

Federal Legislation Update – Short Version

BUDGET & FUNDING-RELATED ITEMS - Updates

FEMA Hotels – No new update— On 3/1 it was announced that FEMA funding for hotels as non-congregate shelter has been extended until 7/1 (previously set to expire on 4/1). This does not solve for hotels that will be choosing not to extend their current contracts in Maine, of which there are many.

Forthcoming Budget Reconciliation Bill – No new update – On 4/6, Senators Dianne Feinstein and Alex Padilla sent a letter to congressional leadership calling for the inclusion of robust housing investments in any future budget reconciliation package. The letter urges leadership to ensure that the targeted housing investments in the House-passed Build Back Better Act remain in any future reconciliation bill.

FY 23 Budget – No new update— On 3/24 President Biden released his FY 23 budget, which per CBPP “calls for a range of policies that would boost opportunity and reduce poverty, improve health and well-being, and advance widely shared prosperity, funded by proposals to make the nation’s tax system stronger and fairer.” “The Administration recognizes that discussions with Congress on an economic package are ongoing. Rather than laying out specific proposals for that package in its budget, it calls on Congress to craft an economic package that reduces costs for families, tackles climate change, and raises revenues to pay for these investments and shrink the deficit.” The proposed budget funds HUD programs at \$71.9 billion, \$6.2 billion more than the final FY 22 level.

Specifically the President’s Budget would provide:

- **\$32.1 billion for HCVs**, an increase of \$6.4 billion (including emergency funding) over the 2021 enacted level, to maintain services for all currently assisted families and to expand assistance to **an additional 200,000 households**, particularly for those who are experiencing homelessness or fleeing, or attempting to flee, domestic violence or other forms of gender-based violence.
- Sufficient funding to renew all existing Project-Based Section 8 (\$1 billion increase).
- \$3.6 billion (11% increase) for Homeless Assistance Grants to meet renewal needs and expand assistance to nearly 25,000 additional households, including survivors of domestic violence and homeless youth.
- \$2.7 billion to Veterans’ homelessness programs, with the goal of ensuring every veteran has permanent, sustainable housing with access to healthcare and other supportive services to prevent and end veteran homelessness.
- Nearly \$2 billion for the HOME Investment Partnerships Program (HOME) (30% increase), to construct and rehabilitate affordable rental housing and provide homeownership opportunities. If enacted, this would be the highest funding level for HOME in nearly 15 years.
- \$86 million in grants to support State and local fair housing enforcement organizations and to further education, outreach, and training on rights and responsibilities under Federal fair housing laws. The Budget also invests in HUD staff and operations capacity to deliver on the President’s housing priorities, including to lift barriers that restrict housing and neighborhood choice, affirmatively further fair housing, and provide redress to those who have experienced housing discrimination.
- \$3.8 billion for the Community Development Block Grant program to help communities modernize infrastructure, invest in economic development, create parks and other public amenities, and provide social services. The Budget includes a targeted increase of \$195 million to spur equitable development and the removal of barriers to revitalization in 100 of the most underserved neighborhoods in the United States.
- \$1 billion to fund tribal efforts to expand affordable housing, improve housing conditions and infrastructure, and increase economic opportunities for low-income families. Of this total, \$150 million would prioritize activities that advance resilience and energy efficiency in housing-related projects.
- \$180 million to support 2,000 units of new permanently affordable housing specifically for the elderly and persons with disabilities, supporting the Administration’s priority to maximize independent living for people with disabilities. To complement these investments, the Budget contains a total of \$50 billion in mandatory funding and additional Low-Income Housing Tax Credits to increase affordable housing development. Specifically, the Budget provides \$35 billion in HUD funding for State and local housing finance agencies and their partners to provide grants, revolving loan funds, and other streamlined financing tools that reduce transactional costs and increase housing supply, as well as grants to advance State and local jurisdictions’ efforts to remove barriers to affordable housing development.
- \$15 million to test new ways to enable low-income youth with disabilities—including youth who are in foster care, involved in the justice system, or are experiencing homelessness—to successfully transition to employment.

Dear Colleague Letter Re. HUD funding – No new update – A Dear Colleague Letter is circulating in Congress calling on leadership to appropriate increased funding for HUD programs – specifically Section 8, Homeless Assistance grants, and money for housing. Senator King and Congressman Golden have both signed on to the letter.

FY 22 Budget – No new update – The House voted on 3/9, with the Senate following suit on 3/10, on a final deal to fund the government for FY22 through an omnibus spending package.

FY 22 T-HUD Budget – No new update – T-HUD funding was included as part of the larger omnibus package for FY 22. Overall, the spending bill provides HUD programs with \$53.7 billion, or \$4 billion above FY21 enacted levels. Despite this increase, overall the bill

funds HUD programs less than the president's FY22 budget request, the House proposal, and the Senate proposal. Per the CBPP the bill provides:

- \$24.1 billion to fully renew existing vouchers; and
- \$280 million for new Housing Choice Vouchers, which CBPP estimates will fund approximately 30,000 new vouchers:
 - \$30 million for the Family Unification Program (FUP) to assist families and foster youth;
 - \$50 million for HUD-VASH to help veterans experiencing homelessness;
 - \$200 million for new vouchers without special targeting (although HUD is permitted to add requirements to ensure vouchers go to people experiencing or at risk of homelessness and domestic violence survivors).
- \$3.2 billion for Homeless Assistance Grants, an increase of about \$200 million;
- \$114 million for the McKinney-Vento Act's Education for Homeless Children and Youth (EHCY) program (7% increase from FY 21); and
- \$140.3 million for the Runaway and Homeless Youth Act (RHYA) programs. (2.6% increase from FY 21).

The bill does not include the House Appropriators' proposed expansion of Housing Choice Vouchers to an additional 125,000 households.

BILLS - Updates

S 4181, LIHTC Financing Enabling Long-term Investment in Neighborhood Excellence (LIFELINE) Act – Update – 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.

President Biden's Housing Supply Action Plan – New – 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.

HR 7716 Coordinating Substance Use and Homelessness Care Act of 2022 – New – On 5/11 Congresswoman Madeleine Dean introduced the Coordinating Substance Use and Homelessness Care Act of 2022. 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 – New – 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.

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". 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

Housing for All Act of 2022 – No new update – On 2/25 Senator Padilla introduced the Housing for All Act of 2022. 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).

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.

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.

Governor Mills & MaineHousing Announce \$20 Million to Expand Affordable Rental Housing in Rural Maine – New – On 5/10 Governor Mills and MaineHousing announced the launch of a \$20 million program supported by the Governor's Maine Jobs & Recovery Plan to tackle Maine's housing shortage by expanding the availability of affordable rental housing across rural Maine. The Rural Affordable Rental Housing Program will provide funding to build smaller affordable rental housing units. Under the program, projects must be between 5 and 18 units in size and may either be new construction, rehabilitation of existing housing, or reuse of existing buildings into livable spaces for low- and moderate-income households. The program is funded with \$10 million from the Maine Jobs & Recovery Plan, the plan proposed by Governor Mills and approved by the Legislature to invest nearly \$1 billion in American Rescue Plan Act to support Maine's economic recovery from the pandemic. It is also funded with \$10 million from MaineHousing using money the agency gained last year by refinancing existing bonds and purchasing new bonds at lower interest rates or from the agency's Housing Opportunities for Maine (HOME) fund.