe cuts to the CIG program, in addition to other cuts to USDOT programs. A reduction or elimination of the CIG would result in significant reductions to the City's High Capacity Transit (HCT) program (42 miles of light rail and 75 miles of BRT) as the capital funding for these projects includes a combination of federal and local funding. The city recognizes the limitations and competitiveness of federal funding nationally. There are currently four light rail extensions for the City in pre-design and design phases, for which it is anticipated over \$700 million in CIG funds will be used to help fund the project. Reduction or elimination of appropriations for this program will jeopardize completion of these light rail extensions
- Incentivize cities and projects that use local funding based on an approved local transportation funding initiative: In August 2015, Phoenix voters passed Proposition 104 (Transportation 2050), which is a continuation and an increase of the original Transit 2000 Proposition, which dedicated 4/10 of a cent to fund public transit in the City. Proposition 104 continues this tax with an increase of 3/10 of a cent, for a total of 7/10 of a cent, to fund transit projects in the City of Phoenix. In addition to transit, a portion of the tax is designated for street transportation projects, including projects related to complete streets, pavement overlays and multi-modal improvements.

Even with the passage of Proposition 104, the City is still reliant on federal funding assistance for its surface transportation infrastructure needs. If the federal government provided incentives to cities or projects that contribute local funding based on an approved local transportation funding initiative, such as Proposition 104, it could help advance surface transportation projects. Numerous approaches are possible, including: lowering local cost shares for federal aid projects in cities that use local funding that is based on an approved local transportation funding initiative; providing additional points or a higher weight when scoring/evaluating projects for competitive federal funds, such as TIGER and FTA New Starts/Small Starts; or opening new categories of funding to directly support cities that have local funding that is based on an approved local transportation funding initiative.

Staff recommends working with Congress and the Administration to explore ways that the federal funding model can be improved for local surface transportation projects.

14. 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 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 above list of local surface transportation/capital projects.

15. 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.

16. Freight Transportation

The Arizona Sun Corridor is one of the fastest growing mega regions in the U.S. As the economic hub of the Sun Corridor, this growth presents the City of Phoenix with many new economic development opportunities, including new jobs and new markets. The City of Phoenix and its regional partners are focused on developing a freight system that will provide vital connections within the Sun Corridor as well as international markets in Sonora, Mexico.

The local Metropolitan Planning Organization (MPO), the Maricopa Association of Governments (MAG), is currently in the process of developing a freight plan, the primary focus of which is to review and evaluate the region's transportation system; to enhance the transportation network to facilitate freight movement; and to improve access to and from major employment centers, all of which will increase economic development potential for the region.

Staff recommends advocating for Congress to:

- **Provide funding for critical urban freight corridors identified by MPOs and state departments of transportation.**
- **Include urban and multimodal corridors as part of the national highway freight network.**
- **Place more significance on urban freight planning and funding for the first and last mile discussion.**

17. Congestion Mitigation Air Quality

The City supports MAG and requests that the federal government recognize the need to allow state and regional agencies more flexibility to make their own determination about allocation of Congestion Mitigation Air Quality (CMAQ) funding based on regional needs, particularly when it deals with Particulate Matter (PM)-2.5 nonattainment areas. Whereas the Federal Highway Administration (FHWA) implemented by administrative determination a 1.2 weighting factor to distribute CMAQ dollars to PM-2.5 nonattainment areas, a new proposed rulemaking recommends changing that to five. This would limit the region's flexibility to use more funding in the PM-10 nonattainment areas, where more is generally needed in the southwest region, as opposed to reserving a mandated allocation for one or two communities in Arizona that may not necessarily require as much. Keeping the 1.2 weighting factor ensures some monies are going to PM-2.5 nonattainment areas and thus allows the state and regional agencies to determine what makes the most sense for their constituents with the remaining CMAQ dollars.

Staff recommends supporting MAG in requesting that the federal government maintain flexibility with respect to regional needs for CMAQ funding and maintain the current 1.2 weighting factor for distributing CMAQ dollars.

18. Buy America

First adopted by Congress in 1978 as part of the Surface Transportation Assistance Act (STAA), Buy America was intended to promote U.S. manufacturers by establishing a preference for products produced or manufactured in the U.S. It has been amended several times since and generally requires that all steel, iron and manufactured end products be produced in the U.S., unless a public interest or non-availability waiver is granted by FTA or by regulation. Further, rolling stock must contain 60 percent domestic content and be assembled in the U.S. The City is concerned that Buy America regulations will delay highway and transit projects.

The majority of issues with Buy America have been related to utility relocation costs. Several utilities have been unable to locate certain products domestically. The California Department of Transportation (Caltrans) had over \$2.5 billion on 10 projects in or near construction that were either suspended due to Buy America or may be in the near future, including the State Route 91 Corridor Improvement Project.

Staff recommends advocating to harmonize the FTA and Federal Highway Administration (FHWA)'s Buy America process for multimodal projects.

Water, Environment, Parks and Sustainability

Water Services

1. System Conservation

System Conservation is a water resource management tool currently 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 to the Pilot System Conservation Program 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. Continued funding to the Pilot System Conservation Program could stabilize Lake Mead and provide some certainty for the delivery of Arizona's Colorado River supplies.

Staff recommends supporting dedicated funding and an extension of the Pilot 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 345,000 acre-feet (AF) 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 Central Arizona Water Conservation District CAWCD can contribute to ICS. Bureau of Reclamation contractors, including tribal interests, should be allowed to create and/or contribute to additional ICS space. Expanding the pool of contributions to include in-state contractors 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 and lessen the risk of a shortage declaration. It is important for Arizona's water future to increase volumes of ICS capacity from new contractors and Central Arizona Water Conservation District (CAWCD) and allow subcontractors, like the City, to contribute.

Staff recommends supporting efforts to allow contractors to create or contribute to additional ICS space in Lake Mead.

3. Reservoir Pilot

New Conservation Space (NCS) water is water that Phoenix, along with five other Valley cities, received the rights to as a result of contributing funds in the 1990's to

modify the Roosevelt Dam, creating additional water storage capacity on the Salt River.

When stored water on the Salt River system exceeds pre-Roosevelt Dam modification levels, NCS water becomes available. The modifications also altered the flood control capacity, providing additional space above the NCS portion of the dam. The ability to use this flood control space for water shortage in certain situations could increase overall storage capacity, improve the health of Roosevelt Lake and provide a way for Salt River Project (SRP) to curtail pumping groundwater supplies.

Staff recommends supporting the creation of a pilot program to examine how Roosevelt Dam's operation manual and flood control space would be beneficial.

4. WaterSMART

Through the U.S. Department of the Interior's WaterSMART (Sustain and Manage America's Resources for Tomorrow) program, the Bureau of Reclamation (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 provides 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.

Staff recommends funding for forest restoration activities and easing of environmental restrictions for shovel-ready forest restoration projects.

Parks and Recreation

6. Land and Water Conservation Fund

The Land and Water Conservation Fund (LWCF) was originally authorized in 1964 to fund the purchase and development of parks, wildlife refuges and recreation resources. It derives its funding from offshore oil and gas drilling fees. There are two sides to the program: a federal side, which authorizes up to 100 percent funding for additions to national parks, national wildlife refuges, national forests and other federal public lands; and a state side, which provides 50 percent in federal funds to states and localities as matching grants for parks acquisition and development. Applicants for funding from the state side, the LWCF State Assistance Program, agree to match the federal investment dollar for dollar. The states and local governments also agree to keep the purchased land in protected status in perpetuity and to permanently open such lands and facilities to the public for recreation and enjoyment.

While the LWCF alone cannot address all state and local park needs, it is a critical federal partnership with the nation's state and local parks and communities. In FY 2017, the LWCF State Assistance Program provided over \$110 million in funding to states and localities, including \$12 million going directly to urban areas through competitive Outdoor Recreation Legacy Partnership (ORLP) grants.¹

The City has benefitted greatly from grants through the LWCF programs over the years. Since 1965, the City has received 90 project grants worth more than \$10.2 million. These grants have conserved lands that are now part of the Phoenix Mountains Preserve and provided leverage for numerous park acquisition and initial park development projects over the last four decades.

Staff recommends continuing to support funding efforts for the LWCF.

7. 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. 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. The project is located on land leased by the City from the Bureau of Land Management (BLM). 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 and enhance recreation and education opportunities for residents and out-of-town visitors.

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 Salado 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 Salado 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, recreational and regional water management value of the Rio Salado.

Staff recommends exploring ways to reposition and advance development of the Rio Salado Oeste project, as well as the Rio Salado Reimagined efforts, to include engaging with the Arizona Congressional delegation, USACE and other stakeholders and seeking federal funding.

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 \$304 million in private investment has restored approximately 285 acres of previously contaminated land and created or maintained over 3,300 jobs in the City. In addition, 21 sites have been redeveloped for public uses, such as parks. 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 utilized 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 legislation that would provide federal funding for environmental assessment, clean-up and redevelopment of brownfields.

Sustainability

9. 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 storm water 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.

According to the US Forest Service, trees benefit the community by: providing a cooling effect that reduces energy costs; improving air quality; strengthening quality of place and the local economy; reducing storm water runoff; improving social connections; promoting smart growth and compact development; and creating walkable communities.

Reduction of urban heat island is a priority for many U.S. cities. However, since the Great Recession, government funding for longer term objectives such as tree planting and maintenance have been deferred in light of immediate needs of recovery and other growing social issues. 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 cities where the canopy has been significantly affected.

10. Electric Vehicle Infrastructure

The City would benefit from increasing adoption of electric vehicles (EVs). The adoption of EVs, which are zero emission, would benefit air quality in the region. Because they are zero-emission, they improve air quality and mitigate concerns over non-compliance with ozone standards. 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 electric vehicles (EVs) are anticipated to be abundant on the roads a decade from now, there has been limited capacity to install EV charging infrastructure throughout the country. Many of the benefits are in the future as EVs come online. The issue is that there is a lost opportunity from not building the charging infrastructure upfront when the 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 future-proofing against potential future shortages and escalating fuel costs.

Staff recommends pursuing federal grants and assistance to assist with the expansion of EV charging infrastructure in Phoenix.

11. Resiliency

The City would benefit from federal funding to assist with the adoption of resiliency measures. Resiliency is considered a best practice for ensuring the long term viability of a city. The need for resiliency efforts has received renewed focus as extreme weather events increase in frequency and intensity in the U.S. Increasingly, cities are realizing the importance of building both social cohesion and infrastructure resilience, most notably as they effect vulnerable populations.

Natural disasters like Hurricane Katrina and Hurricane Sandy both highlighted that emergency plans did not adequately addresses vulnerable populations. Cities are needing to build resilience in both their constituents and their infrastructure to better prepare for future extreme weather events.

Rather than focusing on emergency management at the time an incident occurs, the best practice is to focus on becoming more resilient, both in infrastructure and social systems, with the goal of reducing the impact of extreme events and hastening recovery when extreme events do occur. Numerous reports have indicated that building resiliency in a community – in its infrastructure as well as social systems – is considerably more cost effective than responding to an extreme event after it occurs.

Building resiliency greatly lessens the potential financial risk to the City of being impacted by an extreme event.

The City has already begun taking steps to become more resilient. Notably, the City received an AmeriCorps grant to assist with undertaking a vulnerability assessment and creating a resiliency plan.

Staff recommends pursuing federal grants and assistance to assist cities with building resiliency programs.

12. Renewable Energy

A renewable energy mix is an important component of a robust energy system, as renewables have the ability to 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 distributed energy system is more robust and 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 daytime use of electric vehicles supplied by daytime solar to result in a dramatic reduction in carbon intensity of transportation.

Federal policy and programs have been intermittent in regards to encouraging renewable energy and have historically been separate and distinct from conversations 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.

Community Development

Community & Economic Development

1. Workforce Innovation and Opportunity Act

ARIZONA@WORK City of Phoenix Workforce Innovation and Opportunity Act (WIOA) funding supports providing services and resources to adults, laid-off workers and at-risk youth through service delivery system 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.

The City and Arizona @ Work recognize that workforce development programs and services are a valuable resource to businesses, citizens and the community at large. The services available to businesses include talent acquisition through recruitment and screening of candidates, coordinating customized recruitment events and grants for worker training such as employed worker training, on-the-job training and incumbent worker training.

In order to offer and continue to enhance services to businesses, adults and youth, appropriate funding is required to grow and sustain workforce development services. If funding for workforce development programs was no longer available from the Department of Labor, the City would have to identify another funding source in order to continue to provide these services.

Staff recommends:

- **Continued support for appropriate funding levels that allow substantial investments for administering, convening and delivering “job-driven” services for the locally administered federal job training program.**
- **Engaging with the Arizona Congressional delegation about workforce needs in our region and the positive impacts of Federal funding.**
- **Advocating for strong local flexibility for cities and local workforce development boards to ensure local and regional employer needs are met.**

2. Warehouse District Parking

A challenge for many businesses in the Warehouse District is a lack of available parking during business hours. The old warehouse buildings were not developed with the parking that is needed by office users today. As light rail moved into the downtown area, and with Arizona State University and University of Arizona moving downtown, Phoenix has seen a strong movement of technology companies back into the central city and the Warehouse District is seeing significant interest. The parking constraints in the Warehouse District also continue after business hours. The Warehouse District is home to several restaurants and entertainment venues that also face challenges in finding appropriate parking, particularly on Friday and Saturday nights.

The Phoenix Job Corps Center, which is located in the middle of the Warehouse District, plays a critical role in providing no-cost education and career technical training to young people in the community. The center has a significant amount of parking available on its site, a portion of which currently goes unused.

The City continues to work with the Department of Labor on a proposal to enter into a parking agreement that would allow for unused parking spaces on the Phoenix Job Corps Center campus to be utilized by businesses and visitors to the Warehouse

District. There is general agreement around the concept of a license agreement between the City and the Department of Labor wherein businesses and visitors would be allowed to utilize its excess parking.

Staff recommends working cooperatively with the Department of Labor and the Phoenix Job Corps Center to come up with creative solutions that will address the parking challenges and help further the revitalization of the Warehouse District.

3. YouthBuild Grant

The YouthBuild grant, administered through U. S. Department of Labor provides an alternative model for youth who are at-risk, low-income and have barriers to being successful in secondary and post-secondary education and obtaining employment. The YouthBuild program funding allows the city of Phoenix to serve disconnected and at-risk youth through adult mentoring, educational and vocational training opportunities, and build work skills and achieve industry recognized credentials. These funds are used to leverage resources and services across other City departments and through community partnerships to further provide enhanced and comprehensive services to the residents of Phoenix.

The city of Phoenix has been a recipient of YouthBuild grants since the mid-1990s. Through YouthBuild Phoenix, as a grantee, the city of Phoenix has been able to foster strategic community partnerships and develop a progressive program model for youth to be successful. The prospect to build on the success of previous grant awards will ensure youth and families within the community the opportunity to continue to reap benefits through this resource.

Staff recommends supporting funding for the YouthBuild grant program.

Housing

3. HOME Investment Partnerships Program

HOME Investment Partnerships Program (HOME) funds are used to leverage the 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. 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 for homeless youth ages 18-24.

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 \$4.1 million.

Statute requires HOME funds to be committed to projects within 24 months of HUD's obligation of funds to a Participating Jurisdiction (PJ). However, a July 2013 Government Accountability Office (GAO) determination said HUD's method of determining compliance with the 24-month statute must be grant-specific. According to HUD, this decision will have a "catastrophic" effect on HOME PJs' ability to meet the commitment requirement and many PJs would be in danger of losing uncommitted funds. The elimination of the 24-month requirement would resolve this issue. The elimination would also resolve the OIG's recent finding that HUD may have incurred an Antideficiency Act violation when HUD permitted grantees to retain grant funds beyond the statutory deadline.

Staff recommends:

- **Support funding for the HOME Program.**
- **Support a policy change to eliminate the HOME Program's 24-month commitment requirement.**

4. 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 three years, the administrative funding has experienced significant cuts by the federal government. The City received administrative funding prorated at 69 percent in FY 2013, 75 percent in FY 2014, 81 percent in FY 2015 and is 85 percent in FY 2016, and is currently prorated at 77 percent.

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

Staff recommends:

- **Increase the Section 8 proration to 100 percent versus the current levels.**
- **Request administrative relief to allow PHAs 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.**

5. Rental Assistance Demonstration

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

Initially, HUD capped the number of units eligible for the program at 60,000 nationwide. In 2015, Congress increased the cap to 185,000 units. In February 2017, the Housing Department was notified it was selected to participate in the RAD Program for 815 units of aged, public housing. Participation in RAD enables the City to: (1) increase the self-sufficiency of public housing operations; (2) provide more stable funding to address capital needs; and (3) allow for the use of low-income housing tax credits as well as private sources of funding to make capital improvements. The Housing Department will also apply for RAD for some, or all, of its remaining public housing properties.

Staff recommends support of continued expansion of the RAD program and the number of eligible units.

6. 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 the most important resource for creating affordable housing in the U.S. today, and 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 the 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 of the continuation of the LIHTC Program to ensure its available for high priority public housing redevelopment

7. Public Housing Operating Subsidy

Public housing serves many of the most vulnerable households in the City, with 73 percent of all assisted households having incomes that fall below 30 percent of the Area Median Income (considered "extremely low-income"). The vast majority of

public housing residents cannot afford to pay enough toward rent to cover costs involved with operating a property, and they earn too little to afford market rate housing. The average monthly rental amount across all programs is \$312.00.

Continuous federal funding cuts have had a significant impact on the condition of the inventory and service levels available in public housing. The Housing Department continues to review its financial position to minimize the impact on core services caused by ongoing funding cuts, sequestration and burdensome administrative regulations. Over the past several years, the Operating Subsidy, based on eligibility, has averaged 89 percent of the value set by regulation, and has been significantly underfunded since the Recession. This proration cost the City approximately \$1 million.

Operating Subsidy funds combined with tenant rents are meant by HUD to provide the City with the resources needed to manage, maintain and operate its properties and provide supportive services for residents. The Housing Department has had to plan around significant funding reductions as the federal budget has continued to be uncertain. Full funding of the Operating Subsidy makes it possible for the Housing Department to maintain its public housing properties. Without improved Operating Subsidy resources, as many as 1,800 public housing units would be lost over time. Residents would be at risk of homelessness. The City faces the challenge of responding to the enhanced demand for deeply affordable rental housing, facing tough decisions about the allocation of other, already scarce, federal, state and local resources.

Staff recommends:

- **Restore federal funding for the Operating Subsidy to 100 percent of the formula level.**
- **Issue the final guidance on the Housing Opportunities through Modernization Act (HOTMA).**

8. 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. The current annual CFP allocation is approximately \$2.5 million. However, capital needs within the Housing Department's public housing portfolio is estimated at over \$8 million and increases every year due to aging 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

11. 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.

Over the past eight years, the City's allocation has been reduced by \$6 million to a new low of \$14.5 million. At the same time, needs have escalated in the community due to a slow recovery from the Great Recession.

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 sixth 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 community 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.

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

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. Lead can also harm children without causing any obvious symptoms.

HUD recognizes that targeting building deficiencies that contributed to a multitude of health and safety hazards is more cost-effective than implementing interventions on a hazard-by-hazard basis and proposed a healthy homes program to address other home health and safety hazards. Since 1995, the City has received nine Lead-Based Paint Hazard Control (LBPHC) grants funded by HUD to address lead hazards in privately-owned housing. The program has remediated lead hazards in 1,557 low-income housing units where children under six years old reside. The program has also provided significant community education and lead awareness information for more than 19,800 people and trained more than 500 housing industry workers in lead-safe work practices.

Over the past 20 years, HUD LBPHC grants have been reduced by an average of 26 percent. Researchers indicate that you can almost predict a child's health status by zip-code, since poor housing conditions can cause or contribute to numerous illnesses and injuries. The effects of poor housing conditions cost the U.S. billions of dollars annually in housing-related healthcare costs for asthma, lead-based paint poisoning and injury, as well as lost productivity in the labor force.

The LBPHC Program is committed to protecting children and families living in pre-1978 housing from lead-based paint hazards and from other home health and safety hazards. Diminishing funds result in assisting fewer low to moderate income homeowners and fewer services for the City's most vulnerable populations.

In September 2014, the City was awarded a \$3 million LBPHC grant to address lead hazards for low and very low-income families and an additional \$400,000 in Healthy Homes funding to perform healthy homes assessments.

Staff recommends seeking federal action to provide full funding of the LBPHC Grant Program and Healthy Homes.

13. Weatherization Assistance Program

The U.S. Department of Energy (DOE) Weatherization Assistance Program provides grants to states to improve the energy efficiency of the homes of low-income families. The states, in turn, contract with local governments and nonprofit agencies to provide weatherization services to those in need using the latest technologies for home energy upgrades. Since the program began in 1976, it has helped improve the lives of than 7 million families by reducing their energy bills.

Locally, the Weatherization Program assists low-income households with reducing their energy costs by completing weatherization measures, including the installation of insulation, duct sealing, HVAC system replacement and/or repair and the installation of shade screens. The City assists approximately 150 households

annually through a combination of weatherization programs that include funding from DOE. The funding helps the City's most vulnerable populations sustain safe, decent and affordable housing.

Decreases in funding, paired with a funding formula that does not benefit fast-growing cities like Phoenix, has been detrimental. Diminishing funds result in assisting fewer low to moderate income homeowners and fewer services for the City's most vulnerable populations. Over the past few years the State of Arizona's allocation has remained level, while at the same time, the population has increased and is aging, which has increased the needs of vulnerable populations. The level of need has also increased in the community due to the slow recovery from the Great Recession.

Staff recommends supporting federal action to increase the allocation of Weatherization Assistance Program funding to the State of Arizona.

Human Services Department

14. Homelessness

Phoenix is an active member of the Maricopa Regional Continuum of Care (MRCoC). For the past two years, the MRCoC has made important but difficult decisions to defund less effective program models to focus on housing based solutions. Currently the MRCoC receives \$26,882,333 for housing and services to end homelessness across the region, but significant unmet need remains. The 2016 MRCoC Point-In-Time Count demonstrated a 27 percent increase in unsheltered individuals experiencing homelessness; and an additional increases of over 25 percent between 2016, 2017, 2018, & 2019. As the largest city in the region, and the sixth largest city in the Nation, it is critical for Phoenix to maintain its commitment and increase resources to end homelessness.

The city of Phoenix utilizes Emergency Solutions Grant (ESG) funds to serve individuals and families experiencing homelessness directly, as well as through contracts with community based organizations. The FY 2017 appropriation of \$1,306,973 is a slight increase from the previous year. Phoenix utilizes ESG funds to support street outreach for unaccompanied youth including a focus on LGBTQ youth, Veterans, individuals with mental illness and/or substance use disorders, and individuals experiencing chronic homelessness.

Homelessness impacts more than half a million vulnerable Americans on any given night, including approximately 6,000 in Maricopa County. Without a stable home, it is difficult to maintain employment and provide for dependent children. It is challenging to address health, mental health, and addiction issues. People who are homeless are frequently victims of crimes.

Homeless children have poor health and school performance, and an increased risk of future homelessness. Many people cycle through costly emergency systems to meet their acute needs. Homeless people are three to four times more likely to die

prematurely and have a much shorter life expectancy than housed people. Youth abandoned by their parents are physically harmed and traumatized by sex traffickers.

Fortunately, we know how to solve the problem of homelessness. Thanks to smart, innovative work in the field, incentivized and supported by Congressional leaders on both sides of the aisle, homeless assistance systems across the country have improved their ability to quickly respond to housing crises, get people back into housing, and connect them with community-based services to ensure that homelessness is rare, brief, and non-recurring. As a result, homelessness has decreased by 15 percent since annual counts of people experiencing homelessness began in 2007. Communities across the country are announcing that they have ended veteran and chronic homelessness.

HUD's McKinney-Vento Homeless Assistance Grants program has proven effective at solving Homeless. The Emergency Solutions Grant (ESG) formula grant program and the competitive Continuum of Care (CoC) program. Together, these programs fund the activities that comprise communities' homeless crisis response systems.

- Street Outreach. Outreach workers connect people to coordinated entry, emergency services, and shelter.
- Diversion and prevention. Prevention assistance can aid households in preserving their current housing situation while diversion prevents homelessness by helping people identify immediate alternate housing arrangements
- Emergency shelter. People 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. These interventions should be low-barrier
- Permanent supportive housing. Ending chronic homelessness (long-term homelessness among people with disabling conditions, including mental illness and addiction) has long been a bipartisan goal. Progress has recently slowed due to a shortage of funding for highly effective permanent supportive housing (a housing subsidy coupled with supportive services). Investing in permanent supportive housing is cost-effective and impactful
- Rapid re-housing. The vast majority of people become homeless as the result of an economic crisis. Rapid rehousing works with landlords to help people locate appropriate housing, provides short-term financial support, and helps them stay in the housing through connection to supportive service, largely focused on employment. It is a cost-effective permanent housing solution.

ESG is the City's primary source of funding dedicated to individuals and families experiencing homelessness. In addition to playing a critical role in emergency services including street outreach and emergency shelter, Phoenix utilizes ESG for rental deposits and wrap around services to support and leverage permanent and permanent supportive housing solutions for youth, Veterans, and individuals and families experiencing chronic homelessness. A reduction in ESG funds would result in both a direct loss of emergency outreach and shelter services in the community and a decrease in permanent housing placements.

Staff recommends urging Congress to invest in proven solutions to homelessness by fully funding Homeless Assistance Grants.

15. Low-Income Home Energy Assistance Program

Arizona and other warm weather states continue to receive less than a fair share of base Low-Income Home Energy Assistance Program (LIHEAP) funding. LIHEAP funding helps keep families safe and healthy through initiatives that assist them with energy costs. A "hold harmless" mechanism in the current LIHEAP funding formula assures cold weather states don't receive less than they did under the previous funding formula, which was based on heating costs alone. Due to this "hold harmless" mechanism in the formula, Arizona and other warm weather states only receive a fair share when appropriations reach \$5.1 billion. Additionally, for the last five years, the U.S. Department of Health and Human Services (HHS) requested, and Congress included, a clause to direct additional funding beyond the "hold harmless" towards cold weather states.

For FY 2018, Arizona received \$22.37 million under the hold harmless override, of which the City received about \$4.4 million. More than 300,000 Phoenix households qualify for assistance, but there is only funding to help 3-4 percent of the eligible households, far below the 30 percent 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. According to a 2015 Arizona Department of Health Services report, 38 percent of heat-attributed deaths occurring statewide annually involved residents over 65 years of age.

Staff recommends:

- **Support full funding nationally in LIHEAP.**
- **Support efforts to ensure Arizona receives its fair share of base LIHEAP funding by avoiding clauses to shift additional funding back to cold weather states.**

16. Community Services Block Grant

The Community Services Block Grant (CSBG) leverages local, state and federal funding to develop and implement high-impact strategies to address poverty and social welfare within the community. Examples of high-impact strategies include:

- Permanent Supportive Housing program – The City of Phoenix Housing and Human Services Departments developed and implemented a strategic program to provide

chronically homeless individuals and families with children residing in shelters and on the streets with safe, quality housing using the Housing First Model. CSBG funding 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), the homeless and the elderly. For FY 2018 the City received \$1.6 million of CSBG annually. Reductions to CSBG would significantly impair the City's capacity to address local needs.

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:

- **Support reauthorization of CSBG and maintain full funding and formula-based allocations to support local Community Action Programs.**

17. 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 HHS 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.

The City currently receives approximately \$1.5 million in OAA funding within a \$2.1 million contract for senior programs from the Area Agency on Aging Region One. In FY 2018, the City provided approximately 245,893 nutritious home-delivered meals to 1,200 seniors and disabled adults through the program.

Staff recommends supporting increased funding for senior programs, including the Home Delivered Nutrition Services Program for homebound adults.

18. Victim of Crime Programs and Funding

The Violence Against Women Act (VAWA) programs, the Family Violence Prevention and Services Act (FVPSA) and the Victims of Crime Act (VOCA) funding are critical to meeting the rising demand for crime victim services. Together, the VAWA programs, the FVPSA and the VOCA fund, create and support comprehensive responses to the needs of victims of violent crimes, such as domestic and sexual violence. Federal funding for VAWA, VOCA, and FVPSA has enhanced federal, tribal, state and local responses to victims of these crimes and supported lifesaving emergency shelters and services. VAWA, FVPSA, and VOCA

funding support domestic violence shelters, law enforcement, crisis response teams, prosecutor's offices, , , prevention, community outreach and other state and local programs that provide services for adults, and children, and families.

In addition to saving lives, VAWA, FVPSA, and VOCA save money by reducing future violence and other related social costs. Across the country, domestic violence programs and shelters are operating with less funding and fewer resources and staff. When victims take the difficult step to reach out for help, many are in life-threatening situations and must be able to find immediate safety and support. Stable funding is now more essential than ever to ensure that programs across the country can keep the lights on, answer crisis calls and provide essential services for victims fleeing violence.

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. During FY 2017-18, Victim Advocates served 2,024 victims providing 17,452 services. Additionally, Sexual Assault Nurse Examiners (SANE) performed 1,611 forensic exams, and 488 individuals obtained protective orders. In FY 2017-18, the FAC expanded direct delivery of victim services through the implementation of satellite and mobile services. The expansion, supported by the Victim of Crime Act (VOCA) funds supports services at the Sunnyslope and Travis L. Williams Family Services Centers in Phoenix.

Staff recommends:

- **Support full funding for VAWA, FVPSA, and related programs**
- **Setting the VOCA cap at an average of the past three years' deposits into the VOCA account, and creating a tribal funding stream in VOCA**
- **Oppose transferring funds from VOCA to fund other programs**

19. Head Start/Early Head Start

The City of Phoenix Head Start Birth to Five Program enables low income families to access quality services that support school readiness efforts through a comprehensive service methodology. The cost to provide high-quality Head Start Birth to Five programming 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 some parents to return to the workforce or increase their work hours knowing that their children are safe and in an environment specifically designed to address development and school readiness. The Preschool Development grant assists with efforts to increase the number of children ready for school and ensuring all Arizona children are reading at grade level by third grade, thus avoiding retaining children and additional costs to the state. Additional preschool programs and partnerships will also result in new jobs with decent wages and benefits.

Research demonstrates that preschool participation is a significant predictor of school success, especially for low-income children. However, the City receives one of the lowest amounts per child. In order to provide the high quality of service

required by Head Start, the City deserves equal funding to other grantees. The City only serves 29 percent of eligible preschoolers and 2 percent of infants and toddlers. Without additional federal funding, there will be a continued reduction to access.

Staff recommends supporting:

- **Continued or increased funding for Head Start.**
- **Continued funding of the Early Head Start-Child Care Partnership and Preschool Development grants.**
- **Phoenix receiving a fair share of Head Start funding.**

Arts and Culture

20. 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 ArtWorks Grant Program focuses on projects in communities and neighborhoods and grants range from \$10,000 to \$100,000.

The City recently received an Our Town grant for the “Choice Neighborhoods” project and an ArtWorks grant for “Neighborhood Arts,” which re-grants funds to organizations for projects that promote health and well-being of neighborhoods through the arts. 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.

21. 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. The City received a Preservation Assistance grant to utilize a consultant to assess the City’s municipal art collection and make recommendations about how to better conserve it.

NEH grants to the Phoenix Office of Arts and Culture and cultural organizations and libraries throughout Phoenix provide resources for conservation, education and promotion of the City’s cultural assets.

Staff recommends continuing to advocate for federal grant funding opportunities to expand the availability of education and cultural activities throughout the City.

City Manager's Office

23. Census 2020

The U.S. Constitution requires that a national census be taken every 10 years, and Census Day -- April 1, 2020 -- is approaching. The census affects political representation and directs allocation of billions of dollars in government funding. The Budget and Research Department estimates that for every person living in Phoenix who is not counted in the census, the City loses approximately \$352 in annual State funding, and \$133 in annual Federal funding that is issued directly to Phoenix. Additionally, a George Washington Institute of Public Policy study found that for each citizen not counted in Arizona, the State loses an additional \$1,845 in Federal funding received from various programs that rely on Census-derived data to guide the distribution of funds.

The census is a count of everyone residing in the United States and includes people of all ages and both citizens and non-citizens. However, 2020 Census responses will be administered differently than in the past; most notably is the intent to encourage respondents to use electronic submissions.

Staff recommends that the City advocate to ensure that the Census Bureau has the necessary funding and other resources to conduct a complete and accurate count in the City of Phoenix and the State of Arizona for the 2020 decennial census.