

**TO: Council Member Betsy Hodges
Chair, Intergovernmental Relations Committee
Minneapolis City Council**

**FR: Dennis McGrann // Emily Gehrman
LOCKRIDGE GRINDAL NAUEN, P.L.L.P, Federal Relations Group
Washington, DC**

DT: October 2, 2007

RE: Minneapolis Federal Update

The attached is an update of the Minneapolis Federal programs and related issues that impact the City and its residents.

Updates

- Bridge Funding
- FY2008 Appropriations
- 2008 Republican National Convention
- Minneapolis War Tunnel-Water Resources Development Act
- Bikeways Funding

Bridge Funding–Senate Transportation/HUD Bill

As we updated you On September 18th, the Senate passed their version of the Transportation/HUD Appropriations bill (H.R. 3074) (S. 1789) containing \$195 million in “emergency funding” for the I-35W bridge repair. Senator Klobuchar made this funding her top priority and worked extremely hard to make sure it was included. The House and Senate versions on the Transportation/HUD bill will now have to be reconciled and the final version sent to the President for his signature. Congressional sources have indicated that Democratic leadership will likely send the President bills that he has threatened to veto in order to force his hand and gain political momentum in the year end

budget showdown. The Transportation bill is a likely candidate because of the highly publicized and widely supported bridge funding.

FY 2008 Appropriations Status

We last reported that the various appropriations bills that have Minneapolis projects included in them are at different stages in the appropriations process. This is still the case, however because the fiscal year ended on September 30th, the House and Senate passed a stop-gap Continuing Resolution (H.J. Res 52) to fund the Federal government through November 16th. The President signed the bill into law on September 29th. November 16th is the target adjournment date that Speaker Nancy Pelosi has announced for the House.

Minneapolis Appropriations Projects Pending

<u>Project</u>	<u>FY 2008 Request</u>	<u>FY 2008 House</u>	<u>FY 2008 Senate</u>
Combined Sewer Overflow	\$1,250,000	\$0	\$300,000
Empowerment Zones	\$3,000,000	\$170,000	\$0
Gunfire Detection System	\$850,000	\$350,000	\$0

2008 REPUBLICAN NATIONAL CONVENTION FUNDING UPDATE

The latest meeting for The 2008 National Conventions in the Twin Cities and Denver was held on Friday September 21st. The representatives from the Minnesota Congressional offices had no new information to report. The next call is scheduled for Wednesday October 3rd. If there are any new developments we will be sure to update you following that call. –Current Status: There is \$100 million in funding for the two conventions in the Senate version of the Military Construction/VA Appropriations bill which is waiting to be considered by the Conference Committee.

WATER RESOURCES DEVELOPMENT ACT- WAR TUNNEL LANGUAGE

The Minneapolis “War Tunnel” language was included in the final Conference version of the Water Resources Development Act of 2007 (WRDA). The President has threatened to veto the 28 billion authorization bill, however Congressional leadership is optimistic that they will have the votes to override a veto. We will continue to update you on this issue as developments occur.

MINNEAPOLIS BIKE WAYS FUNDING

There was some question as to the details of the clarifying language that Congressman Oberstar inserted into H.R. 1195, the SAFETEA-LU Technical corrections bill. The language, which is below, simply strikes “St. Paul” from the bill, indicating that the \$25 million for bikeways funding be used solely in Minneapolis or for the benefit of trails into Minneapolis. If there are any questions please let us know.

SEC. 106. NONMOTORIZED TRANSPORTATION PILOT PROGRAM.

14 Section 1807(a) (3) of the Safe, Accountable,
Flexible,
15 Efficient Transportation Equity Act: A Legacy for
Users
16 (119 Stat. 1460) is amended by striking
‘ ‘Minneapolis-St.
17 Paul, Minnesota’ ’ and inserting ‘ ‘Minneapolis,
Min18
nesota’ ’ .

HOPE VI- HOUSING LEGISLATION

A public housing improvement program that the White House says is obsolete would be extended for eight years under a bill approved Wednesday by a House panel.

The House Financial Services Committee approved the measure (HR 3524) by voice vote. It would overhaul the HOPE VI

program, which helps repair and rebuild dilapidated public housing, and make several significant changes.

Among the changes would be new tenant protections and a one-for-one replacement requirement for all public housing units proposed for demolition under HOPE VI.

The bill would require public housing agencies to create mixed-income housing on the sites of demolished low-income housing. It also would prohibit authorities from creating strict re-entry requirements, such as credit checks, for returning residents, and it would require public housing agencies to develop relocation plans that provide comparable housing for all relocated residents.

Despite expressing concerns with the bill specifically the one-for-one replacement requirement panel Republicans requested a vote on just one amendment.

The amendment, by Christopher Shays, R-Conn., would give extra points for project proposals that include one-for-one replacement and therefore a greater likelihood of approval but would continue to allow HOPE VI funding for projects without one-for-one replacement.

Panel members rejected the amendment by voice vote.

The panel adopted a manager's amendment by bill sponsor Maxine Waters, D-Calif., and another amendment by Emanuel Cleaver II, D-Mo., both by voice vote.

The Waters package would require public housing authorities to coordinate projects with the school calendar so displaced children would not have to transfer schools; it also would strengthen the relocation benefits and services given to displaced residents.

The Cleaver change would allow displaced tenants to receive Section 8 tenant-based vouchers, which allow low-income tenants to receive government help in paying rent for residences that are not public housing.

Congressman Jeb Hensarling (R-TX) offered an amendment that would redirect all HOPE VI funding to Section 8 vouchers, but quickly withdrew it.

The bill would authorize \$800 million for HOPE VI in each fiscal year from 2008 through 2015. However, the program is likely to get significantly less funding than that even if the bill becomes law.

As an authorization bill, it outlines the rules of the program and suggests a funding level, but appropriators control the disbursement of money. HOPE VI is slated to receive \$100 million under the House version of the fiscal 2008 Transportation-HUD appropriations bill (HR 3074), the same amount as in fiscal 2007.

For the past five years, the Administration has sought to kill HOPE VI. In a policy statement, the Administration argued it has already “accomplished its original goal of addressing the needs of the nation’s 100,000 most distressed public housing units.”

We will continue to update you on this and any other housing legislation that may be pertinent to the City.

SCHEDULE

House and Senate Leadership recently announced that they will be in recess next week (October 8-12). Congress will then return and likely attempt to pass several Appropriations bills. Their goal is to avoid passing an omnibus Appropriations bill which would roll all remaining unfinished bills into one. In order to reach this goal, the remaining spending bills will all have to be passed by the November 16th expiration of the stop-gap continuing resolution.

Lockridge, Grindal, Nauen will continue to monitor these and all other pertinent issues that come before the United States Congress and we will keep you informed of any developments. Please do not hesitate to contact Dennis McGrann dmmcgrann@locklaw.com (202) 544-9840 or Emily Gehrman ejgehrman@locklaw.com (202) 544-9896, if you have any questions or need any additional information.

