

Memorandum



CITY OF DALLAS

DATE March 14, 2025

TO Honorable Mayor and Members of the City Council

SUBJECT **City of Dallas Capitol Hill Visits Recap and Federal Funding Update**

The City of Dallas Capitol Hill visits took place during the National League of Cities Congressional Conference in Washington D.C. from March 10-12, 2025. The Dallas delegation included Deputy Mayor Pro Tem Bazaldua, Councilmember Mendelsohn, Councilmember Willis, Councilmember Gracey, and Councilmember Resendez, along with staff from the Office of Government Affairs (OGA) and the federal lobby team.

During the visit, the delegation met with Representatives Van Duyne, Ellzey, Johnson, Crockett, and Veasey, as well as staff from Senator Cornyn's office, to discuss the City's legislative priorities for the 119th Congress.

Tax Exemption of Tax-Exempt Municipal Bonds

Preservation of tax-exempt bonds, including private activity bonds, is a major local government priority. As Congress begins the budget reconciliation process, maintaining the tax exemption is critical given that state and local governments fund over 75% of our nation's infrastructure. Private activity bonds play a crucial role in financing affordable housing projects in North Central Texas. OGA is coordinating with peer cities to submit letters advocating for this issue to federal representatives.

The City of Dallas also advocated for the reinstatement of advance refunding for municipal bonds, which was repealed under the 2017 Tax Law. Advance refunding allows local governments to refinance debt at lower interest rates. Between 2012 and 2017, advance refunding resulted in approximately \$28 million in savings for Dallas and \$1.7 billion in savings for issuers across Texas.

Low-Income Housing Tax Credit Program

Discussions included proposals to expand the Low-Income Housing Tax Credit (LIHTC) program to incorporate provisions for blight remediation, encourage mixed-use development, and rebrand it as the Affordable Housing Tax Credit. Potential modifications to the LIHTC program may be addressed in the budget reconciliation process.

Increased Funding for the Urban Area Security Initiative

The City of Dallas supported an effort led by a coalition of eleven FIFA World Cup 2026 host cities to increase UASI funding by \$625 million. UASI funding is essential for enhancing emergency preparedness, improving emergency response capabilities, and strengthening coordination among law enforcement agencies. To help ensure the safety and security of spectators, teams, and communities, the host cities are asking for additional resources for training, readiness exercises, cybersecurity defenses, expanded

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emergency response and policing services, and heightened screening at major transportation hubs.

Other topics included maintaining current funding levels for core local government programs such as CDBG, HOME, homeless assistance, and the Airport Improvement Program. The City of Dallas also expressed its concerns regarding federal funding pauses and freezes and the potential impacts to the city's operations and infrastructure project timelines.

The Office of Government Affairs will follow-up with Congressional offices to provide supporting information and will continue to engage our federal delegation on these key legislative priorities.

Federal Funding Update

On Tuesday, March 11, 2025, the House passed a seven-month [continuing resolution](#) by a vote of 217-213 to extend government funding through September 30, 2025, preventing a potential shutdown. The Senate is expected to approve the CR on the floor this evening.

The CR provides temporary funding in the absence of full-year appropriations bills, generally maintaining prior-year funding levels. Many federal agencies and programs depend on these appropriations, which consist of 12 separate funding bills.

FY25 / FY26 Earmarks

The Continuing Resolution did not include any FY25 Community Project Funding (earmarks), eliminating the [\\$11 million](#) in funding for City of Dallas projects. Consequently, these earmarks are no longer available.

Congress will presumably begin work on FY26 Appropriations bills. While awaiting further guidance on FY26 Community Project Funding, the Office of Government Affairs has already begun identifying potential projects for consideration.

The legislative team will continue to keep leadership apprised. Should you have any questions, please contact Jake Anderson, Interim Director of the Office of Government Affairs at james.anderson1@dallas.gov or Alexandra Renteria, Federal Legislative Liaison, at alexandra.renteriana@dallas.gov.

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Service First, Now!



Elizabeth Saab
Chief of Strategy, Engagement, and Alignment (I)

c: Kimberly Bizer Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager

Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Directors and Assistant Directors
Office of Government Affairs