



City of Bellevue

City Manager's Office

DATE: July 14, 2026

SUBJECT: Federal Legislative Update, June 2026

BUDGET & APPROPRIATIONS

Reconciliation

The Republicans reconciliation 2.0 package (S. 2, the Secure America Act) was enacted on June 10. The package provides \$70 billion for Homeland Security and Justice Department immigration and customs enforcement programs, including \$38.2 billion for Immigration and Customs Enforcement and \$26 billion for Customs and Border Protection, with funding available through fiscal year 2029.

Immediately after enactment, Republicans began developing their next reconciliation package, a reconciliation 3.0 package with a likely proposal to add \$350 billion for the Department of Defense. President Donald Trump and hardline House conservatives are also pushing to include the SAVE America Act, which would require proof of citizenship to register to vote.

Reconciliation is a budget procedure that allows the Senate to bypass the 60-vote threshold needed to avoid a filibuster, but proposals must have a direct budgetary impact. Last year, Republicans used reconciliation to pass the One Big Beautiful Bill Act.

The Senate already voted on the SAVE America Act, or versions of it, twice. Both of those votes failed with several Senate Republicans joining Democrats in opposing the legislation. It, however, remains a top priority for President Trump and the conservative House Freedom Caucus. The President's signing of a bipartisan affordable housing bill and the advancement of other House legislation was halted before the July 4th recess due to a revolt from House conservatives seeking to move the SAVE America Act.

Appropriations

The House Appropriations Committee completed work on all 12 of the Fiscal Year 2027 (FY27) appropriations bill but has managed to get only two bills onto the House floor: the Agriculture-Food and Drug Administration and Military Construction bills.

The Senate Appropriations Committee has not advanced any appropriations bills and scuttled planned votes for several funding bills. Republican and Democratic leaders of the committee have also yet to agree on the split between military and domestic spending totals. Democrats are objecting to the increased military spending proposals without similar increases to domestic programs.

OTHER LEGISLATION

Transportation

Last month, the House Transportation and Infrastructure Committee approved a \$580 billion, five-year surface transportation reauthorization package, the *BUILD America 250 Act*. Current

authorization for federal highway, transit, aviation, and a host of other federal infrastructure programs is set to expire September 30th.

The Senate has yet to release any titles of its version of the surface transportation reauthorization bill. The Senate Environment and Public Works Committee and Commerce Committee will contribute various titles to a Senate bill. It is expected that Senate Democrats will push back on the House's proposals to impose EV fees and rail safety measures that are opposed by railway unions.

Water Resources

The House Transportation and Infrastructure Committee released and is set to mark-up a bipartisan water resources reauthorization package. The Water Resources Development Act (WRDA) of 2026 will reauthorize programs and funding for the US Army Corps of Engineers (USACE). The proposal includes:

- Authorization for 131 new feasibility studies and 10 projects that have been vetted by the Corps and are ready for construction.
- Reauthorizes the dam safety program within FEMA.
- Policy changes intended to streamline the Corps' processes to improve infrastructure project delivery, including strengthening and reauthorizing alternative project delivery programs, emphasizing non-federal interests' input for feasibility studies, and resources to help non-federal interests understand Corps resources.
- Reorganizes some Corps offices and functions around expertise on inland navigation, alternative delivery, water supply and technical assistance.
- Proposals include new policies to improve non-federal interests' ability to obtain technical assistance and to fund construction more quickly, as well as to encourage the Corps to increase use of multi-year contracts.

Housing

Housing legislation aimed to ease the affordable housing supply shortage, known as the *21st Century ROAD to Housing Act*, passed the House and Senate in June. However, the signing ceremony for the bill has been postponed by President Trump.

The final House and Senate negotiated package of HR 6644 creates new programs and grants to support affordable housing, ramps up housing production in states and cities and eases environmental regulations for federally funded housing developments. The compromise package retains language on a first-time ban on institutional investing, allowing build-to-rent construction programs to continue without forced sales (original Senate proposal required institutional investors to sell properties within seven years or face a penalty), and includes a temporary ban on the Federal Reserve issuing a central bank digital currency. It also includes multiple policy provisions originally backed by the Senate but not by the House, including a permanent extension of a housing conversion program and adjustments to the Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program. It retains several provisions from the House's package of community banking changes, while removing language that changed how failing banks were bid on and acquired.

There are several proposals beneficial to state and local governments including:

- HUD voluntary guidelines and best practices for state and local zoning to speed up production of housing for all income levels.

- New \$200 million annual competitive HUD grant program for metropolitan cities, urban counties, local governments, and tribes that have objectively increased their housing supply, as determined by HUD. HUD would award at least 25 grants annually, ranging from \$250,000 to \$10 million.
- Make permanent and expand HUD's Rental Assistance Demonstration program, which authorizes the conversion of public housing properties into properties eligible for long-term federal assistance for low-income households, primarily Section 8 project-based rental assistance or project-based Housing Choice Vouchers.
- HUD is authorized to create a pilot program from fiscal 2027 through 2031 that would award competitive grants to state and local governments to convert vacant and abandoned buildings into attainable housing. The program would be subject to the availability of appropriated funds.
- Reallocate a portion of HUD's CDBG formula funding for existing entitlement communities based on a city or urban county's housing costs and vacancy rates. The bill would also expand eligible activities under the CDBG program to include new construction of affordable housing, which cannot exceed 20% of the amounts allocated to a grant recipient. The change would apply to amounts appropriated after enactment.
- New five-year competitive HUD grant program to support states, metropolitan cities, urban counties, and regional planning agencies in increasing the amount of affordable housing available to meet demand.
- New pilot program providing grants to state or local governments for whole-home repairs designed to accommodate individuals with disabilities and older adults, as well as to address health or safety hazards or increase energy efficiency and weatherization.
- HUD is authorized to create a grant program for local governments and tribes to review designs of mixed-income housing deemed compliant with local building codes — also known as “pattern books” — for use in their jurisdictions, with the goal of speeding up construction approvals. At least 10% of the grant funds would go to rural communities.
- Loan program changes include increasing the Federal Housing Administration's maximum loan limits for mortgage insurance for residential multifamily construction. It would also require HUD to adjust the limits based on inflation under a Census Bureau construction cost index. The bill would also allow the Office of the Comptroller of the Currency and the Federal Reserve Board of Governors to increase, to 20% from 15%, the aggregate amount of investments that national banks and state-chartered banks can make to promote the public welfare, which can include affordable housing.
- Reauthorize and modify HUD's [HOME Investment Partnerships Program](#), a federal block grant program that helps states and localities build affordable housing.
- HOME funds program would go toward housing for families with a household income not exceeding 100% of the area's median family income. The program currently supports low-income families earning up to 80% AMI as set by HUD.

BELLEVUE FEDERAL RELATIONS

Annual DC Meetings

The mayor, deputy mayor, and a deputy city manager made an annual visit to the nation's capital in June to meet with federal delegation members: Senator Cantwell, Representative Smith, Representative DelBene and staff from the Office of Senator Murray. The trip provides the opportunity for city leaders to strengthen relationships with federal partners and to advocate for Bellevue's federal agenda and priorities.

Following their visit, the mayor, deputy mayor, and city staff met virtually with the U.S. Department of Transportation (USDOT) to discuss Bellevue's work around transportation safety. Senator Cantwell, a ranking member of the Senate Commerce Committee, and Bellevue's team are holding follow-up conversations on this topic, as the Senator is interested in the work Bellevue is doing to incorporate AI into transportation safety programs. The committee will draft key provisions to the Senate's version of the surface transportation reauthorization bill.

Safe Streets and Roads for All Grant Proposal (SS4A)

Bellevue has submitted a multimillion-dollar implementation grant proposal to USDOT. Bellevue's FY2026 Safe Streets and Roads for All (SS4A) grant application proposes a coordinated package of high-impact safety improvements focused on the city's High Injury Network, where most fatal and serious injury crashes occur. This grant funding would build upon and leverage other federal investments in Bellevue's Safe Signals initiative. Letters of support for Bellevue's grant proposal have been received from senators Cantwell and Murray and representatives Smith and DelBene, as well as other community partners.

August Look Ahead

Bellevue's intergovernmental relations team is preparing for the August delegation visits to its district. A list of possible tours highlighting Bellevue's federal priorities was shared with the delegation, and include: a roundtable discussion on the incorporation of AI into transportation and permitting systems, a tour of safer signals and road safety, a Lake Washington Lake Lines and Meydenbauer Park tour and tours featuring projects around the Spring District and affordable housing planned for the Wilburton neighborhood.