

Federal Legislation Update

BUDGET & FUNDING-RELATED ITEMS - Updates

➔ **Inflation Reduction Act/Budget Reconciliation Bill – Update** – On 8/16 President Biden signed the Inflation Reduction Act, a reconciliation package that includes roughly \$433 billion in new spending over the next 10 years on climate, energy, and health provisions. However, the Inflation Reduction Act of 2022 excludes housing investments that advocates fought strongly to include. Despite housing being a key driver of inflation, the bill doesn't address limited housing supply, increasing rents, or increases in homelessness across the country.

➔ **FY 23 Budget – Update** – The Senate is scheduled to return from August recess on 9/6, with the House following suit on 9/13. Congress will have until 10/1 to either enact an FY 23 Budget, pass a Continuing Resolution (CR), or risk a government shutdown. Though a shutdown is not likely the Senate and House Appropriations bills have a way to go to reach agreement. A CR may be the more probable outcome due to upcoming elections.

Senate FY 23 T-HUD Budget – No new update – On 7/28 the Senate released its FY 23 T-HUD Budget, which would provide \$70 billion in funding, including \$10.3 billion in offsets, for HUD's affordable housing, homelessness, and community development programs – an increase of \$4.3 billion over FY22-enacted levels but \$3 billion less than the House bill and \$1.9 billion less than the amount proposed in President Biden's FY23 budget request. Some programs would be funded at levels higher than the House bill, while others would receive less funding than FY 22 enacted levels or the amounts proposed by the House. The Senate bill would provide:

- \$30.18 billion for HCVs, an increase of \$2.8 billion over FY22-enacted levels and likely enough funding to renew all existing contracts. The Senate bill would only expand rental assistance to approximately 5,000 additional households.
- \$14.687 for Project-Based Section 8.
- \$3.545 billion for Homeless Assistance Grants.
- \$4.818 billion for the Community Development Block Grant program.
- \$1.725 billion for the HOME Investment Partnership Program.
- \$1.03 billion for the Section 202 Housing for the Elderly Program.
- \$468 million for HOPWA.
- \$3.405 billion for the Public Housing Capital Fund.

House FY 23 T-HUD Budget – No new update – On 7/20, the House passed its FY 23 T-HUD bill which would provide nearly \$63 billion for HUD's affordable housing, homelessness, and community development programs – an increase of \$9 billion over FY22-enacted levels. If enacted, the House proposal would provide substantial federal investments in affordable homes and increase the availability of housing assistance to families with the greatest needs. The bill proposes significant increases to nearly all HUD programs compared to FY22. The bill would provide:

- \$31.04 billion to renew all existing HCVs and to expand assistance to an additional 140,000 households.
- \$14.94 billion for Project-Based Section 8.
- \$3.604 billion (11% increase) for Homeless Assistance Grants.
- \$5.3 billion for the Community Development Block Grant program.
- \$1.675 billion for the HOME Investment Partnership Program.
- \$1.2 billion for the Section 202 Housing for the Elderly Program.
- \$600 million for HOPWA.
- \$3.67 billion for the Public Housing Capital Fund.

Some programs received more modest funding increases compared to FY22, including Section 811 Housing for Persons with Disabilities (\$400 million), Housing Counseling (\$70 million), Policy Development and Research (\$160 million), and fair housing programs (\$86 million). Other programs received level funding compared to FY22, including Public Housing Operating Funds (\$5.063 billion), tribal housing programs (\$1 billion), and legal aid for eviction prevention (\$20 million).

BILLS - Updates

President Biden's Housing Supply Action Plan – No new update – On 5/16 the White House released a comprehensive plan for combatting one of the major causes of inflation: the rising cost of rent and the severe shortage of homes affordable and available to America's lowest-income and most marginalized households. The "Housing Supply Action Plan" includes a series of measures designed to increase the supply of housing over the next five years, including (1) using federal transportation funds to incentivize jurisdictions to reduce restrictive local zoning laws; (2) supporting manufactured housing, accessory dwelling units, and small-scale developments; and (3) streamlining federal financing and funding sources to help lower costs and speed development.

S 4181, LIHTC Financing Enabling Long-term Investment in Neighborhood Excellence (LIFELINE) Act – No new update –

- ***On 7/27, the Treasury Department announced guidance to increase the ability of state, local, and tribal governments to use American Rescue Plan (ARP) funds to increase the supply of affordable housing in their communities. The Treasury plan allows state housing agencies to use State and Local Fiscal Recovery Funds (SLFRF) to provide financing for LIHTC projects.***

On 5/11, Senators Leahy and Connolly introduced the LIFELINE Act which would allow state, local, territorial, and tribal governments to use Coronavirus State and Local Fiscal Recovery Funds (FRF) to make long-term loans to Housing Credit developments. Senators Collins and King have signed on as original co-sponsors. The bill is companion legislation to the House version of the LIFELINE Act (H.R. 7078), introduced by Representatives Alma Adams (D-NC) and David Rouzer (R-NC) in March (co-sponsored by Congresswoman Pingree). The LIFELINE Act would remedy the current issue of ARPA funding not blending well with the Low-Income Housing Tax Credit (LIHTC program). Both the House and Senate versions of the LIFELINE Act allow FRF to be loaned to Housing Credit developments as a soft financing source to fill debts with loan maturities of 30 years or more and allow repayments on those loans to be used to finance affordable housing, including future Housing Credit properties.

HR 7716 Coordinating Substance Use and Homelessness Care Act of 2022– No new update – On 5/11 Congresswoman Madeleine Dean introduced the Coordinating Substance Use and Homelessness Care Act of 2022. On 5/17 the House ordered to be Reported in the Nature of a Substitute by the Yeas and Nays: 27 – 22. This bill would establish a grant program through HUD to award competitive grants to eligible entities to build or increase their capacities for the better coordination of health care and homelessness services for people who are experiencing homelessness and significant behavioral health issues, including substance use disorders, and are voluntarily seeking assistance.

S 2182, The Eviction Crisis Act – No new update– In 2021, Senators Michael Bennet (D-CO), Rob Portman (R-OH), Sherrod Brown (D-OH) and Todd Young (R-IN) introduced the Eviction Crisis Act. Opportunity Starts at Home, a coalition of national organizations seeking a solution to the eviction crisis have also endorsed this legislation. The bill would provide \$3 billion annually to fund the Emergency Assistance Fund to help low-income households who experience a catastrophic unexpected event that threatens their ability to remain stably housed and potentially fall into homelessness. Examples are fluctuation in income, car repairs, or medical bills. Work is underway to have Senator Collins and Senator King co-sponsor this legislation.

HR 7191 Homes for All Act – No new update – On 3/24 Congresswoman Omar reintroduced the Homes for All Act. The bill would invest \$1 trillion in dramatically expanding public housing and the national Housing Trust Fund and would guarantee housing as a human right. The Homes for All Act would invest \$800 billion over 10 years to build 8.5 million new units of public housing. The bill would also invest an additional \$200 billion over 10 years in the national Housing Trust Fund to build 3.5 million new permanently affordable homes for extremely low-income families. The bill would repeal the Faircloth Amendment (which currently prohibits the creation of additional public housing), make ongoing public housing operating and capital expenses mandatory, and create a new program to help protect families from gentrification and displacement.

HR 7196 Flexibility in Addressing Rural Homelessness Act – No new update – On 3/24 Congresswoman Axne and Congressman Frank introduced the “Flexibility in Addressing Rural Homelessness Act”. On 5/17 the House ordered to be Reported in the nature of a Substitute by Voice Vote. The bipartisan Act would allow Continuums of Care in rural areas to operate with more flexibility in spending homelessness funding provided through the “McKinney-Vento Homeless Assistance Act.” The legislation would allow McKinney-Vento funding to be used for short-term emergency housing in motels or hotels, repairs to make housing fit for habitation, and staff training and capacity building

S 3788/HR 6989 Housing for All Act of 2022 – No new update – On 2/25 Senator Padilla introduced the Housing for All Act of 2022 (companion bill introduced in the House on 3/9). The bill’s stated purpose is: “To address the homelessness and housing crises, to move toward the goal of providing for a home for all Americans, and for other purposes.” The bill would address the severe shortage of 6.8 million affordable homes for renters with the lowest incomes by investing in proven solutions to housing instability among the lowest-income households, including:

- The national Housing Trust Fund (\$45 billion);
- Supportive housing programs for the elderly and people with disabilities (\$900 million);
- HOME Investment Partnership Programs (\$40 billion);
- Housing Choice Vouchers (Expands the housing choice voucher program to provide assistance to homeless individuals and families and creates an entitlement to housing choice vouchers for extremely low income families;
- Project-Based Rental Assistance (\$14.5 billion);
- ESG (\$5 billion over 10 years);
- CoC Grants (\$15 billion over 10 years);
- Hotel/motel acquisitions and conversions to housing or non-congregate shelter (\$500 million); and
- Permanently reauthorize USICH.

HR 6693 Asylum Seeker Work Authorization Act – No new update – 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 Collins and Senator Sinema introduced a companion bill in the Senate (co-sponsored by Senator King).

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: On 5/9 the Legislature Adjourned Sine Die.