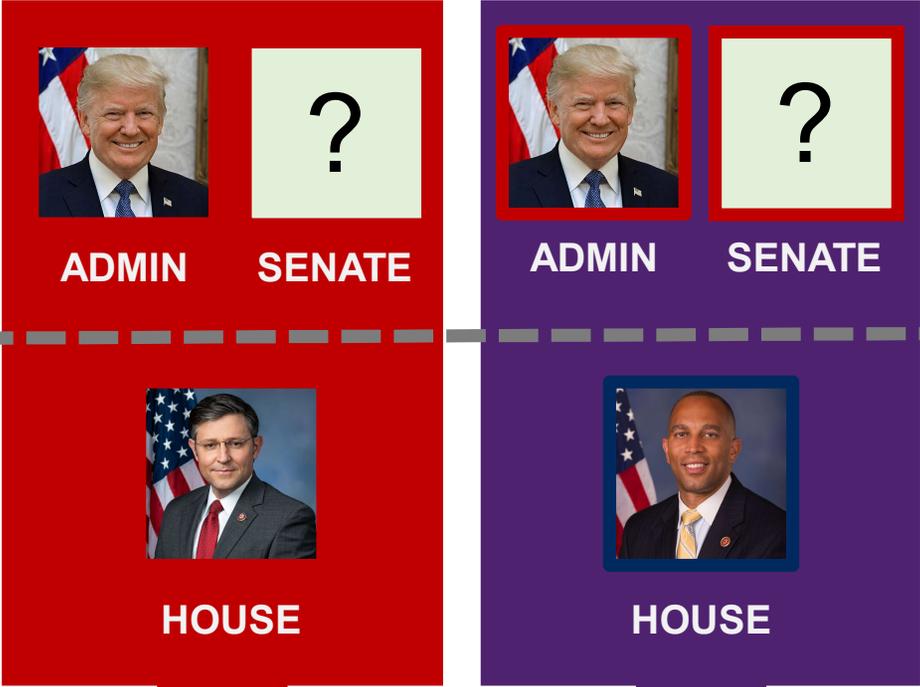




Maine Affordable Housing Coalition Housing Policy Conference

**Jennifer Schwartz | Director of Tax and Housing Advocacy
National Council of State Housing Agencies**

2024 Election



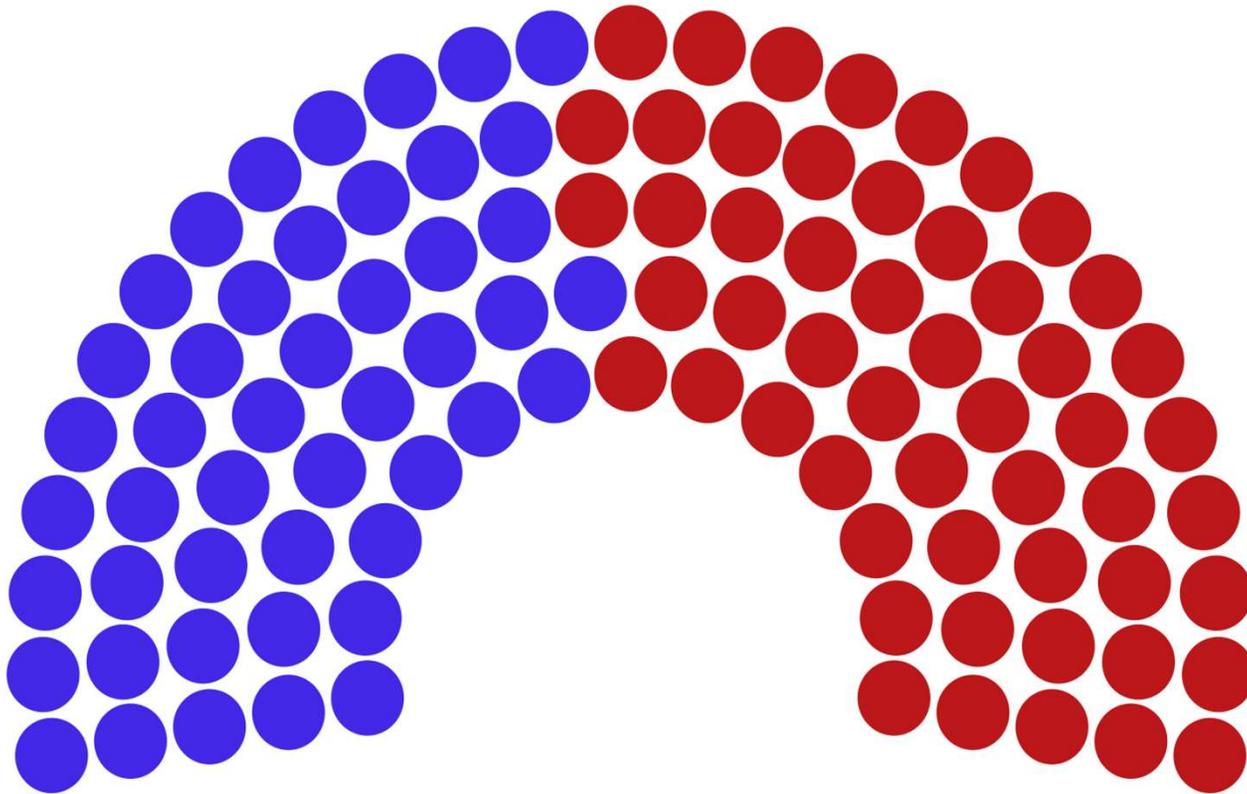
Republican Sweep

Divided Government



NCSH
50 YEARS

Republicans Took the Senate

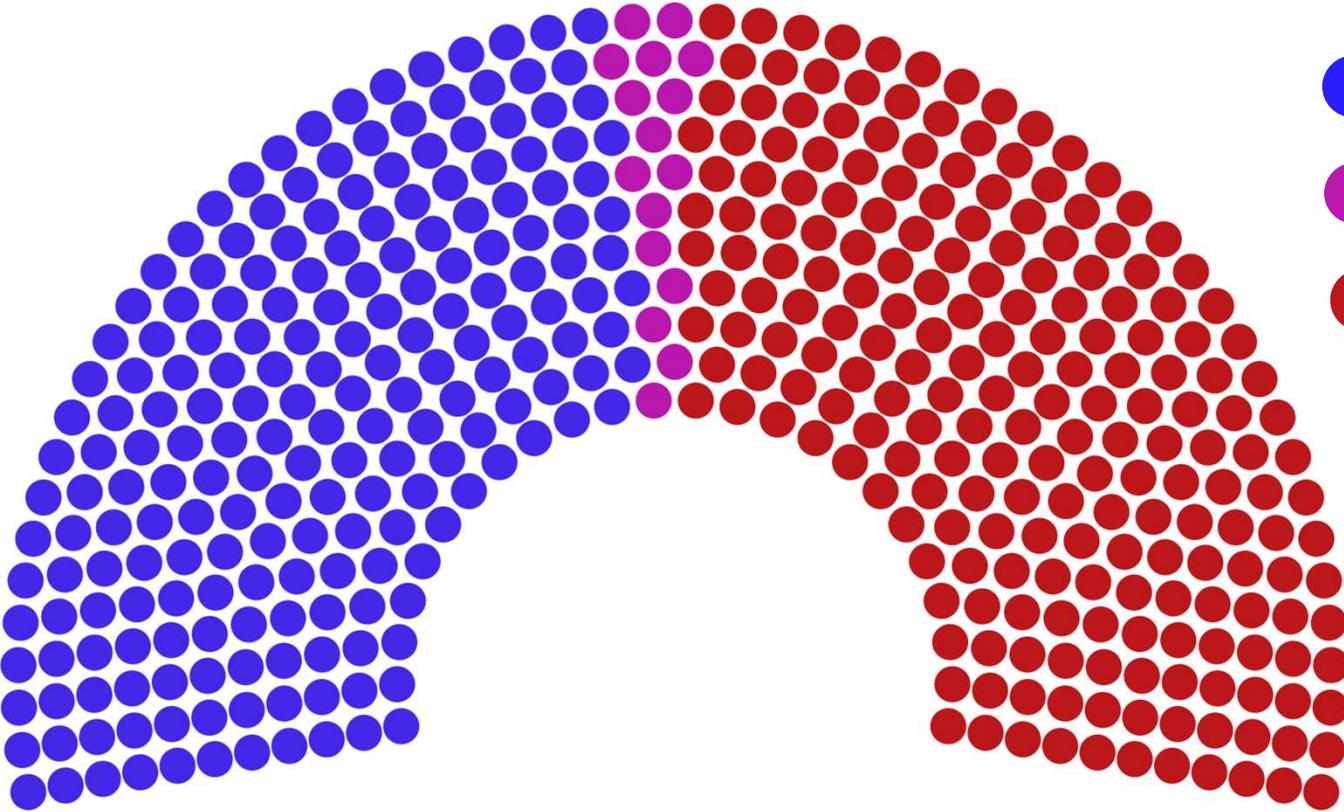


-  Democrat: **47***
-  Republican: **53**



* Includes independents who caucus with Democrats.

House Republicans poised to maintain majority



-  Democrat: **205**
-  Not Yet Called: **16**
-  Republican: **214**



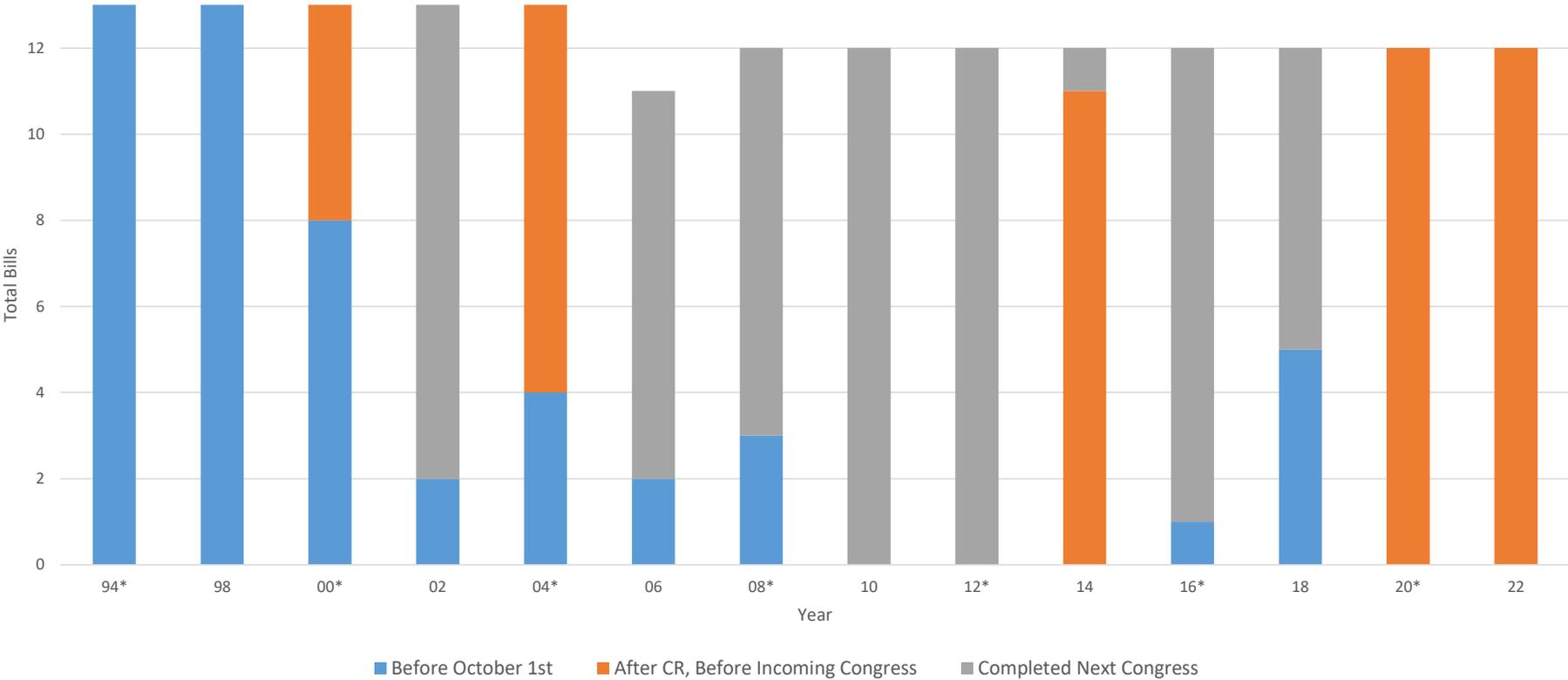
What's up in the Lame Duck?

- Congress returned November 12
- Continuing Resolution runs out December 20
- Disaster recovery legislation that could include:
 - Funding for FEMA, SBA disaster loan fund, CDBG-DR
 - Disaster tax provisions to expand casualty loss deductions and exempt certain compensation payments from income
 - Could a disaster bill be a vehicle for housing resources?
 - Disaster Housing Credit authority
 - Modifications to MRB rules to help homeowners impacted by disasters
 - Housing Credit provisions from the tax bill that stalled earlier this year
 - Restoring the 12.5% increase in 9% Housing Credits
 - Lowering the bond financing test from 50% to 30%



Wrapping Up FY25 Appropriations

Enactment of Appropriations in Lamé Duck Sessions



Key Items for 119th Congress

- Leadership and Committee assignments
- Passing a Budget Resolution (assumes Republicans control both chambers)
- Debt limit legislation
- Extension and possible expansion of the Tax Cuts and Jobs Act
- Appropriations legislation
- Judicial nominations
- Other Trump Administration priorities





What does it all mean for housing?



2025 Tax Action: AKA the “Super Bowl” of tax

Congress is expected to consider sweeping tax legislation in 2025 when the bulk of the tax changes from the 2017 Tax Cuts and Jobs Act expire.

- Approximately **\$4.6 trillion** in expiring tax cuts! (*And that’s before anything new is added*)
- Tax-writing committees are already preparing.
- An opportunity to advance housing tax priorities
 - Affordable Housing Credit Improvement Act
 - Affordable Housing Bond Enhancement Act
 - Neighborhood Homes Investment Act
 - Increased bond authority
 - Addressing GSE Tax Exempt Controlled Entity issue
 - New Markets Tax Credit extension

A Strategy for Moving Tax Legislation

Budget Reconciliation: An expedited process for considering legislation that would implement policies embodied in a Congressional budget resolution

- *When?* Effectively only an option when both chambers are controlled by the same party.
- *Why?* It allows the party in power to circumvent the Senate filibuster and pass legislation with a bare majority.
- *What are the limitations?* All provisions must have direct budgetary consequences such as changes in spending or revenues, thus it cannot include no-cost policy changes. Changes cannot raise the deficit outside of the 10-year budget window.

Affordable Housing Credit Improvement Act

- Expands the 9% authority by 50 percent (building 12.5 percent increase into baseline and accounting for inflation during two-year phase-in).
- Lowers the bond “financed-by” threshold from 50 to 25 percent and Expands multifamily Housing Bond recycling authority
- Basis boosts: New 30% boosts for rural areas, Native American lands, & state-determined boosts for bond deals; modifies QCT and DDA methodology; establishes 50% boost for properties with ELI restrictions.
- Makes the Credit a more effective tool for preservation and streamlines program rules
- Ensures protections for veterans and survivors of domestic violence, dating violence, and human trafficking.

Affordable Housing Credit Improvement Act

- 34 Senate cosponsors | 273 House cosponsors in the 118th Congress
- All members of the Maine delegation have cosponsored
- Strong bipartisan support, including a high level of support from congressional tax writers
- Timing of AHCIA reintroduction in 119th Congress TBD

FY 2024 Appropriations

Updated July 25, 2024

[View complete document online.](#)



FY 2024 Budget Chart for Select U.S. Department of Housing and Urban Development (HUD) and Department of Agriculture (USDA) Housing Programs (numbers in millions)	FY 2024 Enacted (Omnibus)	FY 2025 Budget Request	FY25 House Committee	FY25 Senate Committee
Choice Neighborhoods Initiative	75	140	0	100
Community Development Block Grant (CDBG)	3,300	2,930	3,300	3,300
<i>SUPPORT for Patients and Communities (Recovery)</i>	30	30	30	30
<i>“Yes In My Backyard” Grant Program</i>	100	100	0	100
Economic Development Initiatives (Earmarks)	3,290	0	2,176	1,187
Family Self-Sufficiency Program	140	125	125	200.5
HOME Investment Partnerships Program (HOME)	1,250	1,250	500	1,425
Homeless Assistance Grants	4,051	4,060	4,060	4,319
Housing Choice Vouchers	32,387	32,756	32,272	35,260
Housing Counseling Assistance	57.5	57.5	57.5	57.5
Housing for the Elderly (Section 202)	913	913	913	1,046
Housing for Persons with Disabilities (Section 811)	208	257	257	257
Housing Opportunities for Persons with AIDS (HOPWA)	505	505	505	524
Lead Hazard Control and Healthy Homes	345	350	335	345
Native American Housing Block Grants	1,111	820	1,222	1,217
Public Housing	8,811	8,540	8,214	8,783
<i>Public Housing Operating Fund</i>	3,200	3,200	3,041	3,200
<i>Public Housing Capital Fund</i>	5,476	5,050	5,098	5,473
Project-Based Section 8	16,010	16,686	16,595	16,654
Self-Help & Assisted Homeownership (SHOP)	60.0	55	56	70
(PRICE) —Manufactured Housing	10	0	10	10

Housing in a Trump Administration

- Promoting homeownership through tax incentives supporting first-time homebuyers (Republican Party Platform)
- Lowering regulatory hurdles to building new homes, such as environmental and permitting rules
- Reducing mortgage rates by addressing inflation
- Addressing demand by deporting/ending housing benefits for undocumented immigrants
- Making certain federal lands available for home construction

Housing in a Trump Administration

Potential candidates for HUD Secretary:

- Former Secretary Ben Carson
- Former FHA Commissioner Brian Montgomery
- Senator Tim Scott (R-SC) - *has declined in favor of becoming Banking Chair*

Potential candidates for Treasury Secretary

- Former SEC Chair Jay Clayton
- Hedge Fund manager Scott Bessent
- Senator Bill Hagerty (R-TN)
- Former USTR Robert Lighthizer

Open Questions

- Will President Trump seek to move forward with Housing Finance Reform, including privatizing the GSEs?
- How will a Trump presidency impact Community Reinvestment Act regulatory reform?
- Will the Federal Financing Bank remain available to HFAs participating in FHA's Risk Sharing program?
- How might new tariffs impact construction costs?
- How will a Trump administration handle Build America Buy America regulations?
- What will happen to IRA clean energy credits, GGRF funding?

Questions?

Stay Connected

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