

CITY COUNCIL AGENDA TOPIC

2026-2027 Federal Agenda

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EXECUTIVE SUMMARY**DIRECTION**

Staff is asking the council to discuss and consider adopting the draft 2026-2027 Federal Agenda. Council could adopt the Federal Agenda at this meeting or at a subsequent meeting.

RECOMMENDATION

Discuss and consider adopting the 2026-2027 Federal Agenda.

BACKGROUND & ANALYSIS

The City of Bellevue has an important role in intergovernmental relations to ensure that the City's interests are represented at all levels of government, and to achieve positive funding and policy outcomes.

Draft 2026-2027 Federal Agenda

The Bellevue City Council adopts a federal agenda each year, typically in May, to:

- clearly communicate Bellevue's top priorities to Congress and federal agencies,
- compete for and secure funding for major infrastructure and community investments,
- strengthen relationships with the City's federal delegation and agency partners; and
- align federal action with Bellevue's long-term goals for transportation, housing, public safety, economic development and utilities.

Adoption of the agenda also provides an opportunity to convey Bellevue's high-level vision and guiding principles, along with a clear understanding of the projects, funding requests, and policy priorities the city will advance in 2026–2027. The draft agenda connects our overarching city goals to near-term federal opportunities, recognizing that the federal fiscal year runs from October 1 to September 30. It is structured similarly to recent state legislative agendas, with a focused set of priority issues relevant for 2026-2027, as well as broader federal policy areas of ongoing interest.

The recommended priority issues for 2026-2027 are:

- **Transportation and Mobility**

Highlights: Safer Signals Program, Safe Streets and Roads for All, RapidRide K Line, railbanking and Eastrail

- **Essential Water Infrastructure**

Highlights: Utility infrastructure funding, fish passage and culverts, contaminants of emerging concern

- **Housing and Safety Net Programs**

Highlights: Affordable housing supply, safety net and pass-through programs

Because federal budgets and legislation evolve throughout the year, the city will also engage on emerging policy items that advance the City's six strategic target areas.

Current Context: 120th Congress

The following information provides context on the current federal landscape shaping the 2026–2027 Federal Agenda.

FY2027 Budget Proposal

President Donald Trump released his fiscal year (FY) 2027 budget proposal on April 3, proposing a 10% reduction in non-defense discretionary spending alongside increased defense funding. Many of the proposed cuts target long-standing local government programs — such as Community Development Block Grants (CDBG), the HOME Investment Partnership Program, and Economic Development Administration (EDA) grants — that have historically been preserved by Congress with bipartisan support.

However, the FY2027 budget environment introduces additional uncertainty. Ongoing disagreements over FY2026 funding and growing reliance on the budget reconciliation process signal a potential shift away from traditional bipartisan appropriations, which could impact how and when federal funds reach local governments. Further, recent use of “pocket rescissions” to withhold congressionally approved funding raises concerns about the reliability and timing of federal investments, even when appropriated, creating added risk for cities planning around federal resources.

The President's budget proposal also includes several targeted increases and new resources for local governments. The Department of Justice proposes \$100 million for a new Model Cities Initiative grant program to support coordinated strategies across federal, state, local, and tribal partners to reduce violence and strengthen law enforcement capacity. Additionally, the Environmental Protection Agency proposes a \$7 million increase for drinking water disaster response, bringing total funding to \$122 million.

Anticipated Federal Policy Issues

Several major federal policy items are expected to shape the 2026-2027 landscape and inform Bellevue’s federal advocacy priorities:

- **Surface Transportation Reauthorization:** Congress is expected to begin work on reauthorization of federal surface transportation programs, creating an opportunity to advocate for continued investment in multimodal infrastructure, safety, and regional mobility.
- **Water Infrastructure and Environmental Program Reauthorizations:** Federal discussions around water infrastructure funding and program reauthorization—including State Revolving Funds and wastewater and stormwater programs—will be important for advancing utility investments and regulatory flexibility.
- **Affordable Housing and Homelessness Policy:** Congress continues to consider legislation and funding levels affecting affordable housing production, rental assistance, and homelessness response, though progress remains incremental.
- **Technology, AI, and Online Safety Policy:** Congress is actively considering legislation related to artificial intelligence, including proposals that could limit state and local regulatory authority, as well as online safety measures and broader efforts to regulate the technology sector. These policies could have implications for local governance, privacy, and service delivery.
- **Other Emerging Issues:** Reauthorization of the Farm Bill and potential reforms to Federal Emergency Management Agency (FEMA) programs may affect food systems, disaster response and resilience funding available to local governments. Additional issues to monitor include telecommunications and broadband, energy policy, and federal permitting reform.

Congressional Funding Requests

Last year (FY 2026), Bellevue successfully submitted two congressional appropriations funding requests for the congressional delegation’s consideration. A summary table appears below:

| City of Bellevue – FY 2026 Congressional Funding Awards | | | |
|---|---|-----------|---|
| Lake Washington Sanitary Sewer Lake Lines Program | Funds will help to complete the Management Plan focused on policy development, financial analysis, and capital program development. | \$500,000 | Awarded - DelBene - Cantwell |
| Bellevue Grand Connection: I-405 Crossing - Downtown to Eastrail | Funds will support the completion of the 30%-100% design. | \$2M | Awarded - Smith - Cantwell |

Congress will once again allow consideration of Congressionally Directed Spending (CDS) or Community Project Funding (CPF) proposals in the appropriations process. Like previous years, there

are rules and regulations for submitting funding requests including: nonprofit eligibility restrictions, tighter submission deadlines, restricted eligible accounts, and prohibited project categories.

| City of Bellevue – Submitted FY 2027 Congressional Funding Requests | | | |
|---|---|-------------|------------------------------------|
| <p>Safer Signals Program: Real-Time Traffic Signal Safety Interventions</p> <p><i>Submitted through: Transportation, Housing and Urban Development</i></p> | <p>Funds would help implement the Real-Time Traffic Signal Safety Interventions pilot (U.S. Department of Transportation SMART Grant Program award) by deploying technology that enables real-time signal timing adjustments to reduce vehicle–pedestrian conflicts at high-risk intersections.</p> | <p>\$1M</p> | <p>Advanced - Smith</p> |

While the Senate timeline is still pending, the House Appropriations Committee has released its FY2027 appropriations markup schedule, spanning April 17 through June 24. Based on the schedule, the Transportation, Housing and Urban Development (THUD) appropriations bill is expected to advance in late May and early June, providing an important window for Bellevue’s federal advocacy efforts.

Timeline and Next Steps

Adopting the Federal Agenda in May aligns well with the City’s priorities and upcoming advocacy efforts. Mayor Malakoutian, Deputy Mayor Hamilton and city staff will travel to Washington, D.C. in early June to advance Bellevue’s funding requests and key policy priorities, reinforce relationships with the congressional delegation, and build connections within the Administration and federal agencies.

Throughout the remainder of the year, staff and city officials will advance the 2026–2027 Federal Agenda. This includes partnering with the National League of Cities (NLC) to advocate on behalf of cities, track grant opportunities and participate in trainings. Councilmembers and the Intergovernmental Relations team will host members of Congress in Bellevue during in-state work periods (such as August “recess”) to highlight local needs and successful federal investments. Additionally, the city will collaborate with public and private partners to prepare for future grant opportunities and federal funding requests.

POLICY & FISCAL IMPACTS

Policy Impact

An adopted Federal Agenda serves as an important messaging document for the City, encapsulating the most important federal-level policy positions for Bellevue in 2026-2027. It is important that the city be clear in articulating the City’s needs and following through on strategic opportunities, as Congress and federal agencies’ actions can have a wide range of impacts on the city.

Fiscal Impact

Federal funds are a significant consideration for a number of city programs. Federal funds come to the City through a variety of avenues. Formula funds come to the city through Metropolitan Planning Organizations or state agencies. Additionally, the city benefits from competitive programs that are overseen and awarded either directly by federal agencies themselves or at the regional level through the Puget Sound Regional Council (PSRC).

OPTIONS

1. Adopt the 2026-2027 Federal Agenda.
2. Do not adopt the Federal Agenda and provide alternative direction to staff.

ATTACHMENTS

- A. City of Bellevue 2026-2027 Draft Federal Agenda

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N/A