NATIONAL
LEASED HOUSING
ASSOCIATION

Legislative Activity 118th Congress

Enacted Legislation

Consolidated Appropriations Act, 2024 (H.R. 4366, P.L. 118-42)—The Transportation-HUD annual appropriations bill was wrapped up in a package of six bills that President Biden signed March 9. The legislation provides $70 billion in net budget authority for HUD, $11.8 billion more than in FY23. The bill fully funds the renewal of contracts for Housing Choice Vouchers and Section 8 PBRA. Public housing operating funds received a small increase while capital funds were held level. HCV admin fees are held level at $2.7 billion. HOME was reduced somewhat due to a large amount of unexpended funds from the American Rescue Plan Act but received a healthy $1.25 billion, and CDBG formula grants stayed the same as the previous year, $3.2 billion. Homeless assistance increased to $4 billion. Improvements were made to the Rental Assistance Demonstration.

Passed the House

Tax Relief for American Families and Workers Act of 2024 (H.R. 7024)—The bill, which passed the House 357-70 on Jan. 31, 2024, would make two important changes to the low income housing tax credit: restoration of the 12.5% allocation increase for 2023 through 2025 and reduction of the bond threshold to access 4% housing tax credits from 50% to 30% for private activity bond allocations made in 2024 and 2025. These changes alone would increase the supply of affordable rental housing by an estimated 200,000 housing units. The two provisions are part of the industry-supported Affordable Housing Credit Improvement Act (AHCIA). There are other tax provisions in the legislation, including certain business deductions and an expansion of the child tax credit for low income families.

This bill has stalled in the Senate, where Majority Leader Chuck Schumer (D-NY) added it to the calendar, a procedure that allows him to bring it to the floor at any time. Many Republicans have not indicated how they might vote on the bill, so it is unclear whether there is enough Republican support to overcome a filibuster. The housing credit provisions are widely supported and not among the points of contention.

House Financial Services Committee Markups—Bills Approved

Respect State Housing Laws Act (H.R. 802)—passed the House Financial Services Committee on April 18, by a vote of 29-21. Sponsored by Rep. Barry Loudermilk (R-GA), the bill would strike the CARES Act 30-day eviction notice provision for all federally-related housing. The bill corrects a drafting error in Section 4034 of the CARES Act which should have clarified the intent of Congress that the 30-day eviction

notice requirement was temporary and should have ended with the 120-day eviction moratorium that the CARES Act had also put in place. Sen. Marco Rubio (R-FL) has introduced an identical bill S. 3755. The House bill has been sent to the Senate where it has been referred to the Banking Committee.

HUD Evaluation and Optimization Act of 2024 (H.R. 8302)—Sponsored by Housing Subcommittee Chairman Warren Davidson (R-OH), the bill would establish an independent, bipartisan commission to review the structure and programs of HUD and issue a report, on which Congress will vote, with recommendations on how to improve the department. Approved May 16, 2024.

Yes in My Backyard (YIMBY) Act (H.R. 3507) sponsored by Rep. Mike Flood (R-NE), approved May 16, 2024, would require communities that get CDBG funds to submit information to HUD about efforts to get rid of restrictive local land use policies that inhibit new housing construction. Sens. Todd Young (R-IN) and Brian Schatz (D-HI) are cosponsors of a companion bill in the Senate, S. 1688.

Disabled Veterans Housing Support Act (H.R. 7480)—sponsored by Rep. Monica De La Cruz (R-TX), would require HUD to exclude any service-connected disability compensation received by a veteran from the income eligibility formula HUD uses to determine if a veteran qualifies for the CDBG program. Approved May 16, 2024.

Housing Unhoused Disabled Veterans Act (H.R. 8340)—sponsored by Rep. Brad Sherman (D-CA), would combat veteran homelessness by requiring HUD to exclude Department of Veterans Affairs disability benefits received by a veteran from the income eligibility formula used to determine if a veteran qualifies for the HUD-Veterans Affairs Supportive Housing program. Approved May 16, 2024.

President's Proposed Budget

President Biden's FY25 HUD budget requests $72.6 billion in HUD budget authority, a modest increase limited by the strict spending caps agreed to in the Fiscal Responsibility Act of 2023, which limits nondefense spending to an increase of just 1%. The budget requests additional funds to renew all current rental assistance and seeks funding for 20,000 new rental vouchers for homeless individuals and families. However, the budget also reduces funding for public housing and CDBG formula funds. The HOME program would have level funding. The budget has $29.2 billion for Housing Choice Voucher contract renewals. HCV admin fees would be $2.9 billion for an estimated 93% in prorated funding.

Introduced Housing Legislation

Affordable Housing Credit Improvement Act (S.1557, H.R.3238) — AHCIA was reintroduced with bipartisan cosponsors and with some revisions from the 117th Congress. The legislation includes a 50% increase in 9% housing credit authority phased in over two years, with adjustments for inflation in 2024, to address the increased need for affordable housing. AHCIA contains more than two dozen other provisions that would help preserve existing affordable housing, facilitate housing credit development for extremely low-income households in hard-to-serve communities through basis boosts, and give credit allocation agencies new tools to strengthen program administration. In one key provision, the threshold for private activity bond financing with 4% tax credits would be lowered from 50% to 25%.

Affordable Housing Preservation and Protection Act (S. 3931)—introduced by Senate Banking Committee Chairman Sherrod Brown (D-OH) would provide loans to qualified owners of distressed HUD-assisted housing to make renovations necessary to preserve and improve the property for the long term. The bill authorizes $25 million in FY25 appropriations for the loans and such amounts as may be necessary in subsequent fiscal years. The 1% interest, subordinate loans are forgivable at HUD's discretion and coterminous with the low income use agreement. The bill authorizes a HUD waiver of the due on sale or due on refinancing restrictions. At least 20% of the total cost of physical improvements must come from non-federal resources unless HUD determines there is a need for a reduction or an exemption of this matching requirements.

Decent, Affordable, Safe Housing (DASH) Act (S. 680, H.R. 6970) —Introduced by Senate Finance Committee Chairman Ron Wyden (D-OR), this bill contains housing tax credit provisions from the Affordable Housing Credit Improvement Act (AHCIA); the entirety of the Neighborhood Homes Investment Act, which would create the Neighborhood Homes Tax Credit to spur the renovation and development of family homes in once-thriving communities that now have distressed neighborhoods; and provisions that would allow rental homes financed through Section 515 loans to retain their affordability requirements and ability to receive rental assistance through the USDA even after their mortgages mature. The DASH Act includes proposals to create a renter's tax credit for property owners who provide affordable homes to eligible tenants and to establish the Middle-Income Housing Tax Credit, which is intended to incentivize the development of rental housing for households earning 60-100% of area median income. Rep. Val Hoyle (D-OR) introduced an identical bill in the House.

Choice In Affordable Housing Act (S.32, H.R. 4606) — This bill, introduced by Sen. Chris Coons (D-DE) and Sen. Kevin Cramer (R-ND), attempts to expand housing choice by increasing the number of units in high-opportunity neighborhoods that accept Housing Choice Vouchers. The bill would authorize $500 million to create the Herschel Lashkowitz Housing Partnership Fund for PHAs to distribute signing bonuses to landlords in areas with less than 20% poverty, provide security deposit assistance to tenants and financial bonuses to PHAs with a dedicated landlord liaison on staff. It would authorize increased funding for the Tribal HUD-VASH program, expand the Small Area Fair Market Rent calculation in metro areas, reduce inspection delays by approving pre-inspections up to 60 days in advance to receiving a housing choice voucher, and would approve units that have passed inspection under other federal programs (e.g., housing tax credit, HOME, RD) within the previous year, and refocus HUD's evaluation of housing agencies by reforming PHA evaluations to promote diversity in neighborhoods where vouchers are used. An identical bill was introduced in the House by Rep. Emanual Cleaver (D-MO) and Rep. Chavez-DeRemer (R-OR).

Fair Housing Improvement Act of 2023 (S.1267, H.R. 2846) — Sen. Tim Kaine (D-VA) and Reps. Scott Peters (D-CA) and Adam Schiff (D-CA) reintroduced this bill to expand the Fair Housing Act by adding source of income and veteran status as protected classes. This bill would ban landlords from refusing to rent to households using nontraditional methods of income to pay rent, such as HCV and HUD-VASH awards, benefits received through Social Security, or other nontraditional incomes.

Family Stability and Opportunity Voucher Act of 2023 (S.1257) — This bill, introduced by Sen. Todd Young (R-IN) and Sen. Chris Van Hollen (D-MD), would authorize, over a 10-year period, 500,000

incremental housing vouchers paired with mobility-related services (counseling, case management). The vouchers are targeted to families with young children to help them move to neighborhoods with high-performing schools, childcare, or early education programs.

Delivering Essential Protection, Opportunity, and Security for Tenants Act (DEPOSIT) Act (H.R. 1087) — Introduced by Rep. Barbara Lee (D-CA), the bill would authorize an appropriation for HUD to pay reasonable security deposits and moving fees in the Housing Choice Voucher program. The legislation would allow participating jurisdictions in the HOME program to provide loans or grants to very low- and low-income families for security deposits, regardless of whether a family is provided HOME tenant-based rental assistance. Localities shall require owners to return unused funds upon tenancy termination for reissuance. The bill directs HUD to study alternatives to security deposits, including monthly insurance premiums to cover costs.

Housing Supply Fund Act (S. 3928)—introduced by Senate Banking Committee Chairman Sherrod Brown (D-OH), the bill would authorize $500 million in appropriations for each of five fiscal years, which would provide a resource to community development financial institutions (CDFIs) to create and preserve affordable housing. The investments would allow organizations to expand innovative housing initiatives that include making smaller, less profitable mortgage loans for starter homes, financing resident-owned manufactured housing communities, converting commercial properties to affordable housing, and creating affordable housing and community facilities in mixed-use or transit-oriented developments.

Rural Housing Service Reform Act of 2023 (S.1389, H.R. 6785) — Sens. Tina Smith (D-MN) and Mike Rounds (R-SD) introduced a package of USDA Rural Housing Service reforms and improvements. Reps. Emmanuel Cleaver (D-MO) and Blaine Luetkemeyer (R-MO) introduced a similar bill in the House. A key provision is the decoupling of USDA rental assistance from requirements that a property must have an active USDA Section 514 or 515 mortgages to receive assistance. This policy change will fix an issue for USDA-financed properties with maturing mortgages by enabling property owners who commit to affordability to continue to receive project-based rental assistance. Additionally, this legislation would update USDA systems for measuring incomes to be in line with HUD and invest in IT so that USDA can process loans more efficiently. NLHA recently signed a letter to the House Financial Services Committee in support of H.R. 6785.

Workforce Housing Tax Credit Act (S. 3436, H.R. 6686)—Senate Finance Committee Chair Ron Wyden (D-OR), Sen. Dan Sullivan (R-AK), Rep. Jimmy Panetta (D-CA), and Mike Carey (R-OH) introduced a bill to increase the supply of affordable housing for middle income families. The bill provides flexibility so that state housing finance agencies are allowed to transfer their middle-income allocation to the low income housing tax credit allocation at any time. It allows buildings to combine the two credits to help make more low income housing projects financially feasible. Similar to the housing tax credit, state HFAs would allocate the tax credits to developers through a competitive process. To qualify, at least 60% of a building's units must be occupied by individuals with incomes at 100% of the area median or less and rents restricted to 30% of the designated income.

Public Housing Emergency Response Act (H.R. 307, S. 440)—Sponsored in the House by Rep. Nydia Velazquez (D-NY) and in the Senate by Elizabeth Warren (D-MA), the legislation would provide $70

billion in additional public housing capital funds to make up the backlog of need. The funds would be allocated according to each housing authority's capital needs assessment. Seven other Democratic senators are original cosponsors: Richard Blumenthal (CT), Cory Booker (NJ), Dick Durbin (IL), Ed Markey (MA), Chris Murphy (CT), Alex Padilla (CA), Tina Smith (MN); in addition to Bernie Sanders (I-VT).

New Markets Tax Credit Extension Act of 2023 (S.234, H.R. 2539) — Members of the Senate Finance Committee, Sens. Ben Cardin (D-MD) and Steve Daines (R-MT), and members of the House Ways and Means Committee, Reps. Claudia Tenney (R-NY) and Terri Sewell (D-AL), introduced identical legislation to make the NMTC a permanent part of the U.S. Tax Code. The program is set to expire at the end of 2025. The bill would also exempt NMTC investments from the alternative minimum tax, a floor percentage tax that filers must pay regardless of claimed credit or deductions.

Renewing Opportunity in the American Dream (ROAD) to Housing Act — Senate Banking Committee Ranking Member Tim Scott (R-SC) released a discussion draft of the ROAD to Housing Act. This legislation would ensure that households utilizing federal housing programs have greater access to financial literacy tools and housing counseling. The bill would eliminate the cap on the number of public housing units that may be converted under the Rental Assistance Demonstration, create incentives for federally insured housing loans of no more than $70,000, authorize the Moving to Work demonstration, and incentivize pay-for-success set aside funds for improved outcomes for homeless individuals in HUD homeless assistance programs. It requires an evaluation of MTW and annual testimony and oversight of officials from HUD, Ginnie Mae, FHA, and RHS.

House Democratic Priorities (H.R.4233, H.R.4232, H.R.4231) — Ranking Member of the House Committee on Financial Services Maxine Waters (D-CA) reintroduced a series of bills to encompass her housing legislative goals. The housing package includes *The Housing Crisis Response Act* which would invest $150 billion in several affordable and fair housing programs, including HOME, CDBG, and Section 8 Project-Based Rental Assistance, USDA's rural rental housing programs, fair housing initiatives and technical assistance. The legislative package includes the *Ending Homelessness Act of 2023*, a bill that would expand HUD's Housing Choice Voucher program and prohibit housing discrimination based on source of income and veteran status. Additionally, the package includes the *Down Payment Toward Equity Act of 2023*, a measure that would invest $100 billion to offer direct financial assistance to first-generation homebuyers purchasing their first home.

End Veteran Homelessness Act (H.R. 8560)—California Democrats Maxine Waters, Mark Takano, and Mike Levin introduced the bill in the House on June 5 would allow veterans who currently receive housing assistance through other federal programs to transfer into the HUD-Veteran Affairs Supportive Housing program, freeing up vouchers and other programs for non-veterans in need. The bill also would implement flexibilities from the Emergency Housing Voucher program to all PHAs to cover administrative fees to facilitate leases for veterans.

Green New Deal for Public Housing Act (S. 4012, H.R. 7782)—Sen. Bernie Sanders (I-VT) and Rep. Alexandria Ocasio-Cortez (D-NY) reintroduced this legislation, which would authorize appropriations of up to $234 billion over 10 years to reach a goal of transitioning the public housing stock to zero-carbon, highly energy efficient homes. The legislation would repeal the Faircloth amendment, which limits the

construction of new public housing developments. The bill creates two grant programs under one application process to modernize public housing through deep energy retrofits to increase energy savings and to upgrade energy efficiency, building electrification, and water quality. PHAs would keep any profits from community renewable energy generation for reinvestment.

Neighborhood Homes Investment Act (S.657) – Sens. Ben Cardin (D-MD) and Todd Young (R-IN) reintroduced this bill to create the Neighborhood Homes Tax Credit to spur the renovation and development of one- to four-unit homes in distressed, blighted neighborhoods and low homeownership rates. Modeled after the LIHTC program, NHIA would cover the "value gap" between the cost of building or renovating a home and the market-rate price at which it can be sold to low- and middle-income homebuyers. The proposal would provide low- and middle-income households with more equitable opportunities for homeownership and upward economic mobility. If enacted by the 118th Congress, the NHIA is estimated to finance the construction or renovation of 500,000 homes over the next decade.

Reducing Barriers to Housing Act (S. 4460, H.R. 8604)—Sponsored by Sen. John Fetterman (D-PA) and Rep. Lisa Blunt Rochester (D-DE), the bills would help state and local governments address the affordable housing crisis by directing the HUD Office of Policy and Research to provide technical assistance on zoning and land use, create new grant programs, and develop standardized models and best practices for local governments.

Let's Get to Work Act (S.39) — Sen. Rick Scott (R-FL) introduced his "Let's Get to Work Act" to extend SNAP work requirements to able-bodied adults receiving housing benefits who are under 60 years old and do not have children under 6 or care for incapacitated individuals. SNAP requires individuals to work or participate in a work program for a combination of at least 80 hours a month. Work can be for pay, for goods or services (for something other than money), unpaid, or as a volunteer. The bill would apply these requirements to public housing and voucher households. It would not apply to PBRA residents. NLHA does not support this legislation, since it would create additional burdens for PHAs and low income residents, and is proactively advocating against this bill.

Home Advantage for American Families Act of 2023 (S.551) — Introduced by Sen. Marco Rubio (R-FL), this bill seeks to limit real estate investments from foreign and illicit activity while expanding the extent of state housing tax credits. Specifically, this bill would require real estate sellers to disclose sales to foreign investors with the amount and source of funds from buyers.

Housing Accountability Act of 2023 (S.581) — Sen. Marco Rubio (R-FL) reintroduced a bill to increase physical condition and management oversight at properties with HAP contracts. This bill would require performance-based contract administrators to conduct semiannual surveys on physical and management structures on properties with HAP contracts with residents to determine persistent problems. The bill would also allow HUD to create additional penalties for properties out of compliance.

Safe Temperature Act of 2023 (S. 579, H.R. 1333) — Introduced by Sen. Marco Rubio (R-FL), this legislation would allow the HUD secretary to require properties receiving federal assistance to safely maintain temperatures between 71 and 81 degrees Fahrenheit. Rep. Frederica Wilson (D-FL) introduced companion legislation in the House.

Liberty City Rising Act (H.R.1334)— This bill, introduced by Sen. Marco Rubio (R-FL), would increase the safety standards for federally assisted public housing and project-based complexes in high-crime areas, to be determined by HUD based on state and local government violent crime data. This bill would also set safety procedures for PHAs and housing providers such as increasing locks, security cameras, lighting, and an "Anonymous Hotline" for tenants to report suspicious activity.

HUD Health and Safety Accountability Act of 2023 (S.553) — Sen. Marco Rubio (R-FL) introduced this bill to prioritize health and safety conditions in UPCS inspections for properties with HAP contracts. These new prioritizations would include local codes, health and sanitation procedures, and restoration. PBCAs would enforce these standards and be responsible for administering tenant surveys for properties that score below 80 on their 9843 forms.

HUD Inspection Reform and Capital Improvement Act of 2023 (S.554) – Sens. Marco Rubio (R-FL) and Rick Scott (R-FL) introduced this bill to increase oversight of HUD employees and properties with Section 8 HAP contracts. Specifically, this bill would adjust the penalties for properties that consecutively score below 59 on their UPCS inspections. The bill would allow HUD to place financial penalties on owners of these properties and may issue a notice of default to local governments and mortgagees if these owners fail to improve UPCS scores. In the case of a forced default, HUD may assign the property to a different owner with a budget-based rent increase or close the project entirely. Owners with forced defaults may also be permanently suspended from participating in federal programs. This bill would vary the frequency of UPCS and REAC inspections to one, two, or three years depending on these scores.

Keep Children and Families Safe from Lead Hazards Act of 2023 (S.577) — This bill, introduced by Sen. Marco Rubio (R-FL), would require HUD to conduct a lead risk assessment report of properties with tenant-based or project-based Section 8 subsidies. This bill would also require HUD to complete an action plan to address lead hazards found in the report.

Interagency Council on Affordable Housing Act (H.R.2974) — Introduced by Reps. Adam Schiff (D-CA) and Yvette Clarke (D-NY), this bill would establish an Interagency Council on Affordable Housing and Preservation, like the existing U.S. Interagency Council on Homelessness, dedicated to developing federal policy to preserve and strengthen existing affordable housing, public housing, and federal housing voucher assistance programs.