



CITY OF OAKLAND

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OAKLAND

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# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Kiran Bawa  
Budget Director

**SUBJECT:** Federal and State Budgetary Actions  
Standing Report

**DATE:** November 24, 2015

City Administrator Approval 

Date: 11/25/2015

## RECOMMENDATION

**Staff Recommends That The City Council Receive this Informational Report on the status of Federal and State budgetary actions.**

## EXECUTIVE SUMMARY

Agendized at each Finance and Management Committee meeting is a standing verbal report on the latest known Federal and State budgetary actions. At its September 15, 2015 meeting, the Finance and Management Committee requested that a written report be prepared to accompany the verbal report. This report has been prepared in response to this request.

The information listed below represents the latest information available as of the release of this report. Any relevant information available after the release of this report will be reported in verbal format to the Finance and Management Committee on December 1, 2015.

### ***Federal***

#### **Appropriations Bills**

In November, the Congress and President Obama reached an agreement on a comprehensive budget deal. Presently the Congress is working on completion of twelve appropriation bills which will extend the spending authority for the Federal Government's agencies.

Last week the Senate released a revision of the House Transportation, Housing, and Urban Development (T-HUD) Appropriations bill (H.R. 2577) with increased spending levels. This version of the transportation and housing spending bill provides \$57.27 billion in discretionary funding, \$1.62 billion more than the version that the House Appropriations Committee approved. Negotiators agreed to reduce the significant cuts in the original bill for housing programs. A \$100 million reduction in the Community Development Block Grant program and a \$830 million reduction in the HOME Investment Partnership Program has been restored. The Senate expects to complete the bill by Thanksgiving, however, a proposed amendment to block federal funds from being used to assist refugees from certain countries (like Syria) has arrested the bill's progress. Passage of the T-HUD Appropriations bill will set the stage for the measure to be included into a year-end omnibus package in December.

Item: 3

Finance and Management Committee  
December 1, 2015

### **Surface Transportation (Highway & Transit) Bill**

On November 16th, the House passed a two-week highway extension in order to provide lawmakers time to negotiate a six-year reauthorization of federal surface transportation programs. The short-term patch, H.R. 3996, would push the deadline to pass a large surface transportation bill back to December 4th. Conferees have held their first public meeting on Wednesday to find common ground on two versions of a six-year reauthorization bill, H.R. 22, passed by both the House and Senate. Disagreements about funding levels and the duration of multiyear highway and transit reauthorization legislation continue to hold up negotiations by a congressional conference committee.

### **Affordable Housing Rule Changes from HUD**

The Department of Housing and Urban Development (HUD) released an Advanced Notice of Proposed Rulemaking regarding the use of Fair Market Rent (FMRs) in the Housing Choice Voucher Program. This HUD proposed rule would alter the formula that determines how much local Housing Authorities can pay for rents in their respective regions. The rule would decrease Fair Market Rent for Oakland and reduce the value of vouchers for Housing Choice Vouchers (Section 8) tenants.

The City of Oakland, in collaboration with Townsend Public Affairs, and the City's congressional delegation, has successfully moved this issue to the attention of key leadership at HUD, and directly to Secretary Castro himself.

To provide immediate relief, HUD has approved an Exception Payment Standard up to 125% of the area FMR for Public Housing Authorities in the Oakland FMR area (allowing for a higher payment standard). The Oakland Housing Authority (OHA) will still proceed with conducting a rent survey that will likely raise the FMR for the area.

### **Promise Zone**

The Housing and Urban Development (HUD) department is preparing to release the third and final round of the Promise Zone Initiative. On behalf of the City of Oakland Townsend Public Affairs is staying connected with HUD staff and Congresswoman Lee's staff on this issue. The City is preparing for the application period to open, and has secured partners to assist with application coordination and review for the International Boulevard Project. HUD anticipates the application guidelines being released in late fall or early winter.

### **Smart Cities Initiative**

In September, President Obama announced the "Smart Cities" Initiative (Smart Cities) with the intent of investing over \$160 million in federal research and leveraging new technology collaborations. Smart Cities is a multi-department initiative including the National Science Foundation, the Department of Homeland Security, Department of Transportation, Department of Energy, Department of Commerce, and the Environmental Protection Agency. For local governments and communities this means federal collaboration to help communities tackle key challenges such as reduce traffic congestion, combat crime, foster economic growth, manage the effects of a changing climate, and improving the delivery of city services. Ultimately, Smart Cities will use the research collected from the program to develop sensors and data networks that will help address these issues nationwide. The Obama Administration is interested in using information technology and technology in general to help cities solve common challenges, using

IT, data science and sensor networks. The initiative is focused on providing both federal resources and commitments from outside stakeholders to local communities. The initiative is still being rolled out, so there is opportunity for the Obama Administration to build on this, and for Oakland to take a front seat. Townsend Public Affairs has sent Oakland additional information on the initiative, and has connected with White House staff overseeing the initiative and mentioned Oakland as a city with potential to benefit from this program.

**State**

**Housing-Related Parks Program**

The Department of Housing and Community Development is overseeing an initiative with a focus on increasing the overall supply of housing affordable to lower income households by providing financial incentives to cities and counties to build parks.

Funding is for the creation of new park and recreation facilities or improvement of existing park and recreation facilities. The minimum award is \$75,000 and grant amounts are based on the numbers of bedrooms in newly constructed rental and ownership units restricted for very low and low-income households.

**California State Parks Grants**

The California State Parks, Office of Grants and Local Services (OGALS) are preparing guidelines to award up to \$16 million in competitive grants. The focus is on new youth soccer, baseball, softball, and basketball opportunities in heavily populated, low-income urban areas with a high youth crime and unemployment rate. Local agencies, recreation districts, school districts and community-based organizations are eligible to apply.

**ACTION REQUESTED OF THE CITY COUNCIL**

That the City Council receive this informational report on Federal and State budgetary actions.

For questions regarding this report, please contact Bradley Johnson, Assistant to the City Administrator, at (510) 238-6119.

Respectfully submitted,

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KIRAN BAWA  
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