

Federal Legislation Update – Short Version

BUDGET & FUNDING-RELATED ITEMS - Updates

FY 22 Budget – Update – Congress passed another short-term Continuing Resolution to fund the government through 3/11. Congressional appropriators in the House and Senate announced progress towards reaching a deal on a federal spending package for FY 22. The announcement came after a 1/13 meeting between Senate Appropriations Committee Chair Patrick Leahy (D-VT) and Ranking Member Richard Shelby (R-AL) and House Appropriations Committee Chair Rosa DeLauro (D-CT) and Ranking Member Kay Granger (R-TX). Per NLIHC, the FY22 budget presents Congress with an opportunity to move our nation towards universal, stable, and affordable homes for all by making significant investments in affordable housing, including expanding Housing Choice Vouchers to an additional 125,000 households with low incomes.

-The House spending bill would fund HUD programs at almost \$7 billion above FY21 enacted levels and includes significant funding increases to nearly all HUD programs, including an expansion of rental assistance through the Tenant-Based Rental Assistance program to an additional 125,000 households.

-The Senate proposal, however, would provide HUD with over \$1 billion less than the House proposal and does not include the major expansion of rental assistance.

-More information on what's included in the Senate bill, the House bill, and the President's request from NLIHC can be found by [clicking here](#).

Congress' Budget Resolution & "Build Back Better Act" Infrastructure Reconciliation Package — On 11/5, the House passed the \$1.2 trillion bipartisan infrastructure bill, which the House had previously tied to the passage of Build Back Better.

-On 11/19 the House voted to approve the Build Back Better Act.

-On 12/20, Sen. Manchin announced he will not vote for the bill, thwarting its ability to pass. The White House and congressional leadership have pledged to continue working on the bill until it is enacted. Senate Majority Leader Schumer said he will bring up the bill for a vote in the new year. As negotiations in the Senate continue, the bill will likely be significantly reworked and some priorities in the bill may be removed altogether. Advocates are urging senators to retain the historic investment in affordable housing.

Update – **On 1/19, President Biden stated at a press conference that the Build Back Better Act will likely be "substantially slimmed down" before it's enacted. Recent reports suggests that housing is not currently included in the priorities for the reconfigured/slimmed down bill.**

-As passed by the House, the Build Back Better Act is a \$1.75 trillion package – negotiated down from \$3.5 trillion – and includes \$150 billion in affordable housing investments, including:

- \$25 billion in rental assistance for hundreds of thousands of households
- \$65 billion to preserve our nation's public housing infrastructure
- \$15 billion for the national Housing Trust Fund (HTF) to build and preserve over 150,000 homes affordable to extremely low-income households.

This is less than the original proposed \$330 billion in affordable housing, but is still the most substantial federal investment in quality, stable, affordable homes for the country's lowest-income people ever (per NLIHC). The bill includes an additional investment of \$150 billion for Home and Community-Based Services. These services can help older adults and people with serious disabilities, including those who have experienced homelessness and now have access to housing, to receive essential services to assist them to retain that housing and be connected to their communities. The extension of the refundable Child Tax Credit will also provide those eligible families experiencing homelessness with much needed income.

BILLS - Updates

Asylum Seeker Work Authorization Act – New – On 2/10 Congresswoman Pingree reintroduced her Asylum Seeker Work Authorization Act, which would reduce the 365-day waiting period for Asylum seekers to obtain work authorization to 30 days. The bill makes no changes to law or regulation relating to the asylum process. Senator King introduced a companion bill in the Senate.

The Decent, Affordable, Safe Housing for All (DASH) Act – No new update – On 8/18 Senate Finance Committee Chair Ron Wyden (D-Ore.) announced the DASH Act, legislation to make a generational investment to house all people experiencing homelessness, tackle the housing affordability crisis, and expand homeownership opportunities for young people by creating a new down payment tax credit for first-time homebuyers. The DASH Act would make stable, safe and decent housing available for all by:

- Housing everyone experiencing homelessness within five years, and prioritizing children and families for placement, by issuing them a Housing Choice Voucher, because young children are heavily impacted by housing instability, and because housing is a chief determinant of health;
- Expanding health, child care, financial and nutrition services for families and individuals to stay on a path to unassisted housing stability, because the climb out of housing poverty is nearly impossible to complete alone;
- Greatly increasing the production of deeply affordable housing for families exiting homelessness and for low-income households by investing in effective, efficient existing programs and reforming the tax code to strengthen the Low-Income Housing Tax Credit (LIHTC) to weather the economic fallout from the pandemic, as well as establish a Renter's Tax Credit and Middle-Income Housing Tax Credit (MIHTC);

- Investing in homeownership in underserved communities and for low income Americans with new tax credits and down payment assistance, including a down payment tax credit for first-time homebuyers; and
- Incentivizing environmentally-friendly development strategies and land use policies.

How the DASH Act ends homelessness:

- Any person or family experiencing homelessness or at risk of homelessness will be able to contact a public child welfare agency, a public housing agency or any organization that is a part of a community's Continuum of Care and be evaluated for their eligibility for a Housing Choice Voucher. If they are deemed eligible, they will receive a voucher to pay the amount of rent that exceeds 30% of their adjusted income. Each person or family that receives a voucher will be individually evaluated for supportive services and will have access to a caseworker. Services will be provided through the Continuum of Care, and public housing agencies will administer the voucher; services will be permanently funded federally to meet the need.
- Housing Trust Fund: The legislation provides \$10 billion in the Housing Trust Fund (HTF) for the next ten years to states to acquire, develop or rehabilitate deeply affordable housing. States will be required to commit their entire allocation to eligible activities within five years, though the construction does not have a time limit. The intent is for states to efficiently construct a sufficient supply of deeply affordable housing that cannot otherwise be built given current resources and market conditions.
- Public housing agencies will receive a capacity investment in order to serve everyone experiencing homelessness in their jurisdiction, and states will receive a generational investment through the Housing Trust Fund program to construct an initial tranche of housing for these voucher recipients. States will be held accountable for making demonstrated progress towards housing all eligible people and families.

Key tax Provisions of the DASH Act:

- *Emergency Affordable Housing Act:* The Emergency Affordable Housing Act (EAHA) would strengthen the Low-Income Housing Tax Credit (LIHTC) to weather the economic fallout from the pandemic, by preserving and protecting current LIHTC properties, dramatically expanding production, and extending housing to those at extremely low incomes. Key provisions would expand the 9% housing credit by 50% to house more families; provide a 50% basis boost to projects that prioritize extremely low-income renters; expand the 4% credit for rural areas; reduce the tax-exempt bond financing threshold for 4% credit projects from 50% to 25% for 3 years; and preserve tens of thousands of affordable housing units by closing a key loophole. EAHA would produce nearly 1 million new affordable housing units over the next ten years.
- *Renter's Tax Credit:* Some 11 million low-income Americans are rent burdened. The Renter's Tax Credit provides a refundable tax credit to property owners who rent to eligible tenants with incomes at or below 30% of area median income. The credit equals up to 110% of the difference between market rent and utilities and 30% of the tenant's income. Each year, Treasury will allocate renters' credits to states through a per capita formula. States in turn will allocate their credits to participating property owners who have signed a binding rent reduction agreement with eligible tenants. A state's unused credits are returned to the national pool. Participating property owners must also comply with the Fair Housing Act.
- *Middle-Income Housing Tax Credit (MIHTC):* A new Middle Income Housing Tax Credit (MIHTC) would continue where the very successful LIHTC program leaves off, by providing a tax credit to developers who house tenants between 60 and 100% of area median income. The credit would equal 50% of the present value of construction costs, or 5% per year on an undiscounted basis. States would administer the program, and Treasury would annually allocate the credit to states based on a \$1 per capita formula with a \$1.14 million small state minimum. States could also use MIHTC dollars to augment their LIHTC program.

S 1469/HR 6287 Homeless Children and Youth Act – No New Update– On 12/14 the Homeless Children and Youth Act was introduced in the House by Congresswoman Sherrill and Congressman Van Taylor, and co-signed by nine other members of Congress. It was previously introduced in the Senate on 4/29 by Senators Feinstein, Portman, and Baldwin. HCYA corrects flaws in the HUD homeless assistance system. It aligns the HUD definition of homelessness with the definitions utilized by other federal agencies, increases data transparency within the current system, and allows localities to prioritize program models that best meet the needs of their communities.

S 3350 Helping Foster and Homeless Youth Achieve Act – No New Update – On 12/9 the Helping Foster and Homeless Youth Achieve Act was introduced in the U.S. Senate by Senators Jacky Rosen (D-NV) and Rob Portman (R-OH). This bipartisan legislation removes barriers to higher education for youth experiencing homelessness and youth formerly in foster care by requiring federally-funded institutions of higher education waive application fees for foster and homeless youth. Waiving the barrier of application fees will increase access to postsecondary education for homeless and foster youth.

RULES – No New Updates

State Update: Per Statute, the 2nd Regular Session of the 130th Legislature (the “short session”) begins the first Wednesday after the first Tuesday of January (1/12/22) and concludes the third Wednesday in April (4/20/22). Cloture, that date when bill titles must be submitted for consideration, is on 9/24.

Governor Mills announces Revenue Forecasting Committee Projects Additional \$411.6 Million in Revenue for Current Biennium & a forthcoming Change Package to the Supplemental Budget – New – On 3/1 Governor Mills announced that the Revenue Forecasting Committee projects an additional \$411.6 Million in revenue for the current biennium (FY 22 and FY 23). As such she announced that a Change Package to the Supplemental Budget is forthcoming and will be introduced as emergency legislation for

the Legislature to consider. The Governor also stated that she will propose adding at least half of the new revenue forecasted by RFC – \$205.8 million – to the \$411 million she previously proposed to give back to Maine people through direct checks.

Governor Mills announces FY22/FY23 Supplemental Budget (LD 1995) – New – On 2/15 Governor Mills introduced a supplemental budget proposal that returns half of the surplus back to Maine taxpayers, delivers crucial tax relief to working Maine families, and provides two years of free community college to pandemic-impacted students to strengthen Maine’s workforce. It also increases the Budget Stabilization Fund to more than \$500 million. [The full Supplemental Budget Bill Language, which is 48 pages long, can be found by clicking this link](#); [Part A, which includes the specific line items and is 158 pages long, can be found by clicking this link](#)).

Initiatives and budget items in the Supplemental Budget include, but are not limited to:

- \$30 million from the General Fund to fully implement updated rates for direct support worker wages, add and accelerate new cost-of-living adjustments for rates, and raise rates to be sufficient to pay direct support professionals at 125 percent of minimum wage.
- \$27.6 million in ongoing General Fund dollars so families can afford necessities and fight poverty by increasing the value of Maine’s Earned Income Tax Credit (EITC), which provides a refundable tax credit to working Maine people and families.
- Part U: Establishes the Housing Opportunity Program within the Department of Economic and Community Development to encourage and support the development of additional housing units in Maine, including housing units that are affordable to low and moderate income people and housing units targeted to community workforce housing needs. Included within Part U are Service Provider Grants and Community Housing Incentive Program grants ([Page 28 of the Supplemental Budget Bill Language](#)).
 - Proposed Funding ([page 45 of Part A](#)): Competitive grants to regional service providers to support town housing ordinance development, planning board and public processes in participating municipalities: \$1,000,000 in FY 23; Community housing implementation grants to towns: \$1,550,000 in FY 23;
- \$487,063 (page 85) and \$1,512,937 (page 98) in FY 23: Funding for homeless youth services in the Mental Health Services – Children program and the Homeless Youth Program ([page 85 and 98 of Part A](#)).
- \$831,880 in FY 23: Funding for 8 Behavioral Health Program Coordinators within the Department of Public Safety ([page 150 of Part A](#)).
- Nearly \$12 million in unappropriated funding for the discretion of lawmakers.

A Public Hearing has been scheduled in front of the AFA Committee on Monday, 2/28 at 9:30 am (Executive and DHHS testimony) and 1:00pm for Part A, initiatives related to DHHS, and on 3/3 at 1pm for initiatives related to Labor/Housing.

BILLS

Please see the attached Bill Tracking Document for information on Bills in the Second Session of the 130th Legislature.