

CITY OF PORTLAND
FEDERAL LEGISLATIVE PRIORITIES



JANUARY 2008

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FISCAL YEAR 2009 APPROPRIATIONS PRIORITIES

SOUTH WATERFRONT VETERANS HOUSING

The Portland Development Commission (PDC) and the City of Portland (City) are in pre-development discussions on the first affordable housing project in the South Waterfront District. The housing would be located near the aerial tram connecting the housing to the Oregon Health Sciences University and Veterans Affairs Hospitals and Outpatient services. There is a tremendous need to provide permanent supportive housing for veterans being discharged from the Veterans Affairs transitional housing facility in Vancouver, Washington. Many veterans, when discharged, have few options.

The City seeks \$10 million in federal funds to partner with the City, PDC and private investments of \$53 million to the pilot program. The federal funds could provide funds for construction and capitalization of a 15-year rent subsidy to fill the gap for returning veterans who need supportive services co-located with their housing. The funding would be used to reduce the rent on 84 units, allowing veterans who are homeless or at risk of being homeless, and are disabled with low income, to be served. If fully funded, the facility and program will be a regional resource serving Portland-Vancouver area veterans for the next 60 to 75 years.

Findings from a survey conducted by the National Coalition for Homeless Veterans in November 2006 indicate that the homeless veteran population in America is experiencing significant changes. Homeless veterans receiving services today are aging, with an increasing level of disabilities, and the percentage of women veterans with children seeking services is growing.

The City is requesting \$2 million from the FY 2009 Transportation and HUD Appropriations Bill (HUD, Economic Development Initiatives) and \$8 million for an operating rent subsidy through discretionary HUD funds or place-based HUD/VASH vouchers.

CULLY IMPROVEMENTS

The City seeks \$1.6 million to finish the Cully Boulevard Improvement Project in Northeast Portland. The project will improve approximately one mile of a substandard neighborhood arterial – a major thoroughfare in Northeast Portland. The major intersection in the corridor rates in the top 20 percent of dangerous intersections within the City. The improvements will enhance freight and commuter mobility while providing alternative transportation options. The project will serve a low-income residential and commercial area in Northeast Portland. The improvements will include sidewalks, bike lanes, and modifications to a major intersection that improves safety. The project will be constructed as a “green street” to reduce or eliminate storm water runoff and reduce impervious pavement surface. Furthermore, the project will demonstrate the ability to improve congestion, provide transportation alternatives, and reduce environmental impact in an economically depressed area.

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The City and region have contributed or budgeted \$3.8 million in City system development charges, City general funds, and regional MTIP funding. The project has regional support and is included in the Appropriations requests of Metro's Joint Policy Advisory Committee on Transportation.

The City seeks \$1.6 million in funding through the FY 2009 Transportation and HUD Appropriations Bill (Department of Transportation – Surface Transportation Projects)

FAMILY JUSTICE CENTER

The City is working with regional partners to create a Family Justice Center. The Center would be a central location for victims of domestic violence and their children to receive needed services. The mission is to provide victims and their children the help they need to break the cycle of family violence. The Center would provide victims of domestic violence with a single location where they could speak with an advocate, obtain a restraining order, plan for their safety, meet with police and a prosecutor, receive medical assistance, access a chaplain, and be provided with transportation, counseling, and nutritional advice. The City has completed a feasibility study and will proceed with its regional partners to construct the project.

The City seeks \$2 million in the FY 2009 Commerce, Justice, Science Appropriations Bill.

EMERGENCY COORDINATION CENTER

The City's recent participation in the Top Officials 4 Portland-based exercise made it clear that the City needs a new Emergency Coordination Center (ECC). An effective ECC pulls together people and resources to handle emergencies outside the ability of single agencies. It becomes the central location to coordinate disaster response and recovery efforts. The existing City of Portland ECC is inadequate. First, the City's emergency management staff are not co-located with the ECC – staff reside in office space in downtown Portland while the ECC is located in East Multnomah County. Second, the City operates what's called a "cold" ECC – meaning that a full activation requires staff time to properly set up and equip before the ECC is fully functional. Third, because the ECC is hampered by inadequate size it forces the physical separation of several key ECC sections. The City is seeking \$2 million in federal funding for the \$11 million effort to retrofit an existing building for a new ECC.

The City requests \$2 million from the FY 2009 Commerce, Justice, Science Appropriations Bill. (Department of Justice, COPS – Technology)

EAST BURNSIDE/COUCH COUPLET

The East Burnside/Couch Couplet is a critical infrastructure improvement that will serve as a catalyst for area redevelopment and business growth on existing roadways from East 14th Avenue to the Burnside Bridge. Burnside and Couch Streets will be realigned into a one-way couplet system, with eastbound traffic in three lanes on Burnside Street and westbound traffic in two lanes on Couch Street. The project has regional support and is included in the Appropriations requests of Metro's Joint Policy Advisory Committee on Transportation.

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The project would provide relief to the difficult and challenging intersection where East Burnside Street meets Sandy Boulevard and 12th Avenue. It facilitates better pedestrian, bicycle and transit connections across East Burnside Street and creates an environment that supports development, jobs, and housing within the Central City while maintaining good access and mobility to downtown Portland.

The total project costs are \$22 Million. A local match will come from the Central Eastside urban renewal funds. The project has an earmark of \$5.2 Million in the SAFETEA-LU Act.

The City requests \$2 million from the FY 2009 Transportation and HUD Appropriations Bill. (Department of Transportation, Surface Transportation Projects)

COLUMBIA RIVER SLOUGH

The City seeks \$1.8 million in funding under section 1135 of the Water Resources Development Act to complete the final phase of a joint project with the U.S. Army Corps of Engineers to restore habitat and improve water quality on the Columbia Slough. The final phase consists of a major culvert replacement where NE 33rd Avenue crosses the Slough. This culvert, which is too small and too high in the waterway, is a major barrier to flow in the Columbia Slough. Replacing this culvert with a bridge will improve water quality and allow emergent wetland habitat to re-establish itself seasonally.

The City of Portland signed a Project Cost-Sharing Agreement with the U.S. Army Corps of Engineers in September 2001, under section 1135, to implement this \$5 million project on the Columbia Slough. To date \$2.1 million in federal funds and \$1.1 million in local funds has been spent to acquire land, replace four culverts with bridges, protect and restore nine acres of unique wooded wetland habitat, and restore seven miles of the channel.

The City seeks \$1.8 million in additional funding from the FY 2009 Energy and Water Appropriations Bill to continue this effort.

GREEN STREETS PROGRAM – SUSTAINABLE STORMWATER

The City of Portland has been making an extraordinary investment to mitigate the effects of stormwater run off. The City is launching a comprehensive Green Streets Implementation Program. The Green Streets Program will reduce impervious surfaces, treat and filter stormwater at its source, reduce demands on the City's collection system, support regulatory compliance and enhance watershed health. A Green Street uses surface vegetated facilities (such as swales and planters) to slow, treat, and infiltrate stormwater before discharge to the sewer system. Portland is emerging as a national leader in green street design; the City's experience can provide practical knowledge and benefits for municipalities that face these challenges. This funding would be used to expand Portland's pilot program into a successful implementation program.

The Senate version of the FY 2008 Interior Appropriations Bill directs \$550,000 to Portland's Green Streets program.

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The City requests \$1.5 million in funding from the FY 2009 Interior Appropriations Bill (Environmental Protection Agency – State, Tribal Assistance Grant).

PORTLAND STREETCAR LOOP

The City of Portland, is requesting \$40 million in Small Starts funding from the Federal Transit Administration for the Portland Streetcar Loop Project. The 3.35 mile extension of the Portland Streetcar will extend service from Downtown and Northwest Portland to the Eastside, connecting to the Lloyd District, Central Eastside and the Oregon Museum of Science and Industry. Local, state and private funds will amount to \$71 million for a total project cost of \$146 million.

The Streetcar supports a denser development pattern, resulting in fewer vehicle miles traveled in the region. The resulting urban space and transit ridership significantly reduces carbon emissions and reduces congestion. Moreover, this transit form spurs tremendous economic development activity. The project has regional support and is included in the Appropriations requests of Metro's Joint Policy Advisory Committee on Transportation.

The City seeks \$40 million in Small Starts funding to be included in the President's FY 2009 Budget Proposal and a similar amount to be included in the FY 2009 Transportation and HUD Appropriations Bill. (Department of Transportation, Small Starts). The City is further supportive of Congressional efforts to create criteria that consider carbon reduction and land use benefits equally with cost effectiveness.

2008 POLICY PRIORITIES

Climate Change and Sustainable Energy Policy

The City of Portland is a national leader in taking local action against global warming. Since first adopting a strategy to reduce carbon emissions in 1993, Portland and Multnomah County have made significant progress. The City has reduced community-wide emissions by 14% per capita since 1990. More than 150 high performance green buildings are completed or underway in the City – more than any other City in the Country. Transit ridership has increased by 85% over 1990 levels, bicycle commuting has quadrupled, and the City has planted more than 750,000 trees and shrubs. The City has the highest per capita hybrid ownership in the United States. Moreover, the City has taken steps within its own operations to meet the challenge and has reduced its own energy use by 22 percent. These accomplishments have been achieved during a period of strong economic growth, and Portland's experience suggests that reducing carbon emissions can foster local economic development. The City is eager to work with the 110th Congress to ensure that global warming is addressed at all levels of government and the private sector in ways that support new industries and job growth.

National Emissions Regulatory Model

The City of Portland supports a national emissions regulatory model. Congress is currently considering a variety of different approaches to this issue. The Senate is moving

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forward with a “cap and trade” model, sponsored by Senators Lieberman (I-CT) and Warner (R-VA), which would cut greenhouse gas emissions 63% by mid-century through setting limits on six greenhouse gases from power plants, transportation, and manufacturers. Businesses that do not meet the limits could buy allowances from companies that do. The proposal would establish a carbon marketing board to manage the trading. There are also several proposals circulating in Congress that would create a carbon tax, although it seems more likely that Congress will pass “cap and trade” legislation. The City supports a carbon tax as the simplest solution but would also support “cap and trade” legislation. In any “cap and trade” legislation it is important that the initial credits are auctioned rather than distributed without cost. The City would also support a carbon “fee” for buildings.

Federal Business Energy Tax Credits

The City supports the creation of a federal tax credit to support energy efficiency and on-site renewable energy production that is modeled after Oregon’s credit. Such a credit would create significant opportunities for companies to improve their own efficiency while also sparking demand for clean energy services, an important economic development opportunity for Portland businesses. The City of Portland will work with the tax writing committees to seek such a change in tax incentives.

Energy Efficiency Block Grant Program

The City of Portland supports the Energy Efficiency Block Grant Program that was included in the House and Senate Energy bills passed in 2007. This program would provide \$10 billion from 2008 to 2012 to state and local governments to further develop energy efficiency strategies to help reduce greenhouse gas emissions, such as encouraging energy efficiency and conservation programs in commercial, residential, and municipal buildings. The City of Portland strongly urges Congress to appropriate the funds for a flexible block grant program should it be authorized. Representative Earl Blumenauer authored, in the House version of the tax portion of the energy bill, tax benefits for state and local governments to encourage energy efficiency through retrofitting buildings, transit, and a number of other strategies. The City of Portland supports inclusion of this measure in the final energy package.

Protecting Local Solutions

The City of Portland has passed a local ordinance requiring that gasoline and diesel sold within City limits must contain minimum levels of ethanol and biodiesel respectively. **While the City encourages national policy to replicate these types of efforts, the City opposes efforts at the federal level to pre-empt local solutions.**

Affordable Housing

Community Partnership to End Homelessness Act of 2007

Passage of the Community Partnership to End Homelessness Act of 2007 (CPEHA) would reauthorize and amend the housing titles of the McKinney-Vento Homeless Assistance Act of 1987. The legislation aims to realign the incentives behind the Department of Housing and Urban Development’s homeless assistance programs to accomplish the goals of preventing

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and ending homelessness. The bill would make HUD's homeless assistance more flexible, performance-based, and accountable.

Increased Flexibility

- **Treatment of Supportive Housing Program:** The City will work towards a change in the law and/or applicable regulations so that the federal Supportive Housing Program (SHP) funds are not considered a federal subsidy or federal grant for purposes of calculating the amount of Low-Income Housing Tax Credit (LIHTC) that would be available to help finance an affordable housing project.
- **Section 8 Moderate Rehabilitation Program:** The City seeks a statutory or rule change that allows use of the LIHTC in combination with the Section 8 Moderate Rehab program. The LIHTC program's 4% tax credits are an ideal source of equity for rehabilitation, but current law prohibits using tax credits with the Moderate Rehabilitation program. Consequently, some owners, especially in booming housing markets like Portland's, are opting out of the Moderate Rehabilitation program, resulting in the loss of the deep subsidy needed to keep the apartments affordable to low-income people.

National Housing Trust Fund

A National Housing Trust Fund would be a dedicated source of funding to produce, rehabilitate, and preserve 1.5 million units of housing for people with the lowest incomes. In 2007, the House of Representatives passed the National Affordable Housing Trust Act, which would provide \$1 billion over ten years to be directed to local governments for these purposes. The City of Portland urges final passage of this bill.

Sub-prime Mortgage Crisis

Towards the end of 2007, Rep. Barney Frank (D-MA) introduced H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act of 2007, which addresses a universe of lenders and not just regulated banks. The bill creates minimum standards for all mortgages, including a requirement that lenders make a good faith determination of a borrower's ability to repay, establishes safe harbor mortgages so that no big escalator mortgages qualify, and expands consumer protections for "high cost loans." The City of Portland supports this bill, as well as the House-passed legislation, H.R. 1852, the Expanding American Homeownership Act of 2007, which addresses the sub-prime crisis through comprehensive FHA reform.

Exit Tax Legislation

Currently, there are a large number of affordable units in private ownership across Oregon that are under contract with HUD (e.g. project-based Section 8) or the Rural Development Agency. Upon expiration, an owner who chooses to sell the property will be required to pay taxes on the accelerated depreciation received on the property during the period of affordability. This is a major tax barrier to the sale of the property to a non-profit agency that could continue to operate the property as affordable housing. The City supports legislation that

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allows owners to avoid recapture on accelerated depreciation if they sold their property under two conditions: the sale must be to a non-profit agency approved by the state housing finance agency, and the properties must remain affordable for at least 30 additional years.

Willamette River Restoration

Superfund/Brownfield

The City of Portland supports urban brownfield and Superfund site redevelopment to reduce sprawl, supply land for economic development, and facilitate contaminated site cleanup. The City also supports financing the federal Superfund law to ensure that unfunded liabilities do not prevent the remediation of contaminated sites. The City will work with the Congressional delegation, appropriate Congressional Committees, and the United States Environmental Protection Agency to improve the current state of Superfund law and to produce incentives for remediation and redevelopment. Rep. Earl Blumenauer has introduced H.R. 3636, which would reinstate the financing of the Superfund program through taxation until 2018. The City of Portland urges Congress to pass this legislation.

CSO Funding

Recent Congressional initiatives designed to respond to the national crisis in water and wastewater infrastructure financing have made sporadic progress. The City of Portland urges Congress (and will work with the Oregon delegation, national organizations, similarly situated cities, and the relevant congressional committees) to enact legislation to create grant and creative financing opportunities for the backlog of infrastructure needs across the country, including the City's own Combined Sewer Overflow program. The City of Portland supports H.R. 720, the Water Quality Financing Act, which passed the House in March of 2007 and authorizes appropriations for state water pollution control revolving loans and grants. The City urges the Senate to take up and pass similar legislation.

Green Infrastructure Research Legislation

The City of Portland is a national leader in creative solutions to combined sewer overflow issues, using bioswales and gardens to divert and trap storm water before it reaches the sewer system. Rep. David Wu has expressed an interest in drafting legislation that would encourage similar projects, and the City has been collaborating with the Congressman and his staff in this endeavor. In 2007, the House Science Committee held hearings on the subject in which Portland participated and it is likely that Congressman Wu will introduce bipartisan legislation in the coming year. The City will continue to work with the Congressman and the Science Committee to craft and move legislation to encourage sustainable infrastructure. Furthermore, the City supports authorization of a program within the EPA that would provide \$250 million in grants and technical assistance funds annually to local communities to institute on-the-ground sustainable stormwater programs. The program would enable communities to build multi-objective projects such as ecoroofs, green streets, bioswales and rain gardens to manage stormwater at the source using natural systems.

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Willamette River Bill

The City of Portland supports the work Rep. Darlene Hooley has done to seek input and craft legislation that provides funding for, and highlights attention to, the Willamette River. The City of Portland supports passage of H.R. 3574, the Willamette River United Act, introduced by Rep. Hooley, which would continue the work to enhance access to the Willamette River that has been initiated by the Willamette River Basin communities, state, regional, local, and Indian tribal governments, and non-government partnerships.

U.S. Army Corps of Engineers River Restoration Efforts

The City also supports a number of funding requests for the Water Resources Development Act and FY 2009 Appropriations made by the U.S. Army Corps of Engineers for projects in the region such as: the Willamette River Environmental Dredging, Springwater Wetlands Ecosystem Restoration, Oaks Bottom Ecosystem Restoration, Westmoreland Park Ecosystem Restoration, Johnson Creek, and others.

2008 CITY OF PORTLAND POSITIONS

MANUFACTURING 21 COALITION

The Manufacturing 21 Coalition has been established to support the development of a Northwest Center for Manufacturing and Infrastructure Engineering. This Center has been a key element of the Oregon Business Plan, the metropolitan area's economic development strategy. The City is supportive of Manufacturing 21's FY 2009 Appropriations requests.

POST OFFICE RELOCATION

The City and PDC are collaborating with the Port of Portland to explore the concept of relocating the downtown Post Office from its current location to the Port of Portland's Portland International Center. The United States Postal Service (USPS) has increased its level of activity on the relocation of the downtown facility and has sent encouraging signs with regard to working with the City and PDC. The City will continue to work with the Port and the USPS to explore the feasibility of the relocation and will keep the Oregon Congressional Delegation apprised of developments as they occur and seek their support when needed.

BULL RUN MANAGEMENT UNIT – ROAD DECOMMISSIONING

Since federal legislation in 1996 and 2001 ended commercial logging in the Bull Run Management Unit (BRMU), the road network for timber harvesting is no longer necessary. Federal funding would enable the Forest Service to address the remaining 20 miles of roads within the municipal watershed that pose a risk to water quality. The Forest Service has thus far decommissioned two-thirds of the unneeded roads within the Bull Run watershed. To protect against future degradation to water quality, the City of Portland supports full funding of the

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Legacy Road and Trail Remediation Program proposed in the House FY 2008 Interior Appropriations Bill.

INTEROPERABILITY

The City supports efforts at the federal level to fully fund local interoperability efforts. First responders require the ability to communicate effectively with each other, irrespective of jurisdiction or service. Today, in Portland, the City has achieved a moderate level of interoperability among first responders across the four county region (Multnomah, Clackamas, Clark and Washington). These systems, however, are all approaching end of life, and, without a common plan for replacement, interoperability will diminish until the last system is replaced. Significant federal funding is pending in a number of bills in Congress. It is imperative that the criteria include sustainable interoperability and not just be based on the current state of interoperability. The City of Portland strongly supports the Public Safety Interoperable Communications (PSIC) program, administered jointly by the Department of Homeland Security (DHS) and the National Telecommunications and Information Administration (NTIA), but would urge DHS and NTIA to base the distribution of funds on an “all hazards” as opposed to a risk based criteria. The City of Portland also supports full funding of the Department of Justice Office of Community Oriented Policing Services Interoperability program.

POST TOPOFF 4 RECOMMENDATIONS

The City of Portland successfully participated in the national Top Officials 4 (TOPOFF) exercise in 2007. The City is working closely with the Department of Homeland Security (DHS) on TOPOFF follow up and will keep the Oregon delegation apprised as the City prepares its own “after action” report on lessons learned from the exercise. The City of Portland supports risk- and population-based homeland security funding, and full funding for the Urban Areas Security Initiative program as well as the Emergency Management Planning Grant program. The City supports allowing DHS funds, from a variety of DHS programs, to be used for construction costs relating to “Emergency Operations/Communications Centers” as suggested in the House FY 2008 DHS Appropriations Bill.

TELECOMMUNICATIONS

In the 110th Congress, the City of Portland will continue to advocate for local government authority in the area of Right of Way Management, Franchise Fees, and Public Interest Obligations across all telecommunications/information services/cable platforms, IRNE, and a Community’s Right to Serve.

- **Protect IRNE:** The City will join efforts to protect public ownership and development of effective local information infrastructures and institutional networks. This includes opposing or altering legislation that would have the unintended consequences of threatening the City’s investment in IRNE. Therefore, the City will be following the progress of community broadband legislation, like that approved in November 2007 by the Senate Commerce Committee, as it moves forward in the coming year.

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- **Support Broadband Mapping Legislation:** The City supports H.R. 3919, the Broadband Census of America Act. The bill is designed to “provide for a comprehensive nationwide inventory of existing broadband service, and for other purposes” and will produce a national broadband inventory map.

SAFETEA-LU REAUTHORIZATION

The City of Portland will begin to work towards the reauthorization of the SAFETEA-LU (the highway and transit reauthorization bill), which expires in 2009. The reauthorization presents opportunities in both the policy arena and the project finance arena. The City will work with the region in advancing policy ideas and agendas that improve congestion, provide mobility, ensure access, provide transportation options for all of Portland’s citizens, encourage non-vehicular transportation, invest in transit, and promote sustainable energy and environmental policies.

COLUMBIA RIVER CROSSING

The Columbia River Crossing presents a unique challenge in which the region must address one of the most congested stretches of I-5 between Canada and Mexico. The City is involved in the regional process to address this bi-state concern. The City is appreciative of the Oregon and Washington Congressional delegations working together to provide funding with state resources for the planning of the project. The City is supportive of efforts to secure federal funds for the preliminary engineering, design, right-of-way acquisition and construction in both the federal appropriations process and the SAFETEA-LU Reauthorization legislation.

SECURE RURAL SCHOOLS AND COMMUNITY SELF DETERMINATION REAUTHORIZATION

While a short term solution was found for 2007 (Congress extended the program in an emergency spending measure for the fiscal year), there is still a need to find a permanent solution for funding to compensate primarily rural counties with extensive federal forests for the loss of timber harvest revenues. After several false starts throughout 2007, the House Natural Resources Committee approved legislation, H.R. 3058, primarily authored by Rep. Peter DeFazio, which would extend the Secure Rural School program for four years. The bill would also guarantee allocations for the Payments in Lieu of Taxes (PILT) Program for four years. The measure would pay the \$3.7 billion price tag from renegotiated offshore oil and gas contracts and assumes that lessees who signed “no royalty” contracts to drill for offshore oil and gas in the 1990s will be willing to redo those contracts and pay the government significantly higher royalties. While this legislation still faces many hurdles before final passage, the City strongly supports a long term solution to this issue and will work with the Oregon congressional delegation to such an end.

ENVIRONMENTAL RULEMAKING

The City of Portland’s challenge to the EPA’s final LT2 rule in federal court failed. The City is currently reviewing its options and may explore seeking a legislative remedy to ensure that the EPA does not mandate an inappropriate regulatory solution. The City is also exploring working

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with the congressional delegation and the EPA to seek an extension of the timelines for implementation of the rule.

WORKFORCE HOUSING/HOMEOWNERSHIP INCENTIVES

In 2007, S. 1078, the Housing America's Workforce Act, was introduced by Sen. Clinton (D-NY) and co-sponsored by Sen. Smith (R-OR) and a number of other Senators. There is a companion bill, H.R. 1850, in the House of Representatives. This bill, and others like it, encourages homeownership through either employer incentives or a mortgage downpayment account tax exemption. The City supports passage of the Housing America's Workforce Act in the 110th Congress as well as other legislation to encourage homeownership for those with low and moderate incomes.

PARKS INVESTMENT

The City of Portland support re-investment into urban parks and efforts to increase recreation and environmental education of the nation's students. The City supports S. 651 and H.R. 2045, the PLAY Every Day Act, which would authorize the Department of Health and Human Services to develop the Community Play Index to measure the policy, program, and environmental barriers in communities to participating in physical activity. The bill would also provide grants to state health departments for work in partnership with community-based coalitions to plan and implement model communities of play. The City also supports S. 1981 and H.R. 3036, the No Child Left Inside Act, which require states to develop environmental literacy plans, approved by the Secretary of Education, for kindergarten through grade 12 (K-12), that include environmental education. Finally, the City supports full funding for the Land and Water Conservation Fund and reinstatement of funding for the Urban Parks and Recreation Recovery grant program. The City is working towards connecting a variety of green areas which may include the purchase of land, and would encourage federal funding for land acquisition for parks, green space and recreation.

ARTS INVESTMENT

The City is proud of its vibrant and robust arts community and supports increased federal funding for the arts. The City urges Congress to fully fund the National Endowment for the Arts (NEA), increase funding for arts education through the U.S. Department of Education, and to allow artists a tax deduction for gifts of their own work.

FEDERAL NON-DISCRIMINATION IN EMPLOYMENT LEGISLATION

The City is committed to ensuring that GLBT Portlanders have equal rights and benefits in the workplace and is proud of the State of Oregon's recent efforts to prohibit discrimination and the creation of domestic partnerships. The City likewise is supportive of the Federal Non-Discrimination in Employment Legislation and strongly believes that the legislation should prevent discrimination based on both sexual orientation, gender identity and expression.

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THREE PERCENT WITHHOLDING LEGISLATION

Section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 requires state and local governments that spend more than \$100 million on goods and services to withhold 3% of payment to vendors and contractors beginning in 2011. The provision also calls for reporting of all payments to the IRS. Bipartisan legislation (H.R. 1023 and S. 777) has been introduced in the House and Senate to repeal this requirement and the City of Portland strongly supports these measures. The House Ways and Means Committee passed legislation in July 2007, H.R. 3056, the Tax Collection Responsibility Act of 2007, that postpones the implementation of section 511 to January 2012. The City of Portland also supports this legislation until a permanent repeal can be accomplished. For the City of Portland and other states and localities affected by section 511, this is yet another unfunded mandated being imposed upon state and local governments which will have severe fiscal consequences.