

**Metropolitan Transportation Commission and Association of Bay Area Governments  
Joint MTC ABAG Legislation Committee**

**May 14, 2021**

**Agenda Item 4a**

**Washington D.C. Legislative Update**

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**Subject:** April 2021 Report from Washington, D.C. advocate.

**Recommendation:** Information

**Attachments:** **Attachment A:** Summit Strategies Team Report – April 2021

  
Therese W. McMillan



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### Memorandum

**From:** Summit Strategies Team  
**To:** Therese McMillan, Executive Director  
**Date:** May 7, 2021  
**Subject:** Federal Policy Monthly Report

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- **MTC and ABAG 2021 Washington, D.C. Advocacy Trip**
  - **Build Back Better/American Jobs Plan Infrastructure Update**
  - **Department of Transportation (DOT) Appointments**
  - **Fixing America's Surface Transportation (FAST) Act Reauthorization Update**
  - **Senate Environment and Public Works (EPW) Chair Carper Unveils Highway Equity Bill**
  - **Transit Advocates Challenge the 80-20 Split**
  - **House Earmark Process Continues; Senate Finalizes Process**
  - **Appropriations and Budget Update**
  - **Competitive Grant Update**
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Below is a status update on issues of interest to MTC, and actions we have taken.

### **MTC and ABAG 2021 Washington, D.C. Advocacy Trip**

During the month of April your MTC and ABAG leadership along with staff and your D.C. advocates participated in a virtual fly-in to Washington, D.C., meeting with those members of the Bay Area congressional delegation that sit on key transportation and infrastructure committees as well as new Biden Administration appointees at the U.S. Department of Transportation (USDOT) and at the U.S. Department of Housing and Urban Development (HUD).

During April, your delegation met with the following Members of Congress and their staff:

- Representative DeSaulnier (House Transportation and Infrastructure Committee)
- Representative Garamendi (House Transportation and Infrastructure Committee)
- Representative Huffman (House Transportation and Infrastructure Committee)
- Representative Lee (House Appropriations Committee)
- Representative Thompson (House Ways and Means Committee)
- Senator Padilla (Senate Environment and Public Works Committee)
- Senator Feinstein's office (Senate Appropriations Committee)

In addition, members of your team met with USDOT Deputy Secretary Polly Trottenberg and other DOT staff to learn about this administration's transportation goals, thank them for their work with us to date, to learn about how MTC and ABAG can continue to work with them. We also met with Joe Carlile, Senior Advisor on Budget and Policy to HUD Secretary Marcia Fudge, to discuss federal housing policy and to provide an update on the Bay Area's expanded housing portfolio, including an introduction to the Bay Area Housing Finance Authority. And finally, staff met with key officials at the White House Council on Environmental Quality to discuss the administration's efforts on disadvantaged communities, and to share the lessons learned with respect to California's definition of disadvantaged communities based on CalEnviroScreen.

In these meetings we shared MTC and ABAG's policy priorities and how federal programs were being implemented on the ground while also learning about their policy goals. The discussions focused on several key policy priorities that MTC is leading and supportive of including support for increased funding allocated to the region, emphasis on sustainability and resiliency as well as housing matters. In the meetings we discussed the importance of the upcoming reauthorization of the FAST Act as well as President Biden's American Jobs Plan, which would allocate funding to critical infrastructure needs.

The delegation from MTC and ABAG were also able to thank the members of Congress for their action to support transit during the COVID pandemic. MTC and its team continues to have ongoing dialogue with the delegation and other key members of Congress on how the region is utilizing the funding.

The region's blue-ribbon panel on the future of transit was also a topic of discussion. The MTC staff and team will provide an update to the delegation on the panel and its actions.

The first MTC and ABAG virtual fly-in allowed us to connect with important policymakers in DC, but we hope that we will be able to conduct the next fly-in in person.

## **Build Back Better/American Jobs Plan Infrastructure Update**

### *Update*

After a lukewarm reception from across the aisle, President Biden entertained several bipartisan envoys to discuss his \$2.25 trillion infrastructure proposal, known as the American Jobs Plan (AJP). The White House continues to advocate for a cooperative process with GOP lawmakers. Demands from the Democratic caucus illustrate the challenges ahead, with many swing-district members in Democratic states insisting that any legislation eliminates the state and local taxes (SALT) deduction cap. These developments have increased the likelihood that a scaled-down, surface transportation specific measure moves separately from other elements of the multi-trillion-dollar framework. Additionally, critical swing-vote Senator Joe Manchin (D-WV) has expressed opposition to a corporate tax rate increase as significant as the one called for by President Biden, which is being used to pay for much of the President's plan.

### *Senate Republican Counter Proposal*

While there are many obstacles to a transformative infrastructure bill, Environment and Public Works (EPW) Ranking Member Senator Shelly Moore Capito (R-WV) and her colleagues released a counter-proposal last week, providing a basis for negotiations. The outline includes approximately \$570 billion for infrastructure investment over the next five years, including:

- \$299 billion for roads and bridges
- \$61 billion for transit
- \$20 billion for rail
- \$13 billion for safety
- \$35 billion for water infrastructure
- \$17 billion for ports
- \$44 billion for airports
- \$65 billion for broadband
- \$14 billion for water storage

It is important to note that the AJP proposes a one-time infrastructure investment above the current Congressional Budget Office (CBO) baseline investment levels. The Senate Republican proposal for surface transportation programs includes the amounts in the CBO baseline.

### *Negotiations and Next Steps*

Some Democrats have emphasized the value of negotiating in good faith around this baseline. Senators Chris Coons (D-DE) and Joe Manchin expressed their support for splitting the White House proposal into multiple pieces. House Transportation and Infrastructure Committee Chair Peter DeFazio (D-OR) said, "that's not an insignificant amount of money" about GOP proposals. Some Republicans have also acknowledged a willingness to negotiate above the \$570 billion suggestion.

In the final week of April, President Biden unveiled the second portion of his Build Back Better framework. The proposal outlined approximately \$1.8 trillion in domestic investments, including extending the enhanced child tax credit, providing funding for low-income childcare, paid leave, higher education, and nutrition assistance. It also included revenue-raising provisions, such as increasing the top marginal income tax rate, nearly doubling the capital gains tax, removing the carried interest deduction, and funding the IRS to boost tax collection efficacy. The tax-related measures would generate more than \$1.5 trillion, covering most of the proposed outlays. While this portion of the Build Back Better agenda is envisioned as moving through its own legislative vehicle, the proposal will most certainly factor into negotiations related to the Administration's more public works-focused infrastructure priorities outlined in the American Jobs Plan.

### **Department of Transportation (DOT) Appointments**

On Thursday, April 15, 2021, DOT highlighted the Senate confirmation of Deputy Secretary of Transportation Polly Trottenberg. Trottenberg brings more than 25 years of public sector experience across all levels of government to the role, including extensive knowledge of transit-related issues.

### **Fixing America's Surface Transportation (FAST) Act Reauthorization Update**

It remains unclear how FAST Act reauthorization will interact with the infrastructure proposal floated by President Biden as the relevant committee chairs take steps to advance their portions of a surface transportation reauthorization through regular order. Transportation and Infrastructure Committee Chair Peter DeFazio will move a measure later this month, with a markup likely occurring in the last week of May. H.R. 2: The Moving Forward Act ([link following https://www.congress.gov/bill/116th-congress/house-bill/2](https://www.congress.gov/bill/116th-congress/house-bill/2)), which passed the House last Congress and provided \$494 billion over five-years in investments in surface transportation, will serve as the basis for the coming legislation, although the committee is working on new provisions. Chairman DeFazio, like the Biden Administration, supports significant federal investment in transit and advocates for addressing inequities through the transportation system. The Senate Environment and Public Works Committee, which handles the bulk of the drafting in the upper chamber, also hopes to mark up their bill before Memorial Day. With a slim majority in the Senate, any infrastructure package that makes it through Congress will require bipartisanship.

Your federal lobbying team has continued to be in close contact with senior staff with the House Transportation and Infrastructure Committee, and the Senate Environment and Public Works, Commerce, and Banking Committees to ensure that MTC's views are heard. We have also been working closely with the Bay Area delegation, specifically Senator Padilla and Representatives Garamendi, Huffman, and DeSaulnier, on our transportation priorities for the FAST Act reauthorization.

### **Senate Environment and Public Works (EPW) Chair Carper Unveils Highway Equity Bill**

In April, Senate EPW Committee Chair Tom Carper (D-DE) introduced legislation—cosponsored by California's Senator Padilla—to address past highway construction-related inequities. The bill, S.1202: The Reconnecting Communities Act ([link following https://www.epw.senate.gov/public/\\_cache/files/3/7/37f2a19b-440b-4cfb-b802-757612499603/146A3A0006DF45CBA0A812F551B2B38A.edw21423.pdf](https://www.epw.senate.gov/public/_cache/files/3/7/37f2a19b-440b-4cfb-b802-757612499603/146A3A0006DF45CBA0A812F551B2B38A.edw21423.pdf)), would create a Department of Transportation (DOT) grant program to allow communities to “identify and remove or retrofit highway infrastructure that creates obstacles to mobility and opportunity.” As the EPW Committee starts drafting its portion of FAST Act reauthorization legislation, it may include the Reconnecting Communities Act. The 2019 America's Transportation Infrastructure Act included a similar provision.

### **Transit Advocates Challenge the 80-20 Split**

Pro-transit advocacy groups have begun lobbying lawmakers to equalize funding between highways and transit. Some Democrats, especially those from urban areas, are open to adjusting the existing “80-20” Highway Trust Fund split between highway and transit funding to provide additional federal support for transit providers. The significant pandemic-related hardships on public transportation systems have also contributed to growing support. While this policy will likely face strong GOP opposition, it aligns with the equity priorities the Biden administration continues to champion.

### **House Earmark Process Continues; Senate Finalizes Process**

On Tuesday, April 28, 2021, lawmakers submitted their surface reauthorization earmark requests to the Transportation and Infrastructure (T&I) Committee. Though there has been no official pronouncement of how much funding the T&I Committee will make available for priority project funding, the committee has clarified that Members of Congress – both those on and off the T&I Committee regardless of political party - will likely receive the same funding allocation of up to \$20 million for all eligible priority projects in their congressional districts. While members have been allowed to submit an unlimited number of project funding requests, they have been asked to identify their top five priority requests. The deadline for House Appropriations Committee community funding project (earmark) requests was April 30, 2021.

MTC submitted requests for three regional projects: Bay Bridge Forward, Regional Advance Mitigation Program, and a Bay Trail gap closure at Vista Point. Working with MTC staff, your federal lobbying team supported congressional staff regarding these requests and each of them has been included in member priorities that were submitted to the House Transportation and Infrastructure Committee. (Bay Bridge Forward (\$3 million) - Representative Lee); Regional Advance Mitigation Program (\$5 million) - Representative Zoe Lofgren; Bay Trail – Vista Point (\$1.3 million) – Representative Jared Huffman.

The Senate Appropriations Committee is currently accepting earmark requests. While Senate Republicans decided not to vote on changes to their conference rules related to earmarks, conference rules are nonbinding, and several GOP members indicated they will be participating in the process. Individual Senators have started to set internal deadlines during the first week of May. The Senate EPW Committee has yet to set forth a process for earmarks.

### **Appropriations and Budget Update**

President Biden released a preliminary budget request in April, which allowed lawmakers to jumpstart the appropriations process. The outline called for \$1.5 trillion in domestic spending, a meaningful increase from the previous fiscal year, further demonstrating his support for federal investment in social services. It also requested a 14% and 15% increase in DOT and HUD spending levels, respectively. Biden will likely release an official budget later this month. Congressional appropriators will use the figures to inform the process of crafting annual spending bills in the coming months. House and Senate Appropriations Committees and Subcommittees have held hearings to examine FY22 spending levels across federal agencies, including DOT and HUD.

### **Competitive Grants Update**

#### **DOT Announces \$1 Billion to Modernize and Create New American Infrastructure**

On Tuesday, April 13, the U.S. Department of Transportation' (DOT) published a Notice of Funding Opportunity (NOFO) (link following <https://www.transportation.gov/RAISEgrants/raise-nofo> ) to apply for \$1 billion in FY21 discretionary grant funding through Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants. This program was originally the TIGER, and then the BUILD, program. Projects seeking RAISE funding will be evaluated based on merit criteria, including safety, environmental sustainability, quality of life, economic competitiveness, state of good repair, innovation, and partnership. Utilizing these criteria, the Department will prioritize projects that can demonstrate improvements to racial equity, reduce impacts of climate change and create good-paying jobs. For this round of RAISE grants, the maximum grant award is \$25 million, and no more than \$100 million can be awarded to a single State, as specified in the appropriations act. Up to \$30 million will be awarded to planning grants, including at least \$10 million to Areas of Persistent Poverty.

### **FTA Announces \$10 Million Funding Opportunity for Transit Planning to Address Climate Change and Equity in Communities Nationwide**

On Wednesday, April 21, 2021, the U.S. Department of Transportation's Federal Transit Administration (FTA) announced the availability of approximately \$10 million in competitive grant funds through a Notice of Funding Opportunity (NOFO) (link following <https://www.transit.dot.gov/notices-funding/pilot-program-transit-oriented-development-planning-fy2021-notice-funding>) for FTA's Pilot Program for Transit-Oriented Development (TOD) Planning (link following <https://www.transit.dot.gov/TODPilot>). FTA's Pilot Program for TOD Planning funds comprehensive planning to increase transit access and encourage ridership with mixed-use and mixed-income development near public transportation projects. Eligible projects include comprehensive planning studies around station areas for new fixed guideway projects, including light rail, heavy rail, commuter rail, or bus rapid transit systems that have a designated right-of-way. Information on previously funded projects can be found at the following link <https://www.transit.dot.gov/grants/grant-programs/fiscal-year-2020-transit-oriented-development-tod-planning-projects>.

### **U.S. Department of Housing and Urban Development (HUD) Allocates \$5 Billion in American Rescue Plan Act Funds to Address Homelessness**

On Thursday, April 8, 2021, HUD announced the allocation of nearly \$5 billion in American Rescue Plan funds to help communities across the country create affordable housing and services for people experiencing or at risk of experiencing homelessness. The supplemental funding is allocated through the HOME Investment Partnerships Program to 651 grantees, Bay Area local governments. A full list of allocations can be found at the following link <https://www.hud.gov/sites/dfiles/CPD/documents/HOME-ARP.pdf>.

### **U.S. Department of Housing and Urban Development (HUD) Allocates \$670 Million for Affordable Housing**

On Tuesday, April 6, 2021, the HUD announced the allocation of approximately \$670 million in Housing Trust Fund (HTF) funds to promote affordable housing, including \$126 million for California. HUD allocated significantly more funds this year compared to last year. A full list of allocations can be found at the following link [https://www.hud.gov/sites/dfiles/PA/documents/FY21\\_HTF\\_Grant\\_Amounts.pdf](https://www.hud.gov/sites/dfiles/PA/documents/FY21_HTF_Grant_Amounts.pdf).

### **U.S. Department of Housing and Urban Development (HUD) Awards \$1.5 Million to Build Affordable Housing**

On Friday, April 16, the HUD announced the award of \$1.5 million to build affordable housing in Colorado, California, and Oregon through grants funded by HUD's HOPE VI Main Street program. HUD's Main Street program seeks to rejuvenate older, downtown business districts while retaining the area's traditional and historic character by providing grants to smaller communities for the development of affordable housing undertaken in connection with an ongoing Main Street revitalization effort. A full list of awarded communities can be found at the following link [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_21\\_063](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_063), including the City of El Cerrito which received \$500,000 to help build affordable, residential units in the city's commercial district, in Contra Costa County, California.

### National Transportation News Roundup

- Amtrak's proposed \$80 billion windfall: Too much or too little?  
<https://www.rollcall.com/2021/04/21/amtraks-proposed-80-billion-windfall-too-much-or-too-little/>
- Focus group: Red flags for Biden infrastructure plan.  
<https://www.axios.com/swing-voter-biden-infrastructure-bill-eed387f5-528e-4a57-8d64-aa49ea4ae386.html>
- Biden's infrastructure plan goes big on EVs, but his first budget starts small, analysts say.  
<https://www.smartcitiesdive.com/news/bidens-infrastructure-plan-goes-big-on-evs-but-his-first-budget-starts-sm/598482/>
- The Case For a Transit-First Infrastructure Plan.  
<https://www.bloomberg.com/news/articles/2021-04-13/biden-s-infrastructure-plan-must-put-transit-first?srnd=citylab-transportation>
- Senators Grill Cabinet Secretaries on American Jobs Plan.  
<https://www.route-fifty.com/infrastructure/2021/04/senators-grill-cabinet-secretaries-american-jobs-plan/173500/>
- US House Leaders Plan Late May Highway Bill Markup.  
<https://www.ttnews.com/articles/us-house-leaders-plan-late-may-highway-bill-markup>
- Amtrak receives \$1.69bn Covid-19 relief funding.  
<https://www.railway-technology.com/news/amtrak-covid-19-relief-funding/>
- The politics of going big.  
<https://www.vox.com/2021/4/28/22403670/biden-american-jobs-families-plan-politics>