



**DATE:** December 16, 2025

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT:** Update on Federal Advocacy and City Legislative Priorities for the 2026 Federal Legislative Session

## **RECOMMENDATION**

That the Council receive and comment on a presentation from Capitol Advocacy Partners regarding federal advocacy efforts, including updates relevant to the City's Legislative Platform for the 2026 federal legislative session.

## **SUMMARY**

This report provides an update on federal advocacy efforts and recent federal legislative and administrative developments that may affect the City's operations, funding streams, and policy priorities. Capitol Advocacy Partners (CAP) serves as the City's federal legislative advocate and supports the City's Legislative Platform by monitoring congressional activity, assisting with federal funding strategies, and coordinating with congressional and agency staff.

Over the past year, CAP has assisted the City in securing several major federal and state awards and continues to support pending competitive applications. CAP has also monitored federal administrative changes following the recent government shutdown, including appropriations delays, updates to Medicaid and Supplemental Nutrition Assistance Program (SNAP) eligibility, federal workforce reductions, and shifts in federal grantmaking and procurement requirements. These developments inform preparations for the 2026 federal legislative session and help identify emerging opportunities and risks for the City's priority projects.

## **BACKGROUND**

Since 2014, CAP has advanced the City's federal funding priorities, supporting competitive applications, coordinating with federal agencies, and monitoring congressional activity relevant to the City's Legislative Platform.

In January 2025, the City received \$15,000,000 through the Federal Water Resources Development Act (WRDA) for the Hayward Water Pollution Control Facility Improvements – Phase II. This award followed extensive coordination among City staff, CAP, the U.S. Army Corps of Engineers, and congressional offices during development of the project concept and related advocacy efforts.

In addition, the City received \$1,112,700 through the Alameda County Positive Youth Development Grant. CAP worked with City staff to prepare and submit the application, contributing grant writing and coordinating the submission while staff provided required data, program details, and background documentation. Although CAP’s contracted advocacy responsibilities apply only to the federal level, their technical and grant-preparation support contributed significantly to securing this award.

In 2025, CAP also assisted the City in securing \$1,908,067 from the California Board of State and Community Corrections under the Proposition 47 program. This funding expands the Hayward Navigation Center’s diversion and reentry services for adults experiencing homelessness, mental illness, or substance-use disorders. The program will serve at least 48 individuals.

A summary of federal funding awarded to the City as a result of CAP’s assistance is shown in Table 1. These include both competitive grants and Community Project Funding (CPF) awards secured for the City as part of the federal budget process.

**Table 1. Summary of Federal and State Grants**

<b>Project Description</b>	<b>Year</b>	<b>Amount</b>
<b>FEMA: Assistance to Firefighters Grant</b>	2025	\$1,784,580
<b>CA BSCC: Proposition 47 Grant, Cohort 5</b>	2025	\$1,908,067
<b>Alameda County for Positive Youth Development Grant</b>	2025	\$1,112,700
<b>WRDA - Hayward Water Pollution Control Facility Improvements – Phase II Project</b>	2025	\$15,000,000
<b>FY24 Community Project Funding: St.Regis Facility</b>	2024	\$1,930,000
<b>Alameda County Delinquency Prevention Network (DPN) Grant</b>	2023	\$1,837,500
<b>FY23 Community Project Funding: Hayward Evaluation and Response Teams (HEART)</b>	2023	\$709,000
<b>CA Behavioral Health Justice Intervention Services Grant</b>	2023	\$400,000
<b>FY22 Community Project Funding: Stack Center</b>	2022	\$1,500,000
<b>COVID-19 Pandemic Funding for Police Overtime</b>	2020	\$132,068

<b>CA BSCC: Proposition 47 Grant</b>	2019	\$999,881
<b>U.S. DOJ Byrne Criminal Justice Innovation Planning Grant</b>	2016	\$167,995
<b>Alameda County Delinquency Prevention Network (DPN) Grant</b>	2016	\$1,270,000
<b>U.S. DOJ Community Oriented Policing (COPS) Grant</b>	2016	\$750,000

These prior and pending funding activities provide the foundation for the City's upcoming federal advocacy and inform preparation for the 2026 federal legislative session.

## **DISCUSSION**

Several major developments have emerged at the federal level that are likely to affect the City's funding, operations, and resident needs. These situations are primarily the result of policy changes enacted since the inauguration of the current presidential administration in January 2025. Most prominent among these are the delays caused by the federal government shutdown that was in effect between October 1 and November 12, 2025, as well as the upcoming expiration of Affordable Care Act subsidies. Other developments include changes to SNAP policies, Medicaid eligibility, reductions in the federal workforce, and changes to federal grantmaking guidelines.

After a 43-day shutdown, the federal government resumed operations on November 12, 2025. Most agencies are operating under a continuing resolution through January 30, 2026, which maintains prior-year funding levels and limits new program activity. While agencies have resumed processing pending applications and reimbursements, delays in issuing new notices of funding opportunities are expected until full-year appropriations are enacted. Congress must complete the remaining nine FY 2026 appropriations bills by January 30, 2026. Several of these bills—particularly Transportation-HUD and the Commerce-Justice-Science bill, which includes the Byrne Justice program—may include funding that supports City operations and public safety activities.

Enhanced Affordable Care Act subsidies are set to expire on December 31, 2025, and proposals under consideration include converting the enhanced subsidies into Health Savings Account-based support. This shift could lower premiums but increase out-of-pocket costs, potentially affecting access to care for residents enrolled through Covered California. Approximately 82,000 Alameda County residents are enrolled in medical insurance through Covered California, with an estimated 5,750 residents projected to lose coverage if subsidies expire.

SNAP remains funded through September 30, 2026; however, eligibility changes adopted in July 2025 expanded work requirements from adults under age 55 to adults under age 65 and removed exemptions previously available to unhoused adults and certain categories of lawful non-citizen residents. These changes may reduce benefit access for vulnerable populations in

Hayward and Alameda County and could increase demand for local safety-net and housing-support programs.

New Medicaid policies enacted in July 2025 authorize states to impose work requirements and reduce the federal matching rate beginning in 2027. Approximately 20.4 percent of Hayward residents and 17.8 percent of Alameda County residents currently receive Medicaid, and coverage losses could increase demand for local health and supportive services.

Federal workforce reductions that began in early 2025 have slowed agency response times and extended federal grant-processing timelines, particularly at the U.S. Department of Housing and Urban Development. Reduced staffing has limited the availability of program officers to review applications, issue guidance, or provide technical assistance, which may affect the timing of federal awards for City projects.

Access to federal grant funds may also be affected by an August 2025 Executive Order increased federal oversight of discretionary grants and directs agencies to align funding decisions with Administration policy priorities. City departments should coordinate closely with federal program officers to ensure timely reporting, drawdowns, and adherence to updated expectations.

Throughout 2025, CAP met with congressional offices and federal agencies to advance the City's federal priorities. Engagements included discussions with the offices of Senators Padilla and Butler; Representative Swalwell; and federal program staff overseeing transportation, housing, infrastructure, and public safety programs. CAP continues to monitor grant programs relevant to City priorities—including transportation safety, climate resilience, broadband, water and wastewater improvements, and public safety—and is preparing for grant cycles expected to reopen in early 2026.

CPF guidance for the FY 2027 cycle has not yet been released. The CPF process allows the City to propose projects to its federal elected officials for inclusion as line items in annual federal budget bills. Preliminary discussions with congressional offices indicate that committees may continue to prioritize smaller, highly targeted projects with clear local benefits and limited long-term federal obligations. Offices representing majority-party members have conveyed a preference for jurisdictions whose policies and program priorities align more closely with current federal guidance.

The 2026 federal legislative session is expected to focus on appropriations, infrastructure implementation, and expanded administrative oversight of federal programs. Jurisdictions whose local policies differ substantially from current federal positions may face elevated scrutiny during grant review or reduced competitiveness in discretionary programs.

## **FISCAL IMPACT**

There is no fiscal impact as a result of this report.

The activities described in this report are supported by an existing contract with CAP that is paid for out of multiple funds, including the general fund. The contract amount is \$69,996 in FY 2025, \$72,756 in FY 2026, \$74,976 in FY 2027, \$77,592 in FY 2028, and \$80,308 in FY 2029, for a total of \$375,628 over five years.

Since 2014, CAP has assisted the City in securing approximately \$37.5 million in federal and state funds awarded to the City. These external funds offset capital and operational costs that would otherwise fall to local resources, and the cumulative award amounts significantly exceed the annual cost of the contract.

## **STRATEGIC ROADMAP**

The Legislative Program and CAP's advocacy efforts are intended to reflect and support all six Strategic Priorities as outlined in the current Strategic Roadmap: 1) Enhance Community Safety and Quality of Life; 2) Preserve, Protect and Produce Housing for All; 3) Confront Climate Crisis and Champion Environmental Justice; 4) Invest in Infrastructure; 5) Grow the Economy; and 6) Strengthen Organizational Health.

## **NEXT STEPS**

CAP will continue to monitor federal legislative activity, appropriations timelines, and pending administrative actions that may affect City programs and funding opportunities. Staff will work with CAP to develop project proposals for the FY 2027 Community Project Funding cycle and prepare for competitive grant programs expected to reopen once full-year appropriations are enacted. Updates will be provided to the City Council as significant developments occur or as federal guidance becomes available.

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